

# Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2023



Ceramic Tile Mural at the Library





# Citrus Trails Park and Mission Park



# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**CITY OF LOMA LINDA, CALIFORNIA**

For the Fiscal Year Ended June 30, 2023

**Prepared by:**

**City Manager's Office  
Finance Department**

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**CITY OF LOMA LINDA**  
**Annual Comprehensive Financial Report**  
**For the Year Ended June 30, 2023**

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# City of Loma Linda

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December 20, 2023

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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. 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 Annual Comprehensive Financial Report includes the financial activity for all funds of the City, Housing Authority, Public Financing Authority and Fiduciary Funds. The report is organized into three major sections which include the Introductory Section, the Financial Section, and the Statistical Section.

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

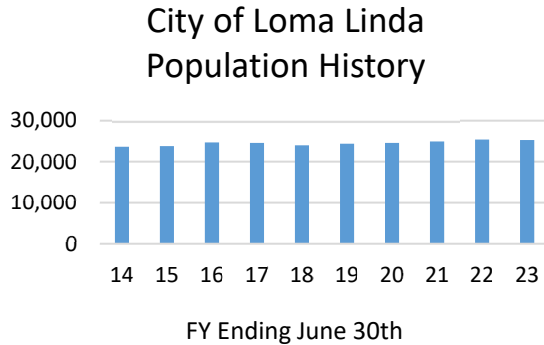
Rogers, Anderson, Malody and Scott, LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Loma Linda's financial statements for the year ended June 30, 2023. The independent auditor's report is located at the front of the financial section of this report.

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 11,838 employees, the one of the largest employer in San Bernardino County. Loma Linda ("Beautiful Hill"), originally known as "Mound City", has a history of being a health-conscious community, and in 1993 became the first "smoke free" city in San Bernardino County. The Seventh-Day Adventist Church purchased the Loma Linda Resort Hotel from a group of businessmen and physicians from Los Angeles hospitals and converted it into the Loma Linda Sanitarium in 1905. The Sanitarium eventually became a full service medical facility and medical college, the forerunners of the Loma Linda University and Medical Center.

Loma Linda covers an area of 8.6 square miles and has a resident population of 25,228, as certified by the State Department of Finance, as of June 30, 2023. The City has decreased by 121 residents from the previous year. Loma Linda’s median income is \$63,272, which is 14.3% higher than the average for San Bernardino County.



As presented in the ten year population history chart, Loma Linda’s population has plateaued over the past 10 years. The 2020 Census measured the population at 24,791 which is a 6.6% increase from the 2010 Census population of 23,261. In comparison, San Bernardino County grew by 7.2% between the 2010 and 2020 Census. The State Department of Finance has estimated a decline of 121 to the City’s population of its current total of 25,228 as of June 30, 2023 compared to the previous year.

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, 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 24 and 27 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 department level. Adjustments at the object level within the same fund and major categories of expenditures are permissible at the department level with the department head and 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 2022/2023 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 Department**

During the 2022/2023 Fiscal Year, the City's Community Development Department, which is comprised of the Planning and Building and Safety Divisions, has achieved numerous commendable accomplishments. Despite the Covid-19 pandemic over the past three years, the Department has processed a higher number of permits and entitlements compared to previous fiscal years, a reflection of the department's unwavering commitment to facilitating development even during difficult times.

The Building and Safety Division saw a significant rise in applications received, surpassing pre-pandemic numbers. In 2019, they processed 638 applications. And in the most recent year, this figure increased to 641 permits. Throughout the fiscal year, Building staff diligently continued outperforming their responsibilities, including plan checks, permit issuance, and inspections, and ensuring the smooth progression of projects.

Similarly, the Planning Division, responsible for land use and zoning activities, experienced substantial growth. They actively assisted residents, developers, and businesses both in-person and online to ensure proposed uses complied with city codes and the General Plan. In 2020, the Division issued 184 planning permits, which climbed to 250 in 2021. Despite facing staffing shortages throughout 2022, the team effectively processed 283 planning permits. The upward trajectory is expected to continue during the 2023 calendar year.

The Department also witnessed a remarkable increase in Accessory Dwelling Unit (ADU) permits. In 2021, they process 19 permits, which impressively surged to 51 in 2022. The projections for

2023 suggest a review of over 60 ADU/JADU (Junior ADU) permits, indicating growing demand for such projects in the city.

Aside from handling a surge in permits, the Community Development Department successfully completed various notable development activities over the past year, including finalizing the Candlewood Hotel and Vim + Vigor Fitness (formerly Fitness 19) facility, as well as issuing building permits for the Courtyard by Marriott Hotel. Additionally, they achieved significant progress with projects like the 103 detached condominiums project and the 51 lot subdivision that encompassed the expansion of the Frink Adobe site. The Department also embraced advancements in sustainable infrastructure, processing their first Electronic Vehicle (EV) charging station project, with expectations of more to come due to new streamlining laws for EV stations.

Among the ongoing endeavors are the Canyon Ranch annexation and the subdivision of 126 residential lots, both of which hold the promise of expanding housing opportunities within the community. Moreover, the Community Development Department is also reviewing a conceptual plan for 200+ apartment units alongside a 5-acre commercial site within the Groves Specific Plan area, designed to meet the evolving needs of the city's residents and businesses.

Looking ahead to the future, the Community Development Department is at the forefront of embracing technological advancements, as they work towards the completion of the new EnerGov/EPL permitting software system implementation. This forward-thinking move signals a transition away from traditional hard-copy application processing in favor of electronic submittals, streamlining the development process and enhancing efficiency.

Through these ambitious projects and forward-looking goals, the Community Development Department exemplifies their dedication to fostering a vibrant and sustainable city for the benefit of all residents and stakeholders.

### **Fire Department**

Fire resources were successful in containing the majority of 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. Rapid response and aggressive 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. While this fire season was significantly less destructive than in years past, Fire again participated in numerous mutual aid incidents for which the City was reimbursed.

Fire completed its vehicle replacement/upgrade with purchase of two command vehicles and an Alternative Response Vehicle (ARV) as well as repair and upgrade projects to facilities at both fire stations.

Community Risk Reduction (CRR), which includes Fire Prevention, Disaster Preparedness, Code Enforcement, Animal Control, and Parking Enforcement, were busy in 2022/23.

Fire Prevention Division maintained 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 Division also inspected all state mandated occupancies throughout the community.

Disaster Preparedness Division updated the Emergency Operations Plan (EOP), closed out the Homeland Security Grant 2020, and continued to increase resiliency in the community through equipment purchases and training of City staff.

At the beginning of 2022, Code Enforcement and Animal Control were officially reassigned from the Community Development Department to the Fire Department. As part of the pandemic response, Code enforcement assisted with meal deliveries to our most at-risk members throughout our City. The team also worked in partnership with community members to preserve and enhance our community's safety, appearance, and economic stability.

Animal licensing compliance continued to increase, animal impounds were maintained at record low levels, and rabies vaccination compliance was improved. The City currently utilizes the City of San Bernardino for shelter services.

Parking Enforcement maintained accessible public streets and drive aisles for emergency responders, continued to enforce permit parking zones for eligible residents and continued providing officer towed vehicles blocking for Public Works projects on public streets.

### **Information Systems Department**

Information Systems has been involved in the bidding, planning, vendor negotiation, and implementation process for the complete overhaul of the city's council chambers. The previous configuration was nearing 15 years old and in desperate need of an update. The project started in the 4<sup>th</sup> quarter of the 2022-2023 fiscal year and is expected to be completed by the 1st of the 2023-2024 fiscal year. This update is providing modern recording and streaming functions, a modern voting solution, greater public interaction tools, and more meeting control options to the City Clerk.

The city installed a new storage area network which is the backbone storage for all the city's servers. The previous solution hit end of life and is no longer supported by its manufacturer. This new solution increases the transfer rates of data and the total storage capacity.

The city initiated Security Operation Center (SOC) and Network Operation Center (NOC) services. This integrated two vetted 3<sup>rd</sup> party vendors into the city's network for security scanning, monitoring, patching, and remediating. This allows for better coverage and preparation for the known and unknown issues, faults, and threats.

The information systems department was involved in implementation and deployment of new software for water production and city permitting. Water production was using a dated software called Tokay for nearly a decade and the manufacturer offered a modern solution that utilizes current day computing frameworks; coupled with the city's systems, the software has been more stable and secure than ever before. City permitting has begun its transition away from the current 15 year old HDL permitting solution, to a modern solution that integrates with the city's current Tyler Enterprise ERP software (formerly known as Munis). The Information Systems Department has been playing an integral role in these transitions.

Additional upgrades to the city wide CCTV system and security has been completed. This includes additional cameras through the city, and security sensors at city sites allowing better security and visibility at these crucial locations.

The Loma Linda Connected Community Program (LLCCP), 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. The fiber network is being extended into new home construction with additional customers coming online as the network expands. Additional equipment was purchased and implemented to cater to an expanding customer base.

### **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.

#### **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 Agency dissolution in February of 2012, 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 2022/2023, 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 Redevelopment Agency actively manages the loans and/or the properties. There is one property in the Affordable Housing Program with a mortgage loan by the Loma Linda Housing Authority that is for sale. Several applications have been submitted and reviewed for qualifications by the City's Housing Consultant and Housing Attorney.

Under the Affordable Housing Agreement and its amendments with Mary Erickson Community Housing ("MECH"), a non-profit affordable housing developer, MECH continues to monitor the affordability covenants of four units on San Mateo Drive and four single-family homes on Juanita Street, which are all subject to long-term affordability covenants.

### **Economic Development**

The Economic Development Department, under the guidance of the City Manager's Office, has been successful in fostering a substantial pipeline of private development projects in Loma Linda. Recent accomplishments include the completion of the Candlewood Hotel, a specialized Medical Office Building catering to spinal surgery, and a state-of-the-art Vim + Vigor Fitness (formerly Fitness 19) facility.

Listed below are other projects that showcase the city's commitment to growth and progress; they are either currently under construction or poised to begin shortly.

- "Sierra Crest" - subdivision and design for a 103 detached condo project.
- "Golden Crest" - subdivision and design for 51 residential lots, new Zanja pedestrian trail and expansion of the Frink Adobe site.
- EV car charging station project.
- Canyon Ranch annexation and 126 residential lot subdivision.
- A half dozen small multifamily proposals throughout the city.
- California Eye Care Center, 30,382 sf building featuring retail and medical offices.
- Park Avenue 212 Senior-Living Apartments, comprising of 213 units.

These projects all serve as compelling evidence of Loma Linda's dedication to further enhancing its economic landscape and overall community well-being.

In addition, the Department has been leading various projects at promoting and enhancing our city's appeal to potential investors and residential alike. One of their most notable endeavors has been the initiation of a video production project, showcasing the exceptional attributes of our city. These videos are anticipated to play a pivotal role in attracting investors and fostering economic growth within our community. Moreover, the division has taken a pioneering step by establishing the city's inaugural social media presence, accompanied by a well-defined content and moderation policy. Once the platforms are set up, these channels will serve as powerful tools to amplify the city's diverse range of events and success stories, bolstering its overall image and driving further engagements with residents and potential visitors alike. This forward-thinking approach promises to make a significant impact on our local economy.

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

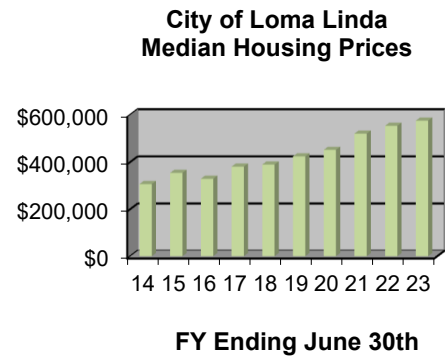
**Public Works**

During the 2022/2023 fiscal year, the Public Works Department completed or continued with the following projects: pavement rehabilitation on Poplar St., Pecan Way, Cedar Way, Murphy St., Welebir St., Loma Linda Dr., Cielo Ln., Almond Ct., Orange Crest Way, Huron St., Cypress St., Rosewood Dr., Sun Dr., Spade Dr., Saint David St., Gower St., and Mt. View from Redlands Blvd. to Barton Rd; Repaired sidewalks and ADA access ramps at various locations; Installed a walking track at Hulda Crooks Park; and completed various projects for the Art in Public Places.

**LOCAL ECONOMY AND PROSPECTS FOR THE FUTURE**

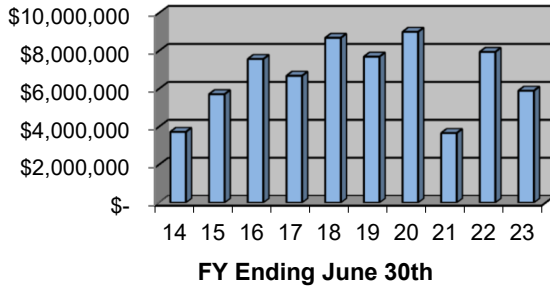
Loma Linda is a unique community with strong ties to its religious, educational and healing arts roots. The Loma Linda University Medical Center (LLUMC), the Jerry L. Pettis Memorial Veterans Medical Center (VA Medical Center) and the VA Ambulatory Care Center provide much of the economic base of the 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 2023, the median price of a home in Loma Linda was \$575,000 an increase of \$21,750 or 3.9%, from \$553,250 in 2022, according to County data. After several years of fluctuations in home values due to uncertain economic conditions, Loma Linda has seen a steady increase in home prices since 2016 thru 2023. 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.





**City of Loma Linda  
 Sales Tax History**

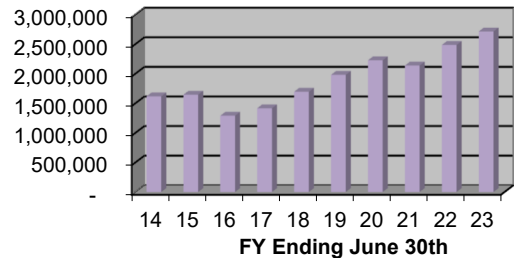


The Sales Tax History chart is a ten year historical presentation of the City’s sales tax revenue through fiscal year ending June 30, 2023. In 2023, the City received \$5,905,806. This is a decrease of 26% or \$2,045,350 from \$7,951,156 in fiscal year 2022. This decrease in revenue can be attributed to two unfortunate events; revenues that were incorrectly allocated to the City in fiscal year 2022 were reduced from the 2023 amount and a major sales tax producer within the City closed their doors as of December 31, 2022.

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 continuing to expand its sales tax base through economic development like recent commercial projects that have been added to the 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, 2023. As shown here, General Fund property taxes have steadily increased in fiscal years 2014 through 2015 following the great recession. 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, 2023, property tax revenues were reported at \$2,711,506, a net increase of \$227,967 or 9.2% from fiscal year 2022. Property tax revenue is reported in the attached Statistical table on pages 158-165.

**City of Loma Linda  
 Property Tax History  
 General Fund**

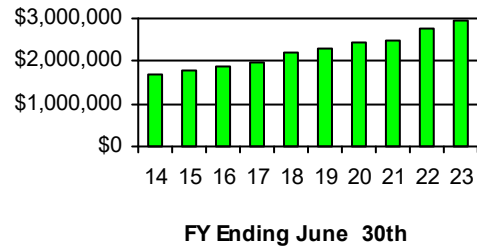


Median housing prices are just one factor in citywide assessed values. Tax-exempt properties continue to be a significant factor in the overall assessed values for the City and the former Redevelopment Agency, now the Successor Agency, in Loma Linda. As of June 30, 2023, the San Bernardino County’s Assessor reported an increase in city wide assessed property values of 8.15%, with Loma Linda showing a 7.39% increase.

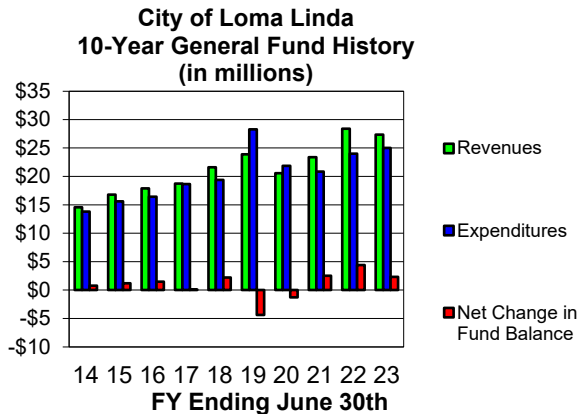
Overall property tax revenues are showing signs of growth as valuations increase and increase in demand for housing within the City is addressed. The sales of existing homes has started to slow down and it’s evident in the 42.4% decrease in property transfer tax from \$125,626 in 2022 to \$72,412 in 2023. In the recent years, with a high demand and low inventory 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 2013/2014. In fiscal year 2022/2023, the City collected \$2,943,157 in VLF revenue, an increase of \$197,856 or 7.2% 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, 2023. 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, 2023. 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.

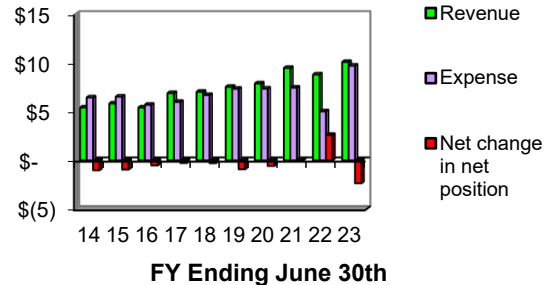
**ANNUAL OPERATING RESULTS – ENTERPRISE FUNDS**

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 2022/2023, Enterprise Fund operating revenues for Water, Sewer and LLCCP combined, totaled \$13,733,940, an increase of 1.1% over fiscal year 2021/2022, while operating expenses increased by \$6,978,448 or about 75.3%, over the same period. The increase in operating expenses is largely due to pension-related accounting adjustment to adjust net pension liability and amortization of deferred outflows/inflows.

### Water Operations

For Water Operations specifically, the Water fund had an operating deficit in the amount of \$2,345,649 this year. Last year the Water fund showed an operating surplus of \$2,612,397 for the year. As previously mentioned, expenses increased from prior year due to a pension-related accounting adjustment. Note that the chart to the right does not include any “non-operating” revenues or expenses, such as gain on disposal of assets, interest revenue of \$114,561, transfers in of \$805,699, capital contributions of \$1,844,315, interest expense of \$130,140 and transfer out of \$18,901. Interest expense in the Water Fund has decreased to \$130,140 from \$138,689 in 2022 which constitutes a 6.2% decrease due to interest amortizing on a lower principal balance. More information on the 2016 Water Revenue Refunding Bonds can be found on page 57 of the notes.

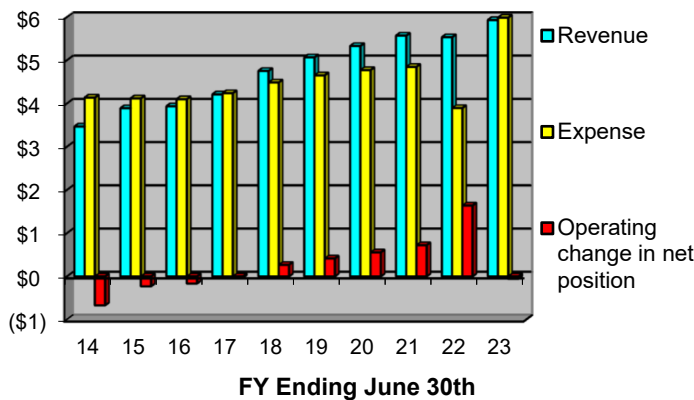
**City of Loma Linda  
 Water Operations Fund History  
 (in millions)**



In an effort to reduce operational cost and increase water conservation, the City has completed a multi-year City-wide meter replacement project that will reduce the loss of revenue and make monitoring water usage more efficient. Additionally, the City conducted a five year rate study to address the ongoing operating needs of the water and sewer systems. Adjusted water rates were implemented in March of 2019 and have increased each January until 2024. The City is currently undergoing a water and sewer rate study to continue to address ongoing operating needs of the water and sewer systems in the next five years.

### Sewer Operations

**City of Loma Linda  
 Sewer Enterprise History  
 (in millions)**



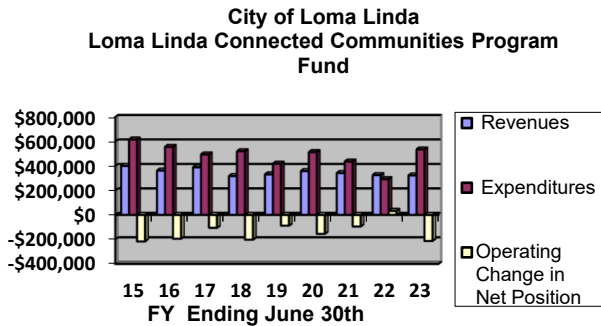
For the operating period ending June 30, 2023, the Sewer Fund ended the year with an operating change in net position of \$(55,734). Sewer revenues increased by \$396,585, or 7.2%, and operating expenses increased by \$2,091,716 or 53.7%. Similar to the Water Fund, expenses for the sewer fund increased by a significant amount due to a pension-related accounting adjustment. 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. Increased treatment expenses related 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 a five year rate study to address the ongoing operating needs of sewer system. New

sewer rates were implemented March of 2019, and have increased each January until 2024. The increases were deemed necessary in order to eliminate any operating losses, repay cash loans and build an emergency reserve fund. The City is currently undergoing a water and sewer rate study to continue to address ongoing operating needs of the water and sewer systems in the next five years.

### Loma Linda Connected Communities Program (LLCCP)

In fiscal year 2003/2004, an Enterprise fund was set up for the purpose of establishing requirements for standardized residential and commercial telecommunications cabling systems. This 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 2022/2023 was the nineteenth full year of operations. For the operating period ending June 30, 2023, LLCCP ended the year with operating revenues of \$323,033 compared to \$326,196 in 2021/2022. Operating expenses of \$535,869 are \$263,056 or 96.4% higher than expenses for fiscal year 2021/2022. Expenses for the LLCCP fund increased due to a pension-related accounting. This pension adjustment contributed to the operating deficit in net position of \$212,837 for the LLCCP fund. Additionally, net non-operating expenses, interest revenue and interest expense, is slightly lower as interest on outstanding loans to construct the Fiber Optic Network, continues to go unpaid and adds to the outstanding loan balance. The chart above 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 \$1,899,052 in employer pension costs and contributions to PERS. The notes to the financial statements are based on the measurement date of the last actuarial valuation which is June 30, 2022, therefore payments made to reduce the UAL are reclassified to Deferred Outflows of Resources in the government-wide statements. In fiscal year 2022/2023, the “City’s” share of retirement costs changed for Miscellaneous employees from 10.880% to 10.870%, for Miscellaneous PEPRA from 7.590% to 7.470%, for Safety plan from 21.790% to 21.840% and for Safety PEPRA from 13.130% to 12.780%. 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.

## **DEBT ADMINISTRATION**

As of June 30, 2023, the City and the Successor Agency had bond debt outstanding in the amount of \$24,885,000. 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, 2023, the balance of each bond respectively is \$3,280,000 and \$17,350,000. 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 total bond debt balance of \$4,255,000 at June 30, 2023. 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, 2023 by the certified public accounting firm of Rogers, Anderson, Malody and 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 ACFR.

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, 2023, 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 and Scott, LLP during the audit is appreciated.

## **AWARD**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Loma Linda for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. This was the nineteenth 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 an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

## ACKNOWLEDGMENTS

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

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

Respectfully submitted,



T. Jarb Thaipejr  
City Manager



Sonia Fabela  
Finance Director/Treasurer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Loma Linda  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

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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

**Diane E. Robbins**  
City Attorney

Lynette Arreola ..... City Clerk

Sonia Fabela .....Finance Director/Treasurer

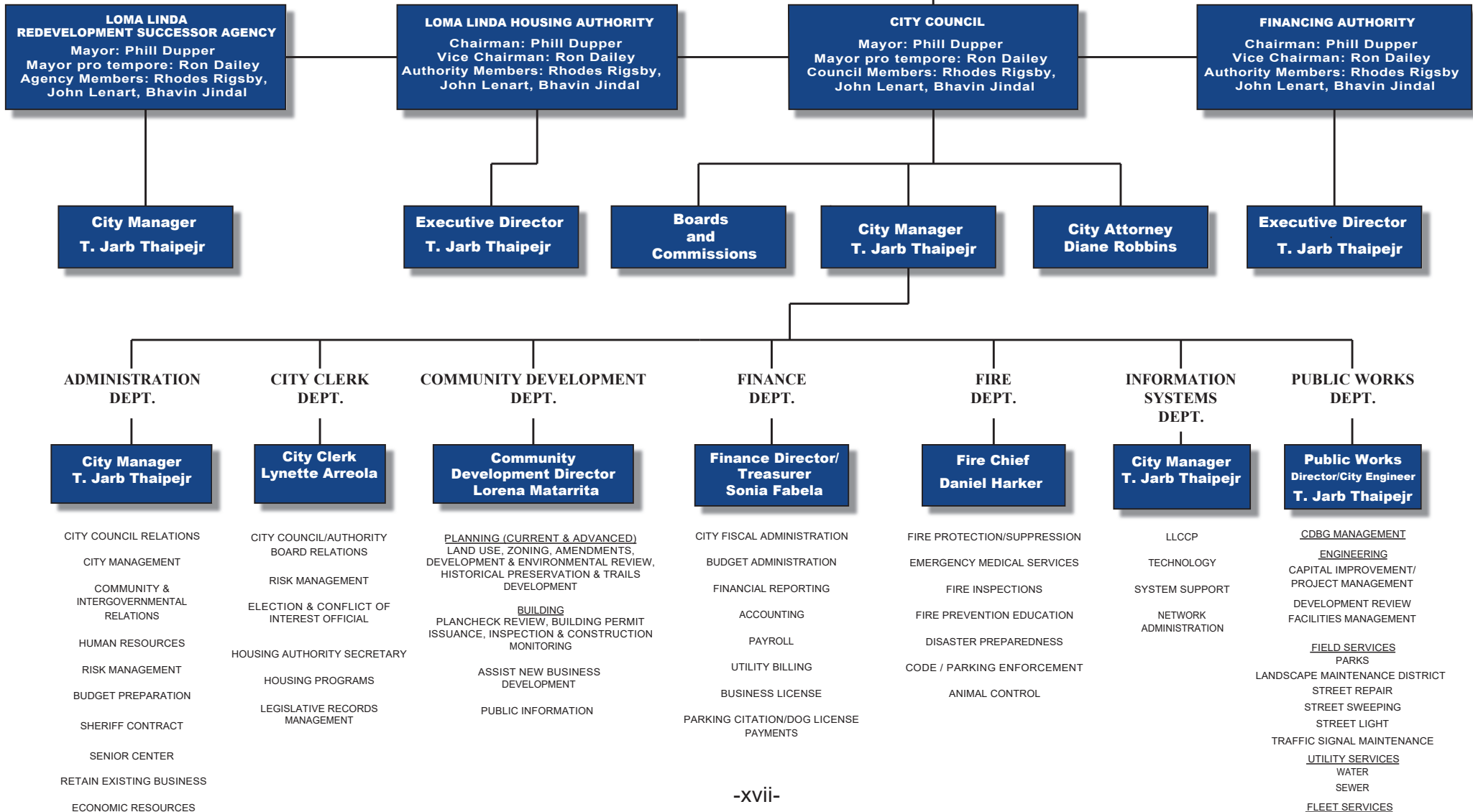
Lorena Mattarita..... Community Development Director

Daniel Harker.....Fire Chief

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# 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

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

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

### Report on the Audit of the Financial Statements

#### PARTNERS

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Leena Shanbhag, CPA, MST, CGMA  
Bradferd A. Welebir, CPA, MBA, CGMA  
Jenny W. Liu, CPA, MST  
Gardenya Duran, CPA, CGMA  
Brianna Schultz, CPA, CGMA  
Brenda L. Odle, CPA, MST (Partner Emeritus)

#### MANAGERS / STAFF

Seong-Hyea Lee, CPA, MBA  
Evelyn Morentin-Barcena, CPA  
Veronica Hernandez, CPA  
Laura Arvizu, CPA  
John Maldonado, CPA, MSA  
Julia Rodriguez Fuentes, CPA, MSA  
Demi Hite, CPA  
Jeffrey McKennan, CPA

#### MEMBERS

American Institute of  
Certified Public Accountants

*PCPS The AICPA Alliance  
for CPA Firms*

*Governmental Audit  
Quality Center*

California Society of  
Certified Public Accountants

### Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Loma Linda, California (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, 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.

### Basis for Opinions

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

### Responsibilities of Management for the Financial Statements

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



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

### **Emphasis of Matter**

As discussed in Note 1 to the financial statements, in the year ended June 30, 2023, the City adopted new accounting guidance under Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

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

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis and those schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

### ***Other Information Included in the Annual Report***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

San Bernardino, California  
December 20, 2023



## 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, 2023. 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 \$163,098,232 (net position); of this amount \$131,392,829 is from governmental activities and \$31,705,403 is from business-type activities, with \$21,046,810 positive and \$7,643,448 in negative unrestricted net position, respectively.
- In the Government-Wide – Statement of Activities: The City's net position increased 4.11% or \$6,443,410 from \$156,654,822 at the beginning of the year, to \$163,098,232 at the end of the year. The increase is the net result of a positive change of \$6,528,169 in governmental activities and a negative change of \$84,759 in business-type activities.
- In the Government-Wide – Statement of Activities: During the current year, Governmental activities program revenues increased by \$9,067,097; due to a net increase in combined operating/capital contributions and grants of \$10,328,397 offset by a decrease in charges for services of \$1,261,300. The increase in combined operating/capital contributions is primarily due to capital asset contributions (donated infrastructure) from developers in the Citrus Trails development. The decrease in charges for services is mainly due to lower developer impact fees received in 2023. Revenues from developer impact fees fluctuate depending on the volume and timing of development projects. Business-type program revenues increased by a net of \$2,888,407 primarily due to capital contributions from donated infrastructure.
- In the Governmental Fund – Statement of Revenues, Expenditures, and Changes in Fund Balance: During the year, the General Fund reported a positive net change in fund balance of \$2,317,341 from higher expenditures over revenues in the amount of \$1,377,135 offset with other financing sources of \$3,694,476. Of the total other financing sources, \$2,928,307 relates to the receipt of the second and final grant allocation of the American Rescue Plan Act of 2021 (ARPA) grant allocation. The City has used the funds to offset expenditures related to public safety.
- The City implemented GASB Statement No. 96, which requires government entities to account for subscription-based information technology agreements by requiring recognition of subscription assets and liabilities. See Notes 5 and 6 to the Basic Financial Statements for details.
- The City's net pension liability was \$8,525,331 as of June 30, 2023. In the previous year, the City's pension status became momentarily fully funded at a net pension asset position of \$2,454,170. This was as a result of California Public Employees' Retirement System (CalPERS) experiencing a 21.3% investment return in 2021 while it was a negative 6.1% rate of return for 2022 impacting the value of the Pension Plans' fiduciary net position. The shift from a net pension asset to a net pension liability as well as the amortization of deferred outflows/inflows (pension adjustments) were the primary factors in the increase of governmental activities expenses by \$16,189,771 from \$19,781,194 in 2022 to \$35,970,965 in the fiscal year ended June 30, 2023. The current year accounting adjustment increased pension expenses by \$6,229,152 while the prior year adjustment decreased expenses by \$8,583,132. The accounting adjustment does not impact cash flow or contribution rates.

- Last fiscal year ending June 30, 2022, the City implemented GASB Statement No. 87, which requires government entities to account for agreements to which it is a lessor and lessee by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating lease and recognized as inflows or outflows of resources based on the contract. As of June 30, 2023, the City reported lease receivable of \$5,703,728 and deferred inflows of \$5,467,388 for leases where the City is in a lessor capacity, and \$145,973 of lease liability for equipment leases.
- 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 \$1,213,058 while actual expenditures were \$2,088,923 less than the final budget. Actual other financing sources, net, were \$64,676 more than the final budget, resulting in a positive \$940,541 net change in budgetary variance and an actual increase in fund balance of \$2,317,341.
- In the 2022/2023 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 positive change in net position of \$1,916,700. 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 2022/2023, committed fund balance represent 8.21% 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 42% 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 legal 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 100-116 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 29-32.

**Fiduciary Funds** - The City is the trustee, or fiduciary, for certain amounts held in custodial funds 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 34.

**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 changes in Fiduciary net position can be found on page 34.

**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 36-85 of this report.

**Required supplementary information** - The *budget and budgetary accounting and postemployment benefit plans* information can be found on pages 87-94 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

Table 1 below shows a condensed Statement of Net Position comparison for the fiscal years ended June 30, 2023 and 2022.

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

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 74,719,687	\$ 74,819,374	\$ 16,482,502	\$ 13,889,206	\$ 91,202,189	\$ 88,708,580
Capital assets	66,660,265	54,668,183	43,035,350	41,027,321	109,695,615	95,695,504
<b>Total Assets</b>	<b>141,379,952</b>	<b>129,487,557</b>	<b>59,517,852</b>	<b>54,916,527</b>	<b>200,897,804</b>	<b>184,404,084</b>
Deferred Outflow of Resources						
Pension & OPEB	6,668,852	5,591,642	2,513,212	3,382,539	9,182,064	8,974,181
Long-term liabilities	7,729,072	922,545	25,937,278	23,619,363	33,666,350	24,541,908
Other liabilities	3,247,153	3,607,586	2,409,230	1,184,466	5,656,383	4,792,052
<b>Total Liabilities</b>	<b>10,976,225</b>	<b>4,530,131</b>	<b>28,346,508</b>	<b>24,803,829</b>	<b>39,322,733</b>	<b>29,333,960</b>
Deferred Inflow of Resources						
Pension, OPEB & Leases	5,679,750	5,684,408	1,979,153	1,705,075	7,658,903	7,389,483
Net Position (Deficit):						
Net Invested in Capital Assets	66,560,428	54,585,683	38,657,337	36,429,645	105,217,765	91,015,328
Restricted	43,785,591	43,645,029	691,514	685,433	44,477,105	44,330,462
Unrestricted	21,046,810	26,633,948	(7,643,448)	(5,324,916)	13,403,362	21,309,032
<b>Total Net Position</b>	<b>\$ 131,392,829</b>	<b>\$ 124,864,660</b>	<b>\$ 31,705,403</b>	<b>\$ 31,790,162</b>	<b>\$ 163,098,232</b>	<b>\$ 156,654,822</b>

The net position of government-wide activities increased by \$6,443,410 or 4.11% from \$156,654,822 in 2022 to \$163,098,232 in 2023. The City implemented GASB statement 96 effective July 1, 2022. GASB 96 requires the recognition of liability and rights-to-use assets associated with Subscription-Based Information Technology arrangements (SBITA). Additional information on both of these statements can be found on Note 1 of the financial statements.

For governmental activities, the increase of \$6,528,169 in net position is the result of an increase in total assets of \$11,892,395, offset by an increase in total liabilities of \$6,446,094, contributing to a gain in net position of \$5,446,301. That positive impact on net position was further improved by a decrease in lease-related, pension and OPEB deferred inflows of \$4,658, and an increase in pension & OPEB deferred outflows of \$1,077,210, for a net positive effect of \$1,081,868. For the business-type activities, the reduction in total net position of 0.27% or \$(84,759) is attributable to an increase in total assets offset by an increase in total liabilities for a positive change of \$1,058,646, offset with a decrease in pension & OPEB deferred outflows of \$869,327 and an increase in lease-related, pension & OPEB deferred inflows of \$274,078. Further detail on prior year comparisons is provided in Table 2.

As shown in Table 2, the change in net position is a positive \$6,528,169 for *governmental activities* and a negative \$84,759 for *business-type activities*, with a combined total increase in net position of \$6,443,410 for the fiscal year ending June 30, 2023.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Program Revenues:</b>						
Charges for services	\$ 9,462,788	\$ 10,724,088	\$ 13,256,508	\$ 13,142,936	\$ 22,719,296	\$ 23,867,024
Operating grants and contributions	3,973,992	3,913,570	-	-	3,973,992	3,913,570
Capital grants and contributions	12,481,660	2,213,685	2,774,835	-	15,256,495	2,213,685
<b>General Revenues:</b>						
Taxes	12,055,279	13,640,075	-	-	12,055,279	13,640,075
Motor Vehicle in-lieu, unrestricted	2,943,157	2,745,301	-	-	2,943,157	2,745,301
Investment Revenue	1,463,744	204,757	278,367	(64,894)	1,742,111	139,863
Other	78,144	26,036	590,993	517,022	669,137	543,058
<b>Total Revenues</b>	<u>42,458,764</u>	<u>33,467,512</u>	<u>16,900,703</u>	<u>13,595,064</u>	<u>59,359,467</u>	<u>47,062,576</u>
<b>Expenses:</b>						
<b>Governmental Activities:</b>						
General government	3,310,972	2,068,926	-	-	3,310,972	2,068,926
Public safety	20,947,648	10,634,051	-	-	20,947,648	10,634,051
Community development	3,841,626	2,264,274	-	-	3,841,626	2,264,274
Public works	7,867,724	4,811,300	-	-	7,867,724	4,811,300
Interest on long-term debt	2,995	2,643	-	-	2,995	2,643
<b>Business-Type Activities:</b>						
Water acquisition	-	-	177,556	271,277	177,556	271,277
Water	-	-	9,683,633	4,974,785	9,683,633	4,974,785
Sewer	-	-	5,986,152	3,894,446	5,986,152	3,894,446
LL Connected Communities	-	-	1,097,751	834,694	1,097,751	834,694
<b>Total Expenses</b>	<u>35,970,965</u>	<u>19,781,194</u>	<u>16,945,092</u>	<u>9,975,202</u>	<u>52,916,057</u>	<u>29,756,396</u>
<b>Changes in Net Position before</b>						
Transfers	6,487,799	13,686,318	(44,389)	3,619,862	6,443,410	17,306,180
<b>Transfers</b>	<u>40,370</u>	<u>167,951</u>	<u>(40,370)</u>	<u>(167,951)</u>	<u>-</u>	<u>-</u>
<b>Change in Net Position</b>	<u>6,528,169</u>	<u>13,854,269</u>	<u>(84,759)</u>	<u>3,451,911</u>	<u>6,443,410</u>	<u>17,306,180</u>
<b>Net Position at Beginning of Year</b>	<u>124,864,660</u>	<u>111,010,391</u>	<u>31,790,162</u>	<u>28,338,251</u>	<u>156,654,822</u>	<u>139,348,642</u>
<b>Net Position at End of Year</b>	<u>\$ 131,392,829</u>	<u>\$ 124,864,660</u>	<u>\$ 31,705,403</u>	<u>\$ 31,790,162</u>	<u>\$ 163,098,232</u>	<u>\$ 156,654,822</u>

Total revenues for governmental activities shows an increase of \$8,991,252 from 2022 to 2023. This increase was comprised of a net increase in governmental activity program revenue of \$9,067,097 and a decrease in the governmental activity general revenue of \$75,845. The increase in governmental activity program revenue includes 1) a decrease in charges for services of \$1,261,300, 2) increase in operating grants and contributions of \$60,422, and 3) an increase in capital grants and contributions of \$10,267,975. The decrease in charges for services was due to the combination of increases in refuse fees and fire service fees offset by a decrease in developer impact fees. The increase in capital grants and contributions was primarily due to donated infrastructure in the Citrus Trails area from developers. The operating grants and contributions include the receipt of the final grant allocation from the American Rescue Plan Act of 2021 (ARPA) in the amount of \$2,928,307. ARPA was designed to provide assistance to individuals, businesses and state and local governments to assist in the economic recovery from the COVID-19 pandemic. The qualified use of these funds includes public safety, infrastructure, and restoration of services to pre-pandemic levels. The City has used the funds to offset expenditures related to public safety.

The decrease in governmental activity general revenue is due to increases in: Motor Vehicle in Lieu/Intergovernmental of \$197,856, investment revenue of \$1,258,987, and other general revenues of \$52,108; offset by a decrease in taxes of \$1,584,796. The decrease in governmental activity general taxes was attributed to the increases in: 1) property tax of \$196,233, 2) transient occupancy tax of \$22,259, 3) franchise tax of \$188,868, 4) business license tax of \$52,916, and 5) other taxes of \$278; offset by a decrease in sales tax of \$2,045,350. The decrease in sales tax is due to the higher collections in the prior year including a misallocation to the City that was reduced from this year's collections, as well as one of the top sales tax producer closing their operations in the City as of December 2022. The increase in investment revenue is due to the combination of a higher average yield on investment, higher average investment balance in the current fiscal year, and lower negative fair market value adjustment.

Total revenue for business-type activities has an increase of \$3,305,639 from fiscal year 2022. This increase was due to an increase in business type activity program revenue of \$2,888,407 and an increase in business-type activity general revenue of \$417,232. The increase in business type activity program revenues were primarily due to donated infrastructure from developers. The increase in business-type activity general revenues was due to a higher investment revenue as a result of a higher average yield on investment and higher average deposit balance in the City's investment in the Local Agency Investment Fund (LAIF).

The governmental activity program expenses had a net increase of \$16,189,771 compared to the prior year. As discussed earlier, this increase in governmental activity program expenses was mostly related to accounting adjustments from the Governmental Accounting Standards Board (GASB) Statement No. 68 pension. The current year accounting adjustments increased pension expenses by \$6,229,152 with impact to functional categories as follows: \$3,876,593 increase in public safety expense, \$875,371 increase in general government expense, \$656,528 increase in community development expense and \$820,660 increase in public works expense. The prior year adjustment decreased pension expenses by \$8,583,132; \$5,419,395 in public safety expense, \$1,177,205 in general government expense, \$882,903 in community development expense and \$1,103,629 in public works expense. The business type activities experienced an increase in expenses of \$6,969,890 which was primarily due to the pension expense accounting adjustments as well as previously discussed. The current year adjustment increased pension expense by \$2,628,258 while the prior year adjustment decreased expenses by \$3,234,501.

In comparison to fiscal year 2022, the overall change in net position from operations for governmental activities was an increase of \$6,528,169 and business-type activities decreased by \$84,759 resulting in an overall City net position increase of \$6,443,410.

## **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		
	2023	2022	Change	2023	2022	Change
Functions:						
General government	\$ 3,310,972	\$ 2,068,926	\$ 1,242,046	\$ 495,419	\$ (855,396)	\$ 1,350,815
Public safety	20,947,648	10,634,051	10,313,597	13,650,716	3,077,823	10,572,893
Community development	3,841,626	2,264,274	1,577,352	(2,463,760)	802,235	(3,265,995)
Public works	7,867,724	4,811,300	3,056,424	(1,632,845)	(97,454)	(1,535,391)
Interest on long-term debt	2,995	2,643	352	2,995	2,643	352
 Total Governmental Activities	\$ 35,970,965	\$ 19,781,194	\$ 16,189,771	\$ 10,052,525	\$ 2,929,851	\$ 7,122,674

In looking at table 3, you will note the major changes both in total cost and net cost. In 2023, total costs increased by \$16,189,771 as 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 \$60,679,861, a net increase of \$2,225,197 in fund balance; included in this amount are increases in fund balance for General Fund of \$2,317,341, an increase in the Housing Authority of \$108,288, an increase in the Special Projects Construction Fund of \$1,083,346, an increase in the Regional Traffic Development Impact Fund of \$340,303, a decrease in the Park Fund of \$522,347, and a decrease in the Non Major Governmental Funds of \$1,101,734.

The General Fund had a net increase in fund balance of \$2,317,341, resulting from net expenses exceeding revenues by \$1,377,135, netted with total other financing sources of \$3,694,476 (of which \$2,928,307 was from the ARPA funds). During the fiscal year, tax revenues decreased by \$1,675,221 primarily due to the decrease in sales tax revenue net of abatements by \$2,062,689 offset by increases in: property tax revenue by \$174,753, franchise fees by \$188,867 and transient occupancy tax net of abatements by \$22,260. The decrease in sales tax revenue is due to the prior year increased collections as well as misallocated revenue to the City that was recovered from the state and remitted to the correct jurisdiction. In addition, during the current year one of the top sales tax producers closed their operations in the City as of December 2022 which contributed to the decrease in sales tax revenues. Use of money and property increased by \$519,050 due to higher interest earnings by \$363,523 and lower negative fair market value adjustment of the City's investments by \$110,373. Intergovernmental revenue increased by \$241,854 mainly due to increase in VLF revenue of \$197,856 due to increase in property values within the City. General Fund expenditures increased by \$1,028,218 compared to prior year. This increase is coming from the increase in current expenditures in the amount of \$497,073 and increase in capital expenditures by \$525,521. The increase in current expenditures is due to increases in: Public Safety for the Sheriff service contract and general services contractual agreements in the amount of \$655,628, salaries and benefits for cost-of-living adjustments in the amount of \$460,177, increase in repairs and maintenance of capital facilities and equipment in the amount of \$196,614, offset by decrease in pension expenditure in the amount of \$1,000,000 as the City made additional contribution towards the PERS unfunded liabilities in 2022.



Increase in the Regional Traffic Development Impact Fund was attributed to investment earnings and Development Impact fees while there were no expenditures as there were no active projects for this fund during the current year. The increase in the Special Projects Construction Fund is due to less capital expenditures in the current year while revenues from investments was slightly higher from prior year. The decrease in the Park Fund is due to lower Development Impact fees collected during the fiscal year while capital expenditures remain the same amount as the prior year. The decrease in Non-Major Funds is due to current year capital expenditures for the Traffic Impact Capital, Capital Project SA Bond Proceeds, and General Facilities funds exceeded current year revenues from interest earnings and developer fees.

In total, the *Proprietary Funds* reported a decrease in net position of \$84,759, 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 \$383,446. This was due to operating expenses exceeding operating revenue by \$2,345,649 offset by net non-operating revenues in the amount of \$97,982 and transfers and capital contributions of \$2,631,113. Operating expenses exceeded operating revenue due to 1) lower water sales resulting from less water demand compared to prior year, 2) increase in cost of sales and services due to increases in repairs and maintenance and utility costs, and 3) the recognition of pension accounting adjustment in the amount of \$1,823,689 which increased operating expenses while the prior year pension adjustment decreased expenses by \$2,240,911. Interest revenue, lease income, capital contributions and transfers in contributed to the favorable change in the net position of the Water Fund. The transfers in for capital contributions totaling \$805,699 in the Water Enterprise fund has a corresponding negative impact to the net position of \$620,447 for the Water Acquisition fund. The Water Enterprise fund received donated infrastructure from developers in the amount of \$1,844,315. The Sewer Fund ended the year with a positive change in net position of \$922,710, current operating expenses of \$5,985,069 exceeded \$5,929,335 in revenues. Similar to the explanation for Water Enterprise, the Sewer fund recognized pension expense in the amount of \$697,293 (while the prior year pension adjustment decreased expenses by \$849,324) and asset donations from developers. 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 in fund balance of \$770,468 (of which \$107,276 relates to the pension accounting adjustment) which 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 net expenditures of the *General Fund* at year-end were \$1,377,135 more than the actual revenues. However, there was a positive budget-to-actual variance of \$2,088,923 in appropriations due to certain capital expenditures such as vehicle and equipment purchases were not received before the end of the fiscal year contributing to \$714,583 of the total positive variance. The remainder budget-to-actual positive variance of \$1,374,340 is due to the conservative spending city-wide with saving in personnel cost, professional services, repairs and maintenance, and materials. Actual revenues were \$1,213,058 less than anticipated compared to the final budget due mainly to miscellaneous revenues from capital project-related overhead credits coming in less than budgeted due to the delay in the start of majority of Water fund capital projects. Revenues that came in higher than budgeted include charges for services, use of money and property, and licenses and permits, but were offset by shortfalls in taxes, intergovernmental revenue, and fines and forfeitures. 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 increased by \$2,284,668. While the expenditure appropriations budget was increased in total by \$2,759,768, the major increases was for overtime for fire services provided while on Strike Team.

Although the final adopted budget projected a \$1,376,800 positive change in fund balance, favorable results in expenditures of \$2,088,923 as discussed above offset by unfavorable results in revenues of \$1,213,058; and favorable results in other financing uses of \$64,676, resulted in the combined favorable results of \$940,541, as the actual positive net change in fund balance was \$2,317,341 for the fiscal year ending June 30, 2023.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

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

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Asset Type:						
Land	\$ 15,414,103	\$ 14,651,396	\$ 1,387,764	\$ 1,387,764	\$ 16,801,867	\$ 16,039,160
Construction in progress	1,246,766	3,095,955	1,060,281	208,735	2,307,047	3,304,690
Structures, machinery & equipment	15,920,695	11,081,867	6,011,895	6,435,896	21,932,590	17,517,763
Infrastructure	33,784,768	25,759,152	34,479,332	32,929,500	68,264,100	58,688,652
Intangible assets	293,933	79,813	96,078	65,426	390,011	145,239
Total	<u>\$ 66,660,265</u>	<u>\$ 54,668,183</u>	<u>\$ 43,035,350</u>	<u>\$ 41,027,321</u>	<u>\$ 109,695,615</u>	<u>\$ 95,695,504</u>

At the end of fiscal year 2023, the City had \$109,695,615 invested in a broad range of capital assets, a total increase of \$14,000,111 (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 increase in the City of Loma Linda investment in capital assets for fiscal year 2023 was 14.63% (a 21.93% increase in *governmental activities* and 4.89% increase in *business-type activities*). For fiscal year 2023, net increases are the result of new additions in greater amounts than deletions and disposals. 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	
	2023	2022	2023	2022	2023	2022
Asset Type:						
Land	\$ 762,707	\$ -	\$ -	\$ -	\$ 762,707	\$ -
Construction in progress	(1,849,189)	2,198,295	851,546	147,982	(997,643)	2,346,277
Structures, machinery and equipment	5,925,491	1,369,090	131,262	31,551	6,056,753	1,400,641
Infrastructure	8,969,098	567,446	2,774,835	1,597,320	11,743,933	2,164,766
Intangible assets	261,944	96,789	50,993	77,159	312,937	173,948
Total Additions	14,070,051	4,231,620	3,808,636	1,854,012	17,878,687	6,085,632
Less: Decreases, depreciation and amortization	<u>(2,077,969)</u>	<u>(2,443,444)</u>	<u>(1,800,607)</u>	<u>(1,924,613)</u>	<u>(3,878,576)</u>	<u>(4,368,057)</u>
Capital Asset Increase/(Decrease)	<u>\$ 11,992,082</u>	<u>\$ 1,788,176</u>	<u>\$ 2,008,029</u>	<u>\$ (70,601)</u>	<u>\$ 14,000,111</u>	<u>\$ 1,717,575</u>

As shown in Table 5, above, *capital assets* current year activity increased \$11,992,082 (net of depreciation and amortization) for *governmental activities* and increased \$2,008,029 (net of depreciation and amortization) for *business-type activities* for a total increase of \$14,000,111. The City recorded capital contributions from external sources. Developer contributed capital assets (park and park improvements, streets, traffic signals and lights in the Citrus Trails area) with estimated acquisition value of \$10,802,297 to governmental activities. Developers also contributed infrastructure assets of a combined \$2,774,835 to business-type activities. In the *governmental activities* remaining increase in capital assets can be attributed to the completion of California street widening and improvement, construction of a walking track at Hulda Crooks Park, vehicle purchases, installation of various art sculptures throughout the City and various improvements. The increase in business-type activities is primarily attributed to donated infrastructure from the Citrus Trails development. Additional information regarding capital assets activities can be found in Notes 11 and 5 of the financial statements.

### Long-Term Debt

In June 2012, GASB (Governmental Accounting Standards Board) issued Statement No. 68, requiring public employers that participate in a defined benefit pension plan administered as a trust or equivalent arrangement 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 18, with detailed information in Note 8 to the financial statements.

**Governmental Activities** - The City governmental funds have \$7,729,072 in outstanding long-term debt as of June 30, 2023; with the majority related to the net pension liability. Tables 6 below and Notes 6, 8, and 9 to the financial statements offer a more detailed view of governmental long-term debt.

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
1978 Water Bonds (General Obligation)	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
2016 Water Revenue Refunding Bonds			4,245,000	4,480,000	4,245,000	4,480,000
Compensated absences	818,591	706,726	286,295	278,414	1,104,886	985,140
Lease payable	80,393	82,500	65,580	67,447	145,973	149,947
Subscription-based IT arrangement payable	19,444		20,043		39,487	
OPEB liability	199,214	133,319	162,993	109,079	362,207	242,398
Net Pension liability	6,611,430	-	1,913,901	-	8,525,331	-
Add: Unamortized bond premium	-	-	37,390	40,229	37,390	40,229
<b>Total</b>	<b>\$ 7,729,072</b>	<b>\$ 922,545</b>	<b>\$ 6,741,202</b>	<b>\$ 4,985,169</b>	<b>\$ 14,470,274</b>	<b>\$ 5,907,714</b>

**Business-type Activities** - The enterprise funds have \$6,741,202 in outstanding long-term debt as of June 30, 2023. The water enterprise fund has bonded debt of \$4,255,000 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, net pension liability and OPEB liability total \$1,913,901 and \$162,993, respectively. Additional detailed information for business-type long-term debt is shown in Note 6 to the financial statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

As of March 2022, the Federal reserve has increased the federal reserve rate to 5.25% by increasing it ten times in increments of 25 to 75 basis points (0.25% to 0.75%) each time in order to tame inflation. Despite this effort, inflation continues to be high, however, interest rates have also increased causing steady household spending and combined with low unemployment rates, has kept the economy from going into the recession that had been previously projected. Per HDL Company's Sales Tax Update, during the past year, California experienced an anomaly of wet weather that delayed construction projects and hindered building-construction returns and higher interest rates may have potentially limited commercial development activity slowing public infrastructure projects and limiting homeowners ability to access equity for renovations. California's local one cent sales and use tax receipts for the second quarter of the 2023 calendar year was 2.8% lower than the same quarter one year ago. A contributing factor to current recovery relates to the Logistics Industry as people and firms have relied heavily on online shopping during the pandemic and this shopping pattern has continued to a certain degree post-pandemic. While online sales rose over the year, pool collections dropped as a result of sales generated from large warehouse fulfillment centers being allocated to local agencies.

According to the June 2023 Employment Report released by the Inland Empire Economist Partnership, although in June of 2022 unemployment rates dropped to a comparable pre-pandemic level of 4.0%; one year later the rate has increased to 5% declining employment by 28,000 and shrinking labor force by 10,000. The real estate market has started to cool down due to the rapid rise of housing prices and rising mortgage interest rates over the last couple of years. Median home prices in the inland empire peaked in May of 2022 at \$575,000 but dropped to \$535,000 in February of 2023. The median home price in Loma Linda was \$575,000 as of June 2023. This amount was 3.93% more than the \$553,250 median home price in June 2022.

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 2022, the City saw the completion of its third major hotel and has issued a building permit to a fourth hotel in 2023. There are other housing and commercial development projects at various stages of development/construction currently under way. Despite the economic challenges, the City, for fiscal year 2022/2023, maintained economic growth and employment remained stable. Consumer spending shifted to e-commerce, property valuations increased and property sales continued, and ultimately leading to steady flows in City revenues (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. On the same table, a decline in sales tax is noted and as it was previously explained, a misallocation to the City and the loss of a major sales tax producer contributed to this decline. 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 liabilities 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.

On June 27, 2023, the City Council adopted the City of Loma Linda Operating and Capital Improvement Program (CIP) Budget for the Fiscal Year beginning July 1, 2023 and ending June 30, 2024. The General Fund operating budget totals \$25,355,500 and is funded by operating revenue of \$24,434,100 transfers in and other financing sources of \$921,400, leaving an addition to fund balance of \$146,400. The fund balance in the General Fund is expected to increase to \$18,240,909 with \$14,990,909 in unassigned and \$3,250,000 designated (committed or assigned) as budgetary reserves. The total City operating budget amounts to \$52,333,700, with total estimated resources available for budget purposes of \$50,730,400, for fiscal year 2023/2024. The approved CIP budget for fiscal year 2023/2024 totals \$8,341,500 with a five-year CIP investment plan estimated at \$33,031,500.

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

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

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# **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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**CITY OF LOMA LINDA**  
**Statement of Net Position**  
**June 30, 2023**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 44,680,531	\$ 10,967,965	\$ 55,648,496
Receivables:			
Accounts	750,420	1,703,388	2,453,808
Taxes	1,279,850	-	1,279,850
Interest	368,027	94,407	462,434
Lease	4,317,719	1,386,009	5,703,728
Contracts and loans	17,831,453	-	17,831,453
Internal balances	(1,354)	1,354	-
Due from other governments	740,217	171,246	911,463
Inventories	24,688	226,804	251,492
Prepaid items	17,923	10,009	27,932
Loan receivable from the Successor Agency	2,174,518	1,229,806	3,404,324
Land held for resale	2,535,695	-	2,535,695
Restricted assets:			
Cash and investments with fiscal agents	-	691,514	691,514
Capital assets:			
Non-depreciable	16,660,869	2,448,045	19,108,914
Depreciable, net	49,999,396	40,587,305	90,586,701
Total capital assets	<u>66,660,265</u>	<u>43,035,350</u>	<u>109,695,615</u>
<b>Total assets</b>	<u>141,379,952</u>	<u>59,517,852</u>	<u>200,897,804</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related items	6,604,026	2,460,174	9,064,200
OPEB related items	64,826	53,038	117,864
<b>Total deferred outflows of resources</b>	<u>6,668,852</u>	<u>2,513,212</u>	<u>9,182,064</u>
<b>LIABILITIES</b>			
Accounts payable	1,571,402	1,897,327	3,468,729
Interest payable	-	66,040	66,040
Accrued liabilities	311,425	84,005	395,430
Due to other governments	1,875	-	1,875
Due to other Agency	395,332	-	395,332
Deposits payable	476,711	361,858	838,569
Unearned revenue	490,408	-	490,408
Long-term liabilities - due within one year	353,746	366,424	720,170
Long-term liabilities - due in more than one year:			
Advances from the Loma Linda Successor Agency	-	19,196,076	19,196,076
Due in more than one year	564,682	4,297,884	4,862,566
Net pension liability	6,611,430	1,913,901	8,525,331
Net OPEB liability	199,214	162,993	362,207
<b>Total liabilities</b>	<u>10,976,225</u>	<u>28,346,508</u>	<u>39,322,733</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related items	1,471,090	548,022	2,019,112
OPEB related items	94,822	77,581	172,403
Lease	4,113,838	1,353,550	5,467,388
<b>Total deferred inflows of resources</b>	<u>5,679,750</u>	<u>1,979,153</u>	<u>7,658,903</u>
<b>NET POSITION</b>			
Net investment in capital assets	66,560,428	38,657,337	105,217,765
Restricted for:			
Public works projects	23,238,701	-	23,238,701
Public safety	1,632,568	-	1,632,568
Community development	17,997,513	-	17,997,513
General government	863,741	-	863,741
Debt service	53,068	691,514	744,582
Unrestricted (deficit)	21,046,810	(7,643,448)	13,403,362
<b>Total Net Position</b>	<u>\$ 131,392,829</u>	<u>\$ 31,705,403</u>	<u>\$ 163,098,232</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, 2023**

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	
<b>Primary Government:</b>					
<b>Governmental activities:</b>					
General government	\$ 3,310,972	\$ 2,815,553	\$ -	\$ -	\$ 2,815,553
Public safety	20,947,648	4,124,985	3,157,957	13,990	7,296,932
Community development	3,841,626	519,865	133,988	5,651,533	6,305,386
Public works	7,867,724	2,002,385	682,047	6,816,137	9,500,569
Interest on long-term debt	2,995	-	-	-	-
Total governmental activities	<u>35,970,965</u>	<u>9,462,788</u>	<u>3,973,992</u>	<u>12,481,660</u>	<u>25,918,440</u>
<b>Business-type activities:</b>					
Water acquisition	177,556	273,729	-	-	273,729
Water enterprise	9,683,633	6,764,478	-	1,844,315	8,608,793
Sewer capital	5,986,152	5,895,903	-	930,520	6,826,423
Loma Linda Connected Communities	1,097,751	322,398	-	-	322,398
Total business-type activities	<u>16,945,092</u>	<u>13,256,508</u>	<u>-</u>	<u>2,774,835</u>	<u>16,031,343</u>
<b>Total primary government</b>	<u>\$ 52,916,057</u>	<u>\$ 22,719,296</u>	<u>\$ 3,973,992</u>	<u>\$ 15,256,495</u>	<u>\$ 41,949,783</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, unrestricted

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.*

**Net (Expense) Revenue and Changes in Net Position  
Primary Government**

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (495,419)	\$ -	\$ (495,419)
(13,650,716)	-	(13,650,716)
2,463,760	-	2,463,760
1,632,845	-	1,632,845
(2,995)	-	(2,995)
<u>(10,052,525)</u>	<u>-</u>	<u>(10,052,525)</u>
-	96,173	96,173
-	(1,074,840)	(1,074,840)
-	840,271	840,271
-	(775,353)	(775,353)
<u>-</u>	<u>(913,749)</u>	<u>(913,749)</u>
<u>(10,052,525)</u>	<u>(913,749)</u>	<u>(10,966,274)</u>
3,586,971	-	3,586,971
5,905,806	-	5,905,806
1,535,743	-	1,535,743
631,126	-	631,126
381,713	-	381,713
13,920	-	13,920
2,943,157	-	2,943,157
1,463,744	278,367	1,742,111
9,450	2,500	11,950
68,694	588,493	657,187
40,370	(40,370)	-
<u>16,580,694</u>	<u>828,990</u>	<u>17,409,684</u>
6,528,169	(84,759)	6,443,410
<u>124,864,660</u>	<u>31,790,162</u>	<u>156,654,822</u>
<u>\$ 131,392,829</u>	<u>\$ 31,705,403</u>	<u>\$ 163,098,232</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 the San Bernardino County Transportation Association (SBCTA) formerly SANBAG (San Bernardino Associated Governments) that will serve the regional area. SBCTA 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, 2023**

	General	Special Revenue Funds	
		Loma Linda Housing Authority	Regional Traffic Development Impact
<b>ASSETS</b>			
Cash and investments	\$ 19,039,974	\$ 1,429,190	\$ 11,753,864
Receivables:			
Accounts	698,449	51,671	-
Taxes	1,113,869	-	-
Interest	168,386	13,390	89,857
Contract and loans	9,659	17,801,620	-
Lease	4,317,719	-	-
Due from other funds	265,660	-	-
Due from other governments	331,722	-	-
Inventories	24,688	-	-
Prepaid items	17,781	39	-
Land held for resale	-	2,535,695	-
Advances to other funds	-	-	-
Loan receivable from Successor Agency	-	-	-
<b>Total assets</b>	<b>\$ 25,987,907</b>	<b>\$ 21,831,605</b>	<b>\$ 11,843,721</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 1,267,103	\$ 9,867	\$ -
Accrued liabilities	311,102	-	-
Due to other funds	1,900	-	-
Due to other governments	1,875	-	-
Due to other Agency	395,332	-	-
Deposits payable	451,583	25,128	-
Unearned revenue	39,837	-	-
Advances from other funds	-	-	-
<b>Total liabilities</b>	<b>2,468,732</b>	<b>34,995</b>	<b>-</b>
<b>Deferred inflows of resources:</b>			
Leases	4,113,838	-	-
Unavailable revenue	75,727	4,248,990	-
<b>Total Deferred inflows of resources</b>	<b>4,189,565</b>	<b>4,248,990</b>	<b>-</b>
<b>Fund balances (deficit):</b>			
Non spendable:			
Inventories	24,688	-	-
Prepaid items	17,781	-	-
Restricted for:			
Cultural and recreational	-	-	-
State mandated	-	-	-
Public safety	-	-	-
Street improvements	-	-	11,843,721
Storm drains	-	-	-
Municipal facilities	-	-	-
Air quality management	-	-	-
Debt service	-	-	-
Low/mod housing programs	-	17,547,620	-
Committed for:			
Emergency contingency	2,000,000	-	-
Assigned for:			
Refuse services	276,796	-	-
Fire equipment replacement	514,929	-	-
Fire training	32,714	-	-
Capital equipment replacement	1,250,000	-	-
Unassigned	15,212,702	-	-
<b>Total fund balances (deficit)</b>	<b>19,329,610</b>	<b>17,547,620</b>	<b>11,843,721</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 25,987,907</b>	<b>\$ 21,831,605</b>	<b>\$ 11,843,721</b>

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

Capital Projects Funds		Nonmajor	Total
Special Projects	Park	Governmental	Governmental
Construction	Development	Funds	Funds
\$ 4,097,665	\$ 460,302	\$ 7,899,536	\$ 44,680,531
-	-	300	750,420
-	-	165,981	1,279,850
31,345	4,061	60,988	368,027
-	-	20,174	17,831,453
-	-	-	4,317,719
-	-	-	265,660
-	-	408,495	740,217
-	-	-	24,688
-	-	103	17,923
-	-	-	2,535,695
2,804,500	-	-	2,804,500
2,174,518	-	-	2,174,518
<u>\$ 9,108,028</u>	<u>\$ 464,363</u>	<u>\$ 8,555,577</u>	<u>\$ 77,791,201</u>
\$ 700	\$ 99,187	\$ 194,545	\$ 1,571,402
-	-	323	311,425
-	-	265,114	267,014
-	-	-	1,875
-	-	-	395,332
-	-	-	476,711
-	-	450,571	490,408
-	2,804,500	-	2,804,500
<u>700</u>	<u>2,903,687</u>	<u>910,553</u>	<u>6,318,667</u>
-	-	-	4,113,838
2,174,517	-	179,601	6,678,835
<u>2,174,517</u>	<u>-</u>	<u>179,601</u>	<u>10,792,673</u>
-	-	-	24,688
-	-	-	17,781
-	-	229,384	229,384
-	-	36,690	36,690
-	-	1,632,568	1,632,568
6,932,811	-	3,294,264	22,070,796
-	-	1,167,905	1,167,905
-	-	848,927	848,927
-	-	14,814	14,814
-	-	53,068	53,068
-	-	220,509	17,768,129
-	-	-	2,000,000
-	-	-	-
-	-	-	276,796
-	-	-	514,929
-	-	-	32,714
-	-	-	1,250,000
-	(2,439,324)	(32,706)	12,740,672
<u>6,932,811</u>	<u>(2,439,324)</u>	<u>7,465,423</u>	<u>60,679,861</u>
<u>\$ 9,108,028</u>	<u>\$ 464,363</u>	<u>\$ 8,555,577</u>	<u>\$ 77,791,201</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, 2023**

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Fund Balances - Total Governmental Funds	\$ 60,679,861
Amounts reported for governmental activities in the statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources. Therefore, they are not reported in the governmental funds.	66,366,332
Intangible asset net of amortization have not been included as financial resources in governmental fund activity.	293,933
Long-term liabilities are not due and payable in the current period. Therefore, they are not reported in the governmental funds:	
Compensated absences	(818,591)
Net pension liability	(6,611,430)
Net OPEB liability	(199,214)
Lease liability	(80,393)
Subscription liability	(19,444)
Pension and OPEB related deferred outflows and inflows of resources in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	
Deferred outflows of resources - pension and OPEB related items	6,668,852
Deferred inflows of resources - pension and OPEB related items	(1,565,912)
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.	6,678,835
Net Position of Governmental Activities	<u>\$ 131,392,829</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, 2023**

	General	Special Revenue Funds	
		Housing Authority	Regional Traffic Development Impact
<b>REVENUES</b>			
Taxes	\$ 10,580,088	\$ -	\$ -
Licenses and permits	522,625	-	-
Intergovernmental	3,033,854	-	-
Charges for services	4,769,224	1,438	-
Use of money and property	836,059	159,882	230,875
Fines and forfeitures	3,240	-	-
Miscellaneous	3,777,920	3,439	-
Developer fees	-	-	109,428
<b>Total revenues</b>	<b>23,523,010</b>	<b>164,759</b>	<b>340,303</b>
<b>EXPENDITURES</b>			
Current:			
General government	2,235,295	-	-
Public safety	16,443,497	-	-
Community development	1,909,157	55,795	-
Public works	3,349,278	-	-
Capital outlay	935,988	570	-
Debt service:			
Principal retirement	24,022	183	-
Interest and fiscal charges	2,908	24	-
<b>Total expenditures</b>	<b>24,900,145</b>	<b>56,572</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,377,135)</b>	<b>108,187</b>	<b>340,303</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from disposal of assets	9,450	-	-
Transfers in	3,763,365	-	-
Transfers out	(120,000)	-	-
Lease acquisition	17,793	-	-
Subscription acquisition	23,868	101	-
<b>Total other financing sources (uses)</b>	<b>3,694,476</b>	<b>101</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>2,317,341</b>	<b>108,288</b>	<b>340,303</b>
<b>FUND BALANCE (DEFICIT)</b>			
Beginning of year	17,012,269	17,439,332	11,503,418
End of year	\$ 19,329,610	\$ 17,547,620	\$ 11,843,721

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

Capital Projects Funds		Nonmajor Governmental Funds	Total Governmental Funds
Special Projects Construction	Park Development		
\$ -	\$ -	\$ 1,476,650	\$ 12,056,738
-	-	-	522,625
-	-	5,934,858	8,968,712
-	-	19,803	4,790,465
1,117,323	20,137	185,720	2,549,996
-	-	59,337	62,577
-	-	94	3,781,453
-	79,227	85,287	273,942
<u>1,117,323</u>	<u>99,364</u>	<u>7,761,749</u>	<u>33,006,508</u>
-	-	315	2,235,610
-	-	90,980	16,534,477
-	103,619	652,519	2,721,090
5,544	-	636,694	3,991,516
42,434	518,092	3,865,696	5,362,780
-	-	486	24,691
-	-	63	2,995
<u>47,978</u>	<u>621,711</u>	<u>5,246,753</u>	<u>30,873,159</u>
<u>1,069,345</u>	<u>(522,347)</u>	<u>2,514,996</u>	<u>2,133,349</u>
-	-	-	9,450
14,001	-	120,000	3,897,366
-	-	(3,736,996)	(3,856,996)
-	-	-	17,793
-	-	266	24,235
<u>14,001</u>	<u>-</u>	<u>(3,616,730)</u>	<u>91,848</u>
1,083,346	(522,347)	(1,101,734)	2,225,197
<u>5,849,465</u>	<u>(1,916,977)</u>	<u>8,567,157</u>	<u>58,454,664</u>
<u>\$ 6,932,811</u>	<u>\$ (2,439,324)</u>	<u>\$ 7,465,423</u>	<u>\$ 60,679,861</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 For the year ended June 30, 2023

Net change in Fund Balance - Total Governmental Funds \$ 2,225,197

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	14,154,458	
Lease acquisitions	(17,793)	
Subscription acquisitions	(24,235)	
Amortization Expenses	(47,824)	
Depreciation expense	<u>(2,114,552)</u>	11,950,054

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	(6,229,152)	
OPEB related net adjustments	28,735	
Lease payments	19,900	
SBITA payments	<u>4,791</u>	(6,175,726)

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.

(111,865)

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.

(1,359,491)

Change in Net Position of Governmental Activities

\$ 6,528,169

*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, 2023**

	Enterprise Funds				Total
	Water Acquisition	Water Enterprise	Sewer Capital	Loma Linda Connected Communities	
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 4,066,261	\$ 3,324,762	\$ 3,387,088	\$ 189,854	\$ 10,967,965
Receivables:					
Accounts	-	881,177	733,325	88,886	1,703,388
Interest	31,790	32,696	28,461	1,460	94,407
Lease	-	1,386,009	-	-	1,386,009
Inventories	-	226,230	574	-	226,804
Due from other funds	-	59,488	-	-	59,488
Due from other governments	-	134,818	36,428	-	171,246
Prepaid items	-	8,931	1,078	-	10,009
Total current assets	<u>4,098,051</u>	<u>6,054,111</u>	<u>4,186,954</u>	<u>280,200</u>	<u>14,619,316</u>
Noncurrent assets:					
Advances to other funds	-	1,152,395	-	-	1,152,395
Loan receivable from Successor Agency	1,229,806	-	-	-	1,229,806
Restricted assets:					
Cash and investments with fiscal agents	-	691,514	-	-	691,514
Capital assets:					
Non-depreciable	-	2,437,945	10,100	-	2,448,045
Depreciable, net	-	32,947,664	3,763,089	3,876,552	40,587,305
Total capital assets	-	<u>35,385,609</u>	<u>3,773,189</u>	<u>3,876,552</u>	<u>43,035,350</u>
Total noncurrent assets	<u>1,229,806</u>	<u>37,229,518</u>	<u>3,773,189</u>	<u>3,876,552</u>	<u>46,109,065</u>
<b>Total assets</b>	<u>5,327,857</u>	<u>43,283,629</u>	<u>7,960,143</u>	<u>4,156,752</u>	<u>60,728,381</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension related items	-	1,707,060	652,699	100,415	2,460,174
OPEB related items	-	31,823	15,381	5,834	53,038
Total deferred outflows of resources	-	<u>1,738,883</u>	<u>668,080</u>	<u>106,249</u>	<u>2,513,212</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	705,161	315,663	846,158	30,345	1,897,327
Interest payable - Bonds	-	65,899	141	-	66,040
Accrued liabilities	-	63,214	20,019	772	84,005
Deposits payable	-	174,560	174,719	12,579	361,858
Due to other funds	-	113	57,797	224	58,134
Long-term debt - due within one year	-	333,093	31,285	2,046	366,424
Total current liabilities	<u>705,161</u>	<u>952,542</u>	<u>1,130,119</u>	<u>45,966</u>	<u>2,833,788</u>
Noncurrent liabilities:					
Advances from other funds	-	-	1,152,395	-	1,152,395
Advances from Loma Linda Successor Agency	-	-	-	19,196,076	19,196,076
Long-term debt - due in more than one year	-	4,213,764	83,083	1,037	4,297,884
Net pension liability	-	1,328,013	507,770	78,118	1,913,901
Net OPEB liability	-	97,796	47,268	17,929	162,993
Total noncurrent liabilities	-	<u>5,639,573</u>	<u>1,790,516</u>	<u>19,293,160</u>	<u>26,723,249</u>
<b>Total liabilities</b>	<u>705,161</u>	<u>6,592,115</u>	<u>2,920,635</u>	<u>19,339,126</u>	<u>29,557,037</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension related items	-	380,260	145,393	22,369	548,022
OPEB related items	-	46,549	22,498	8,534	77,581
Lease	-	1,353,550	-	-	1,353,550
Total deferred inflows of resources	-	<u>1,780,359</u>	<u>167,891</u>	<u>30,903</u>	<u>1,979,153</u>
<b>NET POSITION (DEFICIT)</b>					
Net investment in capital assets	-	31,041,089	3,739,696	3,876,552	38,657,337
Restricted for debt service	-	691,514	-	-	691,514
Unrestricted	4,622,696	4,917,435	1,800,001	(18,983,580)	(7,643,448)
<b>Total net position (deficit)</b>	<u>\$ 4,622,696</u>	<u>\$ 36,650,038</u>	<u>\$ 5,539,697</u>	<u>\$ (15,107,028)</u>	<u>\$ 31,705,403</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, 2023**

	Enterprise Funds				Total
	Water Acquisition	Water Enterprise	Sewer Capital	Loma Linda Connected Communities	
<b>OPERATING REVENUES</b>					
Charges for services	\$ 273,729	\$ 6,764,478	\$ 5,895,903	\$ 322,398	\$ 13,256,508
Miscellaneous	-	443,366	33,432	634	477,432
<b>Total operating revenues</b>	<u>273,729</u>	<u>7,207,844</u>	<u>5,929,335</u>	<u>323,032</u>	<u>13,733,940</u>
<b>OPERATING EXPENSES</b>					
Treatment	-	-	4,409,263	-	4,409,263
Cost of sales and services	177,556	4,007,335	-	268,363	4,453,254
Administration and general	-	2,205,865	698,279	27,783	2,931,927
Pension adjustment	-	1,823,689	697,293	107,276	2,628,258
Depreciation and amortization	-	1,516,604	180,234	132,447	1,829,285
<b>Total operating expenses</b>	<u>177,556</u>	<u>9,553,493</u>	<u>5,985,069</u>	<u>535,869</u>	<u>16,251,987</u>
<b>Operating change in net position</b>	<u>96,173</u>	<u>(2,345,649)</u>	<u>(55,734)</u>	<u>(212,837)</u>	<u>(2,518,047)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Gain on disposal of assets	-	2,500	-	-	2,500
Interest revenue	103,080	114,561	56,475	4,251	278,367
Interest expense	-	(130,140)	(1,083)	(561,882)	(693,105)
Lease income	-	111,061	-	-	111,061
<b>Net nonoperating revenues (expenses)</b>	<u>103,080</u>	<u>97,982</u>	<u>55,392</u>	<u>(557,631)</u>	<u>(301,177)</u>
<b>Change in net position (deficit) before transfers and capital contributions</b>	<u>199,253</u>	<u>(2,247,667)</u>	<u>(342)</u>	<u>(770,468)</u>	<u>(2,819,224)</u>
<b>TRANSFERS AND CAPITAL CONTRIBUTIONS</b>					
Capital contributions	-	1,844,315	930,520	-	2,774,835
Transfer in	-	805,699	-	-	805,699
Transfer out	(819,700)	(18,901)	(7,468)	-	(846,069)
<b>Total transfers and capital contributions</b>	<u>(819,700)</u>	<u>2,631,113</u>	<u>923,052</u>	<u>-</u>	<u>2,734,465</u>
<b>Change in net position</b>	<u>(620,447)</u>	<u>383,446</u>	<u>922,710</u>	<u>(770,468)</u>	<u>(84,759)</u>
<b>NET POSITION (DEFICIT)</b>					
Beginning of year	<u>5,243,143</u>	<u>36,266,592</u>	<u>4,616,987</u>	<u>(14,336,560)</u>	<u>31,790,162</u>
End of year	<u>\$ 4,622,696</u>	<u>\$ 36,650,038</u>	<u>\$ 5,539,697</u>	<u>\$ (15,107,028)</u>	<u>\$ 31,705,403</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, 2023**

	Enterprise Funds				Total
	Water Acquisition	Water Enterprise	Sewer Capital	Loma Linda Connected Communities	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers and users	\$ 273,729	\$ 7,167,687	\$ 5,964,800	\$ 277,371	\$ 13,683,587
Cash payments to suppliers for goods and services	512,368	(3,766,831)	(4,131,058)	(253,840)	(7,639,361)
Cash payments to employees for services	-	(2,209,260)	(695,749)	(30,757)	(2,935,766)
<b>Net cash provided (used) by operating activities</b>	<b>786,097</b>	<b>1,191,596</b>	<b>1,137,993</b>	<b>(7,226)</b>	<b>3,108,460</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Proceeds (repayment) of due to/from other funds	-	35,821	(169,870)	(23)	(134,072)
Proceeds from (payments to) other governmental entities	-	(94,672)	421	-	(94,251)
Transfers in	-	805,699	-	-	805,699
Transfers out	(819,700)	(18,901)	(7,468)	-	(846,069)
<b>Net cash provided (used) by noncapital financing activities</b>	<b>(819,700)</b>	<b>727,947</b>	<b>(176,917)</b>	<b>(23)</b>	<b>(268,693)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets	-	(990,005)	(27,247)	(9,160)	(1,026,412)
Proceeds from sale of assets	-	2,500	-	-	2,500
Proceeds from loan receivable	544,265	-	-	-	544,265
Lease payments	-	(9,910)	(5,536)	-	(15,446)
Subscription payments	-	(1,489)	(957)	-	(2,446)
Lease receipts	-	81,093	-	-	81,093
Payments on long-term debt	-	(235,000)	-	-	(235,000)
Interest paid on long-term debt	-	(137,289)	(1,015)	-	(138,304)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>544,265</b>	<b>(1,290,100)</b>	<b>(34,755)</b>	<b>(9,160)</b>	<b>(789,750)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received	94,854	104,526	52,394	3,447	255,221
Change in fair market value of investments	(16,995)	(17,379)	(20,119)	(275)	(54,768)
<b>Net cash provided by investing activities</b>	<b>77,859</b>	<b>87,147</b>	<b>32,275</b>	<b>3,172</b>	<b>200,453</b>
<b>Net increase (decrease) in cash and equivalents</b>	<b>588,521</b>	<b>716,590</b>	<b>958,596</b>	<b>(13,237)</b>	<b>2,250,470</b>
<b>CASH AND CASH EQUIVALENTS</b>					
Beginning of year	3,477,740	3,299,686	2,428,492	203,091	9,409,009
End of year	\$ 4,066,261	\$ 4,016,276	\$ 3,387,088	\$ 189,854	\$ 11,659,479
<b>Reconciliation to the Statement of Net Position:</b>					
Cash and cash equivalents	\$ 4,066,261	\$ 3,324,762	\$ 3,387,088	\$ 189,854	\$ 10,967,965
Cash and investments with fiscal agents	-	691,514	-	-	691,514
<b>Total cash and investments</b>	<b>\$ 4,066,261</b>	<b>\$ 4,016,276</b>	<b>\$ 3,387,088</b>	<b>\$ 189,854</b>	<b>\$ 11,659,479</b>

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



**CITY OF LOMA LINDA**  
**Statement of Cash Flows, continued**  
**Proprietary Funds**  
**For the year ended June 30, 2023**

	Enterprise Funds				Total
	Water Acquisition	Water Enterprise	Sewer Capital	Loma Linda Connected Communities	
<b>RECONCILIATION OF CHANGE IN OPERATING NET POSITION TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating change in net position	\$ 96,173	\$ (2,345,649)	\$ (55,734)	\$ (212,837)	\$ (2,518,047)
Adjustments to reconcile operating change in net position to net cash provided (used) by operating activities:					
Depreciation and amortization	-	1,516,604	180,234	132,447	1,829,285
(Increase) decrease in accounts receivable	-	(40,157)	35,465	(45,661)	(50,353)
(Increase) decrease in inventories	-	5,857	-	-	5,857
(Increase) decrease in prepaid items	-	(100)	179	-	79
(Increase) decrease in deferred outflows of resources - pension and OPEB related	-	606,496	229,773	33,058	869,327
(Increase) decrease in net pension asset	-	536,055	204,962	31,533	772,550
Increase (decrease) in accounts payable	689,924	132,908	278,026	14,564	1,115,422
Increase (decrease) in accrued liabilities	-	9,237	2,608	(60)	11,785
Increase (decrease) in deposits payable	-	101,839	-	(41)	101,798
Increase (decrease) in net OPEB liability	-	32,349	15,635	5,930	53,914
Increase (decrease) in compensated absences	-	1,470	6,739	(327)	7,882
Increase (decrease) in net pension liability	-	1,328,013	507,770	78,118	1,913,901
Increase (decrease) in deferred inflows of resources - pension and OPEB related	-	(693,326)	(267,664)	(43,950)	(1,004,940)
<b>Total adjustments</b>	<b>689,924</b>	<b>3,537,245</b>	<b>1,193,727</b>	<b>205,611</b>	<b>5,626,507</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ 786,097</b>	<b>\$ 1,191,596</b>	<b>\$ 1,137,993</b>	<b>\$ (7,226)</b>	<b>\$ 3,108,460</b>
<b>NONCASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Lease acquisition	\$ -	\$ 7,843	\$ 5,737	\$ -	\$ 13,580
Subscription acquisition	-	12,600	9,889	-	22,489
Capital Contributions	-	1,844,315	930,520	-	2,774,835

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

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### ***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.

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

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

**CITY OF LOMA LINDA**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2023**

	Custodial Funds	Private Purpose Trust Fund
<b>ASSETS</b>		
Cash and investments	\$ 131,228	\$ 3,846,918
Receivables:		
Interest	-	17,379
Contract and loans	-	79,862
Prepaid items	-	119,803
Advances to the City of Loma Linda	-	19,196,076
Restricted assets:		
Cash and investments with fiscal agents	-	29
<b>Total assets</b>	<u>131,228</u>	<u>23,260,067</u>
<b>LIABILITIES</b>		
Accounts payable	124	685
Interest payable	-	285,430
Due to other governments	131,104	184,581
Deposits payable	-	28,686
2016 Tax Allocation Refunding Bonds	-	20,619,273
Loan payable to the City of Loma Linda	-	3,404,324
<b>Total liabilities</b>	<u>131,228</u>	<u>24,522,979</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Gain on debt refunding	-	16,950
<b>NET POSITION (DEFICIT)</b>		
Net position (deficit) held in trust	-	(1,279,862)
Total net position (deficit)	<u>\$ -</u>	<u>\$ (1,279,862)</u>

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

**CITY OF LOMA LINDA**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the year ended June 30, 2023**

	Custodial Funds	Private Purpose Trust Fund
<b>ADDITIONS</b>		
Property taxes	\$ -	\$ 4,896,524
Use of money and property	-	583,590
Miscellaneous	2,750	-
<b>Total additions</b>	<u>2,750</u>	<u>5,480,114</u>
<b>DEDUCTIONS</b>		
General and administrative	-	204,322
Miscellaneous	29,739	-
Debt service:		
Interest and fiscal charges	-	787,243
<b>Total deductions</b>	<u>29,739</u>	<u>991,565</u>
<b>Change in net position (deficit)</b>	<u>(26,989)</u>	<u>4,488,549</u>
<b>NET POSITION (DEFICIT)</b>		
Beginning of year	26,989	(5,768,411)
End of year	<u>\$ -</u>	<u>\$ (1,279,862)</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, 2023**

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

The basic financial statements of the City of Loma Linda, California (the 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 (the 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, 2023**

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

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

*Loma Linda Housing Authority* - The City of Loma Linda Housing Authority (the Housing Authority) was established by the City Council on January 10, 2012, and is responsible for the administration of providing affordable housing in the City. The Housing Authority is governed by a five-member Board of Directors which consists of members of the City Council. The Housing Authority is considered a blended component unit due to the financial benefit or burden relationship the Housing Authority shares with the City as its financial transactions are reported in 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, 2023**

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

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

*Government-Wide Financial Statements, continued*

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

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

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

*Governmental Fund Financial Statements*

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

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

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2023**

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

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

*Governmental Fund Financial Statements, continued*

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

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

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

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

*Proprietary Fund Financial Statements*

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

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

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2023**

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

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

*Proprietary Fund Financial Statements, continued*

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

*Fiduciary Fund Financial Statements*

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

Custodial Funds – are custodial in nature and are accounted for using the economic resources measurement focus and 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 the San Bernardino County Transportation Authority (SBCTA) former 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, 2023**

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

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

*Major Funds, continued*

The City reports the following major proprietary funds:

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

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

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

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

Additionally, the City reports the following fiduciary funds:

Custodial 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, 2023**

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

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

All cash and investments of proprietary funds are held in the City's investment pool. Therefore, all cash and investments in the proprietary funds are considered cash and cash equivalents for the purpose of the statement of cash flows as these cash pools have the general characteristics of a demand deposit account. In accordance with GAAP, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Fair 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, leases, 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, 2023**

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

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

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

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

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

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. 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, 2023**

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

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of the capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

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

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

Intangible right to use assets arising from lease agreements or subscription-based information technology arrangements are recorded at the amount of the initial measurement of the liabilities plus any initial direct costs that are ancillary charges necessary to place the asset into service.

Intangible right to use assets are amortized using the straight-line method over the shorter of the term or the useful life of the underlying asset.

***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.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2023**

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

***L. Compensated Absences, Continued***

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.

***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 of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis. 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.

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

Valuation Date (VD)	June 30, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2021 to June 30, 2022



**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2023**

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

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

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

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

Valuation Date (VD)	June 30, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2021 to June 30, 2022

For OPEB-related liability, 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, 2023**

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**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, 2023**

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

***R. Property Taxes***

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

***S. Use of Estimates***

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

***T. Leases***

The City is a lessor for certain leases as detailed in Note 3. The City recognizes a lease receivable and a deferred inflow of resources in the financial statements. The same recognition principle is used in the Government-Wide Financial Statements and Fund Financial Statements.

At the commencement of the lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. In subsequent periods, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines the discount rate it uses to discount the expected lease receipts to present value, lease term and lease receipts.

- The City uses the estimated incremental borrowing rate as the discount rate for leases when an explicit rate is not provided in the lease agreement.
- The lease term includes the noncancellable period of the lease plus periods covered by the City and lessee's option to extend the lease if the City is reasonably certain based on all relevant factors that the City and lessee will exercise that option.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2023**

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

***T. Leases, Continued***

The City monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

***U. Subscriptions***

The City participates in subscription-based Information Technology (IT) arrangements for the use of various software. The City recognizes a subscription liability and an intangible right to use assets in the financial statements.

At the commencement of the arrangement, the City initially measures the liability at the present value of payments expected to be paid during the arrangement term. Subsequently, the liability is reduced by the principal portion of payments made. Also refer to Note 1. I. *Capital Assets*.

***V. Implementation of New GASB Pronouncement***

GASB Statement No. 96 – As of July 1, 2022, the City adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The implementation of this standard establishes a single model for accounting for SBITAs. The standard requires recognition of certain right to use assets and liabilities for SBITAs. As a result of implementing this standard, the City recognized a subscription liability of \$39,487 and right-to-use subscription asset of \$51,204 as of July 1, 2022. As a result of these adjustments there was no effect on beginning net position. The additional disclosures required by this standard are included in Note 5 and Note 6.

**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, 2023:

	Government-Wide Statements		Fiduciary Funds Statements		Totals
	Governmental Activities	Business-Type Activities	Custodial Funds	Private Purpose Trust Fund	
Cash and investments	\$ 44,680,531	\$ 10,967,965	\$ 131,228	\$ 3,846,918	\$ 59,626,642
Restricted cash and investments	-	691,514	-	29	691,543
Total cash and investments	<u>\$ 44,680,531</u>	<u>\$ 11,659,479</u>	<u>\$ 131,228</u>	<u>\$ 3,846,947</u>	<u>\$ 60,318,185</u>

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2023**

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

The City's cash and investments at June 30, 2023 in more detail were as follows:

Cash and cash equivalents	
Petty cash	\$ 1,850
Demand deposits	<u>1,357,588</u>
Total cash and cash equivalents	<u>1,359,438</u>
Investments	
Local Agency Investment Fund	<u>58,267,204</u>
Total cash and investments	<u>59,626,642</u>
Cash and Investments with Fiscal Agents	<u>691,543</u>
Total cash and investments	<u>\$ 60,318,185</u>

**A. Deposits**

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 fair 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

As of June 30, 2023, the City was a voluntary participant and had \$58,267,204 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*.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2023**

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

***B. Investments, Continued***

The City's investments with LAIF at June 30, 2023 included 2.78% of the pooled funds invested in structured notes and asset-backed securities. This is an increase of 0.90% 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.

<u>External Pool:</u>	<u>Invested Maturities in Years</u>
	<u>Less than 1 Year</u>
State of California - Local Agency Investment Fund	\$ 58,267,204

Credit Risk – As of June 30, 2023, the City's investments in external investment pools are unrated.

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.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2023**

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

***D. Risk Disclosures, Continued***

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. 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, \$691,543 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, 2023.

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, 2023, the City of Loma Linda did not maintain any investments subject to the fair value hierarchy.

**Note 3: RECEIVABLES**

***A. Leases***

Governmental Activities

The City entered into various leases as the lessor. The leases range from 66 to 500 months. The lessees are required to make monthly payments ranging from \$2,400 to \$10,736. The leases have interest rates ranging from 1% to 4%. The combined value of lease receivable and deferred inflow of resources as of June 30, 2023 was \$4,317,719 and \$4,113,838, respectively. In addition, the City recognized lease revenue of \$270,442 during the fiscal year.

Business-type Activities

The City entered into various leases as the lessor. The leases range from 136 to 311 months. The lessees are required to make monthly payments ranging from \$1,980 to \$6,829. The leases have interest rates at 4%. The combined value of lease receivable and deferred inflow of resources as of June 30, 2023, was \$1,386,009 and \$1,353,550, respectively. In addition, the City recognized lease revenue of \$82,107 during the fiscal year.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2023**

**Note 3: RECEIVABLES, Continued**

**B. Contracts and Notes Receivable**

Contracts and loans receivable consisted of the following at June 30, 2023:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Big Bear Valley Water Stock	\$ 1,075	\$ -	\$ -	\$ 1,075
LL Chamber of Commerce Loan	8,584	-	-	8,584
Deferred Housing Plan	7,014	-	(6,550)	464
Developers Loans	13,891,666	345,529	-	14,237,195
First Time Homebuyers	3,708,710	8,373	(132,948)	3,584,135
<b>Total</b>	<b>\$ 17,617,049</b>	<b>\$ 353,902</b>	<b>\$ (139,498)</b>	<b>\$ 17,831,453</b>

**Note 4: INTERFUND TRANSACTIONS**

**A. Fund Financial Statements**

**Due To/Due From Other Funds** - At June 30, 2023, the City had the following due to/from other funds:

	Due to Other Funds					Total
	Governmental Funds		Proprietary Funds			
	General Fund	Nonmajor Governmental Funds	Sewer Capital	Loma Linda Connected Communities	Water Enterprise	
<b>Due From Other Funds</b>						
<b>Governmental Funds:</b>						
General Fund	\$ -	\$ 265,114	\$ 433	\$ -	\$ 113	\$ 265,660
<b>Enterprise Funds:</b>						
Water Enterprise	1,900	-	57,364	224	-	59,488
<b>Total</b>	<b>\$ 1,900</b>	<b>\$ 265,114</b>	<b>\$ 57,797</b>	<b>\$ 224</b>	<b>\$ 113</b>	<b>\$ 325,148</b>

The due from in the General Fund is made up of \$265,114 from the Non-major funds, \$433 from the Sewer Capital, and \$113 from Water Enterprise to cover grant related expenditures that have not yet been reimbursed by the granting agencies or were not disbursed to the General Fund prior to June 30. The due from the Water Enterprise fund is for end of year reclassification of accounts receivables.



**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2023**

**Note 4: INTERFUND TRANSACTIONS, Continued**

**A. Fund Financial Statements, Continued**

**Advances To/From Other Funds** - At June 30, 2023, the City had the following advances to/from other funds:

	Advances From Other Funds		Total
	Governmental Funds	Enterprise Funds	
	Park Development	Sewer Capital	
<b>Advances To Other Funds</b>			
<b>Governmental Funds:</b>			
Special Projects Construction	\$ 2,804,500	\$ -	\$ 2,804,500
<b>Enterprise Funds:</b>			
Water Enterprise	-	1,152,395	1,152,395
Total	<u>\$ 2,804,500</u>	<u>\$ 1,152,395</u>	<u>\$ 3,956,895</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. 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.

**Transfers** – For the year ended June 30, 2023, the City had the following transfers in and out:

Fund receiving transfers	Fund making transfers	Amount
General Fund	Nonmajor Governmental Funds	\$ 3,736,996
	Sewer Capital	7,468
	Water Enterprise	18,901
Special Projects Construction	Water Acquisition	14,001
Nonmajor Governmental Funds	General Fund	120,000
Water Enterprise	Water Acquisition	<u>805,699</u>
	Total transfers	<u>\$ 4,703,065</u>

Certain nonmajor governmental funds made payments in the amount of \$3,736,996 to the General Fund for street maintenance and to cover costs, of this amount, \$2,928,307 was from ARPA funding to cover public safety costs. The General Fund transferred \$120,000 to a non-major fund to assist with Landscape Maintenance fund. Transfers of \$805,699 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, 2023**

**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	\$ 762,707	\$ -	\$ 15,414,103
Construction in progress	3,095,955	2,242,685	(4,091,874)	1,246,766
Total capital assets, not being depreciated	<u>17,747,351</u>	<u>3,005,392</u>	<u>(4,091,874)</u>	<u>16,660,869</u>
Capital assets, being depreciated:				
Structures and improvements	25,416,027	4,405,682	-	29,821,709
Machinery and equipment	9,621,381	1,604,216	(84,407)	11,141,190
Infrastructure	55,095,487	8,969,098	-	64,064,585
Total capital assets, being depreciated	<u>90,132,895</u>	<u>14,978,996</u>	<u>(84,407)</u>	<u>105,027,484</u>
Less accumulated depreciation/amortization for:				
Structures and improvements	(17,754,691)	(650,540)	-	(18,405,231)
Machinery and equipment	(6,200,850)	(520,530)	84,407	(6,636,973)
Infrastructure	(29,336,335)	(943,482)	-	(30,279,817)
Total accumulated depreciation	<u>(53,291,876)</u>	<u>(2,114,552)</u>	<u>84,407</u>	<u>(55,322,021)</u>
Total capital assets, being depreciated net	<u>36,841,019</u>	<u>12,864,444</u>	<u>-</u>	<u>49,705,463</u>
Intangible assets, being amortized:				
Intangible assets (perpetual license software)	-	216,822	-	216,822
Intangible right to use asset	96,789	17,793	-	114,582
Intangible right to use asset - SBITA	-	27,329	-	27,329
Total Intangible Assets, being amortized	<u>96,789</u>	<u>261,944</u>	<u>-</u>	<u>358,733</u>
Less accumulated amortization for:				
Intangible assets (perpetual license software)	-	(21,683)	-	(21,683)
Intangible right to use asset	(16,976)	(21,254)	-	(38,230)
Intangible right to use asset - SBITA	-	(4,887)	-	(4,887)
Total accumulated depreciation	<u>(16,976)</u>	<u>(47,824)</u>	<u>-</u>	<u>(64,800)</u>
Total Intangible assets, net	<u>79,813</u>	<u>214,120</u>	<u>-</u>	<u>293,933</u>
Governmental activities capital assets, net	<u>\$ 54,668,183</u>	<u>\$ 16,083,956</u>	<u>\$ (4,091,874)</u>	<u>\$ 66,660,265</u>

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

Governmental activities:	Depreciation	Amortization	Total
General government	\$ 144,982	\$ 30,548	\$ 175,530
Public safety	429,510	5,618	435,128
Community development	449,447	5,153	454,600
Public works	1,090,613	6,505	1,097,118
Total	<u>\$ 2,114,552</u>	<u>\$ 47,824</u>	<u>\$ 2,162,376</u>

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2023**

**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	208,735	851,546	-	1,060,281
Total capital assets, not being depreciated	<u>1,596,499</u>	<u>851,546</u>	<u>-</u>	<u>2,448,045</u>
Capital assets, being depreciated:				
Structures and improvements	26,968,959	-	-	26,968,959
Machinery and equipment	6,613,497	159,940	(28,678)	6,744,759
Infrastructure	45,386,052	2,774,835	-	48,160,887
Total capital assets, being depreciated	<u>78,968,508</u>	<u>2,934,775</u>	<u>(28,678)</u>	<u>81,874,605</u>
Less accumulated depreciation for:				
Structures and improvements	(21,588,719)	(403,373)	-	(21,992,092)
Machinery and equipment	(5,557,841)	(180,568)	28,678	(5,709,731)
Infrastructure	(12,456,552)	(1,225,003)	-	(13,681,555)
Total accumulated depreciation	<u>(39,603,112)</u>	<u>(1,808,944)</u>	<u>28,678</u>	<u>(41,383,378)</u>
Total capital assets, being depreciated net	<u>39,365,396</u>	<u>1,125,831</u>	<u>-</u>	<u>40,491,227</u>
Intangible assets, being amortized:				
Intangible assets (perpetual license software)	-	13,718	-	13,718
Intangible right to use asset	77,159	13,580	-	90,739
Intangible right to use asset - SBITA	-	23,695	-	23,695
Total Intangible Assets, being amortized	<u>77,159</u>	<u>50,993</u>	<u>-</u>	<u>128,152</u>
Less accumulated amortization for:				
Intangible assets (perpetual license software)	-	(1,372)	-	(1,372)
Intangible right to use asset	(11,733)	(16,637)	-	(28,370)
Intangible right to use asset - SBITA	-	(2,332)	-	(2,332)
Total accumulated depreciation	<u>(11,733)</u>	<u>(20,341)</u>	<u>-</u>	<u>(32,074)</u>
Total Intangible assets, net	<u>65,426</u>	<u>30,652</u>	<u>-</u>	<u>96,078</u>
Business-type activities capital assets, net	<u>\$ 41,027,321</u>	<u>\$ 2,008,029</u>	<u>\$ -</u>	<u>\$ 43,035,350</u>

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

	Depreciation	Amortization	Total
Business-type activities:			
Water Enterprise	\$ 1,504,615	\$ 11,989	\$ 1,516,604
Sewer Capital	171,882	8,352	180,234
Loma Linda Connected Communities	132,447	-	132,447
Total	<u>\$ 1,808,944</u>	<u>\$ 20,341</u>	<u>\$ 1,829,285</u>

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2023**

**Note 6: LONG-TERM LIABILITIES**

The following is a summary of long-term debt transactions for the fiscal year ended June 30, 2023:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within One Year
<b>Governmental activities:</b>					
Compensated absences	\$ 706,726	\$ 837,788	\$ (725,923)	\$ 818,591	\$ 323,297
Lease liability	82,500	17,793	(19,900)	80,393	21,813
Subscription liability	-	24,235	(4,791)	19,444	8,636
<b>Total governmental activities</b>	<b>\$ 789,226</b>	<b>\$ 879,816</b>	<b>\$ (750,614)</b>	<b>\$ 918,428</b>	<b>\$ 353,746</b>
<b>Business-type activities:</b>					
Revenue Bonds:					
1978 Water Bonds (General Obligation)	\$ 10,000	\$ -	\$ -	\$ 10,000	\$ 10,000
2016 Water Revenue Refunding Bonds -					
Direct Borrowing	4,480,000	-	(235,000)	4,245,000	245,000
Unamortized bond premium	40,229	-	(2,839)	37,390	2,840
Compensated absences	278,414	273,550	(265,669)	286,295	85,153
Lease liability	67,447	13,580	(15,447)	65,580	17,256
Subscription liability	-	22,489	(2,446)	20,043	6,175
<b>Total business-type activities</b>	<b>\$ 4,876,090</b>	<b>\$ 309,619</b>	<b>\$ (521,401)</b>	<b>\$ 4,664,308</b>	<b>\$ 366,424</b>

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

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

Compensated Absences

The City's liability for vested and unpaid compensated absences in the governmental activities has been accrued and amounted to \$818,591. 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.

Lease Liabilities

The City has entered into four agreements to lease certain office equipment. The leases have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The City is required to make annual payments ranging from \$2,218 to \$28,008 with discount rates ranging from 2.536% to 3.81%. As of June 30, 2023, the City recognized right to use asset of \$76,352, net of amortization, and lease liability of \$80,393. During the fiscal year, the City recorded \$21,254 in amortization expense.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2023**

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

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

Estimated future lease liability requirements are as follows:

<b>Governmental Lease Liability</b>			
Year Ending June 30,	Principal	Interest	Total
2024	\$ 21,813	\$ 6,327	\$ 28,140
2025	22,267	6,414	28,681
2026	23,037	6,641	29,678
2027	11,839	4,634	16,473
2028	1,437	569	2,006
Total	<u>\$ 80,393</u>	<u>\$ 24,585</u>	<u>\$ 104,978</u>

Subscription liabilities

The City has entered into three subscription-based IT agreements for the use of software with subscription terms ranging from two to five years. The subscription liability has been recorded at the present value of payments expected to be paid during the contract term.

The City is required to make annual payments ranging from \$1,970 to \$8,222 with discount rates ranging from 2.50% to 3.35%. As of June 30, 2023, the City recognized right to use asset of \$22,442, net of amortization, and subscription liability of \$19,444. During the fiscal year, the City recorded \$4,887 in amortization expense.

Estimated future subscription liability requirements are as follows:

<b>Governmental Subscription liability</b>			
Year Ending June 30,	Principal	Interest	Total
2024	\$ 8,636	\$ 385	\$ 9,021
2025	4,329	274	4,603
2026	4,518	164	4,682
2027	1,961	49	2,010
Total	<u>\$ 19,444</u>	<u>\$ 872</u>	<u>\$ 20,316</u>

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2023**

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

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

*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, 2023 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 have 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, 2023**

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

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

The annual requirements to amortize the 2016 Water Revenue Refunding Bonds outstanding at June 30, 2023 were as follows:

<b>2016 Water Revenue Refunding Bonds</b>			
Year Ending June 30,	Principal	Interest	Total
2024	\$ 245,000	\$ 131,350	\$ 376,350
2025	255,000	122,163	377,163
2026	260,000	112,600	372,600
2027	270,000	102,850	372,850
2028	280,000	92,725	372,725
2029-2033	1,535,000	343,038	1,878,038
2034-2038	1,400,000	106,500	1,506,500
Total	<u>\$ 4,245,000</u>	<u>\$ 1,011,226</u>	<u>\$ 5,256,226</u>

**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 \$286,295 at June 30, 2023. 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.

**Lease Liabilities**

The City has entered into four agreements to lease certain office equipment. The leases have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The City is required to make annual payments ranging from \$2,218 to \$28,008, with discount rates ranging from 2.536% to 3.81%. As of June 30, 2023, the City recognized right to use asset of \$62,369, net of amortization, and lease liabilities of \$65,580. During the fiscal year, the City recorded \$16,637 of amortization expense.

Estimated future lease liability requirements are as follows:

<b>Business-Type Lease Liability</b>			
Year Ending June 30,	Principal	Interest	Total
2024	\$ 17,256	\$ 1,938	\$ 19,194
2025	17,582	1,334	18,916
2026	18,201	712	18,913
2027	11,274	163	11,437
2028	1,267	10	1,277
Total	<u>\$ 65,580</u>	<u>\$ 4,157</u>	<u>\$ 69,737</u>

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2023**

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

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

*Subscription liabilities*

The City has entered into three subscription-based IT agreements for the use of software with subscription terms ranging from two to five years. The subscription liability has been recorded at the present value of payments expected to be paid during the contract term.

The City is required to make annual payments ranging from \$1,970 to \$8,222 with discount rates ranging from 2.50% to 2.54%. As of June 30, 2023, the City recognized right to use asset of \$21,363, net of amortization, and subscription liability of \$20,043. During the fiscal year, the City recorded \$2,332 in amortization expense.

Estimated future subscription liability requirements are as follows:

<b>Business-Type Subscription liability</b>			
Year Ending June 30,	Principal	Interest	Total
2024	\$ 6,175	\$ 215	\$ 6,390
2025	6,203	353	6,556
2026	6,521	196	6,717
2027	1,144	30	1,174
Total	<u>\$ 20,043</u>	<u>\$ 794</u>	<u>\$ 20,837</u>

**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, 2023
Series 2008 A	\$ 9,000,000	\$ 970,000
Multifamily Housing Revenue Bonds Loma Linda Commons Project	Original Amount	Outstanding at June 30, 2023
Series 2009 A	\$ 13,275,000	\$ 6,107,565



**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2023**

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**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 four rate plans (two miscellaneous and two safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov).

***Benefits Provided***

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

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

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2023**

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

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

The Plan's provisions and benefits in effect during the year ended June 30, 2023 are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.0 % @ 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%	1.000% to 2.500%
Required employer contribution rates	10.870%	7.470%

	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	50-57
Monthly benefits, as a % of eligible compensation	2.400% to 3.000%	2.000% to 2.700%
Required employer contribution rates	21.840%	12.780%

**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 plans 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. 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, 2023, were \$1,899,052. The actual employer payments of \$3,090,643 made to CalPERS by the City during the measurement period ended June 30, 2022, differed from the City's proportionate share of the employer's contributions of \$4,059,381 by (\$968,738), which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2023**

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

***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, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 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 Asset***

All other actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from 2000 to 2019, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB 68
Asset Valuation Method	Fair Value of Assets
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table <sup>(1)</sup>	Derived using CALPERS' membership data for all Funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter.

<sup>(1)</sup> The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 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 November 2021 that can be found on the CalPERS website.

***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.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2023**

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

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

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 <sup>1</sup>	Assumed Asset Allocation	Real Return Years 1 - 10 <sup>2</sup>
Global Equity - cap weighted	30.0%	4.54%
Global Equity - non-cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed securities	5.0%	0.50%
Investment grade corporation	10.0%	1.56%
High yield	5.0%	2.27%
Emerging market debt	5.0%	2.48%
Private debt	5.0%	3.21%
Real assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
	<u>100.0%</u>	

<sup>1</sup> An expected inflation of 2.3% used for this period.

<sup>2</sup> Figures are based on the 2021-22 Assets Liability Management Study.

***Change of Assumptions***

Effective with the June 30, 2021, valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2023**

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

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

***Discount Rate***

The discount rate used to measure the total pension liability for PERF C was 6.90%. 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.

***Subsequent Events***

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

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

***Pension Plan Fiduciary Net Position***

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

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2023**

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

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

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

	Increase (Decrease)		
	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (Asset) (c) = (a) - (b)
Balance at: 6/30/2021 (VD)	\$ 72,129,684	\$ 74,583,854	\$ (2,454,170)
Balance at: 6/30/2022 (MD)	77,057,019	68,531,688	8,525,331
Net changes during 2021-22	\$ 4,927,335	\$ (6,052,166)	\$ 10,979,501

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

The City's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov).

The City's proportionate share of the net pension liability for the total Plan as of June 30, 2021 and 2022 measurement dates was as follows:

Proportionate Share - June 30, 2021	(0.045378%)
Proportionate Share - June 30, 2022	0.073807%
Change - Increase (Decrease)	0.119185%

***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 6.90 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 (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
\$ 19,098,335	\$ 8,525,331	\$ (144,418)

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2023**

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

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

***Amortization of Deferred Outflows and Deferred Inflows of Resources***

Under GASB 68, gains and losses related to changes in total pension asset 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:

Net difference between projected and actual earnings on pension plan investments	5 year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lives (EARSL) 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, 2022 is 3.7 years, which was obtained by dividing the total service years of 574,665 (the sum of remaining service lifetimes of the active employees) by 153,587 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

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

As of the start of the measurement period (July 1, 2021), the City's net pension asset was \$(2,454,170). For the measurement period ending June 30, 2022 (the measurement date), the City recognized a pension expense of \$10,756,466.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2023**

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

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

As of June 30, 2023, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 866,020	\$ -
Differences Between Expected and Actual Experience	269,619	102,698
Differences Between Projected and Actual Investment Earnings	1,444,931	-
Differences between Employer's Contributions and Proportionate Share of Contributions	323,235	1,530,149
Change in Employer's Proportion	4,261,343	386,265
Pension Contributions Made Subsequent to the Measurement Date	1,899,052	-
	<u>\$ 9,064,200</u>	<u>\$ 2,019,112</u>

These amounts above are net of outflows and inflow recognized in the 2021-22 measurement period expense. Contributions subsequent to the measurement date of \$1,899,052 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

<u>Fiscal Year Ended June 30:</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2024	\$ 1,692,429
2025	1,597,995
2026	973,027
2027	882,585
2028	-
Thereafter	-

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

At June 30, 2023, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2023.



**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2023**

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**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, 2021 actuarial valuation (measurement date June 30, 2022), the following current and former employees were covered by the benefit terms under the OPEB Plan.

Active employees	86
Inactive employees or beneficiaries currently receiving benefits	16
<b>Total</b>	<b>102</b>

**Contributions** – The contribution requirements are established and amended by the City. The required contribution is based on projected pay-as-you-go financing requirements. Net OPEB liability 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, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021, based on the following actuarial methods and assumptions.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2023**

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

***Net OPEB Liability, Continued***

**Actuarial Assumptions:**

Discount Rate	6.75%
Inflation	2.50% per year
Salary Increases	2.75% per year
Investment Rate of Return	6.75% per year
Mortality Rate (1)	2017 CalPERS Active Mortality for Miscellaneous and Schools Employees; 2017 CalPERS Mortality for Active Safety Employees
Pre-Retirement Turnover Healthcare Trend Rate (2)	2017 CalPERS Rates for Miscellaneous Employees; 2017 CalPERS Rates for Sworn Fire Employees

(1) The mortality assumptions are based on the 2017 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 2017 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.

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 <sup>1</sup>
Global Equities	59%	7.55%
Fixed Income	25%	4.25%
Treasury Inflation-Protected Securities	5%	3.00%
Real Estate Investment Trusts	8%	7.25%
Commodities	3%	7.55%
Total	100%	

<sup>1</sup> An expected inflation of 2.3% used for this period.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2023**

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

***Discount Rate***

The discount rate used to measure the total OPEB liability was 6.75% 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.

***Changes in the OPEB Liability***

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

	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability/(Asset) (c)= (a) - (b)</b>
<b>Balance at June 30, 2022</b> (Valuation Date June 30, 2021)	\$ 898,840	\$ 656,442	\$ 242,398
<b>Changes recognized for the measurement period:</b>			
Service cost	30,067	-	30,067
Interest	60,740	-	60,740
Benefit payments	(28,032)	(28,032)	-
Expected investment income	-	45,350	(45,350)
Administrative expenses	-	(166)	166
Employer contributions to trust	-	31,000	(31,000)
Employer contributions as benefits payments	-	28,032	(28,032)
Investment gains/(losses)	-	(133,218)	133,218
<b>Net Changes</b>	<b>62,775</b>	<b>(57,034)</b>	<b>119,809</b>
<b>Balance at June 30, 2023</b> (Measurement Date June 30, 2022)	<b>\$ 961,615</b>	<b>\$ 599,408</b>	<b>\$ 362,207</b>

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

The following presents the net OPEB liability 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, 2022:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net OPEB Liability	\$ 504,448	\$ 362,207	\$ 245,949

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2023**

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

***Sensitivity of the Net OPEB Liability 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, 2022:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability \$	220,771	\$ 362,207	\$ 540,693

***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, 2023, the City recognized OPEB expense of \$37,787. As of June 30, 2023, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 31,000	\$ -
Changes of assumptions	35,764	-
Differences between expected and actual experience	-	172,403
Net difference between projected and actual earnings on OPEB plan investments	51,100	-
Total	<u>\$ 117,864</u>	<u>\$ 172,403</u>

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2023**

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

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

Contributions subsequent to the measurement date of \$31,000 reported with deferred outflows of resources will be recognized as a reduction of the net OPEB liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in future OPEB expense as follows:

<b>Fiscal Year Ended June 30:</b>	<b>Deferred Outflows/(Inflows) of Resources</b>
2024	\$ (7,009)
2025	(8,002)
2026	(11,432)
2027	9,675
2028	(16,967)
Thereafter	(51,804)

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

***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, 2023**

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

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

Primary Liability Program

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

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

Primary Workers' Compensation

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

For 2022-23, 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, 2023**

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

***C. Purchased Insurance***

Pollution Legal Liability Insurance

The City participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Loma Linda. Coverage is on a claims-made basis. There is a \$250,000 deductible. The Authority has an aggregate limit of \$20 million.

Property Insurance

The City participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. 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 \$60,062,193. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

Crime Insurance

The City 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 City owned 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 2022-23.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2023**

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**Note 11: JOINTLY GOVERNED ORGANIZATIONS**

***A. San Bernardino International Airport Authority***

The City is a member of the San Bernardino International Airport Authority (SBIAA), a joint powers authority of the County of San Bernardino and the Cities of Colton, Highland, Loma Linda and San Bernardino. The SBIAA was formed May 12, 1992 created by and through State Legislation to serve as the owner, developer, and operator of the aeronautical portion of the former Norton Air Force Base, now known as the San Bernardino International Airport. The SBIAA oversees a U.S. Department of Transportation, Federal Aviation Administration (FAA) Part-139 Certified 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 the SBIAA 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 (JPA) comprised of the County of San Bernardino and the cities of Colton, Loma Linda and 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.

Formed in 1990, the Inland Valley Development Agency (IVDA) is a special military base reuse Joint Powers Authority (JPA) created by and through specific State of California Legislation (AB 419) pursuant to Public Law 100-526 under BRAC-I (the "Deference Authorization Amendments and Based Closure and Realignment Act"). As of June 30, 2023, 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, 2023**

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**Note 12: JOINT VENTURES**

**A. 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, Victorville and the Apple Valley Fire Protection District, Chino Valley and the San Bernardino County Fire District. 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 2023, the City of Loma Linda's contribution totaled \$324,498. 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.

**Note 13: DEFICIT FUND BALANCES**

At June 30, 2023, the following governmental funds had deficit fund balances:

Funds	Fund Type	Deficit
Major funds:		
Park Development	Capital Projects	\$ (2,439,324)
Nonmajor governmental funds:		
Community Development Block Grant	Special Revenue	(81,330)
Grant Fund	Special Revenue	(341)
Citizens Option for Public Safety Fund	Special Revenue	(7,994)

Park Development – The Park Development has an accumulated deficit balance of \$2,439,324 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 \$81,330 which resulted from grant reimbursement not received prior to the end of the year, therefore declaring it unavailable revenue.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2023**

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**Note 13: DEFICIT FUND BALANCES, Continued**

Grant Fund – The Grant fund has a deficit balance of \$341 which resulted from grant reimbursements not received prior to the end of the year, therefore declaring it unavailable revenue.

Citizens Option for Public Safety Fund – The Citizens Option for Public Safety Fund fund has a deficit balance of \$7,994 which resulted from the negative fair value adjustment of the fund's investments.

**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, 2023 are as follows:

Significant Encumbrances as of June 30, 2023		
General Fund	\$	592,204
Park Development		57,422
Water Acquisition		1,729,056
Water Enterprise		45,917
Non-major governmental funds		56,606

**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, 2023, in the opinion of City management, there were no additional outstanding matters that would have a significant effect on the financial position of the funds of the City.

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2023**

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**Note 15: COMMITMENTS AND CONTINGENCIES, Continued**

***Federal and State Grant Programs***

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

**Note 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, 2023**

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**Note 16: SUCCESSOR AGENCY, Continued**

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

The bonded debt of the Successor Agency as of June 30, 2023 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 \$2,455,000. 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, 2023**

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**Note 16: SUCCESSOR AGENCY, Continued**

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

The annual requirements for the 2016 Tax Allocation Refunding Bonds, Series A and B outstanding at June 30, 2023 were as follows:

<b>2016 Successor Agency - Series A</b>			
Year Ending June 30,	Principal	Interest	Total
2024	\$ 455,000	\$ 138,500	\$ 593,500
2025	470,000	120,000	590,000
2026	350,000	103,600	453,600
2027	365,000	89,300	454,300
2028	380,000	72,500	452,500
2029-2032	1,260,000	96,500	1,356,500
Total	<u>\$ 3,280,000</u>	<u>\$ 620,400</u>	<u>\$ 3,900,400</u>

<b>2016 Successor Agency - Series B</b>			
Year Ending June 30,	Principal	Interest	Total
2024	\$ 1,930,000	\$ 513,306	\$ 2,443,306
2025	1,985,000	463,128	2,448,128
2026	2,180,000	407,100	2,587,100
2027	2,240,000	346,326	2,586,326
2028	2,295,000	275,363	2,570,363
2029-2032	6,720,000	335,476	7,055,476
Total	<u>\$ 17,350,000</u>	<u>\$ 2,340,698</u>	<u>\$ 19,690,698</u>

**Loan Payable to the City of Loma Linda – Direct Borrowing**

On March 8, 2011, the City of Loma Linda (the 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, 2023**

**Note 16: SUCCESSOR AGENCY, Continued**

***Successor Agency Long-Term Debt, 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 was sold in December 2020. There are no additional properties.

The following is a summary of the bonded debt activity of the Successor Agency as of June 30, 2023:

<u>TAX ALLOCATION BONDS</u>	Beginning Balance	Additions	Deletions	Ending Balance	Due within One Year
2016 Tax Allocation Refunding Bonds Series A	\$ 3,715,000	\$ -	\$ (435,000)	\$ 3,280,000	\$ 455,000
2016 Tax Allocation Refunding Bonds Series B	19,240,000	-	(1,890,000)	17,350,000	1,930,000
Unamortized bond premium	388,121	-	(46,114)	342,007	46,113
Unamortized bond discount	(400,294)	-	47,560	(352,734)	(47,560)
Loan payable to the City of Loma Linda - direct borrowings	4,961,764	-	(1,557,440)	3,404,324	1,639,148
Total	<u>\$ 27,904,591</u>	<u>\$ -</u>	<u>\$ (3,880,994)</u>	<u>\$ 24,023,597</u>	<u>\$ 4,022,701</u>

The following amount was reported as deferred inflow of resources:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within One Year
Deferred inflows of resources:					
Unamortized gain on refunding	\$ 19,236	-	\$ (2,286)	\$ 16,950	\$ -

**CITY OF LOMA LINDA**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2023**

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**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 was for a five-year term commencing July 1, 2016 "Commencement Date" for law enforcement services, and January 1, 2017 for fire suppression services. Both agreements for law enforcement services and fire suppression services were amended effective as of July 1, 2020, under similar terms and conditions as the original agreements.

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 a mitigation fee equal to the amount actually charged to the City by the San Bernardino County Sheriff's Department for such services. The mitigation fee shall be payable to the City on the first day of each month. Any changes in related expenses outlined in agreement will be billed quarterly.

The City shall credit the Medical Center for the mitigation fee to the extent the increase in the City's portion of sales taxes generated by the Loma Linda Mercantile for the prior fiscal year exceeds \$850,000, but not to exceed the actual cost incurred by the City for the agreed upon services. Such credits may be adjusted for any changes to the allocation of sales taxes.

As of June 30, 2023, the City has accrued a liability due to the Medical Center in the amount of \$395,332, for the excess sales tax, which is 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, 2023**

**Note 18: NET POSITION**

Net Investment in Capital Assets

Net position for governmental activities and business-type activities is classified as 1) net investment in capital assets, 2) restricted, or 3) unrestricted. Net position that was classified as net investment in capital assets as of June 30, 2023, was determined as follows:

	<u>Governmental Activities</u>
Capital assets, net of accumulated depreciation	\$ 66,660,265
Less: Lease liability	(80,393)
Subscription liability	<u>(19,444)</u>
Net investment in capital assets	<u><u>\$ 66,560,428</u></u>

	<u>Business-type Activities</u>			
	<u>Water Enterprise</u>	<u>Sewer Capital</u>	<u>Loma Linda Connected Communities</u>	<u>Total Enterprise Funds</u>
Capital assets, net of accumulated depreciation	\$ 35,385,609	\$ 3,773,189	\$ 3,876,552	\$ 43,035,350
Less capital related debt balance:				
Outstanding principal balance of 2016 Water Revenue Refunding Bond	(4,245,000)	-	-	(4,245,000)
Outstanding principal balance of 1978 Water Bonds (General Obligation)	(10,000)	-	-	(10,000)
Outstanding unamortized bond premium balance	(37,390)	-	-	(37,390)
Lease liability	(41,019)	(24,561)	-	(65,580)
Subscription liability	<u>(11,111)</u>	<u>(8,932)</u>	<u>-</u>	<u>(20,043)</u>
Net investment in capital assets	<u><u>\$ 31,041,089</u></u>	<u><u>\$ 3,739,696</u></u>	<u><u>\$ 3,876,552</u></u>	<u><u>\$ 38,657,337</u></u>



## **REQUIRED SUPPLEMENTARY INFORMATION**

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**CITY OF LOMA LINDA**  
**Required Supplementary Information**  
**For the year ended June 30, 2023**

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**1. BUDGET AND BUDGETARY ACCOUNTING**

**A. General Budget Policies**

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

**C. Budgets**

Excess of expenditures over appropriations are as follows:

<u>Fund</u>	<u>Appropriated</u>	<u>Expended</u>	<u>Excess</u>
<b>General Fund:</b>			
General government - city council	\$ 187,800	\$ 194,957	\$ (7,157)
Community development - Planning - building and safety	243,700	277,446	(33,746)
Public works - refuse	1,468,800	1,697,141	(228,341)
Debt Service - Principal	20,100	24,022	(3,922)
<b>Nonmajor Funds:</b>			
CASp CERT & Training	-	759	(759)
Landscape Maintenance District	700	717	(17)
Capital Projects Bond Proceeds	48,800	48,902	(102)
Loma Linda Financing Authority	300	315	(15)

**CITY OF LOMA LINDA**  
**Required Supplementary Information**  
**For the year ended June 30, 2023**

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

***D. 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		
<b>REVENUES</b>				
Taxes	\$ 10,665,100	\$ 10,910,000	\$ 10,580,088	\$ (329,912)
Licenses and permits	283,000	412,300	522,625	110,325
Intergovernmental	2,763,300	3,066,868	3,033,854	(33,014)
Charges for services	4,481,700	4,467,900	4,769,224	301,324
Use of money and property	409,600	684,100	836,059	151,959
Fines and forfeitures	5,000	5,800	3,240	(2,560)
Miscellaneous	3,843,700	5,189,100	3,777,920	(1,411,180)
<b>Total revenues</b>	<b>22,451,400</b>	<b>24,736,068</b>	<b>23,523,010</b>	<b>(1,213,058)</b>
<b>EXPENDITURES</b>				
Current:				
General government				
City council	122,200	187,800	194,957	(7,157)
City clerk	198,500	230,300	190,679	39,621
City manager	402,100	416,600	361,532	55,068
Finance	612,400	614,300	494,790	119,510
Information system	217,900	183,200	134,474	48,726
Senior Center	69,100	67,500	47,492	20,008
General government	760,800	887,200	811,371	75,829
Public safety				
Parking control	246,300	241,400	216,216	25,184
Fire prevention	376,700	400,300	339,148	61,152
Fire and rescue services	7,578,500	8,886,373	8,600,733	285,640
Disaster preparedness	299,300	315,600	265,114	50,486
Police	6,762,300	6,800,000	6,790,625	9,375
Code enforcement	303,900	339,600	231,661	107,939
Community development				
Planning	424,800	574,300	341,050	233,250
Planning - building and safety	121,800	243,700	277,446	(33,746)
Parks	1,275,100	1,455,900	1,290,661	165,239
Public works				
Traffic safety	216,400	275,700	187,125	88,575
Engineering	323,700	409,000	323,041	85,959
Street maintenance	891,400	758,100	645,176	112,924
Facilities maintenance	386,500	491,100	466,995	24,105
Refuse	1,278,200	1,468,800	1,697,141	(228,341)
Recycling	28,900	67,600	29,800	37,800
Capital outlay	1,332,500	1,651,095	935,988	715,107
Debt service:				
Principal retirement	-	20,100	24,022	(3,922)
Interest and fiscal charges	-	3,500	2,908	592
<b>Total expenditures</b>	<b>24,229,300</b>	<b>26,989,068</b>	<b>24,900,145</b>	<b>2,088,923</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,777,900)</b>	<b>(2,253,000)</b>	<b>(1,377,135)</b>	<b>875,865</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from disposal of assets	-	10,000	9,450	(550)
Transfers in	3,814,600	3,739,800	3,763,365	23,565
Transfers out	(120,000)	(120,000)	(120,000)	-
Lease acquisition	-	-	17,793	17,793
Subscription acquisition	-	-	23,868	23,868
<b>Total other financing sources (uses)</b>	<b>3,694,600</b>	<b>3,629,800</b>	<b>3,694,476</b>	<b>64,676</b>
<b>Net change in fund balance</b>	<b>1,916,700</b>	<b>1,376,800</b>	<b>2,317,341</b>	<b>940,541</b>
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	17,012,269	17,012,269	17,012,269	-
End of year	<b>\$ 18,928,969</b>	<b>\$ 18,389,069</b>	<b>\$ 19,329,610</b>	<b>\$ 940,541</b>

**CITY OF LOMA LINDA**  
**Required Supplementary Information**  
**For the year ended June 30, 2023**

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

***D. 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		
<b>REVENUES</b>				
Charges for services	\$ 1,400	\$ 1,400	\$ 1,438	\$ 38
Use of money and property	154,600	149,500	159,882	10,382
Miscellaneous	1,300	1,800	3,439	1,639
<b>Total revenues</b>	<b>157,300</b>	<b>152,700</b>	<b>164,759</b>	<b>12,059</b>
<b>EXPENDITURES</b>				
Current:				
Community development	118,000	117,800	55,795	62,005
Capital outlay	50,600	50,700	570	50,130
Debt service:				
Principal retirement	-	200	183	17
Interest and fiscal charges	-	100	24	76
<b>Total expenditures</b>	<b>168,600</b>	<b>168,800</b>	<b>56,572</b>	<b>112,228</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(11,300)</b>	<b>(16,100)</b>	<b>108,187</b>	<b>124,287</b>
<b>Net change in fund balance</b>	<b>(11,300)</b>	<b>(16,100)</b>	<b>108,187</b>	<b>124,287</b>
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	17,439,332	17,439,332	17,439,332	-
End of year	<b>\$ 17,428,032</b>	<b>\$ 17,423,232</b>	<b>\$ 17,547,519</b>	<b>\$ 124,287</b>

**CITY OF LOMA LINDA**  
**Required Supplementary Information**  
**For the year ended June 30, 2023**

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

***D. 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		
<b>REVENUES</b>				
Use of money and property	\$ 25,000	\$ 145,500	\$ 230,875	\$ 85,375
Developer fees	154,000	124,700	109,428	(15,272)
<b>Total revenues</b>	<u>179,000</u>	<u>270,200</u>	<u>340,303</u>	<u>70,103</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>179,000</u>	<u>270,200</u>	<u>340,303</u>	<u>70,103</u>
<b>Net change in fund balance</b>	179,000	270,200	340,303	70,103
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	<u>11,503,418</u>	<u>11,503,418</u>	<u>11,503,418</u>	<u>-</u>
End of year	<u>\$ 11,682,418</u>	<u>\$ 11,773,618</u>	<u>\$ 11,843,721</u>	<u>\$ 70,103</u>

**CITY OF LOMA LINDA**  
**Required Supplementary Information**  
**For the year ended June 30, 2023**

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

Measurement Period	2017	2018	2019	2020	2021	2022
<b>Total OPEB Liability</b>						
Service Cost	\$ 18,964	\$ 19,486	\$ 20,022	\$ 23,526	\$ 24,173	\$ 30,067
Interest on the Total OPEB Liability	56,269	59,253	62,267	58,442	61,981	60,740
Changes in assumptions	-	-	(23,320)	-	44,181	-
Experience gains/(losses)	-	-	(104,915)	(30,790)	(88,498)	-
Benefit payments	(31,110)	(35,165)	(13,410)	-	(32,698)	(28,032)
<b>Net change in Total OPEB Liability</b>	<b>44,123</b>	<b>43,574</b>	<b>(59,356)</b>	<b>51,178</b>	<b>9,139</b>	<b>62,775</b>
<b>Total OPEB Liability - beginning</b>	<b>810,182</b>	<b>854,305</b>	<b>897,879</b>	<b>838,523</b>	<b>889,701</b>	<b>898,840</b>
<b>Total OPEB Liability - ending (a)</b>	<b>854,305</b>	<b>897,879</b>	<b>838,523</b>	<b>889,701</b>	<b>898,840</b>	<b>961,615</b>
<b>Plan Fiduciary Net Position</b>						
Employer contributions as benefits payments	120,160	35,165	23,320	-	-	28,032
Investment income	29,955	24,458	28,324	16,215	141,595	45,350
Investment gains/losses	-	4,140	(4,955)	-	-	(133,218)
Actual benefit payments from employer	(31,110)	(35,165)	(23,320)	-	(32,698)	(28,032)
Administrative expense	(156)	(651)	(81)	(223)	(194)	(166)
Employer contributions to trust	-	-	54,000	44,095	32,698	31,000
<b>Net change in Plan Fiduciary Net Position</b>	<b>118,849</b>	<b>27,947</b>	<b>77,288</b>	<b>60,087</b>	<b>141,401</b>	<b>(57,034)</b>
<b>Plan Fiduciary Net Position - beginning</b>	<b>230,870</b>	<b>349,719</b>	<b>377,666</b>	<b>454,954</b>	<b>515,041</b>	<b>656,442</b>
<b>Plan Fiduciary Net Position - ending (b)</b>	<b>349,719</b>	<b>377,666</b>	<b>454,954</b>	<b>515,041</b>	<b>656,442</b>	<b>599,408</b>
<b>Net OPEB Liability - ending (a) - (b)</b>	<b>\$ 504,586</b>	<b>\$ 520,213</b>	<b>\$ 383,569</b>	<b>\$ 374,660</b>	<b>\$ 242,398</b>	<b>\$ 362,207</b>
Plan fiduciary net position as a percentage of the total OPEB liability	40.94%	42.06%	54.26%	57.89%	73.03%	62.33%
Covered-employee payroll	\$ 5,508,005	\$ 5,953,235	\$ 6,292,694	\$ 6,511,763	\$ 6,551,541	\$ 6,698,124
Net OPEB liability as a percentage of covered-employee payroll	9.16%	8.74%	6.10%	5.75%	3.70%	5.41%

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, 2023**

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

Fiscal Year	Statutorily required contributions	Contributions in relation to the statutorily required contributions	Contribution Deficiency (Excess)	Covered- employee payroll	Contributions as a percentage of covered- employee payroll
2017-18	\$ -	\$ -	\$ -	\$ 5,953,235	0.00%
2018-19	30,680	(54,000)	(23,320)	6,292,694	0.86%
2019-20	29,700	(44,095)	(14,395)	6,511,763	0.68%
2020-21	32,698	-	32,698	6,551,541	0.00%
2021-22	30,024	(31,000)	(976)	6,698,125	0.46%
2022-23	28,608	(31,000)	(2,392)	6,728,813	0.46%

**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:**

Actuarial Cost Method	Entry Age Normal
Inflation	2.5% per annum
Salary Increases	2.75% per year, since benefits are not related to pay, this is used only to allocate the cost of benefits between service years
Investment Rate of Return	6.75%, net of OPEB plan investments expense, including inflation.
Retirement Age	Retirement rates developed in the 2017 CalPERS Experiences Study.
Mortality	Mortality assumptions are based on the 2017 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, 2023**

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

<u>Measurement Date</u>	<u>Employer's Proportion of the Collective Net Pension Liability (Asset)<sup>1</sup></u>	<u>Employer's Proportion Share of the Collective Net Pension Liability (Asset)</u>	<u>Covered Payroll</u>	<u>Employer's Proportionate Share of the Collective Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Pension's Plans Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)</u>
6/30/2014	0.17451%	\$ 10,859,039	\$ 5,271,125	206.01%	78.28%
6/30/2015	0.16141%	11,079,145	5,387,220	205.66%	78.45%
6/30/2016	0.16353%	14,150,367	5,502,314	257.17%	73.82%
6/30/2017	0.16386%	16,250,803	5,572,009	291.65%	72.89%
6/30/2018	0.16703%	16,095,049	6,017,238	267.48%	74.82%
6/30/2019	0.08302%	8,506,850	6,356,698	133.82%	87.62%
6/30/2020	0.06427%	6,992,959	6,562,966	106.55%	89.97%
6/30/2021	-0.04538%	(2,454,170)	6,602,744	-37.17%	103.40%
6/30/2022	0.07381%	8,525,331	6,762,128	126.07%	88.94%

<sup>1</sup> Proportion of the 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. Additional years will be presented as information becomes available.

**CITY OF LOMA LINDA**  
**Required Supplementary Information**  
**For the year ended June 30, 2023**

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

Fiscal Year	Actuarially Determined Contributions	Contribution in Relation to the actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2014-15	\$ 1,047,183	\$ (1,047,183)	\$ -	\$ 5,387,220	18.22%
2015-16	1,232,549	(1,232,549)	-	5,502,314	22.88%
2016-17	1,374,037	(1,374,037)	-	5,572,009	24.97%
2017-18	1,526,424	(1,526,424)	-	6,017,238	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%
2020-21	1,659,841	(1,659,841)	-	6,602,744	25.14%
2021-22	1,790,643	(3,090,643)	(1,300,000)	6,762,128	26.48%
2022-23	1,899,052	(1,899,052)	-	6,792,816	27.96%

\* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

*Notes to Schedule:*

Changes in Benefit Terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. Additionally, the figures above do not include any liability impact that may have resulted from Golden Handshakes that occurred after the June 30, 2021 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Changes in Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. There were no assumption changes for 2021. For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. 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 2019. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect 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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 1,072,400	\$ 1,102,900	\$ 1,117,323	\$ 14,423
<b>Total revenues</b>	<u>1,072,400</u>	<u>1,102,900</u>	<u>1,117,323</u>	<u>14,423</u>
<b>EXPENDITURES</b>				
Current:				
Public works	24,800	29,400	5,544	23,856
Capital outlay	127,300	151,000	42,434	108,566
<b>Total expenditures</b>	<u>152,100</u>	<u>180,400</u>	<u>47,978</u>	<u>132,422</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>920,300</u>	<u>922,500</u>	<u>1,069,345</u>	<u>146,845</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	14,001	14,001
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>14,001</u>	<u>14,001</u>
<b>Net change in fund balance</b>	920,300	922,500	1,083,346	160,846
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	5,849,465	5,849,465	5,849,465	-
End of year	<u>\$ 6,769,765</u>	<u>\$ 6,771,965</u>	<u>\$ 6,932,811</u>	<u>\$ 160,846</u>

**CITY OF LOMA LINDA**  
**Park Development Capital Projects Fund**  
**Major Governmental Fund Budgetary Comparison Schedule**  
**For the year ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 2,500	\$ 10,500	\$ 20,137	\$ 9,637
Developer fees	235,500	84,900	79,227	(5,673)
<b>Total revenues</b>	<u>238,000</u>	<u>95,400</u>	<u>99,364</u>	<u>3,964</u>
<b>EXPENDITURES</b>				
Current:				
Community development	158,000	191,200	103,619	87,581
Capital outlay	790,000	956,000	518,092	437,908
<b>Total expenditures</b>	<u>948,000</u>	<u>1,147,200</u>	<u>621,711</u>	<u>525,489</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(710,000)</u>	<u>(1,051,800)</u>	<u>(522,347)</u>	<u>529,453</u>
<b>Net change in fund balance</b>	(710,000)	(1,051,800)	(522,347)	529,453
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	<u>(1,916,977)</u>	<u>(1,916,977)</u>	<u>(1,916,977)</u>	<u>-</u>
End of year	<u>\$ (2,626,977)</u>	<u>\$ (2,968,777)</u>	<u>\$ (2,439,324)</u>	<u>\$ 529,453</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.

*\*Note: this fund had no legally adopted budget in FY 2022-2023.*

**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.

*\*Note: this fund had no legally adopted budget in FY 2022-2023.*

**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.

**American Rescue Plan Act Fund** – This fund provides relief to the City for the negative impacts caused from the COVID-19 Pandemic.

### 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.

## **Nonmajor Governmental Funds**

### Capital Projects Funds, Continued

**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.

**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.

*\*Note: this fund had no legally adopted budget in FY 2022-2023.*

**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, 2023**

	Special Revenue Funds			
	Traffic Safety	Gas Tax	CASp Cert & Training	Measure I
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 56,759	\$ 36,567	\$ 227,923
Receivables:				
Accounts	-	-	300	-
Taxes	-	155,635	-	-
Interest	-	-	-	1,426
Contract and loans	-	-	-	-
Due from other governments	9,393	-	-	165,530
Prepaid items	-	-	-	-
<b>Total assets</b>	<b>\$ 9,393</b>	<b>\$ 212,394</b>	<b>\$ 36,867</b>	<b>\$ 394,879</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 177	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>177</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenue	-	-	-	57,085
<b>FUND BALANCE:</b>				
Restricted for:				
Cultural and recreational	-	-	-	-
State mandated	-	-	36,690	-
Public safety	-	-	-	-
Street improvements	9,393	212,394	-	337,794
Storm drains	-	-	-	-
Municipal facilities	-	-	-	-
Air quality management	-	-	-	-
Debt service	-	-	-	-
Low mod housing programs	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances (deficit)</b>	<b>9,393</b>	<b>212,394</b>	<b>36,690</b>	<b>337,794</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 9,393</b>	<b>\$ 212,394</b>	<b>\$ 36,867</b>	<b>\$ 394,879</b>

(Continued)

Special Revenue Funds			
Measure I MSART	Street Lighting District	Landscape Maintenance District	Air Quality Management District
\$ 238,470	\$ 129,921	\$ 102,558	\$ 12,348
-	-	-	-
-	6,625	3,721	-
1,482	1,240	1,072	106
-	-	-	-
31,898	-	-	8,454
-	54	49	-
<u>\$ 271,850</u>	<u>\$ 137,840</u>	<u>\$ 107,400</u>	<u>\$ 20,908</u>
\$ 24,902	\$ 25,010	\$ 23,101	\$ 6,094
-	323	-	-
-	-	-	-
-	-	-	-
<u>24,902</u>	<u>25,333</u>	<u>23,101</u>	<u>6,094</u>
<u>25,264</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-
-	-	-	-
-	-	-	-
221,684	112,507	84,299	-
-	-	-	-
-	-	-	14,814
-	-	-	-
-	-	-	-
<u>221,684</u>	<u>112,507</u>	<u>84,299</u>	<u>14,814</u>
<u>\$ 271,850</u>	<u>\$ 137,840</u>	<u>\$ 107,400</u>	<u>\$ 20,908</u>

**CITY OF LOMA LINDA**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2023**

	Special Revenue Funds			
	Public Improvement Per MOU	Asset Forfeiture	Community Development Block Grant	Grant Fund
<b>ASSETS</b>				
Cash and investments	\$ 65,133	\$ 2	\$ -	\$ -
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Interest	498	-	-	-
Contract and loans	-	-	-	-
Due from other governments	-	-	92,207	101,013
Prepaid items	-	-	-	-
<b>Total assets</b>	<u>\$ 65,631</u>	<u>\$ 2</u>	<u>\$ 92,207</u>	<u>\$ 101,013</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 1,835	\$ 2,746
Accrued liabilities	-	-	-	-
Due to other funds	-	-	90,904	72,061
Unearned revenue	-	-	-	10,093
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>92,739</u>	<u>84,900</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenue	-	-	80,798	16,454
<b>FUND BALANCE:</b>				
Restricted for:				
Cultural and recreational	-	-	-	-
State mandated	-	-	-	-
Public safety	-	2	-	-
Street improvements	65,631	-	-	-
Storm drains	-	-	-	-
Municipal facilities	-	-	-	-
Air quality management	-	-	-	-
Debt service	-	-	-	-
Low mod housing programs	-	-	-	-
Unassigned	-	-	(81,330)	(341)
<b>Total fund balances (deficit)</b>	<u>65,631</u>	<u>2</u>	<u>(81,330)</u>	<u>(341)</u>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<u>\$ 65,631</u>	<u>\$ 2</u>	<u>\$ 92,207</u>	<u>\$ 101,013</u>



(Continued)

Special Revenue Funds				
Citizens Option for Public Safety Fund	Traffic Congestion Relief Grant	Development Agreement Consideration	American Rescue Plan Act	Total Special Revenue Funds
\$ 530,540	\$ 1,745	\$ 198,816	\$ -	\$ 1,600,782
-	-	-	-	300
-	-	-	-	165,981
4,093	13	1,519	-	11,449
-	-	20,174	-	20,174
-	-	-	-	408,495
-	-	-	-	103
<u>\$ 534,633</u>	<u>\$ 1,758</u>	<u>\$ 220,509</u>	<u>\$ -</u>	<u>\$ 2,207,284</u>
\$ -	\$ -	\$ -	\$ -	\$ 83,865
-	-	-	-	323
102,149	-	-	-	265,114
440,478	-	-	-	450,571
<u>542,627</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>799,873</u>
-	-	-	-	179,601
-	-	-	-	-
-	-	-	-	36,690
-	-	-	-	2
-	1,758	-	-	1,045,460
-	-	-	-	-
-	-	-	-	14,814
-	-	-	-	-
-	-	220,509	-	220,509
(7,994)	-	-	-	(89,665)
<u>(7,994)</u>	<u>1,758</u>	<u>220,509</u>	<u>-</u>	<u>1,227,810</u>
<u>\$ 534,633</u>	<u>\$ 1,758</u>	<u>\$ 220,509</u>	<u>\$ -</u>	<u>\$ 2,207,284</u>

**CITY OF LOMA LINDA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2023**

	Capital Projects Funds			
	Storm Drain	Traffic Impact	Fire Facilities	General Facilities
<b>ASSETS</b>				
Cash and investments	\$ 1,159,047	\$ 1,412,577	\$ 1,620,183	\$ 221,292
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Interest	8,858	10,817	12,383	1,840
Contract and loans	-	-	-	-
Due from other governments	-	-	-	-
Prepaid items	-	-	-	-
<b>Total assets</b>	<b>\$ 1,167,905</b>	<b>\$ 1,423,394</b>	<b>\$ 1,632,566</b>	<b>\$ 223,132</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 15,788	\$ -	\$ 94,029
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>15,788</b>	<b>-</b>	<b>94,029</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenue	-	-	-	-
<b>FUND BALANCE:</b>				
Restricted for:				
Cultural and recreational	-	-	-	-
State mandated	-	-	-	-
Public safety	-	-	1,632,566	-
Street improvements	-	1,407,606	-	-
Storm drains	1,167,905	-	-	-
Municipal facilities	-	-	-	129,103
Air quality management	-	-	-	-
Debt service	-	-	-	-
Low mod housing programs	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances (deficit)</b>	<b>1,167,905</b>	<b>1,407,606</b>	<b>1,632,566</b>	<b>129,103</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 1,167,905</b>	<b>\$ 1,423,394</b>	<b>\$ 1,632,566</b>	<b>\$ 223,132</b>

(Continued)

Capital Projects Funds					Total
Federal/State Construction	Public Meeting Facilities	Public Library Facilities	Art in Public Places	Capital Project Bond Proceeds	Capital Projects Funds
\$ 56,527	\$ 714,371	\$ 31,355	\$ 196,254	\$ 834,386	\$ 6,245,992
-	-	-	-	-	-
-	-	-	-	-	-
432	5,453	240	1,535	7,675	49,233
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 56,959</u>	<u>\$ 719,824</u>	<u>\$ 31,595</u>	<u>\$ 197,789</u>	<u>\$ 842,061</u>	<u>\$ 6,295,225</u>
\$ -	\$ -	\$ -	\$ -	\$ 863	\$ 110,680
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	863	110,680
-	-	-	-	-	-
-	-	-	-	-	-
-	-	31,595	197,789	-	229,384
-	-	-	-	-	-
-	-	-	-	-	1,632,566
-	-	-	-	841,198	2,248,804
-	-	-	-	-	1,167,905
-	719,824	-	-	-	848,927
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
56,959	-	-	-	-	56,959
<u>56,959</u>	<u>719,824</u>	<u>31,595</u>	<u>197,789</u>	<u>841,198</u>	<u>6,184,545</u>
\$ 56,959	\$ 719,824	\$ 31,595	\$ 197,789	\$ 842,061	\$ 6,295,225

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**CITY OF LOMA LINDA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2023**

	Debt Service Funds		Total Debt Service Funds	Total Nonmajor Governmental Funds
	Water Bond Redemption Fund	Loma Linda Financing Authority		
<b>ASSETS</b>				
Cash and investments	\$ 12,756	\$ 40,006	\$ 52,762	\$ 7,899,536
Receivables:				
Accounts	-	-	-	300
Taxes	-	-	-	165,981
Interest	-	306	306	60,988
Contract and loans	-	-	-	20,174
Due from other governments	-	-	-	408,495
Prepaid items	-	-	-	103
<b>Total assets</b>	<u>\$ 12,756</u>	<u>\$ 40,312</u>	<u>\$ 53,068</u>	<u>\$ 8,555,577</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 194,545
Accrued liabilities	-	-	-	323
Due to other funds	-	-	-	265,114
Unearned revenue	-	-	-	450,571
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>910,553</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenue	-	-	-	179,601
<b>FUND BALANCE:</b>				
Restricted for:				
Cultural and recreational	-	-	-	229,384
State mandated	-	-	-	36,690
Public safety	-	-	-	1,632,568
Street improvements	-	-	-	3,294,264
Storm drains	-	-	-	1,167,905
Municipal facilities	-	-	-	848,927
Air quality management	-	-	-	14,814
Debt service	12,756	40,312	53,068	53,068
Low mod housing programs	-	-	-	220,509
Unassigned	-	-	-	(32,706)
<b>Total fund balances (deficit)</b>	<u>12,756</u>	<u>40,312</u>	<u>53,068</u>	<u>7,465,423</u>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<u>\$ 12,756</u>	<u>\$ 40,312</u>	<u>\$ 53,068</u>	<u>\$ 8,555,577</u>

**CITY OF LOMA LINDA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the year ended June 30, 2023**

	Special Revenue Funds			
	Traffic Safety	Gas Tax	CASp CERT & Training	Measure I
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ 673,597
Intergovernmental	-	1,214,311	-	-
Charges for services	-	-	6,907	-
Use of money and property	-	-	-	10,449
Fines and forfeitures	59,337	-	-	-
Miscellaneous	-	-	-	-
Developer fees	-	-	-	-
<b>Total revenues</b>	<u>59,337</u>	<u>1,214,311</u>	<u>6,907</u>	<u>684,046</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	759	-
Public works	-	-	-	-
Capital outlay	-	556,125	-	962,942
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>556,125</u>	<u>759</u>	<u>962,942</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>59,337</u>	<u>658,186</u>	<u>6,148</u>	<u>(278,896)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(57,955)	(648,585)	-	-
Subscription acquisition	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>(57,955)</u>	<u>(648,585)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,382	9,601	6,148	(278,896)
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	8,011	202,793	30,542	616,690
End of year	<u>\$ 9,393</u>	<u>\$ 212,394</u>	<u>\$ 36,690</u>	<u>\$ 337,794</u>

(Continued)

Special Revenue Funds			
Measure I MSART	Street Lighting District	Landscape Maintenance District	Air Quality Management District
\$ -	\$ 364,425	\$ 438,628	\$ -
1,200,925	-	-	41,650
-	-	-	-
(6)	2,606	1,406	289
-	-	-	-
-	51	43	-
-	-	-	-
<u>1,200,919</u>	<u>367,082</u>	<u>440,077</u>	<u>41,939</u>
-	-	-	-
-	-	-	39,319
-	-	529,720	-
-	396,539	-	-
1,113,555	785	717	-
-	254	232	-
-	33	30	-
<u>1,113,555</u>	<u>397,611</u>	<u>530,699</u>	<u>39,319</u>
<u>87,364</u>	<u>(30,529)</u>	<u>(90,622)</u>	<u>2,620</u>
-	-	120,000	-
-	-	-	-
-	139	127	-
<u>-</u>	<u>139</u>	<u>120,127</u>	<u>-</u>
87,364	(30,390)	29,505	2,620
134,320	142,897	54,794	12,194
<u>\$ 221,684</u>	<u>\$ 112,507</u>	<u>\$ 84,299</u>	<u>\$ 14,814</u>

**CITY OF LOMA LINDA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the year ended June 30, 2023**

	Special Revenue Funds			
	Public Improvement Per MOU	Asset Forfeiture	Community Development Block Grant	Grant Fund
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	57,323	157,627
Charges for services	-	-	-	-
Use of money and property	1,289	-	142	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Developer fees	-	-	-	-
<b>Total revenues</b>	<u>1,289</u>	<u>-</u>	<u>57,465</u>	<u>157,627</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	105,586	16,454
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>105,586</u>	<u>16,454</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,289</u>	<u>-</u>	<u>(48,121)</u>	<u>141,173</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Subscription acquisition	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,289	-	(48,121)	141,173
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	64,342	2	(33,209)	(141,514)
End of year	<u>\$ 65,631</u>	<u>\$ 2</u>	<u>\$ (81,330)</u>	<u>\$ (341)</u>



(Continued)

Special Revenue Funds				
Citizens Option for Public Safety Fund	Traffic Congestion Relief Fund	Development Agreement Consideration	American Rescue Plan Act	Total Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ 1,476,650
142,094	-	-	2,928,307	5,742,237
-	-	-	-	6,907
8,966	35	4,821	-	29,997
-	-	-	-	59,337
-	-	-	-	94
-	-	-	-	-
<u>151,060</u>	<u>35</u>	<u>4,821</u>	<u>2,928,307</u>	<u>7,315,222</u>
-	-	-	-	-
51,661	-	-	-	90,980
-	-	-	-	652,519
-	-	-	-	396,539
-	-	-	-	2,634,124
-	-	-	-	486
-	-	-	-	63
<u>51,661</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,774,711</u>
<u>99,399</u>	<u>35</u>	<u>4,821</u>	<u>2,928,307</u>	<u>3,540,511</u>
-	-	-	-	120,000
(102,149)	-	-	(2,928,307)	(3,736,996)
-	-	-	-	266
<u>(102,149)</u>	<u>-</u>	<u>-</u>	<u>(2,928,307)</u>	<u>(3,616,730)</u>
(2,750)	35	4,821	-	(76,219)
(5,244)	1,723	215,688	-	1,304,029
<u>\$ (7,994)</u>	<u>\$ 1,758</u>	<u>\$ 220,509</u>	<u>\$ -</u>	<u>\$ 1,227,810</u>

**CITY OF LOMA LINDA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the year ended June 30, 2023**

	Capital Projects Funds			
	Storm Drain	Traffic Impact	Fire Facilities	General Facilities
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	12,896	-	-	-
Use of money and property	22,724	45,624	31,915	7,905
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Developer fees	-	47,159	9,552	5,605
<b>Total revenues</b>	<u>35,620</u>	<u>92,783</u>	<u>41,467</u>	<u>13,510</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	-	138,605	-	40,047
Capital outlay	-	710,796	-	205,380
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>849,401</u>	<u>-</u>	<u>245,427</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>35,620</u>	<u>(756,618)</u>	<u>41,467</u>	<u>(231,917)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Subscription acquisition	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	35,620	(756,618)	41,467	(231,917)
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	1,132,285	2,164,224	1,591,099	361,020
End of year	<u>\$ 1,167,905</u>	<u>\$ 1,407,606</u>	<u>\$ 1,632,566</u>	<u>\$ 129,103</u>

(Continued)

Capital Projects Funds						Total Capital Projects Funds
Federal/State Construction	Public Meeting Facilities	Public Library Facilities	Art in Public Places	Capital Project Bond Proceeds		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
192,621	-	-	-	-	-	192,621
-	-	-	-	-	-	12,896
570	14,058	620	5,184	26,323	-	154,923
-	-	-	-	-	-	-
-	4,282	-	18,689	-	-	85,287
<u>193,191</u>	<u>18,340</u>	<u>620</u>	<u>23,873</u>	<u>26,323</u>		<u>445,727</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	12,601	48,902	-	240,155
-	-	-	64,618	250,778	-	1,231,572
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	<u>77,219</u>	<u>299,680</u>		<u>1,471,727</u>
<u>193,191</u>	<u>18,340</u>	<u>620</u>	<u>(53,346)</u>	<u>(273,357)</u>		<u>(1,026,000)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>193,191</u>	<u>18,340</u>	<u>620</u>	<u>(53,346)</u>	<u>(273,357)</u>		<u>(1,026,000)</u>
(136,232)	701,484	30,975	251,135	1,114,555		7,210,545
<u>\$ 56,959</u>	<u>\$ 719,824</u>	<u>\$ 31,595</u>	<u>\$ 197,789</u>	<u>\$ 841,198</u>		<u>\$ 6,184,545</u>

**CITY OF LOMA LINDA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the year ended June 30, 2023**

	Debt Service Funds		Total Debt Service Funds	Total Nonmajor Governmental Funds
	Water Bond Redemption Fund	Loma Linda Financing Authority		
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ 1,476,650
Intergovernmental	-	-	-	5,934,858
Charges for services	-	-	-	19,803
Use of money and property	-	800	800	185,720
Fines and forfeitures	-	-	-	59,337
Miscellaneous	-	-	-	94
Developer fees	-	-	-	85,287
<b>Total revenues</b>	<u>-</u>	<u>800</u>	<u>800</u>	<u>7,761,749</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	315	315	315
Public safety	-	-	-	90,980
Community development	-	-	-	652,519
Public works	-	-	-	636,694
Capital outlay	-	-	-	3,865,696
Debt service:				
Principal retirement	-	-	-	486
Interest and fiscal charges	-	-	-	63
<b>Total expenditures</b>	<u>-</u>	<u>315</u>	<u>315</u>	<u>5,246,753</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>485</u>	<u>485</u>	<u>2,514,996</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	120,000
Transfers out	-	-	-	(3,736,996)
Subscription acquisition	-	-	-	266
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,616,730)</u>
Net change in fund balances	-	485	485	(1,101,734)
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	12,756	39,827	52,583	8,567,157
End of year	<u>\$ 12,756</u>	<u>\$ 40,312</u>	<u>\$ 53,068</u>	<u>\$ 7,465,423</u>

**NONMAJOR GOVERNMENTAL BUDGETARY  
COMPARISON SCHEDULES**

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**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Traffic Safety**  
**For the year ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ 45,000	\$ 46,000	\$ 59,337	\$ 13,337
<b>Total revenues</b>	<u>45,000</u>	<u>46,000</u>	<u>59,337</u>	<u>13,337</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>45,000</u>	<u>46,000</u>	<u>59,337</u>	<u>13,337</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(45,000)</u>	<u>(46,000)</u>	<u>(57,955)</u>	<u>(11,955)</u>
<b>Total other financing sources (uses)</b>	<u>(45,000)</u>	<u>(46,000)</u>	<u>(57,955)</u>	<u>(11,955)</u>
<b>Net change in fund balance</b>	-	-	1,382	1,382
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	<u>8,011</u>	<u>8,011</u>	<u>8,011</u>	<u>-</u>
End of year	<u>\$ 8,011</u>	<u>\$ 8,011</u>	<u>\$ 9,393</u>	<u>\$ 1,382</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Gas Tax**  
**For the year ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 1,299,400	\$ 1,205,900	\$ 1,214,311	\$ 8,411
<b>Total revenues</b>	<u>1,299,400</u>	<u>1,205,900</u>	<u>1,214,311</u>	<u>8,411</u>
<b>EXPENDITURES</b>				
Capital outlay	567,000	567,000	556,125	10,875
<b>Total expenditures</b>	<u>567,000</u>	<u>567,000</u>	<u>556,125</u>	<u>10,875</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>732,400</u>	<u>638,900</u>	<u>658,186</u>	<u>19,286</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(731,900)	(656,100)	(648,585)	7,515
<b>Total other financing sources (uses)</b>	<u>(731,900)</u>	<u>(656,100)</u>	<u>(648,585)</u>	<u>7,515</u>
<b>Net change in fund balance</b>	500	(17,200)	9,601	26,801
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	202,793	202,793	202,793	-
End of year	<u>\$ 203,293</u>	<u>\$ 185,593</u>	<u>\$ 212,394</u>	<u>\$ 26,801</u>



**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**CASp CERT & Training**  
**For the year ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 6,000	\$ 8,000	\$ 6,907	\$ (1,093)
<b>Total revenues</b>	<u>6,000</u>	<u>8,000</u>	<u>6,907</u>	<u>(1,093)</u>
<b>EXPENDITURES</b>				
Current:				
Community development	-	-	759	(759)
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>759</u>	<u>(759)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>6,000</u>	<u>8,000</u>	<u>6,148</u>	<u>(1,852)</u>
<b>Net change in fund balance</b>	6,000	8,000	6,148	(1,852)
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	<u>30,542</u>	<u>30,542</u>	<u>30,542</u>	<u>-</u>
End of year	<u>\$ 36,542</u>	<u>\$ 38,542</u>	<u>\$ 36,690</u>	<u>\$ (1,852)</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Measure I**  
**For the year ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 638,700	\$ 638,700	\$ 673,597	\$ 34,897
Use of money and property	1,000	6,000	10,449	4,449
<b>Total revenues</b>	<u>639,700</u>	<u>644,700</u>	<u>684,046</u>	<u>39,346</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>810,000</u>	<u>990,700</u>	<u>962,942</u>	<u>27,758</u>
<b>Total expenditures</b>	<u>810,000</u>	<u>990,700</u>	<u>962,942</u>	<u>27,758</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(170,300)</u>	<u>(346,000)</u>	<u>(278,896)</u>	<u>67,104</u>
<b>Net change in fund balance</b>	(170,300)	(346,000)	(278,896)	67,104
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	<u>616,690</u>	<u>616,690</u>	<u>616,690</u>	<u>-</u>
End of year	<u>\$ 446,390</u>	<u>\$ 270,690</u>	<u>\$ 337,794</u>	<u>\$ 67,104</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Measure I MSART**  
**For the year ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 2,269,900	\$ 2,269,900	\$ 1,200,925	\$ (1,068,975)
Use of money and property	400	1,500	(6)	(1,506)
<b>Total revenues</b>	<u>2,270,300</u>	<u>2,271,400</u>	<u>1,200,919</u>	<u>(1,070,481)</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>2,595,800</u>	<u>2,595,800</u>	<u>1,113,555</u>	<u>1,482,245</u>
<b>Total expenditures</b>	<u>2,595,800</u>	<u>2,595,800</u>	<u>1,113,555</u>	<u>1,482,245</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(325,500)</u>	<u>(324,400)</u>	<u>87,364</u>	<u>411,764</u>
<b>Net change in fund balance</b>	<u>(325,500)</u>	<u>(324,400)</u>	<u>87,364</u>	<u>411,764</u>
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	<u>134,320</u>	<u>134,320</u>	<u>134,320</u>	<u>-</u>
End of year	<u>\$ (191,180)</u>	<u>\$ (190,080)</u>	<u>\$ 221,684</u>	<u>\$ 411,764</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Street Lighting District**  
**For the year ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 324,000	\$ 361,500	\$ 364,425	\$ 2,925
Use of money and property	200	1,500	2,606	1,106
Miscellaneous	-	100	51	(49)
<b>Total revenues</b>	<b>324,200</b>	<b>363,100</b>	<b>367,082</b>	<b>3,982</b>
<b>EXPENDITURES</b>				
Current:				
Public works	314,100	441,800	396,539	45,261
Capital outlay	700	800	785	15
Debt service:				
Principal retirement	-	300	254	46
Interest and fiscal charges	-	100	33	67
<b>Total expenditures</b>	<b>314,800</b>	<b>443,000</b>	<b>397,611</b>	<b>45,389</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>9,400</b>	<b>(79,900)</b>	<b>(30,529)</b>	<b>49,371</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Subscription acquisition	-	-	139	139
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>139</b>	<b>139</b>
<b>Net change in fund balance</b>	<b>9,400</b>	<b>(79,900)</b>	<b>(30,390)</b>	<b>49,510</b>
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	142,897	142,897	142,897	-
End of year	\$ 152,297	\$ 62,997	\$ 112,507	\$ 49,510

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Landscape Maintenance District**  
**For the year ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 383,400	\$ 437,500	\$ 438,628	\$ 1,128
Use of money and property	200	600	1,406	806
Miscellaneous	-	100	43	(57)
<b>Total revenues</b>	<b>383,600</b>	<b>438,200</b>	<b>440,077</b>	<b>1,877</b>
<b>EXPENDITURES</b>				
Current:				
Community development	520,200	609,600	529,720	79,880
Capital outlay	600	700	717	(17)
Debt service:				
Principal retirement	-	300	232	68
Interest and fiscal charges	-	100	30	70
<b>Total expenditures</b>	<b>520,800</b>	<b>610,700</b>	<b>530,699</b>	<b>80,001</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(137,200)</b>	<b>(172,500)</b>	<b>(90,622)</b>	<b>81,878</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	120,000	120,000	120,000	-
Subscription acquisition	-	-	127	127
<b>Total other financing sources (uses)</b>	<b>120,000</b>	<b>120,000</b>	<b>120,127</b>	<b>127</b>
<b>Net change in fund balance</b>	<b>(17,200)</b>	<b>(52,500)</b>	<b>29,505</b>	<b>82,005</b>
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	54,794	54,794	54,794	-
End of year	<u>\$ 37,594</u>	<u>\$ 2,294</u>	<u>\$ 84,299</u>	<u>\$ 82,005</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Air Quality Management District**  
**For the year ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 31,200	\$ 24,000	\$ 41,650	\$ 17,650
Use of money and property	100	100	289	189
<b>Total revenues</b>	<u>31,300</u>	<u>24,100</u>	<u>41,939</u>	<u>17,839</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>53,000</u>	<u>53,000</u>	<u>39,319</u>	<u>13,681</u>
<b>Total expenditures</b>	<u>53,000</u>	<u>53,000</u>	<u>39,319</u>	<u>13,681</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(21,700)</u>	<u>(28,900)</u>	<u>2,620</u>	<u>31,520</u>
<b>Net change in fund balance</b>	(21,700)	(28,900)	2,620	31,520
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	<u>12,194</u>	<u>12,194</u>	<u>12,194</u>	<u>-</u>
End of year	<u>\$ (9,506)</u>	<u>\$ (16,706)</u>	<u>\$ 14,814</u>	<u>\$ 31,520</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Public Improvements Per MOU**  
**For the year ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 200	\$ 1,500	\$ 1,289	\$ (211)
<b>Total revenues</b>	<u>200</u>	<u>1,500</u>	<u>1,289</u>	<u>(211)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>200</u>	<u>1,500</u>	<u>1,289</u>	<u>(211)</u>
<b>Net change in fund balance</b>	200	1,500	1,289	(211)
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	<u>64,342</u>	<u>64,342</u>	<u>64,342</u>	<u>-</u>
End of year	<u>\$ 64,542</u>	<u>\$ 65,842</u>	<u>\$ 65,631</u>	<u>\$ (211)</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Community Development Block Grant**  
**For the year ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 140,000	\$ 273,000	\$ 57,323	\$ (215,677)
Use of money and property	-	400	142	(258)
<b>Total revenues</b>	<u>140,000</u>	<u>273,400</u>	<u>57,465</u>	<u>(215,935)</u>
<b>EXPENDITURES</b>				
Current:				
Community development	20,000	153,000	105,586	47,414
Capital outlay	120,000	120,000	-	120,000
<b>Total expenditures</b>	<u>140,000</u>	<u>273,000</u>	<u>105,586</u>	<u>167,414</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>400</u>	<u>(48,121)</u>	<u>(48,521)</u>
<b>Net change in fund balance</b>	-	400	(48,121)	(48,521)
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	(33,209)	(33,209)	(33,209)	-
End of year	<u>\$ (33,209)</u>	<u>\$ (32,809)</u>	<u>\$ (81,330)</u>	<u>\$ (48,521)</u>



**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Grant Fund**  
**For the year ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 220,600	\$ 220,600	\$ 157,627	\$ (62,973)
<b>Total revenues</b>	<u>220,600</u>	<u>220,600</u>	<u>157,627</u>	<u>(62,973)</u>
<b>EXPENDITURES</b>				
Current:				
Community development	220,600	220,600	16,454	204,146
<b>Total expenditures</b>	<u>220,600</u>	<u>220,600</u>	<u>16,454</u>	<u>204,146</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>141,173</u>	<u>141,173</u>
<b>Net change in fund balance</b>	-	-	141,173	141,173
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	(141,514)	(141,514)	(141,514)	-
End of year	<u>\$ (141,514)</u>	<u>\$ (141,514)</u>	<u>\$ (341)</u>	<u>\$ 141,173</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Citizens Option for Public Safety**  
**For the year ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 108,900	\$ 157,400	\$ 142,094	\$ (15,306)
Use of money and property	1,000	6,000	8,966	2,966
<b>Total revenues</b>	<u>109,900</u>	<u>163,400</u>	<u>151,060</u>	<u>(12,340)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>4,800</u>	<u>53,300</u>	<u>51,661</u>	<u>1,639</u>
<b>Total expenditures</b>	<u>4,800</u>	<u>53,300</u>	<u>51,661</u>	<u>1,639</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>105,100</u>	<u>110,100</u>	<u>99,399</u>	<u>(10,701)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(109,400)</u>	<u>(109,400)</u>	<u>(102,149)</u>	<u>7,251</u>
<b>Total other financing sources (uses)</b>	<u>(109,400)</u>	<u>(109,400)</u>	<u>(102,149)</u>	<u>7,251</u>
<b>Net change in fund balance</b>	<u>(4,300)</u>	<u>700</u>	<u>(2,750)</u>	<u>(3,450)</u>
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	<u>(5,244)</u>	<u>(5,244)</u>	<u>(5,244)</u>	<u>-</u>
End of year	<u><u>\$ (9,544)</u></u>	<u><u>\$ (4,544)</u></u>	<u><u>\$ (7,994)</u></u>	<u><u>\$ (3,450)</u></u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Development Agreement Consideration**  
**For the year ended June 30, 2023**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 1,500	\$ 4,000	\$ 4,821	\$ 821
<b>Total revenues</b>	<u>1,500</u>	<u>4,000</u>	<u>4,821</u>	<u>821</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,500</u>	<u>4,000</u>	<u>4,821</u>	<u>821</u>
<b>Net change in fund balance</b>	1,500	4,000	4,821	821
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	<u>215,688</u>	<u>215,688</u>	<u>215,688</u>	<u>-</u>
End of year	<u>\$ 217,188</u>	<u>\$ 219,688</u>	<u>\$ 220,509</u>	<u>\$ 821</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**American Rescue Plan Act**  
**For the year ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 2,928,300	\$ 2,928,300	\$ 2,928,307	\$ 7
<b>Total revenues</b>	<u>2,928,300</u>	<u>2,928,300</u>	<u>2,928,307</u>	<u>7</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,928,300</u>	<u>2,928,300</u>	<u>2,928,307</u>	<u>7</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(2,928,300)	(2,928,300)	(2,928,307)	(7)
<b>Total other financing sources (uses)</b>	<u>(2,928,300)</u>	<u>(2,928,300)</u>	<u>(2,928,307)</u>	<u>(7)</u>
<b>Net change in fund balance</b>	-	-	-	-
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Storm Drain**  
**For the year ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 29,400	\$ 13,800	\$ 12,896	\$ (904)
Use of money and property	2,500	15,000	22,724	7,724
<b>Total revenues</b>	<u>31,900</u>	<u>28,800</u>	<u>35,620</u>	<u>6,820</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>31,900</u>	<u>28,800</u>	<u>35,620</u>	<u>6,820</u>
<b>Net change in fund balance</b>	31,900	28,800	35,620	6,820
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	<u>1,132,285</u>	<u>1,132,285</u>	<u>1,132,285</u>	<u>-</u>
End of year	<u>\$ 1,164,185</u>	<u>\$ 1,161,085</u>	<u>\$ 1,167,905</u>	<u>\$ 6,820</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Traffic Impact**  
**For the year ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 7,000	\$ 21,000	\$ 45,624	\$ 24,624
Developer fees	66,500	51,900	47,159	(4,741)
<b>Total revenues</b>	<u>73,500</u>	<u>72,900</u>	<u>92,783</u>	<u>19,883</u>
<b>EXPENDITURES</b>				
Current:				
Public works	280,600	320,900	138,605	182,295
Capital outlay	1,645,700	1,645,700	710,796	934,904
<b>Total expenditures</b>	<u>1,926,300</u>	<u>1,966,600</u>	<u>849,401</u>	<u>1,117,199</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,852,800)</u>	<u>(1,893,700)</u>	<u>(756,618)</u>	<u>1,137,082</u>
<b>Net change in fund balance</b>	(1,852,800)	(1,893,700)	(756,618)	1,137,082
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	<u>2,164,224</u>	<u>2,164,224</u>	<u>2,164,224</u>	<u>-</u>
End of year	<u>\$ 311,424</u>	<u>\$ 270,524</u>	<u>\$ 1,407,606</u>	<u>\$ 1,137,082</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Fire Facilities**  
**For the year ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 3,500	\$ 19,500	\$ 31,915	\$ 12,415
Developer fees	22,700	10,200	9,552	(648)
<b>Total revenues</b>	<u>26,200</u>	<u>29,700</u>	<u>41,467</u>	<u>11,767</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>26,200</u>	<u>29,700</u>	<u>41,467</u>	<u>11,767</u>
<b>Net change in fund balance</b>	26,200	29,700	41,467	11,767
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	<u>1,591,099</u>	<u>1,591,099</u>	<u>1,591,099</u>	<u>-</u>
End of year	<u>\$ 1,617,299</u>	<u>\$ 1,620,799</u>	<u>\$ 1,632,566</u>	<u>\$ 11,767</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**General Facilities**  
**For the year ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 800	\$ 4,500	\$ 7,905	\$ 3,405
Developer fees	10,800	5,800	5,605	(195)
<b>Total revenues</b>	<u>11,600</u>	<u>10,300</u>	<u>13,510</u>	<u>3,210</u>
<b>EXPENDITURES</b>				
Current:				
Public works	286,800	293,200	40,047	253,153
Capital outlay	77,300	269,200	205,380	63,820
<b>Total expenditures</b>	<u>364,100</u>	<u>562,400</u>	<u>245,427</u>	<u>316,973</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(352,500)</u>	<u>(552,100)</u>	<u>(231,917)</u>	<u>320,183</u>
<b>Net change in fund balance</b>	(352,500)	(552,100)	(231,917)	320,183
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	<u>361,020</u>	<u>361,020</u>	<u>361,020</u>	<u>-</u>
End of year	<u>\$ 8,520</u>	<u>\$ (191,080)</u>	<u>\$ 129,103</u>	<u>\$ 320,183</u>



**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Federal/State Construction**  
**For the year ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 192,700	\$ 192,621	\$ (79)
Use of money and property	-	1,500	570	(930)
<b>Total revenues</b>	-	194,200	193,191	(1,009)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	194,200	193,191	(1,009)
<b>Net change in fund balance</b>	-	194,200	193,191	(1,009)
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	(136,232)	(136,232)	(136,232)	-
End of year	\$ (136,232)	\$ 57,968	\$ 56,959	\$ (1,009)

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Public Meeting Facilities**  
**For the year ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 1,500	\$ 9,000	\$ 14,058	\$ 5,058
Developer fees	22,000	5,000	4,282	(718)
<b>Total revenues</b>	<b>23,500</b>	<b>14,000</b>	<b>18,340</b>	<b>4,340</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>23,500</b>	<b>14,000</b>	<b>18,340</b>	<b>4,340</b>
<b>Net change in fund balance</b>	<b>23,500</b>	<b>14,000</b>	<b>18,340</b>	<b>4,340</b>
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	701,484	701,484	701,484	-
End of year	<u>\$ 724,984</u>	<u>\$ 715,484</u>	<u>\$ 719,824</u>	<u>\$ 4,340</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Public Library Facilities**  
**For the year ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 100	\$ 600	\$ 620	\$ 20
<b>Total revenues</b>	100	600	620	20
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	100	600	620	20
<b>Net change in fund balance</b>	100	600	620	20
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	30,975	30,975	30,975	-
End of year	\$ 31,075	\$ 31,575	\$ 31,595	\$ 20

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Art in Public Places**  
**For the year ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 700	\$ 3,000	\$ 5,184	\$ 2,184
Developer fees	55,700	19,500	18,689	(811)
<b>Total revenues</b>	<u>56,400</u>	<u>22,500</u>	<u>23,873</u>	<u>1,373</u>
<b>EXPENDITURES</b>				
Current:				
Public works	19,500	19,500	12,601	6,899
Capital outlay	100,000	100,000	64,618	35,382
<b>Total expenditures</b>	<u>119,500</u>	<u>119,500</u>	<u>77,219</u>	<u>42,281</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(63,100)</u>	<u>(97,000)</u>	<u>(53,346)</u>	<u>43,654</u>
<b>Net change in fund balance</b>	(63,100)	(97,000)	(53,346)	43,654
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	<u>251,135</u>	<u>251,135</u>	<u>251,135</u>	<u>-</u>
End of year	<u>\$ 188,035</u>	<u>\$ 154,135</u>	<u>\$ 197,789</u>	<u>\$ 43,654</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Capital Projects Bond Proceeds**  
**For the year ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 3,000	\$ 7,500	\$ 26,323	\$ 18,823
<b>Total revenues</b>	<u>3,000</u>	<u>7,500</u>	<u>26,323</u>	<u>18,823</u>
<b>EXPENDITURES</b>				
Current:				
Public works	48,800	48,800	48,902	(102)
Capital outlay	<u>250,000</u>	<u>290,000</u>	<u>250,778</u>	<u>39,222</u>
<b>Total expenditures</b>	<u>298,800</u>	<u>338,800</u>	<u>299,680</u>	<u>39,120</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(295,800)</u>	<u>(331,300)</u>	<u>(273,357)</u>	<u>57,943</u>
<b>Net change in fund balance</b>	(295,800)	(331,300)	(273,357)	57,943
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	<u>1,114,555</u>	<u>1,114,555</u>	<u>1,114,555</u>	<u>-</u>
End of year	<u>\$ 818,755</u>	<u>\$ 783,255</u>	<u>\$ 841,198</u>	<u>\$ 57,943</u>

**CITY OF LOMA LINDA**  
**Budgetary Comparison Schedule**  
**Loma Linda Financing Authority**  
**For the year ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 100	\$ 600	\$ 800	\$ 200
<b>Total revenues</b>	<u>100</u>	<u>600</u>	<u>800</u>	<u>200</u>
<b>EXPENDITURES</b>				
Current:				
General government	<u>300</u>	<u>300</u>	<u>315</u>	<u>(15)</u>
<b>Total expenditures</b>	<u>300</u>	<u>300</u>	<u>315</u>	<u>(15)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(200)</u>	<u>300</u>	<u>485</u>	<u>185</u>
<b>Net change in fund balance</b>	(200)	300	485	185
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	<u>39,827</u>	<u>39,827</u>	<u>39,827</u>	<u>-</u>
End of year	<u>\$ 39,627</u>	<u>\$ 40,127</u>	<u>\$ 40,312</u>	<u>\$ 185</u>

**FIDUCIARY FUNDS  
CUSTODIAL FUNDS COMBINING SCHEDULE**

**CITY OF LOMA LINDA**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**  
**June 30, 2023**

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

	Association Fire Equipment	Customer Deposits	Total Custodial Funds
<b>ASSETS</b>			
Cash and investments	\$ 32,838	\$ 98,390	\$ 131,228
<b>Total assets</b>	<u>32,838</u>	<u>98,390</u>	<u>131,228</u>
<b>LIABILITIES</b>			
Accounts payable	124	-	124
Due to other governments	32,714	98,390	131,104
<b>Total liabilities</b>	<u>32,838</u>	<u>98,390</u>	<u>131,228</u>
<b>NET POSITION (DEFICIT)</b>			
Restricted for other organizations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**CITY OF LOMA LINDA**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**For the year ended June 30, 2023**

	Association Fire Equipment	Customer Deposits	Total Custodial Funds
<b>ADDITIONS</b>			
Miscellaneous	\$ 2,750	\$ -	\$ 2,750
<b>Total additions</b>	<u>2,750</u>	<u>-</u>	<u>2,750</u>
<b>DEDUCTIONS</b>			
Miscellaneous	<u>29,739</u>	<u>-</u>	<u>29,739</u>
<b>Total deductions</b>	<u>29,739</u>	<u>-</u>	<u>29,739</u>
<b>Change in net position (deficit)</b>	<u>(26,989)</u>	<u>-</u>	<u>(26,989)</u>
<b>NET POSITION:</b>			
Beginning of year	<u>26,989</u>	<u>-</u>	<u>26,989</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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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.

<b>Contents</b>	<b><u>Page</u></b>
<i>Financial Trends</i>	147
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>	153
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
<i>Debt Capacity</i>	166
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>	172
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>	175
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)**

<b>Fiscal Year</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Governmental activities				
Net investment in capital assets	\$ 53,642,388	\$ 55,885,140	\$ 54,701,694	\$ 54,669,551
Restricted	29,305,083	27,181,403	41,158,883	34,485,340
Unrestricted	2,258,815	(6,245,613)	10,216,095	15,833,197
Total governmental activities net position	<u>\$ 85,206,286</u>	<u>\$ 76,820,930</u>	<u>\$ 106,076,672</u>	<u>\$ 104,988,088</u>
Business-type activities				
Net investment in capital assets	\$ 38,186,940	\$ 37,347,912	\$ 36,315,946	\$ 35,575,964
Restricted	40,839	40,840	41,054	760,313
Unrestricted	(9,816,996)	(13,846,636)	(6,145,456)	(7,140,329)
Total business-type activities net position	<u>\$ 28,410,783</u>	<u>\$ 23,542,116</u>	<u>\$ 30,211,544</u>	<u>\$ 29,195,948</u>
Primary government				
Net investment in capital assets	\$ 91,829,328	\$ 93,233,052	\$ 91,017,640	\$ 90,245,515
Restricted	29,345,922	27,222,243	41,199,937	35,245,653
Unrestricted	(7,558,181)	(20,092,249)	4,070,639	8,692,868
Total primary government net position	<u>\$ 113,617,069</u>	<u>\$ 100,363,046</u>	<u>\$ 136,288,216</u>	<u>\$ 134,184,036</u>

Source: City of Loma Linda Finance Department

<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
\$ 53,645,346	\$ 53,363,136	\$ 52,098,547	\$ 52,880,007	\$ 54,585,683	\$ 66,560,428
40,009,123	40,255,257	41,042,155	43,777,701	43,645,029	43,785,591
11,961,248	13,949,530	16,553,951	13,952,683	26,633,948	21,046,810
<u>\$ 105,615,717</u>	<u>\$ 107,567,923</u>	<u>\$ 109,694,653</u>	<u>\$ 110,610,391</u>	<u>\$ 124,864,660</u>	<u>\$ 131,392,829</u>
\$ 35,053,848	\$ 35,191,938	\$ 35,564,416	\$ 36,344,853	\$ 36,429,645	\$ 38,657,337
684,561	396,401	681,788	682,253	685,433	691,514
(7,304,285)	(8,176,541)	(8,564,601)	(8,688,855)	(5,324,916)	(7,643,448)
<u>\$ 28,434,124</u>	<u>\$ 27,411,798</u>	<u>\$ 27,681,603</u>	<u>\$ 28,338,251</u>	<u>\$ 31,790,162</u>	<u>\$ 31,705,403</u>
\$ 88,699,194	\$ 88,555,074	\$ 87,662,963	\$ 89,224,860	\$ 91,015,328	\$ 105,217,765
40,693,684	40,651,658	41,723,943	44,459,954	44,330,462	44,477,105
4,656,963	5,772,989	7,989,350	5,263,828	21,309,032	13,403,362
<u>\$ 134,049,841</u>	<u>\$ 134,979,721</u>	<u>\$ 137,376,256</u>	<u>\$ 138,948,642</u>	<u>\$ 156,654,822</u>	<u>\$ 163,098,232</u>

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

<b>Fiscal Year</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Expenses</b>				
Governmental activities:				
General government	\$ 1,818,573	\$ 3,387,169	\$ 3,671,993	\$ 4,183,558
Public safety	8,430,753	8,772,658	9,304,542	11,026,804
Community development	1,948,836	2,278,470	1,841,405	2,390,338
Public works	5,451,342	3,948,235	4,676,124	4,411,533
Interest on long-term debt	180,289	128,956	(12,257)	6,053
Total governmental activities expenses	<u>17,829,793</u>	<u>18,515,488</u>	<u>19,481,807</u>	<u>22,018,286</u>
Business-type activities:				
Water acquisition	-	32,458	47,594	231,003
Water enterprise	6,414,771	6,529,987	5,697,329	5,956,326
Sewer capital	4,135,446	4,128,121	4,100,045	4,237,844
Loma Linda Connected Communities	923,887	1,183,177	1,118,342	1,056,877
Total business-type activities expenses	<u>11,474,104</u>	<u>11,873,743</u>	<u>10,963,310</u>	<u>11,482,050</u>
Total primary government expenses	<u>\$ 29,303,897</u>	<u>\$ 30,389,231</u>	<u>\$ 30,445,117</u>	<u>\$ 33,500,336</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General Government	\$ 2,017,576	\$ 2,230,122	\$ 1,914,239	\$ 2,411,391
Public Safety	566,346	576,908	982,772	2,072,189
Community development	2,598,727	1,247,138	7,689,602	703,820
Public works	1,729,660	1,523,530	1,329,226	1,318,224
Operating contributions and grants	238,064	227,592	675,510	918,093
Capital contributions and grants	5,425,257	1,276,451	1,321,811	349,723
Total governmental activities program revenues	<u>12,575,630</u>	<u>7,081,741</u>	<u>13,913,160</u>	<u>7,773,440</u>
Business-type activities:				
Charges for services:				
Water acquisition	60,113	249,351	506,018	124,489
Water enterprise	4,813,653	4,970,004	4,570,660	4,910,137
Sewer capital	3,457,741	3,843,936	3,853,476	4,187,465
Loma Linda Connected Communities	414,429	399,978	362,285	389,793
Capital Grants and Contributions	-	-	-	-
Total business-type activities program revenues	<u>8,745,936</u>	<u>9,463,269</u>	<u>9,292,439</u>	<u>9,611,884</u>
Total primary government revenues	<u>\$ 21,321,566</u>	<u>\$ 16,545,010</u>	<u>\$ 23,205,599</u>	<u>\$ 17,385,324</u>
Net (expense)/revenue				
Governmental activities	\$ (5,254,163)	\$ (11,433,747)	\$ (5,568,647)	\$ (14,244,846)
Business-type activities	(2,728,168)	(2,410,474)	(1,670,871)	(1,870,166)
Total primary government net (expense)/revenue	<u>\$ (7,982,331)</u>	<u>\$ (13,844,221)</u>	<u>\$ (7,239,518)</u>	<u>\$ (16,115,012)</u>

Source: City of Loma Linda Finance Department



Continued

	2018	2019	2020	2021	2022	2023
\$	3,446,226	\$ 6,425,416	\$ 4,655,547	\$ 2,432,363	\$ 2,068,926	\$ 3,310,972
	12,531,692	13,454,286	13,132,883	15,816,365	10,634,051	20,947,648
	2,530,022	2,309,000	3,646,694	3,405,290	2,264,274	3,841,626
	6,231,901	7,202,335	7,191,106	6,691,119	4,811,300	7,867,724
	-	7,778	3,148	1,606	2,643	2,995
	<u>24,739,841</u>	<u>29,398,815</u>	<u>28,629,378</u>	<u>28,346,743</u>	<u>19,781,194</u>	<u>35,970,965</u>
	142,488	651,998	163,718	34,407	271,277	177,556
	6,581,432	7,334,056	7,321,257	7,451,276	4,974,785	9,683,633
	4,484,711	4,655,471	4,780,642	4,848,037	3,894,446	5,986,152
	1,082,358	981,077	1,075,479	998,596	834,694	1,097,751
	<u>12,290,989</u>	<u>13,622,602</u>	<u>13,341,096</u>	<u>13,332,316</u>	<u>9,975,202</u>	<u>16,945,092</u>
\$	<u>\$ 37,030,830</u>	<u>\$ 43,021,417</u>	<u>\$ 41,970,474</u>	<u>\$ 41,679,059</u>	<u>\$ 29,756,396</u>	<u>\$ 52,916,057</u>
\$	2,601,912	\$ 3,237,396	\$ 2,947,216	\$ 3,309,689	\$ 2,924,322	\$ 2,815,553
	2,542,110	2,701,403	2,326,787	3,572,136	4,423,248	4,124,985
	1,311,497	3,102,051	3,465,549	7,298,611	1,310,861	519,865
	1,561,965	1,820,291	1,782,676	3,049,457	2,065,657	2,002,385
	772,551	2,552,498	664,307	-	3,913,570	3,973,992
	151,081	1,308,805	1,510,791	-	2,213,685	12,481,660
	<u>8,941,116</u>	<u>14,722,444</u>	<u>12,697,326</u>	<u>17,229,893</u>	<u>16,851,343</u>	<u>25,918,440</u>
	392,278	643,278	1,141,226	521,151	283,721	273,729
	5,620,078	5,745,814	6,076,134	6,908,052	7,001,145	6,764,478
	4,675,647	5,021,365	5,327,464	5,565,852	5,531,874	5,895,903
	317,575	326,992	359,079	342,360	326,196	322,398
	-	-	-	-	-	2,774,835
	<u>11,005,578</u>	<u>11,737,449</u>	<u>12,903,903</u>	<u>13,337,415</u>	<u>13,142,936</u>	<u>16,031,343</u>
\$	<u>\$ 19,946,694</u>	<u>\$ 26,459,893</u>	<u>\$ 25,601,229</u>	<u>\$ 30,567,308</u>	<u>\$ 29,994,279</u>	<u>\$ 41,949,783</u>
\$	(15,798,725)	\$ (14,676,371)	\$ (15,932,052)	\$ (11,116,850)	\$ (2,929,851)	\$ (10,052,525)
	(1,285,411)	(1,885,153)	(437,193)	5,099	3,167,734	(913,749)
\$	<u>(17,084,136)</u>	<u>\$ (16,561,524)</u>	<u>\$ (16,369,245)</u>	<u>\$ (11,111,751)</u>	<u>\$ 237,883</u>	<u>\$ (10,966,274)</u>

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

<b>Fiscal Year</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>General Revenues and Other Changes in Net Position</b>				
Government activities:				
Taxes				
Property taxes	\$ 2,391,993	\$ 2,424,066	\$ 2,119,528	\$ 2,193,323
Sales taxes	3,733,160	5,721,938	7,575,743	6,692,095
Franchise tax	811,238	848,712	852,859	886,502
Other taxes	871,103	831,258	1,065,353	1,116,979
Motor vehicle in lieu, unrestricted	1,688,439	-	-	-
Intergovernmental	213,852	2,205,319	1,258,590	1,987,145
Transfers	-	-	-	(290,619)
Total taxes and transfers	<u>9,709,785</u>	<u>12,031,293</u>	<u>12,872,073</u>	<u>12,585,425</u>
Investment income	227,033	503,598	610,671	487,762
Capital contribution	89,413	-	-	-
Miscellaneous	139,192	36,389	26,759	8,523
Gain (Loss) on sale of capital assets	-	-	-	74,552
Total governmental activities	<u>10,165,423</u>	<u>12,571,280</u>	<u>13,509,503</u>	<u>13,156,262</u>
Business-type activities:				
Investment income	8,608	7,932	128,012	86,522
Capital contribution	(89,413)	-	-	-
Miscellaneous	589,923	650,590	680,341	477,429
Transfers	-	-	-	290,619
Gain (Loss) on sale of capital assets	-	-	-	-
Total business-type activities	<u>509,118</u>	<u>658,522</u>	<u>808,353</u>	<u>854,570</u>
Total primary government	<u>\$ 10,674,541</u>	<u>\$ 13,229,802</u>	<u>\$ 14,317,856</u>	<u>\$ 14,010,832</u>
<b>Extraordinary Item</b>				
Governmental activities	\$ -	\$ -	\$ 21,314,886	\$ -
Business-type activities	-	-	7,531,946	-
Total primary government	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,846,832</u>	<u>\$ -</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 4,911,260	\$ 1,137,533	\$ 29,255,742	\$ (1,088,584)
Business-type activities	(2,219,050)	(1,751,952)	6,669,428	(1,015,596)
Total primary government	<u>\$ 2,692,210</u>	<u>\$ (614,419)</u>	<u>\$ 35,925,170</u>	<u>\$ (2,104,180)</u>

Source: City of Loma Linda Finance Department

	2018	2019	2020	2021	2022	2023
\$	2,489,895	\$ 2,787,070	\$ 3,086,116	\$ 3,043,003	\$ 3,390,738	\$ 3,586,971
	8,692,611	7,700,848	9,008,051	3,673,588	7,951,156	5,905,806
	960,660	961,693	990,531	1,060,786	1,346,875	1,535,743
	882,677	1,003,817	850,823	922,825	951,306	1,026,759
	-	2,293,699	2,433,722	2,504,220	2,745,301	2,943,157
	2,197,430	-	-	-	-	-
	(84,916)	4,799	9,305	(83,538)	167,951	40,370
	<u>15,138,357</u>	<u>14,751,926</u>	<u>16,378,548</u>	<u>11,120,884</u>	<u>16,553,327</u>	<u>15,038,806</u>
	970,488	1,290,647	1,472,804	(388,070)	204,757	1,463,744
	-	-	-	-	-	-
	210,983	555,160	196,705	1,274,064	53,959	68,694
	426,863	30,844	10,725	25,710	(27,923)	9,450
	<u>16,746,691</u>	<u>16,628,577</u>	<u>18,058,782</u>	<u>12,032,588</u>	<u>16,784,120</u>	<u>16,580,694</u>
	167,515	271,702	208,279	62,642	(64,894)	278,367
	-	-	-	-	-	-
	458,106	595,149	508,024	501,164	517,022	588,493
	84,916	(4,799)	(9,305)	83,538	(167,951)	(40,370)
	20,062	775	-	4,205	-	2,500
	<u>730,599</u>	<u>862,827</u>	<u>706,998</u>	<u>651,549</u>	<u>284,177</u>	<u>828,990</u>
\$	<u>17,477,290</u>	<u>17,491,404</u>	<u>18,765,780</u>	<u>12,684,137</u>	<u>17,068,297</u>	<u>17,409,684</u>
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-
\$	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	947,966	\$ 1,952,206	\$ 2,126,730	\$ 915,738	\$ 13,854,269	\$ 6,528,169
	(554,812)	(1,022,326)	269,805	656,648	3,451,911	(84,759)
\$	<u>393,154</u>	<u>929,880</u>	<u>2,396,535</u>	<u>1,572,386</u>	<u>17,306,180</u>	<u>6,443,410</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
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
2021	2,135,818	7,034,866	1,060,786	145,433	622,280	235,034	2,504,220 *	773,788	14,512,225
2022	2,483,539	7,951,156	1,346,875	125,626	608,867	328,797	13,642 *	781,573	13,640,075
2023	2,711,506	5,906,330	1,535,743	72,412	631,126	382,648	13,920	803,053	12,056,738

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

\* Includes Vehicle License Fee-In Excess and VLF Property Tax in Lieu. Vehicle License Fee-In Excess was reclassified as intergovernmental revenue beginning in fiscal year 2022.

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)**

<b>Fiscal year</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>General Fund</b>					
Non Spendable:					
Inventories	\$ 22,934	\$ 18,966	\$ 12,299	\$ 10,933	\$ 14,944
Prepaid items	764	8,569	619,657	19,063	3,261
Restricted for:					
State Mandated	-	-	-	-	5,848
General government	15,768	18,872	-	-	-
Committed for:					
Emergency contingency	3,500,000	3,500,000	5,500,000	5,500,000	5,500,000
Assigned for:					
Refuse services	91,540	95,832	97,690	91,540	99,033
Fire equipment replacement	88,812	270,040	104,144	88,812	224,776
Sewer loan	-	-	-	-	-
Fire training	-	-	-	-	-
Capital equipment replacement	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Unfunded liabilities	-	-	-	-	2,000,000
Unassigned	5,836,876	6,827,235	5,868,335	5,836,876	6,664,717
<b>Total general fund</b>	<b>\$ 10,806,694</b>	<b>\$ 11,989,514</b>	<b>\$ 13,452,125</b>	<b>\$ 12,797,224</b>	<b>\$ 15,762,579</b>
<b>All other governmental funds</b>					
Non Spendable:					
Prepaid items	\$ -	\$ 40,672	\$ 1,259	\$ 1,036	\$ 20
Restricted for:					
Cultural and recreational	304,711	332,436	345,310	370,928	375,309
State mandated	-	-	-	-	-
Public safety	442,199	452,514	672,745	701,990	735,937
Street improvements	5,156,456	4,295,300	15,919,327	14,596,849	19,814,982
Storm drains	757,919	771,018	792,052	801,366	847,125
Municipal facilities	271,092	195,306	204,971	133,774	165,984
Air quality management	80,988	86,456	63,454	47,451	27,763
Debt service	1,205,057	137,614	136,148	137,112	139,030
Low/mod hosing programs	17,956,592	17,810,779	17,933,640	17,695,044	17,903,020
Unassigned	(5,475,010)	(6,363,912)	(2,635,280)	(2,935,592)	(3,534,374)
<b>Total all other governmental funds</b>	<b>\$ 20,700,004</b>	<b>\$ 17,758,183</b>	<b>\$ 33,433,626</b>	<b>\$ 31,549,958</b>	<b>\$ 36,474,796</b>

Source: City of Loma Linda Finance Department

	2019	2020	2021	2022	2023
\$	9,298	\$ 20,290	\$ 18,268	\$ 30,427	\$ 24,688
	1,577	2,816	1,763	8,537	17,781
	6,399	-	-	-	-
	-	-	-	-	-
	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
	103,035	135,495	167,204	210,124	276,796
	272,593	282,099	365,170	470,908	514,929
	-	422,673	424,303	124,738	-
	-	-	-	-	32,714
	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
	-	-	-	-	-
	<u>7,720,336</u>	<u>5,970,489</u>	<u>8,378,141</u>	<u>12,917,535</u>	<u>15,212,702</u>
\$	<u>11,363,238</u>	<u>10,083,862</u>	<u>12,604,849</u>	<u>17,012,269</u>	<u>19,329,610</u>

\$	-	\$ -	\$ -	\$ -	\$ -
	447,552	362,529	326,905	282,110	229,384
	-	18,952	24,550	30,542	36,690
	818,020	1,046,468	1,572,294	1,591,101	1,632,568
	19,684,580	20,182,145	22,567,239	21,857,232	22,070,796
	797,517	900,539	1,113,026	1,132,285	1,167,905
	378,816	767,588	1,022,630	1,062,504	848,927
	25,952	32,944	27,245	12,194	14,814
	142,206	144,929	53,256	52,583	53,068
	17,960,614	17,605,013	17,151,467	17,655,020	17,768,129
	<u>(2,186,552)</u>	<u>(2,754,783)</u>	<u>(1,853,102)</u>	<u>(2,233,176)</u>	<u>(2,472,030)</u>
\$	<u>38,068,705</u>	<u>38,306,324</u>	<u>42,005,510</u>	<u>41,442,395</u>	<u>41,350,251</u>

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

<b>Fiscal Year</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Revenues</b>				
Taxes	\$ 9,398,391	\$ 11,624,605	\$ 13,489,938	\$ 12,876,043
Licenses and permits	532,046	629,954	478,522	398,756
Intergovernmental revenues	900,263	961,314	1,516,208	994,225
Charges for services	1,921,614	1,789,325	1,848,851	3,153,168
Use of money and property	468,283	451,109	508,805	757,656
Fines, forfeitures, and penalties	166,014	154,642	142,437	129,123
Miscellaneous	6,976,393	2,811,345	2,625,326	2,353,757
Developer fees	814,556	518,956	7,092,505	188,523
<b>Total Revenues</b>	<b>21,177,560</b>	<b>18,941,250</b>	<b>27,702,592</b>	<b>20,851,251</b>
<b>Expenditures</b>				
General government	1,269,463	2,816,532	3,057,584	3,831,946
Public safety	8,372,894	8,494,523	9,522,944	11,005,886
Community development	1,834,266	1,997,868	1,725,470	2,279,446
Public works	2,338,243	2,235,090	2,789,413	2,659,712
Capital outlay	6,668,468	3,024,351	1,033,346	2,606,365
Debt service				
Principal retirement	914,378	1,905,590	31,853	33,165
Interest and fiscal charges	164,563	132,266	28,855	7,419
<b>Total Expenditures</b>	<b>21,562,275</b>	<b>20,606,220</b>	<b>18,189,465</b>	<b>22,423,939</b>
Excess of revenues over (under) expenditures	(384,715)	(1,664,970)	9,513,127	(1,572,688)
<b>Other Financing Sources (Uses)</b>				
Lease acquisition	-	-	-	-
Subscription acquisition	-	-	-	-
Gain on disposal of assets	97,996	20,000	56,415	74,552
Loss of disposal of assets	-	(114,031)	-	-
Transfers in	2,438,425	2,218,439	829,833	834,210
Transfers out	(2,438,425)	(2,218,439)	(829,833)	(1,124,829)
<b>Total Other Financing Sources (Uses)</b>	<b>97,996</b>	<b>(94,031)</b>	<b>56,415</b>	<b>(216,067)</b>
Net Change in Fund Balances Before Extraordinary Item	(286,719)	(1,759,001)	9,569,542	(1,788,755)
Extraordinary Item*	-	-	7,568,512	-
<b>Net Change in Fund Balances</b>	<b>\$ (286,719)</b>	<b>\$ (1,759,001)</b>	<b>\$ 17,138,054</b>	<b>\$ (1,788,755)</b>
Debt Service as a percentage of non-capital expenditures	6.4%	11.4%	0.4%	0.2%

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



	2019	2020	2021	2022	2023
\$ 14,499,866	\$ 15,435,408	\$ 13,043,092	\$ 14,512,225	\$ 13,635,005	\$ 12,056,738
463,878	495,979	858,993	639,968	674,337	522,625
888,521	3,669,009	1,632,833	2,644,460	8,443,940	8,968,712
3,563,490	4,053,022	4,006,691	4,067,319	4,701,339	4,790,465
2,820,221	2,412,446	2,322,671	1,744,388	1,297,574	2,549,996
115,205	472,114	79,897	58,347	77,790	62,577
2,848,072	3,681,395	2,869,489	3,903,673	3,640,957	3,781,453
735,690	2,182,962	2,476,701	6,288,823	995,616	273,942
<u>25,934,943</u>	<u>32,402,335</u>	<u>27,290,367</u>	<u>33,859,203</u>	<u>33,466,558</u>	<u>33,006,508</u>
2,870,793	6,595,193	3,778,105	2,289,017	3,093,515	2,235,610
12,153,050	17,476,968	13,294,924	14,090,224	15,429,737	16,534,477
2,372,587	2,411,105	3,173,643	3,032,467	2,824,271	2,721,090
2,821,934	3,233,008	3,386,611	3,700,043	3,713,343	3,991,516
3,410,812	5,486,524	4,678,287	4,428,866	5,334,219	5,362,780
34,532	35,955	37,436	38,979	14,289	24,691
6,053	4,630	3,148	1,606	2,643	2,995
<u>23,669,761</u>	<u>35,243,383</u>	<u>28,352,154</u>	<u>27,581,202</u>	<u>30,412,017</u>	<u>30,873,159</u>
<u>2,265,182</u>	<u>(2,841,048)</u>	<u>(1,061,787)</u>	<u>6,278,001</u>	<u>3,054,541</u>	<u>2,133,349</u>
-	-	-	-	96,789	17,793
-	-	-	-	-	24,235
567,549	30,844	10,725	25,710	125,024	9,450
-	-	-	-	-	-
743,146	771,153	771,715	1,106,744	4,005,222	3,897,366
<u>(828,062)</u>	<u>(766,354)</u>	<u>(762,410)</u>	<u>(1,190,282)</u>	<u>(3,837,271)</u>	<u>(3,856,996)</u>
<u>482,633</u>	<u>35,643</u>	<u>20,030</u>	<u>(57,828)</u>	<u>389,764</u>	<u>91,848</u>
2,747,815	(2,805,405)	(1,041,757)	6,220,173	3,444,305	2,225,197
-	-	-	-	-	-
<u>\$ 2,747,815</u>	<u>\$ (2,805,405)</u>	<u>\$ (1,041,757)</u>	<u>\$ 6,220,173</u>	<u>\$ 3,444,305</u>	<u>\$ 2,225,197</u>
0.2%	0.1%	0.2%	0.2%	0.1%	0.1%

**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
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
2021	6,472,814	2,135,818	1,060,786	145,433	622,280	235,034	2,504,220 *	13,176,385
2022	7,295,422	2,483,539	1,346,875	125,626	608,867	381,338	13,642	12,255,309
2023	5,232,733	2,711,506	1,535,743	72,412	631,126	382,648	13,920	10,580,088

\* Amount includes Motor vehicle in-lieu revenue. Motor vehicle in-lieu revenue was reclassified as intergovernmental revenues beginning in fiscal year 2022.

Source: City of Loma Linda Finance Department

**CITY OF LOMA LINDA**  
**Top 25 Sales Tax Producers**  
**As of June 30, 2023**

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For Fiscal year 2022-2023

<u>Business Name</u>	<u>Business Category</u>
ABI Document Support Services	Business Services
Anixter	Electrical Equipment
Arco AM PM	Service Stations
Baker Distributing Company	Plumbing/Electrical Supplies
Bear Oil Union 76	Service Stations
Chevron	Service Stations
Clarks Nutritional Center	Food Store Non-Grocery
Farmers Boys	Fast-Casual Restaurants
Hirsch Pipe & Supply	Plumbing/Electrical Supplies
Honda Lease Trust	Auto Lease
Hyundai Inland Empire	New Motor Vehicle Dealers
Hyundai Lease Titling Trust	Auto Lease
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 Restaurants
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
Tactical Night Vision	Medical/Biotech
Walmart Neighborhood Market	Grocery Stores

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

Sources: 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, 2023**

**(Continued)**

<b>For Fiscal Year 2013-14</b>	
<b><u>Business Name</u></b>	<b><u>Business Category</u></b>
Anixter	Electrical Equipment
Bakers Burgers	Quick Services Restaurants
Bear Oil Union 76	Services Stations
Carls Jr	Quick Services Restaurants
Chervon	Services Stations
Clarks Nutritional Center	Food Stores Non-Grocery
Del Taco	Quick Services Restaurants
Farmers Boys	Fast-Casual Restaurants
Hometown Buffet	Casual Dining
Honda Lease Trust	Auto Lease
Hyundai Inland Empire	New Motor Vehicle Dealers
Hyundai Lease Tilting Trust	Auto Lease
KD Sales Plumbing Supplies	Plumbing/Electrical Supplies
Loma Linda Foundation	Government/Social Org.
Loma Linda Mercantile	Medical/Biotech
Loma Linda Optical Department	Government/Social Org.
Loma Linda University Bookstore	Stationary/Book stores
Loma 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

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Percent of Fiscal Year Total Paid By Top 25 Accounts=92.88%

Sources: 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, 2023**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Food Stores	\$ 12,244	\$ 14,974	\$ 17,040	\$ 17,761	\$ 18,016	\$ 17,835	\$ 17,672	\$ 20,833	\$ 19,919	\$ 19,946
Eating and Drinking Places	21,575	23,684	27,887	27,559	29,054	28,868	29,513	24,916	30,278	31,610
Auto Dealers and Supplies	97,189	101,129	112,499	122,391	132,069	135,623	123,557	112,882	130,380	141,841
Other Retail Stores	65,540	68,307	72,844	68,605	71,709	76,991	73,048	59,736	78,615	92,251
All Other Outlets	177,631	354,140	400,130	394,144	433,870	611,789	678,554	596,536	769,285	830,982
<b>Total</b>	<b>\$ 374,179</b>	<b>\$ 562,234</b>	<b>\$ 630,400</b>	<b>\$ 630,460</b>	<b>\$ 684,718</b>	<b>\$ 871,106</b>	<b>\$ 922,344</b>	<b>\$ 814,903</b>	<b>\$ 1,028,477</b>	<b>\$ 1,116,630</b>

Sources: 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. Data for calendar year 2023 not yet available.

**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						
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%
2021	3,287,130,835	575,033,799	160,597,887	4,022,762,521	1,595,301,621	2,427,460,900	0.11804	100%
2022	3,443,419,657	539,261,065	165,130,534	4,147,811,256	1,514,541,585	2,633,269,671	0.11599	100%
2023	4,217,100,516	559,836,160	206,591,370	4,983,528,046	2,155,738,473	2,827,789,573	0.11638	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			Water	Total Tax Rate	Total Direct Rate <sup>1</sup>
			Colton Unified	Redlands Unified	San Bernardino Community College			
2014	1.0000	0.00000	0.11870	0.06290	0.04190	0.16250	1.38600	0.11793
2015	1.0000	0.00000	0.09730	0.05940	0.03930	0.16250	1.35850	0.11792
2016	1.0000	0.00000	0.11690	0.05670	0.04030	0.16250	1.37640	0.11792
2017	1.0000	0.00000	0.14540	0.05240	0.03500	0.16250	1.39530	0.11792
2018	1.0000	0.00000	0.09390	0.04940	0.03760	0.15250	1.33340	0.11792
2019	1.0000	0.00000	0.11160	0.03240	0.04070	0.15250	1.33720	0.11805
2020	1.0000	0.00000	0.10160	0.03390	0.05620	0.14250	1.33420	0.11805
2021	1.0000	0.00000	0.10310	0.03600	0.06510	0.14250	1.34670	0.11804
2022	1.0000	0.00000	0.10810	0.06620	0.05340	0.13000	1.35770	0.11599
2023	1.0000	0.00000	0.06560	0.02790	0.04500	0.13000	1.26850	0.11638

Sources: HdL Coren & Cone, San Bernardino County Assessor combined tax rolls.

Note: In 1978 California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

<sup>1</sup> Total Direct Rate is the weighted average of all individual direct rates.

**CITY OF LOMA LINDA**  
**Principal Property Taxpayers**  
**As of June 30, 2023**

Taxpayer	2023			2014		
	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Wi Loma Linda LLC	\$ 141,948,400	1	5.02%			
Loma Linda University/Medical Center <sup>1</sup>	63,220,765	2	2.24%	34,545,680	3	2.14%
Timber Hills Associates LP	60,369,642	3	2.13%	41,916,286	1	2.60%
Sierra Vista Apartments SPE	37,873,345	4	1.34%			
Loma Linda Heritage Associates	31,225,645	5	1.10%	26,909,307	4	1.67%
Oasis Townhomes LLC	28,960,429	6	1.02%	24,957,211	5	1.55%
WOHL Westport LLC	21,926,345	7	0.78%			
Chancellor Properties LLC <sup>2</sup>	21,633,855	8	0.77%	12,000,000	7	0.74%
DRC Industrial CBC	20,337,622	9	0.72%			
Spreen Investment Company 1 LLC	16,890,138	10	0.60%			
Blossom Grove California LLC						
General American Life Insurance Company				39,062,962	2	2.42%
Granite Lakes Apartments LP				20,000,000	6	1.24%
Spreen Investment Company II				10,529,785	9	0.65%
Monterey Pines LLC				10,544,440	8	0.65%
Loma of California Health Center LLC				10,165,764	10	0.63%
	<u>\$ 444,386,186</u>		<u>15.7200%</u>	<u>\$ 230,631,435</u>		<u>14.29%</u>

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

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

<sup>2</sup> Pending Appeals on Parcels

Source: The HdL Companies, San Bernardino County Assessor Combined Tax Rolls



**CITY OF LOMA LINDA**  
**Property Tax Levies and Collections**  
**Last Ten (10) Calendar Years**

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years <sup>1</sup>	Total Collections to Date	
		Current Tax Collections	Percent of Current Taxes Collected		Amount	Percentage of Levy
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%
2021	1,241,788	1,301,268	104.8%	-	1,301,268	104.8%
2022	1,371,196	1,353,754	98.7%	-	1,353,754	98.7%
2023	1,434,030	1,403,586	97.9%	-	1,403,586	97.9%

Source: San Bernardino County Auditor-Controller Property Tax Division

Note:

<sup>1</sup> 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 <sup>1</sup>
	Lease Liability	Subscription Liability	Revenue Bonds	General Obligation Bonds	Lease Liability	Subscription Liability	Water Bonds			
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
2021	-	-	-	10,000	-	-	4,753,069	4,763,069	1%	191
2022	82,500	-	-	10,000	67,447	-	4,520,229	4,680,176	1%	179
2023	80,393	19,444	-	10,000	65,580	20,043	4,282,390	4,477,850	1%	177

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

<sup>1</sup> See the Schedule of Demographic and Economic Statistics 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**

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property<sup>1</sup></u>	<u>Per Capita<sup>2</sup></u>
2014	\$ 10,000	\$ -	\$ 10,000	0.000%	\$ 0.42
2015	10,000	-	10,000	0.000%	0.42
2016	10,000	-	10,000	0.000%	0.41
2017	10,000	-	10,000	0.000%	0.41
2018	10,000	-	10,000	0.000%	0.42
2019	10,000	-	10,000	0.000%	0.41
2020	10,000	-	10,000	0.000%	0.41
2021	10,000	-	10,000	0.000%	0.41
2022	10,000	-	10,000	0.000%	0.39
2023	10,000	-	10,000	0.000%	0.40

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

<sup>1</sup> See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for the property value data.

<sup>2</sup> Population data can be found in the schedule of Demographic and Economic Statistics.

Source: City of Loma Linda Finance Department

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**CITY OF LOMA LINDA**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2023**

2022-2023 Assessed Valuation \$ 2,827,789,573

	Total Debt	Percent	
	6/30/23	Applicable (1)	Debt 6/30/23
<b>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</b>			
San Bernardino Valley Joint Community College District	\$ 708,007,978	3.059%	\$ 21,657,964
Colton Joint Unified School District	181,552,661	0.710%	1,289,024
Colton Joint Unified School District Community Facilities District No.2	3,165,000	26.425%	836,351
Redlands Unified School District	54,383,512	12.713%	6,913,776
<b>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$ 30,697,115</b>
<b>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</b>			
San Bernardino County General Fund Obligations	\$ 160,860,000	0.973%	\$ 1,565,168
San Bernardino Country Pension Obligations	62,960,000	0.973%	612,601
San Bernardino County Flood Control District General Fund Obligations	41,065,000	0.973%	399,562
Colton Joint Unified School District Certificates of Participation	0	0.000%	0
Redlands Unified School District Certificates of Participation	0	0.000%	0
City of Loma Linda Lease Liability	0	0.000%	80,393
City of Loma Linda Subscription Liability	0	0.000%	19,444
<b>TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT</b>			<b>\$ 2,677,168</b>
OVERLAPPING TAX INCREMENT DEBT:	\$ 235,765,000	3.737-100%	\$ 28,669,595
TOTAL DIRECT DEBT			99,837
TOTAL OVERLAPPING OBLIGATION DEBT			61,944,041
COMBINED TOTAL DEBT			<b>\$ 62,043,878</b>

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to 2022-23 Assessed Valuation:

Total Overlapping Debt (excluding tax increment).....	1.09%
<b>Total Direct Debt (\$0).....</b>	<b>0.00%</b>
Combined Total Debt (excluding tax increment).....	2.19%

Ratios to Redevelopment Incremental Valuation (\$1,667,161,937):

Total Overlapping Tax Increment Debt.....	1.72%
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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**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt Limit	\$ 61,135,079	\$ 65,100,609	\$ 67,899,250	\$ 71,833,863	\$ 79,766,211
Total net debt applicable to limit	<u>87,512,815</u>	<u>84,255,561</u>	<u>80,940,806</u>	<u>79,042,798</u>	<u>76,408,050</u>
Legal debt margin	<u>\$ (26,377,736)</u>	<u>\$ (19,154,952)</u>	<u>\$ (13,041,556)</u>	<u>\$ (7,208,935)</u>	<u>\$ 3,358,161</u>
Total net debt applicable to the limit as a percentage of debt limit	143.15%	129.42%	119.21%	110.04%	95.79%

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%).

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
\$	83,537,933	\$ 88,334,356	\$ 91,585,287	\$ 99,308,410	\$ 106,597,250
	70,956,788	75,904,018	71,068,061	67,167,503	61,944,041
\$	<u>12,581,145</u>	<u>\$ 12,430,338</u>	<u>\$ 20,517,226</u>	<u>\$ 32,140,907</u>	<u>44,653,209</u>

84.94%                      85.93%                      77.60%                      67.64%                      58.11%

Net Assessed Value	2,827,789,573
Plus Exempt Property	14,803,751
Total Assessed Value	<u>\$ 2,842,593,324</u>

Debt Limit: 3.75 percent of Total Assessed Value	106,597,250
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Less: Debt applicable to Limitation: Total net debt applicable to limitation	<u>62,043,878</u>
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Legal Debt Margin	<u>\$ 44,553,372</u>
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**CITY OF LOMA LINDA**  
**Pledged Revenue Coverage**  
**Last Ten (10) Fiscal Years**

Fiscal Year	Water Revenue Bonds					Coverage
	Gross Revenues	Operating Expenses Less Depreciation	Net Revenue Available for Debt Service	Debt Service Requirements		
2014	\$ 5,398,735	\$ 4,636,285	\$ 762,450	\$ 377,350		202%
2015	5,577,533	5,106,716	470,817	399,439		118%
2016	5,174,327	4,292,900	881,427	423,447		208%
2017	5,375,596	4,383,707	991,889	-		0%
2018	6,184,047	5,018,743	1,165,304	376,856		309%
2019	6,335,700	5,756,149	579,551	375,493		154%
2020	6,632,982	5,709,549	923,433	376,194		245%
2021	7,422,603	5,811,082	1,611,521	375,969		429%
2022	7,517,291	3,334,796	4,182,495	375,625		1113%
2023	8,241,665	6,232,101	** 2,009,564	375,162		536%

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.

\*Bond was refinanced in FY 2017, no principal payment due until 7/1/2017

\*\* Excludes GASB No. 68 actuarial pension non-cash adjustment

Source: City of Loma Linda Finance Department



**CITY OF LOMA LINDA**  
**Demographic and Economic Statistics**  
**Last Ten (10) Fiscal Years**

<u>Fiscal Year</u>	<u>Population</u> <sup>1</sup>	<u>Personal Income</u> <sup>2</sup>	<u>Per Capita Personal Income</u> <sup>3</sup>	<u>Loma Linda Academy (Private) Enrollment</u> <sup>4</sup>	<u>Bryn Mawr Elementary Enrollment</u> <sup>5</sup>	<u>Mission Elementary Enrollment</u> <sup>5</sup>	<u>Redlands School District Enrollment</u> <sup>5</sup>	<u>Unemployment Rate (percentage)</u> <sup>6</sup>
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
2021	24,895	684,049,000	27,477	1,272	636	581	20,352	7.1
2022	25,349	740,821,000	29,224	1,294	612	560	20,162	8.0
2023	25,228	838,550,000	33,238	1,309	624	587	20,019	2.9

Sources: <sup>1</sup> State of California, Department of Finance  
<sup>2</sup> As of FY 2016 Data provided by HdL Companies  
<sup>3</sup> Per Capita personal income is calculated by dividing personal income by population  
<sup>4</sup> Loma Linda Academy's registrar's office (except in 2011 the City used www.trulia.com)  
<sup>5</sup> California Department of Education  
<sup>6</sup> California Employment Development Department

**CITY OF LOMA LINDA**  
**Principal Employers**  
**Current Fiscal Year**

Employer	2023			2014		
	Employees	Rank	Percentage of total City Employment	Employees	Rank	Percentage of total City Employment
Loma Linda University Medical Center	9,129	1	42.89%	7,369	1	41.89%
Jerry L. Pettis VA Med. Ctr.	3,914	2	18.39%	2,899	3	16.48%
Loma Linda University	2,709	3	12.73%	3,847	2	21.87%
University Health Care	1,418	4	6.66%	1,540	4	8.75%
Total	<u>17,170</u>		<u>80.67%</u>	<u>15,655</u>		<u>88.99%</u>

Veterans Affairs Personnel Department

Total number of jobs within City limits provided by Employment Development Department,  
 Labor Market Information Division

Source: City of Loma Linda Finance Department

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

Function	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General government	30.5	31.5	32.5	33	34.5	35.5	34.5	36.5	39	38
Public safety										
* Sheriff										
Officers	12.77	12.77	15.26	19.02	19.36	19.36	19.36	19.36	20.74	20.74
Civilians	5.03	5.03	5.81	7.1	7.1	7.1	7.2	7.2	7.6	7.64
Fire										
Firefighters and officers	23	23	26	26	24	28	28	28	27	27
Civilians	5	5	5	5	4	4	3	3	5	5
Highways and streets										
Maintenance	4	4	4	4	3	6	5	5	3	3
LL Connected Communities	3.5	2.5	2	2	2	2	2	2	2	1
Sewer	2	2	2	2	2	2	2	2	2	2
Water	<u>12</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>9</u>	<u>11</u>
Total:	<u>97.8</u>	<u>96.8</u>	<u>103.57</u>	<u>109.12</u>	<u>106.96</u>	<u>115</u>	<u>112.1</u>	<u>114.06</u>	<u>115.34</u>	<u>115.38</u>

\* 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**

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Sheriff</b>										
Calls for service	21,673	22,759	42,044	27,588	26,662	26,580	28,845	29,274	26,768	26,924
Citations issued by Deputies	5,988	1,034	1,161	2,373	2,068	1,061	1,548	760	1,257	N/A
Physical arrests	730	669	828	863	729	878	638	641	536	526
<b>Fire</b>										
Total number of calls answered	3,797	4,005	4,404	5,343	4,996	4,654	4,371	4,576	5,276	5,336
% of calls for medical aid	65	64	57	54	60	60	61	62	58	62.6
<b>Highways and streets</b>										
Street resurfacing (miles)	2.0	1.2	3.7	1.6	6.1	3.7	4.9	2.5	9.0	6.6
Potholes repaired	7	18	15	21	59	19	30	25	19	50
<b>Water</b>										
New connections	1	-	8	5	23	43	52	90	47	9
Water main breaks	21	8	14	10	19	6	23	6	9	23
Average daily consumption (acre foot)	13.75	13.00	11.10	11.18	12.70	11.81	11.87	13.78	13.24	11.95
<b>Wastewater</b>										
Average daily sewage treatment (million gallons)	4.0	4.0	3.5	3.0	4.0	4.0	4.0	4.0	4.0	4.0

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**

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public safety										
* Sheriff										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	11.77	11.77	11.77	11.00	11.00	11.00	11.00	11.00	12.00	12
Fire Stations	2	2	2	2	2	2	2	2	2	2
Vehicles	16	15	15	17	17	15	16	18	17	18
Highways and streets										
Streets (miles)	64.64	64.64	64.64	65.00	65.70	66.23	68.86	70.71	70.10	70.1
Streetlights	1,472	1,483	1,024	1,532	1,551	1,607	1,758	1,821	1,833	1,833
Culture and recreation										
Parks	13	13	13	13	13	13	13	13	13	15
Park acreage	90.33	90.33	90.3	90.33	90.33	90.33	90.33	90.33	90.33	106.42
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)	77.00	77.00	77.20	111.45	112.98	112.98	118.37	92.74	92.74	91.67
Fire hydrants	997	917	939	950	991	995	1,002	1,048	1,080	1,154
Maximum daily capacity (gallons per minute)	12,220	12,220	13,800	13,200	13,320	13,320	13,200	13,200	12,955	9,633
Sewer										
Sanitary sewers (miles)	67.50	67.50	61.30	65.00	66.43	66.43	70.33	70.33	74.80	72.3
Storm sewers (miles)**	15.45	15.61	15.61	15.61	16.47	17.11	17.16	17.16	17.90	18.0

\* 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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Heritage Park



Hulda Crooks Park Walking Track



**Finance Department  
25541 Barton Road  
Loma Linda, CA 92354**

**Butterfly Sculpture along Anderson St.**