



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2021

CITY OF SIGNAL HILL, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2021

DRAFT

Prepared by:
Department of Finance

Sharon del Rosario
Administrative Services Officer/Finance Director

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INTRODUCTORY SECTION

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CITY OF SIGNAL HILL

2175 Cherry Avenue ♦ Signal Hill, CA 90755-3799

January 11, 2022

Honorable Mayor and Members of the City Council
City of Signal Hill
Signal Hill, California

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Signal Hill (City) for the fiscal year ended June 30, 2021. The purpose of this report is to provide the City Council, residents, general public, and interested parties with a broad financial outlook of the City, as well as to comply with state law.

The City's independent auditors, CLA CliftonLarsonAllen LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Signal Hill's financial statements for the fiscal year ended June 30, 2021. The independent auditor's report is located at the front of the financial section of the ACFR.

This report consists of management's representations concerning the finances of the City. It was prepared by the Finance Department with the assistance of the City's independent auditors, CLA CliftonLarsonAllen LLP, in accordance with generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board. Management assumes full responsibility for the completeness and reliability of the information contained in this report. We believe the data presented conforms to governmental accounting and financial reporting standards and is accurate in all material aspects; it is presented in a manner designed to fairly set forth the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain a good understanding of the City's financial affairs have been included.

GAAP requires that management provide a narrative introduction and an overview to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The MD&A immediately follows the independent auditor's report and should be read in conjunction with this transmittal letter.

Profile of the Government

The City of Signal Hill was incorporated in 1924 as a General Law City. On November 7, 2000, in a special election, the residents of Signal Hill approved a new City Charter and the City effectively made the change from a General Law City to a Charter City under the California Constitution.

The City of Signal Hill, encompassing 2.25 square miles, is located in the southwestern coastal area of Los Angeles County and has a population of 11,712. It is 25 miles south of downtown Los Angeles, 8 miles northeast of the Port of Los Angeles, and 5 miles northeast of the seaport terminal of Long Beach. Neighboring communities include the cities of Long Beach, Lakewood, Los Alamitos, and Carson.

Signal Hill, completely surrounded by the City of Long Beach, had historically been located in unincorporated territory. In 1924, in order to avoid Long Beach's per-barrel tax on oil, Signal Hill's founding members voted for incorporation. Oil production continued to be Signal Hill's mainstay until declining oil prices reduced production in the 1970's. In 1974, the Signal Hill Redevelopment Agency was formed and the City focused on economic development and diversification. Today, Signal Hill is a well-balanced, financially sound, and economically diverse community.

The City operates under the Council-Manager form of municipal government. The City Council is comprised of five members elected at large, on a staggered basis, for a term of four years. Policy-making and legislative authority are vested in the governing City Council, which appoints a Mayor on an annual basis in December, from among the members of the City Council. The City Council appoints the City Manager who is responsible for the day-to-day administration of City business and the coordination of all departments of the City. The City budgets for an authorized staff of approximately 100 full-time employees.

The City provides a full range of municipal services including police and public safety, street maintenance, park maintenance, public improvements, planning and zoning, water utilities, recreational activities, community programming, and library services. The County of Los Angeles provides fire protection and public health services, the Sanitation District of Los Angeles County maintains and upgrades the sewer system, and the City of Long Beach provides animal care services and bus transportation throughout the City.

The ACFR includes the financial activities of the City of Signal Hill, the primary government, and its component units, which are the Signal Hill Housing Authority and the Signal Hill Public Financing Authority. The operations of these units are included within the Basic Financial Statements of the City.

The Signal Hill Redevelopment Agency (Agency) was established on May 7, 1974 pursuant to the State of California Health and Safety Code, Section 33000, entitled “Community Redevelopment Law.” The Agency was formed for the purpose of preparing and carrying out plans for improvement, rehabilitation, and redevelopment of blighted areas within the City. When the State dissolved all redevelopment agencies in early 2012, the City of Signal Hill opted to become the Successor Agency to the Signal Hill Redevelopment Agency. The Successor Agency is included in the financial statements as a Private Purpose Trust Fund and is not part of the City’s government-wide statements. Additional information is found at Note 17 of the Notes to the Basic Financial Statements.

The Signal Hill Housing Authority (Housing Authority) was formed on December 12, 2000 pursuant to provisions of the California Health and Safety Code. The primary purpose of the Housing Authority is to provide suitable, safe, and sanitary housing opportunities for the City’s residents. Upon dissolution of the Redevelopment Agency, the housing assets and functions of the dissolved agency were transferred to the Housing Authority. The Housing Authority is included in the financial statements as a separate Special Revenue Fund.

The Signal Hill Public Financing Authority (Public Financing Authority) is a joint powers authority formed under the Joint Exercise of Powers Law of the State of California, Section 6502 of Title 1, Division 7, Chapter 5 of the Government Code of the State of California (the “Joint Exercise of Powers Act”) between the City and the Agency on October 15, 1996, for the purpose of establishing a vehicle which may reduce local borrowing costs and promote the greater use of existing and new financial instruments and mechanisms. The Public Financing Authority’s Board of Directors is the Signal Hill City Council. Due to the Redevelopment Dissolution Act, the use of the Public Financing Authority to assist in future financings is limited, since the former Agency, now Successor Agency, is one of the parties to the joint powers agreement forming the Public Financing Authority. The Dissolution Act contains language concerning the termination of the Successor Agency in the future that could have an impact on any new debt issued by the Public Financing Authority.

To assist in financing and refinancing City capital improvements – to be used in connection with future City financing or refinancing activities – the Signal Hill Municipal Financing Authority (Municipal Financing Authority) was formed between the City and the Agency on August 22, 2017 under the Joint Exercise of Powers Law of the State of California, Section 6502 of Title 1, Division 7, Chapter 5 of the Government Code of the State of California (the “Joint Exercise of Powers Act”). The Municipal Financing Authority’s Board of Directors is the Signal Hill City Council.

Local Economy

The coronavirus pandemic and the resulting public health crisis put an end to the nation's longest modern economic expansion. Since the beginning of 2020, to control the spread of Covid-19, federal, state, and local governments established and followed varied health mandates and guidelines. The practical application of these mandates and guidelines had significant impacts across every economic sector.

As economists continued to follow the anticipated and unanticipated impacts of Covid-19, the consensus was that a full-recovery could be reached dependent on the ability to control the virus. While the initial vaccine rollout has been effective in reducing the spread of Covid-19 and controlling the severity of Covid-19 complications, the rise in variant infections continues to challenge communities throughout the country.

It is clear that Covid-19 has permanently altered the economic landscape for every business sector. While some sectors struggled early on, most sectors experienced improved conditions by the end of 2021, and some have even seen record growth. The U.S. Real GDP ended in double digits as of June 2021 reflecting the rebounding of consumer confidence and spending as well as significant government stimulus measures. At the same time, rapid inflation emerged and continues to threaten our economic recovery. However, there are economists who believe the current inflationary trend is temporary. Economic growth has also been bolstered by significant increases in wages along with decreasing unemployment rates.

Los Angeles County's economy was hit by the same Covid-19 impacts experienced throughout the nation. However, economists anticipate that economic recovery is expected to continue with an estimated 2021 GDP of \$815 billion, reflecting a faster growth rate as compared to the rest of the nation.

Covid-19 impacts varied widely across local governments and a city's particular general fund revenue portfolio (i.e., property tax, sales tax, transient occupancy tax, franchise fees, etc.) and the elasticity of these sources, determined a city's fiscal exposure during the pandemic. As a "low property" tax city, the City's most significant revenue source for General Fund operating revenues is sales tax. Although retail in general has suffered, the specific mix of businesses in Signal Hill have proven in the short-term to be pandemic-resilient, with overall sales tax revenue returns coming in higher than anticipated as sales tax receipts from April through June were 19.6% above the second sales period in 2020. In addition, the City received its first remittance from Measure SHR representing April to June 2020 sale of \$1.1 million. The City continued to benefit from the increase in online shopping state-wide with the City's allocation from the County sales tax pools increasing by 23%; however, moving forward this allocation is expected to follow more traditional trends seen after the implementation of AB 147.

The City's major sales tax industry groups include business and industry, autos and transportation, general consumer goods, and building and construction. Three of the City's larger business groups that saw strong gains year over year include autos and transportation (27%), building and construction (16%), and general consumer goods (13%). The Fuel and Service Station sector continues to struggle with a decline of -7%, albeit performing better than last year's -31%. The Business and Industry sector also saw a decline of -7% after the prior year increase of 7%, but this sector is expected to see slow growth. The Restaurants and Hotel sector is at -12.1% and is expected to take much longer to recover from Covid-19 impacts.

Property taxes account for the next largest revenue source for the General Fund. California home prices continued to climb with Los Angeles experiencing increases of 26%, according to the California Association of Realtors. Home sales have recovered from their record low during the initial months of Covid-19. Home sales and home prices strengthened within Signal Hill due to low inventory and low interest rates and prices are expected to continue to rise through 2022. The City's overall net taxable property value only changed by 0.1% and is highly affected by the oil and gas assets within the City. These property value changes are likely related to oil price changes during 2020 caused by Covid-19. As the property tax roll is set prior to commencement of the fiscal year, property tax revenue is projected to remain flat for FY 2021-22.

FY 2021-22 Operating Budget

Based upon industry forecasts, historical and current data, and in accordance with the City's tradition of fiscal prudence, the City applied conservative budgeting principles during the budget development process for FY 2021-22. The City's FY 2021-22 Operating Budget includes adjustments to all major general fund revenue categories to reflect current industry estimates based on full economic recovery while still maintaining a conservative view and preparing for reopening and recovery. The City's sales tax estimates were adjusted to reflect Signal Hill Measure R (SHR), a new three-quarter cent per dollar general transaction and use (sales) tax. The budget also reflects the utilization of government relief program funding in the City's capital plan. The City's expenditures were developed as a conservative spending plan addressing City Council and community priorities while focusing on returning operations to full capacity, addressing deferred maintenance and operational needs, and delivering quality core municipal services with a skilled and talented workforce.

Long Term Financial Planning

The community helped craft the City of Signal Hill Strategic Plan which sets the priorities for the City. The Strategic Plan includes six goals with specific objectives: 1) Ensure long-term fiscal stability; 2) Ensure public safety is a high priority; 3) Promote a strong local economic base; 4) Maintain public infrastructure; 5) Enhance quality of life for residents; and 6) Promote a

transparent and open government. The City Council and staff use the Strategic Plan as a tool to continue to improve the quality of life for the residents of Signal Hill.

A city's capacity to effectively deliver basic day-to-day services to its residents and businesses fundamentally affects whether residents can live in a healthy, safe, and fulfilling manner. Local governments are at the forefront in providing these basic services – for example: establishing and governing local laws and codes; providing police service and protection to residents and businesses; assisting in a fire or medical emergency; delivering clean water; providing recreational, social, and learning opportunities for residents; assuring the safety of existing and new buildings located in the city; building and maintaining infrastructure and public buildings; activating emergency operations to provide incident command, if necessary; and maintaining local roads for the orderly movement of people and things. Therefore, how local government is funded, and how well it is funded to be able to carry out this mission, is vital.

To meet these public duties, cities must manage and allocate millions of dollars each year, employ staff, negotiate and manage contracts, build and operate public facilities, among other obligations, and do all this within a setting that must be continually open, transparent, and accessible to the public.

How local governments decide to use their limited resources leads to a complicated intersection of public policy, community planning, and budgeting. The heart of the matter is, in fact, the ongoing work to balance limited revenues with public demand for costly and often vital services and facilities.

Money for delivering local government services in California is raised largely through an intricate system of taxes and fees – a finance system that is complicated and unique. The unique nature of the system is due to many factors of law, history, and culture, including state constitution provisions enacted by voters that prescribe strict limits on how municipalities can raise revenues – and even how they can spend their money. In addition, the State's recurring financial crises have had vast repercussions at the local level, further stressing municipal revenues and services.

To take proactive local control of long-term financial planning, on November 3, 2020, the residents of Signal Hill voted in a new three quarter cent per dollar (0.75%) general transactions and use (sales) tax. This tax will continue to preserve the high quality of life that the community expects and deserves, supporting the ongoing provision of essential services while securing a reliable, long-term funding stream that is locally controlled, where revenue is not subject to seizure or elimination by the State. The new tax is estimated to provide approximately \$5 million in annual revenues to help fund programs such as streets, pothole and infrastructure repair, clean public areas, 9-1-1 emergency response and crime prevention.

The unassigned fund balance in the General Fund and the fund balance of the Economic Uncertainties Fund equal 111% of FY 2020-21 General Fund budgeted operating expenditures, which exceeds the policy guidelines of 50% as set by the City Council for budgetary and planning purposes. The City's Financial Policy recommends maintaining a combined General Fund and Economic Uncertainties Fund reserve equivalent to a minimum of six months operating expenditures. These reserves would be utilized to mitigate the adverse impact of an economic slowdown, a recession, or loss of a major sales tax provider.

City management believes that the City has positioned itself to weather any unanticipated economic fluctuations through adequate reserve accumulation and continuation of the privatization of City functions such as street sweeping and park maintenance, enhanced and renewed focus on proactive economic development efforts with the completion of the long range asset management plan, and a continued focus on our human development effort to reshape and retrain our work force to meet changing demands.

Financial and Internal Controls

The Administrative Services Officer/Director of Finance has direct responsibility for the City's financial administration and is responsible for overseeing the budget, purchasing, management information systems, risk management, and fiscal operations. Fiscal operations include general accounting, financial reporting, treasury and investment functions, business permits, capital improvement project fiscal administration, payroll, accounts payable, accounts receivable, and water utility billing.

The Finance Department is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting and financial reporting data are compiled and available to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met and that the financial statements are free of any material misstatements. The concept of reasonable assurance recognizes: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. Management believes that the City's current internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Single Audit

The City is legally required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Uniform Guidance, Audits of State and Local Governments, if total federal grant expenditures exceed \$750,000 in a

single year. Although the City is a recipient of federal, state and county assistance, for FY 2020-21 it will not be subject to the requirements of a Single Audit as it did not have Federal expenditures greater than the \$750,000 threshold.

Budgetary Controls

The Council is required to adopt a budget by no later than the close of the fiscal year. This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, function (e.g. Public Safety), and department (e.g. Police). The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual adopted budget approved by the Council. The budget policy of the City requires that: (1) a balanced budget be prepared where resources equal appropriations for all funds in conformance with State constitutional limits; (2) adoption of the budget by Council resolution to take place prior to the beginning of the fiscal year in which it is to take effect; (3) the level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) be established at the program level; (4) adjustment to the adopted budget be made only with the proper approvals; and (5) encumbrances of appropriations as a budgetary control technique be utilized. Activities of the General Fund, Special Revenue Funds, and Capital Projects Fund are included in the annual approved budget.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Spending Limitation

Management foresees no problem for several years in complying with the spending limitation under the Gann Initiative passed by the California voters in 1979 which created Article XIII B of the State Constitution. The City's independent auditors have attested to the accuracy of the computation of the spending limitations for the current period, which indicated that the City's tax proceeds are substantially under the established Gann Limit and are not expected to reach that limit in the foreseeable future.

Independent Audit

The City's Municipal Code requires an annual audit by independent certified public accountants. The accounting firm of CLA CliftonLarsonAllen LLP, Certified Public Accountants, was selected to audit the City's accounting records. The auditor's report on the basic financial statements, combined and individual fund statements and schedules is included in the financial section of this report.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Signal Hill for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. This was the 25th consecutive year that the City of Signal Hill has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both GAAP 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.

The preparation of this annual comprehensive financial report was made possible by the staff of the Finance Department, the City Manager's Office, and the expertise and assistance of the City's auditors, CLA CliftonLarsonAllen LLP, Certified Public Accountants. Each member of this team has our sincere appreciation. We also extend our thanks and appreciation to the members of the Signal Hill City Council for their encouragement and support in conducting the financial operations of the City in a responsible manner.

Respectfully submitted,



Hannah Shin-Heydorn
City Manager



Sharon del Rosario
Administrative Services Officer/
Finance Director

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Signal Hill
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

ELECTED OFFICIALS



Edward H. J. Wilson
Mayor



Keir Jones
Vice Mayor



Robert D. Copeland
Council Member



Tina L. Hansen
Council Member



Lori Y. Woods
Council Member



David Hopper
City Treasurer



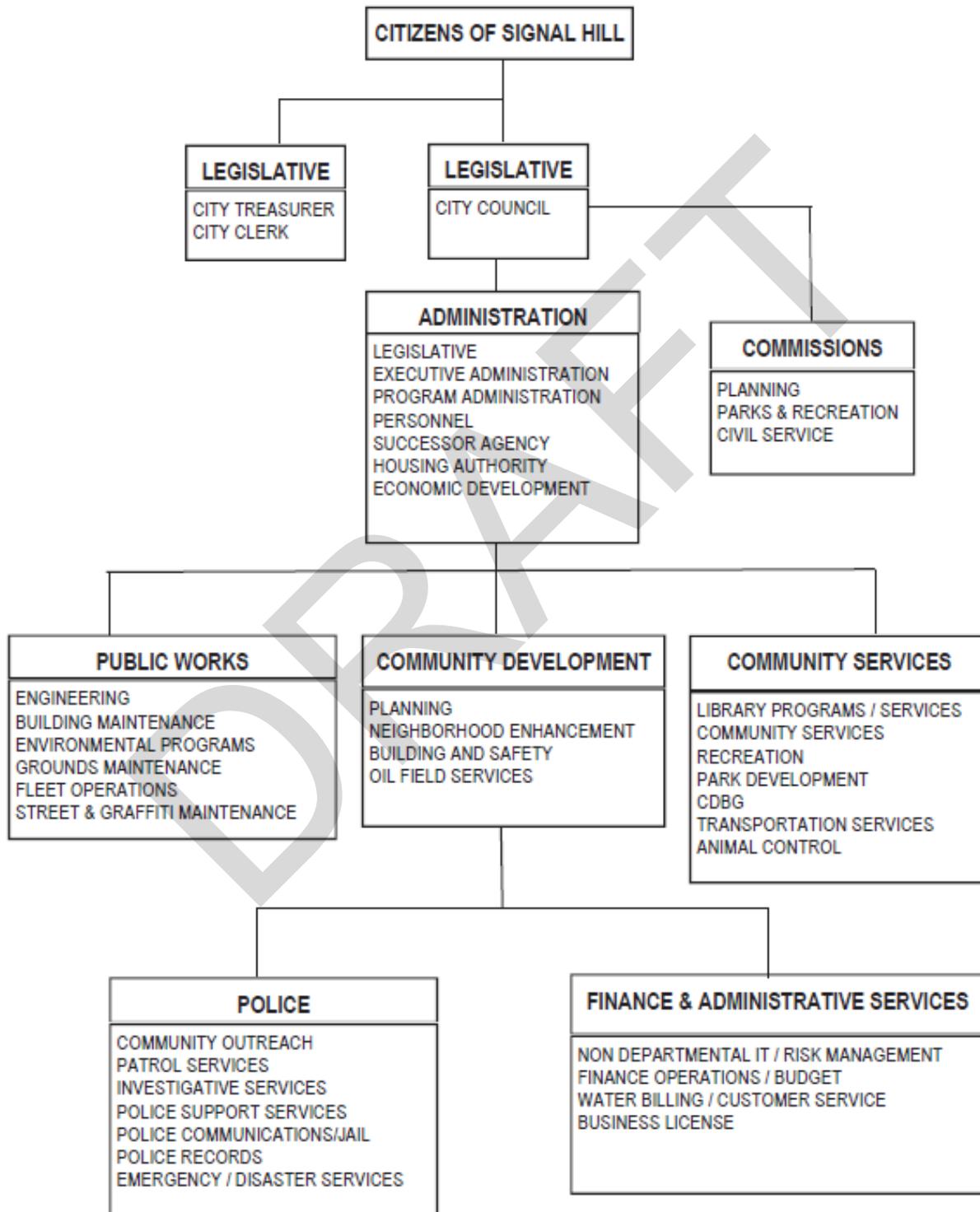
Carmen Brooks
City Clerk

EXECUTIVE MANAGEMENT

City Manager
Deputy City Manager
City Attorney
Finance Director
Community Development Director
Community Services Director
Chief of Police
Public Works Director

Hannah Shin-Heydom
Scott Charney
Matthew Richardson
Sharon del Rosario
Colleen Doan
Aly Mancini
Christopher M. Nunley
Kelli Tunnicliff

CITY OF SIGNAL HILL ORGANIZATIONAL CHART



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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and
Members of the City Council
City of Signal Hill
Signal Hill, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the City of Signal Hill, California (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

To the Honorable Mayor and
Members of the City Council
City of Signal Hill

Opinions

In our opinion, the 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 of Signal Hill, California, as of June 30, 2021, 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.

Emphasis of Matter

As discussed in Note 1D, the City has made a restatement to beginning net position of the other postemployment benefit trust fiduciary fund as part of the implementation of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Budgetary Comparison Schedule - General Fund, the Budgetary Comparison Schedule - Housing Authority Special Revenue Fund, the Budgetary Comparison Schedule - Capital Grants Special Revenue Fund, the schedules of proportionate share of the net pension liability, the schedules of pension contributions, and the schedule of changes in the net OPEB liability and related ratios, identified as Required Supplementary Information (RSI) in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

To the Honorable Mayor and
Members of the City Council
City of Signal Hill

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

Other Reporting Required by *Government Auditing Standards*

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

CliftonLarsonAllen LLP

Irvine, California
REPORT DATE

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CITY OF SIGNAL HILL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2021

As management of the City of Signal Hill (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2021 (FY 2020-21). We encourage readers to consider the information presented here in conjunction with additional information furnished in the letter of transmittal and the City's basic financial statements.

FINANCIAL HIGHLIGHTS

The comparisons provided in this discussion and analysis are between FY 2019-20 and FY 2020-21. All increases and decreases are expressed relative to FY 2019-20 amounts. Financial highlights for FY 2020-21 are summarized below. Details related to these highlights are found in the remaining sections of this analysis.

Citywide

- The City's total net position, the amount by which total assets and deferred outflows of resources exceed total liabilities and deferred inflows of resources, equaled \$129.3 million in FY 2019-20 and equals \$135.2 million in FY 2020-21.
- Of this amount, \$18.3 million is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors. The remaining net position is classified as net investment in capital assets of \$99.5 million and restricted of \$17.4 million.
- The City's total net position increased by \$5.9 million over FY 2019-20 and is largely attributed to revenues exceeding expenditures and net transfers. The remainder of this report will provide a more detailed analysis of the City's net position and operating activities that contributed to this increase.
- On November 3, 2020, residents approved Signal Hill Measure R (SHR), a new three-quarter cent per dollar general transaction and use (sales) tax. The California Department of Tax and Fee Administration (CDTFA) began collecting the new tax on April 1, 2021 and the first quarter results are reflected in this report.

Fund Level

- As of June 30, 2021, governmental funds report a combined fund balance of \$65.5 million, an increase of \$6.4 million from the prior year. Of this amount, \$20.4 million is available for spending at the City's discretion (unassigned fund balance).
- As of June 30, 2021, the General Fund reports an ending fund balance of \$48.0 million. Of this amount, \$20.4 million is available for spending at the City's discretion (unassigned fund balance). Cash and investments of the General Fund total \$35.3 million, which represents 73.4% of the General Fund's total \$48.0 million fund balance.
- As of June 30, 2021, the City's Water Enterprise fund reports an ending net position of \$20.6 million, an increase of \$0.3 million from the prior year. The net position is classified as net investment in capital assets of \$22.7 million and unrestricted net position of a deficit \$2.1

See independent auditors' report.

CITY OF SIGNAL HILL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2021

million. It is anticipated that the Proposition 218 water rate increases approved in 2020, along with the Well 8 rehabilitation project, will gradually improve the Water Enterprise fund's unrestricted net position.

- As of June 30, 2021, the City's Internal Service fund reports an ending net position of \$2.5 million. Of this amount, \$1.5 million is unrestricted and is available for spending at the City's discretion.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are required supplementary information and are intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. Other required supplementary information immediately follows the notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements and required supplementary information.

Government-wide Financial Statements. The government-wide financial statements are designed to give the reader a picture of the City from the economic resources measurement focus using the accrual basis of accounting. This broad overview is similar to the financial reporting used in private-sector business. The government-wide financial statements have separate columns for governmental activities and business-type activities. Governmental activities of the City include general government (legislative, finance, administration, and personnel), community services, police, community development, and public works. The City's business-type activity consists of a water utility. Governmental activities are primarily supported by taxes, charges for services, and grants while business-type activities are primarily self-supporting through user fees and charges. The government-wide financial statements can be found beginning on page 19 of this report.

The Statement of Net Position presents information on all City assets (including capital assets), liabilities (including long-term liabilities), and deferred inflows and outflows of resources. The amount by which assets and deferred outflows of resources exceed liabilities and deferred inflows of resources is reported as net position. Over time, trends in increases or decreases in net position may be one indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information designed to show how the City's net position changed during the year. This statement distinguishes revenue generated by specific functions from revenue provided by taxes and other sources not related to a specific function. The revenue generated by specific functions (charges for services, grants and contributions) is compared to the expenses for those functions to show how much each function either supports itself or relies on taxes and other general funding sources for support. All activity on this statement is reported on the accrual basis of accounting, which requires that revenues are reported when earned and expenses are reported when incurred, regardless of when cash is received or disbursed.

Fund Financial Statements. A fund is a fiscal and accounting entity with a self-balancing set of accounts used to account for specific activities. Funds are often set up in accordance with special regulations, restrictions, or limitations. The City uses fund accounting to ensure and show compliance with finance-related legal requirements. The City's funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

CITY OF SIGNAL HILL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2021

Governmental funds. Governmental funds are used to account for the governmental activities reported in the government-wide financial statements. Most of the City's basic services are included in governmental funds. The basis of accounting is different between the governmental fund statements and the government-wide financial statements. The governmental fund statements focus on near-term revenues/financial resources and expenditures while the government-wide financial statements include both near-term and long-term revenues/financial resources and expenses.

Fund balance is categorized into a hierarchy of five classifications: non-spendable, restricted, committed, assigned, and unassigned. These categories facilitate analysis and understanding of the City's commitment of financial resources.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Housing Authority Special Revenue Fund, the Capital Grants Special Revenue Fund, and the Capital Improvement Capital Projects Fund, all of which are considered to be major funds. Data from all other governmental funds is combined into a single, aggregated presentation. Individual fund data for these non-major governmental funds is provided as supplementary information elsewhere in this report.

The basic governmental fund financial statements can be found beginning on page 22.

Proprietary funds. Proprietary funds consist of both enterprise and internal service funds. When the City charges customers for a service provided – whether to outside customers or to other units of the City – these services are reported in proprietary funds. There is a direct relationship between the fees paid and the services received. Like the government-wide financial statements, the proprietary funds provide both long-term and short-term financial information utilizing the economic resources measurement focus.

The City's enterprise fund is the same as the business-type activities reported in the government-wide statements, but the fund statements provide more detail and additional information, such as cash flows. The City has one enterprise fund for water utilities.

The City's internal service fund is used to report activities that primarily provide supplies and services for the City's other programs and activities. The City uses one internal service fund to account for vehicle maintenance and repair services.

CITY OF SIGNAL HILL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2021

The proprietary fund financial statements can be found beginning on page 29 of this report.

Fiduciary funds. Fiduciary funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. Fiduciary funds are not included in the government-wide financial statements because their assets are not available to support the City's activities.

The City's Fiduciary funds consist of one Agency Fund and a Private-Purpose Trust Fund and a Pension Trust Fund. The City is the Successor Agency to the former Redevelopment Agency; all of its assets, liabilities, and activities are recorded in the Private Purpose Trust Fund. The Successor Agency is a separate operating entity from the City. The Pension Trust Fund is used to account for activities related to the City's other post-employment benefit (OPEB) plan and is an irrevocable trust fund.

The fiduciary fund financial statements can be found beginning on page 33 of this report.

Notes to the basic financial statements. The notes to the basic financial statements provide additional information that is important to a full understanding of the data in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 37 of this report.

Supplementary Information - In addition to the basic financial statement and accompanying notes, this report also presents certain required supplementary information. Required supplementary information is found immediately following the notes to the basic financial statements.

Optional supplementary information is presented as combined and individual statements for other governmental and agency funds. This optional supplementary information can be found immediately following the required supplementary information.

CITY OF SIGNAL HILL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS

A summary of the government-wide *Statement of Net Position* as of June 30, 2021, and June 30, 2020, is as follows:

Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Totals	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Assets:						
Current and other assets	\$ 78,886,059	\$ 71,890,227	\$ 2,403,168	\$ 1,497,685	\$ 81,289,227	\$ 73,387,912
Capital assets, net	85,370,200	85,525,036	25,895,699	26,060,397	111,265,899	111,585,433
Total Assets	164,256,259	157,415,263	28,298,867	27,558,082	192,555,126	184,973,345
Deferred outflows of resources:						
Deferred amount on refunding	-	-	75,836	93,170	75,836	93,170
Deferred amounts from pension	5,405,817	5,765,993	539,672	559,393	5,945,489	6,325,386
Deferred amount from OPEB	2,583,547	2,616,964	280,061	283,683	2,863,608	2,900,647
Total Deferred Outflows	7,989,364	8,382,957	895,569	936,246	8,884,933	9,319,203
Liabilities:						
Current liabilities	8,137,546	8,066,468	1,397,539	1,034,022	9,535,085	9,100,490
Long-term liabilities	47,839,302	46,563,991	7,017,840	6,915,252	54,857,142	53,479,243
Total Liabilities	55,976,848	54,630,459	8,415,379	7,949,274	64,392,227	62,579,733
Deferred inflows of resources:						
Deferred amounts from pension	983,989	1,778,055	105,896	189,038	1,089,885	1,967,093
Deferred amount from OPEB	671,212	398,861	72,760	43,237	743,972	442,098
Total Deferred Inflows	1,655,201	2,176,916	178,656	232,275	1,833,857	2,409,191
Net position:						
Net investment in capital assets	76,772,294	77,654,529	22,683,944	22,654,963	99,456,238	100,309,492
Restricted	17,426,787	16,783,639	-	-	17,426,787	16,783,639
Unrestricted	20,414,493	14,552,677	(2,083,543)	(2,342,184)	18,330,950	12,210,493
Total Net Position	\$ 114,613,574	\$ 108,990,845	\$ 20,600,401	\$ 20,312,779	\$ 135,213,975	\$ 129,303,624

Over time, net position may serve as a useful indicator of a city's financial position. At June 30, 2021, net position was \$135.2 million, an increase of \$5.9 million over the net position of \$129.3 million at June 30, 2020.

The largest portion of the City's net position (\$99.5 million or 73.5%) is its investment in capital assets (e.g., land, buildings, infrastructure, and equipment, etc.), net of related debt. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. This category of net position decreased mainly because of depreciation expense. The largest projects completed in FY 2020-21 included Temple Avenue repaving and Orange Avenue street improvements; several large projects in progress are projected to be completed in the next fiscal year including Heritage Point Park project and Well 10 construction project.

The City's restricted net position totals \$17.4 million (12.9% of total net position). Restricted net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$18.3 million (13.6%) represents unrestricted net position; this category of net position may be used to meet the City's ongoing obligations to citizens and creditors.

Total net position increased by \$5.9 million from an excess of revenues over expenses. This net increase was reflected in the \$0.9 million decrease in net investment in capital assets offset by an increase in restricted net position of \$0.6 million and an increase in unrestricted net position of \$6.1 million. The Los Cerritos Channel Storm Water Capture Facility, one of the largest and most important environmental infrastructure projects in Los Angeles County, was completed this year.

CITY OF SIGNAL HILL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2021

Closeout costs related to the project exceeded anticipated project costs and resulted in a net decrease to the City's overall net position by \$545,000. The excess of revenues over expenses will be analyzed in conjunction with the Statement of Activities.

Following is a summary of the government-wide *Statement of Activities* which illustrates the City's overall \$5.9 million increase in net position resulting from program expenses being less than total program and general revenues. A discussion regarding significant changes in revenues and expenses follows the table.

Condensed Statement of Activities

	Governmental Activities		Business-type Activities		Totals	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Revenues:						
Program revenues:						
Charges for services	\$ 1,903,065	\$ 2,017,000	\$ 5,548,069	\$ 4,573,983	\$ 7,451,134	\$ 6,590,983
Grants and contributions:						
Operating	1,819,450	1,524,132	-	-	1,819,450	1,524,132
Capital	937,517	729,629	-	114,674	937,517	844,303
General revenues:						
Property taxes	2,801,763	2,330,347	-	-	2,801,763	2,330,347
Sales and use taxes	20,267,843	16,834,464	-	-	20,267,843	16,834,464
Other taxes	1,901,629	1,722,981	-	-	1,901,629	1,722,981
Investment Income	1,346,195	1,976,618	2,546	63,765	1,348,741	2,040,383
Unrestricted grants and contributions	435,019	182,910	-	-	435,019	182,910
Total revenues	<u>31,412,481</u>	<u>27,318,081</u>	<u>5,550,615</u>	<u>4,752,422</u>	<u>36,963,096</u>	<u>32,070,503</u>
Expenses:						
General government	6,045,259	6,006,139	-	-	6,045,259	6,006,139
Community services	2,213,174	1,756,711	-	-	2,213,174	1,756,711
Police	11,009,108	11,816,654	-	-	11,009,108	11,816,654
Community development	1,269,754	989,132	-	-	1,269,754	989,132
Public works	4,858,616	4,786,622	-	-	4,858,616	4,786,622
Unallocated infrastructure depreciation	393,841	394,543	-	-	393,841	394,543
Water	-	-	5,262,993	4,665,322	5,262,993	4,665,322
Total Expenses	<u>25,789,752</u>	<u>25,749,801</u>	<u>5,262,993</u>	<u>4,665,322</u>	<u>31,052,745</u>	<u>30,415,123</u>
Excess of Revenues over Expenses	<u>5,622,729</u>	<u>1,568,280</u>	<u>287,622</u>	<u>87,100</u>	<u>5,910,351</u>	<u>1,655,380</u>
Transfers	-	354,335	-	(354,335)	-	-
Change in net position	<u>5,622,729</u>	<u>1,922,615</u>	<u>287,622</u>	<u>(267,235)</u>	<u>5,910,351</u>	<u>1,655,380</u>
Net position - beginning	108,990,845	126,169,548	20,312,779	20,580,014	129,303,624	146,749,562
Restatement of net position	-	(19,101,318)	-	-	-	(19,101,318)
Net position - beginning, restated	<u>108,990,845</u>	<u>107,068,230</u>	<u>20,312,779</u>	<u>20,580,014</u>	<u>129,303,624</u>	<u>127,648,244</u>
Net position - ending	<u>\$ 114,613,574</u>	<u>\$ 108,990,845</u>	<u>\$ 20,600,401</u>	<u>\$ 20,312,779</u>	<u>\$ 135,213,975</u>	<u>\$ 129,303,624</u>

Government-wide revenues increased by \$4.9 million (15%) to \$37.0 million. The majority of this increase resulted from an increase of \$3.4 million in sales and use taxes, an increase of \$0.9 million in charges for services and an increase of \$0.5 million in property tax revenues. Both sales and use tax and property tax revenues performed better than original projections which anticipated Covid-19-related impacts. Charges for services increased primarily due to the water rate increase in the Enterprise Fund. The remaining changes include all other governmental activities accounting for a \$0.8 million increase and investment income decreasing by \$0.7 million.

CITY OF SIGNAL HILL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2021

The most significant portion of the City's revenue came from sales and use taxes and accounted for 54.8% of total revenue. Charges for services accounted for 20.2% of total revenue. Additionally, 8.6% was received from grants and contributions, 7.6% from property taxes, 5.1% from other taxes, and the remaining 3.7% was from investment income.

Government-wide expenses of all City programs and services increased by a net \$0.6 million (2.1%) to \$31.1 million for the fiscal year ended June 30, 2021. Governmental Activities increased by \$0.04 million while the Business Type Activities increased by \$0.6 million. Expenses include adjustments for depreciation, long-term debt and pension costs. Based on the latest actuarial valuations, the pension expense decreased by \$0.6 million while the net OPEB expense increased by \$0.5 million. The net increase in Government-wide expenses is spread across the City's programs with General Government increasing by \$0.04 million, Community Services increasing by \$0.5 million, Community Development increasing by \$0.3 million, while Police decreased by \$0.8 million, Public Works increased by \$0.07 million and Water increased by \$0.6 million. Included in the Government-wide expenses for FY 2020-21 are employee furloughs and hiring freezes that were implemented in response to anticipated Covid-19 impacts and the Public Works program includes the closeout costs related to the Los Cerritos Storm channel water capture facility.

Police accounted for 35% of the total costs, General Government for 20%, Public Works for 16%, and Water for 17%, with Community Services (7%), Community Development (4%) and Unallocated Infrastructure Depreciation (1%) accounting for the remaining expenses.

The following two charts show the source and use of funds for **Governmental Activities**:

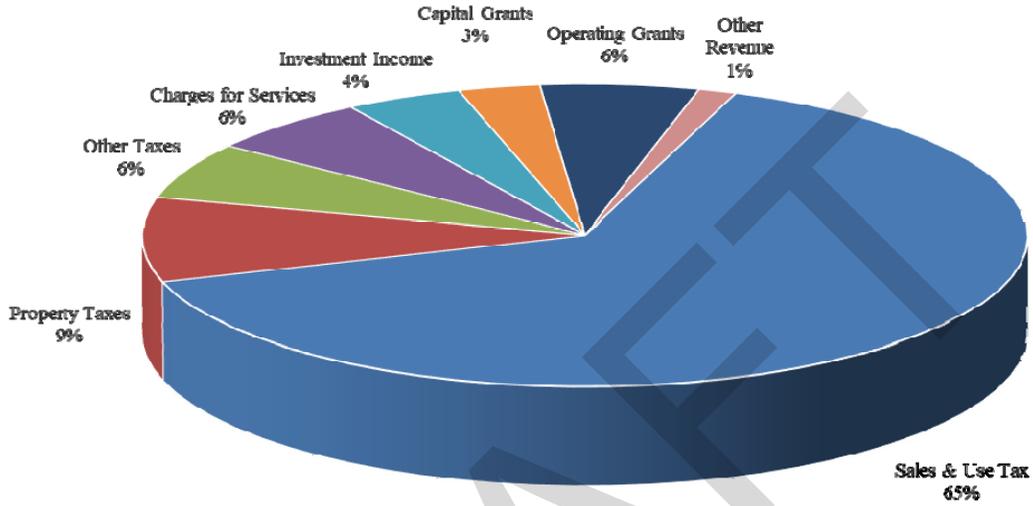
Governmental activities contributed \$5.6 million to the increase in net position resulting from revenues exceeding expenses. Governmental activities comprise the majority of the government-wide data, and explanations for changes in government-wide and governmental activities are often similar.

Revenues of governmental activities report a net increase over the prior year of \$4.1 million (15%), to \$31.4 million. Approximately \$3.4 million of this increase is the result of higher sales and use tax revenue. Property tax also increased by \$0.5 million, all other revenues increased by \$0.8 million while interest revenue decreased by \$0.6 million.

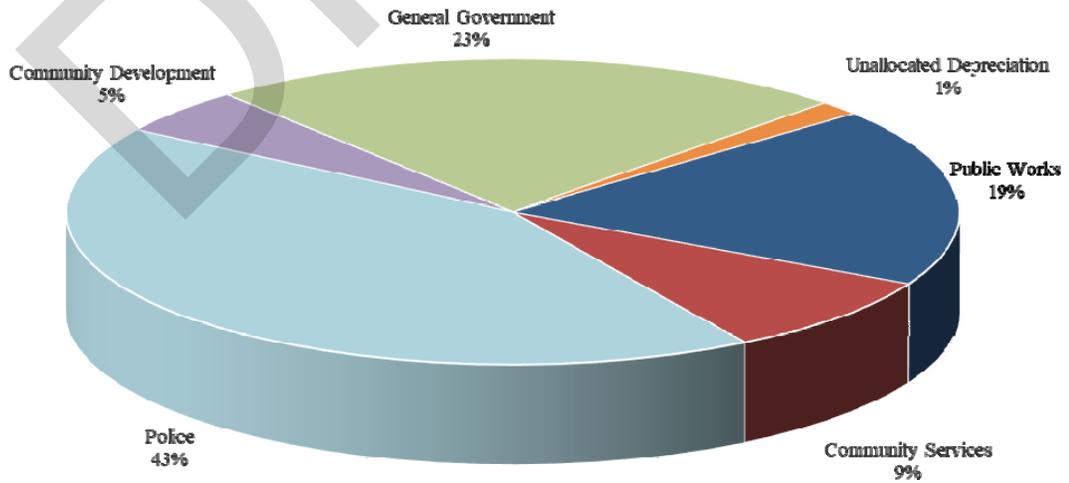
Expenses of governmental activities increased by a net \$0.04 million (0.2%). Expenses include adjustments for depreciation, long-term debt and pension costs. The net increase is spread across the City's programs with Community Services increasing by \$0.46 million, Community Development increasing by \$0.28 million, General Government increasing by \$0.04 million, while Police decreased by \$0.81 million, and Public Works increased by \$0.07 million.

**CITY OF SIGNAL HILL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2021**

**Revenues by Source – Governmental Activities
Fiscal Year 2020-21**



**Expenses – Governmental Activities
Fiscal Year 2020-21**



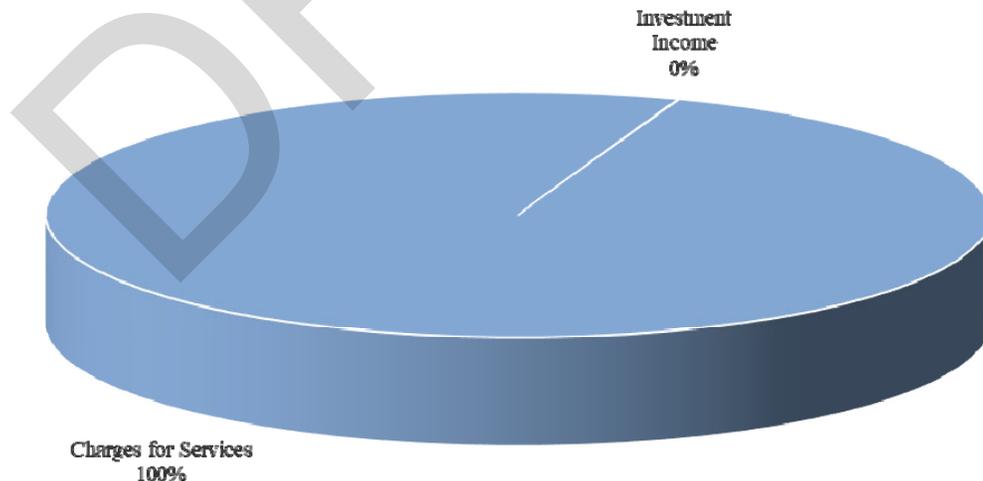
CITY OF SIGNAL HILL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2021

The following two charts show the source and use of funds for Business-type Activities:

Business-type activities consist solely of the Water Utilities Enterprise Fund. The financial goal of the City's business-type activities is to operate on a more or less "break-even" basis without making significant profit or needing general tax subsidies. Total net position at the end of the year was \$20.6 million as compared to \$20.3 million at the end of the prior year. This represents an increase in net position of \$0.3 million or 1.4%. While revenues relatively matched expenditures, the increase in net position is largely attributed to lower engineering costs that will be utilized (carried-over) to next fiscal year.

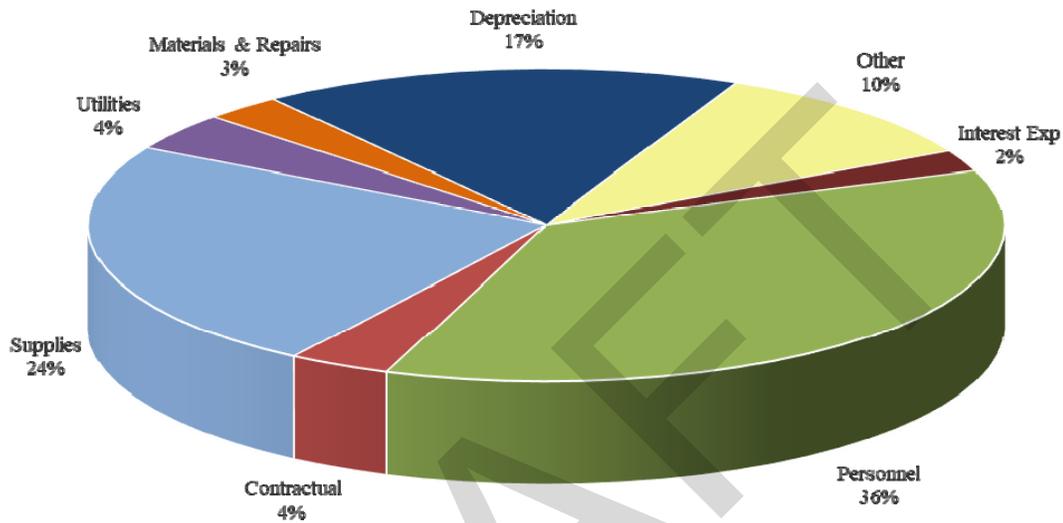
Revenues of \$5.6 million consist of charges for services and investment income. This is an increase of \$0.8 million or 16.8% over the prior year's total revenue of \$4.7 million. The majority of the increase is due to increased water rates offset by decreases in grants and contributions revenue and investment income as compared to the prior year. Expenses totaled \$5.3 million in the current year, an increase of \$0.6 million over the prior year's expenses of \$4.7 million. The majority of the increase is attributed to higher water supply costs mostly due to higher water prices and an increase in pension benefits that was partially offset by a decrease in contractual services and a slight increase in the remaining expenditure types. For more details relating to the Water Utilities Enterprise Fund activities and water management plan please see the City's Website.

**Revenues by Source – Business-type Activities
Fiscal Year 2020-21**



CITY OF SIGNAL HILL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2021

Expenses – Business-type Activities
Fiscal Year 2020-21



FUND FINANCIAL ANALYSIS

The City's major governmental funds for FY 2020-21 were the General Fund, the Housing Authority Special Revenue Fund, the Capital Grants Special Revenue Fund, and the Capital Improvement Capital Projects Fund.

General Fund

The General Fund's fund balance increased by \$5.8 million in FY 2020-21. This increase resulted from revenues totaling \$28.1 million exceeding expenditures of \$22.0 million and net transfers out of \$0.3 million.

General fund revenues increased by a net of \$3.5 million compared to FY 2019-20. This net increase is explained by a \$3.4 million increase in sales and use tax revenues and a \$0.2 million increase in property and other revenues. Investment income decreased by \$0.5 million due to maturing investments and lower interest rates. With the maturing investments and declining interest rates the year-end resulted in a lower unrealized fair value gain as compared to the prior year. The market gain was reported as part of investment income.

The General Fund's operating expenditures decreased by \$0.3 million. This decrease included employee furloughs and hiring freezes implemented in anticipation of Covid-19 impacts resulting in a \$0.5 million dollar savings in salaries and benefits, and a \$0.2 million decrease in capital outlay from the prior year. These savings were offset by an increase in maintenance and operations of \$0.4 million largely due to higher insurance costs, utility services and contractual services.

CITY OF SIGNAL HILL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2021

Housing Authority Special Revenue Fund

The Housing Authority fund balance increased by \$0.2 million to \$5.9 million as compared to the prior year's fund balance of \$5.7 million. The fund's activity consists of interest income and professional services for assistance in administering the City's housing program. Interest income was lower as compared to the prior year due to lower interest rates. Fund balance is restricted for housing purposes.

Capital Grants Special Revenue Fund

The Capital Grants Special Revenue Fund is used to account for grants received from other governmental agencies for capital improvements. The majority of funds received are transferred to the Capital Improvements Capital Projects Fund for capital project funding.

Capital Improvement Capital Projects Fund

Capital expenditures within the Capital Improvement Capital Projects Fund totaled \$2.1 million for the fiscal year. The major projects worked on in FY 2020-21 included various street improvement construction projects, sidewalk repair, geographic information system (GIS) expansion, and initial design work for the Heritage Point Park project. The closeout costs related to the Los Cerritos Storm channel water capture facility are also included in the total capital outlay. The restricted ending fund balance of \$0.4 million reflects an advance received for a specified construction project, all other project costs were fully funded as budgeted.

General Fund Budgetary Highlights

The General Fund often receives the most public attention since it is where local tax revenues are accounted for and where the most visible and recognizable municipal services (such as police, public works and community services) are funded.

In preparing its budget, the City attempts to estimate revenues using realistic, but conservative, methods so as to budget its expenditure appropriations and activities in a prudent manner in alignment with the City Council's expectations. As a result, the City adopts budget adjustments during the course of the fiscal year to reflect both changed priorities and availability of additional revenue. During the course of the year, the City Council amended the originally adopted budget by \$1.1 million. The increased budget appropriations funded the filling of frozen vacant positions, additional contract services related to the housing element and environmental resources element, relocation costs, freeway sign management, and professional services for a compensation study, cannabis study, business license management, and appraisal services. Additional adjustments include capital outlay expenditures and debt service payments.

Total General Fund revenues of \$28.1 million were \$7.9 million higher than the budgeted amount of \$20.2 million. Due to conservative budgeting of revenues, all revenue categories exceeded the budget except for intergovernmental and fines and forfeitures revenue.

CITY OF SIGNAL HILL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2021

Total General Fund expenditures were projected at \$23.5 million. The FY 2020-21 actual expenditures were below the total budgeted amount by \$1.4 million. In FY 2020-21, all departments ended the year with expenditures below budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets for its governmental and business-type activities as of June 30, 2021, totaled \$111.3 million, net of depreciation. These assets include buildings, infrastructure, land, machinery and equipment, park facilities, vehicles, water lines, and construction in progress. FY 2020-21 had a net decrease in capital assets of \$0.3 million. The decrease was mainly due to higher depreciation expense associated with the completion of projects from the prior year. For additional information see Note 3 of the Notes to Basic Financial Statements.

Capital Assets

	Governmental Activities		Business-type Activities		Totals	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Land	\$ 34,558,469	\$ 34,558,469	\$ 4,427,416	\$ 4,427,416	\$ 38,985,885	\$ 38,985,885
Water rights	-	-	304,693	335,073	304,693	335,073
Construction in progress	1,016,144	620,667	926,823	215,560	1,942,967	836,227
Buildings & equipment	37,808,251	39,239,343	20,236,767	21,082,348	58,045,018	60,321,691
Infrastructure	11,987,336	11,106,557	-	-	11,987,336	11,106,557
Total assets	<u>\$ 85,370,200</u>	<u>\$ 85,525,036</u>	<u>\$ 25,895,699</u>	<u>\$ 26,060,397</u>	<u>\$ 111,265,899</u>	<u>\$ 111,585,433</u>

Debt Administration

Following is a summary of the City's long-term liabilities:

Long-term Liabilities

	Governmental Activities		Business-type Activities		Totals	
	2020 - 21	2019-20	2020 - 21	2019-20	2020 - 21	2019-20
Water revenue bonds	\$ -	\$ -	\$ 2,777,741	\$ 3,289,796	\$ 2,777,741	\$ 3,289,796
Leave revenue bonds	8,590,063	8,723,112	-	-	8,590,063	8,723,112
Advance from general fund	-	-	2,242,746	2,368,534	2,242,746	2,368,534
Capital lease obligations	-	-	-	-	-	-
Net pension liability	28,704,473	26,952,209	3,116,741	2,462,795	31,821,214	29,415,004
OPEB liability	9,670,216	10,066,415	1,048,268	1,091,216	10,718,484	11,157,631
Compensated absences	874,550	822,255	75,090	71,445	949,640	893,700
Total long-term liabilities	<u>\$ 47,839,302</u>	<u>\$ 46,563,991</u>	<u>\$ 9,260,586</u>	<u>\$ 9,283,786</u>	<u>\$ 57,099,888</u>	<u>\$ 55,847,777</u>

CITY OF SIGNAL HILL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2021

The City has two bond issues outstanding at fiscal year-end. The water revenue bonds are part of the City's business-type activities and the outstanding bond liability is \$2.8 million at year-end. The lease revenue bonds are part of the City's governmental activities and the outstanding bond liability is \$8.6 million at year-end. Additional information on the City's long-term obligations can be found in the following Notes to Basic Financial Statements:

- Note 1K: Employee compensated absences
- Note 6: Long-term liabilities
- Note 7: Interfund Advances
- Note 9: Net pension liability
- Note 10: Net OPEB liability

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Throughout FY 2020-21, the impacts of Covid-19 continued to be felt across all sectors of the economy, including all levels of government. Cities were challenged by economic forecasts that contemplated an extreme spectrum of possibilities. While business sectors struggled early on, most have experienced improved conditions with the overall economy growing at a record pace. Although some retail sectors were significantly impacted, the City's specific mix of businesses have proven to be pandemic-resilient. As a result, the City did not experience the forecasted declines in sales tax, property tax and other taxes.

In developing the FY 2021-22 budget, staff utilized prior year results, current data, and industry forecasts while following the City's tradition of fiscal prudence. To deliver a balanced budget for FY 2021-22, the City utilized planned revenues and transfers that are equal to planned operating expenditures for the budget year. Most general fund revenue categories were adjusted to reflect current industry estimates based on a full economic recovery while still maintaining a conservative view and preparing for reopening and recovery. The City's Sales Tax was adjusted to reflect the new ongoing revenue stream, resident approved Signal Hill Measure R (SHR), a new three-quarter cent per dollar general transaction and use (sales) tax. The City's expenditures were developed as a conservative spending plan addressing City Council and community priorities while focusing on returning operations to full capacity, addressing deferred maintenance and operational needs, and delivering quality core municipal services with a skilled and talented workforce.

In response to the Covid-19 pandemic, the federal government created several relief programs to support local governments and communities. The FY 2021-22 budget includes the utilization of federal funds through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Federal Emergency Management Agency (FEMA) and the American Rescue Plan Act (ARPA).

If the economy continues to improve, with Measure SHR and the City's existing revenue base, the City is poised to continue to fully fund community priorities, including maintaining local streets and

CITY OF SIGNAL HILL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2021

fixing potholes; maintaining sidewalks, street trees, storm drains, parks and recreation facilities and other infrastructure; preparing for natural disasters and public health emergencies; cleaning and maintaining public areas and removing graffiti; maintaining 9-1-1 emergency response times; providing financial assistance to residents and local businesses during natural disasters and public health emergencies; addressing homelessness; and providing crime prevention and investigation services.

Heading into 2022, Covid-19 variants remain a risk, inflation is on the rise, and supply chain issues continue; all factors that contribute to continued economic instability and uncertainty. Most economists maintain that supply/demand issues are temporary and once resolved will ease inflation and the overall economy will continue to grow albeit at a slower pace versus the strong growth experienced in the second half of 2021. Staff will continue to monitor forecasts as well as actual trends and data and propose budget adjustments as appropriate.

Covid-19 and its economic impacts have not only placed tremendous fiscal pressure on local governments but has also exposed the restrictive revenue options available to local governments and highlighted the importance of ongoing revenue diversification. Local governments, including Signal Hill, will be challenged to continue to seek diversification opportunities to address future economic storms. The City will seek to focus on strengthening existing revenue streams while identifying and developing new opportunities.

While it appears that the City will continue to be presented with challenges and opportunities in the year ahead resulting from the short- and long-term economic impacts of the coronavirus pandemic, the City's ongoing, prudent fiscal practices which include a consideration of future needs and planning, have enabled the City to achieve and maintain a positive, long-term stable financial condition. The City will continue to build on the accomplishments that have resulted in the fiscal stability of the City and will continue to deliver the services that provide a high quality of life to residents.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Signal Hill's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance at the City of Signal Hill, 2175 Cherry Avenue, Signal Hill, California 90755-3799.

**CITY OF SIGNAL HILL
STATEMENT OF NET POSITION
JUNE 30, 2021**

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and Investments	\$ 56,084,962	\$ 3,701,531	\$ 59,786,493
Receivables			
Accounts	657,222	886,375	1,543,597
Accrued Interest	110,117	-	110,117
Loans	1,739,312	-	1,739,312
Due from Other Governments	5,211,119	-	5,211,119
From Successor Agency	11,762,606	-	11,762,606
Internal Balances	2,184,738	(2,184,738)	-
Prepaid Items	82,170	-	82,170
Land and Improvements Held for Resale, Net	1,040,642	-	1,040,642
Restricted Assets			
Cash and Investments	13,171	-	13,171
Capital Assets, not Depreciated	35,574,613	5,354,239	40,928,852
Capital Assets, Depreciated, Net of Accumulated Depreciation	49,795,587	20,541,460	70,337,047
Total Assets	<u>164,256,259</u>	<u>28,298,867</u>	<u>192,555,126</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Loss Amount on Debt Refunding	-	75,836	75,836
Pension Related	5,405,817	539,672	5,945,489
OPEB Related	2,583,547	280,061	2,863,608
Total Deferred Outflow of Resources	<u>7,989,364</u>	<u>895,569</u>	<u>8,884,933</u>
LIABILITIES			
Accounts Payable	3,324,986	971,154	4,296,140
Accrued Liabilities	2,931,640	-	2,931,640
Accrued Interest Payable	20,083	66,979	87,062
Deposits Payable	165,756	359,406	525,162
Unearned Revenue	1,695,081	-	1,695,081
Noncurrent Liabilities			
Due Within One Year	557,276	512,545	1,069,821
Due in More Than One Year			
Other	8,907,337	2,340,286	11,247,623
Net Pension Liability	28,704,473	3,116,741	31,821,214
Net OPEB Liability	9,670,216	1,048,268	10,718,484
Total Liabilities	<u>55,976,848</u>	<u>8,415,379</u>	<u>64,392,227</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Related	983,989	105,896	1,089,885
OPEB Related	671,212	72,760	743,972
Total Deferred Inflow of Resources	<u>1,655,201</u>	<u>178,656</u>	<u>1,833,857</u>
NET POSITION			
Net Investment in Capital Assets	76,772,294	22,683,944	99,456,238
Restricted for			
Capital Improvements	3,114,039	-	3,114,039
Development Impact	4,360,439	-	4,360,439
Transportation	3,865,885	-	3,865,885
Public Protection	208,469	-	208,469
Housing	5,877,955	-	5,877,955
Unrestricted	20,414,493	(2,083,543)	18,330,950
Total Net Position	<u>\$ 114,613,574</u>	<u>\$ 20,600,401</u>	<u>\$ 135,213,975</u>

See accompanying Notes to Financial Statements.

**CITY OF SIGNAL HILL
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	\$ 6,045,259	\$ 89,928	\$ 15,293	\$ -
Community Services	2,213,174	85,196	-	-
Police	11,009,108	169,193	244,523	-
Community Development	1,269,754	552,733	431,163	-
Public Works	4,858,616	1,006,015	1,128,471	937,517
Unallocated Infrastructure Depreciation	393,841	-	-	-
Total Governmental Activities	25,789,752	1,903,065	1,819,450	937,517
BUSINESS-TYPE ACTIVITIES				
Water	5,262,993	5,548,069	-	-
Total	\$ 31,052,745	\$ 7,451,134	\$ 1,819,450	\$ 937,517

GENERAL REVENUES

Taxes:

Property Tax

Franchise Tax

Oil Production Tax

Transient Occupancy Tax

Motor Vehicle In-Lieu Tax

Public Service Taxes

Intergovernmental - Unrestricted Shared Sales and Use Tax

Investment Income

Unrestricted Grants and Contributions

Total General Revenues

CHANGE IN NET POSITION

Net Position - Beginning of Year

NET POSITION - END OF YEAR

See accompanying Notes to Financial Statements.

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (5,940,038)	\$ -	\$ (5,940,038)
(2,127,978)	-	(2,127,978)
(10,595,392)	-	(10,595,392)
(285,858)	-	(285,858)
(1,786,613)	-	(1,786,613)
(393,841)	-	(393,841)
(21,129,720)	-	(21,129,720)
-	285,076	285,076
(21,129,720)	285,076	(20,844,644)
2,801,763	-	2,801,763
981,790	-	981,790
283,150	-	283,150
289,454	-	289,454
8,590	-	8,590
338,645	-	338,645
20,267,843	-	20,267,843
1,346,195	2,546	1,348,741
435,019	-	435,019
26,752,449	2,546	26,754,995
5,622,729	287,622	5,910,351
108,990,845	20,312,779	129,303,624
<u>\$ 114,613,574</u>	<u>\$ 20,600,401</u>	<u>\$ 135,213,975</u>

See accompanying Notes to Financial Statements.

**CITY OF SIGNAL HILL
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	General	Housing Authority Special Revenue Fund	Capital Grants Special Revenue Fund
ASSETS			
Cash and Investments	\$ 35,263,112	\$ 5,217,935	\$ -
Accounts Receivable	657,222	-	-
Accrued Interest Receivable	109,517	-	-
Due from Other Funds	245,577	-	-
Due from Other Governments	4,918,421	-	73,973
Receivable Due from Successor Agency	11,762,606	-	-
Prepaid Items	42,693	-	-
Loans Receivable	-	1,733,275	-
Advances to Other Funds	2,249,878	-	-
Land and Improvements Held for Resale, Net	425,001	615,641	-
Restricted Assets:			
Cash and Investments	-	-	-
Total Assets	\$ 55,674,027	\$ 7,566,851	\$ 73,973
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 839,350	\$ -	\$ -
Accrued Liabilities	2,926,682	-	-
Deposits Payable	165,756	-	-
Unearned Revenue	7,279	-	-
Due to Other Funds	-	-	73,973
Advances from Other Funds	-	1,694,934	-
Total Liabilities	3,939,067	1,694,934	73,973
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenues	3,708,759	-	36,579
FUND BALANCES (DEFICITS)			
Nonspendable	2,717,572	-	-
Restricted	-	5,871,917	-
Committed	24,952,980	-	-
Unassigned	20,355,649	-	(36,579)
Total Fund Balances (Deficits)	48,026,201	5,871,917	(36,579)
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	\$ 55,674,027	\$ 7,566,851	\$ 73,973

See accompanying Notes to Financial Statements.

Capital Improvement Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 2,835,156	\$ 11,121,118	\$ 54,437,321
-	-	657,222
-	600	110,117
-	-	245,577
-	218,725	5,211,119
-	-	11,762,606
-	-	42,693
-	6,037	1,739,312
-	1,687,802	3,937,680
-	-	1,040,642
-	13,171	13,171
<u>\$ 2,835,156</u>	<u>\$ 13,047,453</u>	<u>\$ 79,197,460</u>
\$ 2,435,154	\$ 27,621	\$ 3,302,125
-	4,958	2,931,640
-	-	165,756
-	1,687,802	1,695,081
-	171,604	245,577
-	-	1,694,934
<u>2,435,154</u>	<u>1,891,985</u>	<u>10,035,113</u>
-	600	3,745,938
-	-	2,717,572
400,002	11,154,868	17,426,787
-	-	24,952,980
-	-	20,319,070
<u>400,002</u>	<u>11,154,868</u>	<u>65,416,409</u>
<u>\$ 2,835,156</u>	<u>\$ 13,047,453</u>	<u>\$ 79,197,460</u>

See accompanying Notes to Financial Statements.

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**CITY OF SIGNAL HILL
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE TO THE
STATEMENT OF NET POSITION
YEAR ENDED JUNE 30, 2021**

Fund Balances - Total Governmental Funds \$ 65,416,409

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities (excluding those in the internal service fund) are not current financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$	34,558,469	
Construction in Progress		958,233	
Infrastructure, Net of \$18,183,381 Accumulated Depreciation		11,987,336	
Structures and Improvements, Net of \$10,682,602 Accumulated Depreciation		36,300,324	
Vehicles, Equipment and Furniture, Net of \$2,492,135 Accumulated Depreciation		530,444	
		84,334,806	84,334,806

Certain receivables will be collected after year-end, but are not available soon enough to pay for current-period expenditures, and therefore are offset by unavailable revenues in the governmental funds. 3,745,938

Internal service funds are used by management to charge the costs of rendering motor vehicle and equipment services to City departments. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position. 2,432,390

Deferred outflows and inflows of resources relating to pensions and OPEB are not reported in the governmental funds because they are applicable to future periods:

Deferred Outflow of Resources - Pension	5,385,731		
Deferred Outflow of Resources - OPEB	2,549,184		
Deferred Inflow of Resources - Pension	(980,048)		
Deferred Inflow of Resources - OPEB	(662,284)		
	6,292,583		6,292,583

Long-term liabilities and related accrued interest payable are not due and payable in the current period and, therefore, are not reported in the governmental funds:

Interest Payable	(20,083)		
Revenue Bonds Payable	(8,590,063)		
Compensated Absences	(868,343)		
Net Pension Liability	(28,588,469)		
Net OPEB Liability	(9,541,594)		
	(47,608,552)		(47,608,552)

Net Position of Governmental Activities \$ 114,613,574

CITY OF SIGNAL HILL
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

REVENUES	General	Housing Authority Special Revenue Fund	Capital Grants Special Revenue Fund
Property Taxes	\$ 2,525,205	\$ -	\$ -
Sales and Use Tax	20,267,843	-	-
Other Taxes	1,669,978	-	-
Licenses and Permits	678,809	-	-
Intergovernmental Revenues	35,348	-	560,001
Charges for Services	1,271,900	-	-
Fines and Forfeitures	175,417	-	-
Investment Income	1,071,070	29,541	-
Other Revenue	435,020	-	-
Total Revenues	<u>28,130,590</u>	<u>29,541</u>	<u>560,001</u>
EXPENDITURES			
Current			
General Government	5,741,321	-	-
Community Services	1,378,005	-	-
Police	9,104,514	-	-
Community Development	988,773	19,024	-
Public Works	4,404,552	-	-
Capital Outlay	110,815	-	-
Debt Service			
Principal	110,000	-	-
Interest	239,900	-	-
Total Expenditures	<u>22,077,880</u>	<u>19,024</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	6,052,710	10,517	560,001
OTHER FINANCING SOURCES (USES)			
Transfers In	516,472	199,029	1,186
Transfers Out	(794,594)	-	(597,766)
Total Other Financing Sources (Uses)	<u>(278,122)</u>	<u>199,029</u>	<u>(596,580)</u>
NET CHANGE IN FUND BALANCES	5,774,588	209,546	(36,579)
Fund Balances - Beginning of Year	<u>42,251,613</u>	<u>5,662,371</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 48,026,201</u>	<u>\$ 5,871,917</u>	<u>\$ (36,579)</u>

See accompanying Notes to Financial Statements.

Capital Improvement Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 2,525,205
-	-	20,267,843
-	341,742	2,011,720
-	-	678,809
-	1,912,951	2,508,300
-	117,652	1,389,552
-	-	175,417
-	9,956	1,110,567
-	-	435,020
<u>-</u>	<u>2,382,301</u>	<u>31,102,433</u>
-	-	5,741,321
-	-	1,378,005
-	241,871	9,346,385
-	264,784	1,272,581
-	65,744	4,470,296
2,051,372	-	2,162,187
-	-	110,000
-	-	239,900
<u>2,051,372</u>	<u>572,399</u>	<u>24,720,675</u>
(2,051,372)	1,809,902	6,381,758
2,051,374	-	2,768,061
-	(1,375,701)	(2,768,061)
<u>2,051,374</u>	<u>(1,375,701)</u>	<u>-</u>
2	434,201	6,381,758
<u>400,000</u>	<u>10,720,667</u>	<u>59,034,651</u>
<u>\$ 400,002</u>	<u>\$ 11,154,868</u>	<u>\$ 65,416,409</u>

See accompanying Notes to Financial Statements.

**CITY OF SIGNAL HILL
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

Net Change in Fund Balances - Total Governmental Funds	\$	6,381,758
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital Outlay	\$ 1,670,097	
Depreciation Expense	<u>(1,652,996)</u>	17,101
The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Issuance of debt increase long-term liabilities and the repayment of principal reduces long-term liabilities in the statement of net position:		
Repayment of Revenue Bonds		110,000
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Net Change in Compensated Absences	(48,572)	
Net Change in Accrued Interest Payable	9	
Amortization of Bond Premium	<u>23,049</u>	(25,514)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds. Conversely, collection of these revenues are reported in the governmental funds, but not in the Statement of Activities since they have been recognized in previous years.		
		308,730
Internal service funds are used by management to charge the costs of rendering motor vehicle and equipment services to City departments. The net revenue of the internal service fund is reported with governmental activities.		
		102,556
Pension expense reported in the governmental funds includes the employer contributions made to the City's pension plan. In the Statement of Activities, pension expense includes the change in the net pension liability and related change in pension amounts for deferred outflows of resources and deferred inflows of resources.		
		(1,361,131)
OPEB expense reported in the governmental funds includes the employer contributions made to the City's OPEB plan. In the Statement of Activities, OPEB expense includes the change in the net OPEB liability and related change in OPEB amounts for deferred outflows of resources and deferred inflows of resources.		
		<u>89,229</u>
Change in Net Position of Governmental Activities	\$	<u><u>5,622,729</u></u>

See accompanying Notes to Financial Statements.

**CITY OF SIGNAL HILL
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021**

	Business-type Activity	Governmental Activity
	Water Enterprise Fund	Vehicle and Equipment Internal Service Fund
ASSETS		
Current Assets		
Cash and Investments	\$ 3,701,531	\$ 1,647,641
Accounts Receivable, Net	886,375	-
Inventory	-	39,477
Total Current Assets	4,587,906	1,687,118
Noncurrent Assets		
Capital Assets		
Land	4,427,416	-
Construction in Progress	926,823	57,911
Depreciable Assets, Net of Accumulated Depreciation	20,541,460	977,483
Total Noncurrent Assets	25,895,699	1,035,394
Total Assets	30,483,605	2,722,512
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amount on Debt Refunding	75,836	-
Deferred Outflows - Pension Related	539,672	20,086
Deferred Outflows - OPEB Related	280,061	34,363
Total Deferred Outflows of Resources	895,569	54,449
LIABILITIES		
Current Liabilities		
Accounts Payable	971,154	22,861
Accrued Interest Payable	66,979	-
Refundable Deposits	359,406	-
Advances from Other Funds	2,242,746	-
Current Portion of Long-Term Liabilities		
Water Revenue Refunding Bonds	475,000	-
Compensated Absences	37,545	3,104
Total Current Liabilities	4,152,830	25,965
Long-Term Liabilities		
Water Revenue Refunding Bonds	2,302,741	-
Compensated Absences	37,545	3,103
Net Pension Liability	3,116,741	116,004
Net OPEB Liability	1,048,268	128,622
Total Long-Term Liabilities	6,505,295	247,729
Total Liabilities	10,658,125	273,694
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows - Pension Related	105,896	3,941
Deferred Inflows - OPEB Related	72,760	8,928
Total Deferred Inflows of Resources	178,656	12,869
NET POSITION		
Net Investment in Capital Assets	22,683,944	1,032,290
Unrestricted	(2,141,551)	1,458,108
Total Net Position	20,542,393	\$ 2,490,398
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	58,008	
Net Position of Business-Type Activity	\$ 20,600,401	

See accompanying Notes to Financial Statements.

**CITY OF SIGNAL HILL
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021**

	<u>Business-type Activity</u>	<u>Governmental Activity</u>
	Water Enterprise Fund	Vehicle and Equipment Internal Service Fund
OPERATING REVENUES		
Charges for Services	\$ 5,521,074	\$ 533,134
Other Operating Revenues	26,995	9,314
Total Operating Revenues	<u>5,548,069</u>	<u>542,448</u>
OPERATING EXPENSES		
Personnel Services	1,904,451	116,961
Contractual Services	189,454	31,273
Supplies	1,258,182	40,532
Material and Repairs	145,962	19,866
Utilities	206,819	-
Depreciation/Amortization	896,031	198,247
Other	562,774	16,864
Total Operating Expenses	<u>5,163,673</u>	<u>423,743</u>
OPERATING INCOME (LOSS)	<u>384,396</u>	<u>118,705</u>
NONOPERATING REVENUES (EXPENSES)		
Investment Income	2,546	1,318
Interest Expense	(116,787)	-
Total Nonoperating Revenues (Expenses)	<u>(114,241)</u>	<u>1,318</u>
CHANGES IN NET POSITION	270,155	120,023
Net Position - Beginning of Year	<u>20,272,238</u>	<u>2,370,375</u>
NET POSITION - END OF YEAR	<u>\$ 20,542,393</u>	<u>\$ 2,490,398</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	<u>17,467</u>	
Change in Net Position of Business-Type Activity	<u>\$ 287,622</u>	

See accompanying Notes to Financial Statements.

**CITY OF SIGNAL HILL
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021**

	Business-type Activity	Governmental Activity
	Water Enterprise Fund	Vehicle and Equipment Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 5,366,995	\$ -
Receipts from Interfund Services Provided	-	542,494
Payments to Suppliers	(1,970,442)	(222,114)
Payments to Employees	(1,320,084)	(157,197)
Net Cash Provided by Operating Activities	2,076,469	163,183
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
Net Cash Paid to Other Funds	(125,788)	-
Net Cash Provided (Used) by Noncapital and Related financing Activities	(125,788)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Grants	166,719	-
Acquisition of Property, Plant and Equipment	(731,333)	(26,310)
Principal Paid	(460,000)	-
Interest Paid	(179,019)	-
Net Cash used by Capital and Related Financing Activities	(1,203,633)	(26,310)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	2,546	1,318
NET INCREASE IN CASH AND CASH EQUIVALENTS		
	749,594	138,191
Cash and Cash Equivalents - Beginning of Year	2,951,937	1,509,450
CASH AND CASH EQUIVALENTS - END OF YEAR		
	\$ 3,701,531	\$ 1,647,641
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO AMOUNTS REPORTED ON THE STATEMENT OF NET POSITION		
Cash and Investments	\$ 3,701,531	\$ 1,647,641

(Continued)

**CITY OF SIGNAL HILL
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021**

	Business-type Activity	Governmental Activity
	Water Enterprise Fund	Vehicle and Equipment Internal Service Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 384,396	\$ 118,705
Depreciation/Amortization	896,031	198,247
Change in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:		
(Increase) Decrease in Assets:		
Accounts Receivable	(179,353)	46
Prepaid Items	-	(21,908)
Deferred Outflows of Resources - Pensions	19,721	18,040
Deferred Outflows of Resources - OPEB	3,622	445
Increase (Decrease) in Liabilities:		
Accounts Payable	392,749	(91,671)
Refundable Deposits	(1,721)	-
Compensated Absences	3,645	3,723
Deferred Inflows of Resources - Pensions	(83,142)	(8,943)
Deferred Inflows of Resources - OPEB	29,523	3,623
Net Pension Liability	653,946	(51,854)
Net OPEB Liability	(42,948)	(5,270)
Net Cash Provided by Operating Activities	\$ 2,076,469	\$ 163,183

See accompanying Notes to Financial Statements.

**CITY OF SIGNAL HILL
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2021**

	Successor Agency to the Signal Hill Redevelopment Agency Private-Purpose Trust Fund	Other Postemployment Benefit Trust Fund
	<u> </u>	<u> </u>
ASSETS		
Cash and Investments	\$ 5,645,476	\$ 3,633,800
Restricted Cash and Investments	7,706,443	-
Accounts Receivable	14,480	-
Capital Assets		
Land	8,906,485	-
Total Assets	<u>22,272,884</u>	<u>3,633,800</u>
 DEFERRED OUTFLOWS OF RESOURCES		
Deferred Loss Amount on Debt Refunding	<u>873,031</u>	<u>-</u>
 LIABILITIES		
Accounts Payable	2,845,681	-
Accrued Liabilities	1,323,791	-
Accrued Interest Payable	508,120	-
Refundable Deposits	105,000	-
Long-Term Liabilities		
Due Within One Year	-	-
Due in More Than One Year	40,928,657	-
Payable to the City of Signal Hill	11,762,606	-
Total Liabilities	<u>57,473,855</u>	<u>-</u>
 NET POSITION		
Held in Trust	<u>\$ (34,327,940)</u>	<u>\$ 3,633,800</u>

See accompanying Notes to Financial Statements.

**CITY OF SIGNAL HILL
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2021**

	<u>Successor Agency to the Signal Hill Redevelopment Agency Private-Purpose Trust Fund</u>	<u>Other Postemployment Benefit Trust Fund</u>
ADDITIONS		
Distributions from County-Administered Redevelopment Property Tax Trust Fund	\$ 11,989,180	\$ -
Contributions - Employer	-	135,293
Contributions - Employee	-	65,478
Investment Earnings	2,701	642,090
Total Additions	<u>11,991,881</u>	<u>842,861</u>
DEDUCTIONS		
Personnel Services	236,391	-
Contractual Services	12,255	-
Project Costs	2,718,854	-
Interest	2,016,383	-
Administrative Expenses	-	18,569
Total Deductions	<u>4,983,883</u>	<u>18,569</u>
CHANGE IN NET POSITION	7,007,998	824,292
NET POSITION - BEGINNING OF YEAR, AS RESTATED	<u>(41,335,938)</u>	<u>2,809,508</u>
NET POSITION - END OF YEAR	<u>\$ (34,327,940)</u>	<u>\$ 3,633,800</u>

See accompanying Notes to Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

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**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The reporting entity City of Signal Hill includes the accounts of the City of Signal Hill (the primary government), the Signal Hill Public Financing Authority (the Financing Authority), and the Signal Hill Housing Authority (the Housing Authority).

The City of Signal Hill was incorporated in 1924 under the general laws of the State of California and enjoys all the rights and privileges pertaining to “General Law” cities. On November 7, 2000, the Charter of the City of Signal Hill was adopted by a vote of the people. As a result, the City will enjoy all rights and privileges pertaining to “Charter Law” cities.

The Signal Hill Public Financing Authority was formed October 15, 1996, as a joint power of authority between the City and the former Signal Hill Redevelopment Agency (the Agency) for the purpose of providing financing and funding of public capital improvements.

The Signal Hill Housing Authority was formed December 12, 2000 pursuant to provisions of the California Health and Safety Code. The primary purpose of the Housing Authority is to provide suitable, safe and sanitary housing opportunities for the City’s residents.

The Signal Hill Municipal Financing Authority was formed August 22, 2017 as a joint power of authority between the Housing Authority and the City for the purpose of assisting the City and the Housing Authority with their respective financings.

The City of Signal Hill is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component unit’s Board, or because the component unit will provide a financial benefit or impose a financial burden on the City. The Financing Authority, Housing Authority, and Municipal Financing Authority have been accounted for as “blended” component units of the City. Despite being legally separate, the Financing Authority, Housing Authority, and Municipal Financing Authority are so intertwined with the City that they are, in substance, part of the City’s operations. Accordingly, the balances and transactions of the Financing Authority, Housing Authority, and Municipal Financing Authority are reported within the funds of the City. Separate financial statements of the Financing Authority, Housing Authority, and Municipal Financing Authority are not prepared.

The following criteria were used in determining that the Financing Authority, Housing Authority, and Municipal Financing Authority were “blended” component units:

- The members of the City Council also act as the governing body of the Financing Authority, Housing Authority, and Municipal Financing Authority.
- The Financing Authority, Housing Authority, and Municipal Financing Authority are managed by employees of the City. A portion of the City’s salary and overhead expenses is billed to the Authorities each year.
- The City, Financing Authority, Housing Authority, and Municipal Financing Authority are financially interdependent.

CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Under the economic resources measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (current and long term) are reported. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the fiscal year in which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all the eligibility requirements imposed by the provider have been met.

CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (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 water enterprise fund and of the government's internal service funds are charges to customers for services. Operating expenses for the proprietary funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, generally only current assets and current liabilities are reported in the governmental funds. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, except for principal and interest on long term liabilities, claims and judgments, and compensated absences which are recognized as expenditures only when payment is due.

Property taxes, taxpayer-assessed taxes, such as sales taxes, gas taxes, transient occupancy taxes and oil production taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Private purpose trust and pension (and other employee benefit) trust fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

The accounts of the City are organized and operated on the basis of funds, each of which is considered a separate accounting entity with a self-balancing set of accounts, established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. All general tax revenues and other receipts allocated by law or contractual agreement to other funds are accounted for in this fund. Expenditures of this fund include general operating costs not paid through other funds.

The Housing Authority Special Revenue Fund is used to account for the activities of the Housing Authority. 20 percent of collections on the City's advances to the former redevelopment agency are to be deposited into this fund for purposes of the City's affordable housing needs.

The Capital Grants Special Revenue Fund is used to account for projects funded by various grants received from other government agencies. The majority of funds received are transferred to the Capital Improvements Capital Projects fund to finance the related capital project expenditures. The amount of activity in this fund varies from year-to-year, and this fund is consistently reported as a major governmental fund.

The Capital Improvement Capital Projects Fund is used to account for major capital improvement projects not accounted for in other funds.

The City reports the following major enterprise fund:

The Water Enterprise Fund is used to account for financial activity relative to the purchase, production, storage and distribution of water used by the community, as well as the maintenance, repair and replacement of related equipment and pipeline. Revenues consist primarily of water sales.

Additionally, the City reports the following fund types:

Proprietary Funds

The Internal Service Fund is used to account for the furnishing of vehicle and equipment services to departments within the City. Costs of materials and services used are accumulated in this fund and charged to the user departments as such vehicles and equipment are used or services rendered.

Fiduciary Funds

The Private Purpose Trust Fund is used to account for the county auditor controller's semi-annual property tax distributions from the Redevelopment Property Tax Trust Fund of the Successor Agency of the former Signal Hill Redevelopment Agency to pay amounts due on enforceable obligations and to pay for specified administrative costs.

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fiduciary Funds (Continued)

The Pension (and Other Employee Benefit) Trust Fund is used to account for resources that are held in an irrevocable trust for the benefit of participants in the City's other postemployment benefit plan.

D. Implementation of New Accounting Pronouncements

GASB Statement No. 84, *Fiduciary Activities* became effective for fiscal years beginning after December 15, 2019. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The City has implemented this Statement.

The implementation of this Statement required the City to include the Other Postemployment Benefit Trust, which had not been previously reported, to the fiduciary fund financial statements presentation. As a result, the beginning net position of this Fund has been reported as being restated to represent the beginning balance of the Other Postemployment Benefit Trust of \$2,809,508 as of July 1, 2020.

E. Cash and Cash Equivalents

The Water Enterprise Fund and Vehicle and Equipment Internal Service Fund participate in the pooling of City-wide cash and investments. Amounts from the pool are available to these funds on demand. Therefore, the cash and investments (restricted and unrestricted) reported in the Water Enterprise Fund and Vehicle and Equipment Internal Services Fund are considered to be cash and cash equivalents for purposes of the statement of cash flows.

F. Cash and Investments

Investments are reported in the accompanying basic financial statements at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments in external pools are valued based on the stated fair value represented by the external pool.

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments. The City pools cash and investments of all funds, except for assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments.

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Restricted Assets

Restricted assets are reported for certain cash and investments that are to be used for civic center improvement projects.

H. Capital Assets

Capital assets, which include land, site improvements, buildings and improvements, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure assets consist of roads, bridges, trails, traffic signals and sewer lines. Capital assets are defined by the City as assets, with an initial cost of more than \$5,000 and a useful life that is greater than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated/amortized using the straight-line method over the following estimated useful lives:

Structures and improvements – Water Enterprise	20 to 50 years
Structures and improvements – other than Water Enterprise	5 to 40 years
Water rights	40 years
Equipment and furniture	3 to 20 years
Vehicles and major equipment	3 to 15 years
Infrastructure	40 to 90 years

I. Prepaid Items

Certain payments to vendors reflect costs applicable to a future accounting period and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items are recorded as expenditures/expenses during the periods benefited.

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and the Governmental Funds Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has the following items that qualify for reporting in this category:

- Deferred loss amounts on refunding, net of accumulated amortization, are reported in the government wide statement of net position, the Water Enterprise Fund, and the Successor Agency to the Signal Hill Redevelopment Agency Private-Purpose Trust Fund. A deferred loss amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Deferred outflows related to pensions equal to employer contributions made after the measurement date of the net pension liability.
- Deferred outflows related to pension and OPEB plans for differences between expected and actual experience and changes in assumptions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pension and OPEB benefits through the plans.
- Deferred inflows related to the pension plans resulting from the net differences between projected and actual earnings on plan investments of the pension plans fiduciary net position. These amounts are amortized over five years.

In addition to liabilities, the Statement of Net Position and the Governmental Funds Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

- Deferred inflows from unavailable revenues, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for amounts which have been earned but which are not received within the City's defined availability period. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Deferred Outflows/Inflows of Resources (Continued)

- Deferred inflows related to pension and OPEB plans for differences between expected and actual experience. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.
- Deferred inflows from pensions resulting from changes in assumptions and changes in employer's proportion and differences between employer contributions and the proportionate share of employers contributions. These amounts are amortized over a closed period equal to the average expected remaining service lives of all employees that are provided with pensions through the respective plans.
- Deferred inflows related to the OPEB plan resulting from the net differences between projected and actual earnings on plan investments of the OPEB plans fiduciary net position. These amounts are amortized over five years.

K. Employee Compensated Absences

Compensated absences are reported in governmental funds as a liability, only if they have matured. The balance of unpaid vacation and compensatory time at year-end is recorded as a long-term liability of the governmental activities, as these amounts will be liquidated from future resources rather than expendable available financial resources. Compensated absences are primarily liquidated in the General Fund.

Unpaid compensated absences in proprietary fund types are recorded as a liability in those funds as vested benefits to the employees accrue.

The City does not reimburse for unused sick pay upon an employee's separation other than for retirement. The percentage pay-off at retirement varies based on employee group agreements and/or years of service of employment. The City has an annual cash-out program ranging from 48 - 80 annual maximum hours for its employees based on tiered, years of service of employment. The balance of unused sick pay at fiscal year-end for those employees who meet minimum eligibility requirements, is recorded as a long-term liability, as these amounts will be liquidated from future resources rather than expendable available resources.

CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Signal Hill's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension liabilities are primarily liquidated from the General Fund. Investments are reported at fair value.

M. OPEB

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB Plan and additions to/deductions from the OPEB Plans' fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the City's OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. OPEB liabilities are primarily liquidated from the General Fund. Investments are reported at fair value.

N. Fund Balances

The fund balances reported on the fund statements consist of the following categories:

Nonspendable - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted - This classification includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers or through enabling legislation.

Committed - This classification includes amounts that can be used only for the specific purposes determined by the City Council through the adoption of a resolution prior to the end of the fiscal year. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken to remove or revise the limitation.

Assigned - This classification includes amounts to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The City Council assigns fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Balances (Continued)

Unassigned - This classification includes the residual balance for the government's general fund and includes all spendable amounts not contained in other classifications. In other funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

The City's minimum fund balance policy is to maintain, in reserves, six months of General Fund operating expenditures.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the City's policy is to apply restricted fund balance first. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is applied first, followed by assigned fund balance, and then finally unassigned fund balance.

O. Property Taxes

Property taxes are an enforceable lien on property as of January 1. Taxes are levied on July 1 and are payable in two installments on November 1 and February 1, which become delinquent on December 10 and April 10, respectively. The County of Los Angeles bills and collects property taxes for the City. Remittance of property taxes to the City is accounted for in the City's General Fund.

P. Claims and Judgments

When it is probable that a claim liability has been incurred at year-end and the amount of the loss can be reasonably estimated, the City records the estimated loss, net of any insurance coverage under its self insurance program claims payable, which includes an estimate for incurred FY 20but not reported claims (IBNR).

Under the City's self-insurance program, deposits to the Joint Powers Insurance Authority (Note 14) are recorded as insurance expenditures in the period to which they relate in the General Fund. These deposits are subject to retrospective adjustment. Favorable claims experience in prior years results in a refund of deposits from the Insurance Authority and such refunds, if any, are recorded as deposits since they will be used to offset future deposit requirements. Adverse claims experience in prior years results in the payment of additional deposits which are recorded as insurance expenditures when incurred.

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Net Position

Net position reported in the government wide and proprietary fund financial statements are classified into three components - net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- Net investment in capital assets - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other liabilities that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

At June 30, 2021, net investment in capital assets, was determined as follows:

	Governmental Activities	Business-type Activity
Capital Assets, Net of Accumulated Depreciation	\$ 85,370,200	\$ 25,895,699
Less:		
Bonds, Net of Unamortized Premiums and Discounts	(8,590,063)	(2,777,741)
Accounts Payable Related to Capital Assets	(135,999)	(454,405)
Retentions Payable Related to Capital Assets	(16,868)	(55,445)
Add Back:		
Unamortized Deferred Loss Amount on Debt Refunding	-	75,836
Bond Proceeds not Available for Capital Purposes	145,024	-
Unspent Bonds Proceeds	-	-
Total	\$ 76,772,294	\$ 22,683,944

- Restricted net position - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted."

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Net Position Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) 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 practice to consider restricted - net position to have been depleted before unrestricted - net position is applied, however it is at the Council's discretion.

S. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Specifically, the City has made certain estimates and assumptions related to the collectability of its receivables (e.g. accounts receivable, intergovernmental receivables, loans receivable, amounts due from other funds and amounts advanced to other funds), the depreciation of its capital assets and the ultimate outcome of claims and judgments. Actual results could differ from those estimates and assumptions.

NOTE 2 CASH AND INVESTMENTS

Cash and Investments

Cash and investments at June 30, 2021 are classified in the accompanying financial statements as follows:

	Government- Wide Statement of Net Position	Fiduciary Funds Statement of Net Position	Total
Cash and Investments	\$ 59,786,493	\$ 9,279,276	\$ 69,065,769
Restricted Cash and Investments	13,171	7,706,443	7,719,614
Total Cash and Investments	<u>\$ 59,799,664</u>	<u>\$ 16,985,719</u>	<u>\$ 76,785,383</u>

Cash and investments at June 30, 2021 consisted of the following:

Cash on Hand	\$ 3,350
Deposits with Financial Institutions	2,510,757
Investments	74,271,276
Total Cash and Investments	<u>\$ 76,785,383</u>

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio*</u>	<u>Maximum Investment in One Issuer</u>
United States Treasury Obligations	5 years	None	None
United States Government Sponsored Agency Securities	5 years	None	None
Bankers Acceptances	180 days	40%	10%
Time Certificate of Deposits	1 year	30%	10%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	10%
Repurchase Agreements	1 year	None	None
Medium-Term Corporate Notes	5 years	30%	10%
Local Agency Investment Fund (LAIF)	N/A	None	None
Mutual Funds	N/A	20%	10%
County Pooled Funds	N/A	None	None

N/A - Not Applicable

* Excluding amounts held by bond trustee that are not subject to California Government Code restrictions

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. Investments authorized for funds held by bond trustee include, United States Treasury Obligations, United States Government Sponsored Agency Securities, Guaranteed Investment Contracts, Commercial Paper, Local Agency Bonds, Banker's Acceptance and Money Market Mutual Funds. There were no limitations on the maximum amount that can be invested in one issuer, maximum percentage allowed or the maximum maturity of an investment, except for the maturity of Banker's Acceptance which are limited to one year.

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Interest Rate Risk

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

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

Investment Type	Remaining Maturity (in Months)			Total
	12 Months or Less	13 - 24 Months	25 - 60 Months	
Local Agency Investment Fund	\$ 51,045,556	\$ -	\$ -	\$ 51,045,556
US Government Agency Securities	-	-	2,973,756	2,973,756
Negotiable Certificates of Deposit	2,010,673	778,693	5,775,289	8,564,655
Money Market Mutual Funds	333,897	-	-	333,897
Held by Trustees:				
Money Market Mutual Funds	7,750,324	-	-	7,750,324
Mutual Funds	3,603,088	-	-	3,603,088
Total	\$ 64,743,538	\$ 778,693	\$ 8,749,045	\$ 74,271,276

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating as required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating, as reported by Standard and Poor's, as of year-end for each investment type:

Investment Type	Total as of June 30, 2021	Minimum Legal Ratings	AAA		AA+		Not Rated
Local Agency Investment Fund	\$ 51,045,556	N/A	\$ -	\$ -	\$ -	\$ -	\$ 51,045,556
US Government Agency Securities	2,973,756	AA	-	-	2,973,756	-	-
Negotiable Certificates of Deposit	8,564,655	N/A	-	-	-	-	8,564,655
Money Market Mutual Funds	333,897	AAA	333,897	-	-	-	-
Held by Trustees:							
Money Market Mutual Funds	3,603,088	AAA	3,603,088	-	-	-	-
Mutual Funds	7,750,324	N/A	-	-	-	-	7,750,324
Total	\$ 74,271,276		\$ 3,936,985	\$ 2,973,756	\$ -	\$ -	\$ 67,360,535

N/A - Not Applicable

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

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 California Government Code. The City did not have any investments in any one issuer that represented 5% or more of total City's investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the City's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2020, the City deposits (bank balances) were insured by the Federal Deposit Insurance Corporation and the remaining balances were collateralized under California Law.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Fair Value Measurements

The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices for similar assets in active markets, and Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2021:

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Total
US Government Agency Securities	\$ -	\$ 2,973,756	\$ -	\$ 2,973,756
Negotiable Certificates of Deposit	-	8,564,655	-	8,564,655
Held by Trustees:				
Mutual Funds	7,750,324	-	-	7,750,324
	<u>\$ 7,750,324</u>	<u>\$ 11,538,411</u>	<u>\$ -</u>	<u>19,288,735</u>
Local Agency Investment Fund*				51,045,556
Money Market Mutual Funds*				333,897
Held by Trustees:				
Money Market Mutual Funds*				3,603,088
Total				<u>\$ 74,271,276</u>

* Not subject to fair value measurement hierarchy.

NOTE 3 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	Balance at July 1, 2020	Additions	Deletions	Balance at June 30, 2021
Governmental Activities				
Capital Assets, not Being Depreciated:				
Land	\$ 34,558,469	\$ -	\$ -	\$ 34,558,469
Construction in Progress	620,667	1,795,828	(1,400,351)	1,016,144
Total Capital Assets, not Being Depreciated	<u>35,179,136</u>	<u>1,795,828</u>	<u>(1,400,351)</u>	<u>35,574,613</u>
Capital Assets, Being Depreciated:				
Structure and Improvements	47,299,148	-	-	47,299,148
Equipment and Furniture	3,072,612	-	-	3,072,612
Vehicles and Major Equipment	3,055,831	26,310	-	3,082,141
Infrastructure	28,896,097	1,274,620	-	30,170,717
Total Capital Assets, Being Depreciated	<u>82,323,688</u>	<u>1,300,930</u>	<u>-</u>	<u>83,624,618</u>
Less Accumulated Depreciation for:				
Structure and Improvements	(9,721,186)	(1,168,636)	-	(10,889,822)
Equipment and Furniture	(2,430,965)	(101,464)	-	(2,532,429)
Vehicles and Major Equipment	(2,036,097)	(187,302)	-	(2,223,399)
Infrastructure	(17,789,540)	(393,841)	-	(18,183,381)
Total Accumulated Depreciation	<u>(31,977,788)</u>	<u>(1,851,243)</u>	<u>-</u>	<u>(33,829,031)</u>
Total Capital Assets, Being Depreciated, Net	<u>50,345,900</u>	<u>(550,313)</u>	<u>-</u>	<u>49,795,587</u>
Total Governmental Activities Capital, Net	<u>\$ 85,525,036</u>	<u>\$ 1,245,515</u>	<u>\$ (1,400,351)</u>	<u>\$ 85,370,200</u>

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 CAPITAL ASSETS (CONTINUED)

Capital Asset Activity (Continued)

	Balance at July 1, 2020	Additions	Deletions	Balance at June 30, 2021
Business-Type Activity				
Capital Assets, not Being Depreciated:				
Land	\$ 4,427,416	\$ -	\$ -	\$ 4,427,416
Construction in Progress	215,560	754,247	(42,984)	926,823
Total Capital Assets, not Being Depreciated	<u>4,642,976</u>	<u>754,247</u>	<u>(42,984)</u>	<u>5,354,239</u>
Capital Assets, Being Depreciated:				
Water Rights	1,215,186	-	-	1,215,186
Reservoirs and Tanks	12,154,473	20,070	-	12,174,543
Wells	10,961,240	-	-	10,961,240
Mains	9,893,973	-	-	9,893,973
Pumps	1,384,407	-	-	1,384,407
Fire Hydrants	564,667	-	-	564,667
Meters	429,048	-	-	429,048
Services	1,443,630	-	-	1,443,630
Structures	1,243,976	-	-	1,243,976
Equipment and Furniture	1,137,472	-	-	1,137,472
Total Capital Assets, Being Depreciated	<u>40,428,072</u>	<u>20,070</u>	<u>-</u>	<u>40,448,142</u>
Less Accumulated Depreciation for:				
Water Rights	(880,113)	(30,380)	-	(910,493)
Reservoirs and Tanks	(5,422,551)	(269,121)	-	(5,691,672)
Wells	(1,568,289)	(271,601)	-	(1,839,890)
Mains	(6,424,595)	(189,770)	-	(6,614,365)
Pumps	(1,165,708)	(35,722)	-	(1,201,430)
Fire Hydrants	(559,333)	(852)	-	(560,185)
Meters	(429,048)	-	-	(429,048)
Services	(910,220)	(27,579)	-	(937,799)
Structures	(664,613)	(28,673)	-	(693,286)
Equipment and Furniture	(986,181)	(42,333)	-	(1,028,514)
Total Accumulated Depreciation	<u>(19,010,651)</u>	<u>(896,031)</u>	<u>-</u>	<u>(19,906,682)</u>
Total Capital Assets, Being Depreciated, Net	<u>21,417,421</u>	<u>(875,961)</u>	<u>-</u>	<u>20,541,460</u>
Total Business-Type Activity Capital, Net	<u>\$ 26,060,397</u>	<u>\$ (121,714)</u>	<u>\$ (42,984)</u>	<u>\$ 25,895,699</u>

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 CAPITAL ASSETS (CONTINUED)

Depreciation/Amortization Expense

Depreciation/amortization expense was charged to City functions/programs as follows:

Governmental Activities:	
General Government	\$ 43,228
Community Services	620,169
Police	561,144
Public Works	34,614
Internal Service Fund Depreciation Charged to Programs	198,247
Allocated Depreciation	1,457,402
Unallocated Infrastructure Depreciation	393,841
Total Depreciation Expense - Governmental Activities	\$ 1,851,243
Business-Type Activity:	
Water	\$ 896,031

NOTE 4 UNAVAILABLE REVENUES

At June 30, 2021, deferred inflows of resources - unavailable revenues, reported in the governmental fund financial statements, consisted of the following:

	General Fund	Other Governmental Funds	Total Governmental Funds
Unavailable Interest Long-Term Notes Receivables	\$ 3,708,759	\$ 600	\$ 3,709,359
Total	\$ 3,708,759	\$ 600	\$ 3,709,359

NOTE 5 LONG-TERM RECEIVABLES

A. Receivable from Successor Agency

Description	General Fund
Long-Term Loans to Finance Improvements and Operations Related to and Within the Former Redevelopment Agency's Project Areas	\$ 11,762,606

For further discussion of the receivable due from the Successor Agency, see Note 17F.

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5 LONG-TERM RECEIVABLES (CONTINUED)

B. Loans Receivables

The discontinued First Time Homebuyer Program provided down payment assistance to first time low or moderate income homebuyers. Financial assistance was provided in the form of deferred second mortgages, secured by promissory notes and deeds of trust on the property. The second mortgage loan is due if the unit is sold or if the property no longer qualifies as the buyer's principal residence. The loans are equity participation loans if paid within the first 10 years. The principal loan amount plus a declining percentage of equity (depending on how long the home was owned) is due to the City at the time of sale. After 10 years, no equity is due the City. After 30 years, the homebuyer has the option of repaying the principal amount in full, or amortizing the principal amount due over 10 years with an interest payment at the prime rate plus 1%. Currently, three loans totaling \$38,341 remain outstanding.

The discontinued Residential Rehabilitation Loan Program provided funding to Signal Hill homeowners for exterior improvements to their residences. The loans are secured by promissory notes and second deeds of trust on the property. Loans are to be repaid upon sale or transfer of the property. Currently, one loan totaling \$6,037 remains outstanding.

C. Notes Receivables

Loan to Developer

In February 2015 a loan of \$7,729,480 secured by a deed of trust on real property was provided pursuant to a disposition and development agreement with Meta Housing to provide funding for the 72-unit affordable housing development called Zinnia. The loan accrues interest at 3% interest and is repaid on each April 1st in which there was positive cash flow for the calendar year, or portion thereof, ending on the immediately preceding December 31, 50% of that year's net cash flow, based on the contribution of the Signal Hill Housing Authority. The first repayment shall be due on April 1st following the issuance of the first Certificate of occupancy, and the last payment shall be due on April 1st fifty-five (55) years later. The amount outstanding at June 30, 2021 was \$8,939,622 (including accrued interest of \$1,294,688). The City also set up an allowance for doubtful accounts, on this loan of \$ 7,244,688.

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2021, was as follows:

	Balance at July 1, 2020	Additions	Deletions	Balance at June 30, 2021	Due Within One Year
Governmental Activities:					
Other Debt:					
2018 Library Lease Revenue Bonds	\$ 8,435,000	\$ -	\$ (110,000)	\$ 8,325,000	\$ 120,000
Plus 2018 Original Issue Premium	288,112	-	(23,049)	265,063	-
Total Library Lease Revenue Bonds	8,723,112	-	(133,049)	8,590,063	120,000
Other Long-Term Liabilities:					
Compensated Absences	822,255	684,556	(632,261)	874,550	437,276
Total Governmental-Type Activity	<u>\$ 9,545,367</u>	<u>\$ 684,556</u>	<u>\$ (765,310)</u>	<u>\$ 9,464,613</u>	<u>\$ 557,276</u>
Business-Type Activity:					
Other Debt:					
2016 Water Revenue Refunding Bonds	\$ 3,010,000	\$ -	\$ (460,000)	\$ 2,550,000	\$ 475,000
Plus 2016 Original Issue Premium	279,796	-	(52,055)	227,741	-
Total Refunding Bonds Payable	3,289,796	-	(512,055)	2,777,741	475,000
Other Long-Term Liabilities:					
Compensated Absences	71,445	105,665	(102,020)	75,090	37,545
Total Business-Type Activity	<u>\$ 3,361,241</u>	<u>\$ 105,665</u>	<u>\$ (614,075)</u>	<u>\$ 2,852,831</u>	<u>\$ 512,545</u>

A. 2018 Library Lease Revenue Bonds

On January 10, 2018, the City issued \$8,640,000 2018 Library Lease Revenue Bonds to fund the construction of the City's new library. The 2018 Bonds were issued at a premium of \$345,729, which is being amortized on a straight-line basis of \$23,049 annually as interest expense through the year 2032. The 2018 bonds were issued as \$8,640,000 in serial bonds with a maturity date of December 1, 2032. These bonds carry interest at 2.0-3.5%.

There is no reserve requirement associated with this bond.

The annual requirements to amortize the outstanding 2018 bond indebtedness as of June 30, 2021, including interest, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 120,000	\$ 237,600	\$ 357,600
2023	650,000	229,088	879,088
2024	660,000	214,350	874,350
2025	680,000	198,425	878,425
2026	700,000	181,175	881,175
2027 - 2031	3,810,000	598,500	4,408,500
2032 - 2033	1,705,000	60,287	1,765,287
Total	<u>\$ 8,325,000</u>	<u>\$ 1,719,425</u>	<u>\$ 10,044,425</u>

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

B. Compensated Absences

There is no fixed payment schedule for earned but unpaid compensated absences in both the governmental and business type activities.

C. 2016 Water Revenue Refunding Bonds

On November 17, 2016, the City issued \$4,305,000 2016 Water Revenue Refunding Bonds to advance refund the Signal Hill Public Financing Authority's outstanding 2006 Water Revenue Refunding Bonds. The 2006 Bonds were issued at a premium of \$468,495, which is being amortized on a straight-line basis of \$52,055 annually as interest expense through the year 2026. The refunded bonds have been redeemed.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$156,004. This difference, reported as deferred outflows of resources, is being amortized on a straight-line basis of \$17,334 annually as interest expense through the fiscal year 2026.

The 2016 Bonds were issued as \$4,305,000 in serial bonds with a maturity date of November 1, 2025. These bonds carry interest at 3-5%.

The City is required by the 2016 Bond Covenant to maintain a debt service coverage ratio of at least 125%. As of the fiscal year ended June 30, 2020, this ratio was met.

There is no reserve requirement associated with this bond.

The annual requirements to amortize the outstanding 2016 bond indebtedness as of June 30, 2021, including interest, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 475,000	\$ 97,138	\$ 572,138
2023	490,000	81,663	571,663
2024	510,000	63,200	573,200
2025	530,000	42,800	572,800
2026	545,000	10,900	555,900
Total	<u>\$ 2,550,000</u>	<u>\$ 295,701</u>	<u>\$ 2,845,701</u>

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2021, is as follows:

Due From/To Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Capital Grants Special	
	Revenue Fund	\$ 73,973
	Other Governmental Funds	171,604
		<u>\$ 245,577</u>

The interfund payable balances represent routine and temporary cash flow assistance from the General Fund until the amounts receivable from other governments are collected to reimburse eligible expenditures.

Advances To/From Other Funds

Advances receivable and payable balances at June 30, 2021, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Water Enterprise Fund	\$ 2,242,746
General Fund	Housing Authority Special Revenue Fund	7,132
Other Governmental Funds	Housing Authority Special Revenue Fund	1,687,802
Total		<u>\$ 3,937,680</u>

In FY 2015-16 the City entered into an interfund agreement whereby the General Fund issued a loan to the Water Fund for \$2,750,000, for the purpose of financing the construction of Well #9. Interest is based on the LAIF rate plus 1%, as determined every January. Payments are due annually on July 1, through July 2036.

In FY 2015-16, the Signal Hill Housing Authority entered into a difficult development areas agreement with Meta Housing to develop affordable housing. As this was new development, an assessment of Park In-Lieu, Traffic Impact Fees, and Water Impact Fees were estimated based on the number of units and area of the property. These fees total \$7,132 to the General Fund, \$890,295 to the Park Development Special Revenue Fund, \$765,892 to the Water Development Special Revenue Fund, and \$31,615 to the Traffic Impact Special Revenue Fund and are a liability of the Housing Authority to the other funds. The Housing Authority will repay as it obtains repayment from the developer.

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Interfund Transfers

<u>Transfer In to Fund</u>	<u>Transfers Out of Fund</u>	<u>Amount</u>
General Fund	Capital Grants Special Revenue Fund	\$ 3,515 (a)
	Other Governmental Funds	512,957 (b)
Housing Authority Special Revenue Fund	General Fund	199,029 (b)
Capital Grants Special Revenue Fund	Other Governmental Funds	1,186 (a)
Capital Improvement Capital Projects Fund	General Fund	595,565 (a)
	Capital Grants Special Revenue Fund	594,251 (a)
	Other Governmental Funds	861,558 (a)
Total		<u>\$ 2,768,061</u>

The purposes for significant interfund transfers made during the fiscal year ended June 30, 2021 were as follows:

- (a) To provide funds for various capital projects in accordance with the City's capital improvement program.
- (b) To provide funds for ongoing city programs.

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 INDIVIDUAL FUND DISCLOSURES

Expenditures Exceeding Appropriations

For the year ended June 30, 2021, expenditures exceeded appropriations in the following programs (the legal level of budgetary control):

General Fund:

Police - Investigative Services	\$ 120,156
Police - Records	6,308
Community Development - Planning Services	20,955
Public Works - Building Maintenance	44,858

Other Governmental Funds:

Supplemental Law Enforcement SRF	
Police	\$ 10,627

The expenditures exceeding appropriations were funded by existing fund balances in the respective funds and, in certain cases, excess revenues received in the current year.

Deficit Fund Balance

The Capital Grants Special Revenue Fund had a deficit fund balance of \$36,579 at year-end which will be eliminated upon the recognition of unavailable revenues related to amounts due from other governments.

NOTE 9 DEFINED BENEFIT PENSION PLANS

A. General Information about the Pension Plans

Plan Descriptions

All qualified employees are eligible to participate in the City's Miscellaneous and Safety Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

A. General Information about the Pension Plans (Continued)

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Classic Members with five years of total service are eligible to retire at age 50 and PEPRAs members must be at least 52 years old to retire with statutorily reduced benefits. All members are eligible for nonduty disability benefits after 10 years of service. The death benefit is 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 Plans' provisions and benefits in effect for the current year are summarized as follows:

	Miscellaneous		
	Prior to June 10, 2010	On or After June 10, 2010 and prior to January 1, 2013	On or After January 1, 2013
Hire Date			
Benefit Formula	2%@55	2%@60	2%@62
Benefit Vesting Schedule	5 years of service	5 years of service	5 years of service
Benefit Payments	monthly for life	monthly for life	monthly for life
Retirement Age	50 - 63	50 - 63	52 - 67
Monthly Benefits, as a % of Eligible Compensation	1.43% to 2.42%	1.09% to 2.42%	1.00% to 2.50%
Required Employee Contribution Rates	7%	7%	6.75%
Required Employer Contribution Rates:			
Normal Cost Rate	11.031%	9.281%	7.732%
Payment of Unfunded Liability	\$ 820,092	\$ 16,249	\$ 7,344

	Safety		
	Prior to June 10, 2010	On or After June 10, 2010 and prior to January 1, 2013	On or After January 1, 2013
Hire Date			
Benefit Formula	3%@50	3%@55	2.7%@57
Benefit Vesting Schedule	5 years of service	5 years of service	5 years of service
Benefit Payments	monthly for life	monthly for life	monthly for life
Retirement Age	50 - 55	50 - 55	50 - 57
Monthly Benefits, as a % of Eligible Compensation	3.0%	2.40% to 3.00%	2.00% to 2.70%
Required Employee Contribution Rates	9%	9%	13.75%
Required Employer Contribution Rates:			
Normal Cost Rate	25.540%	23.558%	13.884%
Payment of Unfunded Liability	\$ 1,087,807	\$ 5,948	\$ 4,123

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

A. General Information about the Pension Plans (Continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. City contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions. For the year ended June 30, 2021, the City made contributions totaling \$3,038,435 (\$1,284,614 Miscellaneous plan and \$1,753,821 Safety Plan).

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2020, the measurement date, the City reported net pension liabilities for its proportionate shares of the net pension liability of all Plans as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	\$ 13,976,419
Safety	17,844,795
Total Net Pension Liability	<u>\$ 31,821,214</u>

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2020, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. The City's proportionate share of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each Plan as of the measurement date ended June 30, 2019 and 2020 was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Proportion - June 30, 2019	0.32748 %	0.26113 %
Proportion - June 30, 2020	0.33135	0.26785
Change - Increase (Decrease)	0.00387	0.00672

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

For the year ended June 30, 2021, the City recognized pension expense of \$4,947,331 (\$2,173,998 Miscellaneous Plan and \$2,773,333 Safety Plan). At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Miscellaneous	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 1,284,614	\$ -
Differences Between Expected and Actual Experience	720,247	-
Changes in Assumptions	-	(99,685)
Changes in Employer's Proportion and Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	-	(375,184)
Net Differences Between Projected and Actual Earnings on Plan Investments	415,191	-
Total	<u>\$ 2,420,052</u>	<u>\$ (474,869)</u>
Safety	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 1,753,821	\$ -
Differences Between Expected and Actual Experience	1,383,774	-
Changes in Assumptions	-	(59,441)
Changes in Employer's Proportion and Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	-	(555,575)
Net Differences Between Projected and Actual Earnings on Plan Investments	387,842	-
Total	<u>\$ 3,525,437</u>	<u>\$ (615,016)</u>

The \$3,038,435 (\$1,284,614 Miscellaneous Plan and \$1,753,821 Safety Plan) reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Miscellaneous	
Year Ending June 30,	Amount
2022	\$ (58,387)
2023	266,751
2024	253,069
2025	199,136
2026	-
Thereafter	-

Safety	
Year Ending June 30,	Amount
2022	\$ 128,077
2023	435,213
2024	398,981
2025	194,329
2026	-
Thereafter	-

Actuarial Methods and Assumptions

The collective total pension liability for the June 30, 2020 measurement period was determined by an actuarial calculation as of June 30, 2019, with update procedures used to roll forward the total pension liability to June 30, 2020. The June 30, 2020 total pension liability was based on the following actuarial methods and assumptions:

	Miscellaneous	Safety
Valuation Date	June 30, 2019	June 30, 2019
Measurement Date	June 30, 2020	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Salary Increases	(1)	(1)
Mortality Rate Table	(2)	(2)
Post Retirement Benefit Increase	(3)	(3)

(1) Varies by entry age and service

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

(3) The less of contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.50% thereafter.

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

Actuarial Methods and Assumptions (Continued)

All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality, and retirement rates. The Experience Study report can be obtained at the CalPERS's website under Forms and Publications.

Discount Rate

The discount rate used to measure the total pension liability was 7.15% for each Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plans' 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.

Long-term Expected Rate of Return

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

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

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

Long-term Expected Rate of Return (Continued)

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

<u>Asset Class (a)</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10 (b)</u>	<u>Real Return Years 11+ (c)</u>
Global Equity	50.00 %	4.80 %	5.98 %
Global Fixed Income	28.00	1.00	2.62
Inflation Assets	-	0.77	1.81
Private Equity	8.00	6.30	7.23
Real Estate	13.00	3.75	4.93
Liquidity	1.00	-	(0.92)
Total	<u>100.00 %</u>		

(a) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.0% used for this period

(c) An expected inflation of 2.92% used for this period

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	6.15%	6.15%
Net Pension Liability	\$ 21,230,089	\$ 26,201,130
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$ 13,976,419	\$ 17,844,795
1% Increase	8.15%	8.15%
Net Pension Liability	\$ 7,982,940	\$ 10,987,631

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

Pension Plan Fiduciary Net Position

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

C. Payable to the Pension Plan

At June 30, 2021, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN

A. Plan Description

In addition to providing pension benefits, the City provides certain health care benefits under an agent multiple-employer OPEB plan for retired employees through the California Public Employees Medical and Hospital Care Act (PEMCHA) in accordance with a City Council resolution. Substantially all of the City's employees become eligible for those benefits if they reach normal retirement age while working for the City. Those, and similar benefits for active employees, are provided through PERS whose premiums are based on the benefits paid during the year. A separate stand-alone financial report is not issued for this OPEB plan.

Retiree health care coverage is segregated into three tiers as follows:

Tier 1 - Employees Hired Before January 1, 2006 (1)

- Employee age 50 or over with 5 years of PERS service receive up to \$885 per month.

Tier 2 - Employees Hired On or After January 1, 2006 (1) and prior to April 7, 2010

- Employees with less than 5 years of service with Signal Hill, but who are vested with PERS are eligible to receive the minimum monthly premium mandated by PERS (currently \$139 monthly).
- Employees with 5-10 years of PERS service (combined City service plus 50% credit for service with another PERS agency) shall be eligible to receive 50% of the monthly benefit applicable towards the employee only.
- Employees with 11-15 years of PERS service (combined City service plus 50% credit for service with another PERS agency) shall be eligible to receive 75% of the monthly benefit applicable towards the employee only.

**CITY OF SIGNAL HILL
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2021**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

A. Plan Description (Continued)

Tier 2 - Employees Hired On or After January 1, 2006 (1) and prior to April 7, 2010 (Continued)

- Employees with over 16 years of PERS service (combined City service plus 50% credit for service with another PERS agency) shall be eligible to receive 100% of the monthly benefit applicable towards the employee and one dependent provided that employee plus one dependent coverage was in effect upon the date of retirement.

(1) Applies to police employees hired after January 1, 2004.

Tier 3 - Employees Hired On or After April 7, 2010

- Employees with less than 11 years of service with Signal Hill, but who are vested with PERS are eligible to receive the minimum monthly premium mandated by PERS (currently \$139 monthly).
- Employees with 11-15 years of PERS service (combined City service plus 50% credit for service with another PERS agency) shall be eligible to receive 25% of the monthly benefit applicable towards the employee only.
- Employees with 16-19 years of PERS service (combined City service plus 50% credit for service with another PERS agency) shall be eligible to receive 50% of the monthly benefit applicable towards the employee and one dependent provided that employee plus one dependent coverage was in effect upon the date of retirement.
- Employees with over 20 years of PERS service (combined City service plus 50% credit for service with another PERS agency) shall be eligible to receive 75% of the monthly benefit applicable towards the employee and one dependent provided that employee plus one dependent coverage was in effect upon the date of retirement.

B. Eligibility

Employees of the City are eligible for retiree health benefits if they are at least 50 years of age for classic members and at least 52 years of age for PEPRAs as of the last day of work prior to retirement and are a vested member of CalPERS. Membership in the plan consisted of the following, for the measurement period ended June 30, 2021:

Inactive Employees or Beneficiaries Currently	
Receiving Benefit Payments	96
Inactive Employees Entitled to but not yet Receiving	
Benefit Payments	0
Active Plan Members	103
Total	199

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

C. Annual OPEB Cost and Net OPEB Liability

The obligation of the City and City employees to contribute to the plan is established and may be amended by the City Council. Employee contributions are not portable should an employee leave City employment. For the fiscal year ended June 30, 2021, the measurement period, the City contributed \$1,184,870 (retirement premiums paid of \$722,832, contributions to OPEB Trust of \$135,293, and an estimated implicit rate subsidy of \$326,745) and City employees contributed \$65,478 to the OPEB Trust. For Non-POA (Police Officers Association Union) fulltime employees, the City pays 1% of gross wages, including all Directors and Managers in the City. For Safety employees, who are not in a management position, the City pays a flat \$675 per calendar year.

D. Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021.

Actuarial assumptions. For the measurement period ended June 30, 2021 (the measurement date), the total OPEB liability was determined by an actuarial accounting valuation performed as of June 30, 2021. The June 30, 2021 total OPEB liability was based on the following actuarial methods and assumptions:

Inflation	2.50%
Salary Increase	2.75%
Investment Rate of Return	5.75%
Healthcare Cost Trend Rates	Assumed 4% per year. The long-term trend assumption is based on the conclusion that, while medical trend will continue to be cyclical, the average increase over time cannot continue to outstrip general inflation by a wide margin. Trend increases in excess of general inflation result in dramatic increases in unemployment, the number of uninsured and the number of underinsured. These effects are nearing a tipping point which will inevitably result in fundamental changes in health care finance and/or delivery which will bring increases in health care costs more close in line with general inflation. The actuary does not believe it is reasonable to project historical trend vs. inflation difference several decades into the future.

The mortality assumptions are based on tables created by CalPERS. CalPERS periodically study mortality for participating agencies and establish mortality tables that are modified versions of commonly used tables. The most recent studies were conducted in 2017.

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

D. Net OPEB Liability (Continued)

Changes in assumptions. For the measurement period ended June 30, 2021, the changes in assumptions were made related to a decrease in the investment rate of return from 6.00% to 5.75%.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of 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	Long-Term Expected Real Rate of Return
Equities	50.0 %	7.5 %
Fixed Income	50.0	4.5
Total	100.0 %	

Discount rate. The discount rate used to measure the total OPEB liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that 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. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

E. Change in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2020	\$ 13,967,139	\$ 2,809,508	\$ 11,157,631
Changes in the Fiscal Year:			
Service Cost	270,003	-	270,003
Interest on the Total OPEB Liability	814,641	-	814,641
Changes of Assumptions	350,078	-	350,078
Difference Between Expected and Actual Experience	-	-	-
Contribution from the Employer	-	1,184,870	(1,184,870)
Contribution from the Employees	-	65,478	(65,478)
Net Investment Income	-	642,090	(642,090)
Benefit Payments	(1,049,577)	(1,049,577)	-
Administrative Expenses	-	(18,569)	18,569
Net Changes	<u>385,145</u>	<u>824,292</u>	<u>(439,147)</u>
Balance at June 30, 2021	<u>\$ 14,352,284</u>	<u>\$ 3,633,800</u>	<u>\$ 10,718,484</u>

There is sensitivity of the net OPEB liability due to changes in the discount rate and health-care cost trend rates. The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1 percentage- point higher than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
	4.75%	5.75%	6.75%
Net OPEB Liability	\$ 12,191,614	\$ 10,718,484	\$ 9,436,865
		Health-Care Cost	
	1% Decrease	Trend Rate	1% Increase
	3.00%	4.00%	5.00%
Net OPEB Liability	\$ 9,649,383	\$ 10,718,484	\$ 11,965,760

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

F. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2021, the City recognized OPEB expense of \$1,084,638. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 134,454	\$ (345,428)
Changes of Assumptions	2,729,154	-
Net Differences Between Projected and Actual Earnings on Plan Investments	-	(398,544)
Total	\$ 2,863,608	\$ (743,972)

Amount reported as deferred outflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ending June 30,	Amount
2022	\$ 212,317
2023	213,324
2024	214,886
2025	221,545
2026	329,551
Thereafter	928,013
Total	\$ 2,119,636

NOTE 11 DEFINED CONTRIBUTION PLANS

The following defined contribution plans were discontinued on April 30, 2016 and have not been replaced. City Council has the authority for establishing and amending the provisions of both these plans.

Effective July 3, 1999, the City began providing pension benefits for all of its part-time, seasonal and temporary employees that are not covered under PERS through the City of Signal Hill Alternate Retirement System Plan administered by the Public Agency Retirement System (PARS ARS). PARS ARS is a defined contribution pension plan and benefits depend solely on amounts contributed to the plan plus investment earnings.

On May 15, 2001, the City Council authorized establishment of a 401(a) Deferred Contribution Plans for its management and middle management employees. The Plan is a qualified defined contribution plan under Section 401(a) of the Internal Revenue Code.

No contributions were made to these plans during the current fiscal year.

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 12 DEFERRED COMPENSATION

The City has made available to its employees a deferred compensation plan, created in accordance with Internal Revenue Code Section 457, whereby employees authorize the City to defer a portion of their salary to be deposited in individual investment accounts. Funds may be withdrawn by participants upon termination of employment or retirement. The City contributes on a 50% matching basis up to 4% of management's compensation and up to 3% of middle management's compensation. Total matching contributions made by the City totaled \$57,477 for the fiscal year ended June 30, 2021.

Amounts withheld by the City under this plan are deposited regularly with the Voya Financial for investment. Pursuant to changes in Internal Revenue Code Section 457, the City formally established a plan level trust in which all assets and income of the 457 plan were placed. The assets, all property and rights purchased with such amount, and all income attributable to such amounts, property, or rights are held in trust for the exclusive benefit of the participants and their beneficiaries. These assets are not the property of the City, and as such, are not subject to the claims of the City's general creditors. The City had minimal involvement in the administration of the 457 plan, and therefore, the plan assets and liabilities are not reported in the City's financial statements.

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 13 GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The various fund balance classifications as of June 30, 2021 were as follows:

	General	Housing Authority Special Revenue Fund	Capital Grants Special Revenue Fund	Capital Improvement Capital Projects Fund	Other Governmental Funds
Nonspendable:					
Receivable from Successor Agency - Principal Portion	\$ -	\$ -	\$ -	\$ -	\$ -
Prepaid Items	42,693	-	-	-	-
Advances to Other Funds	2,249,878	-	-	-	-
Land and Improvements Held for Resale, Net	425,001	-	-	-	-
Total	<u>2,717,572</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Restricted for:					
Low and Moderate Income Housing	-	5,871,917	-	-	6,038
Public Protection Development	-	-	-	-	208,469
Transportation	-	-	-	-	4,360,439
Capital Improvements	-	-	-	400,002	3,865,885
Housing	-	-	-	-	2,714,037
Total	<u>-</u>	<u>5,871,917</u>	<u>-</u>	<u>400,002</u>	<u>11,154,868</u>
Committed for:					
Debt service	8,053,847	-	-	-	-
Economic Uncertainty	4,450,382	-	-	-	-
Building and Land Acquisition	1,879,448	-	-	-	-
Equipment Replacement	522,376	-	-	-	-
Capital Improvements	293,964	-	-	-	-
Insurance Premium Increases	578,372	-	-	-	-
CalPERS Rate Increases	2,337,225	-	-	-	-
OPEB Future Costs	1,121,444	-	-	-	-
Park Expansion	557,846	-	-	-	-
Police Radio Reserve	417,749	-	-	-	-
Police - General Reserve	66,336	-	-	-	-
Library Expansion	3,674,366	-	-	-	-
100th Anniversary	60,019	-	-	-	-
General Plan	285,000	-	-	-	-
Economic Development	653,150	-	-	-	-
NPDES Issues	1,456	-	-	-	-
Total	<u>24,952,980</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned	20,355,649	-	-	-	-
Total	<u>\$ 48,026,201</u>	<u>\$ 5,871,917</u>	<u>\$ -</u>	<u>\$ 400,002</u>	<u>\$ 11,154,868</u>

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 14 CALIFORNIA JOINT POWERS INSURANCE AUTHORITY

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

The City is a member of the California Joint Powers Insurance Authority (JPJA or Authority). The Authority is composed of 123 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 JPJA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors (Board). The Board operates through a nine-member Executive Committee.

B. Primary Self-insurance Programs of the Insurance 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.

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 is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. More detailed information about the various layers of coverage is available on the Authority's website: <https://cjpia.org/coverage/risk-sharing-pools/>.

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 14 CALIFORNIA JOINT POWERS INSURANCE AUTHORITY (CONTINUED)

B. Primary Self-insurance Programs of the Insurance Authority (Continued)

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 2020-21 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 through reinsurance policies, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

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. 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 property is currently insured according to a schedule of covered property submitted by the City to the Authority. City property currently has all-risk property insurance protection in the amount of \$60,269,819. There is a \$10,000 deductible per occurrence except for nonemergency vehicle insurance which has a \$2,500 deductible.

Earthquake and Flood Insurance. The City purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Insurance Authority. The City's property currently has earthquake protection in the amount of \$24,597,464. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.

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

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 14 CALIFORNIA JOINT POWERS INSURANCE AUTHORITY (CONTINUED)

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 2020-21.

NOTE 15 OTHER INFORMATION

Contingent Liabilities

Litigation - Claims and suits are filed against the City in the normal course of business. Based upon information received from the City's management, the estimated liability under any such claims would be adequately covered by deposits in a pooled insurance authority and insurance coverage. Other claims not covered by insurance involving substantial land use actions and inverse condemnation claims are not expected to have an adverse economic effect on the City.

Grant Audit Contingencies - Under the terms of certain grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. City management believes disallowances, if any, will be immaterial.

Developer Impact Fees - The City charges Parks Development, Traffic Impact, and Water Development Impact Fees (fees) when new residential or commercial buildings are constructed. In Fiscal Year 2020-21, the City collected Parks Development fees, Traffic impact fees, and Water Development fees, respectively. The fees are deposited into corresponding special revenue funds, and they are used to acquire and upgrade parks, improve water systems related to new development, and to reduce traffic within the City related to new development. The State of California requires fees to be spent within five years of collection. In Fiscal Year 2020-21, the City expended \$125,144 in Parks Development fees, \$56,684 in Traffic Impact fees and nothing in Water Development fees. At June 30, 2021, the fund balances for the Parks Development Impact Fund was \$1,988,383, for the Water Development Impact Fund was \$651,053, and for the Traffic Impact Fund was \$960,653.

NOTE 16 TAX ABATEMENTS

In accordance with Chapter 3.32 of the Signal Hill Municipal Code, the City provides sales tax rebates to a local sales tax generator based on sales tax generated at a site developed within the City of Signal Hill. The City entered into an economic development agreement for sales tax rebates with a local sales tax generator in order to retain one of the City's significant tax-generating business, jobs, and occupancy of land within City boundaries. The rebates are calculated based on the total taxes generated by the business.

For the fiscal year ended June 30, 2021, the City abated local sales tax totaling \$3,025,621.

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 17 SUCCESSOR AGENCY DISCLOSURES

The assets and liabilities of the former Redevelopment Agency were transferred to the Successor Agency to the City of Signal Hill Redevelopment Agency on February 1, 2012 as a result of the dissolution of the former Redevelopment Agency. The City is acting in a fiduciary capacity for the assets and liabilities. Disclosures related to the capital assets and long term liabilities reported in the Successor Agency to the Signal Hill Redevelopment Agency Private Purpose Trust Fund are as follows:

Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	Balance at July 1, 2020	Additions	Deletions	Balance at June 30, 2021
Capital Assets, not Being Depreciated:				
Land	\$ 8,906,485	\$ -	\$ -	\$ 8,906,485

Long Term Liabilities

Long-term liability activity for the year ended June 30, 2021 was as follows:

	Balance at July 1, 2020	Additions	Deletions	Balance at June 30, 2021	Due Within One Year
Other Debt:					
Bonds Payable					
2006 TABs	\$ 10,890,000	\$ -	\$ (295,000)	\$ 10,595,000	\$ 310,000
2011 Tax Allocation Parity Bonds	4,935,000	-	(625,000)	4,310,000	670,000
2015 Refunding TABs Series A	9,105,000	-	(2,120,000)	6,985,000	2,220,000
2015 Refunding TABs Series B	1,440,000	-	(105,000)	1,335,000	105,000
2017 Refunding TABs	17,925,000	-	(2,360,000)	15,565,000	2,480,000
Less Original Issuance Discounts	(85,071)	-	14,494	(70,577)	-
Add Premium on Bonds	2,803,945	-	(594,711)	2,209,234	-
Total Bonds Payable	47,013,874	-	(6,085,217)	40,928,657	5,785,000
Direct Borrowings:					
Loan Payable to the City of Signal Hill	12,486,250	271,500	(995,144)	11,762,606	-
Loan Payable to Signal Hill Housing Authority	-	-	-	-	-
Total Long-Term Liabilities	\$ 59,500,124	\$ 271,500	\$ (7,080,361)	\$ 52,691,263	\$ 5,785,000

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 17 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

A. 2006 Tax Allocation Bonds

On September 7, 2006, the Agency issued the 2006 Taxable Tax Allocation Parity Bonds, Series A (2006 Bonds) in the amount of \$13,500,000. Proceeds of the 2006 Taxable Tax Allocation Parity Bonds were used to (i) finance redevelopment activities of the Agency within or of benefit to the Redevelopment Project, (ii) satisfy the Reserve Requirement for the Bonds and (iii) provide for the cost of issuing the Bonds.

\$1,845,000 of 2006 term bonds matured October 1, 2016 and bore interest payable semiannually at a rate of 5.581%. \$11,660,000 of 2006 D term bonds mature October 1, 2026 and bear interest payable semiannually at a rate of 5.839%. The 2006 Bonds are subject to mandatory redemption without premium commencing October 1, 2007 with respect to the term bonds maturing October 1, 2016 and October 1, 2017 with respect to the term bonds maturing October 1, 2026.

The reserve requirement for these bonds is covered by a surety bond provided by National Public Finance Guarantee Corp. (National). National's current ratings by Moody's Investors Services and Standard & Poor's are Baa2 and BBB, respectively.

The annual requirements to amortize outstanding bond indebtedness as of June 30, 2021, including interest, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 310,000	\$ 609,592	\$ 919,592
2023	325,000	591,052	916,052
2024	350,000	571,346	921,346
2025	3,025,000	472,813	3,497,813
2026	3,195,000	291,220	3,486,220
2027	3,390,000	98,971	3,488,971
Totals	<u>\$ 10,595,000</u>	<u>\$ 2,634,994</u>	<u>\$ 13,229,994</u>

B. 2011 Tax Allocation Parity Bonds

On March 25, 2011, the Agency issued the 2011 Tax Allocation Parity Bonds in the amount of \$8,835,000. The proceeds were used to (i) finance redevelopment activities of benefit to the Redevelopment Project, (ii) fund the reserve requirement for the Bonds and (iii) provide for the costs of issuing the Bonds. The 2011 Bonds were issued at a discount of \$181,895. This discount is being amortized on a straight line basis as interest expense through the year 2027.

Principal amounts on the 2011 Tax Allocation Parity Bonds mature annually each October 1 from 2012 through 2026, and bear interest semiannually beginning October 1, 2011 at rates ranging from 3.25% to 7.0%. The 2011 Tax Allocation Parity Bonds maturing on or after October 1, 2021 are subject to optional redemption, without premium commencing April 1, 2021.

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 17 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

B. 2011 Tax Allocation Parity Bonds (Continued)

The Successor Agency to the City of Signal Hill Redevelopment Agency is required by the 2011 Tax Allocation Parity Bonds reserve requirement to maintain reserve funds of the lessor of (1) 125% average annual debt service, (2) maximum annual debt service and (3) 10% original proceeds. As of the fiscal year ended June 30, 2021, this reserve requirement was met.

The annual requirements to amortize outstanding bond indebtedness as of June 30, 2021, including interest, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 670,000	\$ 276,575	\$ 946,575
2023	710,000	229,951	939,951
2024	760,000	178,500	938,500
2025	675,000	128,275	803,275
2026	725,000	79,275	804,275
2027	770,000	26,950	796,950
Totals	<u>\$ 4,310,000</u>	<u>\$ 919,526</u>	<u>\$ 5,229,526</u>

C. 2015 Refunding Tax Allocation Bonds - Series A

On January 26, 2015, the Agency issued the 2015 Tax Allocation Refunding Bonds, Series A (2015 A Bonds) in the amount of \$19,990,000. The proceeds were used to (i) refinance the Agency's outstanding 2001 Bonds, 2003 A Bonds, and 2003 C Bonds in the amount of \$22,245,000, (ii) fund the reserve requirement for the Bonds and (iii) provide for the costs of issuing the Bonds. The 2015 A Bonds were issued at a premium of \$2,624,882. This premium is being amortized on a straight line basis as interest expense through the year 2024.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$644,557. This difference, reported as a deferred outflow of resources, is being amortized on a straight-line basis as interest expense on the statement of changes in fiduciary net position through the year 2024.

Principal amounts on the 2015 A Bonds mature annually each October 1 from 2015 through 2024, and bear interest semiannually beginning October 1, 2015 at rates ranging from 2.00% to 5.00%. The 2015 A Bonds are not subject to optional redemption before maturity. The reserve requirement for these bonds is covered by a surety bond provided by National Public Finance Guarantee Corp. (National). National's current ratings by Moody's Investors Services and Standard & Poor's are Baa2 and BBB, respectively.

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 17 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

C. 2015 Refunding Tax Allocation Bonds - Series A (Continued)

The annual requirements to amortize outstanding bond indebtedness as of June 30, 2021, including interest, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 2,220,000	\$ 293,750	\$ 2,513,750
2023	2,330,000	180,000	2,510,000
2024	2,435,000	60,875	2,495,875
Totals	<u>\$ 6,985,000</u>	<u>\$ 534,625</u>	<u>\$ 7,519,625</u>

D. 2015 Refunding Tax Allocation Bonds - Series B

On January 26, 2015, the Agency issued the 2015 Tax Allocation Refunding Bonds, Series B (2015 B Bonds) in the amount of \$1,970,000. The proceeds were used to (i) refinance the Agency's outstanding 2003 D Bonds in the amount of \$1,980,000, (ii) fund the reserve requirement for the Bonds and (iii) provide for the costs of issuing the Bonds. The 2015 B Bonds were issued at a discount of \$26,551. This discount is being amortized on a straight line basis as interest expense through the year 2024.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$51,426. This difference, reported as a deferred outflow of resources, is being amortized on a straight-line basis as interest expense on the statement of changes in fiduciary net position through the year 2024.

Principal amounts on the 2015 B Bonds mature annually each October 1 from 2015 through 2024, and bear interest semiannually beginning October 1, 2015 at rates ranging from 1.00% to 3.125%. The 2015 B Bonds are not subject to optional redemption before maturity.

The reserve requirement for these bonds is covered by a surety bond provided by National Public Finance Guarantee Corp. (National). National's current ratings by Moody's Investors Services and Standard & Poor's are Baa2 and BBB, respectively.

The annual requirements to amortize outstanding bond indebtedness as of June 30, 2021, including interest, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 105,000	\$ 39,135	\$ 144,135
2023	110,000	36,375	146,375
2024	110,000	33,213	143,213
2025	1,010,000	15,781	1,025,781
Totals	<u>\$ 1,335,000</u>	<u>\$ 124,504</u>	<u>\$ 1,459,504</u>

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 17 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

E. 2017 Refunding Tax Allocation Bonds

On December 1, 2017, the Agency issued the 2017 Tax Allocation Refunding Bonds (2017 Bonds) in the amount of \$22,580,000. The proceeds were used to (i) refinance the Agency's outstanding 2007 Refunding Tax Allocation Bonds in the amount of \$10,970,000, and the Agency's outstanding 2009 Tax Allocation Parity Bonds in the amount of \$14,670,000 (ii) fund the reserve requirement for the Bonds and (iii) provide for the costs of issuing the Bonds. The 2017 Bonds were issued at a premium of \$2,564,999. This premium is being amortized on a straight line basis as interest expense through the year 2026.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,196,102. This difference, reported as a deferred outflow of resources, is being amortized on a straight-line basis as interest expense on the statement of changes in fiduciary net position through the year 2026.

Principal amounts on the 2017 Bonds mature annually each October 1 from 2018 through 2026, and bear interest semiannually beginning April 1, 2018 at rates ranging from 3.00% to 5.00%. The 2017 Bonds are not subject to optional redemption before maturity.

The reserve requirement for these bonds is covered by a surety bond provided by National Public Finance Guarantee Corp. (National). National's current ratings by Moody's Investors Services and Standard & Poor's are Baa2 and BBB, respectively.

The annual requirements to amortize outstanding bond indebtedness as of June 30, 2021, including interest, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 2,480,000	\$ 663,850	\$ 3,143,850
2023	2,610,000	536,600	3,146,600
2024	2,745,000	402,725	3,147,725
2025	1,920,000	305,300	2,225,300
2026	2,840,000	212,500	3,052,500
2027	2,970,000	74,250	3,044,250
Totals	<u>\$ 15,565,000</u>	<u>\$ 2,195,225</u>	<u>\$ 17,760,225</u>

F. Loan payable to the City of Signal Hill

In 2008, the City had an advance to the Agency totaling \$10,000,000 to assist in funding the Agency's operating budget. The former Redevelopment Agency had been accruing interest on the original advances at a rate of 10% per annum up to the date of its dissolution.

During the fiscal year ended June 30, 2018, the DOF approved the advance from the City as an enforceable obligation of the Successor Agency based on an accrued interest rate of 3% per annum since inception. The balance as of June 30, 2021, including \$3,707,750 of accrued interest, is \$11,762,606.

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 17 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

G. Spring Street Corridor Joint Powers Authority

The City and former Agency entered into a joint powers agreement with the City of Long Beach and the former Long Beach Redevelopment Agency on January 11, 1995. The purpose of this agreement was to create a joint power authority (Authority) pursuant to the California Government Code in order to develop and operate public facilities and improvements in the Spring Street Corridor Area.

The Authority is governed by a Board of Directors which is made up of the five members of the Signal Hill City Council, the four members of the Long Beach City Council, and the Chairman of the Successor Agency to the Long Beach Redevelopment Agency. Officers of the Authority are elected annually by the Board members.

On December 21, 1995, the joint powers agreement was amended to increase its jurisdiction by including additional areas surrounding the original Spring Street Corridor Area. The operating expenses are charged to the members on the basis of their prorata share of land in the Corridor. Financial statements can be obtained from the City of Signal Hill's Finance Department located at City Hall.

H. Owner Participation and Implementation Agreement (OPIA)

Pursuant to an Owner Participation and Implementation Agreement (OPIA) dated September 19, 1996, the Agency is required to pay a developer a formulated amount based on sales tax generated at a site developed within the City of Signal Hill. The source of these payments is to be provided by the Signal Hill Successor Agency. The first source is available tax increment revenue which is limited based on the amount of the Signal Hill Successor Agency's annual tax increment revenue less amounts required by law to be deposited in the Signal Hill Successor Agency's Affordable Housing Special Revenue Fund. The second source is a loan from the City of Signal Hill which would be made from the City's share of sales tax revenue generated from the developed site. No other sources of funds are available for payments. At June 30, 2021, there was \$1,323,791 due under this agreement, which is reported as a current liability.

**CITY OF SIGNAL HILL
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 18 OPERATING LEASE OBLIGATIONS

The City is leasing land used for an Auto Center under an operating lease dated June 30, 1988. The term of the lease expires November 30, 2055. The current period rental payments, which are classified as project costs, were \$260,466.

Future minimum rental payments to be made by the City are due as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 266,796
2023	266,796
2024	266,796
2025	266,796
2026	275,259
2027 - 2031	1,416,257
2032 - 2036	1,498,674
2037 - 2041	1,574,419
2042 - 2046	1,659,432
2047 - 2051	1,743,349
2052 - 2056	1,599,276
Total minimum lease payments	<u>\$ 10,833,850</u>

The City is leasing land for an Auto Center under an operating lease dated December 21, 1993 and amended May 7, 1996. The term of the lease expires December 31, 2055. The current period rental payments, which are classified as project costs, were \$226,745.

Future minimum rental payments to be made by the City are due as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 226,745
2023	226,745
2024	226,745
2025	230,147
2026	233,548
2027 - 2031	1,178,249
2032 - 2036	1,213,594
2037 - 2041	1,250,001
2042 - 2046	1,287,504
2047 - 2051	1,326,130
2052 - 2056	1,087,048
Total minimum lease payments	<u>\$ 8,486,456</u>

REQUIRED SUPPLEMENTARY INFORMATION

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**CITY OF SIGNAL HILL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 2,128,637	\$ 2,128,637	\$ 2,525,205	\$ 396,568
Sales and Use Tax	13,745,048	13,745,048	20,267,843	6,522,795
Other Taxes	1,311,539	1,311,539	1,669,978	358,439
Licenses and Permits	514,710	514,710	678,809	164,099
Intergovernmental Revenues	42,750	42,750	35,348	(7,402)
Charges for Services	801,791	801,791	1,271,900	470,109
Fines and Forfeitures	287,449	287,449	175,417	(112,032)
Investment Income	946,938	1,054,938	1,071,070	16,132
Other Revenue	359,387	359,387	435,020	75,633
Total Revenues	<u>20,138,249</u>	<u>20,246,249</u>	<u>28,130,590</u>	<u>7,884,341</u>
EXPENDITURES				
City Council	245,885	254,573	212,850	41,723
City Treasurer	8,190	8,190	5,951	2,239
City Clerk	177,733	177,733	135,445	42,288
Economic Development	770,979	998,151	899,019	99,132
Executive Administration	1,009,548	1,009,548	986,953	22,595
Program Administration	239,221	289,221	222,026	67,195
Personnel Services	408,948	448,948	403,899	45,049
Support Services	2,022,038	2,022,038	1,917,042	104,996
Management Information Services	218,667	249,667	178,521	71,146
Fiscal Services	780,816	806,816	779,615	27,201
Total General Government	<u>5,882,025</u>	<u>6,264,885</u>	<u>5,741,321</u>	<u>523,564</u>
Community Services				
Library Programs and Services	372,602	372,602	355,159	17,443
Community Support and Services	654,506	664,506	619,221	45,285
Recreation	396,777	426,777	403,625	23,152
Total Community Services	<u>1,423,885</u>	<u>1,463,885</u>	<u>1,378,005</u>	<u>85,880</u>
Police				
Community Outreach	35,565	35,565	16,910	18,655
Patrol Services	5,185,167	5,205,425	5,152,027	53,398
Investigative Services	1,040,000	1,040,000	1,160,156	(120,156)
Police Support Services	1,742,110	1,764,084	1,552,450	211,634
Communications	923,657	923,657	843,478	80,179
Records	322,117	322,117	328,425	(6,308)
Emergency and Disaster Services	58,890	58,890	51,068	7,822
Total Police	<u>9,307,506</u>	<u>9,349,738</u>	<u>9,104,514</u>	<u>245,224</u>

(Continued)

**CITY OF SIGNAL HILL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (CONTINUED)				
COMMUNITY DEVELOPMENT				
Planning Services	\$ 544,591	\$ 589,680	\$ 610,635	\$ (20,955)
Neighborhood Enhancement	90,589	182,039	63,094	118,945
Building and Safety	234,828	241,189	198,641	42,548
Oil Field Services	117,541	120,086	116,403	3,683
Total Community Development	<u>987,549</u>	<u>1,132,994</u>	<u>988,773</u>	<u>144,221</u>
Public Works				
Engineering and Project Services	632,158	653,358	635,069	18,289
Building Maintenance	778,098	778,098	822,956	(44,858)
Environmental Programs	729,755	729,755	575,007	154,748
Park Maintenance	968,464	969,364	873,624	95,740
Street Maintenance Operations	1,606,927	1,646,927	1,497,896	149,031
Total Public Works	<u>4,715,402</u>	<u>4,777,502</u>	<u>4,404,552</u>	<u>372,950</u>
Capital Outlay	<u>125,000</u>	<u>185,000</u>	<u>110,815</u>	<u>74,185</u>
Debt Service	<u>-</u>	<u>349,900</u>	<u>349,900</u>	<u>-</u>
Total Expenditures	<u>22,441,367</u>	<u>23,523,904</u>	<u>22,077,880</u>	<u>1,446,024</u>
EXCESS OF REVENUES OVER EXPENDITURES				
	<u>(2,303,118)</u>	<u>(3,277,655)</u>	<u>6,052,710</u>	<u>9,330,365</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,038,565	1,304,047	516,472	(787,575)
Transfers Out	<u>(1,032,552)</u>	<u>(1,231,581)</u>	<u>(794,594)</u>	<u>436,987</u>
Total Other Financing Sources (Uses)	<u>6,013</u>	<u>72,466</u>	<u>(278,122)</u>	<u>(350,588)</u>
NET CHANGE IN FUND BALANCE				
	(2,297,105)	(3,205,189)	5,774,588	8,979,777
Fund Balance - Beginning of Year	<u>42,251,613</u>	<u>42,251,613</u>	<u>42,251,613</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 39,954,508</u></u>	<u><u>\$ 39,046,424</u></u>	<u><u>\$ 48,026,201</u></u>	<u><u>\$ 8,979,777</u></u>

See Note to the Required Supplementary Information.

**CITY OF SIGNAL HILL
BUDGETARY COMPARISON SCHEDULE
HOUSING AUTHORITY SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Income	\$ 38,000	\$ 38,000	\$ 29,541	\$ (8,459)
Total Revenues	38,000	38,000	29,541	(8,459)
EXPENDITURES				
Current				
Community Development	15,000	26,000	19,024	6,976
EXCESS OF REVENUES OVER EXPENDITURES	23,000	12,000	10,517	(1,483)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	199,029	199,029	-
NET CHANGE IN FUND BALANCE	23,000	211,029	209,546	(1,483)
Fund Balance - Beginning of Year	5,662,371	5,662,371	5,662,371	-
FUND BALANCE - END OF YEAR	<u>\$ 5,685,371</u>	<u>\$ 5,873,400</u>	<u>\$ 5,871,917</u>	<u>\$ (1,483)</u>

See Note to the Required Supplementary Information.

**CITY OF SIGNAL HILL
BUDGETARY COMPARISON SCHEDULE
CAPITAL GRANTS SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 4,186,616	\$ 4,186,615	\$ 560,001	\$ (3,626,614)
Total Revenues	4,186,616	4,186,615	560,001	(3,626,614)
OTHER FINANCING SOURCES				
Transfers In	-	-	1,186	1,186
Transfers Out	(3,789,344)	(3,789,344)	(597,766)	3,191,578
Total Other Financing Uses	(3,789,344)	(3,789,344)	(596,580)	3,192,764
NET CHANGE IN FUND BALANCE	397,272	397,271	(36,579)	(433,850)
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ 397,272</u>	<u>\$ 397,271</u>	<u>\$ (36,579)</u>	<u>\$ (433,850)</u>

See Note to the Required Supplementary Information.

**CITY OF SIGNAL HILL
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

1. BUDGETS AND BUDGETARY ACCOUNTING

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1) The annual budget is adopted by the City Council after a public hearing and provides for the general operation of the City. The operating budget includes proposed expenditures and the means of financing them.
- 2) Budgets for the General and Special Revenue Funds are adopted on a basis substantially consistent with accounting principles generally accepted in the United States of America (U.S. GAAP). Accordingly, actual revenues and expenditures can be compared with related budget amounts without any significant reconciling items. No budgetary comparisons are presented for the Capital Projects Funds since budgets are adopted on a project basis as opposed to an annual basis. No budgets were adopted for the Assets Seizure, Los Angeles Impact, and the Civic Center Phase II special revenue funds for the current fiscal year.
- 3) Budget control is maintained over all accounts, and expenditures are not allowed to exceed appropriations at the program level (i.e. City Council, City Treasurer, City Attorney), except as approved in advance by the City Council.
- 4) Encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve that portion of the applicable appropriation is employed as an extension of formal budgetary integration in the Governmental Fund Types. However, at year-end all appropriations lapse. Accordingly, encumbrances are canceled and generally re-appropriated as part of the following year's budget. Encumbrances are not included in reported expenditures.
- 5) The City Council approves all significant budgetary changes.
- 6) Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, or returned to the taxpayers through revised tax rates or revised fee schedules. Or an excess in one year may be offset against a deficit in following year. For the fiscal year ended June 30, 2021, based on calculations by City management, proceeds of taxes did not exceed appropriations.

**CITY OF SIGNAL HILL
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN FISCAL YEARS***

Fiscal Year Ended	Miscellaneous Plan						
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement Period	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Plan's Proportion of the Net Pension Liability	0.33135%	0.32748%	0.32748%	0.32027%	0.31694%	0.12534%	0.13408%
Plan's Proportionate Share of the Net Pension Liability	\$ 13,976,419	\$ 13,113,924	\$ 12,213,091	\$ 12,625,288	\$ 11,009,993	\$ 8,603,439	\$ 8,343,258
Plan's Covered Payroll	\$ 4,955,620	\$ 4,924,328	\$ 4,746,775	\$ 4,782,533	\$ 4,769,466	\$ 4,171,972	\$ 4,623,297
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	282.03%	266.31%	257.29%	263.99%	230.84%	206.22%	180.46%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	74.36%	75.26%	75.26%	73.31%	75.87%	79.72%	79.79%
Plan's Proportionate Share of Aggregate Employer Contributions	\$ 1,810,932	\$ 1,621,472	\$ 1,452,707	\$ 1,377,053	\$ 1,233,606	\$ 1,169,609	\$ 890,524

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

In fiscal year 2017-2018, the financial reporting discount rate was reduced from 7.65% to 7.15%. Deferred outflows of resources and deferred inflows of resources for changes of assumptions represent the unamortized portion of this assumption change and the unamortized portion of the changes of assumptions related to prior measurement periods.

From fiscal year June 30, 2018 to June 30, 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.

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

In fiscal year 2019-2020, the financial reporting discount rate was reduced from 7.375% to 7.150%. The inflation rate was reduced from 2.75% to 2.50% in fiscal year 2019-2020.

From fiscal year June 30, 2020 to June 30, 2021:

There were no changes in assumptions.

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

**CITY OF SIGNAL HILL
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS***

Miscellaneous Plan							
Fiscal Year Ended	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually Required Contribution (Actuarially Determined)	\$ 1,284,614	\$ 1,442,517	\$ 1,268,784	\$ 1,095,591	\$ 1,001,003	\$ 913,915	\$ 673,607
Contributions in Relation to the Actuarially Determined Contributions	(1,284,614)	(1,442,517)	(1,268,784)	(1,095,591)	(1,001,003)	(913,915)	(673,607)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 4,799,168	\$ 4,955,620	\$ 4,924,328	\$ 4,746,775	\$ 4,782,533	\$ 4,769,466	\$ 4,171,972
Contributions as a Percentage of Covered Payroll	26.77%	29.11%	25.77%	23.08%	20.93%	19.16%	16.15%
Notes to Schedule:							
Valuation Date	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Methods and Assumptions Used to Determine Contribution Rates:							
Actuarial Cost Method	Entry age (1)						
Amortization Method	Fair Value	15 Year Smoothed Market Method					
Asset Valuation Method							
Inflation	2.50%	2.50%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.000% (3)	7.150% (3)	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed

(2) Depending on age, service, and type of employment

(3) Net of pension plan investment expense, including inflation

(4) 50 for all plans with the exception of 52 for Miscellaneous PEPRA 2%@62**

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

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

**CITY OF SIGNAL HILL
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN FISCAL YEARS***

Fiscal Year Ended	Safety Plan						
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement Period	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Plan's Proportion of the Net Pension Liability	0.26785%	0.26113%	0.26514%	0.26478%	0.27528%	0.16949%	0.16671%
Plan's Proportionate Share of the Net Pension Liability	\$ 17,844,795	\$ 16,301,080	\$ 15,557,284	\$ 15,821,202	\$ 14,257,433	\$ 11,633,599	\$ 10,373,619
Plan's Covered Payroll	\$ 3,407,054	\$ 3,319,213	\$ 2,752,971	\$ 3,397,367	\$ 3,120,311	\$ 3,095,462	\$ 3,002,188
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	523.76%	491.11%	565.11%	465.69%	456.92%	375.83%	345.54%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	71.00%	75.26%	75.26%	73.31%	72.69%	75.88%	77.88%
Plan's Proportionate Share of Aggregate Employer Contributions	\$ 2,261,312	\$ 1,880,463	\$ 1,740,418	\$ 1,330,746	\$ 1,243,621	\$ 1,244,854	\$ 1,034,283

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

In fiscal year 2017-2018, the financial reporting discount rate was reduced from 7.65% to 7.15%. Deferred outflows of resources and deferred inflows of resources for changes of assumptions represent the unamortized portion of this assumption change and the unamortized portion of the changes of assumptions related to prior measurement periods.

From fiscal year June 30, 2018 to June 30, 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.

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

In fiscal year 2019-2020, the financial reporting discount rate was reduced from 7.375% to 7.150%. The inflation rate was reduced from 2.75% to 2.50% in fiscal year 2019-2020.

From fiscal year June 30, 2020 to June 30, 2021:

There were no changes in assumptions.

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

**CITY OF SIGNAL HILL
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS***

Safety Plan							
Fiscal Year Ended	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually Required Contribution (Actuarially Determined)	\$ 1,753,821	\$ 1,614,253	\$ 1,372,345	\$ 1,677,943	\$ 1,531,100	\$ 1,407,461	\$ 1,197,783
Contributions in Relation to the Actuarially Determined Contributions	(1,753,821)	(1,614,253)	(1,372,345)	(1,677,943)	(1,531,100)	(1,407,461)	(1,197,783)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 3,480,836	\$ 3,407,054	\$ 3,319,213	\$ 2,752,971	\$ 3,397,367	\$ 3,120,311	\$ 3,095,462
Contributions as a Percentage of Covered Payroll	50.39%	47.38%	41.35%	60.95%	45.07%	45.11%	38.69%
Notes to Schedule:							
Valuation Date	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Methods and Assumptions Used to Determine Contribution Rates:							
Actuarial Cost Method	Entry age						
Amortization Method	(1.00)	(1)	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	15 Year Smoothed Market Method					
Inflation	2.50%	2.50%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.000% (3)	7.150% (3)	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed

(2) Depending on age, service, and type of employment

(3) Net of pension plan investment expense, including inflation

(4) 50 for all plans with the exception of 52 for Miscellaneous PEPR 2%@62**

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

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

**CITY OF SIGNAL HILL
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS***

Fiscal Year End	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016
Measurement Date	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016
Total OPEB Liability:						
Service Cost	\$ 270,003	\$ 78,454	\$ 76,354	\$ 88,947	\$ 86,566	\$ 84,249
Interest on Total OPEB Liability	814,641	693,993	689,655	724,953	719,524	732,333
Changes of Assumptions	350,078	3,078,833	-	-	-	-
Experience Gains/(Losses)	-	171,290	-	(633,287)	-	-
Investment Gains/(Losses)	-	-	5,035	(5,035)	-	-
Benefit Payments, Including Refunds and the Implied Subsidy Benefit Payments	(1,049,577)	(1,040,518)	(705,652)	(729,067)	(718,446)	(697,696)
Net Change in Total OPEB Liability	385,145	2,982,052	65,392	(553,489)	87,644	118,886
Total OPEB Liability - Beginning of Year	13,967,139	10,985,087	10,919,695	11,473,184	11,385,540	11,266,654
Total OPEB Liability - End of Year (a)	14,352,284	13,967,139	10,985,087	10,919,695	11,473,184	11,385,540
Plan Fiduciary Net Position:						
Contributions - Employer	1,184,870	1,251,150	705,652	729,067	718,446	847,696
Contributions - Employees	65,478	336,878	-	-	-	-
Net Investment Income (Loss)	642,090	186,488	135,298	125,181	154,005	(31,941)
Administrative Expenses	(18,569)	(15,198)	(12,204)	(11,911)	(11,107)	(3,818)
Benefit Payments, Including Refunds and the Implied Subsidy Benefit Payments	(1,049,577)	(1,040,518)	(705,652)	(729,067)	(718,446)	(697,696)
Other Miscellaneous Income (Expense)	-	-	(2)	-	-	-
Net Change in Plan Fiduciary Net Position	824,292	718,800	123,092	113,270	142,898	114,241
Plan Fiduciary Net Position - Beginning of Year	2,809,508	2,090,708	1,967,616	1,854,346	1,711,448	1,597,207
Plan Fiduciary Net Position - End of Year (b)	3,633,800	2,809,508	2,090,708	1,967,616	1,854,346	1,711,448
Net OPEB Liability - Ending (a)-(b)	\$ 10,718,484	\$ 11,157,631	\$ 8,894,379	\$ 8,952,079	\$ 9,618,838	\$ 9,674,092
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	25.32%	20.12%	19.03%	18.02%	16.16%	15.03%
Covered - Employee Payroll	\$ 7,873,764	\$ 8,223,691	\$ 8,137,547	\$ 7,960,934	\$ 7,997,352	\$ 7,783,311
Net OPEB Liability as Percentage of Covered - Employee Payroll	136.13%	135.68%	109.30%	112.45%	120.28%	124.29%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

FYE June 30, 2020- Investment rate of return/discount rate was lowered from 6.50% to 6.00%, an implicit rate subsidy was added, and certain demographic assumptions were changed.

FYE June 30, 2021- Investment rate of return/discount rate was lowered from 6.00% to 5.75%

* Fiscal year 2016 was the first year of implementation; therefore, only six years are shown.

SUPPLEMENTARY INFORMATION

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**CITY OF SIGNAL HILL
OTHER GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS**

The Special Revenue Funds are used to account for revenues derived from specific sources which are usually required by law or administrative regulation to be accounted for in a separate fund.

Asset Seizure Fund - Accounts for the portion of seized monies and property returned to the City for narcotic enforcement and other police related activities, pursuant to Federal and State asset forfeitures laws.

Park Development Fund - Accounts for revenues from residential and commercial developers impact fees for park acquisition and improvement purposes.

HCDA Grant Fund - Accounts for community development block grant revenues and expenditures for rehabilitation, food distribution and capital projects.

Special Gas Tax Fund - Accounts for receipts and disbursements of monies apportioned to the City under the Streets and Highways Code of the State of California, as well as a Transportation Development Act grant for bicycle and pedestrian facilities.

Transportation Proposition A Fund - As "Proposition A" increased the sales tax in Los Angeles County by .5%, this fund accounts for financial activity relative to the City's share of these monies. "Proposition A" revenues are to be used for public transportation purposes.

Pipeline Removal Fund - Accounts for revenues from fees paid by franchisees on idle pipeline for future removal costs.

Air Quality Improvement Fund - Accounts for revenues apportioned to the City from the Southern California AQMD fees on motor vehicle registrations, used to fund programs to reduce air pollution from mobile sources.

Water Development Fund - Accounts for revenues from residential and commercial developers' impact fees for water system improvements related to new development.

Traffic Impact Fund - Accounts for revenues from residential and commercial developers' impact fees for the purpose of reducing traffic within the City related to new development.

Transportation Proposition C Fund - As "Proposition C" increased the sales tax in Los Angeles County by .5%, this fund accounts for financial activity relative to the City's share of these monies. "Proposition C" revenues are to be used for public transportation purposes.

TDA Article III Fund - Accounts for City's share of Transportation Development Act (TDA) Article III monies remitted by Los Angeles County Metropolitan Authority. Funds are allocated annually on a per capita basis and may be used or placed on reserve to fund eligible projects.

Lighting and Landscape Fund - Accounts for financial activity relating to the City's landscape and lighting district. Revenues include assessments to property owners within the district and expenditures relate to the maintenance and upkeep of the system.

Supplemental Law Enforcement Fund - Accounts for the receipts and disbursements of monies awarded to the City under the Citizens Option for Public Safety program (otherwise known as the COPS). The grant was established by State Assembly Bill (AB) 3229 and is appropriated through its Supplemental Law Enforcement Fund.

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**CITY OF SIGNAL HILL
OTHER GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS (CONTINUED)**

Public Safety State Resources Fund - Accounts for funding received by the State of California Office of Traffic Safety for public safety overtime related to the enforcement of California's DUI laws.

Housing Impact Fund - Accounts for the revenues collected pursuant to the agreement between the City's Redevelopment Agency and the Development and Disposition Agreement with the Hilltop, LLC. The fees collected are based upon 2% of the sales price of new residential development and must be used for very low and low income housing.

MTA-STPL Grant Fund - Accounts for receipts and disbursements of grant funds awarded by the Los Angeles County Metropolitan Transportation Authority for eligible transportation capital improvement projects, such as the City's pavement management program.

Measure M Fund - Accounts for the financial activity relative to the City's share of the Los Angeles sales tax increase of 0.5% for traffic improvement transportation projects in accordance with the Los Angeles County Traffic Improvement Plan. "Measure M" revenues are disbursed by the Los Angeles County Metro Transportation Authority (MTA).

Transportation Measure R Fund - As "Measure R" increased the sales tax in Los Angeles County by 0.5%, this fund accounts for financial activity relative to the City's share of those monies. "Measure R" revenues are disbursed by the Los Angeles County Metro Transportation Authority (MTA) and are to be used for public transportation projects.

Planning Grants Fund - The Planning Grants Fund was established to account for grants from external agencies to be used for planning projects.

Los Angeles Impact Fund -The Los Angeles Interagency Metropolitan Police Apprehension Crime Task Force (L.A. IMPACT) grant funds provide for a compilation of numerous federal, state and local law enforcement agencies in Los Angeles county whose primary focus is to investigate major crimes, with an emphasis on dismantling mid to major level drug trafficking organizations.

RMRA (SB1) Fund - Accounts for the financial activity relative to the Road Recovery and Accountability Act that was passed on April 6, 2017, providing funding through Senate Bill 1 and the Highway Users Trust Account (HUTA) for maintenance and rehabilitation of roadways.

Measure W Fund – Accounts for the City's share of the California parcel tax increase of \$0.025 per square foot of impermeable property for funding projects in accordance with the expenditure plan pursuant to the Los Angeles Region, Safe, Clean Water Program. Projects.

Civic Center Phase II Fund - Accounts for funding sources for the design and construction of the Signal Hill Public Library.

Lease Revenue Bond Capital Projects Fund - Accounts for the proceeds of the Signal Hill Municipal Financing Authority's Lease Revenue Bonds, Series 2018, and construction of the portion of the Signal Hill Library provided by the bonds. The Lease Revenue Bond Capital Projects Fund balance is restricted for specific capital project funding.

**CITY OF SIGNAL HILL
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Special Revenue Funds				
ASSETS	Asset Seizure	Park Development	HCDA Grant	Special Gas Tax	Transportation Proposition A
Cash and Investments	\$ 208,469	\$ 1,988,944	\$ -	\$ 1,068,011	\$ 631,908
Restricted Cash and Investments	-	-	-	-	-
Accrued Interest Receivable	-	-	600	-	-
Due from Other Governments	-	-	51,222	-	-
Loans Receivable	-	-	6,037	-	-
Advances to Other Funds	-	890,295	-	-	-
Total Assets	\$ 208,469	\$ 2,879,239	\$ 57,859	\$ 1,068,011	\$ 631,908
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ 561	\$ 14,737	\$ -	\$ 7,083
Accrued Liabilities	-	-	-	-	1,957
Unearned Revenues	-	890,295	-	-	-
Due to Other Funds	-	-	36,484	-	-
Total Liabilities	-	890,856	51,221	-	9,040
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues	-	-	600	-	-
FUND BALANCES					
Restricted for					
Public Protection	208,469	-	-	-	-
Development Impact	-	1,988,383	-	-	-
Transportation	-	-	-	1,068,011	622,868
Capital Improvements	-	-	-	-	-
Housing	-	-	6,038	-	-
Total Fund Balances	208,469	1,988,383	6,038	1,068,011	622,868
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 208,469	\$ 2,879,239	\$ 57,859	\$ 1,068,011	\$ 631,908

Special Revenue Funds (Continued)

Pipeline Removal	Air Quality Improvement	Water Development	Traffic Impact	Transportation Proposition C	TDA Article III	Lighting and Landscape
\$ 2,386,350	\$ 97,088	\$ 651,053	\$ 960,653	\$ 460,550	\$ -	\$ 47,230
-	-	-	-	-	-	-
-	3,889	-	-	-	553	2,099
-	-	-	-	-	-	-
-	-	765,892	31,615	-	-	-
<u>\$ 2,386,350</u>	<u>\$ 100,977</u>	<u>\$ 1,416,945</u>	<u>\$ 992,268</u>	<u>\$ 460,550</u>	<u>\$ 553</u>	<u>\$ 49,329</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,240
-	-	-	-	-	-	142
-	-	765,892	31,615	-	-	-
-	-	-	-	-	553	-
-	-	765,892	31,615	-	553	5,382
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	651,053	960,653	-	-	-
-	100,977	-	-	460,550	-	-
2,386,350	-	-	-	-	-	43,947
-	-	-	-	-	-	-
<u>2,386,350</u>	<u>100,977</u>	<u>651,053</u>	<u>960,653</u>	<u>460,550</u>	<u>-</u>	<u>43,947</u>
<u>\$ 2,386,350</u>	<u>\$ 100,977</u>	<u>\$ 1,416,945</u>	<u>\$ 992,268</u>	<u>\$ 460,550</u>	<u>\$ 553</u>	<u>\$ 49,329</u>

(Continued)

**CITY OF SIGNAL HILL
COMBINING BALANCE SHEET (CONTINUED)
OTHER GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Special Revenue Funds (Continued)				
	Supplemental Law Enforcement	Public Safety State Resources	Housing Impact	MTA-STPL Grant	Measure M
ASSETS					
Cash and Investments	\$ 2,859	\$ -	\$ 760,350	\$ 215,241	\$ 383,658
Restricted Cash and Investments	-	-	-	-	-
Accrued Interest Receivable	-	-	-	-	-
Due from Other Governments	-	10,349	-	-	-
Loans Receivable	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-
Total Assets	\$ 2,859	\$ 10,349	\$ 760,350	\$ 215,241	\$ 383,658
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	2,859	-	-	-	-
Unearned Revenues	-	-	-	-	-
Due to Other Funds	-	10,349	-	-	-
Total Liabilities	2,859	10,349	-	-	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues	-	-	-	-	-
FUND BALANCES					
Restricted for					
Public Protection	-	-	-	-	-
Development Impact	-	-	760,350	-	-
Transportation	-	-	-	215,241	383,658
Capital Improvements	-	-	-	-	-
Housing	-	-	-	-	-
Total Fund Balances	-	-	760,350	215,241	383,658
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,859	\$ 10,349	\$ 760,350	\$ 215,241	\$ 383,658

Special Revenue Funds (Continued)

Transportation Measure R	Planning Grants	Los Angeles Impact	RMRA (SB1)	Measure W	Civic Center Phase II	Lease Revenue Bond Capital Projects Fund	Total Other Governmental Funds
\$ 591,197	\$ -	\$ -	\$ 383,817	\$ 276,566	\$ -	\$ 7,174	\$ 11,121,118
-	-	-	-	-	13,171	-	13,171
-	-	-	-	-	-	-	600
-	106,419	4,628	39,566	-	-	-	218,725
-	-	-	-	-	-	-	6,037
-	-	-	-	-	-	-	1,687,802
<u>\$ 591,197</u>	<u>\$ 106,419</u>	<u>\$ 4,628</u>	<u>\$ 423,383</u>	<u>\$ 276,566</u>	<u>\$ 13,171</u>	<u>\$ 7,174</u>	<u>\$ 13,047,453</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,621
-	-	-	-	-	-	-	4,958
-	-	-	-	-	-	-	1,687,802
-	106,419	4,628	-	-	13,171	-	171,604
-	106,419	4,628	-	-	13,171	-	1,891,985
-	-	-	-	-	-	-	600
-	-	-	-	-	-	-	208,469
-	-	-	-	-	-	-	4,360,439
591,197	-	-	423,383	-	-	-	3,865,885
-	-	-	-	276,566	-	7,174	2,714,037
-	-	-	-	-	-	-	6,038
<u>591,197</u>	<u>-</u>	<u>-</u>	<u>423,383</u>	<u>276,566</u>	<u>-</u>	<u>7,174</u>	<u>11,154,868</u>
<u>\$ 591,197</u>	<u>\$ 106,419</u>	<u>\$ 4,628</u>	<u>\$ 423,383</u>	<u>\$ 276,566</u>	<u>\$ 13,171</u>	<u>\$ 7,174</u>	<u>\$ 13,047,453</u>

**CITY OF SIGNAL HILL
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 OTHER GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds				
	Asset Seizure	Park Development	HCDA Grant	Special Gas Tax	Transportation Proposition A
REVENUES					
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	3,256	-	203,262	259,798	237,317
Charges for Services	-	47,307	-	-	996
Investment Income	188	1,918	-	988	470
Total Revenues	3,444	49,225	203,262	260,786	238,783
EXPENDITURES					
Current					
Police	-	-	-	-	-
Community Development	-	-	149,757	-	115,027
Public Works	-	-	-	-	-
Total Expenditures	-	-	149,757	-	115,027
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,444	49,225	53,505	260,786	123,756
OTHER FINANCING SOURCES (USES)					
Transfers Out	-	(125,144)	(53,504)	(250,000)	-
NET CHANGE IN FUND BALANCES	3,444	(75,919)	1	10,786	123,756
Fund Balances - Beginning of Year	205,025	2,064,302	6,037	1,057,225	499,112
FUND BALANCES - END OF YEAR	\$ 208,469	\$ 1,988,383	\$ 6,038	\$ 1,068,011	\$ 622,868

Special Revenue Funds (Continued)

Pipeline Removal	Air Quality Improvement	Water Development	Traffic Impact	Transportation Proposition C	TDA Article III	Lighting and Landscape
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,184
-	15,293	-	-	196,846	22,839	-
-	-	54,290	15,059	-	-	-
2,153	94	561	891	518	-	48
2,153	15,387	54,851	15,950	197,364	22,839	65,232
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,000	-	-	-	-	64,744
-	1,000	-	-	-	-	64,744
2,153	14,387	54,851	15,950	197,364	22,839	488
-	(4,452)	-	(56,684)	(252,683)	(22,839)	-
2,153	9,935	54,851	(40,734)	(55,319)	-	488
2,384,197	91,042	596,202	1,001,387	515,869	-	43,459
\$ 2,386,350	\$ 100,977	\$ 651,053	\$ 960,653	\$ 460,550	\$ -	\$ 43,947

(Continued)

**CITY OF SIGNAL HILL
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (CONTINUED)
 OTHER GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds (Continued)				
	Supplemental Law Enforcement	Public Safety State Resources	Housing Impact	MTA-STPL Grant	Measure M
	REVENUES				
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	156,727	57,782	-	-	167,507
Charges for Services	-	-	-	-	-
Investment Income	-	-	702	188	424
Total Revenues	156,727	57,782	702	188	167,931
EXPENDITURES					
Current					
Police	156,727	57,782	-	-	-
Community Development	-	-	-	-	-
Public Works	-	-	-	-	-
Total Expenditures	156,727	57,782	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	702	188	167,931
OTHER FINANCING SOURCES (USES)					
Transfers Out	-	-	-	-	(196,273)
NET CHANGE IN FUND BALANCES	-	-	702	188	(28,342)
Fund Balances - Beginning of Year	-	-	759,648	215,053	412,000
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ 760,350	\$ 215,241	\$ 383,658

Special Revenue Funds (Continued)

Transportation Measure R	Planning Grants	Los Angeles Impact	RMRA (SB1)	Measure W	Civic Center Phase II	Lease Revenue Bond Capital Projects Fund	Total Other Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 276,558	\$ -	\$ -	\$ 341,742
147,839	200,000	27,362	217,123	-	-	-	1,912,951
-	-	-	-	-	-	-	117,652
471	-	-	334	8	-	-	9,956
148,310	200,000	27,362	217,457	276,566	-	-	2,382,301
-	-	27,362	-	-	-	-	241,871
-	-	-	-	-	-	-	264,784
-	-	-	-	-	-	-	65,744
-	-	27,362	-	-	-	-	572,399
148,310	200,000	-	217,457	276,566	-	-	1,809,902
(35,007)	(200,000)	-	(169,847)	-	-	(9,268)	(1,375,701)
113,303	-	-	47,610	276,566	-	(9,268)	434,201
477,894	-	-	375,773	-	-	16,442	10,720,667
\$ 591,197	\$ -	\$ -	\$ 423,383	\$ 276,566	\$ -	\$ 7,174	\$ 11,154,868

**CITY OF SIGNAL HILL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PARK DEVELOPMENT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 21,715	\$ 21,715	\$ 47,307	\$ 25,592
Investment Income	6,027	6,027	1,918	(4,109)
Total Revenues	<u>27,742</u>	<u>27,742</u>	<u>49,225</u>	<u>21,483</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(308,044)</u>	<u>(308,044)</u>	<u>(125,144)</u>	<u>182,900</u>
NET CHANGE IN FUND BALANCE	(280,302)	(280,302)	(75,919)	204,383
Fund Balance - Beginning of Year	<u>2,064,302</u>	<u>2,064,302</u>	<u>2,064,302</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,784,000</u>	<u>\$ 1,784,000</u>	<u>\$ 1,988,383</u>	<u>\$ 204,383</u>

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**CITY OF SIGNAL HILL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HCDA GRANT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 246,772	\$ 246,772	\$ 203,262	\$ (43,510)
EXPENDITURES				
Current				
Community Development	197,418	197,418	149,757	47,661
EXCESS OF REVENUES UNDER EXPENDITURES	49,354	49,354	53,505	4,151
OTHER FINANCING USES				
Transfers Out	(49,354)	(49,354)	(53,504)	(4,150)
NET CHANGE IN FUND BALANCE	-	-	1	1
Fund Balance - Beginning of Year	6,037	6,037	6,037	-
FUND BALANCE - END OF YEAR	<u>\$ 6,037</u>	<u>\$ 6,037</u>	<u>\$ 6,038</u>	<u>\$ 1</u>

**CITY OF SIGNAL HILL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL GAS TAX SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 147,395	\$ 147,395	\$ 259,798	\$ 112,403
Investment Income	4,000	4,000	988	(3,012)
Total Revenues	<u>151,395</u>	<u>151,395</u>	<u>260,786</u>	<u>109,391</u>
OTHER FINANCING USES				
Transfers Out	<u>(500,000)</u>	<u>(500,000)</u>	<u>(250,000)</u>	<u>250,000</u>
NET CHANGE IN FUND BALANCE	(348,605)	(348,605)	10,786	359,391
Fund Balance - Beginning of Year	<u>1,057,225</u>	<u>1,057,225</u>	<u>1,057,225</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 708,620</u></u>	<u><u>\$ 708,620</u></u>	<u><u>\$ 1,068,011</u></u>	<u><u>\$ 359,391</u></u>

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**CITY OF SIGNAL HILL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TRANSPORTATION PROPOSITION A SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 205,454	\$ 205,454	\$ 237,317	\$ 31,863
Charges for Services	-	-	996	996
Investment Income	2,250	2,250	470	(1,780)
Total Revenues	<u>207,704</u>	<u>207,704</u>	<u>238,783</u>	<u>31,079</u>
EXPENDITURES				
Current				
Community Development	<u>186,132</u>	<u>179,016</u>	<u>115,027</u>	<u>63,989</u>
NET CHANGE IN FUND BALANCE	21,572	28,688	123,756	95,068
Fund Balance - Beginning of Year	<u>499,112</u>	<u>499,112</u>	<u>499,112</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 520,684</u>	<u>\$ 527,800</u>	<u>\$ 622,868</u>	<u>\$ 95,068</u>

**CITY OF SIGNAL HILL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PIPELINE REMOVAL SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Income	\$ 11,000	\$ 11,000	\$ 2,153	\$ (8,847)
Fund Balance - Beginning of Year	2,384,197	2,384,197	2,384,197	-
FUND BALANCE - END OF YEAR	<u>\$ 2,395,197</u>	<u>\$ 2,395,197</u>	<u>\$ 2,386,350</u>	<u>\$ (8,847)</u>

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**CITY OF SIGNAL HILL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
AIR QUALITY IMPROVEMENT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 15,200	\$ 15,200	\$ 15,293	\$ 93
Investment Income	400	400	94	(306)
Total Revenues	<u>15,600</u>	<u>15,600</u>	<u>15,387</u>	<u>(213)</u>
EXPENDITURES				
Current				
Public Works	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	14,600	14,600	14,387	(213)
OTHER FINANCING SOURCES				
Transfers Out	<u>(21,390)</u>	<u>(21,390)</u>	<u>(4,452)</u>	<u>16,938</u>
NET CHANGE IN FUND BALANCE	(6,790)	(6,790)	9,935	16,725
Fund Balance - Beginning of Year	<u>91,042</u>	<u>91,042</u>	<u>91,042</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 84,252</u></u>	<u><u>\$ 84,252</u></u>	<u><u>\$ 100,977</u></u>	<u><u>\$ 16,725</u></u>

**CITY OF SIGNAL HILL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
WATER DEVELOPMENT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 21,545	\$ 21,545	\$ 54,290	\$ 32,745
Investment Income	2,606	2,606	561	(2,045)
TOTAL REVENUES	24,151	24,151	54,851	30,700
OTHER FINANCING USES				
Transfers out	(581,241)	(581,241)	-	581,241
NET CHANGE IN FUND BALANCE	(557,090)	(557,090)	54,851	611,941
Fund Balance at Beginning of Year	596,202	596,202	596,202	-
FUND BALANCE AT END OF YEAR	<u>\$ 39,112</u>	<u>\$ 39,112</u>	<u>\$ 651,053</u>	<u>\$ 611,941</u>

**CITY OF SIGNAL HILL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TRAFFIC IMPACT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 543	\$ 543	\$ 15,059	\$ 14,516
Investment Income	5,500	5,500	891	(4,609)
Total Revenues	<u>6,043</u>	<u>6,043</u>	<u>15,950</u>	<u>9,907</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(118,946)</u>	<u>(118,946)</u>	<u>(56,684)</u>	<u>62,262</u>
NET CHANGE IN FUND BALANCE	(112,903)	(112,903)	(40,734)	72,169
Fund Balance - Beginning of Year	<u>1,001,387</u>	<u>1,001,387</u>	<u>1,001,387</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 888,484</u></u>	<u><u>\$ 888,484</u></u>	<u><u>\$ 960,653</u></u>	<u><u>\$ 72,169</u></u>

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**CITY OF SIGNAL HILL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TRANSPORTATION PROPOSITION C SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 183,533	\$ 183,533	\$ 196,846	\$ 13,313
Investment Income	2,500	2,500	518	(1,982)
Total Revenues	<u>186,033</u>	<u>186,033</u>	<u>197,364</u>	<u>11,331</u>
EXPENDITURES				
Public Works	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
EXCESS OF REVENUES OVER EXPENDITURES	181,033	181,033	197,364	16,331
OTHER FINANCING USES				
Transfers Out	<u>(287,692)</u>	<u>(486,211)</u>	<u>(252,683)</u>	<u>233,528</u>
NET CHANGE IN FUND BALANCE	(106,659)	(305,178)	(55,319)	249,859
Fund Balance - Beginning of Year	<u>515,869</u>	<u>515,869</u>	<u>515,869</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 409,210</u>	<u>\$ 210,691</u>	<u>\$ 460,550</u>	<u>\$ 249,859</u>

**CITY OF SIGNAL HILL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TDA ARTICLE 3 SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 8,958	\$ 8,958	\$ 22,839	\$ 13,881
OTHER FINANCING USES				
Transfers Out	(8,958)	(8,958)	(22,839)	(13,881)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**CITY OF SIGNAL HILL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LIGHTING AND LANDSCAPE SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Other Taxes	\$ 91,600	\$ 64,468	\$ 65,184	\$ 716
Investment Income	250	250	48	(202)
Total Revenues	<u>91,850</u>	<u>64,718</u>	<u>65,232</u>	<u>514</u>
EXPENDITURES				
Current				
Public Works	<u>91,543</u>	<u>66,437</u>	<u>64,744</u>	<u>1,693</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	307	(1,719)	488	2,207
Fund Balance - Beginning of Year	<u>43,459</u>	<u>43,459</u>	<u>43,459</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 43,766</u></u>	<u><u>\$ 41,740</u></u>	<u><u>\$ 43,947</u></u>	<u><u>\$ 2,207</u></u>

**CITY OF SIGNAL HILL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SUPPLEMENTAL LAW ENFORCEMENT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 145,100	\$ 145,100	\$ 156,727	\$ 11,627
EXPENDITURES				
Current				
Police	146,100	146,100	156,727	(10,627)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,000)	(1,000)	-	1,000
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ (1,000)</u>	<u>\$ (1,000)</u>	<u>\$ -</u>	<u>\$ 1,000</u>

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**CITY OF SIGNAL HILL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PUBLIC SAFETY STATE RESOURCES SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 60,000	\$ 67,000	\$ 57,782	\$ (9,218)
EXPENDITURES				
Current				
Police	60,000	60,000	57,782	2,218
NET CHANGE IN FUND BALANCE	-	7,000	-	(7,000)
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ 7,000	\$ -	\$ (7,000)

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**CITY OF SIGNAL HILL
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 HOUSING IMPACT SPECIAL REVENUE FUND
 YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Income	\$ 21,000	\$ 21,000	\$ 702	\$ (20,298)
Fund Balance - Beginning of Year	759,648	759,648	759,648	-
FUND BALANCE - END OF YEAR	<u>\$ 780,648</u>	<u>\$ 780,648</u>	<u>\$ 760,350</u>	<u>\$ (20,298)</u>

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**CITY OF SIGNAL HILL
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 MTA-STPL GRANT SPECIAL REVENUE FUND
 YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Income	\$ 1,045	\$ 1,045	\$ 188	\$ (857)
Fund Balance - Beginning of Year	215,053	215,053	215,053	-
FUND BALANCE - END OF YEAR	<u>\$ 216,098</u>	<u>\$ 216,098</u>	<u>\$ 215,241</u>	<u>\$ (857)</u>

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**CITY OF SIGNAL HILL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MEASURE M SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 155,827	\$ 155,827	\$ 167,507	\$ 11,680
Investment Income	1,866	1,866	424	(1,442)
Total Revenues	<u>157,693</u>	<u>157,693</u>	<u>167,931</u>	<u>10,238</u>
OTHER FINANCING USES				
Transfers Out	<u>(200,000)</u>	<u>(200,000)</u>	<u>(196,273)</u>	<u>3,727</u>
NET CHANGE IN FUND BALANCE	(42,307)	(42,307)	(28,342)	13,965
Fund Balance - Beginning of Year	<u>412,000</u>	<u>412,000</u>	<u>412,000</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 369,693</u></u>	<u><u>\$ 369,693</u></u>	<u><u>\$ 383,658</u></u>	<u><u>\$ 13,965</u></u>

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**CITY OF SIGNAL HILL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TRANSPORTATION MEASURE R SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 137,510	\$ 137,510	\$ 147,839	\$ 10,329
Investment Income	2,665	2,665	471	(2,194)
Total Revenues	<u>140,175</u>	<u>140,175</u>	<u>148,310</u>	<u>8,135</u>
OTHER FINANCING USES				
Transfers Out	<u>(264,521)</u>	<u>(66,002)</u>	<u>(35,007)</u>	<u>30,995</u>
NET CHANGE IN FUND BALANCE	(124,346)	74,173	113,303	30,995
Fund Balance - Beginning of Year	<u>477,894</u>	<u>477,894</u>	<u>477,894</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 353,548</u>	<u>\$ 552,067</u>	<u>\$ 591,197</u>	<u>\$ 30,995</u>

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**CITY OF SIGNAL HILL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PLANNING GRANTS SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 194,734	\$ 460,216	\$ 200,000	\$ (260,216)
OTHER FINANCING USES				
Transfers Out	(194,734)	(460,216)	(200,000)	260,216
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**CITY OF SIGNAL HILL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
RMRA (SB1) SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 189,355	\$ 189,355	\$ 217,123	\$ 27,768
Investment Income	1,866	1,866	334	(1,532)
Total Revenues	191,221	191,221	217,457	26,236
OTHER FINANCING USES				
Transfers Out	(250,000)	(250,000)	(169,847)	80,153
NET CHANGE IN FUND BALANCE	(58,779)	(58,779)	47,610	106,389
Fund Balance - Beginning of Year	375,773	375,773	375,773	-
FUND BALANCE - END OF YEAR	\$ 316,994	\$ 316,994	\$ 423,383	\$ 106,389

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**CITY OF SIGNAL HILL
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 MEASURE W SPECIAL REVENUE FUND
 YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Other Taxes	\$ 280,000	\$ 280,000	\$ 276,558	\$ (3,442)
Investment Income	-	-	8	8
Total Revenues	<u>280,000</u>	<u>280,000</u>	<u>276,566</u>	<u>(3,434)</u>
 Fund Balance - Beginning of Year	 -	 -	 -	 -
 FUND BALANCE - END OF YEAR	 <u><u>\$ 280,000</u></u>	 <u><u>\$ 280,000</u></u>	 <u><u>\$ 276,566</u></u>	 <u><u>\$ (3,434)</u></u>

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STATISTICAL SECTION

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**CITY OF SIGNAL HILL
DESCRIPTION OF STATISTICAL SECTION CONTENTS**

This part of the City of Signal Hill’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 say about the government’s overall financial health.

Contents:	<u>Pages</u>
<u>Financial Trends</u> - These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	134 – 141
<u>Revenue Capacity</u> - These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.	142 – 145
<u>Debt Capacity</u> - 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.	146 – 149
<u>Demographic and Economic Information</u> - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	150 – 151
<u>Operating Information</u> - 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.	152 - 154

**CITY OF SIGNAL HILL
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)**

	Fiscal Year Ending June 30,			
	2012	2013	2014	2015
Governmental activities				
Net investment in capital assets	\$ 57,653	\$ 47,617	\$ 47,543	\$ 48,407
Restricted	10,749	10,172	16,927	17,086
Unrestricted	35,059	33,426	30,728	13,095
Total governmental activities net position	<u>\$ 103,461</u>	<u>\$ 91,215</u>	<u>\$ 95,198</u>	<u>\$ 78,588</u>
Business-type activities				
Net investment in capital assets	\$ 16,792	\$ 16,315	\$ 15,821	\$ 16,003
Restricted	674	671	-	-
Unrestricted	4,239	4,237	4,660	3,110
Total business-type activities net position	<u>\$ 21,705</u>	<u>\$ 21,223</u>	<u>\$ 20,481</u>	<u>\$ 19,113</u>
Primary government				
Net investment in capital assets	\$ 74,445	\$ 63,932	\$ 63,364	\$ 64,410
Restricted	11,423	10,843	16,927	17,086
Unrestricted	39,298	37,663	35,388	16,205
Total primary government net position	<u>\$ 125,166</u>	<u>\$ 112,438</u>	<u>\$ 115,679</u>	<u>\$ 97,701</u>

Source: City of Signal Hill, Finance Department

Fiscal Year Ending June 30,

2016	2017	2018	2019	2020	2021
\$ 67,914	\$ 73,428	\$ 83,153	\$ 104,567	\$ 77,654	\$ 76,772
23,481	19,781	19,552	18,360	16,784	17,427
7,115	13,113	11,950	3,243	14,553	20,414
<u>\$ 98,510</u>	<u>\$ 106,322</u>	<u>\$ 114,655</u>	<u>\$ 126,170</u>	<u>\$ 108,991</u>	<u>\$ 114,613</u>
\$ 18,952	\$ 23,636	\$ 23,536	\$ 23,331	\$ 22,655	\$ 22,684
-	-	-	-	-	-
1,958	(2,316)	(2,572)	(2,751)	(2,342)	(2,083)
<u>\$ 20,910</u>	<u>\$ 21,320</u>	<u>\$ 20,964</u>	<u>\$ 20,580</u>	<u>\$ 20,313</u>	<u>\$ 20,601</u>
\$ 86,866	\$ 97,064	\$ 106,689	\$ 127,898	\$ 100,309	\$ 99,456
23,481	19,781	19,552	18,360	16,784	17,427
9,073	10,797	9,378	492	12,211	18,331
<u>\$ 119,420</u>	<u>\$ 127,642</u>	<u>\$ 135,619</u>	<u>\$ 146,750</u>	<u>\$ 129,304</u>	<u>\$ 135,214</u>

CITY OF SIGNAL HILL
CHANGES IN NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)

	Fiscal Year Ending June 30,			
	2012	2013	2014	2015
Expenses				
Governmental activities:				
General government	\$ 3,080	\$ 3,695	\$ 5,556	\$ 4,149
Community services	1,217	1,220	1,319	1,251
Police	7,571	7,611	8,220	8,254
Community development	1,280	935	992	942
Public works	4,141	4,506	4,142	4,369
Unallocated infrastructure depreciation	535	545	614	551
Interest on long-term liabilities	3,687	-	-	-
Total governmental activities expenses	<u>21,511</u>	<u>18,512</u>	<u>20,843</u>	<u>19,516</u>
Business-type activities - Water	3,804	3,992	4,531	4,424
Total primary government expenses	<u>\$ 25,315</u>	<u>\$ 22,504</u>	<u>\$ 25,374</u>	<u>\$ 23,940</u>
Program Revenues				
Governmental activities:				
Charges for services				
General government	\$ 176	\$ 210	\$ 227	\$ 201
Community services	209	202	115	192
Police	453	430	297	282
Community development	531	95	368	537
Public works	773	649	431	437
Operating grants	1,586	1,596	1,619	1,339
Capital grants and contributions	2,691	1,339	2,369	2,433
Total governmental activities program revenues	<u>6,419</u>	<u>4,521</u>	<u>5,426</u>	<u>5,421</u>
Business-type activities:				
Charges for services	3,515	3,672	3,734	3,760
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>3,515</u>	<u>3,672</u>	<u>3,734</u>	<u>3,760</u>
Total primary government program revenues	<u>\$ 9,934</u>	<u>\$ 8,193</u>	<u>\$ 9,160</u>	<u>\$ 9,181</u>
Net (expense)/revenue				
Governmental activities	\$ (15,092)	\$ (13,991)	\$ (15,417)	\$ (14,095)
Business-type activities	(289)	(320)	(797)	(664)
Total primary government net expenses	<u>\$ (15,381)</u>	<u>\$ (14,311)</u>	<u>\$ (16,214)</u>	<u>\$ (14,759)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property	\$ 7,487	\$ 2,146	\$ 1,700	\$ 1,797
Franchise	547	546	603	773
Other	1,278	1,483	1,609	1,462
Intergovernmental - Sales and Use Tax	11,210	12,487	14,574	11,567
Investment income	1,252	647	850	787
Unrestricted grants and contributions	20	12	66	2,048
Gain (loss) on disposition of assets	4	19	-	-
Transfers	(100)	(25)	(1)	(426)
Restatement	-	-	-	-
Extraordinary item	56,518	(15,571)	-	-
Total governmental activities	<u>78,216</u>	<u>1,744</u>	<u>19,401</u>	<u>18,008</u>
Business-type activities:				
Investment income	75	25	53	51
Unrestricted grants and contributions	38	97	-	-
Gain (loss) on disposition of assets	-	-	-	-
Transfers	100	25	1	426
Total business-type activities	<u>213</u>	<u>147</u>	<u>54</u>	<u>477</u>
Total primary government	<u>\$ 78,429</u>	<u>\$ 1,891</u>	<u>\$ 19,455</u>	<u>\$ 18,485</u>
Changes in Net Position				
Governmental activities	\$ 63,124	\$ (12,247)	\$ 3,984	\$ 3,913
Business-type activities	(76)	(173)	(743)	(187)
Total primary government	<u>\$ 63,048</u>	<u>\$ (12,420)</u>	<u>\$ 3,241</u>	<u>\$ 3,726</u>

Source: City of Signal Hill, Finance Department

Fiscal Year Ending June 30,

	2016	2017	2018	2019	2020	2021
\$	3,843	\$ 4,633	\$ 5,239	\$ 4,090	\$ 6,006	\$ 6,045
	1,505	1,362	1,596	1,991	1,757	2,213
	9,350	9,576	10,564	11,504	11,817	11,009
	868	858	963	1,434	989	1,270
	4,256	4,605	4,927	4,638	4,787	4,859
	551	645	639	401	394	394
	-	-	-	-	-	-
	20,373	21,679	23,928	24,058	25,750	25,790
	4,145	5,312	4,846	5,056	4,665	5,263
\$	24,518	\$ 26,991	\$ 28,774	\$ 29,114	\$ 30,415	\$ 31,053
\$	175	\$ 178	\$ 216	\$ 331	\$ 402	\$ 90
	212	191	203	173	118	85
	270	288	250	252	255	169
	584	514	567	430	418	553
	422	461	790	703	824	1,006
	9,313	850	1,199	2,349	1,524	1,819
	2,020	9,188	4,586	10,219	730	938
	12,996	11,670	7,811	14,457	4,271	4,660
	3,400	3,785	4,420	4,335	4,574	5,548
	999	1,927	42	239	114	-
	4,399	5,712	4,462	4,574	4,688	5,548
\$	17,395	\$ 17,382	\$ 12,273	\$ 19,031	\$ 8,959	\$ 10,208
\$	(7,377)	\$ (10,009)	\$ (16,117)	\$ (9,601)	\$ (21,479)	\$ (21,130)
	254	400	(384)	(482)	23	285
\$	(7,123)	\$ (9,609)	\$ (16,501)	\$ (10,083)	\$ (21,456)	\$ (20,845)
\$	1,916	\$ 1,802	\$ 2,248	\$ 2,189	\$ 2,330	\$ 2,801
	549	735	487	901	887	982
	1,459	874	926	1,053	836	920
	14,588	14,597	14,484	15,789	16,834	20,268
	955	442	961	1,788	1,977	1,346
	46	311	456	94	183	435
	-	14	-	-	-	-
	(1,679)	-	-	(30)	354	-
	-	-	-	-	-	-
	-	-	4,369	-	-	-
	17,834	18,775	23,931	21,784	23,401	26,752
	21	10	28	68	64	3
	-	-	-	-	-	-
	-	-	-	-	-	-
	1,679	-	-	30	(354)	-
	1,700	10	28	98	(290)	3
\$	19,534	\$ 18,785	\$ 23,959	\$ 21,882	\$ 23,111	\$ 26,755
\$	10,457	\$ 8,766	\$ 7,814	\$ 12,183	\$ 1,922	\$ 5,622
	1,954	410	(356)	(384)	(267)	288
\$	12,411	\$ 9,176	\$ 7,458	\$ 11,799	\$ 1,655	\$ 5,910

**CITY OF SIGNAL HILL
 FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (AMOUNTS EXPRESSED IN THOUSANDS)**

	Fiscal Year Ending June 30,			
	2012	2013	2014	2015
General Fund				
Nonspendable	\$ 10,241	\$ 7,690	\$ 7,695	\$ 7,768
Restricted				13
Committed	10,721	10,820	12,662	20,588
Unassigned	6,642	7,085	7,611	1,278
Total General Fund	<u>27,604</u>	<u>25,595</u>	<u>27,968</u>	<u>29,647</u>
All Other Governmental Funds				
Nonspendable	4,068	5,160	5,131	4,414
Restricted	9,942	9,990	11,712	12,574
Assigned	-	414	-	-
Unassigned	(719)	(703)	(2,363)	(3,193)
Total All Other Governmental Funds	<u>13,291</u>	<u>14,861</u>	<u>14,480</u>	<u>13,795</u>
 Total All Governmental Funds	 <u>\$ 40,895</u>	 <u>\$ 40,456</u>	 <u>\$ 42,448</u>	 <u>\$ 43,442</u>

Note: GASB 54 was implemented in 2011, prior years have no comparable data

Source: City of Signal Hill, Finance Department

Fiscal Year Ending June 30,					
2016	2017	2018	2019	2020	2021
\$ 8,430	\$ 12,126	\$ 14,722	\$ 11,955	\$ 11,892	\$ 2,717
13	13	-	-	-	-
14,160	20,630	16,553	15,330	16,209	24,953
12,227	2,226	9,159	10,586	14,151	20,356
<u>34,830</u>	<u>34,995</u>	<u>40,434</u>	<u>37,871</u>	<u>42,252</u>	<u>48,026</u>
4,129	347	-	-	-	-
19,360	19,762	28,136	18,359	16,783	17,427
-	-	-	-	-	-
<u>(2,555)</u>	<u>(891)</u>	<u>(2,294)</u>	<u>(4,259)</u>	<u>-</u>	<u>(37)</u>
<u>20,934</u>	<u>19,218</u>	<u>25,842</u>	<u>14,100</u>	<u>16,783</u>	<u>17,390</u>
<u>\$ 55,764</u>	<u>\$ 54,213</u>	<u>\$ 66,276</u>	<u>\$ 51,971</u>	<u>\$ 59,035</u>	<u>\$ 65,416</u>

CITY OF SIGNAL HILL
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)

	Fiscal Year Ending June 30,			
	2012	2013	2014	2015
Revenues				
Taxes	\$ 21,141	\$ 17,585	\$ 18,862	\$ 15,811
Licenses and permits	312	328	360	411
Intergovernmental	1,214	1,475	1,294	1,367
Charges for services	645	516	829	739
Fines and forfeitures	317	367	298	301
Investment income	1,160	53	934	826
Other	2,960	1,646	113	2,786
Total Revenues	<u>27,749</u>	<u>21,970</u>	<u>22,690</u>	<u>22,241</u>
Expenditures				
General government	3,103	3,772	5,456	4,476
Community services	1,216	1,219	1,320	1,257
Public safety	7,482	7,475	8,147	8,172
Community development	1,689	935	995	952
Public works	3,640	3,738	3,910	3,627
Capital outlay	6,047	1,511	869	2,485
Debt Service				
Principal retirement	4,819	-	-	-
Interest	3,672	-	-	-
Other debt service	14	-	-	-
Total Expenditures	<u>31,682</u>	<u>18,650</u>	<u>20,697</u>	<u>20,969</u>
Excess of revenues over/(under) expenditures	<u>(3,933)</u>	<u>3,320</u>	<u>1,993</u>	<u>1,272</u>
Other Financing Sources/(Uses)				
Transfers in	3,755	1,603	3,670	1,694
Transfers out	(3,855)	(1,628)	(3,671)	(2,120)
Other	(23,458)	(3,733)	-	76
Total other financing sources	<u>(23,558)</u>	<u>(3,758)</u>	<u>(1)</u>	<u>(350)</u>
Extraordinary Item				
Net change in fund balances	<u>\$ (27,491)</u>	<u>\$ (438)</u>	<u>\$ 1,992</u>	<u>\$ 922</u>
Capitalized capital outlay	<u>\$ 6,093</u>	<u>\$ 869</u>	<u>\$ 1,076</u>	<u>\$ 1,788</u>
Debt service as a percentage of noncapital expenditures	33.2%	0.0%	0.0%	0.0%

Source: City of Signal Hill, Finance Department

Fiscal Year Ending June 30,

	2016	2017	2018	2019	2020	2021
\$	21,394	\$ 18,701	\$ 19,444	\$ 19,800	\$ 20,920	\$ 24,805
	370	374	429	580	635	679
	3,591	8,809	5,440	9,202	6,128	2,508
	762	759	1,066	1,895	1,076	1,390
	326	289	312	423	328	175
	778	830	1,177	1,984	1,995	1,111
	652	411	417	78	175	435
	<u>27,873</u>	<u>30,173</u>	<u>28,285</u>	<u>33,962</u>	<u>31,257</u>	<u>31,102</u>
	3,940	4,879	4,409	4,715	5,291	5,741
	1,472	1,576	1,592	1,727	1,574	1,378
	9,270	9,152	9,412	9,514	10,056	9,346
	962	854	948	1,431	1,021	1,273
	3,883	4,046	4,130	4,141	4,254	4,470
	3,259	7,726	11,831	22,642	2,075	2,162
	14	-	16	100	109	110
	3	-	84	244	242	240
	-	17	170	16	-	-
	<u>22,803</u>	<u>28,250</u>	<u>32,592</u>	<u>44,530</u>	<u>24,622</u>	<u>24,720</u>
	5,070	1,923	(4,307)	(10,568)	6,635	6,382
	1,236	1,687	5,383	22,854	8,391	2,768
	(2,915)	(1,687)	(5,383)	(23,044)	(8,391)	(2,768)
	7,578	-	8,986	-	-	-
	<u>5,899</u>	<u>-</u>	<u>8,986</u>	<u>(190)</u>	<u>-</u>	<u>-</u>
			4,369			
\$	<u>10,969</u>	<u>\$ 1,923</u>	<u>\$ 9,048</u>	<u>\$ (10,758)</u>	<u>\$ 6,635</u>	<u>\$ 6,382</u>
\$	<u>2,985</u>	<u>\$ 7,016</u>	<u>\$ 11,075</u>	<u>\$ 22,386</u>	<u>\$ 1,851</u>	<u>\$ 1,670</u>
	0.1%	0.1%	1.3%	1.6%	1.5%	1.5%

**CITY OF SIGNAL HILL
 ASSESSED VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 (AMOUNTS EXPRESSED IN THOUSANDS)**

Fiscal Year Ended June 30	Secured Property					Unsecured Property	Taxable Assessed Value (Note)	Total Direct Tax Rate
	Residential	Commercial	Industrial	Vacant	Others**			
2012	991,423	301,195	297,328	66,202	227,080	127,728	2,010,956	0.68596
2013	978,140	303,924	306,805	80,495	259,131	120,212	2,048,707	0.68639
2014	1,012,408	312,572	316,413	75,859	269,037	134,440	2,120,729	0.06530
2015	1,085,513	319,579	337,455	74,824	326,281	138,597	2,282,249	0.06542
2016	1,141,748	327,201	347,936	101,203	354,901	128,996	2,401,985	0.06560
2017	1,197,754	341,534	362,919	106,832	289,239	129,041	2,427,319	0.06570
2018	1,288,907	351,123	374,721	84,118	265,753	135,990	2,500,612	0.06569
2019	1,342,841	384,692	395,785	63,059	254,320	142,358	2,583,055	0.06625
2020	1,433,729	405,059	417,571	59,734	268,820	143,706	2,728,619	0.06634
2021	1,512,648	440,103	444,367	63,714	240,713	139,651	2,841,196	0.06641

** Includes institutional, miscellaneous, recreational, SBE Nonunitary, cross reference, and unknown property.

Note:

In 1978, the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: County of Los Angeles Assessor / HdL Coren & Cone

**CITY OF SIGNAL HILL
DIRECT AND OVERLAPPING PROPERTY TAX RATES
(RATES PER \$100 OF TAXABLE VALUE)
LAST TEN FISCAL YEARS**

Agency	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Basic Levy (1)	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
County Detention Facilities 1987 Debt	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
L.A. County Flood Control	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Long Beach Community College District	0.02615	0.05095	0.02241	0.04595	0.03825	0.06736	0.06760	0.06319	0.06309	0.06327
Long Beach Unified School District	0.09223	0.09394	0.07981	0.08764	0.08324	0.08539	0.14732	0.14053	0.14334	0.13363
Metropolitan Water District	0.00370	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
Total Direct and Overlapping (2) Tax Rates	1.12208	1.14839	1.10572	1.13709	1.12500	1.15625	1.21842	1.20722	1.20993	1.20040
City's Share of 1% Levy per Prop 13 (3)	0.06777	0.06777	0.06777	0.06777	0.06777	0.06777	0.06777	0.06777	0.06777	0.06777
General Obligation Debt Rate	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Redevelopment Rate (4)	1.00370	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Total Direct Rate (5)	0.68596	0.68639	0.06530	0.06542	0.06560	0.06570	0.06569	0.06559	0.06634	0.06641

Notes:

- (1) In 1978, California voters passed Proposition 13 which set 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.
- (2) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all City property owners.
- (3) City's share of 1% levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. ERAF general fund tax shifts may not be included in tax ratio figures.
- (4) RDA rate is based on the largest RDA tax rate area (TRA) and includes only rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.
- (5) Total direct rate is the weighted average of all individual direct rates applied by the City of Signal Hill in preparing the statistical section information.

Source: HdL Coren & Cone

**CITY OF SIGNAL HILL
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(AMOUNTS EXPRESSED IN THOUSANDS)**

Taxpayer	FY 2020-2021		FY 2011-2012	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Signal Hill Petroleum Inc	\$ 141,269	4.97%	\$ 114,800	5.71%
Bcore Retail Towne Center LLC	61,000	2.15%	-	0.00%
Long Beach Acquisition Corporation	40,861	1.44%	14,934	0.74%
LBSH Parcel 1 LLC	30,459	1.07%	26,001	1.29%
Towne Center West I LLC ET AL	27,864	0.98%	23,786	1.18%
Costco Wholesale Corporation	24,707	0.87%	20,749	1.03%
Home Depot USA INC	19,254	0.68%	-	0.00%
Tesoro Logistics Operations LLC	17,368	0.61%	-	0.00%
Advanced Group 19 119 ET AL	16,862	0.59%	-	0.00%
Executive Complex LP	16,794	0.59%	-	0.00%
Treetop Retreat LLC	-	0.00%	-	0.00%
Agree Signal Hill California LLC	-	0.00%	-	0.00%
PL Signal Hill LP	-	0.00%	37,023	1.84%
Arco Terminal Services Corporation	-	0.00%	22,638	1.13%
Pacific of Costanzo-Glendora	-	0.00%	13,988	0.70%
VNO Tru Cherry Avenue LP	-	0.00%	13,891	0.69%
Signal Hill Town Center LLC	-	0.00%	13,690	0.68%
	<u>\$ 396,438</u>	<u>13.95%</u>	<u>\$ 301,500</u>	<u>14.99%</u>

Note:

The amounts shown above include assessed value data for both the City and the Redevelopment Agency.

Source: HdL Coren & Cone

**CITY OF SIGNAL HILL
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year (2)	Collected within the Fiscal Year of Levy		Note (1)		
		Amount (2)	Percent of Levy	Collections in Subsequent Years	Total Collections to Date Amount	Percent of Levy
2012	13,836,416	13,644,860	98.62%	N/A	N/A	N/A
2013	14,251,099	14,060,300	98.66%	N/A	N/A	N/A
2014	14,434,912	14,434,912	100.00%	N/A	N/A	N/A
2015	15,725,976	13,453,645	85.55%	N/A	N/A	N/A
2016	16,337,411	13,950,475	85.39%	N/A	N/A	N/A
2017	16,186,271	13,397,825	82.77%	N/A	N/A	N/A
2018	16,549,362	12,488,540	75.46%	N/A	N/A	N/A
2019	17,090,273	12,720,601	74.43%	N/A	N/A	N/A
2020	18,004,292	12,183,830	67.67%	N/A	N/A	N/A
2021	18,599,353	13,221,476	71.09%	N/A	N/A	N/A

Notes:

(1) Los Angeles County does not provide detail of prior year collections. Therefore, the information about subsequent collections is not available.

(2) Taxes Levied and Collected includes amounts applicable to the City and to the Signal Hill Redevelopment Agency and its Successor Agency and the incremental revenue is presented above for comparative purposes

Source: County of Los Angeles Auditor-Controller

CITY OF SIGNAL HILL
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS, EXCEPT PER CAPITA)

Fiscal Year	Governmental Activities		Business-type Activities		Total Primary Government	Percent of Assessed Valuation	Per Capita	Percent of Personal Income
	Lease Revenue Bonds	Leases & Loans	Water Revenue Bonds	Loans				
2012		-	6,785	76	6,861	0.341%	611.61	18.50
2013		-	6,788	-	6,788	0.331%	594.86	19.27
2014		-	6,424	-	6,424	0.303%	562.77	17.95
2015		65	6,044	-	6,109	0.268%	523.34	17.88
2016		51	5,650	-	5,701	0.237%	491.08	17.10
2017		36	4,741	-	4,777	0.197%	406.59	12.94
2018	8,974	21	4,269	-	13,264	0.530%	1,124.54	31.74
2019	8,851	4	3,787	-	12,642	0.489%	1,079.41	29.18
2020	8,723	-	3,290	-	12,013	0.440%	1,034.10	25.90
2021	8,590	-	2,778	-	11,368	0.400%	N/A	N/A

N/A Information is not yet available.

Source: City of Signal Hill, Finance Department

**CITY OF SIGNAL HILL
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITY DEBT
AS OF JUNE 30, 2021**

Debt	Gross Bonded Debt Balance	Percent Applicable To City	Net Bonded Debt
Direct Debt:			
260.01 SIGNAL HILL LEASE REVENUE BOND (CITY LIBRARY)	\$ 8,590,063	100.000%	\$ 8,590,063
Total Direct Debt			<u>\$ 8,590,063</u>
Overlapping Debt:			
310.25* METROPOLITAN WATER DISTRICT	\$ 13,101,783	0.178%	\$ 23,372
807.53 LONG BEACH CCD DS 2002 SERIES D 2007	9,771,208	3.859%	\$ 377,025
807.55 LONG BEACH CCD DS 2008 SERIES 2009B	15,096,105	3.859%	\$ 582,488
807.56 LONG BEACH CCD DS REF 2002 2012 SERIES S	72,143,695	3.859%	\$ 2,783,686
807.57 LONG BEACH CCD DS REF BONDS 2014 SERIES C	6,010,000	3.859%	\$ 231,898
807.58 LONG BEACH CCD DS REF BONDS 2014 SERIES E	2,000,000	3.859%	\$ 77,171
807.59 LONG BEACH CCD DS REF BONDS 2015 SERIES F	19,595,000	3.859%	\$ 756,079
807.62 LONG BEACH CCD DS 2016 SERIES B	40,590,000	3.859%	\$ 1,566,177
807.63 LONG BEACH CCD DS REF 2017 SERIES G	76,905,000	3.859%	\$ 2,967,402
807.64 LONG BEACH CCD DS 2016 SERIES C	115,100,000	3.859%	\$ 4,441,168
807.65 LONG BEACH CCD DS REF BDS 19 S H	149,305,000	3.859%	\$ 5,760,978
883.57 LONG BEACH USD DS 2008 REFUNDING BONDS	15,650,606	3.859%	\$ 603,957
883.58 LONG BEACH USD DS 2008 SER A	1,290,000	3.859%	\$ 49,781
883.59 LONG BEACH USD DS 2009 REF BONDS SERIES B	7,450,000	3.859%	\$ 287,495
883.6 LONG BEACH USD DS 2010 REF BONDS SERIES A	27,960,000	3.859%	\$ 1,078,976
883.62 LONG BEACH USD DS 2008 SR B-1 QSCB	68,985,000	3.859%	\$ 2,662,131
883.63 LONG BEACH USD DS 2011 REFUNDING BONDS	7,725,686	3.859%	\$ 298,134
883.64 LONG BEACH USD DS 2012 REF BONDS	79,675,000	3.859%	\$ 3,074,658
883.65 LONG BEACH USD DS 2008 SERIES C	34,010,000	3.859%	\$ 1,312,446
883.66 LONG BEACH USD DS 2008 SERIES D	249,328,410	3.859%	\$ 9,621,583
883.68 LONG BEACH USD DS 2016 REF BONDS	114,150,000	3.859%	\$ 4,405,048
883.69 LONG BEACH USD DS 2008 SERIES E	142,765,000	3.859%	\$ 5,509,301
883.7 LONG BEACH USD DS 2016 SERIES A	216,100,000	3.859%	\$ 8,339,298
883.71 LONG BEACH USD DS 2008 SERIES F MEAS K	147,800,000	3.859%	\$ 5,703,602
883.72 LONG BEACH USD DS 2016 SERIES B MEAS E	297,700,000	3.859%	<u>\$ 11,488,242</u>
Total Overlapping Debt			<u>\$ 74,002,096</u>
Total Direct and Overlapping Debt			<u>\$ 82,592,159</u>
2020-21 Total Assessed Valuation	\$ 2,841,195,017		
Less Incremental Value	(1,790,202,400)		
2020-21 Assessed Valuation	<u>\$ 1,050,992,617</u>		
Debt to Assessed Valuation Ratios			
Direct Debt		0.82%	
Overlapping Debt		7.04%	
Total Debt		<u>7.86%</u>	

* This fund is a portion of a larger agency and is responsible for debt in areas outside the City.

This report reflects debt which is being repaid through voter-approved property tax indebtedness. It excludes mortgage revenue, tax allocation bonds, interim financing obligations, non-bonded capital lease obligations, and certificates of participation, unless provided by the City.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. The percentage of overlapping debt applicable is estimated by using taxable assessed values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

Source: HdL, Coren & Cone

**CITY OF SIGNAL HILL
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS
 (AMOUNTS IN THOUSANDS)**

Legal Debt Margin Calculation for the Current Year

Assessed value	\$ 2,841,195,017
Debt limit (15% of assessed value)	426,179,253
Debt applicable to limit	-
Legal debt margin - Current Year	\$ 426,179,253

Fiscal Year	Debt Limit	Debt Applicable to Limit	Legal Debt Margin	Debt as Percentage of Limit
2012	301,643,348	-	301,643,348	0.00%
2013	307,306,083	-	307,306,083	0.00%
2014	318,109,295	-	318,109,295	0.00%
2015	342,337,382	-	342,337,382	0.00%
2016	360,297,745	-	360,297,745	0.00%
2017	360,297,745	-	364,097,801	0.00%
2018	375,091,788	-	375,091,788	0.00%
2019	387,458,342	-	387,458,342	0.00%
2020	409,292,868	-	409,292,868	0.00%
2021	426,179,253	-	426,179,253	0.00%

Source: City of Signal Hill, Finance Department

**CITY OF SIGNAL HILL
 PLEDGED-REVENUE BOND COVERAGE
 LAST TEN FISCAL YEARS
 (AMOUNTS IN THOUSANDS)**

Fiscal Year	Pledged Tax Revenues	Debt Service (1)			Coverage
		Principal	Interest	Total	
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-
2021	-	-	-	-	-

(1) Debt service amounts are presented on a bond year basis.

Source: City of Signal Hill, Finance Department

**CITY OF SIGNAL HILL
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

<u>Calendar Year</u>	<u>City Population</u>	<u>Personal Income (in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2012	11,218	370,946	33,067	7.4%
2013	11,411	352,235	30,868	6.0%
2014	11,415	357,826	31,347	9.0%
2015	11,673	341,699	29,273	7.3%
2016	11,609	333,332	28,713	5.7%
2017	11,749	369,284	31,431	3.6%
2018	11,795	417,958	35,435	3.8%
2019	11,712	433,289	36,995	4.1%
2020	11,617	463,769	39,922	11.0%
2021	N/A	N/A	N/A	N/A

N/A - Information is not yet available

Sources: City Population - State Department of Finance
Unemployment Rate - Bureau of Labor Statistics

**CITY OF SIGNAL HILL
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	2020-2021			2011-2012		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Office Depot	465	1	5.49%	450	1	5.55%
Overdrive, Inc	400	2	4.73%			
Home Depot	355	3	4.19%	320	2	3.94%
Costco Wholesale	350	4	4.13%	215	3	2.65%
Target	260	5	3.07%	130	7	1.60%
Greeg Drilling, LLC	200	6	2.36%			
American University of Health Sciences	160	7	1.89%			
Hiwa Petroleum Corporation	150	8	1.77%			
Glenn E Thomas Company	132	9	1.56%			
Long Beach BMW & LB Mini	123	10	1.45%	122	9	1.50%
Best Buy Stores LP				134	4	1.65%
Crane Valves North America				130	6	1.60%
Platt Security Inc				126	8	1.55%
Tsai Hsiao & Loo Dental Corp				115	10	1.42%
Accentcare of California				131	5	1.61%
	2,595		30.66%	1,873		23.08%

Source: City of Signal Hill Business Licenses, employee counts are self-reported

**CITY OF SIGNAL HILL
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY DEPARTMENT
 LAST TEN FISCAL YEARS**

Department	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Administration	4.73	5.73	4.73	4.73	4.73	5.00	5.75	5.80	5.80	5.80
Finance	5.91	5.98	5.98	5.98	5.98	6.80	6.75	5.80	5.80	5.80
Community Services	20.25	19.32	19.30	19.53	19.53	18.60	18.60	18.60	18.50	8.80
Police	53.40	53.40	52.89	52.89	52.89	53.00	53.00	53.00	52.10	51.10
Community Development	6.40	6.40	7.00	7.00	7.00	4.00	4.00	4.00	4.00	4.00
Public Works	30.04	30.04	30.02	30.04	30.04	28.00	28.00	28.00	28.00	27.00
Economic Development	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Total	<u>120.74</u>	<u>120.87</u>	<u>120.92</u>	<u>121.16</u>	<u>121.16</u>	<u>116.40</u>	<u>117.10</u>	<u>116.20</u>	<u>115.20</u>	<u>103.50</u>

Source: City of Signal Hill, Finance Department

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**CITY OF SIGNAL HILL
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Calls for service	6,384	6,500	6,400	9,842	9,948	8,632	9,078	8,292	8,382	8,172
Reports written	3,826	3,254	3,312	3,894	4,332	5,618	5,061	4,504	3,804	4,345
Total arrests	1,823	1,120	1,115	1,390	1,216	1,403	1,074	987	880	848
Hazardous traffic citations	3,758	4,359	4,278	2,496	1,703	3,638	3,613	4,116	3,229	2,616
Parking citations	4,196	4,179	4,212	3,866	4,628	4,222	4,092	4,444	3,737	3,293
Community Development										
Code enforcement cases	75	85	87	77	68	67	59	48	32	41
Building permits	144	175	181	247	236	279	233	281	249	250
Site plan design reviews	6	7	7	5	6	6	5	4	3	4
Water										
Number of customers	3,014	3,052	3,079	3,116	3,162	3,302	3,116	3,157	3,147	3,142
Average daily consumption (in millions of gallons)	1.75	1.82	1.80	1.77	1.59	1.58	1.57	1.54	1.55	1.60
Number of hydrants maintained	568	422	435	568	568	568	568	574	576	576
Public Works										
Traffic signals maintained	29	29	29	31	31	33	18	13	33	33
Street sweeping miles	6,240	6,240	6,240	5,980	5,980	5,980	5,720	5,980	5,980	5,980
Sidewalk repairs (square feet)	14,220	14,220	14,220	6,362	4,504	1,762	8,731	1,965	2,988	2,541
Curb & gutter replaced (linear feet)	1,388	1,388	1,388	-	-	-	-	900	306	-
Cross gutter replaced (square feet)	5,067	5,067	5,067	-	-	-	-	-	2,117	-
Engineering										
Number of infrastructure projects administered	4	4	4	3	3	10	15	17	13	11
Plan checks completed	5	5	5	8	7	39	74	92	110	115
Community Services										
Library items borrowed	39,972	39,972	40,001	39,761	38,947	29,164	26,029	20,612	35,742	6,665
Youth sports participants	8,080	8,080	8,100	5,467	5,289	6,936	6,534	5,697	4,158	144
After school youth programs	14,746	14,746	14,785	15,530	15,326	30,960	16,810	20,680	15,585	6,840
Facility rental bookings	748	748	750	681	620	251	345	176	167	-

Source: Various City Departments

**CITY OF SIGNAL HILL
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Patrol Vehicles	10	10	10	10	10	10	10	10	10	10
Fire Stations	1	1	1	1	1	1	1	1	1	1
Water										
Miles of Lines & Mains	50	50	50	50	50	50	50	50	50	50
Reservoirs	3	3	3	3	3	3	3	3	3	3
Wells	3	3	3	3	3	3	3	3	3	3
Highways and Streets										
Miles of Streets	35.7	35.7	35.7	35.7	35.7	35.7	35.7	35.7	35.7	35.7
Street Trees	3,711	3,706	3,706	3,619	3,667	3,667	3,667	3,520	3,467	3,414
Recreation and Culture										
Parks	10	10	10	10	10	10	10	10	10	10
Area of Parks (Acres)	23.03	23.03	23.03	23.03	23.03	23.03	23.03	23.03	23.03	23.03
Libraries	1	1	1	1	1	1	1	1	1	1
Community Centers *	1	1	1	1	1	1	1	1	1	1
Bandstands	1	1	1	1	1	1	1	1	1	1
Baseball Diamonds	1	1	1	1	1	1	1	1	1	1
Basketball Courts **	2	2	2	2	2	2	2	2	2	6

* 2021 Community Centers was updated to include the community center at Discovery Well Park that was built in 2002

** 2021 Basketball Courts was updated to include 4 half courts

Source: City of Signal Hill, Finance Department