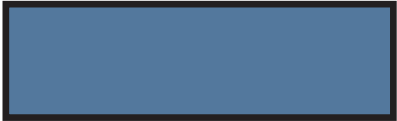




**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
CITY OF PACIFICA, CALIFORNIA**



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CITY OF PACIFICA

CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal year ended June 30, 2022

Prepared by
Finance Department

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INTRODUCTORY SECTION

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CITY OF PACIFICA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2022

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FISCAL YEAR ENDED JUNE 30, 2022

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Scenic Pacifica
Incorporated November
22, 1957

CITY OF PACIFICA

540 Crespi Drive • Pacifica, California 94044-2506
www.cityofpacifica.org

MAYOR
Tygarjas Bigstyck

MAYOR PRO TEM
Sue Vaterlaus

COUNCIL
Mary Bier
Sue Beckmeyer
Christine Boles

January 18, 2023

Honorable Mayor, Members of the City Council, and Citizens of the City of Pacifica, California:

We are pleased to submit the City of Pacifica's Annual Comprehensive Financial Report (ACFR)¹ for the fiscal year ended June 30, 2022. The purpose of this report is to provide the City Council, City Staff, residents of Pacifica, and other interested parties with accurate, complete, and fair data and helpful information concerning the City's operations and financial position.

The report is prepared in compliance with California Government sections 25250 and 25253 and following the Generally Accepted Accounting Principles (GAAP) set by the Governmental Accounting Standards Board and standards prescribed by the Government Finance Officers Association of the United States and Canada (GFOA) and audited in accordance with generally accepted auditing standards by an independent firm of certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the City for the fiscal year ended June 30, 2022. This report conforms to GASB Statement 34 financial reporting standards, including dual-perspective financials showing both an entity-wide view of all governmental and business-type activities and a detailed focus on the financial position and operating results of the City's major funds.

We believe the report contains all disclosures necessary for the reader to understand the City's financial affairs. State law requires every general-purpose government to publish a complete set of audited financial statements. Professional standards encourage this report to be published within sufficient time to allow the government to remedy any deficiencies while minimizing negative impacts. This report is issued to fulfill that requirement for the fiscal year ended June 30, 2022.

Management assumes full responsibility for the completeness and reliability of the information contained in the ACFR based upon a comprehensive framework of internal control that it has established for this purpose.

Stewardship and Internal Control

This report consists of management's representations concerning the finances of the City of Pacifica and promotes accountability. Consequently, responsibility for both the accuracy of the data and the fairness of this presentation, including all disclosures, rests with the City management.

¹ On October 19, 2021 the Governmental Accounting Standards Board issued a pronouncement (Statement No. 98) that changed the name of the Comprehensive Annual Financial Report (CAFR) to Annual Comprehensive Financial Report (ACFR). The name change was prompted by concerns that the prior acronym sounds like a profoundly offensive term. No other changes were made to the report's structure or content.

To provide a reasonable basis for making these representations, management has established a comprehensive framework of internal control designed to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of financial statements in conformity with GAAP to:

- Safeguard City assets from loss or unauthorized use or disposal.
- Provide reliable financial records for preparing internal and external financial reports and for maintaining accountability over City Assets.
- Ensure compliance with applicable Federal and State laws and regulations related to programs for which the City receives assistance.

As the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable rather than an absolute assurance that the financial statements are free of any material misstatements.

Management believes that the City's internal controls reasonably safeguard assets, assure that financial transactions are properly recorded and reported, and ensure compliance with applicable Federal and State laws and regulations. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to represent fairly the financial position and results of operation of the City's various funds. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

State statutes require an annual audit by independent certified public accountants. The purpose of the audit is to provide reasonable assurance that the financial statements are presented fairly, in all material respects, and/or give a true and fair view in accordance with the financial reporting framework. The City's independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The City's independent auditor, Maze & Associates, a firm of licensed, certified public accountants, has issued an unmodified ("clean") opinion on the City of Pacifica's financial statements for the fiscal year ended June 30, 2022. The independent auditor's report is located at the front of the financial section of this report.

In addition to meeting the requirements set forth by State law, the audit is also designed to meet the requirements of the Single Audit Act of 1984 and 2 CFR part 200, subpart F. The standards governing Single Audit engagements require the auditor to report on the City's internal controls and compliance with certain legal requirements with special emphasis on the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

The ACFR report is presented in three sections:

- The Introduction section includes this letter of transmittal, the City's organizational chart, and certificates of achievement.
- The Financial Section includes the report of the independent auditors; Management's Discussion and Analysis (MD&A); the basic financial statements, including government-wide financial statements; and the accompanying notes. Required supplementary information other than the MD&A is also included in the financial section.
- The Statistical section includes selected financial and demographic information presented on a multi-year basis.

The notes to the financial statements are provided in the financial section and are considered essential to fair presentation and adequate disclosure. The notes include the summary of significant accounting policies for the City and other necessary disclosure of important matters relating to the City's financial position. The notes are an integral part of the financial statements and should be read in conjunction with them.

GAAP and the Governmental Accounting Standards Board require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

City of Pacifica Profile

The City of Pacifica is a full-service city located on the Pacific Coast in San Mateo County, south of San Francisco. Situated within the Bay Area Peninsula, it is framed by the ridges of the Coast Range on the east, the Montara Mountains on the south, and the Pacific Ocean on the west. The City of Pacifica encompasses roughly 12.6 square miles (of which approximately one-half is publicly owned and protected open space) and serves a population of approximately 39,000. A combination of residential, office, and commercial retail businesses, and natural open space, comprise the makeup of the City. The City of Pacifica, while located in the midst of a major metropolitan region, is a unique family-oriented coastal community that prides itself on fostering a "small town" feel. The City's geographic setting, its proximity to San Francisco and the San Francisco International Airport, along with its natural open space and coastal beauty, make it a desirable place to live and work.

The City of Pacifica is a General Law City incorporated in 1957 and operates under the Council-Manager form of government. Legislative authority is vested in a five-member City Council elected by district for four-year overlapping terms. The Mayor is selected each year by a majority vote of the Council members. The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing advisory commissions/committees, and hiring both the City Manager and City Attorney, who are retained on a contract basis. The City Manager, in turn, appoints the heads of the various departments.

The City provides a range of services to its residents, including but not limited to public safety (police and fire), streets, wastewater and stormwater infrastructure, garbage and recycling, parks, beaches, and recreation, social services, planning and zoning, and leadership through general administrative services. Water, gas, and electric utilities are provided directly through other agencies not under City operations.

The City performed certain infrastructure construction and economic development activities through a separate Redevelopment Agency until its dissolution on February 1, 2012. The City accepted the role of Successor Agency to the Redevelopment Agency per Council action on January 23, 2012.

Budget Process

The City maintains budgetary controls, the objective of which is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the general fund, special revenue funds, enterprise funds, debt service funds, and internal service funds are included in the annual appropriated budget. The Capital Improvement Projects budget reflects existing projects that do not lapse at year-end but are carried forward until completion of the project.

The City's budget process goals are to identify necessary and/or desirable service-level options, which are all combined to reach a balanced and sustainable budget. Each City department is provided with a base budget with certain inflationary increases and is given an opportunity to request additional funding if needed. The City Manager, Assistant City Manager/Administrative Services Director, and Deputy Finance Director meet with each department individually to discuss and finalize the proposed budget recommendations. The City Manager then presents the proposed budget to the Council for review prior to the end of May every year. The Council holds a public

hearing on the proposed budget and is required to adopt a final budget by no later than the end of June, the close of the City's fiscal year.

The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is maintained at the department level by tracking expenditures and budget authority. Unexpended budget appropriations lapse at the end of the fiscal year with the exception of capital improvement projects. The City Manager is responsible for the preparation of the budget, and along with the Assistant City Manager/Administrative Services Director, is responsible for monitoring the budget for legal compliance.

The annual budget serves as the foundation for the City of Pacifica's financial planning and control. The budget is prepared by fund, and by department (e.g., Police, Fire, Planning, Parks, Beaches and Recreation, Public Works, Administration). The City Manager may transfer resources within a department as he sees fit. Transfers of appropriations between funds need special approval from the Council. City Council may amend the budget by resolution during the fiscal year. The Fiscal Year ("FY") 2021-22 Mid-Year Budget Adjustments were adopted by Council via Resolution No. 15-2022 on March 14, 2022. Budgets are adopted on a basis consistent with GAAP. Budget-to-actual comparisons are presented in the supplementary section of the accompanying financial statements for each governmental fund for which an appropriated annual budget has been adopted.

Economic Factors and Financial Outlook

State Budget and Economic Outlook

The City's local economy is a reflection of the regional and state economic outlook. The California economy is poised to overtake Germany as the world's 4th largest economy, continuing to outperform the nation and other countries in Gross Domestic Product (GDP) growth, companies' market value, and renewable energy.

California has also been the largest state economy by GDP in the past 50 years and has been leading the nation in the current economic recovery. This is due in part to the State's support from the technology and science sectors that were minimally impacted by the pandemic, as well as growth in the defense sector as the Russia-Ukraine conflict continues.

As knowledge workers throughout the State remained employed and sought additional work-from home space during the pandemic, the price of housing continued to climb throughout the State, particularly in the Bay Area, Los Angeles, and San Diego markets.

In May 2022, the Governor of California announced an unprecedented \$97.5 billion budget surplus fueled by income tax revenue increases from the strong economic recovery and the extraordinary past year of stock market performance enjoyed by the most affluent residents. Approximately half of the State's income tax is collected from the top 1 percent of the State's income earners. Nearly 10 percent of that income is earned through capital gains in California. However, with the recent economic downturn, the State Budget projects a significant deficit in the upcoming years, which may impact the City's budget in future years as well.

Local Economy

Overall, the San Francisco Bay Area economy has recovered from the pandemic, enjoying prosperity exceeding pre-pandemic figures in the technology and life science sectors. However, the majority of other sectors – including retail, food, hotel, transportation, arts/entertainment, non-profit, personal services, and warehousing – remained depressed over the past year. Although the area's economic recovery appears to be encouraging, many challenges resulting from the unprecedented increase in inflation may lie ahead.

According to the June 2022 report from the California Employment Development Department (EDD), California unemployment rate dropped to 4% in June, 2022, from 8.5% in June, 2021, as the state's employers gained 75,000 payroll jobs. California has now regained 2.6 million jobs (93.6%) lost during March-April of 2020 due to the COVID-19 pandemic.

As of June 2022, there were an estimated 448,700 jobs in San Mateo County, an increase of 31,000 jobs from August 2021. The unemployment rate in San Mateo County has decreased from 4.6% in August 2021 to 2.1% in June 2022.

As of the date of this letter, the unemployment rates have stayed level and the next year should be stable. However, if the Federal Reserve bank continues to raise the Fed Rate to slow inflation, a recession is likely to begin in the upcoming years.

Similar to the State level economics, the local economy has experienced job growth and an overall improvement in economically sensitive revenue sources such as transient occupancy tax, on-the-ground retail sales tax and online sales. In addition, the City's largest revenue source, property tax, has also been positively impacted by rising prices, but will be relatively flat for the next few years given the slow down in home sales and the slight decline in values as a result of the increase in mortgage interest rates

The National Association of Realtors has reported existing-home sales fell for the tenth month in a row in November 2022, or 35.4% from the previous year. The national median existing-home price rose to \$370,700, which reflects an increase of 26% from the average price of \$295,300 in June 2020, and 3% of the 26% occurred in the last year. According to Real Estate Report for San Mateo County, the median home price of a single-family home in Pacifica is \$1,362,500 as of December 2022, as compared to \$1,361,500 in June 2021 and \$1,200,000 in June 2020, reflecting an increase of 13.5% from 2020 to 2021 and 0.1% from 2021 to 2022. During a declining housing price market, the assessed value usually does not decline but stays flat for the years of decline, therefore the City of Pacifica's property tax revenue will not decline but may be flat during this next real estate slow down.

Revenues for the City were hit hard by the pandemic but have mostly recovered. The revenue recovery is good news for the City, however, the City is challenged due to inflationary costs out-pacing revenue increases.

Residential development in the City has reached near build-out conditions, but commercial development potential exists on sites that remain undeveloped or underdeveloped. There is also residential and commercial redevelopment potential on in-fill and/or underutilized sites. The City and the Pacifica Economic Development Committee are active in encouraging business activity and bringing new resident and visitor-serving businesses to Pacifica.

Fund Balance and Long-Term Financial Planning

The long-term financial plan of the City includes cost containment strategies and a comprehensive cost recovery program, both designed to ensure the long-term financial health of the City. The City of Pacifica has continued to be fiscally conservative in financial investments, as well as with the development of a Long-Term Financial Plan. The current Long-Term Financial Plan was presented to the City Council on April 11, 2022. The City remains vigilant in its efforts to continue to provide essential City services while maintaining sufficient levels of fiscal control and accountability. The City's long-term financial outlook projected a \$2.7 million structural deficit in FY 2023-24. With the passage of Measure Y in the November 2022 election, the City is in a much better position to deal with the upcoming challenges.

The City's total Fund Balance in the General Fund is \$16.3 million. The Fund Balance is comprised of three components; a Non-spendable portion of \$3.8 million; a Restricted for Pensions portion of \$0.3 million; an Assigned for Budget Shortfall and other Contingencies portion of \$4.8 million; leaving an Unassigned portion (available for spending at the City's policy discretion) of \$7.4 million. The Unassigned portion of the General Fund totals 19.4% of total general fund expenditures and is in addition to the minimum policy guideline of 10 percent of total general fund operating expenditures set by the Council for budgetary shortfall policy and planning purposes.

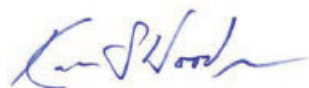
Acknowledgments

Government Finance Officers Association of the United States and Canada (“GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report (“Annual Report”) for the fiscal year ended June 30, 2021. This was the first year that the City has achieved this prestigious award in recent history. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Annual Report. The report satisfied 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 Report continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Our goal is to publish financial information that is helpful to policy leaders and the public. Preparation of the Annual Comprehensive Financial Report was made possible by the dedicated service of the entire staff of the City of Pacifica Finance Division. Every member of each department has our sincere appreciation for the contributions made in furthering the fiscal year-end audit and for their continuing effort to improve the quality of this report. We would like to take an opportunity to acknowledge the extraordinary efforts and hard work of Lucy Xie, Deputy Finance Director, Mario Xuereb, Financial Analyst and Matt Pressey, Financial Advisor (RGS) for their assistance with the year-end closure and preparation for the audit, as well as commitment to continue improving the City’s financial management and reporting.

We also commend the audit team from Maze and Associates for their professional work, dedication, competence, and diligence in ongoing assistance during the audit process and throughout the year. Finally, we would like to express our appreciation to the City Council for their attention and unfailing support of maintaining the highest standards of professionalism in managing the City’s finances in a responsible and conservative manner in the best interests of the citizens of Pacifica with the emphasis on transparency, ethics, and fiscal responsibility.

Respectfully submitted,



Kevin Woodhouse
City Manager



Yulia Carter
Assistant City Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Pacifica
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

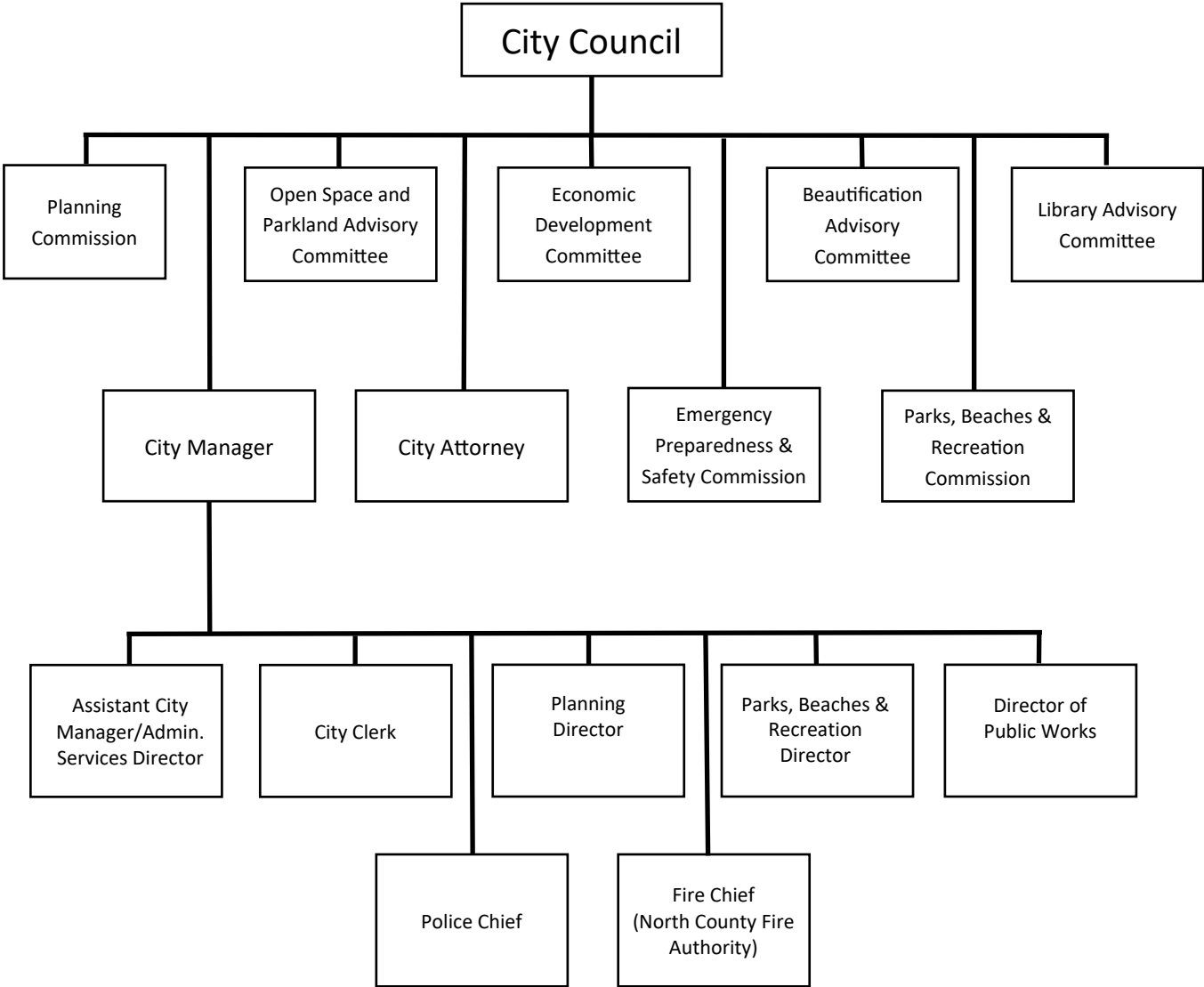
June 30, 2021

Christopher P. Morill

Executive Director/CEO



Citizens of Pacifica



CITY OF PACIFICA

MARY BIER
Mayor

TYGARJAS BIGSTYCK
Mayor Pro Tem

SUE VATERLAUS
SUE BECKMEYER
CHRISTINE BOLES
Members of City Council

* * * * *

KEVIN WOODHOUSE
City Manager

* * * * *

MICHELLE MARCHETTA KENYON
City Attorney

* * * * *

OTHER ADMINISTRATIVE OFFICERS

YULIA CARTER	Assistant City Manager/Administrative Services Director
CHRISTIAN MURDOCK	Planning Director
RON MYERS	Fire Chief
DAN STEIDLE	Police Chief
MICHAEL PEREZ	Director of Parks, Beaches & Recreation
LISA PETERSEN	Director of Public Works
SARAH COFFEY	City Clerk

* * * * *

OFFICIAL COMMISSIONS AND COMMITTEES

BEAUTIFICATION ADVISORY COMMITTEE
ECONOMIC DEVELOPMENT COMMITTEE
EMERGENCY PREPAREDNESS & SAFETY COMMISSION
LIBRARY ADVISORY COMMITTEE
OPEN SPACE AND PARKLAND ADVISORY COMMITTEE
PARKS, BEACHES AND RECREATION COMMISSION
PLANNING COMMISSION

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council
City of Pacifica, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Pacifica, California (City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Supplementary Information, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section listed in the Table of Contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2022, 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.

Maze & Associates

Pleasant Hill, California
December 28, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

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City of Pacifica Management's Discussion and Analysis, Continued For the year ended June 30, 2022

The City of Pacifica (City) management staff offers readers of the City's financial statements this narrative overview and analysis of City financial activities for the fiscal year ended June 30, 2022. It has been designed in accordance with standards established by the Governmental Accounting Standards Board. We encourage readers to consider the information presented here in conjunction with the accompanying letter of transmittal and financial statements.

FINANCIAL HIGHLIGHTS:

➤ **CITY-WIDE:**

- The City's total net position was \$84.4 million as of June 30, 2022, an increase of \$11 million from FY2021. Governmental activities increased \$7.5 million and Business-type activities increased \$3.5 million. Of this net position of \$84.4 million, \$53.3 million was in Governmental Activities, and \$31.1 million was in Business-type Activities. The City's net investment in capital assets of \$95.6 million is not available for future appropriation (see Table 1 for additional information). The negative unrestricted net position of \$34.3 million is mainly the result of implementing GASB Statement No. 68, Accounting and Financial Reporting for Pensions recognizing the City's net pension liability since the fiscal year 2014-15.
- Total City revenues increased by \$12.1 million to \$71.6 million from \$59.5 million. The \$9.2 million increase was derived from Governmental Activities, and the \$2.9 million increase was derived from Business-type Activities (see Table 2 for additional information).
- Total City expenses were \$61.5 million: \$44.6 million for the Governmental Activities and \$16.9 million for the Business-type Activities. This is an increase of \$2.6 million compared to the prior year of \$58.9 million. Governmental Activities saw a decrease of \$0.7 million, while Business-type Activities saw an increase of \$3.3 million mainly due to depreciation. (see Table 2 for additional information).
- The City's net pension liability and deferred inflows of resources related to pension decreased \$2.2 million from a total of \$65 million to \$62.8 million due to adjustments in the most recent actuarial reports prepared by CalPERS. See Note 7 of the Notes to Financial Statements for details.

➤ **FUND LEVEL:**

- The City's governmental funds reported combined fund balances of \$45.1 million, an increase of \$8.3 million compared to the prior year of \$36.8 million. The Enterprise Funds' net position increased by \$3.5 million to \$31.1 million from prior year of \$27.6 million, and the Internal Service Funds' net position decreased by \$1.0 million to \$3.7 million from prior year of \$4.7 million.
- During FY2021-22, the City performed a revenue accrual and fund balance reconciliation. As a result, the beginning general fund balance, the housing successor special revenue fund, and the beginning net position of the sewer utility enterprise fund, and the successor agency private trust fund were restated by (\$655,644), \$362,317, \$1,095,458 and (\$803,744) respectively. This resulted in net change in fund balances of (\$293,027) for governmental activities and \$1,095,458 for business type activities respectively. Please see Note 11D of the Notes to Financial Statements for details.



City of Pacifica Management's Discussion and Analysis, Continued For the year ended June 30, 2022

- The General Fund's assets exceeded its liabilities resulting in an ending fund balance of \$16.3 million, a decrease of \$0.2 million from the prior year. Of the ending fund balance, \$3.8 million is non-spendable, \$0.3 million restricted, and \$4.8 million has been assigned and intended to be used for specific purposes. The unassigned portion of the fund balance of \$7.4 million is available and may be used to meet the government's ongoing obligations to citizens and creditors.
- The total assets of the Business-type activities – Enterprise Funds (Sewer and Beach Parking Funds) of the City exceeded its total liabilities at the close of the most recent fiscal year by \$31.1 million, an increase of \$3.5 million primarily due to the prior year adjustment of revenue accrual of \$1.1 million and an approved increase in sewer service charges of \$2.4 million.
- The net position of internal service fund was \$3.7 million, a decrease of \$1.0 million from a balance of \$4.7 million in the prior fiscal year. Total operating expenses exceeded total operating revenues due to increases in insurance premiums and personnel cost.

OVERVIEW OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT

This comprehensive annual financial report comprises of six parts to help the readers develop a complete understanding of the City's financial activities:

- 1) Introductory section which includes the Transmittal Letter, city council organization chart and city executive staff;
- 2) Management's Discussion and Analysis (this part);
- 3) Basic Financial Statements;
- 4) Required Supplementary Information;
- 5) Other supplementary Information;
- 6) Statistical Information.

The **Basic Financial Statements** consist of three components: 1) Government-wide financial statements; 2) Fund financial statements; and 3) Notes to the basic financial statements.

The Government-Wide Financial Statements – These statements include the *Statement of Net Position* and *Statement of Activities*. These statements provide a broad overview of the City's finances, presented in a manner similar to private-sector companies.

The *Statement of Net Position* presents complete information on the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position. Changes in the net position that occur over time may serve as an indicator of the City's financial position, whether it is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed during the current fiscal year. All changes in net position are reported using the "accrual basis of accounting." Changes are reported when the underlying event giving rise to the changes occurs, regardless of the timing of the related cash flows. Thus, revenue and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods, such as revenues related to uncollected taxes or earned but unused vacation leave.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The City's governmental activities consist of general government, public safety, public works, parks,



City of Pacifica
Management's Discussion and Analysis, Continued
For the year ended June 30, 2022

beaches and recreation, and community development. The business-type activities of the City include sewer utility and beach parking.

The government-wide financial statements can be found on pages 23-25.

The Fund Financial Statements – A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal and accounting requirements. The City's funds can be divided into three categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare 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 City's near-term financing decisions. Both the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental activities and governmental funds.

The City has four major governmental funds: General, Disaster Accounting, General Capital Improvement, and Debt Service Fund. Information is presented separately in the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for these funds. Financial information for the remaining governmental funds is combined into a single, aggregated presentation called Other Governmental Funds. Individual fund data for each of these non-major governmental funds is provided by combining statements located elsewhere in the report.

The governmental fund financial statements can be found on pages 26-32 of this report.

Proprietary funds are used to account for services and activities for which a fee is charged to customers in exchange for City provided goods or services. Proprietary funds use the "economic resources" measurement focus, which concentrates on how transactions and events have affected the fund's total economic resources. The City maintains two different types of proprietary funds.

Enterprise Funds: These are funds that are used to report business-type activities in the governmental-wide financial statements. The City has two enterprise funds: Sewer and Beach Parking.

Internal Service Funds: These funds are used to allocate costs internally among the City's functions. The City uses internal service funds to account for the maintenance and replacement of its fleet and rolling stock, general liability, worker's compensation, and dental. These funds are included in the governmental activities of the government-wide financial statements because their activities support governmental programs. The internal service funds are then combined into a single, aggregated presentation in the proprietary fund financial statements. Individual data for the internal services funds is provided in the form of combining statements.

The proprietary fund financial statements can be found on pages 33-37 of this report.



City of Pacifica Management's Discussion and Analysis, Continued For the year ended June 30, 2022

Fiduciary funds are used to account for financial resources held for the benefit of parties outside the City government. The City holds these funds in a custodial capacity or as an agent for individuals, private organizations, or other governmental units. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's governmental activities.

The Successor Agency to the City of Pacifica Redevelopment Agency Trust Fund was created as a result of the California Supreme Court decision on December 29, 2011, upholding ABx1 26, which eliminated all redevelopment agencies in California and created a process for winding down their operations. Trust funds report an "income statement" referred to as a Statement of Changes in Fiduciary Net Position.

The fiduciary fund financial statement can be found on pages 38-39 of this report.

Notes to the Financial Statements – The notes provide additional detail essential to a complete understanding of the information provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found starting on page 41 of this report.

The next **Required Supplementary Information** section of the report provides a budgetary comparison for the major governmental funds. Pension related schedules could be found here. Required supplementary information can be found on page 90-107 of this report.

The **Other supplementary information** section contains the combining and individual fund statements and schedules which provide information for non-major governmental funds and the internal service funds, all of which are presented immediately after the required supplementary information. Other supplementary information can be found on page 112-129 of this report.

Finally, the **Statistical information** provides readers last 10 fiscal years information such as net position, change in net position, fund balance in governmental funds, assessed values, direct and overlapping property taxes, principal property taxpayers City of Pacifica has, demographic and economic statistics, principal employers, operating indicators, and capital assets by function.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

Net position may serve over time as a useful indicator of the City's financial position. As noted earlier in the financial highlights, Pacifica's total net position was \$84.4 million as of June 30, 2022, representing an increase of \$11.0 million over the prior year of \$73.4 million. This increase resulted from the following: an increase in total assets of \$11.8 million, primarily due to a receipt of \$4.6 million ARPA funds and \$4.0 million new loan proceeds for the Civic Center remodel project; a decrease of deferred outflows of \$0.9 million; a decrease of liabilities of \$24.1 million and an increase of deferred inflows of \$24 million as a result of adjustments provided by CalPERS Actuarial reports. Assets and deferred outflows of resources as of June 30, 2022, were \$229.7 million, reflecting a 5.0% increase from the prior year. Total assets increased mainly from the large increase in cash and investment of \$20 million offset by a decrease in other assets of \$7.6 million. Liabilities and deferred inflows stayed relatively flat at \$145.3 million as of FY2022 compared with \$145.3 million as of FY2021 (Table 1).

As of June 30, 2022, the City reported positive balances in all categories of net position for the government as a whole except for unrestricted net position.



City of Pacifica
Management's Discussion and Analysis, Continued
For the year ended June 30, 2022

The largest portion of the City's net position is its net investment in capital assets totaling \$95.6 million. Capital assets are the aggregate value of land, buildings, and improvements that are used to provide services and are reported net of any related debt used to acquire those assets that are still outstanding. Consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay these debts must be provided from other sources since the capital assets cannot be used to liquidate these liabilities.

Table 1
Comparative Statement of Net Position
(In Millions)

	Governmental Activities		Business-Type Activities		Totals	
	FY22	FY21	FY22	FY21	FY22	FY21
Cash and investments	\$ 46.0	\$ 33.5	\$ 11.3	\$ 3.9	\$ 57.4	\$ 37.4
Other assets	5.8	9.0	1.0	5.4	6.8	14.4
Capital assets	88.6	87.5	62.6	64.2	151.1	151.7
Total assets	140.3	130.0	74.9	73.5	215.3	203.5
Deferred Outflows of Resources	13.4	14.3	1.0	1.0	14.4	15.3
Current liabilities	7.4	5.8	4.0	3.3	11.4	9.1
Non-current liabilities	65.2	88.8	40.6	43.4	105.8	132.2
Total liabilities	72.6	94.6	44.6	46.7	117.2	141.3
Deferred Inflows of Resources	27.8	3.8	0.2	0.2	28.0	4.0
Net Position						
Net investment in capital assets	69.5	71.5	26.1	25.1	95.6	96.6
Restricted	23.0	17.3			23.0	17.3
Unrestricted	(39.3)	(42.9)	5.0	2.5	(34.3)	(40.4)
Total net position	\$ 53.3	\$ 45.8	\$ 31.1	\$ 27.6	\$ 84.4	\$ 73.4

The City's restricted net assets of \$23.0 million represent resources that are subject to external restrictions on how the funds may be used, such as constructing specified capital projects, debt service, or other community programs.

The remaining balance in unrestricted net position of negative \$34.3 million is primarily the result of the implementation of GASB Statements No. 68, 71, and 75 pension and other post - employment benefits related liability accruals. It is important to note that these long-term obligations are based on actuarial estimates and do not represent a liability due and payable immediately. Please refer to the Note 7 to basic financial statements for more information about the impact of the implementation of these statements.



City of Pacifica
Management's Discussion and Analysis, Continued
For the year ended June 30, 2022

Statement of Activities

The Statement of Activities provides information about all the City's revenue and expenses, with an emphasis on measuring net revenues or expenses in each of the City's programs and explains in detail the change in Net Position for the year.

Governmental activities increased the City's net position by \$7.7 million with a total net position of \$53.3 million at the end of the fiscal year. Business type activities increased the City's net position by \$2.4 million with a total net position of \$31.1 million at the end of the fiscal year. (Table 2)

Table 2
Statement of Activities
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	FY22	FY21	FY22	FY21	FY22	FY21
Revenues						
Program revenues						
Charges for service	\$ 6.3	\$ 5.3	\$ 19.5	\$ 16.6	\$ 25.9	\$ 21.9
Operating contributions & grants	8.6	3.5			8.6	3.5
Capital grants	2.4	2.3			2.4	2.3
Total program revenues	17.3	11.1	19.5	16.6	36.8	27.7
General revenues						
Taxes:						
Property	14.4	15.1			14.4	15.1
Sales and use	3.1	2.9			3.1	2.9
Franchise	1.8	1.7			1.8	1.7
Other taxes	10.4	9.0			10.4	9.0
Motor Vehicle In Lieu	4.4	2.6			4.4	2.6
Investment Earnings	0.1	-	0.3	0.3	0.4	0.3
Miscellaneous	0.3	0.2			0.3	0.2
Total general revenues	34.5	31.5	0.3	0.3	34.8	31.8
Total revenues	51.8	42.6	19.8	16.9	71.6	59.5
Expenses						
Governmental Activities						
General government	7.5	7.1			7.5	7.1
Public Safety	18.6	21.1			18.6	21.1
Community Development	3.2	3.0			3.2	3.0
Public Works	9.3	7.7			9.3	7.7
PBR	4.9	5.4			4.9	5.4
Interest on long-term debt	1.0	1.0			1.0	1.0
Business-Type Activities						
Sewer			16.3	12.9	16.3	12.9
Beach Parking			0.6	0.7	0.6	0.7
Total expenses	44.6	45.3	16.9	13.6	61.5	58.9
Change in net position before transfers	7.2	(2.7)	2.9	3.3	10.2	0.6
Transfers	0.5	(0.3)	(0.5)	0.3	-	-
Change in net position	7.7	(2.9)	2.4	3.6	10.2	0.6
Net position - beginning, as restated (Note 11C)	45.5	48.7	28.7	24.0	74.2	72.7
Net position - ending	\$ 53.3	\$ 45.8	\$ 31.1	\$ 27.6	\$ 84.4	\$ 73.4

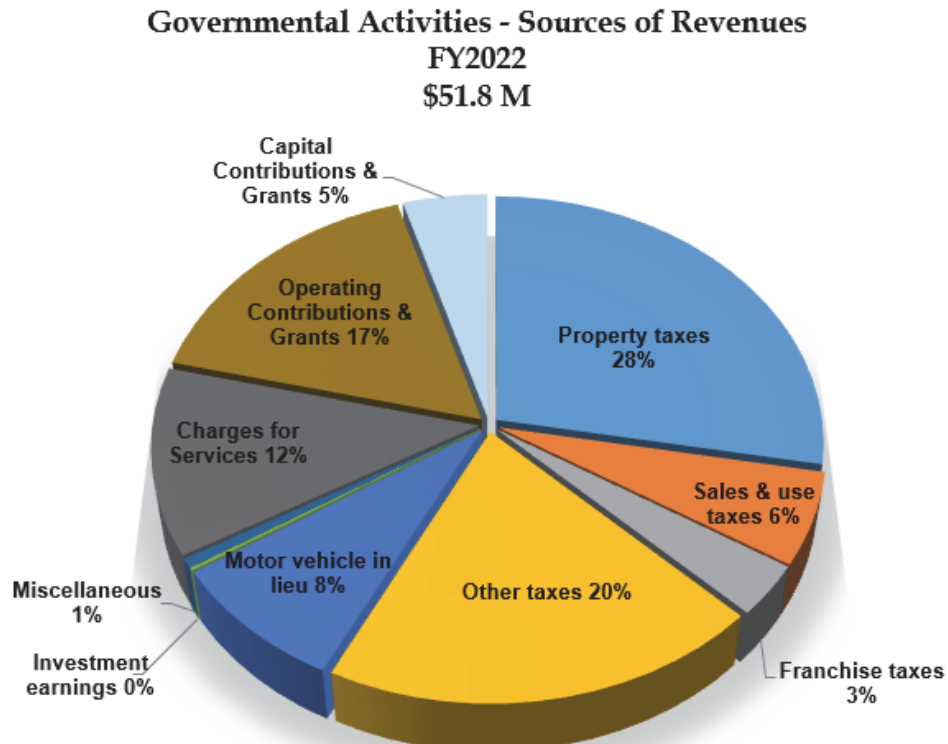


City of Pacifica Management’s Discussion and Analysis, Continued For the year ended June 30, 2022

The City’s total revenues were \$71.6 million for the year ended June 30, 2022, an increase of \$12.1 million from previous fiscal year. Program revenue for both Governmental and Business-type activities increased by \$9.1 million from \$27.7 million to \$36.8 million. Revenues from all taxes increased by \$1.0 million from \$28.7 million to \$29.7 million. Other revenues lead to an additional increase of \$2 million to the total revenue. A large part of program revenue increase is due to ARPA revenue of \$4.6 million received, charge for services of \$1 million increase from governmental activities as the COVID situation improves and many city programs are back to normal and charge for services of \$2.9 million increase from Business-type activities as a result of rate adjustment. General revenues and transfers from all sources relating to governmental activities increased by \$3.7 million or 12.0% to \$35.0 million. The increase in general revenues was the result of the state partially fulfilling their obligations for VLF backfill resulting in \$1.8 million increase in this category, other taxes of \$1.4 million increase and transfer in of \$0.8 million increase.

The City’s total program expenses were \$61.5 million, an increase of \$2.6 million over the prior fiscal year, primarily due to the increase in Business-type activities – sewer operation that includes \$3.4 million from annual depreciation expenses. from governmental activities decreased by \$0.7 million or 1.6% to \$44.6 million for the fiscal year. Other categories stayed about consistent with the prior year. (Table 2)

Governmental Activities Revenues. In FY2022, the City received nearly 57% of its revenue from taxes: 28% from property taxes, 20% from other taxes, 6% from sales taxes, and 3% from franchise taxes. The City also received 12% from charges for services, 17% from operating contribution and grants, 5% from capital grants, and 8% from Motor Vehicle in Lieu.

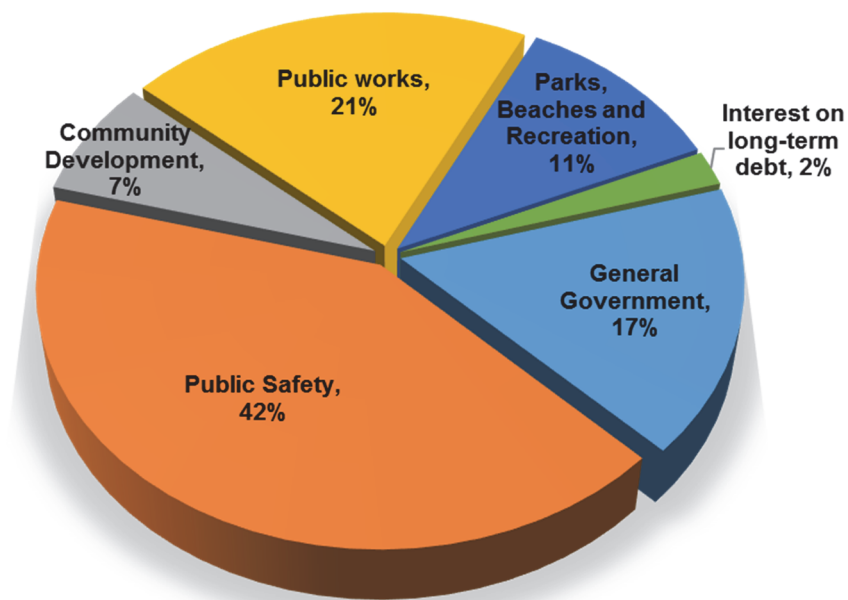




City of Pacifica
Management's Discussion and Analysis, Continued
For the year ended June 30, 2022

Governmental Activities Expenses. In FY2022, 81% of expenses were attributable to direct services such as Public Safety, Public Works, Parks Beaches and Recreation, and Community Development with percentages of 42%, 21%, 11% and 7% respectively. This was consistent with 82% in the prior year. Total expenditures were \$44.6 million in FY2022 which was \$0.7 million less than \$45.3 million in the prior year.

Governmental Activities - Sources of Expenses
FY2022
\$44.6 M



The majority of these governmental activities are financed from City taxes. However, funds collected in program revenues for these various activities served to offset the departmental spending associated with some services. Governmental expenses, which totaled \$44.6 million, were offset in part by program revenues for governmental activities of \$17.3 million, an increase from \$11.1 million in the prior year. These program revenues included \$6.3 million in charges for services, \$8.6 million in operating grants and contributions, and \$2.4 million in capital grants and contributions and reflect the City's recovery from the pandemic. Charges for services include traffic safety fines, plan check fees, building inspection fees, other charges related to new construction, and fees charged for parks, beaches, and recreational events. Operating grants and contributions include amounts that can only go toward operations-related expenses, while capital grants and contributions are required to go toward capital investments. (Table 3)



City of Pacifica
Management's Discussion and Analysis, Continued
For the year ended June 30, 2022

Table 3
Governmental Activities
Program Revenues and Net Revenue (Expense) From Services for fiscal year ended June 30, 2022
(In Millions)

	<u>Program Revenues</u>		<u>Operating Expenses</u>		<u>Net Revenue (Expense)</u>	
	<u>FY22</u>	<u>FY21</u>	<u>FY22</u>	<u>FY21</u>	<u>FY22</u>	<u>FY21</u>
General government	\$ 5.9	\$ 0.4	\$ 7.48	\$ 7.1	\$ (1.6)	\$ (6.7)
Public Safety	1.8	1.9	18.6	21.1	(16.8)	(19.2)
Community development	2.7	3.2	3.2	3.0	(0.6)	0.2
Public works	3.6	3.5	9.3	7.7	(5.8)	(4.2)
Parks, beaches, and recreation	3.4	2.1	4.9	5.4	(1.6)	(3.3)
Interest on long-term debt	-	-	1.0	1.0	(1.0)	(1.0)
	\$ 17.3	\$ 11.1	\$ 44.6	\$ 45.3	\$ (27.3)	\$ (34.2)

Business-type Activities

The net position of the City's business-type activities increased by \$2.4 million from a restated beginning net position of \$28.7 million. In the fiscal year 2021-22, enterprise operations produced total operating revenues of \$19.5 million, a \$2.5 million increase from the prior year. The increase in revenue was mostly from the previously approved increase in sewer utility rates. (Table 2)

Business-type expenses totaled \$16.9 million at the end of the fiscal year. Operating expenses for these activities increased by \$3.3 million or 24.1% from the prior year. The increase was attributable to larger depreciation expense. (Table 2)

Unlike the government activities, program revenues cover total expenses in the business-type activities, with no contribution from City taxes. The City is able to adjust sewer and parking rates to cover expenditures and future liabilities.

FINANCIAL ANALYSIS OF THE CITY'S MAJOR FUNDS

Governmental funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the financial requirements and stability of the City. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

In FY2022, the City's governmental funds reported total fund balances of \$45.1 million, an increase of \$8.3 million from \$36.8 million (restated) from FY2021. The increase is a result of the following factors: a decrease of \$0.2 million in General Fund, an increase of \$1.6 million in Disaster Accounting Fund, an increase of \$3.4 million in General Capital Improvement Fund, an increase of \$5.1 million in Debt Service Fund and a decrease of \$1.6 million in all other governmental funds. (Table 4)

The General Fund, General Capital Improvement Fund, Disaster Accounting Fund, and the Debt Service Fund are considered major funds and are reported separately in the basic Financial Statements.



City of Pacifica
Management’s Discussion and Analysis, Continued
For the year ended June 30, 2022

Table 4
Total Governmental Funds
(In Millions)

	<u>Fund Balance</u> <u>FY22</u>	<u>Fund Balance</u> <u>FY21</u>	<u>Net change in</u> <u>Fund Balance</u>
General Fund	\$ 16.3	\$ 16.5	\$ (0.2)
Disaster Accounting Fund	6.1	4.5	1.6
General Capital Improvement Fund	6.7	3.3	3.4
Debt Service Fund	5.3	0.2	5.1
Other Governmental Funds	10.7	12.3	(1.6)
Total Governmental Funds	<u>\$ 45.1</u>	<u>\$ 36.8</u>	<u>\$ 8.3</u>

General Fund

The General Fund is the City’s main operating fund. General Fund revenues totaled \$42.5 million in the fiscal year 2021-22, a \$6.8 million or 19.1% increase from the prior year primarily due to a receipt of one-time American Rescue Plan Act (ARPA) funds. Expenditures totaled \$38.1 million, a \$4.1 million or 12.1% increase from the prior year. The General Fund received transfers in of \$1.1 million from the Street Construction Fund, Gas Tax Fund and NPDES stormwater Fund as reimbursement for salaries and benefits related expenditures. The General Fund also transferred out \$5.1 million to General capital improvement fund, debt service fund, general liability insurance Fund for capital projects, debt service and insurance funding, including a one-time \$3 million contribution towards the Civic Center improvement project. Detailed notes on the transfers can be found in the Interfund Transactions section - Note 9 in the Notes to the Basic Financial Statements.

The General Fund balance as of June 30, 2022 was \$16.3 million, \$.5 million more than prior fiscal year of \$15.8 million (as restated). The City Council assigned \$4.8 million as reserves for specific purposes as described in Note 11 of the Notes to the Basic Financial Statements. A total of \$7.4 million of the General Fund balance remains unassigned.

Disaster Accounting Fund

The Disaster Accounting Fund accounts for both revenues and expenditures associated with catastrophic events occurring in the City.

The Disaster Accounting Fund had revenues of \$2.1 million, which is a decrease of \$0.1 million from the prior year. This revenue is from San Mateo County tax remittance for excess ERAF (Educational Revenue Augmentation Fund). The total expenditures in the Disaster Accounting fund decreased by \$0.1 million due to the scheduled reduced allocation for the seawall emergency repairs project. The fund balance improved by \$1.6 million to \$6.1 million due to higher ERAF revenues allocated to the Disaster Accounting Fund per City policy previously approved by Council.



City of Pacifica
Management's Discussion and Analysis, Continued
For the year ended June 30, 2022

General Capital Improvement Fund

The General Capital Improvement Fund accounts for funds used for capital improvements and significant maintenance projects. The City capitalizes equipment with a cost basis of at least \$5,000, and that has an estimated useful life in excess of one year. Structures, improvements, and infrastructure are also capitalized. All capital assets are valued at historical cost. For more information on capital assets, please refer to Note 4 on the Notes to the Basic Financial Statement.

The General Capital Improvement Fund received revenues of \$1.9 million, which was an increase of \$1.9 million. The increase was due to a one-time allocation of \$1.5 million from ERAF fund and an insurance reimbursement of \$0.3 million towards the civic center remodel project. A total of \$3.8 million was transferred in from other funds to support ongoing investments in infrastructure and construction costs to fund previously approved projects, including transfers from general fund of \$3.0 million and Sewer Fund of \$0.5 million.

General Capital Improvement Fund expenditures totaled \$2.3 million, which is an increase of \$1.0 million from the prior year. The entire fund balance of \$6.7 million is restricted for the ongoing construction of capital projects. (Table 4)

Debt Service Fund

The Debt Service Fund is used to account for resources used to repay general long-term debt and to record the payment of principal and interest as well as other expenditures related to debt administration. This Fund balance as of June 30, 2022 was \$5.3 million (Table 4), an increase of \$5.1 million from prior fiscal year of \$0.2 million. The main reason of increase of the fund balance is a result of \$4.0 million loan for the Civic Center Project and a transfer in from general fund of \$1.9 million for the payments of debts, which was an increase of \$1.3 million compared with prior fiscal year of \$0.6 million transfer in from general fund to account for the scheduled increase in debt payments including 2016 COP bonds and 2019 Pension Obligation Bonds. The detailed description of the City's outstanding debt and long-term obligations associated with each issue can be found in Note 5 in the Notes to the Basic Financial Statements.

Proprietary Funds

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements. The City's enterprise funds include Sewer facility fund and Beach parking fund, while the internal service funds include Self Insurance Dental, Self Insurance Worker's Comp, Self Insurance General Liability, Motor Pool Operations, Motor Pool Replacement funds and Fire Equipment Replacement Fund.

Sewer Utility Enterprise Fund

The Sewer Utility Enterprise Fund accounts for the operation and maintenance of the City's wastewater system, including the operating costs of the wastewater collection system and water recycling plant. The Sewer Utility Fund continues to show healthy fiscal condition as in prior years. There was an increase of \$2.4 million in the fund's overall net position compared to the prior year (Table 5), but a large portion of the net position (84.0%) is related to the City's investment in capital assets.



City of Pacifica
Management’s Discussion and Analysis, Continued
For the year ended June 30, 2022

The fund’s net revenue increased by \$2.9 million from the prior year, mostly the result of sewer rate adjustment to meet future needs of the sewer enterprise. Total operating expenses of the Sewer Utility Fund increased by \$3.3 million, largely due to an increase in depreciation expense compared with FY2021. Transfer out goes to Debt service fund for the 2019 Pension Bonds Pool share, NPDES fund and General Capital Improvement fund totaled \$0.5 million. The result of net operating income and transfer out leads to \$2.4 increase to the net position.

Table 5
Change in Fund Net Position - Proprietary Funds for the year ended June 30, 2022
(In Millions)

	Total Enterprise Funds		Total Internal Service Funds	
	FY22	FY21	FY22	FY21
Operating revenues	\$ 19.5	\$ 16.6	\$ 2.5	\$ 2.2
Operating expenses	15.3	12.0	3.6	3.1
Operating income (loss)	4.2	4.6	(1.1)	(0.9)
Non-operating revenues (expenses)	(1.3)	(1.3)	0.0	0.0
Net income (loss) before contributions and transfers	2.9	3.3	(1.1)	(0.9)
Transfers in (out)	(0.5)	0.3	0.1	0.1
Change in net position	\$ 2.4	\$ 3.6	\$ (1.0)	\$ (0.8)

Internal Service Funds

The Internal Service Funds represent funds set aside to cover employee dental expenses and insurance deductibles for liability and worker’s compensation. In addition, funds are also set aside to support replacement purchases and the day-to-day operation and maintenance of city vehicles and equipment. The internal service funds as a whole experienced a decrease in net position of \$1.0 million from the prior year primarily due to the increased insurance premiums (Table 5).

GENERAL FUND BUDGETARY HIGHLIGHTS

Detailed information on budget variances can be found on page 100 in the Budgetary Comparison Schedule General Fund. The adopted fiscal year 2021-22 General Fund budget assumed minimal growth in revenue. Thus ongoing expenditures were also contained within the forecasted revenue in order to maintain a structurally balanced budget.

Total General Fund revenues were \$42.5 million, which is \$2.8 million more than the original budget. Total expenditures were \$38.1 million, which is \$0.9 million under budget.

The most significant differences between estimated and actual results were as follows:

- Property tax was over budget by \$0.1 million.
- Other taxes which include transient occupancy, business license, utility users, and cannabis taxes along with sales tax, franchise tax outperform the final budget by \$0.5 million.



City of Pacifica
Management's Discussion and Analysis, Continued
For the year ended June 30, 2022

- Charges for current services didn't materialize as expected. The final budget was a little too optimistic about the reopening and the increased need for program services for residents, the actual revenue performed under budget by \$0.4 million.
- General fund total expenditures were under budget by \$0.9 million, which was a favorable variance.
- Expenditures in general government were over budget by \$0.5 million due to legal fees increase for various needs such as projects, litigation and personnel matters.
- Expenditures in public safety were over budget by \$0.3 million because of salaries, benefits and overtime costs.
- Expenditures in other operating departments such Planning, Public Works, and Parks Beaches and Receptions were under budget by \$0.9 million, \$0.4 million and \$0.3 million respectively primarily due to salary savings resulted from the challenging recruitment market and many positions remaining vacant for the big part of the year.

CAPITAL ASSETS AND LONG-TERM DEBT ADMINISTRATION

Capital Assets

As reported in the Statement of Net Position, capital assets for the governmental and business-type activities totaled \$151.2 million on June 30, 2022, decreased by \$0.5 million from the prior fiscal year. The investment in capital assets includes land, construction in progress, buildings, improvements, machinery and equipment, and infrastructure. The City records its capital assets at historical cost or estimated historical cost if actual historical cost is not available. The City depreciates all its capital assets on a straight-line basis over their estimated useful lives. The City's capital assets are summarized in Table 6. Additional information on capital assets may be found in Note 4 in the Notes to the Basic Financial Statements.

The total capital assets slight decrease of \$0.5 million is a result of \$1.1 million increase in governmental activities and \$1.6 million decrease in the business-type activities is mostly due to an adjustment in construction in progress.

Table 6
Capital Assets at June 30, 2022
(In Millions)

	Governmental Activities		Business Type Activities		Total	
	FY22	FY21	FY22	FY21	FY22	FY21
Governmental activities						
Land	\$ 40.5	\$ 40.5	\$ 4.0	\$ 4.0	\$ 44.5	\$ 44.5
Construction in progress	6.5	9.1	1.8	3.5	8.3	12.6
Building and improvements	16.6	16.3	77.6	77.6	94.2	93.9
Machinery and equipment	3.5	3.5	4.2	3.9	7.7	7.4
Collection Systems			48.8	44.9	48.8	44.9
Vehicles	8.5	8.4			8.5	8.4
Infrastructure	52.2	46.3			52.2	46.3
Less accumulated depreciation	(39.2)	(36.5)	(73.8)	(69.7)	(113.0)	(106.2)
Totals	\$ 88.6	\$ 87.5	\$ 62.6	\$ 64.2	\$ 151.2	\$ 151.7



City of Pacifica
Management’s Discussion and Analysis, Continued
For the year ended June 30, 2022

Long Term Debt

On June 30, 2022, the City had long-term debt obligations of \$64.8 million. Governmental Activities had debt outstanding in the amount of approximately \$27.1 million, and the business-type activities had approximately \$37.7 million. The total reduction of \$0.4 million from the prior year was due to regular debt service retirement of \$4.5 million and a \$4 million Civic center loan originated in FY2022. Additional information on long-term debt activity may be found in Note 5 of the Notes to the Basic Financial Statements.

Table 7
Outstanding Debt at June 30, 2022
(In Millions)

	Governmental Activities		Business-type Activities		Total	
	FY22	FY21	FY22	FY21	FY22	FY21
2019 Pension Obligation Refunding Bond	\$ 7.8	\$ 8.6	\$ 1.0	\$ 1.1	\$ 8.8	\$ 9.7
2016 Certificate of Participation	15.2	16.0			15.2	16.0
Capital Lease Payable	4.1	0.2			4.1	0.2
2014 Wastewater Revenue Refunding Bond			7.2	7.4	7.2	7.4
2017 Wastewater Revenue Bond			25.4	25.5	25.4	25.5
Notes Payable	-	-	4.1	6.4	4.1	6.4
Total Debt Outstanding	\$ 27.1	\$ 24.8	\$ 37.7	\$ 40.4	\$ 64.8	\$ 65.2

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

According to the June 2022 report from the California Employment Development Department (EDD), California’s unemployment rate improved and has dropped from 8.5% in June 2021 to 4% in June 2022 as the state’s employers gained 75,000 payroll jobs after regaining all these jobs lost during the March and April 2020 due to the COVID-19 pandemic.

Like most public agencies, the City of Pacifica is gradually recovering from the abrupt economic impact induced by the pandemics and expects to return to pre-pandemic revenue and service level by the end of FY2023-2024. The current budget is the year of transition as we will focus on restoring and revising city services to adapt to the community needs and prepare for a changing future. Pacifica’s unemployment is 2.2% in June 2022, compared with 12.9% record high in April 2020 and record low of 1.2% in December 2019.

Below are some key points/assumptions applied to the FY2022-2023 budget (please refer to budget book FY2022-23).

Revenue Projections: Property tax revenues are projected to increase by 4.2% over last year’s mid-year adjusted tax revenue amounts as property sales have remained strong despite the pandemic. A modest 3.3% increase in sales tax is projected for FY 2022-23. Pacifica’s mix of sales tax types combined with an increase in online sales has kept this revenue category modestly resilient during the pandemic. Hotels and Short-term rentals suffered during the pandemic but are projected to bounce back during FY 2022-2023. Other taxes, such as utility users tax, franchise tax, and business license tax, are projected a 2% increase compared to FY 2021-22 mid-year adjusted. One concern in this category is the Vehicle License Fee shortfall of approximately \$690K the state owes the City per the San Mateo County Controller’s office, the backfill for which can lag up to two years.



City of Pacifica
Management's Discussion and Analysis, Continued
For the year ended June 30, 2022

For FY 2022-23, the budget is utilizing approximately \$4.6 million in one-time American Rescue Plan Act (ARPA) funds to help replenish the revenue losses, balance the budget, and avoid service reductions. Combined ongoing and one-time revenues for the General Fund are projected to be flat from last year's mid-year adjusted revenues. The General Fund budget for FY2022-2023 is \$47.3 million in revenue and \$47.3 million in expenditures. It will generate a small structural surplus of \$3,000 in the FY2022-2023 General Fund budget.

Expenditures: Salaries and Benefits projections assume a 2% of Cost of Living Adjustment. Materials, supplies and Maintenance category assumes a very modest 1.5% increase that partially accounts for inflation. Contractual services category assumes a 2.5% increase. The total General Fund expenditures of \$47.3 million shows \$3.5 million or 8% increase in spending over the revised FY2021-2022 Budget, which includes the General Fund's one-time contribution towards the capital improvement program of \$655,000. The increase in expenditures in the coming year is primarily due to the budget assumptions used to develop the base budget as well as approved budget enhancements, including additional limited-term staffing to meet council's current and upcoming priorities, which are described in detail in the Executive Summary section of the budget book.

Sewer Rate Adjustments: The most recent rate study for the sewer utility was completed in 2017. Soon after, the City Council approved an ordinance that enacted a five-year rate structure with a maximum annual rate increase for the City's wastewater program service charges from fiscal year 2017-18 through 2021-22. The revenues generated by the rate structure are the main source of revenue for the wastewater program and address its future capital and financial needs. The fiscal year 2022-23 rate increase was 3.5%.

Staff will continue monitoring the City's economic conditions and continue to work with the City Council and community to address any current and potential challenges that may lay ahead. To this end, staff will build or revise the budget assumptions based on any new information as it becomes available. This work may include identifying operational opportunities, assessing appropriate fee structure, pursuing acceptable economic development opportunities, and advising on alternative revenue options available to the City and the community to boost economic recovery and ensure the continuing high quality of life for the residents and visitors of Pacifica.

REQUEST FOR INFORMATION

This report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to:

City of Pacifica
Finance Department
Attn: Yulia Carter, Assistant City Manager/Administrative Services Director
540 Crespi Drive, Pacifica, California 94044.

An electronic version of this financial report is available at the City's website at <http://www.cityofpacifica.org>.

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CITY OF PACIFICA
STATEMENT OF NET POSITION
JUNE 30, 2022

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and investments (Note 3)	\$38,419,438	\$7,310,530	\$45,729,968
Cash and investments with fiscal agents (Note 3)	4,600,228	4,030,189	8,630,417
Restricted cash and investments (Note 3)	3,001,260		3,001,260
Taxes receivable	230		230
Accounts receivable, net of allowance	2,560,714		2,560,714
Interest receivable	13,901		13,901
Prepaid items	178,394	379,264	557,658
Inventories	18,715	6,597	25,312
Receivable from successor agency (Note 10)	3,641,599		3,641,599
Internal balances (Note 9)	(649,938)	649,938	
Capital assets, not being depreciated (Note 4)	46,933,938	5,768,316	52,702,254
Capital assets, being depreciated, net of accumulated depreciation (Note 4)	41,625,744	56,793,548	98,419,292
Total Assets	<u>140,344,223</u>	<u>74,938,382</u>	<u>215,282,605</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding of debt	387,025	207,873	594,898
Related to OPEB (Note 6)	1,478,114	31,401	1,509,515
Related to pension (Note 7)	11,537,495	719,521	12,257,016
Total Deferred Outflows of Resources	<u>13,402,634</u>	<u>958,795</u>	<u>14,361,429</u>
LIABILITIES			
Accounts payable	3,053,683	1,238,768	4,292,451
Interest payable	320,415	75,519	395,934
Refundable deposits	1,211,759		1,211,759
Unearned revenue	6,500		6,500
Claims payable due within one year (Note 8)	304,204		304,204
Compensated absences (Note 1M):			
Due within one year	922,784	185,817	1,108,601
Due in more than one year	696,136	128,252	824,388
Long term debt (Note 5):			
Due within one year	1,563,816	2,552,671	4,116,487
Due in more than one year	25,551,930	35,120,013	60,671,943
Net OPEB Liabilities, due in more than one year (Note 6)	7,481,035	1,517,682	8,998,717
Net pension liabilities, due in more than one year (Note 7)	31,514,646	3,788,519	35,303,165
Total Liabilities	<u>72,626,908</u>	<u>44,607,241</u>	<u>117,234,149</u>
DEFERRED INFLOWS OF RESOURCES			
Related to OPEB (Note 6)	390,910	112,275	503,185
Related to pension (Note 7)	27,441,602	94,801	27,536,403
Total Deferred Inflows of Resources	<u>27,832,512</u>	<u>207,076</u>	<u>28,039,588</u>
NET POSITION (Note 11)			
Net investment in capital assets	69,492,549	26,098,298	95,590,847
Restricted for:			
PARS Pension Trust	342,510		342,510
Construction of capital assets	7,861,392		7,861,392
Streets, highways, and other related purposes	3,322,713		3,322,713
Parks, beaches and recreation	4,878,774		4,878,774
Stormwater operations	324,165		324,165
Public safety	6,314,177		6,314,177
Unrestricted	(39,248,843)	4,984,562	(34,264,281)
Total Net Position	<u>\$53,287,437</u>	<u>\$31,082,860</u>	<u>\$84,370,297</u>

See accompanying notes to financial statements

**CITY OF PACIFICA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Contributions and Grants</u>	<u>Capital Contributions and Grants</u>
Governmental Activities:				
General government	\$7,481,370	\$135,929	\$5,744,141	
Public safety	18,632,393	773,713	1,038,895	\$9,541
Community development	3,243,238	2,520,754	150,489	
Public works	9,326,203	1,059,275	150,636	2,364,681
Parks, beaches and recreation	4,928,418	1,859,921	1,514,023	
Interest on long-term debt	969,550			
Total Governmental Activities	<u>44,581,172</u>	<u>6,349,592</u>	<u>8,598,184</u>	<u>2,374,222</u>
Business-type Activities:				
Sewer	16,258,603	18,965,244		
Beach Parking	620,511	559,195		
Total Business-type Activities	<u>16,879,114</u>	<u>19,524,439</u>		
Total	<u>\$61,460,286</u>	<u>\$25,874,031</u>	<u>\$8,598,184</u>	<u>\$2,374,222</u>

General Revenues:

 Taxes:

 Property taxes

 Sales and use taxes

 Franchise taxes

 Other taxes

 Motor vehicle in lieu, unrestricted

 Investment earnings

 Miscellaneous

Transfers

 Total General Revenues and Transfer

Change in Net Position

Net Position at beginning of year, as restated (Note 11C)

Net Position at end of year

See accompanying notes to financial statements

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

Governmental Activities	Business-type Activities	Total
(\$1,601,300)		(\$1,601,300)
(16,810,244)		(16,810,244)
(571,995)		(571,995)
(5,751,611)		(5,751,611)
(1,554,474)		(1,554,474)
(969,550)		(969,550)
<u>(27,259,174)</u>		<u>(27,259,174)</u>
	\$2,706,641	2,706,641
	(61,316)	(61,316)
	<u>2,645,325</u>	<u>2,645,325</u>
<u>(27,259,174)</u>	2,645,325	<u>(24,613,849)</u>
14,445,541		14,445,541
3,136,433		3,136,433
1,754,500		1,754,500
10,385,735		10,385,735
4,355,327		4,355,327
100,562	286,486	387,048
324,910		324,910
499,600	(499,600)	
<u>35,002,608</u>	<u>(213,114)</u>	<u>34,789,494</u>
7,743,434	2,432,211	10,175,645
<u>45,544,003</u>	<u>28,650,649</u>	<u>74,194,652</u>
<u>\$53,287,437</u>	<u>\$31,082,860</u>	<u>\$84,370,297</u>

**CITY OF PACIFICA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2022**

	<u>General</u>	<u>Disaster Accounting Special Revenue Fund</u>	<u>General Capital Improvement Capital Projects Fund</u>	<u>Debt Service Fund</u>
Assets				
Cash and investments (Note 3)	\$12,629,788	\$6,212,043	\$7,338,908	\$1,021,645
Cash and investments with fiscal agents (Note 3)	342,510		13,415	4,244,303
Restricted cash and investments (Note 3)				
Receivables:				
Taxes	230			
Accounts	2,194,424	57,225	12,500	
Interest	13,900		1	
Due from other funds	917,260			
Prepaid items	126,958			51,436
Receivable from RDA successor agency (Note 10)	3,641,599			
	<u>\$19,866,669</u>	<u>\$6,269,268</u>	<u>\$7,364,824</u>	<u>\$5,317,384</u>
Total Assets				
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$1,706,248	\$180,854	\$641,860	
Due to other funds				
Refundable deposits	1,211,759			
Unearned revenue	6,500			
Advance from other funds (Note 9)	649,938			
	<u>3,574,445</u>	<u>180,854</u>	<u>641,860</u>	
Total Liabilities				
Fund balances (Note 11):				
Non-spendable	3,768,557			
Restricted	342,510	6,088,414	6,722,964	\$5,317,384
Assigned	4,803,631			
Unassigned	7,377,526			
	<u>16,292,224</u>	<u>6,088,414</u>	<u>6,722,964</u>	<u>5,317,384</u>
Total Fund Balances				
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$19,866,669</u>	<u>\$6,269,268</u>	<u>\$7,364,824</u>	<u>\$5,317,384</u>

See accompanying notes to financial statements

Other Governmental Funds	Total
\$8,546,067	\$35,748,451
	4,600,228
3,001,260	3,001,260
	230
295,042	2,559,191
	13,901
	917,260
	178,394
	3,641,599
<u>\$11,842,369</u>	<u>\$50,660,514</u>
\$249,472	\$2,778,434
917,260	917,260
	1,211,759
	6,500
	649,938
<u>1,166,732</u>	<u>5,563,891</u>
11,295,423	3,768,557
	29,766,695
(619,786)	4,803,631
	6,757,740
<u>10,675,637</u>	<u>45,096,623</u>
<u>\$11,842,369</u>	<u>\$50,660,514</u>

CITY OF PACIFICA
Reconciliation of the
GOVERNMENTAL FUNDS - BALANCE SHEET
with the
STATEMENT OF NET POSITION
JUNE 30, 2022

Fund Balance - Governmental Funds **\$45,096,623**

Amounts reported for Governmental Activities in the Statement of Net Position is different from those reported in the governmental funds because of the following:

Capital assets used in Governmental Activities are not current resources and, therefore, are not reported in the governmental funds. 86,754,289

Deferred charge on refunding, net of accumulated amortization has not been reported in the governmental funds. This was capitalized and amortized over the life of the new debt or old debt whichever is shorter in the Statement of Net Position. 387,025

The items below are not financial resources / (not due and payable) in the current period and, therefore are not reported in the governmental funds.

Compensated Absences	(1,575,124)
Long term debt	(26,981,551)
Interest payable	(320,085)
Net OPEB liabilities	(7,481,035)
Net Pension Liabilities	(31,514,646)
Deferred inflows related to pension and OPEB	(27,832,512)
Deferred outflows related to pension and OPEB	13,015,609

Internal service funds are used by management to charge costs of certain activities, such as insurance and central garage, to individual funds. The assets and liabilities of the internal service funds are included in Governmental Activities in the Statement of Net Position. 3,738,844

Net Position of Governmental Activities **\$53,287,437**

See accompanying notes to financial statements

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**CITY OF PACIFICA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>General</u>	<u>Disaster Accounting Special Revenue Fund</u>	<u>General Capital Improvement Capital Projects Fund</u>	<u>Debt Service Fund</u>
REVENUES				
Taxes	\$24,284,444	\$1,990,993	\$1,500,000	
Licenses and permits	1,026,381		52,995	
Fines and forfeitures	167,612			
Use of money and property	222,511			\$111
Intergovernmental	10,875,321			
Charges for current services	3,649,015			
Recreation programs	456,080			
Other	1,840,182	147,106	320,000	1,091,137
Total Revenues	<u>42,521,546</u>	<u>2,138,099</u>	<u>1,872,995</u>	<u>1,091,248</u>
EXPENDITURES				
Current:				
General government	7,242,859			
Public safety	18,582,989			
Community development	3,056,701		507	
Public works	4,371,543	10,831		
Parks, beaches, and recreation	4,785,683			
Capital outlay	60,620	552,783	2,269,998	
Debt service:				
Principal				1,596,632
Interest and fiscal charges				946,574
Total Expenditures	<u>38,100,395</u>	<u>563,614</u>	<u>2,270,505</u>	<u>2,543,206</u>
Excess (Deficit) of Revenues over Expenditures	<u>4,421,151</u>	<u>1,574,485</u>	<u>(397,510)</u>	<u>(1,451,958)</u>
Other Financing Sources (Uses):				
Proceeds from lease financing				4,000,000
Transfers in (Note 9)	1,130,919		3,820,000	2,541,941
Transfers out (Note 9)	(5,105,875)			
Total Other Financing Sources (Uses)	<u>(3,974,956)</u>		<u>3,820,000</u>	<u>6,541,941</u>
Net Changes in Fund Balances	446,195	1,574,485	3,422,490	5,089,983
Fund Balances -Beginning, as restated (Note 11c)	<u>15,846,029</u>	<u>4,513,929</u>	<u>3,300,474</u>	<u>227,401</u>
Fund Balances- Ending	<u>\$16,292,224</u>	<u>\$6,088,414</u>	<u>\$6,722,964</u>	<u>\$5,317,384</u>

See accompanying notes to financial statements

Other Governmental Funds	Total
\$3,622,898	\$31,398,335
	1,079,376
	167,612
1,314	223,936
347,238	11,222,559
51,251	3,700,266
	456,080
178,417	3,576,842
4,201,118	51,825,006
208	7,243,067
75,607	18,658,596
15,899	3,073,107
3,760,676	8,143,050
25,379	4,811,062
279,568	3,162,969
	1,596,632
	946,574
4,157,337	47,635,057
43,781	4,189,949
	4,000,000
800,000	8,292,860
(2,833,317)	(7,939,192)
(2,033,317)	4,353,668
(1,989,536)	8,543,617
12,665,173	36,553,006
\$10,675,637	\$45,096,623

CITY OF PACIFICA
Reconciliation of the
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
with the
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, which measure only changes in current asset and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

Net Change in fund balance **\$8,543,617**

Amounts reported for Governmental Activities in the Statement of Activities are different because of the following:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over estimated lives and reported as depreciation expense.

Capital outlay expenditures are therefore added back to fund balances	3,810,856
Depreciation expense	(2,332,149)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increase long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities.

Proceeds from issuance of long-term debt	(4,000,000)
Repayment of debt principal	1,596,632
Interest expense	120,426
Amortization of loss on refunding	(139,463)

The amounts below included in the Statement of Activities do not provide (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds:

Compensated absences (net change)	20,642
Net pension liabilities (net change)	1,610,259
Net OPEB liabilities	(528,074)

The internal services funds are used by management to charge costs of certain activities such as insurance and central garage, to individual funds. The net revenues (expenses) of the internal service funds are reported with governmental activities.

(959,312)

Changes in net position of governmental activities

\$7,743,434

See accompanying notes to financial statements

**CITY OF PACIFICA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2022**

	Business-Type Activities			Governmental Activities
	Major Enterprise Fund Sewer Utility	Non-major Enterprise Fund Beach Parking	Total Enterprise Funds	Internal Service Funds
Assets:				
Current Assets:				
Cash and investments (Note 3)	\$7,070,348	\$240,182	\$7,310,530	\$2,670,987
Cash and investments with fiscal agents (Note 3)	4,030,189		4,030,189	
Accounts receivable				1,523
Prepaid items	379,264		379,264	
Inventory	6,597		6,597	18,715
Total Current Assets	<u>11,486,398</u>	<u>240,182</u>	<u>11,726,580</u>	<u>2,691,225</u>
Noncurrent Assets:				
Advance to other funds (Note 9)	649,938		649,938	
Capital assets, not being depreciated (Note 4)	5,768,316		5,768,316	258,774
Capital assets, being depreciated, net of accumulated depreciation (Note 4)	56,747,109	46,439	56,793,548	1,546,619
Total Noncurrent assets	<u>63,165,363</u>	<u>46,439</u>	<u>63,211,802</u>	<u>1,805,393</u>
Total Assets	<u>74,651,761</u>	<u>286,621</u>	<u>74,938,382</u>	<u>4,496,618</u>
Deferred Outflows of Resources				
Deferred charge on refunding (Note 5)	207,873		207,873	
Related to OPEB (Note 6)	31,401		31,401	
Related to pension (Note 7)	719,521		719,521	
Total Deferred Outflows of Resources	<u>958,795</u>		<u>958,795</u>	
Liabilities:				
Current Liabilities:				
Accounts payable	1,235,449	3,319	1,238,768	275,249
Interest payable	75,519		75,519	330
Claims payable due in one year (Note 8)				304,204
Compensated absences due in one year (Note 1M)	179,215	6,602	185,817	43,796
Long term debt due in one year (Note 5)	2,552,671		2,552,671	13,488
Total Current Liabilities	<u>4,042,854</u>	<u>9,921</u>	<u>4,052,775</u>	<u>637,067</u>
Noncurrent Liabilities:				
Compensated absences, due in more than one year (Note 1M)	124,539	3,713	128,252	
Long term debt due in more than one year (Note 5)	35,120,013		35,120,013	120,707
Net OPEB Liabilities due in more than one year (Note 6)	1,517,682		1,517,682	
Net pension liabilities due in more than one year (Note 7)	3,788,519		3,788,519	
Total Non-Current Liabilities	<u>40,550,753</u>	<u>3,713</u>	<u>40,554,466</u>	<u>120,707</u>
Total Liabilities	<u>44,593,607</u>	<u>13,634</u>	<u>44,607,241</u>	<u>757,774</u>
Deferred Inflows of Resources:				
Related to OPEB (Note 6)	112,275		112,275	
Related to pension (Note 7)	94,801		94,801	
Total Deferred inflows of Resources	<u>207,076</u>		<u>207,076</u>	
Net Position:				
Net investment in capital assets	26,051,859	46,439	26,098,298	1,805,393
Unrestricted	4,758,014	226,548	4,984,562	1,933,451
Total Net Position	<u>\$30,809,873</u>	<u>\$272,987</u>	<u>\$31,082,860</u>	<u>\$3,738,844</u>

See accompanying notes to financial statements

**CITY OF PACIFICA
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2022**

	Business-Type Activities			Governmental
	Major Enterprise Fund Sewer Utility	Non-major Enterprise Fund Beach Parking	Total Enterprise Funds	Internal Service Funds
Operating Revenues:				
Charges for services	\$18,617,630	\$559,195	\$19,176,825	\$1,433,408
Other operating income	347,614		347,614	1,064,699
Total Operating Revenues	18,965,244	559,195	19,524,439	2,498,107
Operating Expenses:				
Personnel services	4,720,615	512,861	5,233,476	592,253
Administration	1,386,098	47,122	1,433,220	
Supplies and materials	1,154,653	27,148	1,181,801	519,841
Insurance	811,000		811,000	959,229
Outside contractors	137,710		137,710	342,213
Maintenance	454,521	23,530	478,051	91,380
Utilities	1,870,282		1,870,282	
Insurance claims				375,560
Depreciation (Note 4)	4,124,765	9,850	4,134,615	743,427
Total Operating Expenses	14,659,644	620,511	15,280,155	3,623,903
Operating Income (Loss)	4,305,600	(61,316)	4,244,284	(1,125,796)
Non-operating revenues (Expenses):				
Investment earnings	286,486		286,486	
Gain on sale of capital assets				24,491
Interest and fiscal charges	(1,581,041)		(1,581,041)	(3,939)
Amortization	(17,918)		(17,918)	
Total Non-Operating Revenues (Expenses)	(1,312,473)		(1,312,473)	20,552
Income (Loss) Before Transfers	2,993,127	(61,316)	2,931,811	(1,105,244)
Transfers:				
Transfers in (Note 9)				145,932
Transfers out (Note 9)	(499,600)		(499,600)	
Changes in Net Position	2,493,527	(61,316)	2,432,211	(959,312)
Net Position, Beginning of Year, as restated (Note 11)	28,316,346	334,303	28,650,649	4,698,156
Net Position, End of Year	\$30,809,873	\$272,987	\$31,082,860	\$3,738,844

See accompanying notes to financial statements

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CITY OF PACIFICA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2022

	Business-Type Activities			Governmental Activities
	Major Enterprise Fund Sewer Utility	Non-major Enterprise Fund Beach Parking	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities:				
Receipts from customers	\$18,877,905	\$567,757	\$19,445,662	\$2,512,352
Payments to suppliers	(5,168,241)	(97,513)	(5,265,754)	(1,657,518)
Payments for claims				(376,701)
Payments to and on behalf of employees	(4,682,698)	(521,756)	(5,204,454)	(574,539)
Net Cash Provided (Used) by Operating Activities	9,026,966	(51,512)	8,975,454	(96,406)
Cash Flows from Noncapital and Related Financing Activities:				
Interfund payment	(99,600)		(99,600)	
Interfund receipts				145,932
Net Cash Provided (Used) by Noncapital and Related Financing Activities	(99,600)		(99,600)	145,932
Cash Flows from Capital and Related Financing Activities				
Purchase of capital assets	(2,524,422)		(2,524,422)	(313,434)
Proceeds from sale of capital assets				24,491
Principal payments on bonds and notes	(2,737,912)		(2,737,912)	(12,578)
Interest paid	(1,583,200)		(1,583,200)	(3,939)
Net Cash Provided (Used) by Capital and Related Financing Activities	(6,845,534)		(6,845,534)	(305,460)
Cash Flows from Investing Activities:				
Interest received	286,486		286,486	
Net Cash Provided by Investing Activities	286,486		286,486	
Net Increase (Decrease) in Cash and Cash Equivalents	2,368,318	(51,512)	2,316,806	(255,934)
Cash and Cash Equivalents at the Beginning of the Fiscal year, restated (Note 11C)	8,732,219	291,694	9,023,913	2,926,921
Cash and Cash Equivalents at the End of the Fiscal Year	\$11,100,537	\$240,182	\$11,340,719	\$2,670,987
Reconciliation of Cash and Cash Equivalents to Statement of Net Position:				
Cash and investments	\$7,070,348	\$240,182	\$7,310,530	\$2,670,987
Cash and investments with fiscal agents	4,030,189		4,030,189	
Total Cash and Cash Equivalents	\$11,100,537	\$240,182	\$11,340,719	\$2,670,987

(Continued)

See accompanying notes to financial statements

**CITY OF PACIFICA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2022**

	Business-Type Activities			Governmental Activities
	Major Enterprise Fund Sewer Utility	Non-major Enterprise Fund Beach Parking	Total Enterprise Funds	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (loss)	\$4,305,600	(\$61,316)	\$4,244,284	(\$1,125,796)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	4,124,765	9,850	4,134,615	743,427
(Increase) Decrease in Operating Assets:				
Accounts Receivable	291,925	8,562	300,487	14,245
Prepaid Items	(379,264)		(379,264)	
Inventories				
Increase (Decrease) in Operating Liabilities:				
Accounts payable	646,023	287	646,310	255,163
Due to other funds				
Accrued liabilities				(18)
Claims payable				(1,141)
Net Pension/OPEB Liability, Deferred Inflows and Deferred Outflows				
Compensated Absences	37,917	(8,895)	29,022	17,714
Net Cash Provided (Used) by Operating Activities	\$9,026,966	(\$51,512)	\$8,975,454	(\$96,406)
Noncash Transactions				
Amortization of bond premium	(\$17,918)			

See accompanying notes to financial statements

**CITY OF PACIFICA
STATEMENT OF FIDUCIARY NET POSITION
SUCCESSOR AGENCY
PRIVATE PURPOSE TRUST FUND
JUNE 30, 2022**

Assets:

Cash and investments with fiscal agents (Note 3)	\$232,074
Total Assets	232,074

Liabilities:

Accounts payable	
Interest payable	27,111
Loan payable to the City - due in more than one year (Note 10)	3,641,599
Long-term debt:	
Due within one year (Note 13)	75,000
Due in more than one year (Note 13)	870,000
Total Liabilities	4,613,710

Net Position:

Restricted for Trust Fund	(4,381,636)
Total Net Position (Deficit)	(\$4,381,636)

See accompanying notes to financial statements

**CITY OF PACIFICA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
SUCCESSOR AGENCY
PRIVATE PURPOSE TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2022**

Additions:	
Investment revenue	\$113
Taxes and assessments	330,243
	330,356
 Deductions:	
Interest expense	113,587
Community development expense	7,000
	120,587
Change in Net Position	209,769
Net Position (Deficit) at Beginning of Year	(4,591,405)
Net Position (Deficit) at End of Year	(\$4,381,636)

See accompanying notes to financial statements

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CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 – Summary of Significant Accounting Policies:

The basic financial statements of the City of Pacifica (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (“US GAAP”) as applied to governmental agencies. The Governmental Accounting Standards Boards (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting principles are described below.

A. Reporting Entity

The City of Pacifica was incorporated November 22, 1957 under the general laws of the State of California and enjoys all the rights and privileges applicable to a General Law City. The City operates under a Council-Manager form of government. There are five Council Members who serve overlapping terms of four years, and the Council, in turn, elects one of the Council Members to serve as Mayor for one year. This legislative body selects a City Manager to administer the affairs of the City. The City provides the following services: public safety (police, fire, and civil defense), highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

As required by accounting principles generally accepted in the United States of America, the accompanying financial statements include the financial activities of the City.

The City of Pacifica Financing Authority is a separate government entity whose purpose is to assist with the financing certain public capital facilities for the City through the issuance of bonds or other forms of debt. The Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Authority. The Authority is a blended component unit of the City and does not issue separate financial statements.

The City participates in the ABAG Plan Corporation, a public entity risk pool, whose financial activities are not included in the basic financial statements as it is administered by a board, separate from and independent of the City (See Note 8).

There are no other entities which meet the Governmental Accounting Standards Board Statement No. 14 as amended by GASB Statements No. 39 and No. 61, criteria for blended or discrete disclosure within these financial statements.

B. Basis of Presentation

The City’s basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the acknowledged standard-setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 – Summary of Significant Accounting Policies (Continued):

B. Basis of Presentation (Continued)

The City's government-wide financial statements include a Statement of Net Position, and a Statement of Activities. These statements present summaries of governmental activities and business-type activities for the City, accompanied by a total column. These financial statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities are financed generally through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities (Sewer Utility Enterprise Fund) are financed generally through user fees.

C. Government-wide and Fund Financial Statements

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and therefore are clearly identifiable to a particular function. Program revenues include three categories: (1) charges for services, (2) operating grants and contributions and (3) capital grants and contributions. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. Interfund services provided and used are not eliminated in the process of consolidation on the Statement of Activities.

Certain eliminations have been made as prescribed by Governmental Accounting Standards Board No.34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments ("GASB No. 34") in regard to interfund activities, payables and receivables.

D. Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balance as presented in these statements to the net position presented in the government-wide financial statements.

The governmental fund financial statements provide information about the City's funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major individual funds, each of which is displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows for all proprietary funds. The internal service funds are also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the government-wide financial statements.

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 – Summary of Significant Accounting Policies (Continued):

D. Financial Statements (Continued)

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which liabilities are incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operation of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

Fiduciary Fund Financial Statements include a Statement of Net Position and a Statement of Changes in Fiduciary Net Position. Fiduciary funds represent private-purpose trust funds, which the City serves as a trustee for the Successor Agency. Trust funds are accounted for on an economic resources measurement focus and full accrual basis of accounting. The City has one RDA Successor Agency private-purpose trust fund.

E. Major Funds

GASB 34 defines major funds and requires that the City’s major governmental funds be identified and presented separately in the Fund financial statements. All other governmental funds, called non-major funds, are combined and reported in a single column, regardless of their fund-type. Major funds are defined as funds which have either assets and deferred outflows, liabilities and deferred inflows, revenues or expenditures/expenses equal to or greater than ten percent of their fund-type total and five percent of the grand total of all fund types, excluding fiduciary. The general fund is always a major fund. The major funds of the City are:

- **General Fund** – The General Fund is used to account for the resources to carry out basic governmental activities of the City such as general government, public safety, public works, community development, and parks, beaches, and recreation, which are not required to be accounted for in another fund.
- **Disaster Accounting Special Revenue Fund** – This fund is used to account for all revenues received and expenditures incurred due to natural and man-made disasters.
- **General Capital Improvement Capital Projects Fund** – This fund is used to account for revenues derived from fees and apportionments from General Fund to be used for the acquisition, construction, and improvement of major capital facilities of the City.
- **Debt Service Fund** – This fund is used to account for the accumulated and the disbursement of account for expenditures and financing of various long-term debt liabilities.

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 – Summary of Significant Accounting Policies (Continued):

E. Major Funds (Continued)

The City reports the following major enterprise fund:

- **The Sewer Utility Enterprise Fund** – This fund accounts for the operation and maintenance of the City’s wastewater collection system including operating costs of the wastewater collection system and water recycling plant.

Additionally, the City reports the following fund types:

- **The Internal Service Funds** account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units on a cost reimbursement basis. The City has two internal service funds, the Motor Pool Fund and the Self Insurance Fund. The Motor Pool Fund accounts for the City’s central garage, and the Self Insurance Fund accounts for the employee dental, workers’ compensation, general liability, property, and automobile liability insurance.
- **The RDA Successor Agency Private-Purpose Trust Fund** accounts for the former Redevelopment Agency activities.

F. Basis of Accounting

The Government-wide, Proprietary funds, and Fiduciary funds financial statements are required by GASB 34 to be reported using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets and deferred outflows, liabilities and deferred inflows, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position.

Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which the liability is incurred regardless of when the related cash flows take place.

The Governmental funds financial statements are reported using the current financial resources measurement focus, and the modified accrual basis of accounting. Accordingly, only current assets and liabilities (except for long-term advances from the City) are included in the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances 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 in the accounting period in which they become both measurable and available to finance expenditures of the current period.

CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 – Summary of Significant Accounting Policies (Continued):

F. Basis of Accounting (Continued)

The City considers all revenues reported in the governmental funds to be available if the revenue are collected within ninety days after fiscal year end. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property taxes, sales taxes, intergovernmental revenues, other taxes and investment earnings. Expenditures are recorded in the accounting period in which the related fund liability is incurred, except for principal and interest on long-term debt and compensated absences, which are recognized as expenditures to the extent that they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving value in exchange, include taxes, grants, entitlements and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

G. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the City considered cash and cash equivalents (investments with maturities of three months or less at the time of purchase) as short term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. The City follows the practice of pooling the cash of all funds, including the City's Enterprise and Internal Service Funds.

H. Investments

Investments are reported at fair value, except for investments that are not transferable and have terms that are not affected by change in market rates are reported at cost.

Changes in fair value that occur during a fiscal year are recognized as revenues from use of money reported for that fiscal year. Revenues from use of money include interest earnings, change in fair value, gains or losses realized upon the liquidation, maturity, or sale of investment and rental income. Changes in the fair value of investments during this fiscal year were calculated and booked.

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 – Summary of Significant Accounting Policies (Continued):

I. Receivables and Payables

All accounts, grants, tax, and note receivables are shown net of an allowance for uncollectible accounts if applicable, and estimated refunds due.

J. Inventories and Prepaid Items

General fund inventories are recorded as expenditures when consumed, rather than when purchased. These inventories are stated at cost, using the first-in, first-out (FIFO) method. Inventories in the proprietary funds are stated at the lower of cost or market, and consist of expendable materials and supplies.

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

Inventories and prepaid items, as reported in the fund financial statements, are offset by nonspendable fund balance for noncurrent assets in governmental funds, to indicate that they do not constitute resources available for appropriation.

K. Capital Assets

The City's assets are capitalized at historical cost or estimated historical cost on the government-wide Statement of Net Position and the proprietary fund financial statements. City policy has set the capitalization threshold for reporting capital assets at \$5,000. Gifts or contributions of capital assets are recorded at fair value on the date donated. Depreciation of capital assets is charged as an expense each year, and the total amount of accumulated depreciation taken over the years, is reported on the respective statements as a reduction in the book value of capital assets.

L. Encumbrances

The City uses encumbrances to control expenditure commitments for the year. Encumbrances represent commitments related to executor contracts not yet performed and purchase orders not yet filled. Commitments for such expenditure of monies are encumbered to reserve a portion of applicable appropriations. Encumbrances still open at year end are not accounted for as expenditures and liabilities, but as restricted, or unassigned fund balance.

M. Compensated Absences

City employees accrue vacation, sick, holiday, and compensatory time off benefits. An employee may accumulate vacation time equal to an amount as stipulated in their contracts. No cash compensation is payable for accrued vacation until the employee terminates employment. Sick leave is compensated in cash only upon an employee's retirement. Maximum limit per employee is \$3,000 or one quarter of employee's sick leave credit, whichever is lower. Two employee groups have elected to participate in a retirement health savings program and have directed vacation and limited sick leave cash out to separation of this program. It is the City's policy to allow employees to accumulate compensatory time within set limits instead of drawing overtime. This accumulation may subsequently be exchanged into cash or time taken.

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 – Summary of Significant Accounting Policies (Continued):

M. Compensated Absences (Continued)

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only when they have matured (such as vacation time, estimated to be paid upon retirement by the end of the fiscal year with expendable available financial resources). Each fiscal year, an adjustment to the liability is made based on pay rate changes and adjustments for the current portion. The General Fund is primarily responsible for the repayment of the governmental portion of compensated absences.

Changes in compensated absences for the year ended June 30, 2022, were as follows:

	Governmental Activities	Business- Type Activities	Total
Beginning Balance	\$1,621,848	\$285,047	\$1,906,895
Additions	1,225,911	277,776	1,503,687
Payments	(1,228,839)	(248,754)	(1,477,593)
Ending Balance	<u>\$1,618,920</u>	<u>\$314,069</u>	<u>\$1,932,989</u>
Current Portion	<u>\$922,784</u>	<u>\$185,817</u>	<u>\$1,108,601</u>
Non-current Portion	<u>\$696,136</u>	<u>\$128,252</u>	<u>\$824,388</u>

N. Property Tax Revenues

California Constitution Article XIII A limits the combined property tax rate to one percent of a property's assessed valuation. Additional taxes may be imposed with voter approval. Assessed value is calculated at one hundred percent of a property's fair value, as defined by Article XIII A, and may be increased no more than two percent per year unless a change in ownership occurs. The County of San Mateo collects the taxes and distributes them to taxing jurisdictions on the basis of assessed valuations subject to adjustments for voter-approved debt. The City receives property taxes pursuant to an arrangement with the County known as the "Teeter Plan," whereby the County assumes responsibility for the collection of delinquent taxes and pays the full allocation to the City. The City recognizes property tax revenues (including tax increment revenues) to the extent of each year's tax allocation received or to be received within 60 days after the end of each fiscal year.

**CITY OF PACIFICA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 – Summary of Significant Accounting Policies (Continued):

N. Property Tax Revenues (Continued)

The County assesses properties, bills for, collects, and distributes property taxes per the following schedule:

	<u>Secured</u>	<u>Unsecured</u>
Valuation dates	January 1	January 1
Lien/Levy dates	July 1	July 1
Due dates	50% on November 1 50% on February 1	July 1
Delinquent as of	December 10 April 10	August 31

The term “Unsecured” refers to taxes on personal property other than real estate, land, and buildings. These taxes are secured by liens on property being taxed.

O. Use of 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 affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from those estimates.

P. Fair Value Measurements

Fair value is defined as 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. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 – Summary of Significant Accounting Policies (Continued):

Q. Expenditures in Excess of Appropriations

The following funds incurred departmental expenditures in excess of appropriations:

Fund/Department	Excess of Expenditures Over Appropriations
Major Funds:	
General Fund:	
<i>General Government</i>	\$510,608
<i>Public Safety</i>	262,617
<i>Capital Outlay</i>	6,688
Disaster Accounting Special Revenue Fund	56,941
Non-major Special Revenue Funds:	
Gax Tax	30,167
Supplemental Law Enforcement Services	41,189
NPDES Stormwater	5,218
Parks, Beaches and Recreation	25,379
Highway 1 Improvement	41,636

R. Leases

As clarified by the Government Accounting Standards Board (GASB) Statement No. 87, a lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. The Town recognizes lease receivables or liabilities with an initial, individual value of \$150,000 or more, based on the future lease payments remaining at the start of the lease.

The City has no leases subject to GASB Statement No. 87 for the fiscal year 2022.

CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

NOTE 2 – Stewardship, Compliance, and Accountability:

A. *Budgetary information*

The City operates under the general law of the State of California, and annually adopts a budget to be effective July 1 for the ensuing fiscal year. The City Manager submits a Preliminary Budget to the City Council on or about May 15 each year. This Preliminary Budget is the fiscal plan for the ensuing twelve months starting July 1, and includes proposals for expenditures for operations and capital improvement, and the resources to meet them. City Council conducts public hearings in the Council Chambers before adopting the budget. The Council approves total appropriations at the department level in the General Fund, and at the fund level in other funds. The Budget is adopted by City resolution prior to June 30.

The appropriated budget is prepared by fund, function, and department. The City Manager is authorized to transfer budget appropriations within departments in conformance with the adopted policies set by the City Council. All other transfers must be approved by the City Council. Any revisions that alter the total expenditures of any department must be approved by the City Council. Expenditures are budgeted at, and may not legally exceed, the department level for the General Fund and the fund level for Special Revenue, Debt Service, Capital Projects and Internal Service Funds. Budgeted amounts shown are as originally adopted, or as amended by the City Council during the fiscal year. During the fiscal year, several supplementary appropriations were necessary.

Budgets for General, Special Revenue, Debt Service, Capital Projects, and Internal Service Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (US GAAP). Except for Capital Project Funds, appropriations lapse at fiscal year-end and are re-budgeted for the coming year. The following capital projects funds are not budgeted annually: Aircraft Noise Project Fund, Excess ERAF Fund and Pacific Library Fund. The Parking In-lieu Special Revenue Fund is only budgeted when the need for expenditure arises.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds. Encumbrances outstanding at fiscal year-end are recorded as restricted, committed, or assigned fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent fiscal year.

B. *Deficit Fund Balances/Net Position*

As of June 30, 2022, the following funds had a deficit net position/fund balance:

Gax Tax Special Revenue Fund	\$188,655
Planned Local Drainage Capital Projects Fund	470,190

The deficits in these governmental funds are due to the City paying expenditures in advance of receiving revenues. These deficits are going to be repaid once reimbursements are received from the funding source, and if there are any outstanding deficits after the repayments, or if needed, the General Fund would cover these deficits when the fund is closed out.

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 – Cash and Investments:

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

Statement of net position:	
Cash and investments	\$45,729,968
Cash and investments with fiscal agents	8,630,417
Restricted cash and investments	3,001,260
Statement of fiduciary net position:	
Cash and investments with fiscal agents	232,074
Total cash and investments	\$57,593,719

A. 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.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage/ Investment of Portfolio	Maximum Investment in One Issuer
Commercial Paper	270 days	A	25%	None
Bankers Acceptances	180 days	A	40%	None
U.S. Treasury Obligations	5 years	None	50%	None
U.S. Government Agency Issues	5 years	None	50%	None
Certificates of Deposit	5 years	None	30%	None
State of California Local Agency Investment Fund (State Pool)	N/A	None	\$75,000,000	\$75,000,000
Banks and Savings and Loan Time Deposits	N/A	A-1+	30%	None
Repurchase Agreements	1 year	None	15%	None
Mutual Funds	5 years	AAAm	15%	None

CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

NOTE 3 – Cash and Investments (Continued):

B. Investments Authorized by Debt Agreements

Investment of debt proceeds held by trustees is governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City’s investment policy. The table below identifies the investment types that are authorized for investments held by trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality
Municipal Bonds	None	AAA
Commercial Paper	270 days	A-1
U.S. Treasury Obligations	None	None
U.S. Agency Securities	None	None
Time Deposits (Unsecured)	30 days	A-1
Money Market Funds	None	AAAm
Investment Contracts	None	AA-
Local Agency Investment Fund	None	None
Certificates of Deposit	1 year	A-1+
Bankers Acceptances	1 year	A-1+
Pre-refunding Municipal Bonds	None	AAA
State and Municipal Bonds	None	Two Highest Categories

C. 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 change 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 flows and liquidity needed for operations.

Information about the sensitivity of the fair values of the City’s investments and those held by trustees 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)	
	12 Months Or Less	Totals
California Local Agency Investment Fund	\$17,659,466	\$17,659,466
Held by Trustees:		
Money Market Fund	8,846,009	8,846,009
Total Investments	<u>\$26,505,475</u>	<u>26,505,475</u>
Cash in Banks		31,084,799
Petty Cash		3,445
Total Cash		<u>31,088,244</u>
Total Cash and Investments		<u><u>\$57,593,719</u></u>

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 – Cash and Investments (Continued):

C. Interest Rate Risk (Continued)

Money market mutual funds are available for withdrawal on demand at June 30, 2022, and have an average maturity of less than 45 days.

The City does not hold any specific investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above).

D. Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Investment in the California Local Agency Investment Fund and money market mutual funds are classified as exempt in the fair value hierarchy, as it is valued at amortized cost, which is exempt from being classified under GASB 72.

E. Credit Risk

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

Investment Type	Rating as of Fiscal Year End		
	AAAm	Not Rated	Total
California Local Agency Investment Fund		\$17,659,466	\$17,659,466
Held by Trustees:			
Money Market Fund	\$8,846,009		8,846,009
Total Investments	<u>\$8,846,009</u>	<u>\$17,659,466</u>	<u>26,505,475</u>
Cash in Banks			31,084,799
Petty Cash			3,445
Total Cash			<u>31,088,244</u>
Total Cash and Investments			<u>\$57,593,719</u>

F. Concentration of Credit Risk

The investment policy of the City contains limitations on the amount that can be invested in any one issuer. The City has no investments in any one issuer (other than money market funds and an external investment pool) that represent 5% or more of total City investments.

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 3 – Cash and Investments (Continued):

G. Custodial Credit Risk

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

As of June 30, 2022, all of the City’s deposits with financial institutions in excess of federal depository insurance limits were held in collateralized accounts.

H. Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City’s investment in this pool is reported in the accompanying financial statements at amounts based upon the City’s pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. At June 30, 2022, these investments have an average maturity of 291 days.

I. Investment held in Trust for Pension Benefits

The City established an irrevocable Section 115 Pension Trust with Public Agency Retirement Services (PARS) in the fiscal year 2021. As of June 30, 2022, the trust had a balance of \$342,510. PARS’ policy for allocation of invested assets is established as:

Asset	Target
Global Equity	20-40%
Fixed Income	50-80%
Cash	0-20%

At June 30, 2022, PARS held no investments in any one organization that represented 5% of more of fiduciary net position.

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 4 – Capital Assets:

All capital assets are valued at historical cost or estimated cost if actual historical cost is not available. Donated capital assets and those received in a service concession arrangement are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. GASB Statement No.34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives. The purpose of the depreciation is to spread the cost of the capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro-rata share of the cost of the capital assets. Depreciation is provided using the straight-line method over its expected useful life. Capital assets with a value of \$5,000 or more are capitalized.

The City has assigned the following useful lives to capital assets: Buildings and improvements (25-30 years); Police Vehicles (4 years); Other Vehicles (5-25 years); Machinery and Equipment (5-15 years); Collection System (20 years); and Infrastructure (15-30 years).

The following is a summary of capital assets for governmental activities as of June 30, 2022:

	Balance June 30, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
Capital assets not being depreciated:					
Land	\$40,445,580				\$40,445,580
Construction in progress	9,080,303	\$3,090,515		(\$5,682,461)	6,488,358
Total capital assets not being depreciated	<u>49,525,883</u>	<u>3,090,515</u>		<u>(5,682,461)</u>	<u>46,933,938</u>
Capital assets being depreciated:					
Buildings & improvements	16,308,692	297,853			16,606,545
Vehicles	8,357,876	313,434	(\$203,514)		8,467,796
Machinery and equipment	3,541,025				3,541,025
Infrastructure	46,268,178	223,925		5,682,461	52,174,564
Total capital assets being depreciated	<u>74,475,771</u>	<u>835,212</u>	<u>(203,514)</u>	<u>5,682,461</u>	<u>80,789,930</u>
Less accumulated depreciation for:					
Buildings & improvements	(11,212,497)	(452,952)			(11,665,449)
Vehicles	(6,573,624)	(519,720)			(7,093,344)
Machinery & equipment	(3,093,939)	(165,184)	203,514		(3,055,609)
Infrastructure	(15,610,626)	(1,739,158)			(17,349,784)
Total accumulated depreciation	<u>(36,490,686)</u>	<u>(2,877,014)</u>	<u>203,514</u>		<u>(39,164,186)</u>
Depreciable capital assets, net	<u>37,985,085</u>	<u>(2,041,802)</u>		<u>5,682,461</u>	<u>41,625,744</u>
Total capital assets, net	<u>\$87,510,968</u>	<u>\$1,048,713</u>			<u>\$88,559,682</u>

Depreciation expense for governmental activities was charged to functions as follows:

General government	\$118,302
Public safety	381,541
Public works	1,597,982
Parks, beaches, and recreation	35,762
Internal Service Fund	<u>743,427</u>
Total Governmental Activities	<u><u>\$2,877,014</u></u>

CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

NOTE 4 – Capital Assets (Continued):

The following is a summary of capital assets for business-type activities as of June 30, 2022:

	Balance June 30, 2021	Additions	Transfers	Balance June 30, 2022
Capital assets not being depreciated:				
Land	\$4,014,412			\$4,014,412
Construction in progress	3,529,995	\$839,610	(\$2,615,701)	1,753,904
Total capital assets not being depreciated	<u>7,544,407</u>	<u>839,610</u>	<u>(2,615,701)</u>	<u>5,768,316</u>
Depreciable capital assets:				
Buildings & improvements	77,581,869	106,460		77,688,329
Collection system	44,857,044	1,259,030	2,615,701	48,731,775
Machinery and equipment	3,881,638	319,322		4,200,960
Total capital assets being depreciated	<u>126,320,551</u>	<u>1,684,812</u>	<u>2,615,701</u>	<u>130,621,064</u>
Less accumulated depreciation for:				
Buildings & improvements	(56,975,908)	(1,909,107)		(58,885,015)
Collection system	(10,623,645)	(1,943,976)		(12,567,621)
Machinery & equipment	(2,093,348)	(281,532)		(2,374,880)
Total accumulated depreciation	<u>(69,692,901)</u>	<u>(4,134,615)</u>		<u>(73,827,516)</u>
Depreciable capital assets, net	<u>56,627,650</u>	<u>(2,449,803)</u>	<u>2,615,701</u>	<u>56,793,548</u>
Total capital assets, net	<u>\$64,172,057</u>	<u>(\$1,610,193)</u>		<u>\$62,561,864</u>

NOTE 5 – Long-Term Debt:

The City generally incurs debt to finance projects or purchase assets, which will have useful lives equal to or greater than the related debt. The City's debt issues and transactions related to both governmental and business-type activities are summarized below and discussed in detail subsequently.

Governmental Activities:

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022	Due within One Year
Certificates of Participation:					
2016 COP	\$14,200,000		(\$725,000)	\$13,475,000	\$705,000
Premium	1,838,067		(114,879)	1,723,188	
Sub-total COP	<u>16,038,067</u>		<u>(839,879)</u>	<u>15,198,188</u>	<u>705,000</u>
Capital Lease Payable (Direct borrowing):					
Energy retrofit lease	206,149		(136,069)	70,080	70,080
2021 Civic Center lease		\$4,000,000		4,000,000	
Sub-total capital leases	<u>206,149</u>	<u>4,000,000</u>	<u>(136,069)</u>	<u>4,070,080</u>	<u>70,080</u>
Pension Obligation Bonds:					
2019 Pension obligation refunding bond (88.622%)	8,583,041		(735,563)	7,847,478	788,736
Total Governmental Activities	<u>\$24,827,257</u>	<u>\$4,000,000</u>	<u>(\$1,711,511)</u>	<u>\$27,115,746</u>	<u>\$1,563,816</u>

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 – Long-Term Debt (Continued):

Business-type Activities:

	Balance July 1, 2021	Retirements	Balance June 30, 2022	Due within One Year
Revenue bonds:				
2014 Wastewater Revenue Refunding	\$6,740,000		\$6,740,000	\$1,520,000
Net Premium	632,654	(\$118,623)	514,031	
2017 Wastewater Revenue Bonds	22,100,000		22,100,000	625,000
Net Premium	3,426,656	(163,174)	3,263,482	
Sub-total Revenue bonds:	<u>32,899,310</u>	<u>(281,797)</u>	<u>32,617,513</u>	<u>2,145,000</u>
Pension Obligation bonds:				
2019 Pension obligation bond (11.378%)	<u>1,101,959</u>	<u>(94,437)</u>	<u>1,007,522</u>	<u>101,264</u>
Notes payable (Direct Borrowing):				
State of California Water Resources Board	2,065,918	(2,065,918)		
Loan and Installment Agreement	<u>4,343,408</u>	<u>(295,759)</u>	<u>4,047,649</u>	<u>306,407</u>
Total notes payable	<u>6,409,326</u>	<u>(2,361,677)</u>	<u>4,047,649</u>	<u>306,407</u>
Total Business-Type Activities:	<u><u>\$40,410,595</u></u>	<u><u>(\$2,737,911)</u></u>	<u><u>\$37,672,684</u></u>	<u><u>\$2,552,671</u></u>

A. Governmental Activities Debt

2021 Civic Center Campus Improvement Project Lease Financing (Direct Borrowing):

On April 26, 2021, the Pacifica City Council provided input on the Civic Center Renovation conceptual design and approved the funding strategy. The Civic Center Project is estimated to cost about \$10 million. The basic funding strategy entails \$6 million in various one-time sources of funding while financing the remaining \$4 million. On November 22, 2021, the City adopted a Resolution of the Board of Directors of the City of Pacifica Financing Authority approving lease financing in the aggregate amount of \$4 million to finance a portion of the construction of the Civic Center Campus Improvement Project. Sterling National Bank was chosen from seven financial institutions who responded to the request for proposal. The loan is a 15-year loan at 1.97% and the bank will commit to provide the City with an additional \$1 million within a 24-month period if the City chooses to increase the borrowing amount. Lease payments are payable semiannually on July 1 and January 1, commencing July 1, 2022. The lease ends on July 1, 2036.

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 – Long-Term Debt (Continued):

A. Governmental Activities Debt (Continued)

Annual debt service requirements, to maturity, for the 2021 Civic Center Lease are as follows:

<u>Fiscal year ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023		\$85,586	\$85,586
2024	\$50,000	78,308	128,308
2025	75,000	77,076	152,076
2026	100,000	75,353	175,353
2027	311,000	71,304	382,304
2028 - 2032	1,648,000	261,321	1,909,321
2033 - 2037	1,816,000	90,856	1,906,856
Total	<u>\$4,000,000</u>	<u>\$739,803</u>	<u>\$4,739,803</u>

2016 Certificates of Participation: On October 5, 2016, the City of Pacifica issued Certificates of Participation (COP) in the amount of \$14,680,000 (par value) payable annually beginning January 1, 2021 and with interest rates ranging from 3.000% to 5.000%, payable each July 1 and January 1, beginning January 1, 2017. The COP matures on January 1, 2037. The purpose of the COP is to (i) prepay and defease certain outstanding certificates of participation which were executed and delivered in 2008 for the purpose of financing and refinancing various municipal improvements of the City, and (ii) pay certain costs of executing and delivering the Certificates

Accounting gains or losses resulting from advance refunding of long-term debt is deferred and amortized over the shorter of the life of the new debt or refunded debt. The deferred charge on refunding balance at June 30, 2022 was \$422,062 for the 2016 COP.

The Bonds are general obligations of the City, payable solely by the City. The bond covenants contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City. No such events occurred during the fiscal year ending June 30, 2022.

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 – Long-Term Debt (Continued):

A. Governmental Activities Debt (Continued)

Annual debt service requirements, to maturity, for the 2016 Certificates of Participation are as follows:

<u>Fiscal year ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$705,000	\$601,600	\$1,306,600
2024	760,000	566,350	1,326,350
2025	760,000	528,350	1,288,350
2026	815,000	490,350	1,305,350
2027	790,000	449,600	1,239,600
2028 - 2032	4,520,000	1,608,500	6,128,500
2033 - 2037	5,125,000	526,000	5,651,000
Total	<u>\$13,475,000</u>	<u>\$4,770,750</u>	<u>\$18,245,750</u>

Energy Retrofit Lease (Direct Borrowing): On November 1, 2012, the City entered into a lease/purchase agreement with Holman Capital Corporation for energy efficiency measures at various City owned buildings. The effective interest rate on the lease is 4.0% and lease payments are payable semiannually on November 15 and May 15, commencing May 15, 2013. The lease ends on November 15, 2022.

Annual debt service requirements, to maturity, for the Energy Retrofit Lease are as follows:

<u>Fiscal year ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$70,080	\$1,402	\$71,482
Total	<u>\$70,080</u>	<u>\$1,402</u>	<u>\$71,482</u>

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 – Long-Term Debt (Continued):

A. Governmental Activities Debt (Continued)

2019 Taxable Pension Obligation Refunding Bonds: During September 2019, the City of Pacifica issued \$9,685,000 of Pension Obligation Refunding Bonds bearing interest between 2.243% and 3.060% and payable semiannually on June 1 and December 1 each year, commencing June 1, 2020. The bonds mature on June 1, 2030. These bonds were issued to refund in full the 2010 taxable pension obligation bonds outstanding principle amount of \$8,995,000 and pay costs of issuance of the bonds. Approximately 88.622% of the bond proceeds were allocated to governmental activities (including 1.52% to the Motor Pool internal service fund).

The Bonds are general obligations of the City, payable solely by the City. The bond covenants contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City. No such events occurred during the fiscal year ending June 30, 2022.

Annual debt service requirements, to maturity, for the 2019 Pension Obligation Refunding Bonds (governmental portion) are as follows:

<u>Fiscal year ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$788,736	\$214,927	\$1,003,663
2024	841,909	197,038	1,038,947
2025	899,513	177,102	1,076,615
2026	957,118	154,047	1,111,165
2027	1,028,015	128,559	1,156,574
2028 - 2030	<u>3,332,187</u>	<u>199,279</u>	<u>3,531,466</u>
Total	<u>\$7,847,478</u>	<u>\$1,070,952</u>	<u>\$8,918,430</u>

B. Business Type Activities Debt

Loan and Installment Agreement (Direct Borrowing): On August 27, 2012, the City of Pacifica entered into a loan and installment agreement with the City of Pacifica Financing Authority in the amount of \$6,402,594 payable annually beginning July 1, 2013 at an interest rate of 3.6%, payable each July 1 and January 1, beginning January 1, 2013. The agreement matures on July 1, 2032. The purpose of this agreement is to (i) fund an escrow to cause the mandatory tender of the outstanding 2001B Wastewater Revenue Bonds (ii) provide funds relating to the Equalization Basin Project, the Collection System Capacity Improvement Projects, and the Collection System Repair, Rehabilitation, and Replacement Projects, (iii) fund certain costs relating to the defeasance of the 2001B Wastewater Revenue Bonds, (iv) fund or provide for satisfaction of the Reserve Fund Requirement, and (vi) pay the costs incurred in connection with the execution of the Loan and Installment Sale.

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 – Long-Term Debt (Continued):

B. Business Type Activities Debt (Continued)

Accounting gains or losses resulting from advance refunding of long-term debt is deferred and amortized over the shorter of the life of the new debt or refunded debt. The deferred charge on refunding balance at June 30, 2022 was \$168,381 for the Loan and Installment Sale.

The defeased 2001B Wastewater Revenue Bonds have been paid off. Annual debt service requirements, to maturity, for the Loan and Installment Agreement are as follows:

<u>Fiscal year ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$306,407	\$140,200	\$446,607
2024	317,437	128,970	446,407
2025	328,865	117,337	446,202
2026	340,746	105,285	446,031
2027	352,970	92,799	445,769
2028 - 2032	1,964,852	260,392	2,225,244
2033	436,372	7,855	444,227
Total	<u>\$4,047,649</u>	<u>\$852,838</u>	<u>\$4,900,487</u>

2019 Taxable Pension Obligation Refunding Bonds: During September 2019, the City of Pacifica issued \$9,685,000 of Pension Obligation Refunding Bonds bearing interest between 2.243% and 3.060% and payable semiannually on June 1 and December 1 each year, commencing June 1, 2020. The bonds mature on June 1, 2030. These bonds are being issued to refund in full the 2010 taxable pension obligation bonds outstanding principle amount of \$8,995,000 and pay costs of issuance of the bonds. Approximately 11.378% of the bond proceeds were allocated to business-type activities.

The Bonds are general obligations of the City, payable solely by the City. The bond covenants contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City. No such events occurred during the fiscal year ending June 30, 2022.

Annual debt service requirements, to maturity, for the 2019 Pension Obligation Refunding Bonds (business portion) are as follows:

<u>Fiscal year ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$101,264	\$27,594	\$128,858
2024	108,091	25,297	133,388
2025	115,487	22,738	138,225
2026	122,882	19,778	142,660
2027	131,985	16,505	148,490
2028 - 2030	427,813	25,586	453,399
Total	<u>\$1,007,522</u>	<u>\$137,498</u>	<u>\$1,145,020</u>

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 – Long-Term Debt (Continued):

B. Business Type Activities Debt (Continued)

State of California Water Resource Control Board Loan (Direct Borrowing): On February 20, 1997, the State of California Water Resource Control Board entered into an agreement to loan to the City \$41,304,818 for the construction of a new wastewater treatment facility.

No interest is charged on the loan. Loan was paid in full as of July 31, 2021.

2014 Wastewater Revenue Refunding Bonds: In November 2014, the City issued \$6,470,000 in 2014 Wastewater Revenue Refunding Bonds (2014 bonds) with interest rates ranging from 5% to 5.25%. The proceeds were used to advance refund the 2004 Wastewater Revenue Refunding Bonds.

Net proceeds of \$9.3 million (including a \$1.4 million premium and other city funds) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the 2004 Wastewater Revenue Refunding Bonds are considered defeased and the liability for those bonds has been removed. The reacquisition price totaled to the net carrying amount of the refunded bonds.

Interests on the 2014 bonds are payable semiannually on April 1 and October 1 each year, commenced April 1, 2015. Principal payments which are due each October 1 will commence on October 1, 2022, with the last payment due on October 1, 2026. The bonds are paid from and secured by the net revenues of the wastewater collection system of the City.

Accounting gains or losses resulting from advance refunding of long-term debt is deferred and amortized over the shorter of the life of the new debt or refunded debt. The deferred charge on refunding balance at June 30, 2022 was \$39,492 for the Refunding Bonds.

The Bonds are general obligations of the City, payable solely by the City. The bond covenants contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City. No such events occurred during the fiscal year ending June 30, 2022.

Annual debt service requirements, to maturity, for the 2014 Wastewater Revenue Refunding Bonds are as follows:

<u>Fiscal year ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$1,520,000	\$299,000	\$1,819,000
2024	1,595,000	221,125	1,816,125
2025	1,675,000	139,375	1,814,375
2026	1,755,000	53,625	1,808,625
2027	195,000	4,875	199,875
Total	<u>\$6,740,000</u>	<u>\$718,000</u>	<u>\$7,458,000</u>

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 5 – Long-Term Debt (Continued):

B. Business Type Activities Debt (Continued)

2017 Wastewater Revenue Bonds: In June 2017, the City issued \$22,100,000 in 2017 Wastewater Revenue Refunding Bonds (2017 bonds) at an interest rate of 5%. The proceeds were used to fund the acquisition, construction, and installation of certain improvements to the Wastewater system.

Net proceeds of \$26.2 million (including a \$4 million premium and other city funds) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds.

Interests on the 2017 bonds are payable semiannually on April 1 and October 1 each year, commenced October 1, 2017. Principal payments which are due each October 1 will commence on October 1, 2022, with the last payment due on October 1, 2042. The bonds are paid from and secured by the net revenues of the wastewater collection system of the City.

The Bonds are general obligations of the City, payable solely by the City. The bond covenants contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City. No such events occurred during the fiscal year ending June 30, 2022.

Annual debt service requirements, to maturity, for the 2017 Wastewater Revenue Refunding Bonds are as follows:

<u>Fiscal year ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$625,000	\$1,045,975	\$1,670,975
2024	655,000	1,013,975	1,668,975
2025	690,000	980,350	1,670,350
2026	725,000	944,975	1,669,975
2027	760,000	907,850	1,667,850
2028 - 2032	4,435,000	3,912,375	8,347,375
2033 - 2037	5,550,000	2,792,900	8,342,900
2038 - 2042	7,030,000	1,321,250	8,351,250
2043	1,630,000	40,750	1,670,750
Total	<u>\$22,100,000</u>	<u>\$12,960,400</u>	<u>\$35,060,400</u>

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 6 – Other Post-Employment Benefits (OPEB):

A. Plan Description

The City participates in the CalPERS medical program, an agent multiple-employer defined benefit retiree healthcare plan. Employees in the following bargaining groups who retire from the City and receive a CalPERS pension are eligible to receive City contributions towards the costs of their (OPEB) coverage:

- Department Directors
- Battalion Chiefs
- Firefighters
- Management Unit
- Police Officers
- Police Supervisors
- Police Management
- Wastewater Treatment Plant
- Miscellaneous Employees

In general, employees in the above groups may choose to receive their medical benefits from Union Trust Plans (except Public Safety – Firefighters and Police) or enroll in any of the CalPERS medical plans. For the retirees who do not participate in the CalPERS medical programs, the City does not make a contribution toward the cost of postemployment healthcare benefits. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statements No. 75.

B. Funding Policy

Under its arrangement with the CalPERS medical program, the City contributes the minimum amount provided under Government Code Section 22825 of the Public Employees Medical and Hospital Care Act. Retirees must contribute any premium amounts in excess of the City contribution.

Retired Department Directors, retired Management Unit employees, unrepresented managers, and confidential employees receive an additional \$100 monthly benefit.

The City’s policy is to contribute an amount sufficient to pay the current year’s minimum employer contribution only.

Employees Covered

Membership in the plan consisted of the following at June 30, 2022:

Active employees	174
Inactive employees receiving benefit payments	61
Inactive employees entitled to but not yet receiving benefit payments	98
Total	333

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 6 – Other Post-Employment Benefits (OPEB) (Continued):

C. Total OPEB Liability

Actuarial Methods and Assumptions: The City's total OPEB liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of June 30, 2020 to determine the total OPEB liability as of June 30, 2021, based on the following actuarial methods and assumptions:

Actuarial Assumption	June 30, 2021 Measurement Date
Actuarial Valuation Date	June 30, 2020
Contribution Policy	No pre-funding
Discount Rate	*2.16% at June 30, 2021 *2.21% at June 30, 2020
General Inflation	2.75% per annum
Aggregate Payroll Increase	3.00% per annum
Mortality, Retirement, Disability, Termination	CalPERS 1997-2015 Experience Study Post-retirement mortality projected fully generational with Scale MP-2020
Mortality Improvement	

Discount Rate: The discount rate used to measure the total OPEB liability was 2.21%.

D. Changes in Total OPEB Liability

The changes in the total OPEB Liability follows:

	Total OPEB Liability
Balance as of June 30, 2021: (Measurement date 6/30/20)	<u>\$8,431,567</u>
Changes Recognized for the Measurement Period:	
Service cost	524,816
Interest	195,445
Benefit changes	-
Differences between expected and actual experience	-
Changes of assumptions	72,300
Contributions from the employer	-
Benefit payments	<u>(225,411)</u>
Net changes	<u>567,150</u>
Balance as of June 30, 2022: (Measurement date 6/30/21)	<u><u>\$8,998,717</u></u>

The General Fund is typically used to liquidate the liabilities for OPEB.

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 6 – Other Post-Employment Benefits (OPEB) (Continued):

E. Sensitivity of the Total OPEB Liability

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Total OPEB Liability/(Asset)		
Discount Rate -1%	Current Discount Rate	Discount Rate +1%
(1.16 %)	(2.16%)	(3.16%)
\$10,650,159	\$8,998,717	\$7,704,218

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

Total OPEB Liability/(Asset)		
1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
\$7,572,794	\$8,998,717	\$10,872,262

F. OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the City recognized OPEB Expense of \$340,318. As of the fiscal year ended June 30, 2022, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date	\$216,706 *	
Differences between actual and expected experience	182,716	\$212,403
Changes of assumptions	1,110,093	290,782
Total	\$1,509,515	\$503,185

* Include \$135,446 cash benefit payments, \$1,260 administrative costs, and \$80,000 implied subsidy benefit payments

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 6 – Other Post-Employment Benefits (OPEB) (Continued):

F. OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

The contributions made after the measurement date of the net OPEB liability but before the end of the City’s reporting period will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year rather than in the current fiscal year. Therefore, \$216,706 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as future OPEB expense as follows:

Year Ended June 30	Annual Amortization
2023	\$23,190
2024	92,493
2025	176,642
2026	249,687
2027	213,553
Thereafter	34,059
Total	<u>\$789,624</u>

NOTE 7 – Pension Plans:

A. General Information about the Pension Plans

The City has pension plans with the California Public Employees Retirement System (CalPERS) and the California Public Employees Retirement System (PARS). Information about the pension plans follows.

California Public Employees Retirement System (CalPERS)

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the City’s defined benefit pension plans as follows:

- Miscellaneous (agent multiple-employer plan)
- Safety Police (cost-sharing multiple-employer plan)
- PEPRSA Safety Police (cost-sharing multiple-employer plan)
- Safety Fire (cost-sharing multiple-employer plan)
- PEPRSA Safety Fire (cost-sharing multiple-employer plan)

These plans are administered by the California Public Employees’ Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. 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 PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 7 – Pension Plans (Continued):

A. General Information about the Pension Plans (Continued)

At June 30, 2022, the City reported the following amounts related to the pension plans:

	Miscellaneous Plan Agent-Multiple	Safety Plan Cost-Sharing	PARS REP	Total
Net pension liabilities	\$8,778,465	\$24,515,482	\$2,009,218	\$35,303,165
Deferred outflows of resources	2,913,394	9,106,292	237,330	12,257,016
Deferred inflows of resources	9,756,934	17,779,469		27,536,403
Pension expenses	260,836	4,644,769	206,640	5,112,245
Employer Contributions	2,691,698	3,932,902	97,904	6,722,504

The General Fund is typically used to liquidate the liabilities for pensions.

B. Miscellaneous Plan

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plans’ provisions and benefits in effect at June 30, 2022, are summarized as follows:

	<u>Miscellaneous</u>
Benefit formula	2.5% @ 55 2% @ 55
Benefit vesting schedule	5 years service
Benefit payments	monthly for life
Retirement age	50
Monthly benefits, as a % of eligible compensation	2-2.5%
Required employee contribution rates	7.74%
Required employer contribution rates	28.50%

The Following employees were covered by the benefit terms for the Plan as of the most recent actuarial valuation date of June 30, 2020 and measurement date of June 30, 2021.

	<u>Miscellaneous</u>
Inactive employees or beneficiaries currently receiving benefits	285
Inactive employees entitled to but not yet receiving benefits	110
Active employees	113
Total	<u>508</u>

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 7 – Pension Plans (Continued):

B. Miscellaneous Plan (Continued)

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers to be determined on an annual basis by the actuary and be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. 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. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

Net Pension Liability – The City’s net pension liability for the Miscellaneous Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Changes in the Net Pension Liability – The changes in the Net Pension Liability for the Miscellaneous Plan are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2020 Measurement Date	\$109,247,895	\$86,962,550	\$22,285,345
Changes in the year:			
Service cost	1,748,773		1,748,773
Interest on the total pension liability	7,659,792		7,659,792
Changes of Benefit Terms			
Changes of assumptions			
Difference between expected and actual experience	(230,958)		(230,958)
Net plan to plan resource movement			
Contributions - employer		2,515,162	(2,515,162)
Contributions - employees		782,756	(782,756)
Net investment income		19,473,439	(19,473,439)
Benefit payments, including refunds of employee contributions	(5,522,755)	(5,522,755)	
Administrative expense		(86,870)	86,870
Other miscellaneous income/(expense)			
Net changes	<u>3,654,852</u>	<u>17,161,732</u>	<u>(13,506,880)</u>
Balance at June 30, 2021 Measurement Date	<u>\$112,902,747</u>	<u>\$104,124,282</u>	<u>\$8,778,465</u>

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 7 – Pension Plans (Continued):

B. Miscellaneous Plan (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the City for the Miscellaneous Plan, calculated using the discount rate, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower or 1 percentage point higher than the current rate:

	Miscellaneous
1% Decrease	6.15%
Net Pension Liability	\$23,117,738
Current Discount Rate	7.15%
Net Pension Liability	\$8,778,465
1% Increase	8.15%
Net Pension Liability	\$3,100,984

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions –

For the year ended June 30, 2022, the City recognized pension expense of \$260,836. At June 30, 2022, the City reported deferred outflows of resources related to pensions for the Plan from the following sources:

	Miscellaneous	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$2,691,698	
Differences between actual and expected experience	221,696	(\$125,977)
Changes in assumptions		
Net differences between projected and actual earnings on plan investments		(9,630,957)
Total	\$2,913,394	(\$9,756,934)

The contributions made after the measurement date of the net pension liability but before the end of the City’s reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal year rather than in the current fiscal year. Therefore, \$2,691,698 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 ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 7 – Pension Plans (Continued):

B. Miscellaneous Plan (Continued)

Year Ended June 30	Annual Amortization
2023	(\$2,311,372)
2024	(2,244,395)
2025	(2,310,666)
2026	(2,668,805)
	<u>(\$9,535,238)</u>

Contributions, Actuarial assumptions and information regarding the discount rate are discussed in Note 7E below.

C. Safety Plan

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 7.15% used for the June 30, 2021 measurement date is without reduction of pension plan administrative expense.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plans’ provisions and benefits in effect at June 30, 2022, are summarized as follows:

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 7 – Pension Plans (Continued):

C. Safety Plan (Continued)

	Safety-Police	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date	3% @ 50	2.7% @ 57
Benefit formula	5 years service	5 years service
Benefit vesting schedule	monthly for life	monthly for life
Benefit payments	50	50
Retirement age	3%	2-2.7%
Monthly benefits, as a % of eligible compensation	8.99%	13.00%
Required employee contribution rates	23.71%	13.13%
Required employer contribution rates		

	Safety-Fire	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date	3% @ 55	2.7% @ 57
Benefit formula	5 years service	5 years service
Benefit vesting schedule	monthly for life	monthly for life
Benefit payments	50	50
Retirement age	2.4-3%	2-2.7%
Monthly benefits, as a % of eligible compensation	8.99%	13.00%
Required employee contribution rates	21.79%	13.13%
Required employer contribution rates		

Contributions, actuarial assumptions and information regarding the discount rate are discussed in Note 7E below.

As of June 30, 2022, the City reported net pension liabilities for its proportionate shares of the net pension liability of the Safety Plan as \$24,515,482.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the City for the Safety Plan, calculated using the discount rate, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower or 1 percentage point higher than the current rate:

	Safety
1% Decrease	6.15%
Net Pension Liability	\$42,721,032
Current Discount Rate	7.15%
Net Pension Liability	\$24,515,482
1% Increase	8.15%
Net Pension Liability	\$9,561,871

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 7 – Pension Plans (Continued):

C. Safety Plan (Continued)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions – For purposes of measuring the net pension liability and deferred outflows/inflows or resources related to pensions, and pension expense, information about the fiduciary net position of the Plans and additions to/deductions from the Plans’ fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

The City’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City’s proportionate share of the net pension liability for the Plan as of June 30, 2021 and 2020 was as follows:

Proportion - June 30, 2020	0.571%
Proportion - June 30, 2021	0.699%
Change - Increase (Decrease)	0.128%

For the year ended June 30, 2022, the City recognized pension expense of \$4,644,769. At June 30, 2022, the City reported deferred outflows of resources related to pensions for the Plan from the following sources:

	Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$3,932,902	
Differences between actual and expected experience	4,188,449	
Changes in assumptions		
Net differences between projected and actual earnings on plan investments		(\$14,591,425)
Differences between actual contributions and proportionate share of contributions		(3,188,044)
Change in proportion	984,941	
Total	\$9,106,292	(\$17,779,469)

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 7 – Pension Plans (Continued):

C. Safety Plan (Continued)

The contributions made after the measurement date of the net pension liability but before the end of the City’s reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal year rather than in the current fiscal year. Therefore, \$3,932,902 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 ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2023	(\$2,551,882)
2024	(2,831,439)
2025	(3,207,400)
2026	(4,015,358)
	<u>(\$12,606,079)</u>

D. PARS Plan

Plan Description – The City’s Agent Multiple-Employer PARS Retirement Enhancement Plan (REP) was implemented July 1, 2003 and closed to new participants hired after January 1, 2012. Eligibility to participate in REP is for the following positions: City Attorney, Administrative Services Director, non-safety Department Director or non-safety management employee of the City on or after July 1, 2003. Participants receiving the benefits are non-safety Management Group Employees. This plan is separate from CalPERS and is established as a 401(a) Defined Benefit Plan. The REP is administered by PARS.

The REP provides a benefit equal to 0.5% of final average compensation for City management service earned after plan inception (July 1, 2003). In addition, any City employee in a covered management position as of the date of plan inception will receive up to an additional 10 years of service for any City service (management or non-management) prior to July 1, 2003.

Eligibility for an immediate benefit is defined as reaching age 55, completing five years of full-time City management service, and retiring concurrently from both the City and CalPERS after leaving City employment.

Employees Covered – At June 30, 2022, the following employees covered by the benefit terms of the plan.

	<u>REP</u>
Inactive employees or beneficiaries currently receiving benefits	18
Inactive employees entitled to but not yet receiving benefits	0
Active employees	7
Total	<u>25</u>

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 7 – Pension Plans (Continued):

D. PARS Plan (Continued)

Changes in the Net Pension Liability – The net pension liability of the REP is measured as of June 30, 2020, using an annual actuarial valuation as of June 30:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2021 Measurement Date	\$4,056,631	\$2,609,863	\$1,446,768
Changes in the year:			
Service cost	20,726		20,726
Interest on the total pension liability	267,267		267,267
Contribution - employer		97,904	(97,904)
Net investment income		(337,585)	337,585
Effect of plan changes			
Effect of economic/demographic gains or losses	24,928		24,928
Effect of assumptions changes or inputs			
Administrative expenses		(9,848)	9,848
Benefit payments, including refunds of employee contributions	(239,609)	(239,609)	
Net changes	<u>73,312</u>	<u>(489,138)</u>	<u>562,450</u>
Balance at June 30, 2022 Measurement Date	<u>\$4,129,943</u>	<u>\$2,120,725</u>	<u>\$2,009,218</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the City for the PARS Plan, calculated using the discount rate, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower or 1 percentage point higher than the current rate:

	REP
1% Decrease	5.75%
Net Pension Liability	\$2,462,516
Current Discount Rate	6.75%
Net Pension Liability	\$2,009,218
1% Increase	7.75%
Net Pension Liability	\$1,626,558

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 7 – Pension Plans (Continued):

D. PARS Plan (Continued)

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions – For the year ended June 30, 2022, the City recognized pension expense of \$206,640. At June 30, 2022, the City reported deferred outflows of resources related to pensions for the Plan from the following sources:

	REP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net differences between projected and actual earnings on plan investments	\$237,330	
Total	\$237,330	

The REP Measurement Date is the same as the fiscal year end date, therefore, the fiscal year 2022 contribution of \$97,904 was recognized as part of the pension expense during the current year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2023	\$52,719
2024	50,085
2025	32,783
2026	101,743
	\$237,330

Contributions, Actuarial assumptions and information regarding the discount rate are discussed in Note 7E below.

E. Information Common to the Miscellaneous, Safety and PARS Plans

Beginning in fiscal year 2016, CalPERS collects employer contributions for the cost-sharing plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund. The dollar amounts are billed on a monthly basis. The City’s required contribution for the unfunded liability in the Miscellaneous and Safety Plans were \$1,699,271 and \$2,750,897 respectively.

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

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 7 – Pension Plans (Continued):

E. Information Common to the Miscellaneous, Safety and PARS Plans (Continued)

PARS Retirement Enhancement Plan (REP) – The City makes all contributions necessary to fund the benefits available under the REP. Employees are not permitted to make any contributions.

Subsequent Event – Reduction of CalPERS Discount Rate – On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy approved by the CalPERS Board in 2015, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the CalPERS Board elected to defer any changes to the asset allocation until the ALM process concluded.

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

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 7 – Pension Plans (Continued):

F. Information Common to the Miscellaneous, Safety and PARS Plans (Continued)

Actuarial Assumptions – For the measurement period ended June 30, 2021, the total pension liabilities were determined by rolling forward the June 30, 2020 total pension liability. The June 30, 2021 total pension liabilities were based on the following actuarial methods and assumptions:

	CalPERS	PARS REP
Valuation Date	June 30, 2020	June 30, 2020
Measurement Date	June 30, 2021	June 30, 2021
Actuarial Cost Method	Entry-Age Normal in accordance with the requirements of GASB 68	
Actuarial Assumptions:		
Discount Rate	7.15%	6.75%
Inflation	2.50%	2.50%
Payroll Growth	2.88%	2.75%
Projected Salary Increase	Varied by Entry Age and Service	Consistent with the rates used to value the Miscellaneous Agency CalPERS Pension Plans (Entry Age 30).
Investment Rate of Return	7.25% (1)	6.75%
Mortality	Derived using CalPERS' Membership Data for all Funds (2)	Pre-retirement: Consistent with the Non-Industrial rates used to value Miscellaneous Agency CalPERS Pension Plans after June 30, 2017. Post-retirement: Consistent with the Non-Industrial rates used to value Miscellaneous Agency CalPERS Pension Plans after June 30, 2017.
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter	Retirement rates of 30% per year starting at age 50 with required years of service. 100% retirement is assumed as age 70.

(1) Net of pension plan investment expenses, including inflation

(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 include 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.

California Public Employees Retirement System Plans (CalPERS)

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2020 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 7 – Pension Plans (Continued):

E. Information Common to the Miscellaneous, Safety and PARS Plans (Continued)

Discount Rate – The discount rate used to measure the total pension liability for each Plan was 7.15%. The projection of cash flows used to determine the discount rate for each Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, each Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans in the PERF. 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 for each Plan.

The long-term expected rate of return on pension 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 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 forecasted information for 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 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.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

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

(a) In the CalPERS Annual Comprehensive Financial Report, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

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

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

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 7 – Pension Plans (Continued):

E. Information Common to the Miscellaneous, Safety and PARS Plans (Continued)

Pension Liability – In December 2016, CalPERS’ Board of Directors voted to lower the discount rate from 7.5% to 7.0% over the next three fiscal years, beginning in fiscal year 2019. The change in the discount rate will affect the contribution rates beginning in fiscal year 2019 and result in increases to the normal costs and unfunded actuarial liabilities.

PARS Retirement Enhancement Plan (REP)

The REP’s range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation as follows:

Asset Class	Target Allocation	Long-term Expected Arithmetic Real Rate of Return
Cash	5.61%	-0.21%
Core Fixed Income	45.14%	1.95%
Broad US Equities	39.29%	5.70%
Developed Foreign Equities	4.92%	6.99%
Emerging Market Equities	3.22%	9.44%
US REITs	1.82%	6.27%
Total	<u>100%</u>	

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position with CalPERS and PARS are available in the separately issued CalPERS financial report with CalPERS and City of Pacifica, respectively.

NOTE 8 – Risk Management:

A. Workers’ Compensation

The City is a member of the Municipal Pooling Authority of Northern California, which pools risks under the terms of a joint-powers agreement with 31 other cities and governmental agencies. The City has no workers’ compensation deductible for claims and the Authority covers claims up to \$500,000. The Authority purchases excess insurance from \$500,000 to the statutory limit. The City paid premiums of \$959,229 during fiscal year end June 30, 2022 for workers’ compensation and excess workers’ compensation coverage.

The Authority is governed by a Board consisting of representatives from member municipalities. The Board controls the operations of the Authority, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the Board.

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 8 – Risk Management (Continued):

A. *Workers' Compensation (Continued)*

The City's deposits with the Authority are in accordance with formulas established by the Authority. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

Audited financial statements can be obtained from Municipal Pooling Authority, 1911 San Miguel Drive #100, Walnut Creek, CA 94596.

B. *General Liability*

On July 1, 1986, the City became a member of the Association of Bay Area Governments (ABAG) Pooled Liability Assurance Network (PLAN). PLAN is a not-for-profit organization established to provide certain levels of liability insurance coverage, claims and risk management services, and legal defense to thirty- one San Francisco Bay Area cities. PLAN is governed by a Board of Directors comprised of officials appointed by each participating member and is administered by the Association of Bay Area Governments (ABAG). Complete financial statements for ABAG PLAN may be obtained from their offices at the following address: ABAG PLAN Corporation, Finance Department, 375 Beale Street, Ste 700, San Francisco, CA 94105-2066.

The City paid premiums of \$1,445,676 during fiscal year end June 30, 2022 for general liability and property coverage in excess of the City's self-insured retention. Members may receive rebates when declared by ABAG or, in the event excess liability claims against ABAG exceed available resources, may be required to make additional contributions.

The City is self-insured for the first \$50,000 of general and property liability for each occurrence, and the excess (up to \$10,000,000 for each occurrence and annual aggregate) is covered through the City's participation in the ABAG PLAN.

C. *Dental*

On July 1, 1988, the City established a program of self-insurance with respect to Employee's Dental Insurance, in accordance with the provisions of a Memorandum of Understanding between the City and all full-time employees. This program is administered by Preferred Benefit Insurance Administrators and provides claims review and processing. The maximum benefit per employee per plan year varies between \$1,500 and \$2,000; the maximum benefit per dependent per plan year is also between \$1,500 and \$2,000.

The City maintains an internal service fund to account for these insurance programs. Claims expenses and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported.

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 8 – Risk Management (Continued):

C. Dental (Continued)

Changes in the total reported liability resulted from the following:

	Fiscal Year ended in June 30,	
	2021	2022
July 1 Liability	\$216,408	\$305,345
Claims & change in estimate	429,800	375,560
Payments for claims	(340,863)	(376,701)
June 30 Liability	\$305,345	\$304,204

NOTE 9 – Interfund Transactions:

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund receivables/interfund payables (i.e., the current portion of interfund loans) or advances to/from other funds (the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as interfund receivables or interfund payables. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances.

A. Transfers

Resources may be transferred from one City/District fund to another. The purpose of the majority of transfers is to move resources from one fund to another. Less often, a transfer may be made to open or close a fund.

B. Internal Balances

Internal balances are presented in the entity-wide financial statements only. They represent the net interfund receivables and payables after the elimination of all such balances within governmental and business-type activities.

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 9 – Interfund Transactions (Continued):

B. Internal Balances (Continued)

The following is a summary of transfers for the fiscal year ended June 30, 2022:

Funds	Transfers In	Transfers Out
Major Governmental Funds:		
General Fund	\$1,130,919 (A)	\$5,133,739 (C)
General Capital Improvement Fund	3,820,000 (C)	
Debt Service Fund	2,541,941 (B)	
Major Enterprise Funds:		
Sewer Utility Fund		499,600 (A)
Nonmajor Governmental Funds:		
Gas Tax Fund		1,222,574 (A)
NPDES Stormwater Special Revenue Fund	20,000 (C)	132,081 (A)
Street Construction Special Revenue Fund	750,000 (C)	1,153,662 (A)
Davies Trust Special Revenue Fund		325,000 (A)
Pacifica Library Capital Projects Fund	30,000 (C)	
Internal Service Funds:		
Self Insurance Fund	132,000 (A)	
Fire Equipment Replacement Fund	41,796 (A)	
Total	\$8,466,656	\$8,466,656

(A) For general government operation purposes

(B) For debt services payments

(C) For various city projects

C. Advances

At June 30, 2022, the funds below had made advances that are not expected to be repaid within the next year. These long-term interfund advances are expected to be repaid out of future fees.

Advances from Sewer Utility Enterprise Fund to General Fund \$649,938 as of June 30, 2022:

- Per the repayment plan approved by the Pacifica City Council on June 23, 2014, and revised on June 24, 2019, repayment of this advance began in 2017-18 and conclude in 2023-24.

Advances from General Fund to NPDES Special Revenue Fund was fully repaid as of June 30, 2022.

Advances from Street Construction Special Revenue Fund to General Capital Improvement Capital Projects Fund was fully repaid as of June 30, 2022.

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 10 – Loan Receivable from Successor Agency Private-purpose Trust Fund:

Prior to the dissolution of the former redevelopment agency, the General Fund had loaned money to the former Redevelopment Agency Rockaway Beach Fund to carry out redevelopment activities. As a result of the dissolution, the loan receivable is now recorded as a loan receivable from the Successor Agency Private-purpose Trust Fund. Interest accrues on the original advance at the current Local Agency Investment Fund (LAIF) rate and effective September 22, 2015, calculated at a simple interest rate of 3%. At June 30, 2022, outstanding loans totaled \$1,900,000 in principal and \$1,794,796 in accrued interest.

NOTE 11 – Net Position and Fund Balances:

A. Net Position

GASB Statement No. 63 adds the concept of net position, which is measured on the full accrual basis, to the concept of Fund Balance, which is measured on the modified accrual basis.

Net position is divided into three captions under GASB Statement No. 34 and 63. These captions apply only to net position as determined at the government-wide level, and are described below:

Net Investment in Capital Assets describes the portion of net position, which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include capital projects, revolving loan programs, and other various grant programs.

Unrestricted describes the portion of net position which is not restricted as to use.

When both restricted and unrestricted net position is available, restricted resources are depleted first before the unrestricted resources are used.

B. Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances).

CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022

NOTE 11 – Net Position and Fund Balances (Continued):

B. Fund Balances (Continued)

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party—such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In the General Fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City ordinance (City Manager).

Unassigned – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental 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 applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available.

Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 11 – Net Position and Fund Balances (Continued):

B. Fund Balances (Continued)

The constraints placed on fund balance for the major governmental funds and all other governmental funds at June 30, 2022 are as follows:

	General Fund	Disaster Accounting Fund	General Capital Improvement Fund	Debt Service Fund	Non-Major Governmental Fund	Total Governmental Funds
Nonspendable:						
Prepaid items	\$126,958					\$126,958
Loan receivable	3,641,599					3,641,599
Advances						
Subtotal	<u>3,768,557</u>					<u>3,768,557</u>
Restricted for:						
PARS Pension Trust	342,510					342,510
Supplemental law enforcement					\$225,763	225,763
Trust Activities					2,757,814	2,757,814
Catastrophic events		\$6,088,414				6,088,414
Streets and roads					2,446,822	2,446,822
Housing					606,331	606,331
Parking					2,237,102	2,237,102
Debt services				\$5,317,384		5,317,384
Stormwater operations					324,165	324,165
Capital projects			\$6,722,964		2,697,426	9,420,390
Subtotal	<u>342,510</u>	<u>6,088,414</u>	<u>6,722,964</u>	<u>5,317,384</u>	<u>11,295,423</u>	<u>29,766,695</u>
Assigned for:						
Fund Balance Reserve	3,810,040					3,810,040
Facility Main & Replace Reserve	205,000					205,000
Compensated Absences Reserve	200,000					200,000
Child Care Reserve	488,591					488,591
Legal Reserve	100,000					100,000
Subtotal	<u>4,803,631</u>					<u>4,803,631</u>
Unassigned	<u>7,377,526</u>				<u>(619,786)</u>	<u>6,757,740</u>
Total	<u>\$16,292,224</u>	<u>\$6,088,414</u>	<u>\$6,722,964</u>	<u>\$5,317,384</u>	<u>\$10,675,637</u>	<u>\$45,096,623</u>

C. Net Investment in Capital Assets

The Net Investment in Capital Assets are calculated as below:

	Governmental Activities	Business-Type Activities	Total
Capital Asset, net of accumulated depreciation	\$88,559,682	\$62,561,864	\$151,121,546
Less: Capital debt	(19,067,133)	(36,463,566)	(55,530,699)
Plus: Unspent bond proceeds	-	-	-
Net Investment in Capital Asset	<u>\$69,492,549</u>	<u>\$26,098,298</u>	<u>\$95,590,847</u>

D. Restatement of beginning fund balances and net position

During the fiscal year 2022, the City performed a reconciliation of various funds and accounts, and as a result, the beginning fund balances for General Fund, the Housing Successor special revenue funds, and the beginning net position for the Sewer Utility enterprise fund and the Successor Agency Private Purpose Trust Fund were restated by (\$655,344), \$362,317, \$1,095,458 and (\$803,744) respectively. As a result, the Beginning net positions at July 1, 2021 for the Governmental Activities and Business Activities were restated by (\$293,027) and \$1,095,458 respectively.

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 12 – Contingencies:

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal Government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

NOTE 13 – Successor Agency to Former Redevelopment Agency Activities:

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Pacifica that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit. On January 23, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of the City resolution number 01-2012.

Long Range Property Management Plan – On December 10, 2015, the Successor Agency received confirmation from the California Department of Finance that it had reviewed and approved the Successor Agency’s Long Range Property Management Plan (LRPMP).

Loan Payable to the City – Please see Note 10.

Long-term Debt – Long-term debt of the Successor Agency as of June 30, 2022, consisted of the following:

	Balance July 01, 2021	Additions	Retirements	Balance June 30, 2022	Due in One Year
Loan payable to City	\$3,694,796	\$57,000	(\$110,197)	\$3,641,599	\$125,335
2004 Tax allocation bonds	1,015,000		(\$70,000)	945,000	75,000
Total	<u>\$4,709,796</u>	<u>\$57,000</u>	<u>(\$180,197)</u>	<u>\$4,586,599</u>	<u>\$200,335</u>

2004 Tax Allocation Bonds: In August 2004, the former Redevelopment Agency (Agency) issued \$1,725,000 in Rockaway Beach Redevelopment Project 2004 Tax Allocation Bonds at interest rates ranging from 2.9% to 5.75%. The net proceeds of the bonds were issued to refinance redevelopment activities by repaying a portion of the loan made by the City to the Agency and to establish a reserve fund. Interest on the bonds will be payable semiannually on January 1 and July 1 each year, commencing January 1, 2005. The bonds mature on July 1, 2031. The bonds are payable exclusively from pledged tax revenues to be derived from the project area and from the amounts on deposits in certain funds and accounts, including the reserve account and the revenue account.

The Bonds are general obligations of the Agency payable by the Agency. The bond covenants contain events of default that require the revenue of the Agency to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the Agency to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the Agency; or if any court or competent jurisdiction shall assume custody or control of the Agency. No such events occurred during the fiscal year ending June 30, 2022.

**CITY OF PACIFICA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 13 – Successor Agency to Former Redevelopment Agency Activities (Continued):

Annual debt service requirements, to maturity, for the 2004 Tax Allocation Bonds are as follows:

<u>Fiscal year ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$75,000	\$52,084	\$127,084
2024	75,000	47,809	122,809
2025	80,000	43,392	123,392
2026	85,000	38,669	123,669
2027	90,000	33,638	123,638
2028 - 2032	540,000	81,363	621,363
Total	<u>\$945,000</u>	<u>\$296,955</u>	<u>\$1,241,955</u>

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF PACIFICA
REQUIRED SUPPLEMENTARY INFORMATION
LAST 10 YEARS**

Miscellaneous Agent Multiple-Employer Defined Benefit Pension Plan
Last 10 Years*

Schedule of Changes in Net Pension Liability and Related Ratios

	Miscellaneous			
	6/30/2014	6/30/2015	6/30/2016	6/30/2017
Total Pension Liability				
Service Cost	\$1,445,205	\$1,427,162	\$1,495,380	\$1,631,204
Interest	5,862,583	6,123,624	6,346,516	6,501,283
Differences between expected and actual experience		(328,078)	(755,420)	(1,136,322)
Changes in assumptions		(1,478,509)		5,308,829
Changes in benefits				
Benefit payments, including refunds of employee contributions	(3,440,758)	(3,784,383)	(4,047,332)	(4,185,238)
Net change in total pension liability	3,867,030	1,959,816	3,039,144	8,119,756
Total pension liability - beginning	79,165,549	83,032,579	84,992,395	88,031,539
Total pension liability - ending (a)	<u>\$83,032,579</u>	<u>\$84,992,395</u>	<u>\$88,031,539</u>	<u>\$96,151,295</u>
Plan fiduciary net position				
Contributions - employer	\$993,077	\$1,081,227	\$1,256,738	\$1,459,527
Contributions - employee	622,734	622,660	685,119	711,067
Net investment income	11,283,773	1,641,405	382,638	7,967,324
Administrative expense		(83,654)	(45,303)	(107,140)
Benefit payments, including refunds of employee contributions	(3,440,758)	(3,784,383)	(4,047,332)	(4,185,238)
Net Plan to Plan Resource Movement				
Other Miscellaneous Income/(Expense)				
Net change in plan fiduciary net position	9,458,826	(522,745)	(1,768,140)	5,845,540
Plan fiduciary net position - beginning	65,398,696	74,857,522	74,334,777	72,566,637
Plan fiduciary net position - ending (b)	<u>\$74,857,522</u>	<u>\$74,334,777</u>	<u>\$72,566,637</u>	<u>\$78,412,177</u>
Net pension liability - ending (a)-(b)	<u>\$8,175,057</u>	<u>\$10,657,618</u>	<u>\$15,464,902</u>	<u>\$17,739,118</u>
Plan fiduciary net position as a percentage of the total pension liability	90.15%	87.46%	82.43%	81.55%
Covered payroll	\$7,982,929	\$8,049,221	\$8,463,442	\$9,007,097
Net pension liability as percentage of covered payroll	102.41%	132.41%	182.73%	196.95%

Notes to Schedule:

Benefit changes - The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in assumptions - In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, 2018, 2019, 2020 and 2021, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

* Fiscal year 2015 was the 1st year of implementation.

**CITY OF PACIFICA
REQUIRED SUPPLEMENTARY INFORMATION
LAST 10 YEARS**

Miscellaneous			
<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>
\$1,716,353	\$1,756,360	\$1,869,810	\$1,748,773
6,687,032	7,042,527	7,404,044	7,659,792
(407,869)	1,371,619	1,330,180	(230,958)
(739,131)			
<u>(4,675,098)</u>	<u>(4,971,021)</u>	<u>(5,288,206)</u>	<u>(5,522,755)</u>
2,581,287	5,199,485	5,315,828	3,654,852
96,151,295	98,732,582	103,932,067	109,247,895
<u>\$98,732,582</u>	<u>\$103,932,067</u>	<u>\$109,247,895</u>	<u>\$112,902,747</u>
\$1,571,937	\$1,896,427	\$2,217,115	\$2,515,162
749,462	733,521	769,486	782,756
6,524,986	5,347,965	4,206,783	19,473,439
(122,188)	(58,680)	(120,079)	(86,870)
(4,675,098)	(4,971,021)	(5,288,206)	(5,522,755)
(191)			
<u>(232,037)</u>	<u>191</u>		
3,816,871	2,948,403	1,785,099	17,161,732
78,412,177	82,229,048	85,177,451	86,962,550
<u>\$82,229,048</u>	<u>\$85,177,451</u>	<u>\$86,962,550</u>	<u>\$104,124,282</u>
<u>\$16,503,534</u>	<u>\$18,754,616</u>	<u>\$22,285,345</u>	<u>\$8,778,465</u>
83.28%	81.95%	79.60%	92.22%
\$9,138,180	\$9,754,931	\$11,058,613	\$10,084,809
180.60%	192.26%	201.52%	87.05%

**CITY OF PACIFICA
REQUIRED SUPPLEMENTARY INFORMATION
LAST 10 YEARS**

Miscellaneous Agent Multiple-Employer Defined Benefit Pension Plan
Last 10 Years*
Schedule of Contributions

Fiscal Year Ended June 30	Miscellaneous				
	2015	2016	2017	2018	2019
Actuarially determined contribution	\$1,081,226	\$1,256,739	\$1,454,468	\$1,571,900	\$1,896,427
Contributions in relation to the actuarially determined contributions	(1,081,226)	(1,256,739)	(1,454,468)	(1,571,900)	(1,896,427)
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$8,049,221	\$8,463,442	\$9,007,097	\$9,138,180	\$9,754,931
Contributions as a % of covered	13.43%	14.85%	16.15%	17.20%	19.44%

Notes to Schedule

Valuation date:	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017
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Fiscal Year Ended June 30	2020	2021	2022
	Actuarially determined contribution	\$2,217,115	\$2,515,162
Contributions in relation to the actuarially determined contributions	(2,217,115)	(2,515,162)	(2,691,698)
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$11,058,613	\$10,084,809	\$10,091,313
Contributions as a % of covered	20.05%	24.94%	26.67%

Notes to Schedule

Valuation date:	6/30/2018	6/30/2019	6/30/2020
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Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Asset valuation method	Market Value of Assets
Inflation	2.75% for 2015 to 2019, 2.625% for 2020, 2.50% for 2021, and 2.375% for 2022.
Salary increases	Varies by entry age and service
Payroll Growth	2.75%
Investment rate of return	7.50% for 2015 to 2018, 7.375% for 2019, 7.25% for 2020, 7.125% for 2021, and 7.000% for 2022, net of pension plan investment expense and administrative expenses, includes inflation
Retirement age	The probabilities of retirement are based on the CalPERS Experience Study.
Mortality	The probabilities of mortality are based on the CalPERS Experience Study. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale AA published by the Society of Actuaries for 2015 to 2018. For 2019, 2020, 2021, and 2022, pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

* Fiscal year 2015 was the 1st year of implementation.

**CITY OF PACIFICA
REQUIRED SUPPLEMENTARY INFORMATION
LAST 10 YEARS**

Safety Cost Sharing Multiple-Employer Defined Benefit Pension Plan
Last 10 Years*

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AND RELATED RATIOS AS OF THE MEASUREMENT DATE**

Measurement Date	Safety Plan				
	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Plan's proportion of the Net Pension Liability (Asset)	0.50100%	0.57100%	0.00000%	0.52919%	0.54700%
Plan's proportion share of the Net Pension Liability (Asset)	\$18,808,357	\$20,914,148	\$27,461,120	\$31,620,401	\$32,079,854
Plan's Covered Payroll	\$6,019,600	\$5,843,663	\$5,928,087	\$6,058,030	\$5,988,447
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	312.45%	357.89%	463.24%	521.96%	521.96%
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	79.82%	78.40%	74.06%	73.31%	75.26%
Measurement Date	6/30/2019	6/30/2020	6/30/2021		
Plan's proportion of the Net Pension Liability (Asset)	0.55658%	0.57053%	0.69850%		
Plan's proportion share of the Net Pension Liability (Asset)	\$34,744,594	\$38,010,670	\$24,515,482		
Plan's Covered Payroll	\$6,575,368	\$4,398,589	\$7,147,760		
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	535.70%	528.41%	864.16%		
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	75.26%	75.10%	81.87%		

* Fiscal year 2015 was the 1st year of implementation.

**CITY OF PACIFICA
REQUIRED SUPPLEMENTARY INFORMATION
LAST 10 YEARS**

Cost Sharing Multiple-Employer Defined Benefit Pension Plan
Last 10 Fiscal Years*

SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ended June 30	Safety Plan				
	2015	2016	2017	2018	2019
Actuarially determined contributions	\$1,437,730	\$1,364,845	\$2,158,037	\$2,398,015	\$2,830,926
Contributions in relation to the actuarially determined contributions	(1,437,730)	(1,364,845)	(2,158,037)	(2,398,015)	(2,830,926)
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	<u>\$5,843,663</u>	<u>\$5,928,087</u>	<u>\$6,058,030</u>	<u>\$5,988,447</u>	<u>\$6,575,368</u>
Contributions as a percentage of covered payroll	24.60%	23.02%	35.62%	40.04%	43.05%
Fiscal Year Ended June 30	2020	2021	2022		
Actuarially determined contributions	\$2,002,059	\$3,724,131	\$3,932,902		
Contributions in relation to the actuarially determined contributions	(2,002,059)	(3,724,131)	(3,932,902)		
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>		
Covered payroll	<u>\$4,398,589</u>	<u>\$7,147,760</u>	<u>\$7,319,572</u>		
Contributions as a percentage of covered payroll	45.52%	52.10%	53.73%		

* Fiscal year 2015 was the first year of implementation.

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**CITY OF PACIFICA
REQUIRED SUPPLEMENTARY INFORMATION
LAST 10 YEARS**

PARS REP Agent Multiple-Employer Defined Benefit Pension Plan
Last 10 Years*

Schedule of Changes in Net Pension Liability and Related Ratios

	PARS			
	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Total Pension Liability				
Service Cost	\$97,626	\$55,073	\$56,725	\$47,461
Interest	218,058	228,048	238,515	244,298
Differences between expected and actual experience				
Effect of economic/demographic gains or losses		(136,732)		(78,177)
Effect of assumptions changes or inputs		143,356	196,706	
Benefit payments, including refunds of employee contributions	(126,197)	(144,782)	(149,371)	(157,202)
Net change in total pension liability	189,487	144,963	342,575	56,380
Total pension liability - beginning	2,972,061	3,161,548	3,306,511	3,649,086
Total pension liability - ending (a)	<u>\$3,161,548</u>	<u>\$3,306,511</u>	<u>\$3,649,086</u>	<u>\$3,705,466</u>
Plan fiduciary net position				
Contributions - employer	\$159,573	\$127,848	\$123,391	\$121,576
Net investment income	44,261	7,840	172,456	133,898
Investment expense	(8,227)			
Benefit payments, including refunds of employee contributions	(126,197)	(144,782)	(149,371)	(157,202)
Administrative expenses	(8,448)	(9,150)	(8,664)	(9,009)
Net change in plan fiduciary net position	60,962	(18,244)	137,812	89,263
Plan fiduciary net position - beginning	1,994,520	2,055,482	2,037,238	2,175,050
Plan fiduciary net position - ending (b)	<u>\$2,055,482</u>	<u>\$2,037,238</u>	<u>\$2,175,050</u>	<u>\$2,264,313</u>
Net pension liability - ending (a)-(b)	<u>\$1,106,066</u>	<u>\$1,269,273</u>	<u>\$1,474,036</u>	<u>\$1,441,153</u>
Plan fiduciary net position as a percentage of the total pension liability	65.02%	61.61%	59.61%	61.11%
Covered payroll	\$1,485,442	\$1,530,005	\$1,303,994	\$1,351,614
Net pension liability as percentage of covered payroll	74.46%	82.96%	113.04%	106.62%

Notes to Schedule:

Benefit changes - The figures above do not include any liability impact that may have resulted from plan changes which occurred after the actuarial valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in assumptions - In 2017, the accounting discount rate reduced from 7.65% to 7.15%. In 2016, 2018, 2019, 2020, and 2021, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5% discount rate.

* Fiscal year 2015 was the 1st year of implementation.

**CITY OF PACIFICA
REQUIRED SUPPLEMENTARY INFORMATION
LAST 10 YEARS**

PARS			
6/30/2019	6/30/2020	6/30/2021	6/30/2022
\$48,885	\$35,933	\$36,921	\$20,726
247,550	253,625	263,809	267,267
	12,653		
	57,961		24,928
	8,541		
<u>(176,795)</u>	<u>(210,707)</u>	<u>(227,211)</u>	<u>(239,609)</u>
119,640	158,006	73,519	73,312
3,705,466	3,825,106	3,983,112	4,056,631
<u>\$3,825,106</u>	<u>\$3,983,112</u>	<u>\$4,056,631</u>	<u>\$4,129,943</u>
\$98,849	\$96,419	\$97,888	\$97,904
136,800	65,576	492,499	(337,585)
(176,795)	(210,707)	(227,211)	(239,609)
<u>(9,066)</u>	<u>(9,143)</u>	<u>(9,559)</u>	<u>(9,848)</u>
49,788	(57,855)	353,617	(489,138)
2,264,313	2,314,101	2,256,246	2,609,863
<u>\$2,314,101</u>	<u>\$2,256,246</u>	<u>\$2,609,863</u>	<u>\$2,120,725</u>
<u>\$1,511,005</u>	<u>\$1,726,866</u>	<u>\$1,446,768</u>	<u>\$2,009,218</u>
60.50%	56.65%	64.34%	51.35%
\$988,068	\$1,015,240	\$630,037	\$647,363
152.93%	170.09%	229.63%	310.37%

**CITY OF PACIFICA
REQUIRED SUPPLEMENTARY INFORMATION
LAST 10 YEARS**

**PARS Retirement Enhance Plan (REP) Defined Benefit Pension Agent Multiple-Employer Plan
Last 10 Years*
Schedule of Contributions**

Fiscal Year Ended June 30	PARS				
	2015	2016	2017	2018	2019
Actuarially determined contribution	\$220,169	\$127,848	\$127,848	\$121,576	\$98,849
Contributions in relation to the actuarially determined contributions	(220,169)	(127,848)	(127,848)	(121,576)	(98,849)
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0
Covered payroll	\$1,485,442	\$1,530,005	\$1,303,994	\$1,351,614	\$988,068
Net Pension Liability as a percentage of covered payroll	14.82%	8.36%	9.80%	8.99%	10.00%
Notes to Schedule					
Valuation date:	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2017
Fiscal Year Ended June 30	2020	2021	2022		
Actuarially determined contribution	\$96,419	\$97,888	\$97,904		
Contributions in relation to the	(96,419)	(97,888)	(97,904)		
Contribution deficiency (excess)	\$0	\$0	\$0		
Covered payroll	\$1,015,240	\$630,037	\$647,363		
Net Pension Liability as a	9.50%	15.54%	15.12%		
Notes to Schedule					
Valuation date:	6/30/2018	6/30/2019	6/30/2020		

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar of payroll, closed
Remaining amortization period	15 years as of June 30, 2017
Asset valuation method	None
Inflation	2.50%
Salary increases	Consistent with the rates used to value the Miscellaneous Agency CalPERS Pension Plans (Entry Age 30)
Investment rate of return	6.75%
Retirement	Retirement rates of 30% per year starting at age 55 with required years of service.
Mortality	Consistent with the Non-Industrial rates used to value the Miscellaneous CalPERS Pension Plans.

* Fiscal year 2015 was the 1st year of implementation.

**CITY OF PACIFICA
REQUIRED SUPPLEMENTARY INFORMATION
LAST 10 YEARS**

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
Single Employer Other Post-Employment Benefits Plan (OPEB)
Last 10 fiscal years***

Measurement Date	6/30/2019	6/30/2020	6/30/2021	6/30/2022
Total OPEB Liability (1)				
Service Cost	\$303,274	\$328,277	\$368,174	\$524,816
Interest	233,437	234,697	239,312	195,445
Changes of benefit terms				
Differences between expected and actual experience	(527,075)		254,368	
Changes of assumptions	(320,279)	345,836	1,192,492	72,300
Benefit payments	(173,450)	(167,371)	(184,166)	(225,411)
Net change in total OPEB liability	<u>(484,093)</u>	<u>741,439</u>	<u>1,870,180</u>	<u>567,150</u>
Total OPEB liability - beginning	<u>6,304,041</u>	<u>5,819,948</u>	<u>6,561,387</u>	<u>8,431,567</u>
Total OPEB liability - ending (a)	<u>\$5,819,948</u>	<u>\$6,561,387</u>	<u>\$8,431,567</u>	<u>\$8,998,717</u>
Covered-employee payroll	\$18,617,151	\$16,078,058	\$16,614,061	\$17,232,569
Total OPEB liability as a percentage of covered-employee payroll	31.3%	40.8%	50.7%	52.2%

Notes to Schedule:

(1) No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75.

* Fiscal year 2018 was the first year of implementation.

**CITY OF PACIFICA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Property	\$14,317,669	\$14,317,669	\$14,456,630	\$138,961
Sales	1,657,184	1,657,184	1,754,500	97,316
Franchise	2,860,153	3,017,753	3,136,433	118,680
Other	4,911,391	4,706,041	4,936,881	230,840
Licenses and permits	884,088	919,388	1,026,381	106,993
Fines and forfeitures	267,000	180,000	167,612	(12,388)
Use of money and property	209,888	230,416	222,511	(7,905)
Intergovernmental	8,861,151	10,881,551	10,875,321	(6,230)
Charges for current services	3,587,329	4,005,429	3,649,015	(356,414)
Recreation programs	558,702	444,602	456,080	11,478
Other	1,605,591	1,617,291	1,840,182	222,891
Total revenues	39,720,146	41,977,324	42,521,546	544,222
Expenditures:				
Current				
General Government:				
City Council	188,754	188,754	206,589	(17,835)
City Manager	1,863,480	2,054,024	1,569,294	484,730
Human Resources	955,613	961,085	925,742	35,343
City Attorney	984,471	1,204,471	1,421,676	(217,205)
Finance	2,163,175	2,171,019	2,012,181	158,838
Non-departmental	159,898	159,898	1,107,377	(947,479)
Total General Government	6,315,391	6,739,251	7,242,859	(503,608)
Public Safety:				
Police	10,520,945	10,792,926	10,739,864	53,062
Fire	6,916,714	7,527,446	7,843,125	(315,679)
Total Public Safety	17,437,659	18,320,372	18,582,989	(262,617)
Community development:				
Planning	3,878,106	4,045,778	3,056,701	989,077
Code enforcement				
Total Community Development	3,878,106	4,045,778	3,056,701	989,077
Public Works:				
Engineering Services	1,269,153	1,434,970	1,246,001	188,969
Street and traffic maintenance	1,607,847	1,612,869	1,518,672	94,197
Building maintenance and improvement	604,912	604,912	538,845	66,067
Fishing pier/rest stop maintenance	309,761	309,761	302,571	7,190
City parks and playfields	853,552	853,552	765,454	88,098
Total Public Works	4,645,225	4,816,064	4,371,543	444,521

(Continued)

**CITY OF PACIFICA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
Current:				
Parks, Beaches, and Recreation:				
Parks, beaches, and recreation	\$317,280	\$268,412	\$334,416	(\$66,004)
Community center programs	204,954	204,954	166,213	38,741
Cultural arts	5,202	5,202	(511)	5,713
Elementary age recreation	183,238	163,238	96,457	66,781
Teens and j-teens recreation	62,574	62,574	47,825	14,749
Adult sports	100	100	59	41
Senior	242,950	242,950	181,720	61,230
Instructional class	85,391	85,391	62,380	23,011
Recreation swimming	348,276	348,276	340,405	7,871
Swim Team	79,509	79,509	109,316	(29,807)
Special community recreation	93,292	93,292	68,712	24,580
Special projects	3,242,792	3,514,247	3,378,691	135,556
Total Parks, Beaches and Recreation	<u>4,865,558</u>	<u>5,068,145</u>	<u>4,785,683</u>	<u>282,462</u>
Capital Outlay	<u>182,000</u>	<u>53,932</u>	<u>60,620</u>	<u>(6,688)</u>
Total Expenditures	<u>37,323,939</u>	<u>39,043,542</u>	<u>38,100,395</u>	<u>943,147</u>
Excess (Deficit) of Revenues over Expenditures	<u>2,396,207</u>	<u>2,933,782</u>	<u>4,421,151</u>	<u>1,487,369</u>
Other Financing Sources (Uses)				
Transfers in	1,130,919	1,130,919	1,130,919	
Transfers (out)	<u>(5,099,670)</u>	<u>(5,099,670)</u>	<u>(5,105,875)</u>	<u>(6,205)</u>
Total Other Financing Sources (Uses)	<u>(3,968,751)</u>	<u>(3,968,751)</u>	<u>(3,974,956)</u>	<u>(6,205)</u>
Net Change in Fund Balance	<u>(\$1,572,544)</u>	<u>(\$1,034,969)</u>	<u>446,195</u>	<u>\$1,481,164</u>
Fund Balance at Beginning of Year			<u>15,846,029</u>	
Fund Balance at End of Year			<u>\$16,292,224</u>	

**CITY OF PACIFICA
 BUDGETARY COMPARISON SCHEDULE
 DISASTER ACCOUNTING SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Taxes		\$1,990,993	\$1,990,993
Use of money and property			
Other		147,106	147,106
		<u>2,138,099</u>	<u>2,138,099</u>
Total revenues		<u>2,138,099</u>	<u>2,138,099</u>
Expenditures:			
Current			
Public Safety		10,831	(10,831)
Capital outlay	\$506,673	552,783	(46,110)
		<u>563,614</u>	<u>(56,941)</u>
Total expenditures	<u>506,673</u>	<u>563,614</u>	<u>(56,941)</u>
Net change in fund balance	<u>(\$506,673)</u>	<u>1,574,485</u>	<u>\$2,195,040</u>
Fund balance (deficit) at beginning of year		<u>4,513,929</u>	
Fund balance (deficit) at end of year		<u>\$6,088,414</u>	

**CITY OF PACIFICA
NOTES TO THE SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED JUNE 30, 2022**

1. BUDGETARY BASIS OF ACCOUNTING

The City prepares a budget for each fiscal year on or before June 30. Budgeted expenditures are enacted into law through the passage of an Appropriation Resolution. This resolution mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the City Council.

From the effective date of the budget, which is adopted and controlled at the department level, the amounts stated therein as proposed expenditures become appropriations to the various City departments. The legal level of control is the department. The City Council may amend the budget by resolution during the fiscal year.

Formal budgetary integration is employed as a management control device during the fiscal year for the General fund and Special Revenue and Capital Project Funds. The General Fund budget and Special Revenue and Capital Project Fund budgets are adopted on a basis consistent with accounting principles generally accepted in the United States (USGAAP) and are consistent with the basis used for financial reporting. Accordingly, actual revenues and expenditures can be compared with related budget amounts without any reconciliation.

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SUPPLEMENTARY INFORMATION

**CITY OF PACIFICA
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Use of money and property	\$7,000	\$111	(\$6,889)
Other		1,091,137	1,091,137
Total Revenues	<u>7,000</u>	<u>1,091,248</u>	<u>1,084,248</u>
Expenditures:			
Debt Service:			
Principal	1,691,069	1,596,632	94,437
Interest and fiscal charges	1,211,786	946,574	265,212
Total expenditures	<u>2,902,855</u>	<u>2,543,206</u>	<u>359,649</u>
Excess (Deficit) of Revenues over Expenditures	<u>(2,895,855)</u>	<u>(1,451,958)</u>	<u>1,443,897</u>
Other Financing Sources (Uses)			
Proceeds from lease financing		4,000,000	4,000,000
Transfers in	2,684,908	2,541,941	(142,967)
Total Other Financing Sources (Uses)	<u>2,684,908</u>	<u>6,541,941</u>	<u>3,857,033</u>
Net change in fund balance	<u>(\$210,947)</u>	<u>5,089,983</u>	<u>\$5,300,930</u>
Fund balance at beginning of year		227,401	
Fund balance at end of year		<u><u>\$5,317,384</u></u>	

**CITY OF PACIFICA
BUDGETARY COMPARISON SCHEDULE
GENERAL CAPITAL IMPROVEMENT
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$1,500,000	\$1,500,000	
Licenses and permits	25,000	52,995	\$27,995
Use of money and property	6,355,000	320,000	(6,035,000)
Total revenues	7,880,000	1,872,995	(6,007,005)
Expenditures:			
Current:			
Community development		507	(507)
Capital Outlay	13,247,000	2,269,998	10,977,002
Total expenditures	13,247,000	2,270,505	10,976,495
Excess (Deficit) of Revenues over Expenditures	(5,367,000)	(397,510)	4,969,490
Other Financing sources (Uses)			
Transfers in	3,820,000	3,820,000	
Total Other Financing Sources (Uses)	3,820,000	3,820,000	
Net Change in Fund Balance	(\$1,547,000)	3,422,490	\$4,969,490
Fund balance (deficit) at beginning of year		3,300,474	
Fund balance (deficit) at end of year		\$6,722,964	

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CITY OF PACIFICA
NON-MAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2022

SPECIAL REVENUE FUNDS

Special Revenue Funds are created in accordance with Federal, State, or City regulations which require that monies apportioned from these specific funds be spent only for certain designated purposes. Funds included in this fund category are:

GAS TAX SPECIAL REVENUE FUND – This fund was established to receive and expend the City's allocation of the State Gasoline Taxes. Each City is allocated funds on a population basis in accordance with Section 2103, 2105, 2106, 2107 and 2107.5 of the California Street and Highway Code. Population is determined by the latest Federal Census or survey requested and certified by the Cities and conducted by the State Department of Finance. Expenditures may be made for construction or purchasing of right-of-way on minor streets. Expenditures of money apportioned under Section 2107 may be made for any street purpose. Under Section 2107.5 a flat allocation of \$6,000 per year is granted the City for street engineering.

DAVIES TRUST SPECIAL REVENUE FUND – This fund was established to account for a donation by a private individual which is restricted for specific purposes. The funds are to be used to help acquire, build, remodel, improve, support, and maintain the equipment, buildings, grounds, yard, gardens, and landscaped areas of the various parks, beaches, and recreational area located in Pacifica, to conduct related educational and recreational programs for the benefit of the general public.

SUPPLEMENTAL LAW ENFORCEMENT SERVICES FUND – This fund was created to account for revenues and expenditures associated with money allocated by the legislature to all cities and counties throughout the state to supplement front line law enforcement services.

NPDES STORMWATER FUND – The NPDES (National Pollution Discharge Elimination System) Stormwater Fund was established in fiscal year 1994-95 to account for revenues and expenditures associated with Federal and State mandated stormwater operations.

HOUSING IN-LIEU FUND – This fund was established to account for receipts from fees imposed on developers to provide for improvements.

PARKING IN-LIEU FUND – This fund was established to account for receipts and expenditures from fees imposed on developers to provide for parking facilities improvements.

STREET CONSTRUCTION FUND – This fund was established to account for Measure A and the transportation related local funding and other grant funding for streets and roads.

EXCESS ERAF FUND – This fund was established to account for excess education augmentation revenue that the City receives from the County.

PARKS, BEACHES AND RECREATION FUND – This fund was established to account for various donations specifically designated for Park, Beaches and Recreation activities.

HOUSING SUCCESSOR FUND – This fund accounts for the assets and activities to the dissolved low and moderate income housing fund.

CITY OF PACIFICA
NON-MAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2022

CAPITAL PROJECTS FUNDS

Capital Projects Funds are established to account for financial resources to be used for the acquisition, construction, and improvement of major capital facilities of the City. Appropriations are made from the funds annually.

HIGHWAY 1 IMPROVEMENT FUND – This fund is financed by traffic impact mitigation fees as outlined in the Pacifica Municipal Code (Section 8-15.01 to Section 8-15.06).

MANOR DRIVE IMPROVEMENT FUND – This fund was established to account for the Manor Drive/Palmetto Avenue/Oceana Boulevard intersection construction and is financed by traffic impact mitigation fees as outlined in the Pacifica Municipal Code (Section 8-18.01 to Section 8-18.06).

AIRCRAFT NOISE PROJECT FUND – This fund was established to record the financial transactions of an Aircraft Noise Abatement Project funded with Federal and San Francisco Airport grants.

PARKS AND PLAYFIELD FUND – This fund was financed by Parkland Dedication Fees as outlined in the Pacifica Municipal Code (Section 8-19.01 to Section 8-19.03).

PLANNED LOCAL DRAINAGE FUND – Revenues are derived from fees levied on new construction in local districts. Funds can be utilized only for the drainage system in those particular districts.

PACIFICA LIBRARY FUND – This fund was established to account for grants and other sources for the construction of Pacifica’s library.

FRONTIERLAND REMEDIATION FUND – This fund was established to account for remediation fees and remediation costs related to the closed landfill site at the Frontierland Park location. Recology of the Coast, the City’s recyclable/organic materials and solid waster collection franchisee pays the City a remediation fee of \$6,250 per month (\$75,000 annually).

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CITY OF PACIFICA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022

SPECIAL REVENUE FUNDS				
		Supplemental Law		
Gas Tax	Davies Trust	Enforcement Services	NPDES Stormwater	Housing In-Lieu
Assets:				
Cash and investments		\$238,756	\$179,793	\$244,014
Restricted cash and investments	\$3,001,260			
Receivable:				
Accounts	\$142,667		152,375	
Advance to other funds				
Total Assets	\$142,667	\$3,001,260	\$238,756	\$332,168
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$88,589	\$50	\$12,993	\$8,003
Due to other funds	203,674	243,396		
Advance from other funds				
Total Liabilities	292,263	243,446	12,993	8,003
Fund Balances:				
Restricted		2,757,814	225,763	324,165
Unassigned	(149,596)			\$244,014
Total Fund Balances (Deficits)	(149,596)	2,757,814	225,763	324,165
Total Liabilities and Fund Balances	\$142,667	\$3,001,260	\$238,756	\$332,168

SPECIAL REVENUE FUNDS				CAPITAL PROJECTS FUNDS		
Parking In-Lieu	Street Construction	Parks, Beaches and Recreation	Housing Successor	Highway 1 Improvement	Manor Drive Improvement	Aircraft Noise Project
\$116,142	\$2,484,281	\$2,124,916	\$362,317	\$619,032	\$957,036	\$411
\$116,142	\$2,484,281	\$2,124,916	\$362,317	\$619,032	\$957,036	\$411
	\$37,459	\$3,956		\$782	\$81,145	
	37,459	3,956		782	81,145	
\$116,142	2,446,822	2,120,960	\$362,317	618,250	\$875,891	\$411
116,142	2,446,822	2,120,960	362,317	618,250	875,891	411
\$116,142	\$2,484,281	\$2,124,916	\$362,317	\$619,032	\$957,036	\$411

(Continued)

**CITY OF PACIFICA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022**

CAPITAL PROJECTS FUNDS

	Parks and Playfield	Planned Local Drainage	Pacifica Library	Frontierland Remediation	Total
Assets:					
Cash and investments	\$681,869		\$136,595	\$400,905	\$8,546,067
Restricted cash and investments					3,001,260
Receivable:					
Accounts					295,042
Advance to other funds					
Total Assets	\$681,869		\$136,595	\$400,905	\$11,842,369
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$1,042		\$15,453		\$249,472
Due to other funds		\$470,190			917,260
Advance from other funds					
Total Liabilities	1,042	470,190	15,453		1,166,732
Fund Balances:					
Restricted	680,827		121,142	\$400,905	11,295,423
Unassigned		(470,190)			(619,786)
Total Fund Balances (Deficits)	680,827	(470,190)	121,142	400,905	10,675,637
Total Liabilities and Fund Balances	\$681,869		\$136,595	\$400,905	\$11,842,369

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**CITY OF PACIFICA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022**

	SPECIAL REVENUE FUNDS				
	Gas Tax	Davies Trust	Supplemental Law Enforcement Services	NPDES Stormwater	Housing In-Lieu
Revenues:					
Taxes:					
Other taxes	\$1,666,585			\$187,355	
Charges for services				11,955	
Use of money and property		\$892			
Intergovernmental	150,636		\$157,556		
Other	25			8,265	\$791
Total Revenues	1,817,246	892	157,556	207,575	791
Expenditures:					
Current:					
General government		208			
Public Safety			75,607		
Community development					
Public works	547,389			98,993	
Recreation					
Capital outlay	8,224	39,441	92,582		
Total Expenditures	555,613	39,649	168,189	98,993	
Excess (Deficit) of revenues over expenditures	1,261,633	(38,757)	(10,633)	108,582	791
Other financing sources (Uses)					
Transfers in				20,000	
Transfers (out)	(1,222,574)	(325,000)		(132,081)	
Total Other Financing Sources (Uses)	(1,222,574)	(325,000)		(112,081)	
Net change in fund balances	39,059	(363,757)	(10,633)	(3,499)	791
Fund Balances at beginning of year, restated	(188,655)	3,121,571	236,396	327,664	243,223
Fund Balances at end of year	(\$149,596)	\$2,757,814	\$225,763	\$324,165	\$244,014

SPECIAL REVENUE FUNDS				CAPITAL PROJECTS FUNDS		
Parking In-Lieu	Street Construction	Parks, Beaches and Recreation	Housing Successor	Highway 1 Improvement	Manor Drive Improvement	Aircraft Noise Project
	\$1,768,958			\$39,296		
		\$422		39,046		
	10,799				\$4,670	
	1,779,757	422		78,342	4,670	
	2,440,956			28,102		
		25,379		42,534	81,145	
	2,440,956	25,379		70,636	81,145	
	(661,199)	(24,957)		7,706	(76,475)	
	750,000 (1,153,662)					
	(403,662)					
	(1,064,861)	(24,957)		7,706	(76,475)	
\$116,142	3,511,683	2,145,917	\$362,317	610,544	952,366	\$411
\$116,142	\$2,446,822	\$2,120,960	\$362,317	\$618,250	\$875,891	\$411

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**CITY OF PACIFICA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022**

CAPITAL PROJECTS FUNDS					
	Parks and Playfields	Planned Local Drainage	Pacifica Library	Frontierland Remediation	Total
Revenues:					
Taxes:					
Other taxes					\$3,622,898
Charges for services					51,251
Use of money and property					1,314
Intergovernmental					347,238
Other	\$147,617			\$6,250	178,417
Total Revenues	147,617			6,250	4,201,118
Expenditures:					
Current:					
General government					208
Public Safety					75,607
Community development	15,899				15,899
Public works		\$645,236			3,760,676
Recreation					25,379
Capital outlay			\$15,642		279,568
Total Expenditures	15,899	645,236	15,642		4,157,337
Excess (Deficit) of revenues over expenditures	131,718	(645,236)	(15,642)	6,250	43,781
Other financing sources (Uses)					
Transfers in			30,000		800,000
Transfers (out)					(2,833,317)
Total Other Financing Sources (Uses)			30,000		(2,033,317)
Net change in fund balances	131,718	(645,236)	14,358	6,250	(1,989,536)
Fund Balances at beginning of year, restated	549,109	175,046	106,784	394,655	12,665,173
Fund Balances at end of year	\$680,827	(\$470,190)	\$121,142	\$400,905	\$10,675,637

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**CITY OF PACIFICA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	SPECIAL REVENUE FUNDS					
	Gas Tax			Davies Trust		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes						
Other taxes	\$1,649,657	\$1,666,585	\$16,928			
Charges for services						
Use of money and property					\$892	\$892
Intergovernmental		150,636	150,636			
Other		25	25			
Total Revenues	1,649,657	1,817,246	167,589		892	892
Expenditures:						
Current:						
General government					208	(208)
Public Safety						
Community development						
Public works	505,446	547,389	(41,943)			
Recreation						
Capital outlay	20,000	8,224	11,776	\$709,400	39,441	669,959
Total Expenditures	525,446	555,613	(30,167)	709,400	39,649	669,751
Excess (Deficit) of Revenues over Expenditures	1,124,211	1,261,633	137,422	(709,400)	(38,757)	670,643
Other financing sources (Uses):						
Transfers in						
Transfers (out)	(1,222,574)	(1,222,574)		(325,000)	(325,000)	
Total Other Financing Sources (Uses)	(1,222,574)	(1,222,574)		(325,000)	(325,000)	
Net change in fund balance	(\$98,363)	39,059	\$137,422	(\$1,034,400)	(363,757)	\$670,643
Fund Balances at beginning of year, restated		(188,655)			3,121,571	
Fund Balance at end of year		(\$149,596)			\$2,757,814	

SPECIAL REVENUE FUNDS

Supplemental Law Enforcement Services			NPDES Stormwater			Housing In-Lieu		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
			\$178,000	\$187,355 11,955	\$9,355 11,955			
\$100,000	\$157,556	\$57,556		8,265	8,265		\$791	\$791
100,000	157,556	57,556	178,000	207,575	29,575		791	791
68,800	75,607	(6,807)	93,775	98,993	(5,218)			
58,200	92,582	(34,382)						
127,000	168,189	(41,189)	93,775	98,993	(5,218)			
(27,000)	(10,633)	16,367	84,225	108,582	24,357		791	791
			20,000 (132,081)	20,000 (132,081)				
			(112,081)	(112,081)				
(\$27,000)	(10,633)	\$16,367	(\$27,856)	(3,499)	\$24,357		791	\$791
	236,396			327,664			243,223	
	\$225,763			\$324,165			\$244,014	

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**CITY OF PACIFICA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2022**

	SPECIAL REVENUE FUND					
	Street Construction			Parks, Beaches and Recreation		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes						
Other taxes	\$1,455,600	\$1,768,958	\$313,358			
Charges for services						
Use of money and property					\$422	\$422
Intergovernmental						
Other		10,799	10,799			
Total Revenues	1,455,600	1,779,757	324,157		422	422
Expenditures:						
Current:						
General government						
Public Safety						
Community development						
Public works	3,945,534	2,440,956	3,945,534			
Recreation					25,379	(25,379)
Capital outlay	5,000		5,000			
Total Expenditures	3,950,534	2,440,956	3,950,534		25,379	(25,379)
Excess (Deficit) of Revenues over Expenditures	(2,494,934)	(661,199)	1,833,735		(24,957)	(24,957)
Other financing sources (Uses)						
Transfers in	750,000	750,000				
Transfers (out)	(1,153,662)	(1,153,662)				
Total Other Financing Sources (Uses)	(403,662)	(403,662)				
Net change in fund balance	(\$2,898,596)	(1,064,861)	\$1,833,735		(24,957)	(\$24,957)
Fund Balances at beginning of year, restated		3,511,683			2,145,917	
Fund Balance at End of Year		\$2,446,822			\$2,120,960	

CAPITAL PROJECTS FUND

Highway 1 Improvement			Manor Drive Improvement			Parks and Playfields		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
	\$39,296							
\$25,000	39,046	\$14,046		\$4,670	\$4,670	\$91,200	\$147,617	\$56,417
25,000	78,342	14,046		4,670	4,670	91,200	147,617	56,417
4,000	28,102	(24,102)				200,000	15,899	184,101
25,000	42,534	(17,534)	\$840,000	81,145	758,855			
29,000	70,636	(41,636)	840,000	81,145	758,855	200,000	15,899	184,101
(4,000)	7,706	11,706	(840,000)	(76,475)	763,525	(108,800)	131,718	240,518
(\$4,000)	7,706	\$11,706	(\$840,000)	(76,475)	\$763,525	(\$108,800)	131,718	\$240,518
	610,544			952,366			549,109	
	\$618,250			\$875,891			\$680,827	

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**CITY OF PACIFICA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

CAPITAL PROJECTS FUND						
	Planned Local Drainage			Frontierland Remediation		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes						
Other taxes						
Charges for services						
Use of money and property	\$2,560		(\$2,560)			
Intergovernmental						
Other					\$6,250	\$6,250
Total Revenues	2,560		(2,560)		6,250	6,250
Expenditures:						
Current:						
General government						
Public Safety						
Community development						
Public works	667,705	\$645,236	22,469			
Capital outlay						
Total Expenditures	667,705	645,236	22,469			
Excess (Deficit) of Revenues over Expenditures	(665,145)	(645,236)	19,909		6,250	6,250
Other financing sources (Uses):						
Transfers in						
Transfers (out)						
Total Other Financing Sources (Uses)						
Net change in fund balance	(\$665,145)	(645,236)	\$19,909		6,250	\$6,250
Fund Balances at beginning of year, restated		175,046			394,655	
Fund Balance at end of year		(\$470,190)			\$400,905	

CITY OF PACIFICA
INTERNAL SERVICE FUNDS
FISCAL YEAR ENDED JUNE 30, 2022

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

MOTOR POOL FUND – City of Pacifica operates a central garage, which provides services to various City departments on a cost reimbursement basis. Revenues for the fund are derived from rentals to the departments for usage of the equipment. The fund can be used only for the operation and replacement of the equipment.

SELF INSURANCE FUND – City of Pacifica established Self Insurance Funds to cover Employee Dental Insurance, Workers' Compensation, General Liability, Property, and Automobile Liability Insurance. Expenses are restricted to payments of claims, the premium for umbrella insurance, administration costs, and expenditures relating to the Safety Committee.

FIRE EQUIPMENT REPLACEMENT FUND – City of Pacifica established this fund to fund and replace fire equipment for the Fire Department.

CITY OF PACIFICA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2022

	Motor Pool	Self Insurance	Fire Equipment Replacement	Total
Assets				
Current Assets:				
Cash and investments	\$814,310	\$1,842,745	\$13,932	\$2,670,987
Receivable:				
Accounts	1,523			1,523
Inventories	18,715			18,715
Total Current Assets	834,548	1,842,745	13,932	2,691,225
Non-current assets:				
Capital assets, not being depreciated	258,774			258,774
Capital assets, being depreciated, net of accumulated depreciation	1,546,619			1,546,619
Total Noncurrent Assets	1,805,393			1,805,393
Total Assets	2,639,941	1,842,745	13,932	4,496,618
Liabilities				
Current Liabilities:				
Accounts payable	218,039	57,210		275,249
Accrued interest payable	330			330
Claims payable		304,204		304,204
Compensated absences	43,796			43,796
Bonds payable	13,488			13,488
Total Current Liabilities	275,653	361,414		637,067
Noncurrent Liabilities:				
Bonds payable	120,707			120,707
Total Noncurrent Liabilities	120,707			120,707
Total Liabilities	396,360	361,414		757,774
Net Position				
Net investment in capital assets	1,805,393			1,805,393
Unrestricted	438,188	1,481,331	13,932	1,933,451
Total Net Position	\$2,243,581	\$1,481,331	\$13,932	\$3,738,844

**CITY OF PACIFICA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022**

	Motor Pool	Self Insurance	Fire Equipment Replacement	Total
Operating revenues:				
Charges for services	\$1,203,911	\$229,497		\$1,433,408
Other operating income		1,064,699		1,064,699
Total operating revenues	1,203,911	1,294,196		2,498,107
Operating expenses:				
Personnel services	592,253			592,253
Administration				
Supplies and materials	518,590	1,251		519,841
Insurance expense		959,229		959,229
Outside contractors		342,213		342,213
Maintenance	91,380			91,380
Insurance claims		375,560		375,560
Depreciation	743,427			743,427
Total operating expenses	1,945,650	1,678,253		3,623,903
Operating Income (Loss)	(741,739)	(384,057)		(1,125,796)
Non-operating revenues (expenses):				
Investment earnings				
Interest and fiscal charges	(3,939)			(3,939)
Gain on sale of capital assets	24,491			24,491
Total non-operating revenues (expenses)	20,552			20,552
Income (Loss) Before Transfers	(721,187)	(384,057)		(1,105,244)
Transfers:				
Transfers in		132,000	13,932	145,932
Change in net position	(721,187)	(252,057)	13,932	(959,312)
Net position at beginning of year	2,964,768	1,733,388		4,698,156
Net position at end of year	\$2,243,581	\$1,481,331	\$13,932	\$3,738,844

**CITY OF PACIFICA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022**

	Motor Pool	Self Insurance	Fire Equipment Replacement	Total
Cash Flows from Operating Activities				
Receipts from customers	\$1,206,111	\$1,306,241		\$2,512,352
Payments to suppliers and users	(411,628)	(1,245,890)		(1,657,518)
Payments for claims		(376,701)		(376,701)
Payments to employees	(574,539)			(574,539)
Net Cash Provided (Used) by Operating Activities	219,944	(316,350)		(96,406)
Cash Flows from Noncapital and Related Financing Activities				
Transfers in		132,000	\$13,932	145,932
Net Cash Provided by Noncapital and Related Financing Activities		132,000	13,932	145,932
Cash Flows from Capital and Related Financing Activities:				
Proceeds from sale of capital assets	24,491			24,491
Purchase of capital assets	(313,434)			(313,434)
Principal paid on long term debt	(12,578)			(12,578)
Interest paid	(3,939)			(3,939)
Net Cash Used by Capital and Related Financing Activities	(305,460)			(305,460)
Cash Flows from Investing Activities:				
Interest received				
Net Cash Provided by Investing Activities				
Net Increase (Decrease) in Cash and Cash Equivalents	(85,516)	(184,350)	13,932	(255,934)
Cash and Cash Equivalents at the Beginning of Fiscal Year	899,826	2,027,095		2,926,921
Cash and Cash Equivalents at End of Fiscal Year	\$814,310	\$1,842,745	\$13,932	\$2,670,987

(Continued)

**CITY OF PACIFICA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Motor Pool</u>	<u>Self Insurance</u>	<u>Self Insurance</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	(\$741,739)	(\$384,057)		(\$1,125,796)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	743,427			743,427
(Increase) Decrease in Operating Assets:				
Accounts receivable	2,200	12,045		14,245
Inventories				
Increase (Decrease) in Operating Liabilities:				
Accounts payable	198,360	56,803		255,163
Accrued liabilities	(18)			(18)
Claims payable		(1,141)		(1,141)
Compensated absences	17,714			17,714
Net Cash Provided (Used) by Operating Activities	<u>\$219,944</u>	<u>(\$316,350)</u>		<u>(\$96,406)</u>

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STATISTICAL SECTION

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CITY OF PACIFICA
STATISTICAL SECTION
FISCAL YEAR ENDED JUNE 30, 2022

This part of the City's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the ability to issue additional debt in the future.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue sources.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service data to help the reader understand how the information in the City's financial report relates to the services the City's provides and the activities it performs.

Property Tax Information

These schedules contain information to help the reader assess the City's property tax sources and changes.

Note: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant years.

CITY OF PACIFICA
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental activities				
Net investment in capital assets	\$ 56,461,478	\$ 56,995,945	\$ 56,431,400	\$ 56,878,228
Restricted	7,944,025	9,049,015	11,517,455	13,808,573
Unrestricted	<u>(13,421,330)</u>	<u>(14,105,441)</u>	<u>(46,030,272)</u>	<u>(39,126,535)</u>
Total governmental activities net position	<u>\$ 50,984,173</u>	<u>\$ 51,939,519</u>	<u>\$ 21,918,583</u>	<u>\$ 31,560,266</u>
Business-type activities				
Net investments in capital assets	\$ 15,963,759	\$ 17,679,506	\$ 15,266,626	\$ 15,985,969
Restricted				
Unrestricted	<u>5,238,849</u>	<u>5,663,853</u>	<u>9,163,991</u>	<u>9,672,252</u>
Total business-type activities net position	<u>\$ 21,202,608</u>	<u>\$ 23,343,359</u>	<u>\$ 24,430,617</u>	<u>\$ 25,658,221</u>
Primary government				
Net investment in capital assets	\$ 72,425,237	\$ 74,675,451	\$ 71,698,026	\$ 72,864,197
Restricted	7,944,025	9,049,015	11,517,455	13,808,573
Unrestricted	<u>(8,182,481)</u>	<u>(8,441,588)</u>	<u>(36,866,281)</u>	<u>(29,454,283)</u>
Total primary government net position	<u>\$ 72,186,781</u>	<u>\$ 75,282,878</u>	<u>\$ 46,349,200</u>	<u>\$ 57,218,487</u>

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 56,601,988	\$ 59,589,114	\$ 67,691,252	\$ 85,689,643	\$ 71,472,901	\$ 69,492,549
17,256,904	16,314,865	12,119,087	16,166,941	17,244,941	23,043,731
<u>(37,204,436)</u>	<u>(40,387,356)</u>	<u>(33,917,809)</u>	<u>(52,525,473)</u>	<u>(42,880,812)</u>	<u>(39,248,843)</u>
<u>\$ 36,654,456</u>	<u>\$ 35,516,623</u>	<u>\$ 45,892,530</u>	<u>\$ 49,331,111</u>	<u>\$ 45,837,030</u>	<u>\$ 53,287,437</u>
\$ 15,985,969	\$ 15,985,969	\$ 15,985,969	\$ 13,000,844	\$ 25,086,051	\$ 26,098,298
	0				
9,812,211	8,612,543	9,935,338	11,042,102	2,469,140	4,984,562
<u>\$ 25,798,180</u>	<u>\$ 24,598,512</u>	<u>\$ 25,921,307</u>	<u>\$ 24,042,946</u>	<u>\$ 27,555,191</u>	<u>\$ 31,082,860</u>
\$ 72,587,957	\$ 75,575,083	\$ 83,677,221	\$ 98,690,487	\$ 96,558,952	\$ 95,590,847
17,256,904	16,314,865	12,119,087	16,166,941	17,244,941	23,043,731
<u>(27,392,225)</u>	<u>(31,774,813)</u>	<u>(23,982,471)</u>	<u>(41,483,371)</u>	<u>(40,411,672)</u>	<u>(34,264,281)</u>
<u>\$ 62,452,636</u>	<u>\$ 60,115,135</u>	<u>\$ 71,813,837</u>	<u>\$ 73,374,057</u>	<u>\$ 73,392,221</u>	<u>\$ 84,370,297</u>

CITY OF PACIFICA
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Expenses					
Governmental activities:					
General government	\$ 4,294,792	\$ 4,473,909	\$ 4,324,645	\$ 4,604,299	\$ 5,196,272
Public safety	13,572,060	13,935,234	13,997,209	15,859,890	14,310,434
Community Development	1,378,014	1,250,419	1,089,881	1,629,555	1,964,355
Public Works	4,088,408	4,138,762	5,757,332	4,714,402	5,698,841
Parks, Beaches & Recreation	3,880,586	3,921,499	3,894,017	4,329,044	4,938,859
Interest on Long-term Debt	2,037,476	1,945,156	2,072,272	1,667,485	2,442,966
Total Governmental Activities Expenses	<u>\$ 29,251,336</u>	<u>\$ 29,664,979</u>	<u>\$ 31,135,356</u>	<u>\$ 32,804,675</u>	<u>\$ 34,551,727</u>
Business-type activities:					
Sewer	\$ 10,231,084	\$ 10,853,371	\$ 11,897,495	\$ 10,816,732	\$ 11,893,663
Beach Parking			515,915	532,102	502,373
Total Business-Type Activities Expenses	<u>\$ 10,231,084</u>	<u>\$ 10,853,371</u>	<u>\$ 11,897,495</u>	<u>\$ 10,816,732</u>	<u>\$ 12,396,036</u>
Total Primary Government Expenses	<u>\$ 39,482,420</u>	<u>\$ 40,518,350</u>	<u>\$ 43,032,851</u>	<u>\$ 43,621,407</u>	<u>\$ 46,947,763</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General Government	\$ 15,902	\$ 18,796	\$ 29,769	\$ 126,156	\$ 74,899
Public Safety	836,279	999,209	938,379	1,043,155	987,163
Community Development	688,975	989,356	1,922,976	3,638,027	2,333,796
Public Works	701,012	791,041	743,700	786,000	743,700
Parks, Beaches & Recreation	2,067,301	2,248,642	2,107,720	2,220,263	2,231,797
Operating Grants and Contributions	1,817,278	2,153,345	4,321,012	3,923,126	4,124,499
Capital Grants and Contributions	2,311,468	6,364,781	4,709,960	4,912,145	2,458,959
Total Governmental Activities Program Revenues	<u>\$ 8,438,215</u>	<u>\$ 13,565,170</u>	<u>\$ 14,773,516</u>	<u>\$ 16,648,872</u>	<u>\$ 12,954,813</u>
Business-Type Activities:					
Charges for services:					
Sewer	\$ 12,500,814	\$ 13,331,596	\$ 13,721,346	\$ 12,959,708	\$ 12,715,024
Beach Parking			537,192	533,952	493,850
Total Business-Type Activities Program Revenues	<u>12,500,814</u>	<u>13,331,596</u>	<u>13,721,346</u>	<u>12,959,708</u>	<u>13,208,874</u>
Total Primary Government Program Revenues	<u>\$ 20,939,029</u>	<u>\$ 26,896,766</u>	<u>\$ 28,494,862</u>	<u>\$ 29,608,580</u>	<u>\$ 26,163,687</u>
Net Revenues (Expenses)					
Governmental activities	\$ (20,813,121)	\$ (16,099,809)	\$ (16,361,840)	\$ (16,155,803)	\$ (21,596,914)
Business-type activities	2,269,730	2,478,225	1,845,128	2,144,826	812,838
Total Net Revenues (Expenses)	<u>\$ (18,543,391)</u>	<u>\$ (13,621,584)</u>	<u>\$ (14,516,712)</u>	<u>\$ (14,010,977)</u>	<u>\$ (20,784,076)</u>
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes:					
Property taxes	\$ 10,701,810	\$ 11,275,518	\$ 12,200,335	\$ 12,445,509	\$ 12,679,059
Sales Taxes	1,588,277	1,686,593	1,754,568	1,983,930	2,374,505
Franchise Tax	1,617,727	1,668,382	1,697,972	1,736,620	1,748,266
Other Taxes	3,152,723	3,329,647	3,529,485	3,710,615	3,749,159
Motor vehicle in lieu - unrestricted	2,923,573	3,164,873	3,320,316	3,543,953	3,731,337
Investment earnings	164,114	184,700	29,979	(44,457)	743,630
Miscellaneous	357,630	537,867	259,197	1,481,757	846,648
Transfers	410,000	15,715	(150)	939,559	818,500
Total Governmental Activities	<u>\$ 20,915,854</u>	<u>\$ 21,863,295</u>	<u>\$ 22,791,702</u>	<u>\$ 25,797,486</u>	<u>\$ 26,691,104</u>
Business-type activities:					
Investment Earnings	\$ 21,468	\$ 19,808	\$ 16,123	\$ 22,337	\$ 145,621
Miscellaneous	42,047				
Transfers	(410,000)		150	(939,559)	(818,500)
Total Business-Type Activities	<u>\$ (346,485)</u>	<u>\$ 19,808</u>	<u>\$ 16,273</u>	<u>\$ (917,222)</u>	<u>\$ (672,879)</u>
Total Primary Government	<u>\$ 20,569,369</u>	<u>\$ 21,883,103</u>	<u>\$ 22,807,975</u>	<u>\$ 24,880,264</u>	<u>\$ 26,018,225</u>
Changes in Net Position before Extraordinary Item:					
Governmental Activities	\$ 102,733	\$ 5,763,486	\$ 6,429,862	\$ 9,641,683	\$ 5,094,190
Business-type Activities	1,923,245	2,498,033	1,861,401	1,227,604	139,959
Total Primary Government before Extraordinary Item:	<u>\$ 2,025,978</u>	<u>\$ 8,261,519</u>	<u>\$ 8,291,263</u>	<u>\$ 10,869,287</u>	<u>\$ 5,234,149</u>
Extraordinary Item					
Gain on transfer of assets and liabilities to successor agency	\$ 5,557,942	\$ -	\$ -	\$ -	\$ -
Changes in Net Assets After Extraordinary Item:					
Governmental Activities	\$ 5,520,619	\$ 5,763,486	\$ 6,429,862	\$ 9,641,683	\$ 5,094,190
Business-Type Activities	1,672,776	1,923,245	2,498,033	1,861,401	1,227,604
Total Primary Government	<u>\$ 7,193,395</u>	<u>\$ 7,686,731</u>	<u>\$ 8,927,895</u>	<u>\$ 11,503,084</u>	<u>\$ 6,321,794</u>

2018	2019	2020	2021	2022
\$ 7,156,065	\$ 5,709,625	\$ 6,334,939	\$ 7,118,502	\$ 7,481,370
17,194,894	18,784,090	18,649,308	21,096,292	18,632,393
2,329,479	2,731,034	2,984,755	2,972,473	3,243,238
7,409,411	2,534,274	6,980,889	7,713,891	9,326,203
4,963,552	5,392,377	5,586,758	5,441,842	4,928,418
1,896,665	706,918	1,364,573	961,257	969,550
<u>\$ 40,950,066</u>	<u>\$ 35,858,318</u>	<u>\$ 41,901,222</u>	<u>\$ 45,304,257</u>	<u>\$ 44,581,172</u>
\$ 12,922,459	\$ 14,927,925	\$ 18,794,726	\$ 12,884,968	\$ 16,258,603
562,426	536,423	468,537	715,783	620,511
<u>\$ 13,484,885</u>	<u>\$ 15,464,348</u>	<u>\$ 19,263,263</u>	<u>\$ 13,600,751</u>	<u>\$ 16,879,114</u>
<u>\$ 54,434,951</u>	<u>\$ 51,322,666</u>	<u>\$ 61,164,485</u>	<u>\$ 58,905,008</u>	<u>\$ 61,460,286</u>
\$ 109,145	\$ 77,871	\$ 108,746	\$ 86,009	\$ 135,929
1,141,995	852,591	788,489	844,530	773,713
2,216,407	2,318,892	2,100,634	2,673,577	2,520,754
743,700	804,110	795,505	892,456	1,059,275
2,486,816	2,588,014	1,902,841	831,914	1,859,921
3,541,903	3,853,971	2,892,136	3,491,531	8,598,184
3,759,417	4,606,092	5,683,998	2,305,188	2,374,222
<u>\$ 13,999,383</u>	<u>\$ 15,101,541</u>	<u>\$ 14,272,349</u>	<u>\$ 11,125,205</u>	<u>\$ 17,321,998</u>
\$ 13,761,816	\$ 14,802,705	\$ 16,591,415	\$ 15,760,525	\$ 18,965,244
543,919	675,689	485,883	822,510	559,195
<u>14,305,735</u>	<u>15,478,394</u>	<u>17,077,298</u>	<u>16,583,035</u>	<u>19,524,439</u>
<u>\$ 28,305,118</u>	<u>\$ 30,579,935</u>	<u>\$ 31,349,647</u>	<u>\$ 27,708,240</u>	<u>\$ 36,846,437</u>
\$ (26,950,683)	\$ (20,756,777)	\$ (27,628,873)	\$ (34,179,052)	\$ (27,259,174)
820,850	14,046	(2,185,965)	2,982,284	2,645,325
<u>\$ (26,129,833)</u>	<u>\$ (20,742,731)</u>	<u>\$ (29,814,838)</u>	<u>\$ (31,196,768)</u>	<u>\$ (24,613,849)</u>
\$ 13,780,294	\$ 14,731,311	\$ 13,030,713	\$ 15,087,028	\$ 14,445,541
2,350,478	2,611,801	2,570,334	2,848,681	3,136,433
1,722,343	1,661,717	1,647,467	1,706,107	1,754,500
4,904,111	5,340,307	8,572,837	9,026,832	10,385,735
3,973,622	4,199,391	4,253,924	2,643,981	4,355,327
151,887	254,481	341,064	9,364	100,562
505,076	2,384,463	571,114	204,939	324,910
98,343	272,500	80,000	(250,000)	499,600
<u>\$ 27,486,154</u>	<u>\$ 31,455,971</u>	<u>\$ 31,067,453</u>	<u>\$ 31,276,932</u>	<u>\$ 35,002,608</u>
\$ 442,917	\$ 415,825	\$ 387,604	\$ 296,784	\$ 286,486
204,939	0	0	0	0
(98,343)	(272,500)	(80,000)	250,000	(499,600)
<u>\$ 549,513</u>	<u>\$ 143,325</u>	<u>\$ 307,604</u>	<u>\$ 546,784</u>	<u>\$ (213,114)</u>
<u>\$ 28,035,667</u>	<u>\$ 31,599,296</u>	<u>\$ 31,375,057</u>	<u>\$ 31,823,716</u>	<u>\$ 34,789,494</u>
\$ 535,471	\$ 10,699,194	\$ 3,438,580	\$ (2,902,120)	\$ 7,743,434
1,370,363	157,371	(1,878,361)	3,529,068	2,432,211
<u>\$ 1,905,834</u>	<u>\$ 10,856,565</u>	<u>\$ 1,560,219</u>	<u>\$ 626,948</u>	<u>\$ 10,175,645</u>
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 535,471	\$ 10,699,194	\$ 3,438,580	\$ (2,902,120)	\$ 7,743,434
139,959	157,371	(1,878,361)	3,529,068	2,432,211
<u>\$ 675,430</u>	<u>\$ 10,856,565</u>	<u>\$ 1,560,219</u>	<u>\$ 626,948</u>	<u>\$ 10,175,645</u>

CITY OF PACIFICA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal year June 30,		
	2013	2014	2015
General Fund			
Reserved			
Unreserved			
Non Spendable	\$ 2,522,197	\$ 2,540,590	\$ 3,996,158
Committed	899,051	907,519	-
Assigned	117,873	168,197	904,240
Unassigned	127,980	1,341,251	1,893,507
Total General Fund	<u>\$ 3,667,101</u>	<u>\$ 4,957,557</u>	<u>\$ 6,793,905</u>
Interest receivable			
All Other Governmental Funds			
Reserved		\$ -	\$ -
Unreserved		-	-
Unreserved, reported in:			
Special revenue fund			
Capital projects fund			
Debt service funds			
Restricted	\$ 8,230,761	\$ 10,155,601	\$ 11,503,439
Committed	-	-	-
Assigned	-	-	14,016
Unassigned	(818,354)	(1,656,694)	(1,312,645)
Total All Other Governmental Funds	<u>\$ 7,412,407</u>	<u>\$ 8,498,907</u>	<u>\$ 10,204,810</u>
Total Governmental Funds	<u>\$ 11,079,508</u>	<u>\$ 13,456,464</u>	<u>\$ 16,998,715</u>

	Fiscal year June 30,						
	2016	2017	2018	2019	2020	2021	2022
General Fund							
Non Spendable	\$ 3,947,951	\$ 4,021,024	\$ 4,003,847	\$3,911,023	\$ 3,783,486	\$ 3,864,704	\$ 3,768,557
Restricted	-	-	-	-	-	200,755	342,510
Assigned	904,240	904,240	1,407,541	3,499,121	4,693,187	4,441,015	4,803,631
Unassigned	4,960,039	5,404,857	7,142,843	7,548,938	8,026,175	7,994,899	7,377,526
Total General Fund	<u>\$ 9,812,230</u>	<u>\$ 10,330,121</u>	<u>\$ 12,554,231</u>	<u>\$ 14,959,082</u>	<u>\$ 16,502,848</u>	<u>\$ 16,501,373</u>	<u>\$ 16,292,224</u>
All Other Governmental Funds:							
Restricted	\$ 13,808,573	\$ 17,256,904	\$ 18,219,942	\$ 11,784,231	\$ 19,732,457	\$ 20,533,315	\$ 29,424,185
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	4,803,631	-	-	-
Unassigned	(2,410,718)	(3,518,187)	(6,077,744)	1,943,978	-	(188,655)	(619,786)
Total All Other Governmental Funds	<u>\$ 11,397,855</u>	<u>\$ 13,738,717</u>	<u>\$ 12,142,198</u>	<u>\$ 18,531,840</u>	<u>\$ 19,732,457</u>	<u>\$ 20,344,660</u>	<u>\$ 28,804,399</u>
Total Governmental Funds	<u>\$ 21,210,085</u>	<u>\$ 24,068,838</u>	<u>\$ 24,696,429</u>	<u>\$ 33,490,922</u>	<u>\$ 36,235,305</u>	<u>\$ 36,846,033</u>	<u>\$ 45,096,623</u>

CITY OF PACIFICA
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(in thousands)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenues				
Taxes	\$ 17,238	\$ 18,138	\$ 21,216	\$ 22,294
Licenses and permits	389	515	683	827
Fines and forfeitures	179	301	153	150
Use of money and property	155	178	459	1,663
Intergovernmental revenues	7,233	10,614	8,567	7,439
Charges for Services	1,679	1,996	2,219	2,829
Recreation Programs	820	813	897	898
Other Revenues	1,531	2,285	4,163	3,690
Total Revenues:	<u>29,224</u>	<u>34,840</u>	<u>38,357</u>	<u>39,790</u>
Expenditures				
Current:				
General government	3,677	3,866	3,899	4,332
Public safety	12,452	12,940	14,199	14,555
Community Development	1,331	1,250	1,318	1,814
Public Works	3,356	3,347	4,259	3,707
Parks, Beaches & Recreation	3,552	3,585	3,988	4,333
Non-departmental				
Capital outlay	2,659	3,529	3,077	3,393
Debt service:				
Principal retirement	1,661	1,791	1,918	2,046
Interest and Other Chares	1,912	1,878	1,777	1,686
Bond issuance cost				
Total Expenditures	<u>30,600</u>	<u>32,186</u>	<u>34,435</u>	<u>35,866</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,376)</u>	<u>2,654</u>	<u>3,922</u>	<u>3,924</u>
Other Financing Sources (Uses)				
Transfers in	3,619	3,766	1,924	2,614
Transfers out	(4,017)	(4,146)	(2,304)	(2,327)
Refunded to debt escrow agent				
Proceeds of long-term debt	1,169			
Total other financing sources (uses)	<u>771</u>	<u>(380)</u>	<u>(380)</u>	<u>287</u>
Net change in fund balances	<u>\$ (605)</u>	<u>\$ 2,274</u>	<u>\$ 3,542</u>	<u>\$ 4,211</u>
Debt service as a percentage of noncapital expenditures	12.8%	12.8%	11.5%	11.4%

	2017	2018	2019	2020	2021	2022
\$	22,411	\$ 23,768	\$ 25,847	\$ 27,399	\$ 30,227	\$ 31,398
	812	1,036	838	969	1,197	1,079
	161	190	193	182	174	168
	980	311	386	338	103	224
	6,605	7,637	6,672	8,312	5,102	11,223
	2,722	2,778	2,899	2,358	3,588	3,700
	845	989	904	495	373	456
	4,283	4,662	8,510	5,411	1,880	3,577
	<u>38,819</u>	<u>41,371</u>	<u>46,249</u>	<u>45,464</u>	<u>42,644</u>	<u>51,825</u>
	4,538	4,444	5,160	5,628	6,094	7,243
	15,452	16,192	16,621	16,352	17,165	18,658
	1,907	2,110	2,442	2,579	2,432	3,073
	4,597	4,041	4,622	5,917	6,841	8,143
	4,419	4,158	4,792	4,886	4,433	4,811
	1,952	6,701	5,603	1,585	2,535	3,163
	1,667	971	1,017	111	611	1,597
	1,957	1,335	1,339	1,272	941	947
	293			212		
	<u>36,782</u>	<u>39,952</u>	<u>41,596</u>	<u>38,542</u>	<u>41,052</u>	<u>47,635</u>
	<u>2,037</u>	<u>1,419</u>	<u>4,653</u>	<u>6,922</u>	<u>1,592</u>	<u>4,190</u>
	6,191	2,412	13,059	3,451	3,821	8,292
	(5,665)	(3,203)	(13,721)	(3,341)	(4,211)	(7,938)
	(16,794)			8,436		
	17,092			(7,920)		4,000
	<u>824</u>	<u>(791)</u>	<u>(662)</u>	<u>626</u>	<u>(390)</u>	<u>4,354</u>
\$	<u>2,861</u>	<u>\$ 628</u>	<u>\$ 3,991</u>	<u>\$ 7,548</u>	<u>\$ 1,202</u>	<u>\$ 8,544</u>
	11.1%	6.50%	7.4%	3.9%	4.2%	5.8%

CITY OF PACIFICA
TAXABLE SALES BY CATEGORY
LAST TEN YEARS (IN \$000's)

<u>Categories</u>	<u>Annual Years</u>									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021*</u>
Food Stores	\$ 22,115	\$ 22,826	\$ 23,722	\$ 23,543	\$ 24,727	\$ 27,139	\$ 27,696	\$ 28,115	\$ 30,462	\$ 27,471
Eating & Drinking Places	34,147	40,164	45,750	49,770	50,616	53,219	56,013	60,071	45,853	63,241
Building Materials	3,523	3,360	3,795	3,933	3,839	4,173	3,900	4,210	5,955	5,544
Auto Dealers & Supplies	4,433	4,757	4,646	4,482	4,532	4,804	4,778	5,134	4,728	4,758
Service Stations	52,533	54,312	52,412	44,660	38,899	42,139	46,839	44,942	29,641	39,074
Other Retail Stores	38,856	39,992	38,653	39,861	42,987	43,499	44,111	45,830	52,880	56,624
All Other Outlets	33,172	36,608	40,072	40,297	48,841	50,643	55,023	61,978	75,620	77,040
Total	\$ 188,779	\$ 202,019	\$ 209,050	\$ 206,546	\$ 214,441	\$ 225,616	\$ 238,360	\$ 250,280	\$ 245,139	\$ 273,752

Notes:

Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

Source: State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office and the HdL Companies

* Information presented is most current at the time of preparation.

**CITY OF PACIFICA
DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN YEARS**

<u>Annual Year</u>	<u>State Rate</u>	<u>City Direct Rate</u>	<u>San Mateo County Rate</u>	<u>City/County Public Safety</u>	<u>District Rate</u>	<u>Total</u>
2013	6.00%	0.75%	1.750%	0.50%	0.00%	9.000%
2014	6.00%	0.75%	1.750%	0.50%	0.00%	9.000%
2015	6.00%	0.75%	1.750%	0.50%	0.00%	9.000%
2016	6.00%	0.75%	1.750%	0.50%	0.00%	9.000%
2017	5.75%	0.75%	1.750%	0.50%	0.00%	8.750%
2018	5.75%	0.75%	1.750%	0.50%	0.00%	8.750%
2019	6.00%	0.75%	2.000%	0.50%	0.00%	9.250%
2020	6.00%	0.75%	2.000%	0.50%	0.00%	9.250%
2021	6.00%	0.75%	2.125%	0.50%	0.00%	9.375%
2022	6.00%	0.75%	2.125%	0.50%	0.00%	9.375%

Notes:

Proposition 172 approved by the voters in 1993 provides 1/2 cent sales tax for Public Safety Augmentation.
 San Mateo County Transportation Authority District is provided a 1/2 cent sales tax approved by the voters in 1989.
 San Mateo County Transit District is provided a 1/2 cent sales tax approved by the voters in 1982.
 Voters approved a San Mateo County Transactions and Use Tax of a 1/2 cent effective in 2013.
 Voters approved a San Mateo County Transit District Transactions and Use Tax of a 1/2 cent effective in 2019 for traffic congestion and transportation purposes.
 Voters approved Measure RR which authorized an additional sales tax of 0.125 percent in San Francisco, Santa Clara and San Mateo counties for the next 30 years.

Source: State Board of Equalization & HdL Companies

**CITY OF PACIFICA
TAX REVENUES BY SOURCE (GOVERNMENTAL FUNDS)
LAST TEN FISCAL YEARS
(IN \$000's)**

Fiscal Year	Taxes	Licenses & Permits	Use of Money & Property	Inter-Governmental	Current Service Chgs.	Fines & Forfeitures	Other Revenues	TOTAL
2012-2013	17,238,036	\$ 389,107	\$ 154,513	\$ 7,233,370	\$ 1,679,210	\$ 178,727	\$ 2,351,178	\$ 29,224,141
2013-2014	18,137,639	514,854	177,610	10,614,499	1,996,318	300,611	3,099,290	34,840,821
2014-2015	21,215,649	683,517	458,823	8,567,028	2,219,356	153,031	5,059,783	38,357,187
2015-2016	22,294,417	827,154	1,663,159	7,439,425	2,828,678	149,573	4,588,311	39,790,717
2016-2017	22,411,007	811,803	980,024	6,604,617	2,722,206	161,023	5,037,010	38,727,690
2017-2018	23,767,659	1,035,782	311,425	7,636,773	2,778,648	190,202	5,650,674	41,371,163
2018-2019	25,847,343	837,785	386,289	6,671,627	2,899,101	193,046	9,414,628	46,249,819
2019-2020	27,398,902	968,574	337,889	8,311,834	2,338,945	181,883	5,906,254	45,444,281
2020-2021	30,226,812	1,197,277	103,437	5,101,845	3,587,646	174,048	2,253,219	42,644,284
2021-2022	31,398,335	1,079,376	223,936	11,222,559	3,700,266	167,612	4,032,922	51,825,006
% Change 2013-2022	82.15%	177.40%	44.93%	55.15%	120.36%	-6.22%	71.53%	77.34%

Notes:
Above amounts include General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Funds, and Other Governmental Funds.
Above amounts exclude other financing sources.

Source: Annual Financial Statements, City of Pacifica and City's Comprehensive Annual Financial Reports

CITY OF PACIFICA
ASSESSED VALUATION, TAX RATE, AND TAX LEVIES
 (IN \$000's)
LAST TEN FISCAL YEARS

Fiscal Year	LOCALLY ASSESSED						TOTALS							
	Secured			Unsecured			Total Before Exemptions			Exemptions/Net Totals				
	Land Value	Improvements	Personal Property	Land Value	Improvements	Personal Property	Land Value	Improvements	Personal Property	Grand Total	H.O.P.T.R. (1)	Other	Total Exemptions	Net Subject To Tax
2012-2013	2,074,034	2,426,543	2,423	4,933	19,077	37,361	2,078,967	2,445,620	39,784	4,564,371	57,436	57,796	115,232	4,449,139
2013-2014	2,174,610	2,534,526	2,615	4,906	19,263	19,445	2,179,516	2,553,789	22,060	4,755,365	56,906	58,966	115,872	4,639,493
2014-2015	2,294,249	2,647,779	2,352	5,041	21,781	22,507	2,299,290	2,669,560	24,859	4,993,709	56,151	61,142	117,293	4,876,416
2015-2016	2,460,040	2,815,658	2,172	4,108	22,270	31,051	2,464,148	2,837,928	33,223	5,335,299	55,523	65,832	121,355	5,213,944
2016-2017	2,622,536	2,952,932	2,132	4,041	18,948	21,509	2,626,577	2,971,880	23,641	5,622,098	54,992	52,206	107,198	5,514,900
2017-2018	2,836,115	3,100,809	2,089	4,385	14,214	21,638	2,840,500	3,115,023	23,727	5,979,250	54,419	56,353	110,772	5,868,478
2018-2019	3,056,112	3,236,212	3,449	4,302	13,229	22,588	3,060,414	3,249,441	26,037	6,335,892	54,076	78,225	132,301	6,203,591
2019-2020	3,274,914	3,403,678	2,674	3,932	12,192	23,895	3,278,846	3,415,870	26,569	6,721,285	53,476	86,187	139,663	6,581,622
2020-2021	3,483,408	3,545,422	2,535	3,316	5,892	21,984	3,486,724	3,551,314	24,519	7,062,557	52,896	87,151	140,047	6,922,510
2021-2022	3,648,251	3,683,261	2,820	2,867	4,852	20,784	3,651,118	3,688,113	23,604	7,362,835	52,787	90,023	142,810	7,220,025
% Change 2013-2022	75.90%	51.79%	16.38%	-41.88%	-74.57%	-44.37%	75.62%	50.80%	-40.67%	61.31%	-8.09%	55.76%	23.93%	62.28%

(1) Homeowner's Property Tax Relief

Notes:

* California property tax assessments are "acquisition" based, rather than cyclical based. In California, the property tax system is acquisition based, meaning that a real property is assessed upon acquisition or when newly constructed, and assessed at a ratio of 100% of fair market value as of the event date. After the acquisition or new construction basis is determined, year to year increases in assessed value are limited to no more than 2%. In the event of an economic downturn, real property is assessed at the lower of its acquisition basis, increased by the maximum of 2% per year or the fair market value as of January 2, whichever is lower.

Source: San Mateo Count Assessor 2021/22 Combined Tax Rolls.

**CITY OF PACIFICA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Annual Year	School District						Total Direct & Overlapping Tax Rates	Total Direct Rate
	San Mateo County as Distributor	Pacifica School District	Jefferson High School & Elementary School Districts	San Mateo Junior College & High School				
2013	1.0000%	0.0432%	0.0746%	0.0194%			0.1991%	
2014	1.0000%	0.0403%	0.1287%	0.0194%			0.1941%	
2015	1.0000%	0.0392%	0.1192%	0.0190%			0.1934%	
2016	1.0000%	0.0250%	0.1257%	0.0250%			0.1934%	
2017	1.0000%	0.0311%	0.1480%	0.0247%			0.1934%	
2018	1.0000%	0.0281%	0.1479%	0.0235%			0.1935%	
2019	1.0000%	0.0517%	0.1302%	0.0175%			0.1935%	
2020	1.0000%	0.0505%	0.1478%	0.0266%			0.1936%	
2021	1.0000%	0.0415%	0.1609%	0.0213%			0.1936%	
2022	1.0000%	0.0288%	0.1253%	0.0227%			0.1937%	

Notes:

Under constitutional Amendment (Proposition 13) passed by voters in the State of California in June 1978, the tax rate (excluding bonded debt) is frozen at 1% of the full market value of property. This tax is collected by the County Tax Collector and distributed on a formula determined by the State Legislature. Local agencies levy the tax rate only for general obligation bonds, or in excess of 1% if two-thirds of the voters in the area authorize such a rate increase. All tax levies include Homeowner's Property Tax Relief and Business Inventory Property Tax Relief.

Source: HdL Companies

CITY OF PACIFICA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO
(in \$000's)

	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
FPA WD Lands End LLC	\$ 91,954	1	1.26%			
GRI Fairmont LLC	39,657	2	0.54%			
AIMCO Esplanade Avenue Apartments LLC	38,912	3	0.53%	\$ 49,472	1	1.10%
Linda Mar Shopping Center, LLP	38,844	4	0.53%			
Pacifica Villages LP	32,563	5	0.45%			
CRP/PSE Seaside Pacifica Owner	26,773	6	0.37%			
Pacifica Horizons West LP	18,704	7	0.26%			
2400 Skyline Blvd LLC	18,373	8	0.25%			
NVI Rani Inc	16,439	9	0.23%			
Bay Apartment Communities, Inc.	15,973	10	0.22%	13,787	8	0.31%
FPA BAF Lands End Associates LP				46,808	2	1.04%
Lindamar SC LP				32,261	3	0.72%
PK III Fairmont Shopping Center				28,009	4	0.62%
Marymount Summit ,LLC				18,768	5	0.42%
Kiewit Infrastructure West Company				14,996	6	0.33%
Harry B. Lewis, et al				14,543	7	0.32%
LBN Properties LP				13,140	9	0.29%
Comcast of California IX Inc.				13,022	10	0.29%
Total	\$ 338,192		4.64%	\$ 244,806		5.44%

Notes: This schedule serves a dual purpose of providing basic information about our jurisdiction's most significant revenue payers and highlighting the degree to which a government is dependent on a small number of payers.

Source: HdL Companies

**CITY OF PACIFICA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS (IN \$000's)**

Fiscal Year Ending June 30	Taxes Levied for the Fiscal Year	Collected within the		Collections in subsequent Years	Total Collections to Date	
		Fiscal Year of the Levy	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 8,848	\$ 8,848	100.00%	0	\$ 8,848	100.00%
2014	9,088	9,088	100.00%	0	9,088	100.00%
2015	9,516	9,516	100.00%	0	9,516	100.00%
2016	10,090	10,090	100.00%	0	10,090	100.00%
2017	10,728	10,728	100.00%	0	10,728	100.00%
2018	12,097	12,097	100.00%	0	12,097	100.00%
2019	12,782	12,782	100.00%	0	12,782	100.00%
2020	13,442	13,442	100.00%	0	13,442	100.00%
2021	13,993	13,993	100.00%	0	13,993	100.00%
2022	14,567	14,567	100.00%	0	14,567	100.00%
% Change 2011-2022	0.6642	0.6642			0.6642	

Notes:

This Statement shows the period for which the tax is levied.

Includes Homeowner's Tax Relief (HOPTR).

Under constitutional Amendment (Proposition 13) passed by voters in the State of California in June 1978, the tax rate (excluding bonded debt) is frozen at 1% of the full market value of property. This tax is collected by the County Tax Collector and distributed on a formula determined by the State Legislature. Local agencies levy the tax rate only for general obligation bonds, or in excess of 1% if two-thirds of the voters in the area authorize such a rate increase. All tax levies include Homeowner's Property Tax Relief and Business Inventory Property Tax Relief.

* Information presented is most current at the time of preparation.

Sources: City Financial Reports and Office of the Controller, County of San Mateo

**CITY OF PACIFICA
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Governmental Activities

Fiscal Year Ending	Pension Obligation Bond	Capital Lease Payable	Notes Payable	Certificates of Participation	Total Governmental Activities Debt
2013	\$ 15,059,702	\$ 1,120,756	\$ 875,378	\$ 16,754,619	\$ 33,810,455
2014	13,857,073	1,021,637	875,378	17,295,000	33,049,088
2015	12,712,826	918,514	875,378	16,740,000	31,246,718
2016	11,303,736	811,224	-	16,210,000	28,324,960
2017	9,748,420	699,600	-	16,977,583	27,425,603
2018	8,893,219	583,466	-	16,862,704	26,339,389
2019	7,936,101	462,641	-	16,747,825	25,146,567
2020	8,583,041	336,934	-	16,632,946	25,552,921
2021	8,583,041	206,149	-	16,038,067	24,827,257
2022	7,847,478	4,070,080	-	15,198,188	27,115,746

Notes:

Details regarding the city's debt can be found in the notes to the financial statements.

The City issued a total of \$13,630,000 of new certificates of participation in 1999, 2000 and 2003.

The City issued \$19,815,000 of new COP's in 2008, refunding the 1999, 2000 and 2003 COP's.

The City issued \$20,500,000 in Pension Obligation Bonds in 2010.

The City issued \$14,680,000 (par value) of new COP's in 2016, refunding the 2008 COP's.

The City issued \$9,685,000 of new Pension Obligation Bonds in 2019, refunding the 2010 POB.

The City issued \$4,000,000 of Center Project Capital Lease in 2022.

Sources: City's Comprehensive Annual Financial Reports 2013-2022.

CITY OF PACIFICA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ending	Business-Type Activities										Debt as a Percentage of Personal Income
	Sewer Bonds	Notes Payable	Total Business-Type Government	Total Primary Government	Estimated Median Personal Income	Population	Debt Per Capita	Per Capita Personal Income			
2013	\$ 11,275,298	\$ 23,043,678	\$ 34,318,976	\$ 68,129,431	n/a	37,948	\$ 1,795	\$ 41,909	0.062%		
2014	11,172,927	21,406,345	32,579,272	65,628,360	n/a	38,292	1,714	42,099	0.064%		
2015	9,736,334	20,375,644	30,111,978	61,358,696	n/a	38,315	1,601	43,390	0.071%		
2016	9,436,801	18,070,515	27,507,316	55,832,276	n/a	37,806	1,477	45,452	0.081%		
2017	35,297,847	15,756,776	51,054,623	78,480,226	n/a	38,124	2,059	45,591	0.058%		
2018	34,886,481	13,434,113	48,320,594	74,659,983	n/a	38,418	1,943	46,553	0.062%		
2019	34,481,802	11,102,206	45,584,008	70,730,575	n/a	38,674	1,829	48,476	0.069%		
2020	34,283,067	8,760,726	43,043,793	68,596,714	n/a	38,331	1,790	51,799	0.076%		
2021	34,001,269	6,409,326	40,410,595	65,237,852	n/a	37,890	1,722	54,637	0.084%		
2022	32,725,035	4,047,649	36,772,684	63,888,430	n/a	37,533	1,702	55,679	0.087%		

Notes:

This schedule displays the Enterprise Fund debt of the Wastewater Treatment Plant. Details regarding the city's debt can be found in the notes to the financial statements.

Sources:

The City's Annual Comprehensive Financial Reports 2013-2022

**CITY OF PACIFICA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2022**

FY2021-22 Assessed Valuation: \$7,282,869,520

	Debt Outstanding	Estimated Percentage Applicable (1)	City's Estimated Share of Overlapping Debt
<u>Overlapping Tax and Assessment Debt:</u>			
San Mateo Community College District	\$ 733,897,184	2.734%	\$ 20,064,749
Jefferson Union High School District	250,808,014	28.606%	71,746,140
Jefferson School District	116,340,000	1.263%	1,469,374
Pacifica Elementary School District (Laguna Salada)	43,996,987	99.877%	43,942,871
Total Overlapping Tax and Assessment Debt			\$ 137,223,134
<u>Direct and Overlapping General Fund Debt:</u>			
San Mateo County General Fund Obligations	\$ 612,605,687	2.734%	\$ 16,748,639
San Mateo County Board of Education Certificates of Participation	6,490,000	2.734%	177,437
San Mateo County Flood Control and Sea LRR District General Fund Oblig	14,675,000	0.603%	88,490
Jefferson Union High School District Certificates of Participation	47,490,000	28.606%	13,584,989
City of Pacifica Certificates of Participation	17,475,000	100.000%	17,475,000
City of Pacifica Pension Obligation Bonds	7,015,000	100.000%	7,015,000
San Mateo County Mosquito and Vector Control District General Fund Oblig	3,825,000	2.734%	104,576
Total Direct and Overlapping General Fund Debt			\$ 55,194,131
<u>Overlapping Tax Increment Debt (Successor Agency):</u>	\$ 945,000	100.000%	\$ 945,000
Total Direct Debt			\$ 24,490,000
Total Overlapping Debt			\$ 168,872,265
Combined Total Direct and Overlapping Debt			\$ 193,362,265 (2)

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

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2021-22 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1.88%
Total Direct Debt (\$24,490,000)	0.34%
Combined Total Debt	2.66%

Ratio to Redevelopment Successor Agency Incremental Valuation (\$55,723,268):

Total Overlapping Tax Increment Debt	1.70%
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Source: Avenu Insights & Analytics and California Municipal Statistics, Inc.

**CITY OF PACIFICA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS (IN \$000's)**

	FISCAL YEAR ENDING JUNE 30									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Assessed Valuation	\$ 4,506,576	\$ 4,696,398	\$ 4,932,568	\$ 5,269,468	\$ 5,569,870	\$ 5,934,385	\$ 6,271,558	\$ 6,646,497	\$ 6,986,484	\$ 7,282,869
Debt Limit	168,997	176,115	184,971	197,605	208,870	222,539	235,183	249,244	261,993	273,108
Total Net Debt Applicable to Limit	32,936	33,049	31,247	28,325	27,426	26,339	25,147	25,553	24,829	27,116
Legal Debt Margin	\$ 136,061	\$ 143,066	\$ 153,724	\$ 169,280	\$ 181,444	\$ 196,200	\$ 210,036	\$ 223,691	\$ 237,164	\$ 245,992
Total Net Debt applicable to the limit as a percentage of debt limit	19.49%	18.77%	16.89%	14.33%	13.13%	11.84%	10.69%	10.25%	9.48%	9.93%

Notes:
Debt Limit is 3.75% of Assessed Value.

Source: City of Pacifica, HdL, and San Mateo County Assessor's records

CITY OF PACIFICA
WASTEWATER OBLIGATIONS PLEDGED REVENUE COVERAGE
LAST TEN YEARS (IN \$000's)

Fiscal Year	Enterprise Fund Bonds							Total Parity Debt Service	Total Parity Debt Service	Coverage
	Operating Revenues	Less Operating Expenses	Pledged Net Revenue	Bonded Debt Service	Other Parity Debt Service	Other Parity Debt Service	Total Parity Debt Service			
	(1)	(2)	(3)	(4)						
2013	\$ 12,501	\$ 6,704	\$ 5,797	\$ 473	\$ 2,405	\$ 2,878	2.01			
2014	13,332	7,281	6,051	473	2,549	3,022	2.00			
2015	13,721	7,663	6,058	359	2,514	2,873	2.11			
2016	12,960	7,851	5,109	337	2,514	2,851	1.79			
2017	12,715	8,444	4,271	1,163	2,514	3,677	1.16			
2018	13,762	8,660	5,102	1,399	2,513	3,912	1.30			
2019	14,803	10,233	4,570	1,399	2,513	3,912	1.17			
2020	16,591	10,219	6,372	1,399	2,513	3,912	1.63			
2021	15,761	10,377	5,384	1,399	2,513	3,912	1.38			
2022	18,618	10,535	8,083	1,399	2,513	3,912	2.07			

Special Assessment Bonds

Fiscal Year	Debt Service (000's)	
	Principal	Interest
2013	0	0
2014	0	0
2015	0	0
2016	0	0
2017	0	0
2018	0	0
2019	0	0
2020	0	0
2021	0	0
2022	0	0

Notes:

- (1) Operating Expenses excludes depreciation, capital expenditures and debt service
- (2) Include the Series 2014 and the Series 2017 Wastewater Revenue Refunding Bonds
- (3) Includes the SRF Loan, CSCDA 2001 Loan and the 2012 Loan.
- (4) The bond indentures and the 2012 Loan Agreement require minimum annual debt service coverage of 1.25x. The 2001 CSCDA loan requires a minimum annual DS coverage of 1.10x.

Source: City Financial Reports

**CITY OF PACIFICA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

Calendar Year Ending	Population	Median Personal Income	Per Capita Personal Income	Unemployment Rate %
2013	37,948	n/a	\$ 41,909	5.8
2014	38,292	n/a	42,099	4.9
2015	38,315	n/a	43,390	3.9
2016	37,806	n/a	45,452	3.1
2017	38,124	n/a	45,591	2.8
2018	38,418	n/a	46,553	2.0
2019	38,674	n/a	48,476	2.3
2020	38,331	n/a	51,799	2.1
2021	37,890	n/a	54,637	7.3
2022	37,533	n/a	55,679	5.1

Notes and Data Sources:

The City of Pacifica is not a Standard Metropolitan Statistical Area (SMSA).

Population: California State Department of Finance

Unemployment Data: California Employment Development Department

2000-2009 Income: ESRI - Demographic Estimates are based on the last available census.

Projections are developed by incorporating all of the prior census data released to date.

Demographic Data is totaled from Census Block Groups that overlap the City's boundaries.

2010 and later - Income - US Census Bureau, most recent American Community Survey.

Source: HdL Companies via U.S. Census Bureau, California State Department of Finance
California Employment Development Department

**CITY OF PACIFICA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

Employer	2022			2013		
	# of Employees	Rank	Percentage of Total City Employment	# of Employees	Rank	Percentage of Total City Employment
Jefferson High School	489	1	N/A	90	4	N/A
Pacifica School District	375	2	N/A	301	1	N/A
Safeway (3)	264	3	N/A	210	3	N/A
City of Pacifica	224	4	N/A	225	2	N/A
Oceana Market	60	5	N/A			
Recology of the Coast	37	6	N/A	49	6	N/A
Ross Dress for Less	32	7	N/A	40	7	N/A
Ace Hardware	20	8	N/A			
North Coast County Water District	20	8	N/A	22	9	N/A
Rite Aid	17	10	N/A	40	7	N/A
Lucky (Save Mart Supermarkets)				90	4	N/A

Notes:

The City does not track this information. Our business license tax is based on gross receipts. The City of Pacifica is not a Standard Metropolitan Statistical Area (SMSA) so this information is not readily available.

Source: City of Pacifica Research

* Information presented is most current at the time of preparation.

CITY OF PACIFICA
FULL TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Government										
Administration	6	6	6	7	7	7	8	7	6	6
Finance	6	6	6	6.5	7.5	6.5	7.5	8	8	9
Parks	58	53	54	65.5	53	51	56	55	55	56
Planning & Building	8	8	7	7	7	7	7	8	7	8
Public Works	18	20	21	19	22	23	23	22	22	24
Engineering	5	5	5	5	6	6	4	4	4	5
Police										
Officers	33	33	34	29	33	37	33	34	35	33.5
Civilians	4	5	4	3	4	4	4	4	4	4
Fire										
Firefighters	23	25	25	25	25	23	25	25	26	25
Civilians	1	1	1	1	1	1	1	1	1	1
Wastewater Division	24	24	26	24	26	27	27	25	25	25
Total	186	186	189	192	191.5	192.5	195.5	193	193	196.5
Authorized Full-Time Positions				159	161	161	166.5	170	172	172

Notes:

A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time equivalent employment is calculated by dividing total labor hours by 2080. Total includes both Full time and Part-Time (converted to full-time equivalent) Positions excluding City Council.

Source: City Financial Reports

**CITY OF PACIFICA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDING JUNE 30

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Building Permits Issued	1,514	1,501	1,587	1,682	1,921	1,811	1,413	1,447	1,538	1,620
Building Inspections Conducted	2,710	2,818	3,018	4,093	4,610	4,630	5,143	5,145	3,966	4,455
Police										
Physical Arrests	812	812	923	864	702	816	890	747	693	680
Parking Violations	3,652	3,652	5,085	4,700	5,099	6,257	4,942	4,065	5,169	4,080
Traffic Violations	2,966	2,966	2,193	1,763	2,090	2,718	3,435	2,243	1,723	2,415
Fire										
Emergency Responses	1,873	3,117	3,147	3,215	2,977	3,142	3,167	2,882	2,943	3,225
Fires Extinguished	101	96	106	88	77	66	59	43	46	31
Inspections	1,056	895	951	955	730	783	862	513	308	929
Other Public Works										
Street Re-surfacing (miles)	0.00	0.00	0.90	0.00	0.00	0.51	1.55	0.48	0.50	11.00
Potholes Repaired	379	379	351	1,125	1,200	1,200	500	1,000	500	700
Parks, Beaches & Recreation										
Community Center Admissions	estimated 98,000	estimated 91,000	estimated 95,730	estimated 89,654	estimated 98,480	estimated 92,000	estimated 100,563	estimated 126,024	estimated 2,100	estimated 50,650
Enterprise Fund WWTP										
Residential Sewer Accounts	11,340	11,440	11,455	11,480	11,470	11,479	11,913	11,916	11,923	11,920
Commercial Sewer Accounts	318	316	340	345	342	343	350	349	349	353
Total Accounts	11,658	11,756	11,795	11,825	11,812	11,822	12,263	12,265	12,272	12,273
New Connections	7	1	4	10	17	10	7	2	8	1
Avg Daily Sewage Treatment (Gallons)	2,350,000	2,240,000	2,240,000	2,463,000	3,230,000	2,463,000	2,463,000	2,463,000	2,463,000	2,485,000

Source: Various City Departments

CITY OF PACIFICA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	12	12	12	12	12	12	12	12	12	12
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Public Works										
Streets (miles)	88.9	88.9	88.9	88.9	88.9	88.9	88.9	88.9	88.9	88.9
Highways (miles)	0	0	0	0	0	0	0	0	0	0
Streetslights	2,051	2,051	2,051	2,051	2,051	2,051	2,051	2,051	2,051	2,051
Traffic Signals	5	5	5	5	5	5	5	5	5	5
Parks, Beaches & Recreation										
Acreage	148.13	148.13	148.13	148.13	148.13	148.13	148.13	148.13	148.13	148.13
Playgrounds	14	14	14	14	14	14	14	14	14	14
Baseball Diamonds	5	5	5	5	5	5	5	5	5	5
Soccer/Football Fields	2	2	2	2	2	2	2	2	2	2
Community Centers	1	1	1	1	1	1	1	1	1	1
Wastewater										
Sanitary Sewers (miles)	165	165	165	165	104	104	104	104	104	104
Storm Sewers (miles)	90	90	90	90	90	90	90	90	90	90
Treatment Capacity (gallons)	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000

Notes:
No capital asset indicators are available for the general government function.

Source: Various City Departments

**CITY OF PACIFICA
SEWER RATES
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Minimum Annual Charge	Rate per 100 Cubic Feet
2013	567.18	11.81632
2014	567.18	11.81632
2015	583.26	12.15128
2016	600.42	12.50867
2017	626.14	13.04476
2018	676.24	14.08834
2019	730.34	15.21541
2020	788.77	16.43264
2021	843.98	17.58293
2022	903.06	18.81373

Notes:

Sewer rates are based on water usage. The North Coast County Water District invoices customers directly for water usage.

Source: City Records

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