



City of Pacifica, California

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2019



This Page Left Intentionally Blank

CITY OF PACIFICA

CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal year ended June 30, 2019

Prepared by
Finance Department

This Page Left Intentionally Blank

INTRODUCTORY SECTION

This page intentionally left blank.

CITY OF PACIFICA, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2019

Table of Contents

	<u>Page</u>
INTRODUCTORY SECTION:	
Letter of Transmittal	i
City Council Organizational Chart.....	iv
City Executive Staff.....	v
 FINANCIAL SECTION:	
Independent Auditors' Report	1
Management's Discussion and Analysis	7
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	23
Statement of Activities	24
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	25
Reconciliation of the Governmental Funds-Balance Sheet with the Statement of Net Position	26
Statement of Revenues, Expenditures and Changes in Fund Balance	27
Reconciliation of the Net Change in Fund Balances – Total Governmental Funds with the Statement of Activities	28
Proprietary Funds:	
Statement of Net Position	29
Statement of Revenues, Expenses and Changes in Fund Net Position.....	30
Statement of Cash Flows.....	32
Fiduciary Funds:	
Statement of Net Position	34
Statement of Changes in Fiduciary Net Position	35

CITY OF PACIFICA, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2019

Table of Contents

	<u>Page</u>
FINANCIAL SECTION (Continued):	
Notes to the Basic Financial Statements	37
Required Supplementary Information:	
Schedule of Changes in Net Pension Liability and Related Ratios - Miscellaneous.....	88
Schedule of Contributions - Miscellaneous.....	89
Schedule of Proportionate Share of Net Pension Liability and Related Ratios	
As of the Measurement Date – Safety Plan	90
Schedule of Contributions – Safety Plan	91
Schedule of Changes in Net Pension Liability and Related Ratios – PARS	92
Schedule of Contributions – PARS	93
Schedule of Changes in the Total OPEB Liability and Related Ratios	94
Budgetary Comparison Schedule:	
General Fund.....	96
Disaster Accounting Special Revenue Fund.....	98
Notes to Required Supplementary Information.....	99
Other Supplementary Information:	
Budgetary Comparison Schedule:	
Debt Service Fund	102
General Capital Improvement - Capital Projects Fund	103
Non-major Governmental Funds:	
Combining Balance Sheet	105
Combining Statement of Revenues, Expenditures and Changes in	
Fund Balances	112
Combining Schedule of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual.....	116
Internal Service Funds:	
Combining Statement of Net Position	124
Combining Statement of Revenues, Expenses and Changes in Fund Net Position..	125
Combining Statement of Cash Flows.....	126

CITY OF PACIFICA, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2019

Table of Contents

	<u>Page</u>
STATISTICAL SECTION:	
Financial Trends:	
Net Position by Component	132
Changes in Net Position	134
Fund Balances of Governmental Funds	136
Changes in Fund Balances of Governmental Funds	138
Revenue Capacity:	
Taxable Sales by Category	140
Direct and Overlapping Sales Tax Rate.....	141
Tax Revenues by Source	142
Assessed Valuation, Tax Rate, and Tax Levies	143
Direct and Overlapping Property Tax Rates	144
Principal Property Taxpayers	145
Property Tax Levies and Collections.....	146
Debt Capacity:	
Outstanding Debt by Type – Governmental.....	147
Ratios of Outstanding Debt by Type – Business-Type	148
Legal Debt Margin Information.....	149
Wastewater Obligations Pledged Revenue Coverage.....	150
Demographic and Economic Information:	
Demographic and Economic Statistics.	151
Principal Employers	152
Operating Information:	
Full Time Equivalent Employees by Function/Program.	153
Operating Indicators by Function/Program.	154
Capital Asset Statistics by Function/Program.	155
Sewer Rates	156

This page intentionally left blank.



Scenic Pacifica
Incorporated Nov. 22, 1957

CITY OF PACIFICA

170 Santa Maria Avenue • Pacifica, California 94044-2506
www.cityofpacifica.org

MAYOR
Deirdre Martin

MAYOR PRO TEM
Sue Beckmeyer

COUNCIL
Sue Vaterlaus
Mike O'Neill
Mary Bier

December 2, 2019

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 Comprehensive Annual financial Report (CAFR) for the fiscal year ended June 30, 2019.

Management assumes full responsibility for the completeness and reliability of the information contained in the CAFR. To provide a reasonable basis for making these representations, management has established a comprehensive framework of internal control that is designed both to protect the government's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). As the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

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, has issued an unmodified ("clean") opinion on the City of Pacifica's financial statements for the fiscal year ended June 30, 2019. 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 U.S. Office of Management and Budget Circular A-133. 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.

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 directly south of San Francisco. Located within the Bay Area Peninsula, it is framed by the ridges of the Coast Range on the east, 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 open space), is largely built out, 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 at large for four-year overlapping terms. The Mayor is selected each year by a majority vote of the other Council members. The Council appoints the City Manager, City Attorney, and members of advisory commissions and committees.

The City provides the following services to its residents: public safety (police and fire), highways and streets, sanitation, parks, beaches, and recreation, social services, planning and zoning, and leadership through general administrative services.

Water, garbage, 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 of Pacifica accepted the role of Successor Agency to the Redevelopment Agency per Council action on January 23, 2012.

Economic and Financial Outlook

California’s economy is expected to maintain strong growth despite an uncertain political environment and financial market volatility. The Bay Area’s growth will also continue, although at a much slower pace than the past couple of years. According to the Bureau of Labor Statistics, in August 2019, the United States unemployment rate was 3.8 percent, the State of California was 4.1 percent, and San Mateo County was 2.1 percent.¹

Pacifica’s coastal location on the Bay Area Peninsula with its natural open space and coastal beauty, along with its proximity to the San Francisco International Airport and its visitor-serving resources, continues to be an asset for development in the City.

While residential development has reached near build out conditions, commercial development potential is high in Pacifica as several commercially zoned sites are in various phases of the permit process and other commercial sites remain undeveloped or underdeveloped. The City and the Pacifica Chamber of Commerce are active in encouraging resident and visitor-serving business startups.

¹ Bureau of Labor Statistics, *San Francisco Area Economic Summary – Updated October 2, 2019*

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 in February 2019. 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 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 fund, 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 Council conducts public hearings before adopting the budget, thus giving the public an opportunity to be heard. 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, is responsible for monitoring the budget for legal compliance.

Acknowledgements

Our goal is to publish financial information that is helpful to policy leaders. Preparation of the Comprehensive Annual 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 thank the audit firm of Maze and Associates for their assistance in meeting the City's audit report requirements and financial reporting.

We would also like to thank the members of the Pacifica City Council for their support in planning and conducting the financial operations of the City in a responsible and conservative manner in the best interests of the Citizens of Pacifica.

Respectfully submitted,



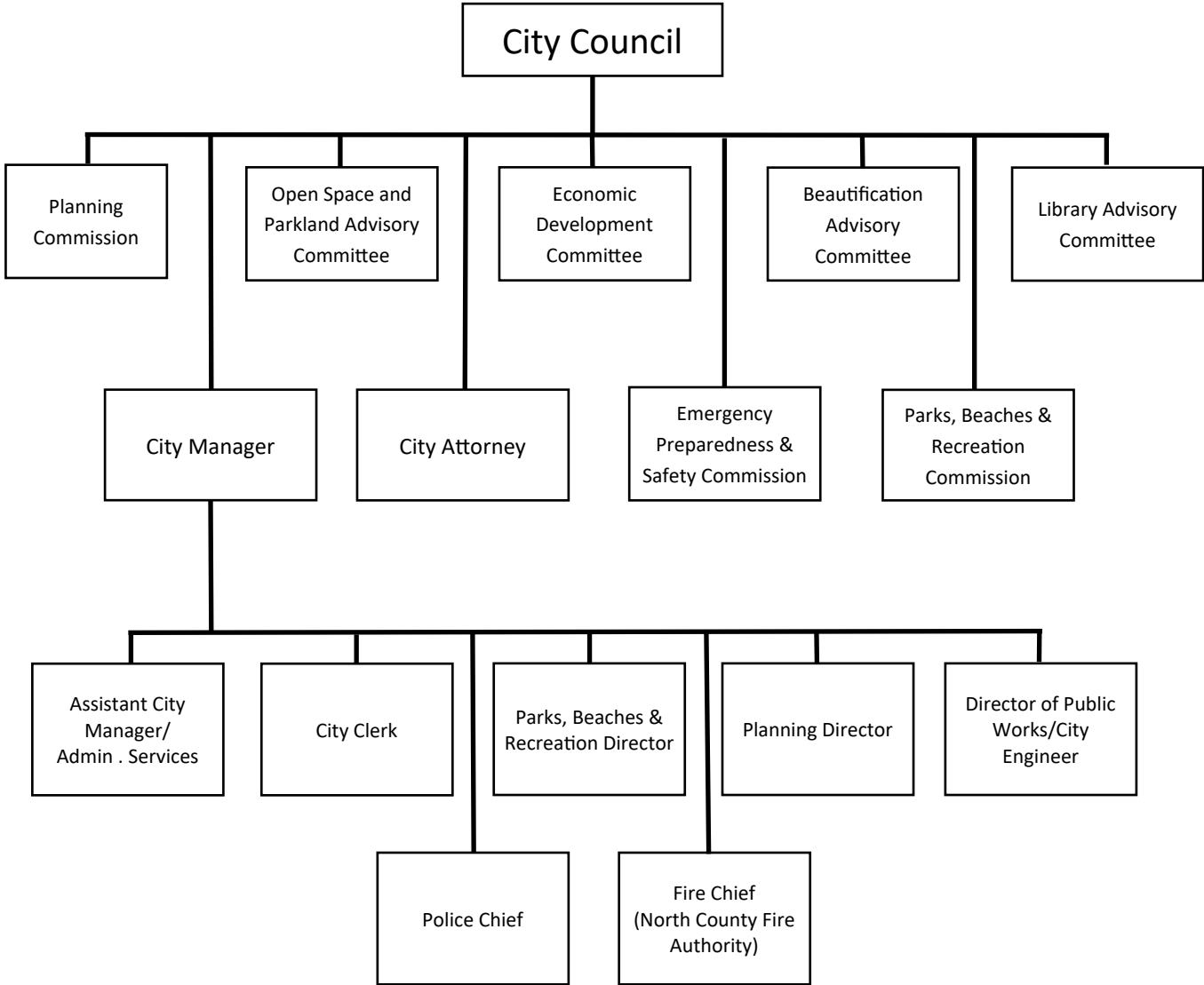
Kevin Woodhouse
City Manager



Lorenzo Hines Jr.
Assistant City Manager



Citizens of Pacifica



CITY OF PACIFICA, CALIFORNIA

SUE VATERLAUS
Mayor

DEIRDRE MARTIN
Mayor Pro Tem

SUE BECKMEYER MARY BIER
MIKE O'NEILL
Members of City Council
* * * * *

KEVIN WOODHOUSE
City Manager
* * * * *

MICHELLE MARCHETTA KENYON
City Attorney
* * * * *

OTHER ADMINISTRATIVE OFFICERS

LORENZO HINES JR.	Assistant City Manager
DAN STEIDLE	Police Chief
RON MYERS	Fire Chief
TINA WEHRMEISTER	Planning Director
SAM BAUTISTA	Acting Director of Public Works/City Engineer
MICHAEL PEREZ	Director of Parks, Beaches & Recreation
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

This page intentionally left blank.

FINANCIAL SECTION

This page intentionally left blank.



INDEPENDENT AUDITORS' REPORT

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

Report on Financial Statements

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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Introductory Section, Supplementary Information, and Statistical Section as listed in the Table of Contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Maze & Associates

Pleasant Hill, California
December 2, 2019

This page intentionally left blank.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This page intentionally left blank.



City of Pacifica

Management's Discussion and Analysis, Continued

For the year ended June 30, 2019

The management staff of the City of Pacifica (City), offers readers of the City's financial statements this narrative overview and analysis of City financial activities for the fiscal year ended June 30, 2019. It has been designed in accordance with standards established by the Governmental Accounting Standards Board. Please read this overview in conjunction with the accompanying financial statements.

Financial Highlights for Fiscal Year 2018-19

- The City's total net position was \$71.8 million at June 30, 2019, an increase of \$10.8 million from June 30, 2018. Of the \$71.8 million, \$46.0 million was in Governmental Activities and \$25.8 million was in Business-type Activities. Of the total net position, \$83.7 million relates to the City's net investment in capital assets and is not available for future appropriation (see table 1 for additional information). The negative unrestricted net position of \$24.1 million is the result of implementing GASB Statement No. 6, Accounting and Financial Reporting for Pensions recognizing the City's net pension liability, since fiscal year 2014-15.
- Total City revenues increased by \$6.1 million to \$62.2 million. \$5.1 million of the increase was derived from Governmental Activities and \$1.0 million was derived from Business-type Activities (see table 2 for additional information).
- Total City expenses were \$51.3 million; \$35.8 million for the Governmental Activities and \$15.5 million for the Business-type Activities. This is a decrease of \$3.3 million compared to prior year. The decrease is mostly due to the capitalization of expenses (see table 2 for additional information).
- The City's governmental funds reported combined fund balances of \$28.7 million, an increase of \$4.0 million compared to prior year. The Enterprise Funds' net position increased by \$0.1 million to \$25.8 million, and the Internal Service Funds net position increased by \$0.4 million to \$6.6 million.
- The General Fund ending fund balance increased from \$12.6 million to nearly \$15.0 million. Of this amount, \$3.9 million is non-spendable and \$3.5 million has been assigned and intended to be used for specific purposes.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's three basic financial statements: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. The report also contains supplemental information to help the reader develop a full understanding of the City's financial activities.

- **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, as well as liabilities and deferred inflows of resources, with the difference reported as net position. Changes in net position that occur over time may serve as an indicator of the City's financial position.



City of Pacifica
Management's Discussion and Analysis, Continued
For the year ended June 30, 2019

The *Statement of Activities* presents information showing how the City's net position changed during the most recent 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 fiscal periods, such as revenues related to uncollected taxes, or earned but unused vacation leave.

Both of 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 governmental activities of the City consist of general government, public safety, public works, parks, 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 23-24.

- **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 in 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 in the form of combining statements located elsewhere in the report.

The governmental fund financial statements can be found on page 25-28 of this report.



City of Pacifica
Management's Discussion and Analysis, Continued
For the year ended June 30, 2019

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.

Business-Type Activities or 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 29-33 of this report.

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 34-35 of this report.

- **Notes to the Financial Statements** – The notes provide additional detail that is essential to a full 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 37 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents certain required and other supplementary information. Required supplementary information can be found on pages 88-97 of this report.



City of Pacifica
Management's Discussion and Analysis, Continued
For the year ended June 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the City's financial position. The City has a total net position of \$71.8 million as of June 30, 2019. Net position increased by \$10.8 million or 17.9% from the beginning net position of \$61.0 million. Assets and deferred outflows of resources as of the end of June 30, 2019 were \$209.7 million, reflecting a 1.7% increase from prior year. The increase is mainly due to accounts receivable and capital assets. Liabilities and deferred inflows decreased by \$7.4 million or 5.0% to \$138.0 million. The decrease is due to accounts payable (\$2.5 million), long-term debt (\$3.9 million) and decreases in the City's net OPEB liability and net pension liability (\$0.5 million and \$0.7 million, respectively).

The largest portion of the City's net position is its net investment in capital assets totaling \$83.7 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.

The City's restricted net assets of \$12.1 million represents 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 \$24.0 million is the result of the City's recognition of net pension liability of \$50.1 million, as required by GASB 68.

Table 1
Comparative Statement of Net Position (In Millions) at June 30,

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Cash and investments	\$ 25.9	\$ 24.1	\$ 2.0	\$ 8.0	\$ 27.9	\$ 32.1
Other assets	10.5	8.2	9.4	16.7	19.9	24.9
Capital assets	84.7	76.6	65.1	55.8	149.8	132.4
Total assets	121.1	108.9	76.5	80.5	197.6	189.4
Deferred Outflows of Resources	11.3	16.2	0.8	0.7	12.1	16.9
Current liabilities	5.0	5.6	4.0	6.9	9.0	12.5
Non-current liabilities	77.4	81.0	47.2	48.4	124.6	129.4
Total liabilities	82.4	86.6	51.2	55.3	133.6	141.9
Deferred Inflows of Resources	4.1	3.3	0.3	0.1	4.4	3.4
Net Position						
Net investment in capital assets	67.7	59.6	16.0	16.0	83.7	75.6
Restricted	12.1	18.2			12.1	18.2
Unrestricted	(33.9)	(42.6)	9.9	9.8	(24.0)	(32.8)
Total net position	\$ 45.9	\$ 35.2	\$ 25.9	\$ 25.8	\$ 71.8	\$ 61.0



City of Pacifica
Management's Discussion and Analysis, Continued
For the year ended June 30, 2019

Governmental activities increased the City's net position by \$10.7 million with a total net position of \$45.9 million at the end of the fiscal year. The increase was attributable to total governmental revenues exceeding total expenses.

Table 2
Statement of Activities for fiscal year ended June 30,
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues						
Charges for service	\$ 6.6	\$ 6.7	\$ 15.5	\$ 14.3	\$ 22.1	\$ 21.0
Operating contributions & grants	3.9	3.5			3.9	3.5
Capital grants	4.6	3.8			4.6	3.8
Total program revenues	15.1	14.0	15.5	14.3	30.6	28.3
General revenues						
Taxes:						
Property	14.7	13.8			14.7	13.8
Sales and use	2.6	2.3			2.6	2.3
Franchise	1.7	1.7			1.7	1.7
Other taxes	5.3	4.9			5.3	4.9
Motor Vehicle In Lieu	4.2	4.0			4.2	4.0
Investment Earnings	0.3	0.2	0.4	0.4	0.7	0.6
Miscellaneous	2.4	0.5			2.4	0.5
Transfers	0.3	0.1	(0.3)	(0.1)	-	-
Total general revenues and transfers	31.5	27.5	0.1	0.3	31.6	27.8
Total revenues	46.6	41.5	15.6	14.6	62.2	56.1
Expenses						
Governmental Activities						
Public safety	18.8	17.2			18.8	17.2
Public works	2.5	7.4			2.5	7.4
Community development	2.7	2.3			2.7	2.3
Parks, beaches and recreation	5.4	5.0			5.4	5.0
General government	5.7	7.2			5.7	7.2
Interest on long-term debt	0.7	1.9			0.7	1.9
Business-Type Activities					-	-
Sewer			15.0	13.0	15.0	13.0
Beach Parking			0.5	0.5	0.5	0.5
Total expenses	35.9	41.0	15.5	13.5	51.4	54.5
Transfer of capital assets	-	-	-	-	-	-
Change in net position	10.7	0.5	0.1	1.2	10.8	1.7
Net position - beginning, as restated (Note 11C)	\$ 35.2	\$ 34.7	\$ 25.8	\$ 24.6	\$ 61.0	\$ 59.3
Net position - ending	\$ 45.9	\$ 35.2	\$ 25.9	\$ 25.8	\$ 71.8	\$ 61.1

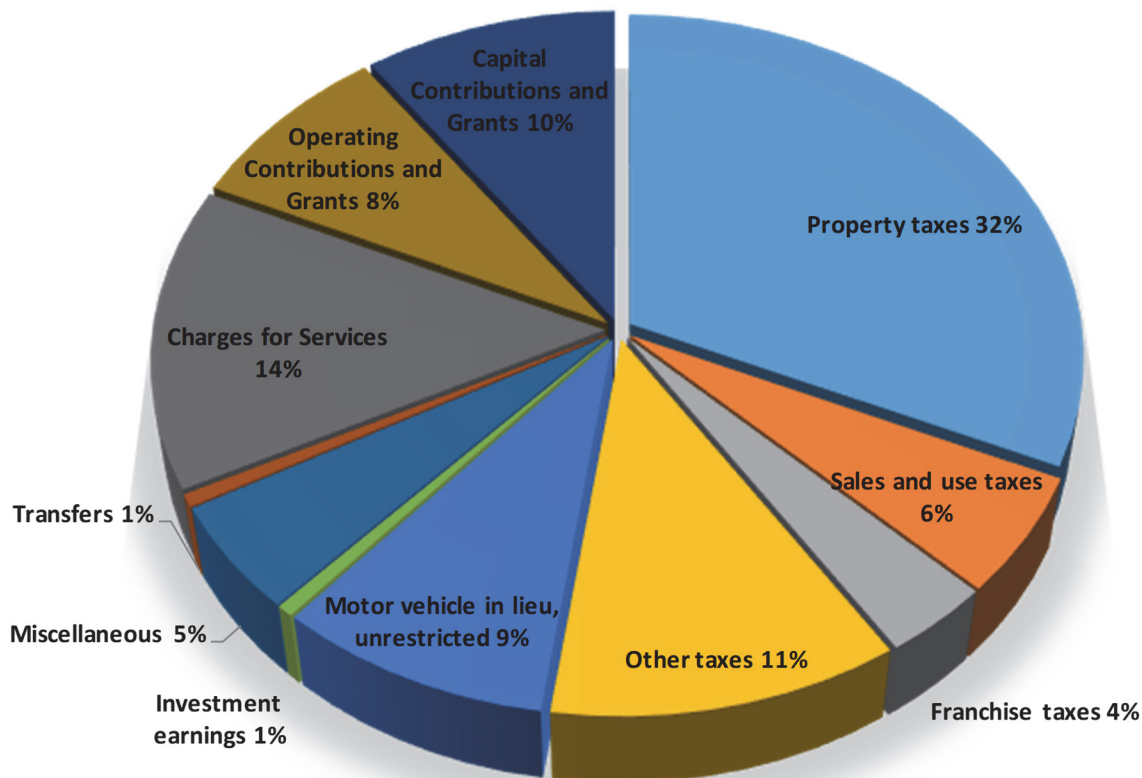


City of Pacifica
Management's Discussion and Analysis, Continued
For the year ended June 30, 2019

Governmental Activities

The chart below summarizes general City revenues available for funding all City programs and major expenditure program categories, as well as program revenues used to fund specific expenditure programs. For fiscal year 2018-19, program revenues increased by \$1.1 million or 7.9% to \$15.1 million. General revenues and transfers from all sources relating to governmental activities increased by \$4.0 million or 14.5% to \$31.5 million. The increase in general revenues was largely the result of property taxes and other taxes which include transient occupancy tax, business license tax, utility users tax and cannabis operations tax. Miscellaneous revenues also increase by 3.8% or \$1.9 million. This is attributable to a \$1.8 million donation from the Sirkka Niukkanen Endowment Fund for the City of Pacifica.

Governmental Activities - Sources of Revenues
FY 2018-2019
\$46.6M

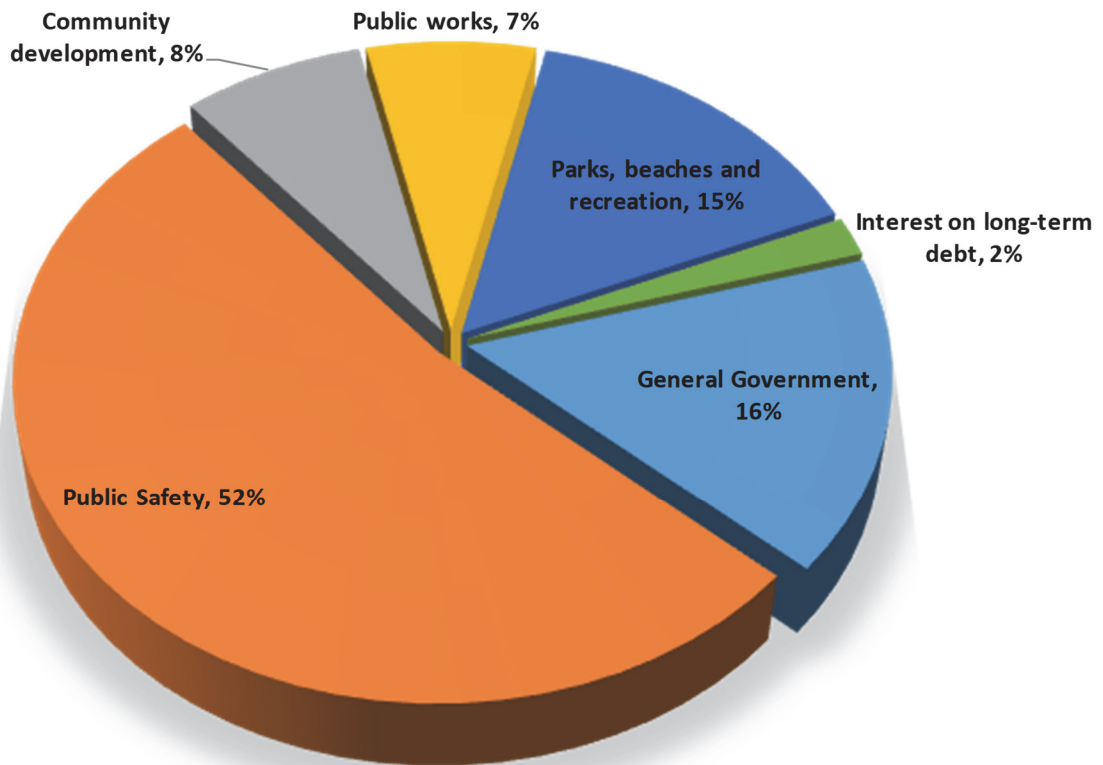




City of Pacifica
Management's Discussion and Analysis, Continued
For the year ended June 30, 2019

Expenses from governmental activities decreased by \$5.1 million or 12.5% to \$35.9 million for the fiscal year. Expenses increased by \$1.6 million in the area of public safety, which includes the City's Police Department as well as services provided by the North County Fire Department. Expenses in community development and parks, beaches and recreation also increased slightly but the total increase was offset by a \$4.9 million decrease in public works. The decrease is the result of capital asset reconciliation for this year and prior fiscal year.

Governmental Activities - Sources of Expenses
FY2018-2019
\$35.9M





City of Pacifica
Management's Discussion and Analysis, Continued
For the year ended June 30, 2019

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 \$35.9 million, were offset in part by program revenues for governmental activities of \$15.1 million. These program revenues included \$6.6 million in charges for services, \$3.9 million in operating grants and contributions, and \$4.6 million in capital grants and contributions. 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
Governmental Activities
Program Revenues and Net Revenue (Expense) From Services for fiscal year ended June 30,
(In Millions)

	Program Revenues		Operating Expenses		Net Revenue (Expense)	
	2019	2018	2019	2018	2019	2018
General government	\$ 1.8	\$ 1.7	\$ 5.7	\$ 7.2	\$ (3.9)	\$ (5.5)
Public Safety	1.5	1.6	18.8	17.2	(17.3)	(15.6)
Community development	2.4	2.2	2.7	2.3	(0.3)	(0.1)
Public works	5.5	4.8	2.5	7.4	3.0	(2.6)
Parks, beaches, and recreation	4.0	3.8	5.4	5.0	(1.4)	(1.2)
Interest on long-term debt	-	-	0.7	1.9	(0.7)	(1.9)
	\$ 15.1	\$ 14.0	\$ 35.9	\$ 40.9	\$ (20.7)	\$ (26.9)

Business-type Activities

The net position of the City's business-type activities increased slightly by \$0.1 million from a beginning net position of \$25.8 million. In fiscal year 2018-19, enterprise operations produced total operating revenues of \$15.5 million, a \$1.2 million increase from prior year. The increase in revenue was mostly from the sewer utility as the 8% rate increase was implemented at the beginning of the fiscal year.

Business-type expenses totaled 15.5 million at the end of the fiscal year. Operating expenses for these activities increased by \$2.0 million or 15.2% from prior year. The increase was largely attributable to sewer activities' personnel related costs.

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.



City of Pacifica
Management's Discussion and Analysis, Continued
For the year ended June 30, 2019

FINANCIAL ANALYSIS OF CITY FUNDS

Governmental funds

The Governmental Fund financial statements provide information on the short-term inflow, outflows, and balances of resources that are available for spending over the fiscal period. The goals of the funds are to have sufficient resources available to finance City services. In particular, the unassigned fund balance may serve as a measure of City funds that are available for spending in the short-term. The General Fund, General Capital Improvement Fund, Disaster Accounting Fund and the Debt Service Fund are the 'major funds' and are reported separately in the basic Financial Statements.

General Fund

The General Fund is the City's main operating fund. General Fund revenues totaled \$33.7 million in fiscal year 2018-19, a \$1.4 million or 4.3% increase from prior year. Expenditures totaled \$33.1 million, which is \$3.1 million more than in prior year. Revenues less operating expenditures before transfers were \$0.7 million. The General Fund transferred in \$1.7 million from Debt Service Fund. At the end of FY2017-18, the Debt Service Fund had an ending fund balance of \$2.0 million which resulted from previous years transferring dollars into the Debt Service Fund at levels which did not reflect the level of debt service obligations. The transfer reflects the excess fund balance transferred back to the originating fund. The General Fund also received transfers in of \$1.0 million from the Street Construction Fund and Gas Tax Fund as reimbursement for salaries and benefits related expenditures. 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, 2019 was \$15.0 million, representing an increase of \$2.4 million from the prior year fund balance of \$12.6 million. The City Council assigned \$3.5 million as reserves for specific purposes as described in Note 11 of the Notes to the Basic Financial Statements. A total of \$7.5 million of the General Fund balance is 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 \$1.8 million which is an increase of \$0.3 million from prior year. Majority of the revenues were from grant reimbursements. A total of \$4.4 million was transferred from Excess ERAF funds which held funds to cover expenditures that are "one-time" in nature. After reviewing the expenditure patterns in the ERAF fund, it was determined that the ERAF funds were mainly funding disaster related expenditures, thus, in fiscal year 2018-19, the Disaster Accounting Fund and the ERAF Fund were consolidated.

Total expenditures in the Disaster Accounting fund decreased by \$1.3 million as certain projects were nearing completion while others were starting to ramp-up. Many of the on-going projects in the Disaster Accounting Fund are rehabilitation projects due to damages caused by the winter storms of 2015-2016.



City of Pacifica
Management's Discussion and Analysis, Continued
For the year ended June 30, 2019

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 had revenues of \$0.3 million which is lower than prior year by \$0.6 million. The lower amount was largely due to a decrease in grant reimbursements when compared to prior year. A total of \$4.2 million was transferred in from other funds to support ongoing construction costs and to support previously appropriated projects.

General Capital Improvement Fund expenditures totaled \$494,000 which is a decrease of nearly \$3.0 million from prior year. The Palmetto Streetscape - Phase 1 project, a \$3.0 million project, was completed in early fiscal year 2018-19. The project constructed streetscape improvements along Palmetto Avenue to establish and develop a framework for Palmetto Avenue "Main Street" business district. The entire fund balance of \$1.6 million is assigned for on-going construction of capital projects.

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. Principal payments on outstanding debt reduced general government debt by \$1.0 million. Debt service expenditures represent principal payments, interest charges, and administrative costs of debt such as fiscal agent fees on existing government debt. A more 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.

Table 4
Total Governmental Funds
(In Millions)

	Fund Balance June 30, 2019	Fund Balance June 30, 2018	Net change in Fund Balance
General Fund	\$ 15.0	\$ 12.6	\$ 2.4
Disaster Accounting Fund	0.3	(3.9)	4.2
General Capital Improvement Fund	1.6	(2.2)	3.8
Debt Service Fund	-	2.0	(2.0)
Other Governmental Funds	11.8	16.2	(4.4)
Total Governmental Funds	\$ 28.7	\$ 24.7	\$ 4.0



City of Pacifica
Management's Discussion and Analysis, Continued
For the year ended June 30, 2019

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 and Beach parking while the internal service funds include Self Funded Dental, Self Insurance Worker's Comp, Self Insurance Liability, Motor Pool Operations and Motor Pool Replacement funds.

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 be stable as in prior year. There was only a slight increase of \$18,000 in the fund's overall net position compared to prior year. A large portion of net position (62%) is related to the City's investment in capital asset.

The fund's net revenue increased by \$1.0 million from prior year, mostly the result of an 8% increase in sewer rate. The City Council approved an annual sewer rate increase until fiscal year 2021-22. Total operating expenses of the Sewer Utility Fund, however, increase by \$1.8 million largely in the areas of personnel services and outside contractors.

Beach Parking Enterprise Fund

The Beach Parking Enterprise Fund accounts for the operations and maintenance of the City's parking facilities. The fund's overall net position had a very modest increase of \$139,000. Revenue in the Beach Parking Fund increased by \$132,000 resulting from an increase in parking fees. Operating expenses decreased by \$26,000 largely in part to a reduction in personnel service hours being charged to the fund. Staff is making a conscious effort to reduce expenses to help bolster the fund's ending net position. The objective is to invest in newer equipment in the coming years.

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 the day to day operation and maintenance of city vehicles and equipment and to pay for the purchase of replacement of these vehicles and equipment. The internal service funds as a whole experienced an increase in net position of \$0.4 million from prior year.



City of Pacifica
Management's Discussion and Analysis, Continued
For the year ended June 30, 2019

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

	Total Enterprise Funds		Total Internal Service Funds	
	2019	2018	2019	2018
Operating revenues	\$ 15.5	\$ 14.3	\$ 2.4	\$ 2.5
Operating expenses	13.8	12.0	3.0	2.6
Operating income (loss)	1.7	2.3	(0.6)	(0.1)
Non-operating revenues (expenses)	(1.3)	(1.0)	0.1	0.1
Net income (loss) before contributions and operating transfers	0.4	1.3	(0.5)	-
Transfers in (out)	(0.3)	(0.1)	0.9	0.9
Change in net position	\$ 0.1	\$ 1.2	\$ 0.4	\$ 0.9

GENERAL FUND BUDGETARY HIGHLIGHTS

Detailed information on budget variances can be found beginning on page 94 in the Budgetary Comparison Schedule. The adopted fiscal year 2018-19 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 \$33.7 million, which is \$1.0 million or 3.0% over the final amended budget. Total expenditures were \$33.1 million, which is \$1.2 million or 3.6% under budget.

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

- Other taxes which includes transient occupancy, business license, utility users, and cannabis taxes were over budget by \$367,000 or 10%. An increase in PG&E's utility tax payments as well as taxes from newly opened cannabis businesses were the major cause of the increase.
- Licenses and permits were over budget by \$136,000 or 20% due mostly to an increase in building and electrical permits.
- Intergovernmental revenues were over budget by \$399,000 or 7.1% due to an increase in vehicle license fees and grant reimbursements.
- Expenditures in community development were under budget by \$1.1 million or 47.8% due to the slow progress of projects.
- Expenditures in public works were under budget by \$482,000 or 11% mostly in the areas of building maintenance and parks and playfields as projects that were planned for during the fiscal year were not completed or started due to changing priorities.



City of Pacifica
Management's Discussion and Analysis, Continued
For the year ended June 30, 2019

CAPITAL ASSETS AND LONG TERM DEBT

Capital Assets

As reported in the Statement of Net Position, capital assets for the governmental and business-type activities totaled \$149.8 million on June 30, 2019, net of depreciation, increasing from the prior fiscal year. The investment in capital assets include: 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. Additional information on capital assets may be found in Note 4 in the Notes to the Basic Financial Statements.

The \$8.1 million increase in the governmental activities' capital assets is attributable to the capitalization of the Palmetto Streetscape and the FY17/18 Pavement Rehabilitation Projects. The \$9.2 million increase in the business-type activities is mostly in construction in progress for the Equalization Basin Project.

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

	Governmental Activities		Business Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Governmental activities						
Land	\$ 40.4	\$ 40.4	\$ 4.0	\$ 4.0	\$ 44.4	\$ 44.4
Construction in progress	7.0	5.3	22.7	14.8	29.7	20.1
Building and improvements	16.1	16.0	77.3	77.3	93.4	93.3
Machinery and equipment	3.0	2.8	2.7	2.0	5.7	4.8
Collection Systems			20.2	16.6	20.2	16.6
Vehicles	7.6	7.0			7.6	7.0
Infrastructure	42.0	34.3			42.0	34.3
Less accumulated depreciation	(31.4)	(29.2)	(61.8)	(58.8)	(93.2)	(88.0)
Totals	\$ 84.7	\$ 76.6	\$ 65.1	\$ 55.9	\$ 149.8	\$ 132.5

Long Term Debt

At June 30, 2019 the City had long-term debt obligations of \$70.7 million. Governmental Activities had debt outstanding in the amount of approximately \$25.1 million and the business-type activities had approximately \$45.6 million. The total reduction of \$3.9 million from prior year was due to regular debt service payments. In 2019, the City received an upgraded bond rating to AA+ from Standard and Poors. Additional information on long-term debt activity may be found in Note 5 of the Notes to the Basic Financial Statements.



City of Pacifica
Management's Discussion and Analysis, Continued
For the year ended June 30, 2019

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

	Governmental		Business-type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
2010 Pension Obligation Bond	\$ 7.9	\$ 8.9	\$ 1.0	\$ 1.1	\$ 8.9	\$ 10.0
2016 Certificate of Participation	16.7	16.9			16.7	16.9
Capital Lease Payable	0.5	0.6			0.5	0.6
2014 Wastewater Revenue Refunding Bond			7.6	7.7	7.6	7.7
2017 Wastewater Revenue Bond			25.9	26.0	25.9	26.0
Notes Payable	-	-	11.1	13.4	11.1	13.4
Total Debt Outstanding	\$ 25.1	\$ 26.3	\$ 45.6	\$ 48.3	\$ 70.7	\$ 74.6
Total Bonded Debt Outstanding	\$ 25.1	\$ 26.3	\$ 45.6	\$ 48.3	\$ 70.7	\$ 74.6

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

As the City looks ahead to fiscal year 2019-2020, management remains encouraged by the relatively strong growth in our regional economy. The City has a promising future buoyed by vision, innovation and partnerships. To assist in the development of the 2019-2020 Budget and to improve the City's fiscal health, the City Council has reviewed the City's Long Term Financial Plan for the last four fiscal years.

The City Council and management considered the following economic factors in preparation of the fiscal year 2019-20 budget:

Revenue Projections: Tax revenues were projected to grow by 4.2% over last year's mid-year adjusted tax revenue amount. Property tax was projected to only increase by 2.8% while transient occupancy tax was projected to increase by 21% due to short-term rental tax revenue projections. Other taxes, including sales tax, were forecasted to reflect moderate growth from the prior year final budget. For fiscal year 2019-20, the Cannabis Business Program excise tax revenues (6% of sales) was included as a new source of potential revenue growth.

Expenditures: General Fund operating expenditures are expected to grow approximately 2.7% over last year's final budget. Employee salary and benefits costs represent the largest category of expenditure in the City's operating budget at over 69% of total General Fund expenditures. The fiscal year 2019-20 budget includes salary adjustments in accordance with employee bargaining unit agreements currently in place.

Sewer Rate Adjustments: The most recent rate study for the sewer utility was completed in 2017. Soon after, the City Council approved an ordinance which 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 addresses its future capital and financial needs. The fiscal year 2019-20 rate increase was 8%.



City of Pacifica
Management's Discussion and Analysis, Continued
For the year ended June 30, 2019

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This Comprehensive Annual Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. Questions about this report should be directed to Lorenzo Hines Jr., Assistant City Manager at City of Pacifica, City Manager's Office, 170 Santa Maria Avenue, Pacifica, California 94044.

A copy of this financial report is also located at the City's website at <http://www.cityofpacifica.org>, by selecting "Departments/Administrative Services/Finance/Comprehensive Annual Financial Report" and then selecting the "year".

This page intentionally left blank.

CITY OF PACIFICA
STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments (Note 3)	\$25,895,698	\$1,906,741	\$27,802,439
Cash and investments with fiscal agents (Note 3)	349,277	7,184,735	7,534,012
Restricted cash and investments (Note 3)	3,474,589		3,474,589
Taxes receivable	954,537		954,537
Accounts receivable, net of allowance	3,620,744	8,277	3,629,021
Interest receivable	47,360		47,360
Prepaid items	95,621	363,842	459,463
Inventories	22,528	107,769	130,297
Receivable from successor agency (Note 10)	3,742,926		3,742,926
Capital assets, not being depreciated (Note 4)	47,477,110	26,677,523	74,154,633
Capital assets, being depreciated, net of accumulated depreciation (Note 4)	37,235,366	38,439,970	75,675,336
Internal balances (Note 9)	(1,809,938)	1,809,938	
Total Assets	<u>121,105,818</u>	<u>76,498,795</u>	<u>197,604,613</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding of debt	805,414	270,980	1,076,394
Related to OPEB (Note 6)	137,029	31,401	168,430
Related to pension (Note 7)	10,335,813	499,509	10,835,322
Total Deferred Outflows of Resources	<u>11,278,256</u>	<u>801,890</u>	<u>12,080,146</u>
LIABILITIES			
Accounts payable	1,949,122	1,312,312	3,261,434
Interest payable	380,525	90,911	471,436
Refundable deposits	1,148,164		1,148,164
Unearned revenue	7,500		7,500
Claims payable due within one year (Note 8)	156,418		156,418
Compensated absences (Note 1M):			
Due within one year	871,415	170,671	1,042,086
Due in more than one year	657,383	117,068	774,451
Long term debt (Note 5):			
Due within one year	497,919	2,389,269	2,887,188
Due in more than one year	24,648,648	43,194,739	67,843,387
Net OPEB Liabilities, due in more than one year (Note 6)	4,772,357	1,047,591	5,819,948
Net pension liabilities, due in more than one year (Note 7)	47,288,792	2,805,601	50,094,393
Total Liabilities	<u>82,378,243</u>	<u>51,128,162</u>	<u>133,506,405</u>
DEFERRED INFLOWS OF RESOURCES			
Related to OPEB (Note 6)	1,116,850	112,275	1,229,125
Related to pension (Note 7)	2,996,451	138,941	3,135,392
Total Deferred Inflows of Resources	<u>4,113,301</u>	<u>251,216</u>	<u>4,364,517</u>
NET POSITION (Note 11)			
Net investment in capital assets	<u>67,691,252</u>	<u>15,985,969</u>	<u>83,677,221</u>
Restricted for:			
Construction of capital assets	2,152,949		2,152,949
Streets, highways, and other related purposes	3,320,111		3,320,111
Parks, beaches and recreation	5,247,584		5,247,584
Stormwater operations	794,003		794,003
Public safety	604,440		604,440
Unrestricted	<u>(33,917,809)</u>	<u>9,935,338</u>	<u>(23,982,471)</u>
Total Net Position	<u>\$45,892,530</u>	<u>\$25,921,307</u>	<u>\$71,813,837</u>

See accompanying notes to financial statements

CITY OF PACIFICA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Governmental Activities	
Governmental Activities:						
General government	\$5,709,625	\$77,871	\$1,671,110		(\$3,960,644)	(\$3,960,644)
Public safety	18,784,089	852,591	595,350		(17,336,148)	(17,336,148)
Community development	2,731,034	2,318,892		\$50,000	(362,142)	(362,142)
Public works	2,534,274	804,110	171,238	4,556,092	2,997,166	2,997,166
Parks, beaches and recreation	5,392,377	2,588,014	1,416,273		(1,388,090)	(1,388,090)
Interest on long-term debt	706,918				(706,918)	(706,918)
Total Governmental Activities	35,858,317	6,641,478	3,853,971	4,606,092	(20,756,776)	(20,756,776)
Business-type Activities:						
Sewer	14,927,925	14,802,705			(\$125,220)	(125,220)
Beach Parking	536,423	675,689			139,266	139,266
Total Business-type Activities	15,464,348	15,478,394			14,046	14,046
Total	\$51,322,665	\$22,119,872	\$3,853,971	\$4,606,092	(20,756,776)	14,046
General Revenues:						
Taxes:						
Property taxes					14,731,311	14,731,311
Sales and use taxes					2,611,801	2,611,801
Franchise taxes					1,661,717	1,661,717
Other taxes					5,340,307	5,340,307
Motor vehicle in lieu, unrestricted					4,199,391	4,199,391
Investment earnings					254,481	415,825
Miscellaneous					2,384,463	2,384,463
Transfers					272,500	(272,500)
Total General Revenues and Transfer					31,455,971	143,325
Change in Net Position					10,699,195	157,371
Net Position at beginning of year					35,193,336	25,763,936
Net Position at end of year					\$45,892,531	\$25,921,307

See accompanying notes to financial statements

CITY OF PACIFICA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2019

	General	Special Revenue Disaster Accounting Fund	General Capital Improvement Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total
Assets						
Cash and investments (Note 3)	\$11,481,682		\$3,473,561		\$6,088,860	\$21,044,103
Cash and investments with fiscal agents (Note 3)			\$13,415	\$335,862		349,277
Restricted cash and investments (Note 3)					3,474,589	3,474,589
Receivables:						
Taxes	948,287				6,250	954,537
Accounts	1,043,679	\$1,454,708			1,117,349	3,615,736
Interest	47,356		4			47,360
Due from other funds (Note 9)	1,681,358					1,681,358
Prepaid items	90,371			5,250		95,621
Inventories	2,726					2,726
Receivable from RDA successor agency (Note 10)	3,742,926					3,742,926
Advance to other funds (Note 9)	75,000				1,849,619	1,924,619
Total Assets	\$19,113,385	\$1,454,708	\$3,486,980	\$341,112	\$12,536,667	\$36,932,852
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$1,188,701	\$36,467	\$28,239		\$420,575	\$1,673,982
Refundable deposits	1,148,164					1,148,164
Due to other funds (Note 9)		1,083,385		\$318,353	279,620	1,681,358
Unearned revenue	7,500					7,500
Advance from other funds (Note 9)	1,809,938		1,849,619		75,000	3,734,557
Total Liabilities	4,154,303	1,119,852	1,877,858	318,353	775,195	8,245,561
Fund balances (Note 11):						
Non-spendable	3,911,023					3,911,023
Restricted				22,759	11,761,472	11,784,231
Assigned	3,499,121					3,499,121
Unassigned	7,548,938	334,856	1,609,122			9,492,916
Total Fund Balances	14,959,082	334,856	1,609,122	22,759	11,761,472	28,687,291
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$19,113,385	\$1,454,708	\$3,486,980	\$341,112	\$12,536,667	\$36,932,852

See accompanying notes to financial statements

CITY OF PACIFICA
 Reconciliation of the
 GOVERNMENTAL FUNDS - BALANCE SHEET
 with the
 STATEMENT OF NET POSITION
 JUNE 30, 2019

Fund Balance - Governmental Funds	\$28,687,291
<p>Amounts reported for Governmental Activities in the Statement of Net Position is different from those reported in the governmental funds because of the following:</p>	
Capital assets used in Governmental Activities are not current resources and, therefore, are not reported in the governmental funds.	82,441,106
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.	805,414
<p>The items below are not financial resources / (not due and payable) in the current period and, therefore are not reported in the governmental funds.</p>	
Compensated Absences	(1,501,715)
Long term debt	(25,010,860)
Interest payable	(380,175)
Net OPEB liabilities	(4,685,221)
Net Pension Liabilities	(47,288,792)
Deferred inflows related to pension and OPEB	(4,113,301)
Deferred outflows related to pension and OPEB	10,472,842
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.	<u>6,553,077</u>
Net Position of Governmental Activities	<u><u>\$45,979,666</u></u>

See accompanying notes to financial statements

CITY OF PACIFICA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2019

	General	Special Revenue Disaster Accounting Fund	General Capital Improvement Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total
REVENUES						
Taxes	\$20,627,495				\$5,219,848	\$25,847,343
Licenses and permits	810,704		\$27,081			837,785
Fines and forfeitures	193,046					193,046
Use of money and property	263,839		10,269	\$12,718	99,463	386,289
Intergovernmental	6,036,575	\$11,551	236,804		386,697	6,671,627
Charges for current services	2,854,564				44,537	2,899,101
Recreation programs	904,247					904,247
Other	2,040,652	1,748,706		1,548,119	3,172,904	8,510,381
Total Revenues	33,731,122	1,760,257	274,154	1,560,837	8,923,449	46,249,819
EXPENDITURES						
Current:						
General government	5,160,068				125	5,160,193
Public safety	16,559,311	146			61,299	16,620,756
Community development	2,371,823		53,206		16,735	2,441,764
Public works	3,856,431				765,834	4,622,265
Parks, beaches, and recreation	4,792,465					4,792,465
Capital outlay	323,025	1,865,111	440,967		2,974,147	5,603,250
Debt service:						
Principal				1,016,932		1,016,932
Interest and fiscal charges				1,339,332		1,339,332
Total Expenditures	33,063,123	1,865,257	494,173	2,356,264	3,818,140	41,596,957
Excess (Deficit) of Revenues over Expenditures	667,999	(105,000)	(220,019)	(795,427)	5,105,309	4,652,862
Other Financing Sources (Uses):						
Transfers in (Note 9)	2,288,362	4,354,694	4,156,530	808,617	1,450,907	13,059,110
Transfers out (Note 9)	(551,510)	(21,516)	(142,967)	(2,039,612)	(10,965,505)	(13,721,110)
Total Other Financing Sources (Uses)	1,736,852	4,333,178	4,013,563	(1,230,995)	(9,514,598)	(662,000)
Net Changes in Fund Balances	2,404,851	4,228,178	3,793,544	(2,026,422)	(4,409,289)	3,990,862
Fund Balances (Deficits) at beginning of year	12,554,231	(3,893,322)	(2,184,422)	2,049,181	16,170,761	24,696,429
Fund Balances (Deficits) at end of year	<u>\$14,959,082</u>	<u>\$334,856</u>	<u>\$1,609,122</u>	<u>\$22,759</u>	<u>\$11,761,472</u>	<u>\$28,687,291</u>

See accompanying notes to financial statements

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, 2019

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	\$3,990,862
----------------------------	-------------

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	9,697,168
Depreciation expense	(1,999,827)

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.

Repayment of debt principal	1,016,932
Interest expense	672,728
Amortization of loss on refunding	(32,466)

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)	(40,704)
Net pension liabilities (net change)	(2,807,888)
Net OPEB liabilities	(127,301)

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.

	416,826
Changes in net position of governmental activities	<u><u>\$10,786,330</u></u>

See accompanying notes to financial statements

CITY OF PACIFICA
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2019

	Business-Type Activities			Governmental
	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)	\$1,777,749	\$128,992	\$1,906,741	\$4,851,595
Cash and investments with fiscal agents (Note 3)	7,184,735		7,184,735	
Accounts receivable	8,277		8,277	5,008
Due from other funds (Note 9)				
Prepaid items	363,842		363,842	
Inventory	107,769		107,769	19,802
Total Current Assets	<u>9,442,372</u>	<u>128,992</u>	<u>9,571,364</u>	<u>4,876,405</u>
Noncurrent Assets:				
Advance to other funds (Note 9)	1,809,938		1,809,938	
Capital assets, not being depreciated (Note 4)	26,677,523		26,677,523	258,774
Capital assets, being depreciated, net of accumulated depreciation (Note 4)	<u>38,410,430</u>	<u>29,540</u>	<u>38,439,970</u>	<u>2,012,596</u>
Total Noncurrent assets	<u>66,897,891</u>	<u>29,540</u>	<u>66,927,431</u>	<u>2,271,370</u>
Total Assets	<u>76,340,263</u>	<u>158,532</u>	<u>76,498,795</u>	<u>7,147,775</u>
Deferred Outflows of Resources				
Deferred charge on refunding (Note 5)	270,980		270,980	
Related to OPEB (Note 6)	31,401		31,401	
Related to pension (Note 7)	<u>499,509</u>		<u>499,509</u>	
Total Deferred Outflows of Resources	<u>801,890</u>		<u>801,890</u>	
Liabilities:				
Accounts payable	1,307,261	5,051	1,312,312	275,140
Due to other funds (Note 9)				
Interest payable	90,911		90,911	350
Claims payable (Note 8):				
Due within one year				156,418
Compensated absences (Note 1M):				
Due within one year	159,075	11,596	170,671	15,437
Due in more than one year	110,546	6,522	117,068	11,646
Long term debt (Note 5):				
Due within one year	2,389,269		2,389,269	6,365
Due in more than one year	43,194,739		43,194,739	129,342
Net OPEB Liabilities, due in more than one year (Note 6)	1,047,591		1,047,591	
Net pension liabilities:				
Due in more than one year (Note 7)	<u>2,805,601</u>		<u>2,805,601</u>	
Total Liabilities	<u>51,104,993</u>	<u>23,169</u>	<u>51,128,162</u>	<u>594,698</u>
Deferred Inflows of Resources:				
Related to OPEB (Note 6)	112,275		112,275	
Related to pension (Note 7)	<u>138,941</u>		<u>138,941</u>	
Total Deferred inflows of Resources	<u>251,216</u>		<u>251,216</u>	
Net Position:				
Net investment in capital assets	15,985,969		15,985,969	2,271,370
Unrestricted	<u>9,799,975</u>	<u>135,363</u>	<u>9,935,338</u>	<u>4,281,707</u>
Total Net Position	<u>\$25,785,944</u>	<u>\$135,363</u>	<u>\$25,921,307</u>	<u>\$6,553,077</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, 2019

	Business-Type Activities			Governmental Activities
	Major Enterprise Fund Sewer Utility	Non-major Enterprise Fund Beach Parking	Total Enterprise Funds	Internal Service Funds
Operating Revenues:				
Charges for services	\$14,667,078	\$675,689	\$15,342,767	\$1,195,043
Other operating income	135,627		135,627	1,182,597
Total Operating Revenues	14,802,705	675,689	15,478,394	2,377,640
Operating Expenses:				
Personnel services	5,650,389	441,126	6,091,515	555,691
Administration	1,046,523	68,002	1,114,525	5,021
Supplies and materials	939,597	23,105	962,702	385,163
Insurance	363,802		363,802	1,071,022
Outside contractors	113,414		113,414	8,341
Maintenance	372,740		372,740	98,232
Utilities	1,746,781		1,746,781	
Insurance claims				358,710
Depreciation (Note 4)	3,023,333	4,190	3,027,523	506,382
Total Operating Expenses	13,256,579	536,423	13,793,002	2,988,562
Operating Income (Loss)	1,546,126	139,266	1,685,392	(610,922)
Non-operating revenues (Expenses):				
Investment earnings	415,825		415,825	35,193
Intergovernmental revenues				50,000
Gain on sale of capital assets				15,903
Interest and fiscal charges	(1,653,428)		(1,653,428)	(7,848)
Amortization	(17,918)		(17,918)	
Total Non-Operating Revenues (Expenses)	(1,255,521)		(1,255,521)	93,248
Income (Loss) Before Transfers	290,605	139,266	429,871	(517,674)
Transfers:				
Transfers in (Note 9)				934,500
Transfers out (Note 9)	(272,500)		(272,500)	
Changes in Net Position	18,105	139,266	157,371	416,826
Net Position, Beginning of Year	25,767,839	(3,903)	25,763,936	6,136,251
Net Position, End of Year	\$25,785,944	\$135,363	\$25,921,307	\$6,553,077

See accompanying notes to financial statements

This page intentionally left blank.

CITY OF PACIFICA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2019

	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	\$14,835,053	\$699,712	\$15,534,765	\$2,377,168
Receipts from other funds		(7,562)	(7,562)	
Payments to suppliers	(7,514,602)	(105,839)	(7,620,441)	(1,594,053)
Payments for claims				(340,190)
Payments to and on behalf of employees	(4,106,664)	(441,889)	(4,548,553)	(555,104)
Payments to other funds	7,562		7,562	
Net Cash Provided (Used) by Operating Activities	<u>3,221,349</u>	<u>144,422</u>	<u>3,365,771</u>	<u>(112,179)</u>
Cash Flows from Noncapital and Related Financing Activities:				
Intergovernmental revenues				50,000
Interfund payment	(125,683)		(125,683)	
Interfund receipts				934,500
Net Cash Provided (Used) by Noncapital and Related Financing Activities	<u>(125,683)</u>		<u>(125,683)</u>	<u>984,500</u>
Cash Flows from Capital and Related Financing Activities				
Purchase of capital assets	(12,303,203)	(15,430)	(12,318,633)	(911,179)
Proceeds from sale of capital assets				15,903
Principal payments on bonds and notes	(2,736,586)		(2,736,586)	(16,367)
Interest paid	(1,655,826)		(1,655,826)	(7,848)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(16,695,615)</u>	<u>(15,430)</u>	<u>(16,711,045)</u>	<u>(919,491)</u>
Cash Flows from Investing Activities:				
Interest received	415,825		415,825	35,193
Net Cash Provided by Investing Activities	<u>415,825</u>		<u>415,825</u>	<u>35,193</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(13,184,124)	128,992	(13,055,132)	(11,977)
Cash and Cash Equivalents at the Beginning of the Fiscal year	<u>22,146,608</u>		<u>22,146,608</u>	<u>4,863,572</u>
Cash and Cash Equivalents at the End of the Fiscal Year	<u><u>\$8,962,484</u></u>	<u><u>\$128,992</u></u>	<u><u>\$9,091,476</u></u>	<u><u>\$4,851,595</u></u>
Reconciliation of Cash and Cash Equivalents to Statement of Net Position:				
Cash and investments	\$1,777,749	\$128,992	\$1,906,741	
Cash and investments with fiscal agents	7,184,735		7,184,735	\$4,851,595
Total Cash and Cash Equivalents	<u><u>\$8,962,484</u></u>	<u><u>\$128,992</u></u>	<u><u>\$9,091,476</u></u>	<u><u>\$4,851,595</u></u>

(Continued)

See accompanying notes to financial statements

CITY OF PACIFICA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2019

	Business-Type Activities			Governmental
	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)	\$1,546,126	\$139,266	\$1,685,392	(\$610,922)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	3,023,333	4,190	3,027,523	506,382
(Increase) Decrease in Operating Assets:				
Accounts Receivable	1,230	24,023	25,253	(3,485)
Due from other funds	7,562		7,562	
Prepaid Items	(4,788)		(4,788)	
Inventories	35,906		35,906	3,013
Increase (Decrease) in Operating Liabilities:				
Accounts payable	(2,931,745)	(14,732)	(2,946,477)	(26,058)
Due to other funds		(7,562)	(7,562)	
Accrued liabilities				(216)
Claims payable				18,520
Net Pension/OPEB Liability, Deferred Inflows and Deferred Outflows Compensated Absences	1,594,505 (50,780)	(763)	1,594,505 (51,543)	587
Net Cash Provided (Used) by Operating Activities	<u>\$3,221,349</u>	<u>\$144,422</u>	<u>\$3,365,771</u>	<u>(\$112,179)</u>
Noncash Transactions				
Amortization of bond premium	<u>(\$17,918)</u>			

See accompanying notes to financial statements

CITY OF PACIFICA
 SUCCESSOR AGENCY
 PRIVATE PURPOSE TRUST FUND
 STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2019

Assets:	
Cash and investments (Note 3)	\$546,553
Cash and investments with fiscal agents (Note 3)	<u>225,553</u>
Total Assets	<u>772,106</u>
Liabilities:	
Accounts payable	
Interest payable	32,584
Loan payable to the City - due in more than one year (Note 10)	3,742,926
Long-term debt:	
Due within one year (Note 13)	60,000
Due in more than one year (Note 13)	<u>1,080,000</u>
Total Liabilities	<u>4,915,510</u>
Net Position:	
Restricted for debt service	50,000
Unrestricted	<u>(4,193,404)</u>
Total Net Position (Deficit)	<u><u>(\$4,143,404)</u></u>

See accompanying notes to financial statements

CITY OF PACIFICA
 SUCCESSOR AGENCY
 PRIVATE PURPOSE TRUST FUND
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2019

Additions:	
Investment revenue	\$6,958
Taxes and assessments	<u>271,905</u>
Total Additions	<u>278,863</u>
Deductions:	
Interest expense	135,436
Community development expense	<u>357</u>
Total Deductions	<u>135,793</u>
Change in Net Position	143,070
Net Position (Deficit) at Beginning of Year	<u>(4,286,474)</u>
Net Position (Deficit) at End of Year	<u><u>(\$4,143,404)</u></u>

See accompanying notes to financial statements

This page intentionally left blank.

**CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

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 (“USGAAP”) 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 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, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019

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 regards 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, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

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.

**CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

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

E. Major Funds (Continued)

- **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.

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.

CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019

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

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.

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.

CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019

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

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.

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.

**CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

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

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.

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, 2019, were as follows:

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	\$1,487,507	\$339,282	\$1,826,789
Additions	1,294,775	136,566	1,431,341
Payments	(1,253,484)	(188,109)	(1,441,593)
Ending Balance	<u>\$1,528,798</u>	<u>\$287,739</u>	<u>\$1,816,537</u>
Current Portion	<u>\$871,415</u>	<u>\$170,671</u>	<u>\$1,042,086</u>
Non-current Portion	<u>\$657,383</u>	<u>\$117,068</u>	<u>\$774,451</u>

**CITY OF PACIFICA, CALIFORNIA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FISCAL YEAR ENDED JUNE 30, 2019**

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

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.

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.

**CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

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

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.

Q. Expenditures in Excess of Appropriations

The following funds incurred departmental expenditures in excess of appropriations:

Fund/Department	Excess of Expenditures Over
Major Funds:	
General Fund:	
<i>Public Safety</i>	\$122,840
<i>Parks, Beaches and Recreation</i>	247,538
<i>Capital Outlay</i>	92,337
Disaster Accounting Special Revenue Fund	1,865,257
Non-Major Funds:	
Parks and Playfields Capital Projects Fund	7,893
Planned Local Drainage Capital Projects Fund	5,441
Frontier Remediation Capital Projects Fund	8,842

**CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

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 at 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 (USGAAP). Except for Capital Project Funds, appropriations lapse at fiscal year-end and are rebudgeted 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.

**CITY OF PACIFICA, CALIFORNIA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 2 - Stewardship, Compliance, and Accountability (Continued):

B. Deficit Fund Balances/Net Position

As of June 30, 2019, the following funds had a deficit net position/fund balance:

Successor Agency Private Purpose Trust Fund	\$4,792,430
---	-------------

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

NOTE 3 - Cash and Investments:

Cash and investments as of June 30, 2019 are classified in the accompanying financial statements as follows:

<i>Statement of net position:</i>	
Cash and investments	\$27,802,439
Cash and investments with fiscal agents	7,534,012
Restricted cash and investments	3,474,589
<i>Statement of fiduciary net position:</i>	
Cash and investments	546,553
Cash and investments with fiscal agents	225,553
Total cash and investments	\$39,583,146

**CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 - Cash and Investments (Continued):

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 Funds (State Pool)	N/A	None	\$65,000,000	\$65,000,000
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

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

**CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 - Cash and Investments (Continued):

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	\$7,411,438	\$7,411,438
Held by Trustees:		
Money Market Fund	7,746,049	7,746,049
Total Investments	<u>\$15,157,487</u>	<u>15,157,487</u>
Cash in Banks		24,422,414
Petty Cash		3,245
Total Cash		<u>24,425,659</u>
Total Cash and Investments		<u>\$39,583,146</u>

Money market mutual funds are available for withdrawal on demand at June 30, 2019, and have an average maturity of 23 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.

**CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 - Cash and Investments (Continued):

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		Total
	AAA-m	Not Rated	
California Local Agency Investment Fund Held by Trustees:		\$7,411,438	\$7,411,438
Money Market Fund	\$7,746,049		7,746,049
Total Investments	<u>\$7,746,049</u>	<u>\$7,411,438</u>	<u>15,157,487</u>
Cash in Banks			24,422,414
Petty Cash			3,245
Total Cash			<u>24,425,659</u>
Total Cash and Investments			<u>\$39,583,146</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.

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, 2019, all of the City's deposits with financial institutions in excess of federal depository insurance limits were held in collateralized accounts.

**CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 - Cash and Investments (Continued):

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, 2019, these investments have an average maturity of 173 days.

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 are valued at their estimated fair value on the date donated. 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, 2019:

	Balance June 30, 2018	Additions	Deletions	Adjustments*	Transfers	Balance June 30, 2019
Capital assets not being depreciated:						
Land	\$40,445,580					\$40,445,580
Construction in progress	5,343,754	\$3,456,482	(\$599,080)	\$2,797,941	(\$3,967,567)	7,031,530
Total capital assets not being depreciated	45,789,334	3,456,482	(599,080)	2,797,941	(3,967,567)	47,477,110
Capital assets being depreciated:						
Buildings & improvements	15,963,106	135,960				16,099,066
Vehicles	6,977,031	911,178	(307,033)			7,581,176
Machinery and equipment	2,796,845	105,805		140,645		3,043,295
Infrastructure	34,332,255	1,976,281		1,683,135	3,967,567	41,959,238
Total capital assets being depreciated	60,069,237	3,129,224	(307,033)	1,823,780	3,967,567	68,682,775
Less accumulated depreciation for:						
Buildings & improvements	(9,824,881)	(487,408)				(10,312,289)
Vehicles	(5,532,168)	(490,049)	307,033			(5,715,184)
Machinery & equipment	(2,689,242)	(122,059)				(2,811,301)
Infrastructure	(11,201,942)	(1,406,693)				(12,608,635)
Total accumulated depreciation	(29,248,233)	(2,506,209)	307,033			(31,447,409)
Depreciable capital assets, net	30,821,004	623,015		1,823,780	3,967,567	37,235,366
Total capital assets, net	\$76,610,338	\$4,079,497	(\$599,080)	\$4,621,721		\$84,712,476

* Prior year expenses

**CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 - Capital Assets (Continued):

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

General government	\$74,805
Public safety	379,326
Public works	1,466,835
Parks, beaches, and recreation	78,861
Internal Service Fund	<u>506,382</u>
Total Governmental Activities	<u><u>\$2,506,209</u></u>

The following is a summary of capital assets for business-type activities as of June 30, 2019:

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Balance June 30, 2019</u>
Capital assets not being depreciated:			
Land	\$4,014,412		\$4,014,412
Construction in progress	<u>14,775,212</u>	<u>\$7,887,899</u>	<u>22,663,111</u>
Total capital assets not being depreciated	<u>18,789,624</u>	<u>7,887,899</u>	<u>26,677,523</u>
Depreciable capital assets:			
Buildings & improvements	77,290,952	57,900	77,348,852
Collection system	16,611,263	3,595,965	20,207,228
Machinery and equipment	<u>1,959,980</u>	<u>776,869</u>	<u>2,736,849</u>
Total capital assets being depreciated	<u>95,862,195</u>	<u>4,430,734</u>	<u>100,292,929</u>
Less accumulated depreciation for:			
Buildings & improvements	(51,228,965)	(1,922,152)	(53,151,117)
Collection system	(6,192,897)	(929,976)	(7,122,873)
Machinery & equipment	<u>(1,403,574)</u>	<u>(175,395)</u>	<u>(1,578,969)</u>
Total accumulated depreciation	<u>(58,825,436)</u>	<u>(3,027,523)</u>	<u>(61,852,959)</u>
Depreciable capital assets, net	<u>37,036,759</u>	<u>1,403,211</u>	<u>38,439,970</u>
Total capital assets, net	<u><u>\$55,826,383</u></u>	<u><u>\$9,291,110</u></u>	<u><u>\$65,117,493</u></u>

**CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

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, 2018	Retirements	Balance June 30, 2019	Due within One Year
Certificates of Participation:				
2016 COP	\$14,680,000		\$14,680,000	
Premium	2,182,704	(\$114,879)	2,067,825	
Sub-total COP	<u>16,862,704</u>	<u>(114,879)</u>	<u>16,747,825</u>	
Capital Lease Payable (Direct borrowing):				
Energy retrofit lease	583,466	(120,825)	462,641	\$125,707
Pension Obligation Bonds:				
2010 Pension obligation bond (88.622%)	8,893,219	(957,118)	7,936,101	372,212
Total Governmental Activities	<u>\$26,339,389</u>	<u>(\$1,192,822)</u>	<u>\$25,146,567</u>	<u>\$497,919</u>

Business-type Activities:

	Balance July 1, 2018	Retirements	Balance June 30, 2019	Due within One Year
Revenue bonds:				
2014 Wastewater Revenue Refunding	\$6,740,000		\$6,740,000	
Net Premium	988,521	(\$118,622)	869,899	
2017 Wastewater Revenue Bonds	22,100,000		22,100,000	
Net Premium	3,916,178	(163,175)	3,753,003	
Sub-total Revenue bonds:	<u>33,744,699</u>	<u>(281,797)</u>	<u>33,462,902</u>	
Pension Obligation bonds:				
2010 Pension obligation bond (11.378%)	1,141,782	(122,882)	1,018,900	\$47,788
Notes payable (Direct Borrowing):				
State of California Water Resources Board	8,263,675	(2,065,919)	6,197,756	2,065,919
Loan and Installment Agreement	5,170,438	(265,988)	4,904,450	275,562
Total notes payable	<u>13,434,113</u>	<u>(2,331,907)</u>	<u>11,102,206</u>	<u>2,341,481</u>
Total Business-Type Activities:	<u>\$48,320,594</u>	<u>(\$2,736,586)</u>	<u>\$45,584,008</u>	<u>\$2,389,269</u>

**CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 - Long-Term Debt (Continued):

A. Governmental Activities Debt

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, 2019 was \$519,460 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, 2019.

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>
2020		\$661,850	\$661,850
2021	\$480,000	661,850	1,141,850
2022	725,000	637,850	1,362,850
2023	705,000	601,600	1,306,600
2024	760,000	566,350	1,326,350
2025 - 2029	4,130,000	2,245,000	6,375,000
2030 - 2034	4,755,000	1,159,800	5,914,800
2035 - 2037	3,125,000	198,000	3,323,000
Total	<u>\$14,680,000</u>	<u>\$6,732,300</u>	<u>\$21,412,300</u>

**CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 - Long-Term Debt (Continued):

A. Governmental Activities Debt (Continued)

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>
2020	\$125,707	\$17,261	\$142,968
2021	130,785	12,183	142,968
2022	136,069	6,899	142,968
2023	70,080	1,402	71,482
Total	<u>\$462,641</u>	<u>\$37,745</u>	<u>\$500,386</u>

2010 Taxable Pension Obligation Bonds: During May 2010, the City of Pacifica issued \$20,510,000 of Pension Obligation Bonds bearing interest between 1.425% and 6.899% and payable semiannually on June 1 and December 1 each year, commencing December 1, 2010. The bonds mature on June 1, 2030. These bonds were used to advance pay miscellaneous and safety employee pension obligations. Approximately 88.622% of the bond proceeds were allocated to governmental activities (including 1.71% 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, 2019.

Annual debt service requirements, to maturity, for the 2010 Pension Obligation Bonds (governmental portion) are as follows:

<u>Fiscal year ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$372,212	\$534,035	\$906,247
2021	425,386	510,392	935,778
2022	487,421	483,372	970,793
2023	553,888	452,411	1,006,299
2024	624,785	417,228	1,042,013
2025 - 2029	4,435,532	1,342,948	5,778,480
2030	1,036,877	71,534	1,108,411
Total	<u>\$7,936,101</u>	<u>\$3,811,919</u>	<u>\$11,748,020</u>

**CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 - Long-Term Debt (Continued):

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.

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, 2019 was \$222,135 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>
2020	\$275,562	\$171,600	\$447,162
2021	285,480	161,501	446,981
2022	295,759	151,039	446,798
2023	306,407	140,200	446,607
2024	317,437	128,970	446,407
2025 - 2029	1,767,099	461,747	2,228,846
2030 - 2033	1,656,706	121,921	1,778,627
Total	<u>\$4,904,450</u>	<u>\$1,336,978</u>	<u>\$6,241,428</u>

**CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 - Long-Term Debt (Continued):

B. Business Type Activities Debt (Continued)

2010 Taxable Pension Obligation Bonds: During May 2010, the City of Pacifica issued \$20,510,000 of Pension Obligation Bonds bearing interest between 1.425% and 6.899% and payable semiannually on June 1 and December 1 each year, commencing December 1, 2010. The bonds mature on June 1, 2030. These bonds were used to advance pay miscellaneous and safety employee pension obligations. 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, 2019.

Annual debt service requirements, to maturity, for the 2010 Pension Obligation Bonds (business-type portion) are as follows:

<u>Fiscal year ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$47,788	\$68,564	\$116,352
2021	54,614	65,528	120,142
2022	62,579	62,059	124,638
2023	71,113	58,084	129,197
2024	80,215	53,567	133,782
2025 - 2029	569,468	172,418	741,886
2030	133,123	9,184	142,307
Total	<u>\$1,018,900</u>	<u>\$489,405</u>	<u>\$1,508,305</u>

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. Principal payments are due each July 31, with the final payment due July 31, 2021.

Annual debt service requirements, to maturity, for the State of California Water Resource Control Board Loan are as follows:

<u>Fiscal year ended</u>	<u>Principal</u>	<u>Total</u>
2020	\$2,065,919	\$2,065,919
2021	2,065,919	2,065,919
2022	2,065,918	2,065,918
Total	<u>\$6,197,756</u>	<u>\$6,197,756</u>

**CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 - Long-Term Debt (Continued):

B. Business Type Activities Debt (Continued)

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, 2019 was \$48,845 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, 2019.

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>
2020		\$337,000	\$337,000
2021		337,000	337,000
2022		337,000	337,000
2023	\$1,520,000	299,000	1,819,000
2024	1,595,000	221,125	1,816,125
2025 - 2029	3,625,000	197,875	3,822,875
Total	<u>\$6,740,000</u>	<u>\$1,729,000</u>	<u>\$8,469,000</u>

**CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019.

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>
2020		\$1,061,600	\$1,061,600
2021		1,061,600	1,061,600
2022		1,061,600	1,061,600
2023	\$625,000	1,045,975	1,670,975
2024	655,000	1,013,975	1,668,975
2025 - 2029	3,815,000	4,529,875	8,344,875
2030 - 2034	4,895,000	3,456,575	8,351,575
2035 - 2039	6,055,000	2,289,375	8,344,375
2040 - 2043	6,055,000	624,625	6,679,625
Total	<u>\$22,100,000</u>	<u>\$16,145,200</u>	<u>\$38,245,200</u>

**CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

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

A. Plan Description

The City participates in the CalPERS medical program. 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, 2019:

Active employees	153
Inactive employees receiving benefit payments	91
Inactive employees entitled to but not yet receiving benefit payments	56
Total	300

**CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

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

C. Total OPEB Liability

Actuarial Methods and Assumptions: The City's total OPEB liability was measured as of June 30, 2017 and was determined by an actuarial valuation that was rolled forward to determine the total OPEB liability as of June 30, 2017, based on the following actuarial methods and assumptions:

Actuarial Assumption	June 30, 2019 Measurement Date
Actuarial Valuation Date	June 30, 2018
Contribution Policy	No pre-funding
Discount Rate	*3.87% at June 30, 2018 *3.58% at June 30, 2017
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-2018
Mortality Improvement	

Discount Rate: The discount rate used to measure the total OPEB liability was 3.58%.

D. Changes in Total OPEB Liability

The changes in the total OPEB Liability follows:

	Total OPEB Liability
Balance as of June 30, 2018: (Measurement date 6/30/17)	<u>\$6,304,041</u>
Changes Recognized for the Measurement Period:	
Service cost	303,274
Interest	233,437
Benefit changes	-
Differences between expected and actual experience	(527,075)
Changes of assumptions	(320,279)
Contributions from the employer	-
Benefit payments	<u>(173,450)</u>
Net changes	<u>(484,093)</u>
Balance as of June 30, 2019: (Measurement date 6/30/18)	<u><u>\$5,819,948</u></u>

**CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 6 - Other Post-Employment Benefits (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%
(2.87 %)	(3.87%)	(4.87%)
\$6,771,425	\$5,819,948	\$5,060,153

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
(5.25% Pre-Med/ 5.45% Post-Med decreasing to 3.75% in 2021)	(6.25% Pre-Med/ 6.45% Post-Med decreasing to 4.75% in 2021)	(7.25% Pre-Med/ 7.45% Post-Med decreasing to 5.75% in 2021)
\$5,023,338	\$5,819,948	\$6,840,778

**CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

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

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

For the year ended June 30, 2018, the City recognized OPEB Expense of \$434,895. As of fiscal year ended June 30, 2019, 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	\$168,430 *	\$ -
Differences between actual and expected experience	-	448,407
Changes of assumptions	-	780,718
Total	\$168,430	\$1,229,125

* Include \$127,927 cash benefit payments, \$1,059 administrative costs and \$39,444 implied subsidy benefit payments.

\$168,430 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, 2019. 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
2020	(\$241,980)
2021	(241,980)
2022	(241,980)
2023	(241,980)
2024	(172,677)
Thereafter	(88,528)
Total	(\$1,229,125)

**CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

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)
- Pepra Safety Police (cost-sharing multiple-employer plan)
- Safety Fire (cost-sharing multiple-employer plan)
- Pepra 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.

At June 30, 2019, the City reported the following amounts related to the pension plans:

	<u>Deferred Outflows of Resources</u>	<u>Net Pension Liability</u>	<u>Deferred Inflows of Resources</u>
Miscellaneous	\$2,938,285	(\$16,503,534)	(\$817,300)
Safety	7,862,000	(32,079,854)	(2,318,092)
PARS REP	35,037	(1,511,005)	-
Total	<u>\$10,835,322</u>	<u>(\$50,094,393)</u>	<u>(\$3,135,392)</u>

**CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 7 - Pension Plans (Continued):

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, 2019, are summarized as follows:

	Miscellaneous
Benefit formula	2% @ 55 2.5% @ 55 2% @ 62
Benefit vesting schedule	5 years service
Benefit payments	monthly for life
Retirement age	55-62
Monthly benefits, as a % of eligible compensation	2-2.5%
Required employee contribution rates	7.742%
Required employer contribution rates	20.679%

The Following employees were covered by the benefit terms for the Plan as of the most recent actuarial valuation date of June 30, 2017 and measurement date of June 30, 2018.

	Miscellaneous
Inactive employees or beneficiaries currently receiving benefits	180
Inactive employees entitled to but not yet receiving benefits	164
Active employees	122
Total	466

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.

**CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 7 - Pension Plans (Continued):

B. Miscellaneous Plan (Continued)

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, 2018, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 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, 2017 Measurement Date	\$96,151,295	\$78,412,177	\$17,739,118
Changes in the year:			
Service cost	1,716,353		1,716,353
Interest on the total pension liability	6,687,032		6,687,032
Changes of Benefit Terms			
Changes of assumptions	(739,131)		(739,131)
Difference between expected and actual experience	(407,869)		(407,869)
Net plan to plan resource movement		(191)	191
Contributions - employer		1,571,937	(1,571,937)
Contributions - employees		749,462	(749,462)
Net investment income		6,524,986	(6,524,986)
Benefit payments, including refunds of employee contributions	(4,675,098)	(4,675,098)	
Administrative expense		(122,188)	122,188
Other miscellaneous income/(expense)		(232,037)	232,037
Net changes	<u>2,581,287</u>	<u>3,816,871</u>	<u>(1,235,584)</u>
Balance at June 30, 2018 Measurement Date	<u>\$98,732,582</u>	<u>\$82,229,048</u>	<u>\$16,503,534</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 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 1 percentage point lower or 1 percentage point higher than the current rate:

	Miscellaneous
1% Decrease	6.15%
Net Pension Liability	\$29,416,036
Current Discount Rate	7.15%
Net Pension Liability	\$16,503,534
1% Increase	8.15%
Net Pension Liability	\$5,811,141

**CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 7 - Pension Plans (Continued)

B. Miscellaneous Plan (Continued)

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

For the year ended June 30, 2019, the City recognized pension expense of \$1,233,080. At June 30, 2019, 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	\$1,896,427	
Differences between actual and expected experience		(\$386,140)
Changes in assumptions	692,455	(431,160)
Net differences between projected and actual earnings on plan investments	349,403	
Total	\$2,938,285	(\$817,300)

\$1,559,981 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, 2020. 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
2020	\$1,131,280
2021	74,852
2022	(776,886)
2023	(204,688)
	\$224,558

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, 2018 measurement date is without reduction of pension plan administrative expense.

**CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 7 - Pension Plans (Continued):

C. Safety Plan (Continued)

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 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, 2019, are summarized as follows:

	Safety-Police	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50
Monthly benefits, as a % of eligible compensation	3%	2-2.7%
Required employee contribution rates	8.988%	12.000%
Required employer contribution rates	20.556%	12.141%

	Safety-Fire	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50
Monthly benefits, as a % of eligible compensation	2.4-3%	2-2.7%
Required employee contribution rates	8.984%	12.000%
Required employer contribution rates	18.677%	12.141%

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

As of June 30, 2019, the City reported net pension liabilities for its proportionate shares of the net pension liability of the Safety Plan as \$32,079,854.

**CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 7 - Pension Plans (Continued):

C. Safety 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 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 1 percentage point lower or 1 percentage point higher than the current rate:

	Safety
1% Decrease	6.15%
Net Pension Liability	\$48,744,648
Current Discount Rate	7.15%
Net Pension Liability	\$32,079,854
1% Increase	8.15%
Net Pension Liability	\$18,426,039

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, 2017, using an annual actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. The City’s proportion of the net pension liability was 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, 2017 and 2016 was as follows:

Proportion - June 30, 2017	0.529%
Proportion - June 30, 2018	0.547%
Change - Increase (Decrease)	0.018%

**CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 7 - Pension Plans (Continued):

C. Safety Plan (Continued)

For the year ended June 30, 2019, the City recognized pension expense of \$6,562,529. At June 30, 2019, 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	\$2,830,926	
Differences between actual and expected experience	689,288	(\$2,615)
Changes in assumptions	3,147,593	(424,667)
Net differences between projected and actual earnings on plan investments	217,196	
Differences between actual contributions and proportionate share of contributions		(1,490,423)
Change in proportion	976,997	(400,387)
Total	\$7,862,000	(\$2,318,092)

\$2,830,926 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, 2019. 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
2020	\$2,422,038
2021	1,397,396
2022	(884,251)
2023	(222,201)
	\$2,712,982

**CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 7 - Pension Plans (Continued):

D. PARS Plan

Plan Description – The 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, 2019 the following employees covered by the benefit terms of the plan.

	REP
Inactive employees or beneficiaries currently receiving benefits	17
Inactive employees entitled to but not yet receiving benefits	
Active employees	9
Total	26

**CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

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, 2018, 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, 2017 Measurement Date	\$3,705,466	\$2,264,313	\$1,441,153
Changes in the year:			
Service cost	48,885		48,885
Interest on the total pension liability	247,550		247,550
Contribution - employer		98,849	(98,849)
Net investment income		136,800	(136,800)
Effect of economic/demographic gains or losses			
Effect of assumptions changes or inputs			
Administrative expenses		(9,066)	9,066
Benefit payments, including refunds of employee contributions	(176,795)	(176,795)	
Net changes	119,640	49,788	69,852
Balance at June 30, 2018 Measurement Date	\$3,825,106	\$2,314,101	\$1,511,005

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 1 percentage point lower or 1 percentage point higher than the current rate:

	REP
1% Decrease	5.75%
Net Pension Liability	\$1,956,851
Current Discount Rate	6.75%
Net Pension Liability	\$1,511,005
1% Increase	7.75%
Net Pension Liability	\$1,135,053

**CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019, the City recognized pension expense of \$388,648. At June 30, 2019, the City reported deferred outflows of resources related to pensions for the Plan from the following sources:

	REP
	Deferred Outflows of Resources
Differences between actual and expected experience	
Changes in assumptions	
Net differences between projected and actual earnings on plan investments	\$35,037
Total	\$35,037

The REP Measurement Date is the same as the fiscal year end date, therefore, the fiscal year 2019 contribution of \$98,849 was recognized as part of the pension expense during the 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
2020	\$27,768
2021	(281)
2022	4,918
2023	2,632
	\$35,037

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 \$940,521 and \$757,656 respectively.

**CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 7 - Pension Plans (Continued):

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

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 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 period of projected benefit payments to determine the total pension liability for each Plan.

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.

For the year ended June 30, 2019, the contributions to all Plans were as follows:

	Employer Contributions
CalPERS:	
Miscellaneous	\$1,896,427
Safety	2,830,926
PARS REP	98,849
Total:	\$4,826,202

**CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 7 - Pension Plans (Continued):

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

Actuarial Assumptions – For the measurement period ended June 30, 2017, the total pension liabilities were determined by rolling forward the June 30, 2016 total pension liability. The June 30, 2016 total pension liabilities were based on the following actuarial methods and assumptions:

	CalPERS	PARS REP
Valuation Date	June 30, 2017	June 30, 2017
Measurement Date	June 30, 2018	June 30, 2019
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%	2.75%
Payroll Growth	3.0%	3.4%
		Consistent with the rates used to value the Miscellaneous Agency CalPERS Pension Plans (Entry Age 30).
Projected Salary Increase	Varied by Entry Age and Service	6.75%
Investment Rate of Return	7.15% (1)	6.75%
		Pre-retirement: Consistent with the Non-Industrial rates used to value Miscellaneous Agency CalPERS Pension Plans.
		Post-retirement: CalPERS 1997-2011 Healthy Retiree Tables (sex-distinct) with an assumed base year of 2008 and full generational projections using Scale AA.
Mortality	Derived using CalPERS' Membership Data for all Funds (2) Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter	Retirement rates of 30% per year starting at age 55 with required years of service.
Post Retirement Benefit Increase		

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

(2) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015 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, 2015 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, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

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 historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the 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)	New Strategic Allocation	Real Return Years 1 - 10(b)	Real Return Years 11+(c)
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0%	1.00%	2.62%
Inflation Sensitive	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	<u>100%</u>		

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

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

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

**CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

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:

PARS REP		
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Arithmetic Real Rate of Return</u>
Cash	2.51%	0.71%
Core Fixed Income	45.34%	1.83%
Broad US Equities	39.59%	4.71%
Developed Foreign Equities	5.90%	6.06%
Emerging Market Equities	4.27%	8.23%
US REITs	2.39%	5.05%
Total	100%	

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.

CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019

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 \$836,464 during fiscal year end June 30, 2019 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.

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 \$553,096 during fiscal year end June 30, 2019 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.

**CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 8 - Risk Management (Continued):

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.

Changes in the total reported liability resulted from the following:

	Fiscal Year ended in June 30,	
	2018	2019
July 1 Liability	\$160,592	\$137,898
Claims & change in estimate	365,215	377,230
Payments for claims	(387,909)	(358,710)
June 30 Liability	<u>\$137,898</u>	<u>\$156,418</u>

**CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

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. Due To/From Other Funds

Current interfund balances arise in the normal course of business, to fund projects until the borrowing fund receives revenues to repay the lending fund and to assist funds with negative cash balance at the fiscal year end. The following is a summary of Interfund balances as of June 30, 2018:

Funds	Due from other funds	Due to other funds
Major Governmental Funds:		
General Fund	\$1,681,358	
Special Revenue Funds:		
Davies Trust Fund		\$69,183
Disaster Accounting Fund		1,083,385
Street Construction Fund		210,437
Debt Service Fund		318,353
Total	\$1,681,358	\$1,681,358

B. Transfers

Transfers report the nonreciprocal contribution of resources from one fund to another. The purpose of the majority of transfers is to reimburse a fund which has made expenditures on behalf of another fund. Less often a transfer may be made to open or close a fund. The principal purpose of the City's interfund transfers as shown below was for operational support to other funds.

C. 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, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 9 - Interfund Transactions (Continued):

The following is a summary of transfers for the fiscal year ended June 30, 2019:

Funds	Transfers In	Transfers Out
Major Governmental Funds:		
General Fund	\$2,288,362	\$551,510
Disaster Accounting Fund	4,354,694	21,516
General Capital Improvement Fund	4,156,530	142,967
Debt Service Fund	808,617	2,039,612
Major Enterprise Funds:		
Sewer Utility Fund		272,500
Nonmajor Governmental Funds:		
Gas Tax Fund	72,542	978,924
NPDES Stormwater Speical Revenue Fund	30,000	80,000
Parks and Playfields Special Revenue Fund	21,516	
Street Construction Speical Revenue Fund	1,320,339	2,332,625
Excess ERAF Speical Revenue Fund		6,973,956
Parks, Beaches and Recreation Fund	6,510	
Frontierland Remediation Capital Projects Fund		600,000
Internal Service Funds:		
Motor Pool Fund	802,500	
Self Insurance Fund	132,000	
Total	\$13,993,610	\$13,993,610

D. Advances

At June 30, 2019, 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 developer fees.

General Fund/Sewer Utility Enterprise Fund

- Per the repayment plan approved by the Pacifica City Council on June 23, 2014, repayment of this advance began in 2017-18 and conclude in 2020-21.

General Fund/NPDES Special Revenue Fund

- A repayment plan will be addressed in the 2019-20 fiscal year.

Street Construction Special Revenue Fund/General Capital Improvement Capital Projects Fund

- A repayment plan will be addressed in the 2019-20 fiscal year.

CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019

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, 2019, outstanding loans totaled \$3,742,926 (\$1,963,440 in principal and \$1,779,486 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, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

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, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019 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	\$90,371					\$90,371
Inventory	2,726					2,726
Loan receivable	3,742,926					3,742,926
Advances	75,000					75,000
Subtotal	<u>3,911,023</u>					<u>3,911,023</u>
Restricted for:						
Supplemental law enforcement					\$269,584	269,584
Trust Activities					3,405,406	3,405,406
Streets and roads					3,794,330	3,794,330
Housing					275,289	275,289
Parking					130,591	130,591
Debt services				\$22,759		22,759
Stormwater operations					130,328	130,328
Capital projects					3,755,944	3,755,944
Subtotal				<u>22,759</u>	<u>11,761,472</u>	<u>11,784,231</u>
Assigned for:						
Fund Balance Reserve	1,726,639					1,726,639
Facility Main & Replace Reserve	150,000					150,000
Compensated Absences Reserve	200,000					200,000
Child Care Reseserve	1,022,908					1,022,908
Parks, beaches and recreation	399,574					399,574
Subtotal	<u>3,499,121</u>					<u>3,499,121</u>
Unassigned	<u>7,548,938</u>	<u>\$334,856</u>	<u>\$1,609,122</u>			<u>9,492,916</u>
Total	<u>\$14,959,082</u>	<u>\$334,856</u>	<u>\$1,609,122</u>	<u>\$22,759</u>	<u>\$11,761,472</u>	<u>\$28,687,291</u>

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.

**CITY OF PACIFICA, CALIFORNIA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019, consisted of the following:

	Balance July 01, 2018	Retirements	Balance June 30, 2019	Due in One Year
2004 Tax allocation bonds	\$1,200,000	(\$60,000)	\$1,140,000	\$60,000

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, 2019.

**CITY OF PACIFICA, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 13 – Successor Agency to Former Redevelopment Agency Activities:

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>
2020	\$60,000	\$63,518	\$123,518
2021	65,000	60,040	125,040
2022	70,000	56,217	126,217
2023	75,000	52,084	127,084
2024	75,000	47,809	122,809
2025 - 2029	450,000	166,731	616,731
2030 - 2032	345,000	30,331	375,331
Total	<u>\$1,140,000</u>	<u>\$476,730</u>	<u>\$1,616,730</u>

Note 14 – Subsequent Events

A. 2019 Taxable Refunding Pension Obligation Bonds

In October 2019, the City issued Taxable Refunding Pension Obligation Bonds in the amount of \$9,685,000. The proceeds from the Bonds will be used to refund the outstanding balance of the 2010 Taxable Pension Obligation Bonds. The Bonds bear interest rates between 2.243% and 3.060%. Interest on the Bonds is payable semi-annually June 1 and December 1 of each year, commencing June 1, 2020.

B. Bargaining Unit

The Pacifica Fire Fighters Association has filed an action against the City to determine the enforceability of Measure F. The litigation is in the preliminary stage with no reportable outcomes.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF PACIFICA, CALIFORNIA
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	6/30/2018
Total Pension Liability					
Service Cost	\$1,445,205	\$1,427,162	\$1,495,380	\$1,631,204	\$1,716,353
Interest	5,862,583	6,123,624	6,346,516	6,501,283	6,687,032
Differences between expected and actual experience		(328,078)	(755,420)	(1,136,322)	(407,869)
Changes in assumptions		(1,478,509)		5,308,829	(739,131)
Changes in benefits					
Benefit payments, including refunds of employee contributions	(3,440,758)	(3,784,383)	(4,047,332)	(4,185,238)	(4,675,098)
Net change in total pension liability	3,867,030	1,959,816	3,039,144	8,119,756	2,581,287
Total pension liability - beginning	79,165,549	83,032,579	84,992,395	88,031,539	96,151,295
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>	<u>\$98,732,582</u>
Plan fiduciary net position					
Contributions - employer	\$993,077	\$1,081,227	\$1,256,738	\$1,459,527	\$1,571,937
Contributions - employee	622,734	622,660	685,119	711,067	749,462
Net investment income	11,283,773	1,641,405	382,638	7,967,324	6,524,986
Administrative expense		(83,654)	(45,303)	(107,140)	(122,188)
Benefit payments, including refunds of employee contributions	(3,440,758)	(3,784,383)	(4,047,332)	(4,185,238)	(4,675,098)
Net Plan to Plan Resource Movement					(191)
Other Miscellaneous Income/(Expense)					(232,037)
Net change in plan fiduciary net position	9,458,826	(522,745)	(1,768,140)	5,845,540	3,816,871
Plan fiduciary net position - beginning	65,398,696	74,857,522	74,334,777	72,566,637	78,412,177
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>	<u>\$82,229,048</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>	<u>\$16,503,534</u>
Plan fiduciary net position as a percentage of the total pension liability	90.15%	87.46%	82.43%	81.55%	83.28%
Covered payroll	\$7,982,929	\$8,049,221	\$8,463,442	\$9,007,097	\$9,138,180
Net pension liability as percentage of covered-employee payroll	102.41%	132.41%	182.73%	196.95%	180.60%

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, 2016 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 percent to 7.15 percent. In 2016 and 2018, 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, therefore only five years are shown.

**CITY OF PACIFICA, CALIFORNIA
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
payroll	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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Asset valuation method	Market Value of Assets
Inflation	2.75%
Salary increases	Varies by entry age and service
Payroll Growth	3.00%
Investment rate of return	7.50% for 2015 to 2018 and 7.375% for 2019, net of pension plan investment expense and administrative expenses, includes inflation
Retirement age	The probabilities of retirement are based on the 2014 CalPERS experience study for the period 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

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

**CITY OF PACIFICA, CALIFORNIA
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%	0.52900%	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%

* Fiscal year 2015 was the 1st year of implementation

**CITY OF PACIFICA, CALIFORNIA
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 2015 was the first year of implementation, therefore only five years are shown.

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

PARS REP Single 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	6/30/2019
Total Pension Liability					
Service Cost	\$97,626	\$55,073	\$56,725	\$47,461	\$48,885
Interest	218,058	228,048	238,515	244,298	247,550
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)	(176,795)
Net change in total pension liability	189,487	144,963	342,575	56,380	119,640
Total pension liability - beginning	2,972,061	3,161,548	3,306,511	3,649,086	3,705,466
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>	<u>\$3,825,106</u>
Plan fiduciary net position					
Contributions - employer	\$159,573	\$127,848	\$123,391	\$121,576	\$98,849
Net investment income	44,261	7,840	172,456	133,898	136,800
Investment expense	(8,227)				
Benefit payments, including refunds of employee contributions	(126,197)	(144,782)	(149,371)	(157,202)	(176,795)
Administrative expenses	(8,448)	(9,150)	(8,664)	(9,009)	(9,066)
Net change in plan fiduciary net position	60,962	(18,244)	137,812	89,263	49,788
Plan fiduciary net position - beginning	1,994,520	2,055,482	2,037,238	2,175,050	2,264,313
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>	<u>\$2,314,101</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>	<u>\$1,511,005</u>
Plan fiduciary net position as a percentage of the total pension liability	65.02%	61.61%	59.61%	61.11%	60.50%
Covered payroll	\$1,485,442	\$1,530,005	\$1,303,994	\$1,351,614	\$988,068
Net pension liability as percentage of covered payroll	74.46%	82.96%	113.04%	106.62%	152.93%

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 - There were no changes in assumptions.

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

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

**PARS Retirement Enhance Plan (REP) Defined Benefit Pension Single 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)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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

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	2.75%
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, therefore only five years are shown.

**CITY OF PACIFICA, CALIFORNIA
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	6/30/18	6/30/19
Total OPEB Liability (1)		
Service Cost	\$351,865	\$303,274
Interest	197,539	233,437
Changes of benefit terms		
Differences between expected and actual experience		(527,075)
Changes of assumptions	(739,260)	(320,279)
Benefit payments	(170,926)	(173,450)
Net change in total OPEB liability	(360,782)	(484,093)
Total OPEB liability - beginning	6,664,823	6,304,041
Total OPEB liability - ending (a)	\$6,304,041	\$5,819,948
 Covered payroll	 \$18,704,543	 \$18,617,151
 Total OPEB liability as a percentage of covered-employee payroll	 33.7%	 31.3%

Notes to Schedule:

* Fiscal year 2018 was the first year of implementation.

This page intentionally left blank.

CITY OF PACIFICA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$12,045,000	\$12,241,000	\$12,280,980	\$39,980
Sales	1,731,000	1,732,000	1,661,717	(70,283)
Franchise	2,470,000	2,526,000	2,611,801	85,801
Other	3,622,000	3,706,000	4,003,028	297,028
Licenses and permits	674,400	674,400	880,673	206,273
Fines and forfeitures	163,000	163,000	193,046	30,046
Use of money and property	215,000	217,000	263,839	46,839
Intergovernmental	5,421,200	5,637,283	6,036,575	399,292
Charges for current services	3,386,000	3,386,000	2,854,564	(531,436)
Recreation programs	945,500	865,800	904,247	38,447
Other	1,599,900	1,627,800	2,040,652	412,852
Total revenues	32,273,000	32,776,283	33,731,122	954,839
Expenditures:				
Current				
General Government:				
City Council	164,500	164,500	188,733	(24,233)
City Manager	1,164,497	1,185,097	1,098,318	86,779
Human Resources	592,441	592,441	790,575	(198,134)
City Attorney	499,999	799,999	785,854	14,145
Finance	1,740,653	1,740,653	1,529,726	210,927
Non-departmental	752,875	752,875	766,862	(13,987)
Total General Government	4,914,965	5,235,565	5,160,068	75,497
Public Safety:				
Police	9,985,612	9,988,512	9,695,894	292,618
Fire	6,447,659	6,447,959	6,863,417	(415,458)
Total Public Safety	16,433,271	16,436,471	16,559,311	(122,840)
Community development:				
Planning	3,489,338	3,494,538	2,371,823	1,122,715
Code enforcement				
Total Community Development	3,489,338	3,494,538	2,371,823	1,122,715
Public Works:				
Engineering Services	942,650	1,100,950	1,087,574	13,376
Street and traffic maintenance	995,384	995,384	1,169,931	(174,547)
Building maintenance and improvement	728,085	728,085	612,181	115,904
Fishing pier/rest stop maintenance	170,528	170,528	149,724	20,804
City parks and playfields	1,343,087	1,343,087	837,021	506,066
Total Public Works	4,179,734	4,338,034	3,856,431	481,603

(Continued)

CITY OF PACIFICA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Current:				
Parks, Beaches, and Recreation:				
Parks, beaches, and recreation	\$290,882	\$290,246	\$303,821	(\$13,575)
Community center programs	223,315	235,524	202,452	33,072
Cultural arts	15,621	15,621	10,335	5,286
Elementary age recreation	188,869	200,365	198,061	2,304
Teens and j-teens recreation	94,809	84,930	75,016	9,914
Adult sports	450	450	38	412
Senior	233,605	244,669	223,215	21,454
Instructional class	160,113	141,486	152,626	(11,140)
Recreation swimming	407,957	403,011	530,906	(127,895)
Swim Team	158,648	152,977	192,630	(39,653)
Special community recreation	100,018	96,441	86,461	9,980
Special projects	2,507,217	2,679,207	2,816,904	(137,697)
Total Parks, Beaches and Recreation	<u>4,381,504</u>	<u>4,544,927</u>	<u>4,792,465</u>	<u>(247,538)</u>
Capital Outlay	<u>230,688</u>	<u>230,688</u>	<u>323,025</u>	<u>(92,337)</u>
Total Expenditures	<u>33,629,500</u>	<u>34,280,223</u>	<u>33,063,123</u>	<u>1,217,100</u>
Excess (Deficit) of Revenues over Expenditures	<u>(1,356,500)</u>	<u>(1,503,940)</u>	<u>667,999</u>	<u>2,171,939</u>
Other Financing Sources (Uses)				
Transfers in	1,783,500	1,783,500	2,288,362	504,862
Transfers (out)	<u>(940,000)</u>	<u>(940,000)</u>	<u>(551,510)</u>	<u>388,490</u>
Total Other Financing Sources (Uses)	<u>843,500</u>	<u>843,500</u>	<u>1,736,852</u>	<u>893,352</u>
Net Change in Fund Balance	<u>(\$513,000)</u>	<u>(\$660,440)</u>	<u>2,404,851</u>	<u>\$3,065,291</u>
Fund Balance at Beginning of Year			<u>12,554,231</u>	
Fund Balance at End of Year			<u>\$14,959,082</u>	

CITY OF PACIFICA
 BUDGETARY COMPARISON SCHEDULE
 DISASTER ACCOUNTING SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental		\$11,551	\$11,551
Other		1,748,706	1,748,706
Total revenues		1,760,257	1,760,257
Expenditures:			
Current			
Public Safety		146	(146)
Capital outlay		1,865,111	(1,865,111)
Total expenditures		1,865,257	(1,865,257)
Excess (Deficiency) of Revenues over Expenditures		(105,000)	3,625,514
Other Financing Sources (Uses)			
Transfers in		4,354,694	4,354,694
Transfers (out)		(21,516)	(21,516)
Total Other Financing Sources (Uses)		4,333,178	4,333,178
Net change in fund balance		4,228,178	\$7,958,692
Fund balance (deficit) at beginning of year		(3,893,322)	
Fund balance (deficit) at end of year		\$334,856	

**CITY OF PACIFICA, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED JUNE 30, 2019**

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.

This page intentionally left blank.

OTHER SUPPLEMENTARY INFORMATION

CITY OF PACIFICA
 BUDGETARY COMPARISON SCHEDULE
 DEBT SERVICE FUND
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Use of money and property	\$1,500	\$12,718	\$11,218
Other	<u>1,746,880</u>	<u>1,548,119</u>	<u>(198,761)</u>
Total Revenues	<u>1,748,380</u>	<u>1,560,837</u>	<u>(187,543)</u>
Expenditures:			
Debt Service:			
Principal	1,200,825	1,016,932	183,893
Interest and fiscal charges	<u>1,356,172</u>	<u>1,339,332</u>	<u>16,840</u>
Total expenditures	<u>2,556,997</u>	<u>2,356,264</u>	<u>200,733</u>
Excess (Deficit) of Revenues over Expenditures	<u>(808,617)</u>	<u>(795,427)</u>	<u>13,190</u>
Other Financing Sources (Uses)			
Transfers in	<u>808,617</u>	<u>808,617</u>	
Total Other Financing Sources (Uses)	<u>808,617</u>	<u>808,617</u>	
Net change in fund balance	<u><u> </u></u>	13,190	<u><u>\$13,190</u></u>
Fund balance at beginning of year		<u>2,049,181</u>	
Fund balance at end of year		<u><u>\$22,759</u></u>	

CITY OF PACIFICA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL CAPITAL IMPROVEMENT
 CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Licenses and permits		\$27,081	\$27,081
Use of money and property		10,269	10,269
Intergovernmental		236,804	236,804
Total revenues		<u>274,154</u>	<u>274,154</u>
Expenditures:			
Current:			
Community development		53,206	(53,206)
Capital Outlay	<u>643,454</u>	<u>440,967</u>	<u>202,487</u>
Total expenditures	<u>643,454</u>	<u>494,173</u>	<u>149,281</u>
Excess (Deficit) of Revenues over Expenditures	<u>(643,454)</u>	<u>(220,019)</u>	<u>423,435</u>
Other Financing sources (Uses)			
Transfers in	600,000	4,156,530	3,556,530
Transfers out	<u>(142,967)</u>	<u>(142,967)</u>	<u> </u>
Total Other Financing Sources (Uses)	<u>457,033</u>	<u>4,013,563</u>	<u>3,556,530</u>
Net Change in Fund Balance	<u><u>(\$186,421)</u></u>	3,793,544	<u><u>\$3,979,965</u></u>
Fund balance (deficit) at beginning of year		<u>(2,184,422)</u>	
Fund balance (deficit) at end of year		<u><u>\$1,609,122</u></u>	

This page intentionally left blank.

CITY OF PACIFICA, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2019

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.

DISASTER ACCOUNTING FUND - This fund was established to account for all revenues received and expenditures incurred due to natural and man-made disasters.

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.

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.

CITY OF PACIFICA, CALIFORNIA
NON-MAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2019

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.

This page intentionally left blank.

CITY OF PACIFICA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019

	SPECIAL REVENUE FUNDS					
	Supplemental					
	Law					
	Gas Tax	Davies Trust	Enforcement Services	NPDES Stormwater	Housing In-Lieu	Parking In-Lieu
Assets:						
Cash and investments	\$158,909		\$270,936	\$206,437	\$275,289	\$130,591
Restricted cash and investments (Note 3)		\$3,474,589				
Receivable:						
Taxes						
Accounts	66,048			20,555		
Advance to other funds						
Total Assets	\$224,957	\$3,474,589	\$270,936	\$226,992	\$275,289	\$130,591
Liabilities and Fund Balances:						
Liabilities:						
Accounts payable	\$113,377		\$1,352	\$21,664		
Due to other funds (Note 9)		\$69,183				
Advance from other funds				75,000		
Total Liabilities	113,377	69,183	1,352	96,664		
Fund Balances:						
Restricted	111,580	3,405,406	269,584	130,328	\$275,289	\$130,591
Total Fund Balances (Deficits)	111,580	3,405,406	269,584	130,328	275,289	130,591
Total Liabilities and Fund Balances	\$224,957	\$3,474,589	\$270,936	\$226,992	\$275,289	\$130,591

SPECIAL REVENUE FUNDS (Continued)			CAPITAL PROJECTS FUNDS			
Street Construction	Excess ERAF	Parks, Beaches and Recreation	Highway 1 Improvement	Manor Drive Improvement	Aircraft Noise Project	Parks and Playfield
	\$1,394	\$1,842,178	\$467,011	\$834,567	\$408	\$443,122
\$757,093 1,849,619			7,684	254,320		11,649
<u>\$2,606,712</u>	<u>\$1,394</u>	<u>\$1,842,178</u>	<u>\$474,695</u>	<u>\$1,088,887</u>	<u>\$408</u>	<u>\$454,771</u>
\$114,727 210,437	\$1,394		\$476	\$161,904		
<u>325,164</u>	<u>1,394</u>		<u>476</u>	<u>161,904</u>		
<u>2,281,548</u>		<u>\$1,842,178</u>	<u>474,219</u>	<u>926,983</u>	<u>\$408</u>	<u>454,771</u>
<u>2,281,548</u>		<u>1,842,178</u>	<u>474,219</u>	<u>926,983</u>	<u>408</u>	<u>454,771</u>
<u>\$2,606,712</u>	<u>\$1,394</u>	<u>\$1,842,178</u>	<u>\$474,695</u>	<u>\$1,088,887</u>	<u>\$408</u>	<u>\$454,771</u>

(Continued)

CITY OF PACIFICA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019

CAPITAL PROJECTS FUNDS

	Planned Local Drainage	Pacifica Library	Frontierland Remediation	Total
Assets:				
Cash and investments	\$663,675	\$172,054	\$622,289	\$6,088,860
Restricted cash and investments (Note 3)				3,474,589
Receivable:				
Taxes			6,250	6,250
Accounts				1,117,349
Advance to other funds				1,849,619
Total Assets	\$663,675	\$172,054	\$628,539	\$12,536,667
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable		\$5,681		\$420,575
Due to other funds (Note 9)				279,620
Advance from other funds				75,000
Total Liabilities		5,681		775,195
Fund Balances:				
Restricted	\$663,675	166,373	\$628,539	11,761,472
Total Fund Balances (Deficits)	663,675	166,373	628,539	11,761,472
Total Liabilities and Fund Balances	\$663,675	\$172,054	\$628,539	\$12,536,667

This page intentionally left blank.

CITY OF PACIFICA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	SPECIAL REVENUE FUNDS					
	Gas Tax	Davies Trust	Supplemental Law Enforcement Services	NPDES Stormwater	Housing In-Lieu	Parking In-Lieu
Revenues:						
Taxes:						
Other taxes	\$1,458,883			\$177,688		
Charges for services				32,288		
Use of money and property	2,075	\$10,023	\$2,227	1,706	\$2,389	\$1,076
Intergovernmental			148,747			
Other	49			7,819		5,727
	<u>1,461,007</u>	<u>10,023</u>	<u>150,974</u>	<u>219,501</u>	<u>2,389</u>	<u>6,803</u>
Expenditures:						
Current:						
General government		125				
Public Safety			61,299			
Community development						
Public works	661,257			153,487		
Recreation						
Capital outlay	21,506	68,967	58,411		12,249	
	<u>682,763</u>	<u>69,092</u>	<u>119,710</u>	<u>153,487</u>	<u>12,249</u>	
Excess (Deficit) of revenues over expenditures	<u>778,244</u>	<u>(59,069)</u>	<u>31,264</u>	<u>66,014</u>	<u>(9,860)</u>	<u>6,803</u>
Other financing sources (Uses)						
Transfers in	72,542			30,000		
Transfers (out)	(978,924)			(80,000)		
Total Other Financing Sources (Uses)	<u>(906,382)</u>			<u>(50,000)</u>		
Net change in fund balances	(128,138)	(59,069)	31,264	16,014	(9,860)	6,803
Fund Balances (Deficits) at beginning of year	<u>239,718</u>	<u>3,464,475</u>	<u>238,320</u>	<u>114,314</u>	<u>285,149</u>	<u>123,788</u>
Fund Balances at end of year	<u><u>\$111,580</u></u>	<u><u>\$3,405,406</u></u>	<u><u>\$269,584</u></u>	<u><u>\$130,328</u></u>	<u><u>\$275,289</u></u>	<u><u>\$130,591</u></u>

SPECIAL REVENUE FUNDS (Continued)			CAPITAL PROJECTS FUNDS			
Street Construction	Excess ERAF	Parks, Beaches and Recreation	Highway 1 Improvement	Manor Drive Improvement	Aircraft Noise Project	Parks and Playfields
\$1,132,946	\$2,450,331					
4,067	39,683	\$3,441	\$3,969	\$7,676	\$3	\$3,197
171,238			16,712			
671,523		1,750,000		470,617		192,169
1,979,774	2,490,014	1,753,441	20,681	478,293	3	195,366
						7,893
51,541	(129,247)		28,796			
1,935,948			(43,107)	522,939		
1,987,489	(129,247)		(14,311)	522,939		7,893
(7,715)	2,619,261	1,753,441	34,992	(44,646)	3	187,473
1,320,339		6,510				21,516
(2,332,625)	(6,973,956)					
(1,012,286)	(6,973,956)	6,510				21,516
(1,020,001)	(4,354,695)	1,759,951	34,992	(44,646)	3	208,989
3,301,549	4,354,695	82,227	439,227	971,629	405	245,782
\$2,281,548		\$1,842,178	\$474,219	\$926,983	\$408	\$454,771

(Continued)

CITY OF PACIFICA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

CAPITAL PROJECTS FUNDS

	Planned Local Drainage	Pacifica Library	Frontierland Remediation	Total
Revenues:				
Taxes:				
Other taxes				\$5,219,848
Charges for services	\$12,249			44,537
Use of money and property	5,702	\$4,162	\$8,067	99,463
Intergovernmental		50,000		386,697
Other			75,000	3,172,904
Total Revenues	17,951	54,162	83,067	8,923,449
Expenditures:				
Current:				
General government				125
Public Safety				61,299
Community development			8,842	16,735
Public works				765,834
Recreation				
Capital outlay	6,441	390,793		2,974,147
Total Expenditures	6,441	390,793	8,842	3,818,140
Excess (Deficit) of revenues over expenditures	11,510	(336,631)	74,225	5,105,309
Other financing sources (Uses)				
Transfers in				1,450,907
Transfers (out)			(600,000)	(10,965,505)
Total Other Financing Sources (Uses)			(600,000)	(9,514,598)
Net change in fund balances	11,510	(336,631)	(525,775)	(4,409,289)
Fund Balances (Deficits) at beginning of year	652,165	503,004	1,154,314	16,170,761
Fund Balances at end of year	\$663,675	\$166,373	\$628,539	\$11,761,472

This page intentionally left blank.

CITY OF PACIFICA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2019

	SPECIAL REVENUE FUNDS					
	Gas Tax			Davies Trust		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes						
Other taxes	1,883,763	1,458,883	(\$424,880)			
Charges for services						
Use of money and property		2,075	2,075	\$1,500	\$10,023	\$8,523
Intergovernmental						
Other		49	49			
	<u>1,883,763</u>	<u>1,461,007</u>	<u>(422,756)</u>	<u>1,500</u>	<u>10,023</u>	<u>8,523</u>
Total Revenues						
Expenditures:						
Current:						
General government					125	(125)
Public Safety						
Community development						
Public works	794,391	661,257	133,134			
Recreation						
Capital outlay	<u>22,553</u>	<u>21,506</u>	<u>1,047</u>	<u>85,000</u>	<u>68,967</u>	<u>16,033</u>
	<u>816,944</u>	<u>682,763</u>	<u>134,181</u>	<u>85,000</u>	<u>69,092</u>	<u>15,908</u>
Total Expenditures						
Excess (Deficit) of Revenues over Expenditures	<u>1,066,819</u>	<u>778,244</u>	<u>(288,575)</u>	<u>(83,500)</u>	<u>(59,069)</u>	<u>24,431</u>
Other financing sources (Uses):						
Transfers in		72,542	72,542			
Transfers (out)	<u>(982,892)</u>	<u>(978,924)</u>	<u>3,968</u>			
Total Other Financing Sources (Uses)	<u>(982,892)</u>	<u>(906,382)</u>	<u>76,510</u>			
Net change in fund balance	<u>\$83,927</u>	(128,138)	<u>(\$212,065)</u>	<u>(\$83,500)</u>	(59,069)	<u>\$24,431</u>
Fund Balance (Deficit) at beginning of year		<u>239,718</u>			<u>3,464,475</u>	
Fund Balance at end of year		<u>\$111,580</u>			<u>\$3,405,406</u>	

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)
			\$180,500	\$177,688	(\$2,812)			
				32,288	32,288			
\$100,000	\$2,227	\$2,227		1,706	1,706		\$2,389	\$2,389
	148,747	48,747						
			157,600	7,819	(149,781)			
100,000	150,974	50,974	338,100	219,501	(118,599)		2,389	2,389
67,500	61,299	6,201	362,770	153,487	209,283			
59,962	58,411	1,551				\$15,000	12,249	2,751
127,462	119,710	7,752	362,770	153,487	209,283	15,000	12,249	2,751
(27,462)	31,264	58,726	(24,670)	66,014	90,684	(15,000)	(9,860)	5,140
			30,000	30,000				
			(80,000)	(80,000)				
			(50,000)	(50,000)				
(\$27,462)	31,264	\$58,726	(\$74,670)	16,014	\$90,684	(\$15,000)	(9,860)	\$5,140
	238,320			114,314			285,149	
	\$269,584			\$130,328			\$275,289	

(Continued)

CITY OF PACIFICA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2019

SPECIAL REVENUE FUND

	Street Construction			Excess ERAF		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes						
Other taxes	\$795,000	\$1,132,946	\$337,946		\$2,450,331	\$2,450,331
Charges for services						
Use of money and property		4,067	4,067		39,683	39,683
Intergovernmental	200,000	171,238	(28,762)			
Other	1,401,044	671,523	(729,521)			
Total Revenues	<u>2,396,044</u>	<u>1,979,774</u>	<u>(416,270)</u>		<u>2,490,014</u>	<u>2,490,014</u>
Expenditures:						
Current:						
General government						
Public Safety						
Community development						
Public works	1,203,537	51,541	1,332,784		(129,247)	129,247
Capital outlay	2,324,202	1,935,948	388,254			
Total Expenditures	<u>3,527,739</u>	<u>1,987,489</u>	<u>1,721,038</u>		<u>(129,247)</u>	<u>129,247</u>
Excess (Deficit) of Revenues over Expenditures	<u>(1,131,695)</u>	<u>(7,715)</u>	<u>1,123,980</u>		<u>2,619,261</u>	<u>2,619,261</u>
Other financing sources (Uses)						
Transfers in	1,320,339	1,320,339				
Transfers (out)	(481,153)	(2,332,625)	(1,851,472)	(\$142,967)	(6,973,956)	(6,830,989)
Total Other Financing Sources (Uses)	<u>839,186</u>	<u>(1,012,286)</u>	<u>(1,851,472)</u>	<u>(142,967)</u>	<u>(6,973,956)</u>	<u>(6,830,989)</u>
Net change in fund balance	<u>(\$292,509)</u>	<u>(1,020,001)</u>	<u>(\$727,492)</u>	<u>(\$142,967)</u>	<u>(4,354,695)</u>	<u>(\$4,211,728)</u>
Fund Balance (Deficit) at Beginning of Year		<u>3,301,549</u>			<u>4,354,695</u>	
Fund Balance at End of Year		<u>\$2,281,548</u>				

SPECIAL REVENUE FUND			CAPITAL PROJECTS FUND					
Parks, Beaches and Recreation			Highway 1 Improvement			Manor Drive Improvement		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
	\$3,441	\$3,441		\$3,969	\$3,969			
	1,750,000	1,750,000	\$100,000	16,712	(83,288)		\$7,676	\$7,676
							470,617	470,617
	1,753,441	1,753,441	100,000	20,681	(79,319)		478,293	478,293
			27,634	28,796	(1,162)			
			(25,000)	(43,107)	18,107	\$680,000	522,939	157,061
			2,634	(14,311)	16,945	680,000	522,939	157,061
	1,753,441	1,753,441	97,366	34,992	(62,374)	(680,000)	(44,646)	635,354
	6,510	6,510						
	6,510	6,510						
	1,759,951	\$1,759,951	\$97,366	34,992	(\$62,374)	(\$680,000)	(44,646)	\$635,354
	82,227			439,227			971,629	
	\$1,842,178			\$474,219			\$926,983	

(Continued)

CITY OF PACIFICA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2019

	CAPITAL PROJECTS FUND					
	Parks and Playfields			Planned Local Drainage		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes						
Other taxes						
Charges for services					\$12,249	\$12,249
Use of money and property		\$3,197	\$3,197	\$1,000	5,702	4,702
Intergovernmental						
Other	\$100,000	192,169	92,169			
Total Revenues	100,000	195,366	95,366	1,000	17,951	16,951
Expenditures:						
Current:						
General government						
Public Safety						
Community development		7,893	(7,893)			
Public works				1,000		1,000
Capital outlay					6,441	(6,441)
Total Expenditures		7,893	(7,893)	1,000	6,441	(5,441)
Excess (Deficit) of Revenues over Expenditures	100,000	187,473	87,473		11,510	11,510
Other financing sources (Uses):						
Transfers in		21,516	21,516			
Transfers (out)						
Total Other Financing Sources (Uses)		21,516	21,516			
Net change in fund balance	\$100,000	208,989	\$108,989		11,510	\$11,510
Fund Balance (Deficit) at beginning of year		245,782			652,165	
Fund Balance at end of year		\$454,771			\$663,675	

CAPITAL PROJECTS FUND

Frontier Remediation

Final Budget	Actual	Variance Positive (Negative)
	\$8,067	\$8,067
	<u>75,000</u>	<u>75,000</u>
	<u>83,067</u>	<u>83,067</u>
	8,842	(8,842)
	<u>8,842</u>	<u>(8,842)</u>
	<u>74,225</u>	<u>74,225</u>
<u>(\$600,000)</u>	<u>(600,000)</u>	
<u>(600,000)</u>	<u>(600,000)</u>	
<u>(\$600,000)</u>	<u>(525,775)</u>	<u>\$74,225</u>
	<u>1,154,314</u>	
	<u>\$628,539</u>	

This page intentionally left blank.

CITY OF PACIFICA, CALIFORNIA
INTERNAL SERVICE FUNDS
FISCAL YEAR ENDED JUNE 30, 2019

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.

CITY OF PACIFICA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019

	Motor Pool	Self Insurance	Total
Assets			
Current Assets:			
Cash and investments	\$1,703,813	\$3,147,782	\$4,851,595
Receivable:			
Accounts	5,008		5,008
Inventories	19,802		19,802
Total Current Assets	1,728,623	3,147,782	4,876,405
Non-current assets:			
Capital assets, not being depreciated	258,774		258,774
Capital assets, being depreciated, net of accumulated depreciation	2,012,596		2,012,596
Total Noncurrent Assets	2,271,370		2,271,370
Total Assets	3,999,993	3,147,782	7,147,775
Liabilities			
Current Liabilities:			
Accounts payable	74,832	200,308	275,140
Accrued interest payable	350		350
Claims payable		156,418	156,418
Compensated absences	15,437		15,437
Bonds payable	6,365		6,365
Total Current Liabilities	96,984	356,726	453,710
Noncurrent Liabilities:			
Compensated absences	11,646		11,646
Bonds payable	129,342		129,342
Total Noncurrent Liabilities	140,988		140,988
Total Liabilities	237,972	356,726	594,698
Net Position			
Net investment in capital assets	2,271,370		2,271,370
Unrestricted	1,490,651	2,791,056	4,281,707
Total Net Position	\$3,762,021	\$2,791,056	\$6,553,077

CITY OF PACIFICA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

	Motor Pool	Self Insurance	Total
Operating revenues:			
Charges for services	\$964,604	\$230,439	\$1,195,043
Other operating income	6,133	1,176,464	1,182,597
Total operating revenues	970,737	1,406,903	2,377,640
Operating expenses:			
Personnel services	555,691		555,691
Administration	5,021		5,021
Supplies and materials	385,163		385,163
Insurance expense		1,071,022	1,071,022
Outside contractors		8,341	8,341
Maintenance	98,232		98,232
Insurance claims		358,710	358,710
Depreciation	506,382		506,382
Total operating expenses	1,550,489	1,438,073	2,988,562
Operating income (loss)	(579,752)	(31,170)	(610,922)
Non-operating revenues (expenses):			
Investment earnings	12,191	23,002	35,193
Intergovernmental revenues	50,000		50,000
Interest and fiscal charges	(7,848)		(7,848)
Gain on sale of capital assets	15,903		15,903
Total non-operating revenues (expenses)	70,246	23,002	93,248
Income (Loss) Before Transfers	(509,506)	(8,168)	(517,674)
Transfers:			
Transfers in	802,500	132,000	934,500
Transfers out			
Change in net position	292,994	123,832	416,826
Net position at beginning of year	3,469,027	2,667,224	6,136,251
Net position at end of year	\$3,762,021	\$2,791,056	\$6,553,077

CITY OF PACIFICA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	Motor Pool	Self Insurance	Total
Cash Flows from Operating Activities			
Receipts from customers	\$970,265	\$1,406,903	\$2,377,168
Payments to suppliers and users	(714,549)	(879,504)	(1,594,053)
Payments for claims		(340,190)	(340,190)
Payments to employees	(555,104)		(555,104)
	<u>(299,388)</u>	<u>187,209</u>	<u>(112,179)</u>
Net Cash Provided (Used) by Operating Activities			
Cash Flows from Noncapital and Related Financing Activities			
Intergovernmental revenues	50,000		50,000
Transfers out			
Transfers in	802,500	132,000	934,500
	<u>852,500</u>	<u>132,000</u>	<u>984,500</u>
Net Cash Provided by Noncapital and Related Financing Activities			
Cash Flows from Capital and Related Financing Activities:			
Purchase of capital assets	(911,179)		(911,179)
Proceeds from sale of capital assets	15,903		15,903
Principal payments on bonds and notes	(16,367)		(16,367)
Interest paid	(7,848)		(7,848)
	<u>(919,491)</u>		<u>(919,491)</u>
Net Cash Used by Capital and Related Financing Activities			
Cash Flows from Investing Activities:			
Interest received	12,191	23,002	35,193
	<u>12,191</u>	<u>23,002</u>	<u>35,193</u>
Net Cash Provided by Investing Activities			
Net Increase (Decrease) in Cash and Cash Equivalents	(354,188)	342,211	(11,977)
Cash and Cash Equivalents at the Beginning of Fiscal Year	2,058,001	2,805,571	4,863,572
Cash and Cash Equivalents at End of Fiscal Year	<u>\$1,703,813</u>	<u>\$3,147,782</u>	<u>\$4,851,595</u>

(Continued)

CITY OF PACIFICA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	Motor Pool	Self Insurance	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	(\$579,752)	(\$31,170)	(\$610,922)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	506,382		506,382
(Increase) Decrease in Operating Assets:			
Accounts receivable	(3,485)		(3,485)
Inventories	3,013		3,013
Increase (Decrease) in Operating Liabilities:			
Accounts payable	(225,917)	199,859	(26,058)
Accrued liabilities	(216)		(216)
Claims payable		18,520	18,520
Compensated absences	587		587
Net Cash Provided (Used) by Operating Activities	<u>(\$299,388)</u>	<u>\$187,209</u>	<u>(\$112,179)</u>

This page intentionally left blank.

STATISTICAL SECTION

This page intentionally left blank.

CITY OF PACIFICA, CALIFORNIA
STATISTICAL SECTION
FISCAL YEAR ENDED JUNE 30, 2019

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the 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 comprehensive annual financial reports for the relevant years.

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

	<u>2010</u>	<u>2011</u>	<u>201</u>	<u>2013</u>
Governmental activities				
Net investment in capital assets	\$ 51,393,206	\$ 54,212,344	\$ 54,455,020	\$ 56,461,478
Restricted	4,962,287	4,825,393	8,216,813	7,944,025
Unrestricted	4,867,264	(634,699)	4,681,456	(13,421,330)
Total governmental activities net position	<u>\$ 61,222,757</u>	<u>\$ 58,403,038</u>	<u>\$ 67,353,289</u>	<u>\$ 50,984,173</u>
Business-type activities				
Net investments in capital assets	\$ 11,247,270	\$ 14,179,807	\$ 15,462,599	\$ 15,963,759
Restricted	562,485			
Unrestricted	7,139,231	5,545,190	5,935,174	5,238,849
Total business-type activities net position	<u>\$ 18,948,986</u>	<u>\$ 19,724,997</u>	<u>\$ 21,397,773</u>	<u>\$ 21,202,608</u>
Primary government				
Net investment in capital assets	\$ 62,640,476	\$ 68,392,151	\$ 69,917,619	\$ 72,425,237
Restricted	5,524,772	4,825,393	8,216,813	7,944,025
Unrestricted	12,006,495	4,910,491	10,616,630	(8,182,481)
Total primary government net position	<u>\$ 80,171,743</u>	<u>\$ 78,128,035</u>	<u>\$ 88,751,062</u>	<u>\$ 72,186,781</u>

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 56,995,945	\$ 56,431,400	\$ 56,878,228	\$ 56,601,988	\$ 59,589,114	\$ 67,691,252
9,049,015	11,517,455	13,808,573	17,256,904	16,314,865	12,119,087
<u>(14,105,441)</u>	<u>(46,030,272)</u>	<u>(39,126,535)</u>	<u>(37,204,436)</u>	<u>(40,387,356)</u>	<u>(33,917,809)</u>
<u>\$ 51,939,519</u>	<u>\$ 21,918,583</u>	<u>\$ 31,560,266</u>	<u>\$ 36,654,456</u>	<u>\$ 35,516,623</u>	<u>\$ 45,892,530</u>
\$ 17,679,506	\$ 15,266,626	\$ 15,985,969	\$ 15,985,969	\$ 15,985,969	\$ 15,985,969
5,663,853	9,163,991	9,672,252	9,812,211	8,612,543	9,935,338
<u>\$ 23,343,359</u>	<u>\$ 24,430,617</u>	<u>\$ 25,658,221</u>	<u>\$ 25,798,180</u>	<u>\$ 24,598,512</u>	<u>\$ 25,921,307</u>
\$ 74,675,451	\$ 71,698,026	\$ 72,864,197	\$ 72,587,957	\$ 75,575,083	\$ 83,677,221
9,049,015	11,517,455	13,808,573	17,256,904	16,314,865	12,119,087
<u>(8,441,588)</u>	<u>(36,866,281)</u>	<u>(29,454,283)</u>	<u>(27,392,225)</u>	<u>(31,774,813)</u>	<u>(23,982,471)</u>
<u>\$ 75,282,878</u>	<u>\$ 46,349,200</u>	<u>\$ 57,218,487</u>	<u>\$ 62,452,636</u>	<u>\$ 60,115,135</u>	<u>\$ 71,813,837</u>

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Expenses					
Governmental activities:					
General government	\$ 4,625,471	\$ 4,212,498	\$ 4,019,613	\$ 4,294,792	\$ 4,473,909
Public safety	15,149,459	14,460,040	13,568,582	13,572,060	13,935,234
Community Development	1,402,574	1,549,299	1,631,678	1,378,014	1,250,419
Public Works	4,801,291	4,881,082	4,688,440	4,088,408	4,138,762
Parks, Beaches & Recreation	3,681,863	3,919,199	4,005,189	3,880,586	3,921,499
Interest on Long-term Debt	1,777,280	2,174,281	2,120,772	2,037,476	1,945,156
Total Governmental Activities Expenses	<u>\$ 31,437,938</u>	<u>\$ 31,196,399</u>	<u>\$ 30,034,274</u>	<u>\$ 29,251,336</u>	<u>\$ 29,664,979</u>
Business-type activities:					
Sewer	\$ 9,658,229	\$ 10,944,059	\$ 10,124,492	\$ 10,231,084	\$ 10,853,371
Beach Parking					
Total Business-Type Activities Expenses	<u>\$ 9,658,229</u>	<u>\$ 10,944,059</u>	<u>\$ 10,124,492</u>	<u>\$ 10,231,084</u>	<u>\$ 10,853,371</u>
Total Primary Government Expenses	<u>\$ 41,096,167</u>	<u>\$ 42,140,458</u>	<u>\$ 40,158,766</u>	<u>\$ 39,482,420</u>	<u>\$ 40,518,350</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General Government	\$ 69,853	\$ 48,038	\$ 12,512	\$ 15,902	\$ 18,796
Public Safety	840,467	851,020	681,205	836,279	999,209
Community Development	568,871	631,767	693,169	688,975	989,356
Public Works	683,914	683,914	701,012	701,012	791,041
Parks, Beaches & Recreation	1,558,394	1,843,700	2,063,812	2,067,301	2,248,642
Operating Grants and Contributions	1,884,748	1,980,279	1,726,522	1,817,278	2,153,345
Capital Grants and Contributions	4,049,601	2,348,301	3,519,266	2,311,468	6,364,781
Total Governmental Activities Program Revenues	<u>\$ 9,655,848</u>	<u>\$ 8,387,019</u>	<u>\$ 9,397,498</u>	<u>\$ 8,438,215</u>	<u>\$ 13,565,170</u>
Business-Type Activities:					
Charges for services:					
Sewer	\$ 11,367,645	\$ 11,694,198	\$ 11,980,789	\$ 12,500,814	\$ 13,331,596
Beach Parking					
Total Business-Type Activities Program Revenues	<u>11,367,645</u>	<u>11,694,198</u>	<u>11,980,789</u>	<u>12,500,814</u>	<u>13,331,596</u>
Total Primary Government Program Revenues	<u>\$ 21,023,493</u>	<u>\$ 20,081,217</u>	<u>\$ 21,378,287</u>	<u>\$ 20,939,029</u>	<u>\$ 26,896,766</u>
Net Revenues (Expenses)					
Governmental activities	\$ (21,782,090)	\$ (22,809,380)	\$ (20,636,776)	\$ (20,813,121)	\$ (16,099,809)
Business-type activities	1,709,416	750,139	1,856,297	2,269,730	2,478,225
Total Net Revenues (Expenses)	<u>\$ (20,072,674)</u>	<u>\$ (22,059,241)</u>	<u>\$ (18,780,479)</u>	<u>\$ (18,543,391)</u>	<u>\$ (13,621,584)</u>
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes:					
Property taxes	\$ 10,603,749	\$ 10,564,253	\$ 10,434,510	\$ 10,701,810	\$ 11,275,518
Sales Taxes	1,306,611	1,434,710	1,519,978	1,588,277	1,686,593
Franchise Tax	1,372,885	1,565,634	1,595,929	1,617,727	1,668,382
Other Taxes	2,604,443	2,712,005	3,005,388	3,152,723	3,329,647
Motor vehicle in lieu - unrestricted	3,107,767	3,195,730	3,039,393	2,923,573	3,164,873
Investment earnings	211,681	192,620	334,475	164,114	184,700
Miscellaneous	341,313	324,709	469,780	357,630	537,867
Transfers	45,000	-	200,000	410,000	15,715
Total Governmental Activities	<u>\$ 19,593,449</u>	<u>\$ 19,989,661</u>	<u>\$ 20,599,453</u>	<u>\$ 20,915,854</u>	<u>\$ 21,863,295</u>
Business-type activities:					
Investment Earnings	\$ 22,451	\$ 25,872	\$ 16,479	\$ 21,468	\$ 19,808
Miscellaneous				42,047	
Transfers	(45,000)	-	(200,000)	(410,000)	
Total Business-Type Activities	<u>\$ (22,549)</u>	<u>\$ 25,872</u>	<u>\$ (183,521)</u>	<u>\$ (346,485)</u>	<u>\$ 19,808</u>
Total Primary Government	<u>\$ 19,570,900</u>	<u>\$ 20,015,533</u>	<u>\$ 20,415,932</u>	<u>\$ 20,569,369</u>	<u>\$ 21,883,103</u>
Changes in Net Position before Extraordinary Item:					
Governmental activities	\$ (2,188,641)	\$ (2,819,719)	\$ (37,323)	\$ 102,733	\$ 5,763,486
Business-type Activities	1,686,867	776,011	1,672,776	1,923,245	2,498,033
Total Primary Government before Extraordinary Item:	<u>\$ (501,774)</u>	<u>\$ (2,043,708)</u>	<u>\$ 1,635,453</u>	<u>\$ 2,025,978</u>	<u>\$ 8,261,519</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
Business-Type Activities				1,672,776	1,923,245
Total Primary Government				<u>\$ 7,193,395</u>	<u>\$ 7,686,731</u>

Notes:

The City began reporting in the GASB 34 format in 2003

2015	2016	2017	2018	2019
\$ 4,324,645	\$ 4,604,299	\$ 5,196,272	\$ 7,156,065	\$5,709,625
13,997,209	15,859,890	14,310,434	17,194,894	18,784,090
1,089,881	1,629,555	1,964,355	2,329,479	2,731,034
5,757,332	4,714,402	5,698,841	7,409,411	2,534,274
3,894,017	4,329,044	4,938,859	4,963,552	5,392,377
2,072,272	1,667,485	2,442,966	1,896,665	706,918
<u>\$ 31,135,356</u>	<u>\$ 32,804,675</u>	<u>\$ 34,551,727</u>	<u>\$ 40,950,066</u>	<u>\$ 35,858,318</u>
\$ 11,897,495	\$ 10,816,732	\$ 11,893,663	\$ 12,922,459	\$ 14,927,925
515,915	532,102	502,373	562,426	536,423
<u>\$ 11,897,495</u>	<u>\$ 10,816,732</u>	<u>\$ 12,396,036</u>	<u>\$ 13,484,885</u>	<u>\$ 15,464,348</u>
<u>\$ 43,032,851</u>	<u>\$ 43,621,407</u>	<u>\$ 46,947,763</u>	<u>\$ 54,434,951</u>	<u>\$ 51,322,666</u>
\$ 29,769	\$ 126,156	\$ 74,899	\$ 109,145	\$ 77,871
938,379	1,043,155	987,163	1,141,995	852,591
1,922,976	3,638,027	2,333,796	2,216,407	2,318,892
743,700	786,000	743,700	743,700	804,110
2,107,720	2,220,263	2,231,797	2,486,816	2,588,014
4,321,012	3,923,126	4,124,499	3,541,903	3,853,971
4,709,960	4,912,145	2,458,959	3,759,417	4,606,092
<u>\$ 14,773,516</u>	<u>\$ 16,648,872</u>	<u>\$ 12,954,813</u>	<u>\$ 13,999,383</u>	<u>\$ 15,101,541</u>
\$ 13,721,346	\$ 12,959,708	\$ 12,715,024	\$ 13,761,816	\$ 14,802,705
537,192	533,952	493,850	543,919	675,689
<u>13,721,346</u>	<u>12,959,708</u>	<u>13,208,874</u>	<u>14,305,735</u>	<u>15,478,394</u>
<u>\$ 28,494,862</u>	<u>\$ 29,608,580</u>	<u>\$ 26,163,687</u>	<u>\$ 28,305,118</u>	<u>\$ 30,579,935</u>
\$ (16,361,840)	\$ (16,155,803)	\$ (21,596,914)	\$ (26,950,683)	\$ (20,756,777)
1,845,128	2,144,826	812,838	820,850	14,046
<u>\$ (14,516,712)</u>	<u>\$ (14,010,977)</u>	<u>\$ (20,784,076)</u>	<u>\$ (26,129,833)</u>	<u>\$ (20,742,731)</u>
\$ 12,200,335	\$ 12,445,509	\$ 12,679,059	\$ 13,780,294	\$ 14,731,311
1,754,568	1,983,930	2,374,505	2,350,478	2,611,801
1,697,972	1,736,620	1,748,266	1,722,343	1,661,717
3,529,485	3,710,615	3,749,159	4,904,111	5,340,307
3,320,316	3,543,953	3,731,337	3,973,622	4,199,391
29,979	(44,457)	743,630	151,887	254,481
259,197	1,481,757	846,648	505,076	2,384,463
(150)	939,559	818,500	98,343	272,500
<u>\$ 22,791,702</u>	<u>\$ 25,797,486</u>	<u>\$ 26,691,104</u>	<u>\$ 27,486,154</u>	<u>\$ 31,455,971</u>
\$ 16,123	\$ 22,337	\$ 145,621	\$ 442,917	\$ 415,825
150	(939,559)	(818,500)	2,384,463	(272,500)
<u>16,273</u>	<u>(917,222)</u>	<u>(672,879)</u>	<u>2,729,037</u>	<u>143,325</u>
<u>\$ 22,807,975</u>	<u>\$ 24,880,264</u>	<u>\$ 26,018,225</u>	<u>\$ 30,215,191</u>	<u>\$ 31,599,296</u>
\$ 6,429,862	\$ 9,641,683	\$ 5,094,190	\$ 535,471	\$ 10,699,194
1,861,401	1,227,604	139,959	3,549,887	157,371
<u>\$ 8,291,263</u>	<u>\$ 10,869,287</u>	<u>\$ 5,234,149</u>	<u>\$ 4,085,358</u>	<u>\$ 10,856,565</u>
\$ -	\$ -	\$ -	\$ -	\$ -
6,429,862	9,641,683	5,094,190	535,471	10,699,194
2,498,033	1,861,401	1,227,604	139,959	157,371
<u>\$ 8,927,895</u>	<u>\$ 11,503,084</u>	<u>\$ 6,321,794</u>	<u>\$ 675,430</u>	<u>\$ 10,856,565</u>

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

	Fiscal year June 30,			
	2010	2011	2012	2013
General Fund				
Reserved	\$ 3,702			
Unreserved	3,377			
Non Spendable		2,518,609	\$ 2,519,544	\$ 2,522,197
Committed		567,465	743,683	899,051
Assigned		150,369	130,858	117,873
Unassigned		841,392	227,012	127,980
Total General Fund	<u>\$ 7,079</u>	<u>\$ 4,077,835</u>	<u>\$ 3,621,097</u>	<u>\$ 3,667,101</u>
Interest receivable				
All Other Governmental Funds				
Reserved	\$ 3,415			
Unreserved	(2,313)			
Unreserved, reported in:				
Special revenue fund	(1,076)			
Capital projects fund	1,376			
Debt service funds	-			
Restricted		8,304,103	\$ 9,042,672	\$ 8,230,761
Committed		-	-	-
Assigned		-	-	-
Unassigned		(6,590,713)	(979,737)	(818,354)
Total All Other Governmental Funds	<u>\$ 1,402</u>	<u>\$ 1,713,390</u>	<u>\$ 8,062,935</u>	<u>\$ 7,412,407</u>
Total Governmental Funds	<u>\$ 8,481</u>	<u>\$ 5,791,225</u>	<u>\$ 11,684,032</u>	<u>\$ 11,079,508</u>

	Fiscal year June 30,					
	2014	2015	2016	2017	2018	2019
General Fund						
Non Spendable	\$ 2,540,590	\$ 3,996,158	\$ 3,947,951	\$ 4,021,024	\$ 4,003,847	\$3,911,023
Committed	907,519					
Assigned	168,197	904,240	904,240	904,240	1,407,541	3,499,121
Unassigned	1,341,251	1,893,507	4,960,039	5,404,857	7,142,843	7,548,938
Total General Fund	<u>\$ 4,957,557</u>	<u>\$ 6,793,905</u>	<u>\$ 9,812,230</u>	<u>\$ 10,330,121</u>	<u>\$ 12,554,231</u>	<u>\$ 14,959,082</u>
All Other Governmental Funds:						
Restricted	\$ 10,155,601	\$ 11,503,439	\$ 13,808,573	\$ 17,256,904	\$ 18,219,942	\$ 11,784,231
Committed	-	-	-			
Assigned	-	14,016,000				
Unassigned	(1,656,694)	(1,312,645)	(2,410,718)	(3,518,187)	(6,077,744)	1,943,978
Total All Other Governmental Funds	<u>8,498,907</u>	<u>10,204,810</u>	<u>11,397,855</u>	<u>13,738,717</u>	<u>12,142,198</u>	<u>13,728,209</u>
Total Governmental Funds	<u>\$ 13,456,464</u>	<u>\$ 16,998,715</u>	<u>\$ 21,210,085</u>	<u>\$ 24,068,838</u>	<u>\$ 24,696,429</u>	<u>\$ 28,687,291</u>

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenues				
Taxes	\$ 16,391	\$ 16,454	\$ 16,733	\$ 17,238
Licenses and permits	350	341	409	389
Fines and forfeitures	246	227	174	179
Use of money and property	390	154	220	155
Intergovernmental revenues	8,497	8,173	8,029	7,233
Charges for Services	1,592	1,676	1,515	1,679
Recreation Programs	445	654	786	820
Other Revenues	1,620	1,540	1,790	1,531
Total Revenues:	<u>29,531</u>	<u>29,219</u>	<u>29,656</u>	<u>29,224</u>
Expenditures				
Current:				
General government	7,430	3,884	3,428	3,677
Public safety	16,575	14,096	12,544	12,452
Community Development	3,275	1,435	1,491	1,331
Public Works	8,888	4,041	3,583	3,356
Parks, Beaches & Recreation	8,725	3,581	3,644	3,552
Non-departmental				
Capital outlay	2,286	754	2,843	2,659
Debt service:				
Principal retirement	550	1,482	1,561	1,661
Interest and Other Chares	1,540	2,256	2,250	1,912
Bond issuance cost				
Total Expenditures	<u>49,269</u>	<u>31,529</u>	<u>31,344</u>	<u>30,600</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19,738)</u>	<u>(2,310)</u>	<u>(1,688)</u>	<u>(1,376)</u>
Other Financing Sources (Uses)				
Transfers in	1,489	3,387	3,449	3,619
Transfers out	(1,869)	(3,767)	(4,504)	(4,017)
Other Sources/Uses:				
Issuance of Debt	17,826			
Issuance of Discount	(241)			
Refunded to debt escrow agent	-			
Proceeds of long-term debt				1,169
Total other financing sources (uses)	<u>17,205</u>	<u>(380)</u>	<u>(1,055)</u>	<u>771</u>
Net change in fund balances	<u>\$ (2,533)</u>	<u>\$ (2,690)</u>	<u>\$ (2,743)</u>	<u>\$ (605)</u>
Debt service as a percentage of noncapital expenditures	4.4%	13.5%	13.8%	13.2%

	2014	2015	2016	2017	2018	2019
\$	18,138	\$ 21,216	\$ 22,294	\$ 22,411	\$ 23,768	\$ 25,847
	515	683	827	812	1,036	838
	301	153	150	161	190	193
	178	459	1,663	980	311	386
	10,614	8,567	7,439	6,605	7,637	6,672
	1,996	2,219	2,829	2,722	2,778	2,899
	813	897	898	845	989	904
	2,285	4,163	3,690	4,283	4,662	8,510
	<u>34,840</u>	<u>38,357</u>	<u>39,790</u>	<u>38,819</u>	<u>\$41,371</u>	<u>\$46,249</u>
	3,866	3,899	4,332	4,538	4,444	5,160
	12,940	14,199	14,555	15,452	16,192	16,621
	1,250	1,318	1,814	1,907	2,110	2,442
	3,347	4,259	3,707	4,597	4,041	4,622
	3,585	3,988	4,333	4,419	4,158	4,792
	3,529	3,077	3,393	1,952	6,701	5,603
	1,791	1,918	2,046	1,667	971	1,017
	1,878	1,777	1,686	1,957	1,335	1,339
				293		
	<u>32,186</u>	<u>34,435</u>	<u>35,866</u>	<u>36,782</u>	<u>39,952</u>	<u>41,596</u>
	<u>2,654</u>	<u>3,922</u>	<u>3,924</u>	<u>2,037</u>	<u>1,419</u>	<u>4,653</u>
	3,766	1,924	2,614	6,191	2,412	13,059
	(4,146)	(2,304)	(2,327)	(5,665)	(3,203)	(13,721)
				(16,794)		
				17,092		
	<u>(380)</u>	<u>(380)</u>	<u>287</u>	<u>824</u>	<u>(791)</u>	<u>(662)</u>
\$	<u>2,274</u>	<u>\$ 3,542</u>	<u>\$ 4,211</u>	<u>\$ 2,861</u>	<u>\$ 628</u>	<u>\$ 3,991</u>
	12.87%	11.66%	11.49%	11.00%	6.1%	6.0%

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

<u>Categories</u>	<u>Annual Years</u>									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018*</u>
Food Stores	\$ 25,033	\$ 24,665	\$ 25,723	\$ 26,201	\$ 26,938	\$ 27,941	\$ 27,953	\$ 24,570	\$ 27,139	\$ 27,696
Eating & Drinking Places	28,999	30,244	30,168	33,666	39,443	45,038	49,449	50,501	52,742	54,024
Building Materials	4,587	3,856	3,737	3,863	3,735	3,805	3,929	3,839	4,173	3,337
Auto Dealers & Supplies	3,655	3,637	3,819	4,095	4,385	4,685	4,534	4,520	4,804	4,792
Service Stations	34,149	39,755	49,578	52,508	54,192	52,293	44,580	38,839	41,061	48,028
Other Retail Stores	32,576	33,749	34,195	34,441	35,602	34,111	35,469	42,975	43,231	43,737
All Other Outlets	28,446	32,277	30,113	33,155	36,638	38,654	40,107	47,816	50,044	54,267
Total	\$ 157,445	\$ 168,183	\$ 177,333	\$ 187,929	\$ 200,933	\$ 206,527	\$ 206,021	\$ 213,060	\$ 223,194	\$ 235,881

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>
2010	6.25%	0.75%	1.75%	0.50%	0.00%	9.25%
2011	6.25%	0.75%	1.75%	0.50%	0.00%	9.25%
2012	5.25%	0.75%	1.75%	0.50%	0.00%	8.25%
2013	6.00%	0.75%	1.75%	0.50%	0.00%	9.00%
2014	6.00%	0.75%	1.75%	0.50%	0.00%	9.00%
2015	6.00%	0.75%	1.75%	0.50%	0.00%	9.00%
2016	6.00%	0.75%	1.75%	0.50%	0.00%	9.00%
2017	5.75%	0.75%	1.75%	0.50%	0.00%	8.75%
2018	5.75%	0.75%	1.75%	0.50%	0.00%	8.75%
2019	6.00%	0.75%	2.00%	0.50%	0.00%	9.25%

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.

Source: State Board of Equalization & HdL Companies

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

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Licenses & Permits</u>	<u>Use of Money & Property</u>	<u>Inter-Governmental</u>	<u>Current Service Chgs.</u>	<u>Fines & Forfeitures</u>	<u>Other Revenues</u>	<u>TOTAL</u>
2009-2010	16,391,061	350,181	390,276	8,496,563	2,037,223	245,835	1,620,197	29,531,336
2010-2011	16,454,504	340,779	154,429	8,173,354	1,676,210	226,650	2,193,458	29,219,384
2011-2012	16,733,367	409,098	219,957	8,028,700	1,515,050	173,944	2,576,009	29,656,125
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
% Change 2010-2019	59.26%	108.07%	-43.15%	-28.42%	4.41%	-21.42%	358.90%	45.87%

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, CALIFORNIA
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	Personal Property	Improvements	Land Value	Personal Property	Improvements	Land Value	Personal Property	Improvements	Land Value	Personal Property	Improvements	Grand Total	(1) H.O.P.T.R.	Other	Total Exemptions
2009-2010	2,017,339	3,578	2,389,859	4,884	16,833	34,565	2,022,223	38,143	2,406,692	38,143	4,467,058	58,584	54,790	113,374	4,353,684	
2010-2011	2,019,330	2,710	2,387,399	6,572	17,123	34,100	2,025,902	36,810	2,404,522	36,810	4,467,234	58,844	54,695	113,539	4,353,695	
2011-2012	2,049,170	2,415	2,404,036	4,917	21,139	31,638	2,054,087	34,053	2,425,175	34,053	4,513,315	58,411	56,038	114,449	4,398,866	
2012-2013	2,074,034	2,423	2,426,543	4,933	19,077	37,361	2,078,967	39,784	2,445,620	39,784	4,564,371	57,436	57,796	115,232	4,449,139	
2013-2014	2,174,610	2,615	2,534,526	4,906	19,263	19,445	2,179,516	22,060	2,553,789	22,060	4,755,365	56,906	58,966	115,872	4,639,493	
2014-2015	2,294,249	2,352	2,647,779	5,041	21,781	22,507	2,299,290	24,859	2,669,560	24,859	4,993,709	56,151	61,142	117,293	4,876,416	
2015-2016	2,460,040	2,172	2,815,658	4,108	22,270	31,051	2,464,148	33,223	2,837,928	33,223	5,335,299	55,523	65,832	121,355	5,213,944	
2016-2017	2,622,536	2,132	2,952,932	4,041	18,948	21,509	2,626,577	23,641	2,971,880	23,641	5,622,098	54,992	52,206	107,198	5,514,900	
2017-2018	2,836,115	2,089	3,100,809	4,385	14,214	21,638	2,840,500	23,727	3,115,023	23,727	5,979,250	54,419	56,353	110,772	5,868,478	
2018-2019	3,056,112	3,449	3,236,212	4,302	13,229	22,588	3,060,414	26,037	3,249,441	26,037	6,335,892	54,076	78,225	132,301	6,203,591	
% Change 2010-2019	51.49%	-3.61%	35.41%	-11.92%	-21.41%	-34.65%	51.34%	-31.74%	35.02%	-31.74%	41.84%	-7.69%	42.77%	16.69%	42.49%	

(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: County Tax Rolls - The County has never provided a breakdown between Residential, Commercial and Industrial Property.

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

Annual Year	City Direct Rate			Overlapping Rates					Total Direct Rate	
	City Basic Rate	General		Pacifica School District	South San Francisco Unified	Jefferson High School & Elementary School Districts	San Mateo Junior College & High School	Millbrae Elementary		San Mateo County as Distributor
		Obligation Debt Service	Redevelopment Debt Service Rate							
2010	0%	0%	2.90%	0.0417%	0.0195%	0.0749%	0.0501%	0.0185%	1%	2.9019%
2011	0%	0%	2.90%	0.0412%	0.0196%	0.0815%	0.0515%	0.0254%	1%	2.9019%
2012	0%	0%	0.00%	0.0422%	0.0221%	0.0829%	0.0582%	0.0295%	1%	0.0019%
2013	0%	0%	0.00%	0.0432%	0.0327%	0.0746%	0.0575%	0.0355%	1%	0.0020%
2014	0%	0%	0.00%	0.0403%	0.0328%	0.1287%	0.0549%	0.0428%	1%	0.0019%
2015	0%	0%	0.00%	0.0392%	0.0513%	0.1192%	0.0665%	0.0464%	1%	0.0019%
2016	0%	0%	0.00%	0.0250%	0.0457%	0.1257%	0.0716%	0.0461%	1%	0.0019%
2017	0%	0%	0.00%	0.0311%	0.0467%	0.1480%	0.0662%	0.0430%	1%	0.0019%
2018	0%	0%	0.00%	0.0281%	0.0366%	0.1479%	0.0695%	0.0343%	1%	0.0019%
2019	0%	0%	0.00%	0.0517%	0.0422%	0.1302%	0.0582%	0.0382%	1%	0.0019%

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: County of San Mateo Controller's Office - 2008-2009 thru 2018-2019 Property Tax Rate Book & HdL Companies

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

	2019			2010		
	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	\$ 87,328	1	1.39%	\$ 48,378	1	1.11%
AIMCO Pacifica Park Apartments	55,612	2	0.89%	19,928	4	0.46%
Linda Mar Shopping Center, LLP	34,923	3	0.56%	31,392	2	0.72%
PK III Fairmont Shopping Center	30,919	4	0.49%	27,254	3	0.63%
Sabra Pacifica LP	29,204	5	0.47%			
CRP/PSE Seaside Pacifica Owner	25,496	5	0.41%			
Marymount Summit, LLC	20,718	7	0.33%	18,262	5	0.42%
Tajirian Investments LLC	17,479	8	0.28%			
Bay Apartment Communities, Inc.	15,583	9	0.25%	13,395	8	0.31%
Upsky Lighthouse Hotel LLC	15,226	10	0.24%			
Horizon West Apartments, LLC				15,653	6	0.36%
Harry B. Lewis, et al				14,151	7	0.33%
National Church Residences				13,098	9	0.30%
LBN Properties LP				12,786	10	0.29%
Total	\$ 332,488		5.31%	\$ 214,297		4.93%

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 report and 2010 CAFR-Source: Tax Rolls provided by County Assessor's Office, County of San Mateo, California, March 1, 2010

**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
2010	8,499	8,499	100.00%	0	8,499	100.00%
2011	8,532	8,532	100.00%	0	8,532	100.00%
2012	8,678	8,519	98.17%	0	8,519	98.17%
2013	8,688	8,641	99.46%	0	8,641	99.46%
2014	9,010	9,010	100.00%	0	9,010	100.00%
2015	9,738	9,738	100.00%	0	9,738	100.00%
2016	10,068	10,068	100.00%	0	10,068	100.00%
2017	10,795	10,810	100.14%	0	10,810	100.14%
2018	10,259	10,259	100.00%	0	10,259	100.00%
2019	10,825	10,825	100.00%	0	10,825	100.00%
% Change 2009-2018	0.2592	0.2655			0.2655	0.0050

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
2010	18,176,373	-	875,378	19,305,000	38,356,751
2011	17,170,125	-	875,378	18,850,000	36,895,503
2012	16,161,022	-	875,378	18,325,000	35,361,400
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

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

Sources: City's Comprehensive Annual Financial Reports 2010-2019.

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

Business-Type Activities

Fiscal Year Ending	Sewer Bonds		Notes Payable	Total Business-Type Government		Total Primary Government	Estimated Median Personal Income	Population	Debt Per Capita	Per Capita Personal Income	Debt as a Percentage of Personal Income
2010	15,558,627		22,112,004	37,670,631	76,027,382	63,500	40,431	1,880	36,144	0.05%	
2011	15,269,875		20,444,965	35,714,840	72,610,343	62,917	37,658	1,928	39,648	0.05%	
2012	15,018,978		18,747,852	33,766,830	69,128,230	n/a	37,948	1,822	41,909	0.06%	
2013	11,275,298		23,043,678	34,318,976	68,129,431	n/a	38,292	1,779	42,099	0.06%	
2014	11,172,927		21,406,345	32,579,272	65,628,360	n/a	38,315	1,713	43,390	0.07%	
2015	9,736,334		20,375,644	30,111,978	61,358,696	n/a	37,806	1,623	45,452	0.07%	
2016	9,436,801		18,070,515	27,507,316	55,832,276	n/a	38,124	1,464	45,591	0.08%	
2017	35,297,847		15,756,776	51,054,623	78,480,226	n/a	38,418	2,043	46,553	0.06%	
2018	34,886,481		13,434,113	48,320,594	74,659,983	n/a	38,674	1,930	48,476	0.06%	
2019	34,481,802		11,102,206	45,584,008	70,730,575	n/a	38,759	1,825	47,898	0.07%	

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 Comprehensive Annual Financial Reports 2010-2019.

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

	<u>FISCAL YEAR ENDING JUNE 30</u>									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Assessed Valuation	\$ 4,353,684	\$ 4,353,695	\$ 4,398,866	\$ 4,449,139	\$ 4,696,398	\$ 4,932,567	\$ 5,213,945	\$ 5,514,900	\$ 5,934,385	\$ 6,271,558
Debt Limit	163,263	163,264	164,957	166,843	176,115	184,971	195,523	206,809	222,539	235,183
Total Net Debt Applicable to Limit	37,481	36,020	34,486	32,936	33,049	31,247	28,325	27,426	26,339	25,147
Legal Debt Margin	\$ 125,782	\$ 127,244	\$ 130,471	\$ 133,907	\$ 143,066	\$ 153,724	\$ 167,198	\$ 179,383	\$ 196,200	\$ 210,036
Total Net Debt applicable to the limit as a percentage of debt limit	22.96%	22.06%	20.91%	19.74%	18.77%	16.89%	14.49%	13.26%	11.84%	10.69%

Notes:
Debt Limit is 3.75% of Assessed Value.

Source: City of Pacifica 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	Coverage
	(1)	(2)	(3)	(4)	(5)	(6)	(7)		
	Operating Revenues	Less Operating Expenses	Pledged Net Revenue	Bonded Debt Service	Other Parity Debt Service	Total Parity Debt Service	Coverage		
2010	11,367	6,359	5,008	473	2,417	2,890	1.73		
2011	11,694	6,389	5,305	473	2,416	2,889	1.84		
2012	11,981	6,735	5,246	473	2,414	2,887	1.82		
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	2,851	1.50		
2018	13,762	8,660	5,102	1,399	2,513	3,676	1.39		
2019	14,803	10,233	4,570	1,399	2,513	3,912	1.17		

Special Assessment Bonds

Fiscal Year	Debt Service (000's)	
	Principal	Interest
2010	0	0
2011	0	0
2012	0	0
2013	0	0
2014	0	0
2015	0	0
2016	0	0
2017	0	0
2018	0	0
2019	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. Debt service on the SRF Loan for FY2006 and FY2007 had been prepaid by the 2004 Wastewater Bonds
- (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 %
2010	40,431	63,500	36,144	10.2
2011	37,658	n/a	39,648	9.1
2012	37,948	n/a	41,909	5.8
2013	38,292	n/a	42,099	4.9
2014	38,315	n/a	43,390	3.9
2015	37,806	n/a	45,452	3.1
2016	38,124	n/a	45,591	2.8
2017	38,418	n/a	46,553	2.0
2018	38,674	n/a	48,476	2.3
2019	38,759	n/a	47,898	3.8

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 and California Employment Development Department

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

Employer	2018*			2010		
	# of Employees	Rank	Percentage of Total City Employment	# of Employees	Rank	Percentage of Total City Employment
Pacifica School District	499	1	N/A	306	1	N/A
City of Pacifica	282	2	N/A	285	2	N/A
Safeway (3)	262	3	N/A	212	3	N/A
Jefferson High School	137	4	N/A	169	4	N/A
Oceana Market	55	5	N/A			
Ace Hardware	36	6	N/A			
Recology of the Coast	35	7	N/A	49	7	N/A
Rite Aid (2)	34	8	N/A	52	6	
Ross Dress for Less	31	9	N/A	48	8	N/A
North Coast County Water District	22	10	N/A	22	9	N/A
Lucky (Save Mart Supermarkets)				125	5	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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Administration	7	7	6	6	6	6	7	7	7	8
Finance	7	7	6	6	6	6	6.5	7.5	6.5	7.5
Parks	37.75	58	58	58	53	54	65.5	53	51	56
Planning & Building	8	8	8	8	8	7	7	7	7	7
Public Works	26	26	18	18	20	21	19	22	23	23
Engineering	4	5	5	5	5	5	5	6	6	4
Police										
Officers	36	36	33	33	33	34	29	33	37	33
Civilians	12.5	13	4	4	5	4	3	4	4	4
Fire										
Firefighters	27	27	23	23	25	25	25	25	23	25
Civilians	1	1.5	1	1	1	1	1	1	1	1
Wastewater Division										
	19.75	19.75	24	24	24	26	24	26	27	27
Total	186	208.25	186	186	186	189	192	191.5	192.5	195.5
Authorized Full-Time Positions							159	161	161	166.5

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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Building Permits Issued	967	1,036	1,279	1,514	1,501	1,587	1,682	1,921	1,811	1,413
Building Inspections Conducted	2,727	2,500	2,770	2,710	2,818	3,018	4,093	4,610	4,630	5,143
Police										
Physical Arrests	1,105	932	803	812	812	923	864	702	816	890
Parking Violations	3,427	2,635	1,829	3,652	3,652	5,085	4,700	5,099	6,257	4,942
Traffic Violations	3,472	3,074	2,880	2,966	2,966	2,193	1,763	2,090	2,718	3,435
Fire										
Emergency Responses	3,708	2,782	2,862	1,873	3,117	3,147	3,215	2,977	3,142	3,167
Fires Extinguished	104	87	90	101	96	106	88	77	66	59
Inspections	943	954	1,023	1,056	895	951	955	730	783	862
Other Public Works										
Street Re-surfacing (miles)	2.02	1.05	0.00	0.00	0.00	0.90	0.00	0.00	0.51	1.55
Potholes Repaired	420	432	363	379	379	351	1,125	1,200	1,200	500
Parks, Beaches & Recreation										
Community Center Admissions	estimated 100,000	estimated 96,000	estimated 94,000	estimated 98,000	estimated 91,000	estimated 95,730	estimated 89,654	estimated 98,480	estimated 92,000	estimated 100,563
Enterprise Fund WWTP										
Residential Sewer Accounts	11,319	11,323	11,330	11,340	11,440	11,455	11,480	11,470	11,479	11,913
Commercial Sewer Accounts	318	318	318	318	316	340	345	342	343	350
Total Accounts	11,637	11,641	11,648	11,658	11,756	11,795	11,825	11,812	11,822	12,263
New Connections	-	3	4	7	1	4	10	17	10	7
Avg Daily Sewage Treatment (Gallons)	3,117,000	3,110,000	2,832,000	2,350,000	2,240,000	2,240,000	2,463,000	3,230,000	2,463,000	2,463,000

Notes:
The City has not tracked some of this information in past years

Source: Various City Departments

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

Function/Program	FISCAL YEAR ENDING JUNE 30									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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	1,775	1,775	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	142.68	148.13	148.13	148.13	148.13	148.13	148.13	148.13	148.13	148.13
Playgrounds	13	14	14	14	14	14	14	14	14	14
Baseball Diamonds	5	5	5	5	5	5	5	5	5	5
Soccer/Football Fields	3	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	165	165	165	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
2010	468.28	9.75568
2011	493.54	10.28208
2012	510.34	10.63211
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

Notes:

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

Source: City Records