



**CITY OF EL SEGUNDO**  
C A L I F O R N I A

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**  
**FISCAL YEAR-ENDED JUNE 30, 2021**



**CITY OF EL SEGUNDO, CALIFORNIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**NINE MONTHS ENDED JUNE 30, 2021**  
**PREPARED BY THE CITY'S FINANCE DEPARTMENT**

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**CITY OF EL SEGUNDO  
TABLE OF CONTENTS  
NINE MONTHS ENDED JUNE 30, 2021**

<b>INTRODUCTORY SECTION (UNAUDITED)</b>	
<b>LETTER OF TRANSMITTAL</b>	<b>I</b>
<b>ORGANIZATIONAL CHART</b>	<b>V</b>
<b>OFFICIALS OF THE CITY</b>	<b>VI</b>
<b>GOVERNMENT FINANCE OFFICERS ASSOCIATION AWARD</b>	<b>VII</b>
<b>FINANCIAL SECTION</b>	
<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	<b>5</b>
<b>FINANCIAL STATEMENTS</b>	
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF NET POSITION</b>	<b>20</b>
<b>STATEMENT OF ACTIVITIES</b>	<b>22</b>
<b>FUND FINANCIAL STATEMENTS</b>	
<b>GOVERNMENTAL FUND FINANCIAL STATEMENTS</b>	
<b>BALANCE SHEET</b>	<b>28</b>
<b>RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION</b>	<b>29</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES</b>	<b>30</b>
<b>RECONCILIATION OF THE GOVERNMENT FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION</b>	<b>31</b>
<b>PROPRIETARY FUND FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF NET POSITION</b>	<b>34</b>
<b>STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION</b>	<b>38</b>
<b>STATEMENT OF CASH FLOWS</b>	<b>40</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>47</b>
<b>REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)</b>	
<b>BUDGETARY COMPARISON SCHEDULE – GENERAL FUND</b>	<b>98</b>
<b>NOTE TO BUDGETARY COMPARISON SCHEDULE</b>	<b>99</b>
<b>SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – CALPERS MISCELLANEOUS RATE PLAN</b>	<b>100</b>
<b>SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – CALPERS SAFETY RATE PLAN</b>	<b>102</b>

**CITY OF EL SEGUNDO  
TABLE OF CONTENTS (CONTINUED)  
NINE MONTHS ENDED JUNE 30, 2021**

<b>SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS – CALPERS SAFETY RATE PLAN</b>	<b>103</b>
<b>SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – PUBLIC AGENCY RETIREMENT SYSTEM DEFINED BENEFIT PLAN</b>	<b>104</b>
<b>SCHEDULE OF CONTRIBUTIONS – CALPERS MISCELLANEOUS RATE PLAN</b>	<b>106</b>
<b>SCHEDULE OF CONTRIBUTIONS – CALPERS SAFETY RATE PLAN</b>	<b>108</b>
<b>SCHEDULE OF CONTRIBUTIONS – PUBLIC AGENCY RETIREMENT SYSTEM DEFINED BENEFIT PLAN</b>	<b>110</b>
<b>SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS</b>	<b>112</b>
<b>SCHEDULE OF CONTRIBUTIONS – OPEB PLAN</b>	<b>113</b>
<b>SUPPLEMENTARY INFORMATION (UNAUDITED)</b>	
<b>GENERAL FUND COMPONENTS</b>	
<b>COMBINING SCHEDULE OF BALANCE SHEET</b>	<b>116</b>
<b>COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES</b>	<b>118</b>
<b>NONMAJOR GOVERNMENTAL FUNDS</b>	
<b>COMBINING SCHEDULE OF BALANCE SHEET</b>	<b>125</b>
<b>COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES</b>	<b>131</b>
<b>SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL</b>	
<b>STATE GAS TAX SPECIAL REVENUE FUND</b>	<b>137</b>
<b>RESIDENTIAL SOUND INSULATION SPECIAL REVENUE FUND</b>	<b>138</b>
<b>CERTIFIED UNION PROGRAM AGENCIES SPECIAL REVENUE FUND</b>	<b>139</b>
<b>COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND</b>	<b>140</b>
<b>ASSET FORFEITURE SPECIAL REVENUE FUND</b>	<b>141</b>
<b>PROP A SPECIAL REVENUE FUND</b>	<b>142</b>
<b>PROP C SPECIAL REVENUE FUND</b>	<b>143</b>
<b>TRAFFIC SAFETY SPECIAL REVENUE FUND</b>	<b>144</b>
<b>AIR POLLUTION REDUCTION SPECIAL REVENUE FUND</b>	<b>145</b>
<b>SB 821 SPECIAL REVENUE FUND</b>	<b>146</b>

**CITY OF EL SEGUNDO  
TABLE OF CONTENTS (CONTINUED)  
NINE MONTHS ENDED JUNE 30, 2021**

<b>C.O.P.S. SPECIAL REVENUE FUND</b>	<b>147</b>
<b>MTA GRANT SPECIAL REVENUE FUND</b>	<b>148</b>
<b>MEASURE R SPECIAL REVENUE FUND</b>	<b>149</b>
<b>FEDERAL GRANTS SPECIAL REVENUE FUND</b>	<b>150</b>
<b>STATE GRANTS SPECIAL REVENUE FUND</b>	<b>151</b>
<b>PSAF PROPERTY TAX PUBLIC SAFETY SPECIAL REVENUE FUND</b>	<b>152</b>
<b>SENIOR HOUSING SPECIAL REVENUE FUND</b>	<b>153</b>
<b>MEASURE M SPECIAL REVENUE FUND</b>	<b>154</b>
<b>SB 1 SPECIAL REVENUE FUND</b>	<b>155</b>
<b>CERTIFIED ACCESS SPECIALIST PROGRAM SPECIAL REVENUE FUND</b>	<b>156</b>
<b>AFFORDABLE HOUSING SPECIAL REVENUE FUND</b>	<b>157</b>
<b>CULTURAL DEVELOPMENT SPECIAL REVENUE FUND</b>	<b>158</b>
<b>SPECIAL REVENUES AND DONATIONS SPECIAL REVENUE FUND</b>	<b>159</b>
<b>COUNTY STORM WATER PROGRAM SPECIAL REVENUE FUND</b>	<b>160</b>
<b>FACILITY LEASE DEBT REVENUE FUND</b>	<b>161</b>
<b>CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND</b>	<b>162</b>
<b>INTERNAL SERVICE FUNDS</b>	
<b>COMBINING STATEMENT OF NET POSITION</b>	<b>164</b>
<b>COMBINING STATEMENT OF REVENUES, EXPENSES, AND     CHANGES IN FUND NET POSITION</b>	<b>165</b>
<b>COMBINING STATEMENT OF CASH FLOWS</b>	<b>166</b>
<b>STATISTICAL SECTION (UNAUDITED)</b>	
<b>DESCRIPTION OF STATISTICAL SECTION CONTENTS</b>	<b>169</b>
<b>FINANCIAL TRENDS</b>	
<b>NET POSITION BY COMPONENT</b>	<b>170</b>
<b>CHANGES IN NET POSITION</b>	<b>172</b>
<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	<b>174</b>
<b>CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS</b>	<b>176</b>
<b>REVENUE CAPACITY</b>	
<b>PRINCIPAL SALES TAX PRODUCERS</b>	<b>178</b>
<b>PRINCIPAL PROPERTY TAXPAYERS</b>	<b>179</b>
<b>ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE         PROPERTY</b>	<b>180</b>
<b>DIRECT AND OVERLAPPING PROPERTY TAX RATES</b>	<b>181</b>

**CITY OF EL SEGUNDO  
TABLE OF CONTENTS (CONTINUED)  
NINE MONTHS ENDED JUNE 30, 2021**

<b>PROPERTY TAX LEVIES AND COLLECTIONS</b>	<b>182</b>
<b>DEBT CAPACITY</b>	
<b>RATIO OF GENERAL BONDED DEBT OUTSTANDING</b>	<b>183</b>
<b>RATIO OF OUTSTANDING DEBT BY TYPE</b>	<b>184</b>
<b>DIRECT AND OVERLAPPING BONDED DEBT</b>	<b>187</b>
<b>LEGAL DEBT MARGIN INFORMATION</b>	<b>188</b>
<b>DEMOGRAPHIC AND ECONOMIC INFORMATION</b>	
<b>DEMOGRAPHIC AND ECONOMIC STATISTICS</b>	<b>190</b>
<b>PRINCIPAL EMPLOYERS</b>	<b>191</b>
<b>OPERATING INFORMATION</b>	
<b>CAPITAL ASSET STATISTICS BY FUNCTION</b>	<b>192</b>





# *City of El Segundo*

March 4, 2022

Honorable Mayor, Members of the City Council, City Manager, and citizens of El Segundo:

State law requires that every general-purpose local government publish each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2021.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive frame-work of internal control that it has established for this purpose. Because 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.

CliftonLarsonAllen LLP (CLA), formerly White Nelson Diehl Evans LLP (WNDE), an Independent CPA Firm, has issued an unmodified ("clean") opinion on the City of El Segundo's financial statements for the year ending June 30, 2021. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follow the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

## ***City of El Segundo Profile***

The City of El Segundo is located 14 miles southwest of downtown Los Angeles, adjacent to the City of Los Angeles International Airport. The City was incorporated January 18, 1917, as a General Law city, with the Standard Oil Company of California refinery as the major industrial taxpayer and employer. The substantial petroleum base of the local economy remains evident, although the defense industry emerged as a major segment during World War II. Aerospace experienced rapid growth during the early 1980's and accounted for a significant share of El Segundo's industrial growth during those years. A downturn in the aerospace/defense industry began in the late 1980's, and the industry's recovery took place through consolidation and diversification into commercial endeavors. The available commercial/industrial space has been attracting new business-to-business retail services segments, and providing opportunities to diversify and enhance the revenue source of the City.

The City has operated under the Council-Manager Form of Government since 1917. Policy-making and legislative authority are vested in the City Council (governing body) consisting of the Mayor and four Councilmembers, all elected on a non-partisan basis. The Council appoints the government's City Manager, who serves as the organization's Chief Executive Officer (CEO) and in turn, appoints the heads of the departments. Council members serve four-year terms and are elected at-large. The election schedule alternates with two seats open during one election cycle and three seats open the next election cycle. The Mayor is selected by the seated City Council every two years.

The City provides a full range of municipal services, including police and fire protection; highway, street and infrastructure maintenance and construction; water and wastewater operations; library services; planning, zoning and code enforcement; recreational and cultural activities; and general administration. This report includes all funds of the City and those component units controlled by, and dependent on the City. Accordingly, this report incorporates financial data for the El Segundo Senior Citizen Housing Corporation.

City Council is required to adopt a final budget by no later than the close of the previous fiscal year. This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., Police). Department Heads may transfer resources within a department. Transfers between departments, however, must be approved by the City Manager. Any transfers between funds must be approved by the City Council.

### ***Local economy***

El Segundo celebrated its centennial anniversary in 2017, commemorating 100 years of innovation, leadership, and growth. In 1911, Standard Oil (Chevron) opened its second refinery in California in what is now El Segundo. The city was incorporated 1917 with its foundation as home to workers in the petroleum industry. Over the last 100 years, El Segundo has become a thriving business center, home to AT&T, Los Angeles Times, Los Angeles Lakers and Los Angeles Kings, DaVita Healthcare, and Mattel.

Los Angeles Air Force Base and the Aerospace Corporation are located in El Segundo, and the City has a longstanding tradition of innovation in Aerospace. Boeing, Northrop Grumman, Lockheed Martin and Raytheon, are among the many prestigious Fortune 500 companies with facilities in El Segundo. Over half of all satellites and vehicles in space were manufactured in El Segundo. Global Positioning Satellite Systems, Global Hawk's unmanned aerial vehicle surveillance aircraft, and the FA-18 were also developed and conceived in El Segundo.

In addition to aerospace and petroleum, the local economy is comprised of many high-growth industries, including: bioscience, emerging technology, creative services, sports, entertainment, and professional services. El Segundo is also home to inventive and growing companies that will shape our future economy, such as Kite Pharma, JustFab, Beyond Meat, Millenium Space Systems, and WPromote. El Segundo has been recognized as the Most Business-Friendly City in Los Angeles County twice, and offers low tax rates, convenient access to transportation, and a highly skilled workforce.

### ***Long-term financial planning***

The City's financial security is fundamental to the administration of City policies and practices. City Council has always been and continues to take a conservative approach in maintaining a strong financial position by limiting the growth of spending and acquiring additional debt. It has established a General Fund Reserve, Economic Uncertainty Reserve Fund, and Capital Improvement Fund to meet the needs of unforeseen circumstances that may occur in the future.

The City has traditionally implemented a strategy of adopting a Citywide Strategic Plan that is reviewed and updated each year by the City's management and the City Council. Toward the end of FY 2016-17, the City conducted a series of strategic planning sessions that resulted in the City's first multi-year Strategic Plan. The current Strategic Plan is a three-year outlook covering 2020-2022. The Strategic Plan will be used as a guideline to set priorities and in development of the budget. A new four-year Strategic Plan will be developed during FY 2021-2022 and will be implemented for FY 2022-2023 through FY 2025-2026.

On January 19, 2021, City Council approved the issuance and sale of taxable POBs to refund the pension obligations of the City of El Segundo and authorized the execution of a Trust Agreement which then began the judicial validation proceedings relating to the issuance of the POBs. The Los Angeles Superior Court approved the validation in April 2021, setting the stage for the City to ultimately issue the POBs in June 2021.

The City's POB Finance Team (City staff, Municipal Advisor, Underwriters, Bond Counsel, Disclosure Counsel, and Trustee), met with Standard & Poor's (S&P) staff on May 10, 2021 for a bond rating presentation. The meeting was successful and resulted in a strong AA+ bond rating. This is an excellent rating, particularly in the economic environment that exists with COVID-19 still having negative impacts on the economy. S&P provided a write-up of the rating meeting with guidance on how to possibly achieve a AAA rating in the near future.

On May 18, 2021, City Council formally approved issuing the POBs at 95% of the current UAL with CalPERS. Once in the marketplace, the POBs were 4.5x over subscribed which helped to lower the POB interest rate to 2.568%. This was the second lowest rate of any POBs issued in the State of California over the last two years, including POBs with a AAA rating. This exceptional interest rate resulted in savings to the City of approximately \$82.2 million over the next 19 years.

Through the issuance of pension obligation bonds to prepay the existing UAL, along with a series of other forward-thinking actions taken by City Council over the past few years (including: Reduced "Fresh Start" Amortization Period; Past additional discretionary UAL payments; Prepaid UAL payments; Creation of a Pension Trust Fund; Requiring "Classic " employees to pay their full "employee share", Adoption of formal UAL Policies; and, the Topgolf Revenue Allocation Policy), the City is well-positioned to meet its present and future pension obligations over the next 19 years.

The annual \$9.8 million payment on the POBs represents a much lower recurring pension cost to the City than what would have been the case without the POBs. The City now has control over its pension costs through July 1, 2040. After 2040, the City's pensions will be fully funded and the recurring pension costs should drop significantly. After years of stress and uncertainty, the City now has more clarity and predictability in managing its pension obligations.

City Council is commended for taking a proactive approach to address the City's rising pension costs to reduce the City's overall pension liabilities, saving millions of dollars.

### ***Relevant financial policies***

The City's general fund reserve policy in FY 2020-21 was 20% of the City's current general fund expenditures for its operating reserves, as well as funding up to \$2 million in a separate Economic Uncertainty Reserve Fund. The goal is to maintain the reserve for the General Fund at 20% and possibly increase the reserve up to 25% in subsequent years, as well as maintain a reserve of \$2 million in the Economic Uncertainty Fund, per current City Council policy direction.

The City takes a conservative approach in relation to incurring debt with a “pay-as-you-go” approach. It is currently funding 100% of the actuarial required contribution (ARC) for its other (than pension) post-employment benefits (OPEB).

The elected City Treasurer is charged with managing and investing cash for the City along with support from the Investment Advisory Committee.

**Major initiatives**


The City currently has a Capital Infrastructure Plan (CIP) that includes the following projects:

- Annual Sidewalk, ADA ramp installation, Curb and Gutter Restoration Program
- City Hall improvements
- City-wide HVAC Replacement
- Gateway beautification project
- Library Improvements (Elevator & HVAC)
- Local street rehabilitation and slurry seal
- Park Place gap closure project (design phase)
- Park Vista Senior Housing Improvement Projects
- Plunge replacement scope assessment
- Recreation Park Projects
- Sewer main repairs
- Water infrastructure improvements
- Water meter conversion
- Various smaller projects that have provided enhanced benefits to the community

**Acknowledgements**

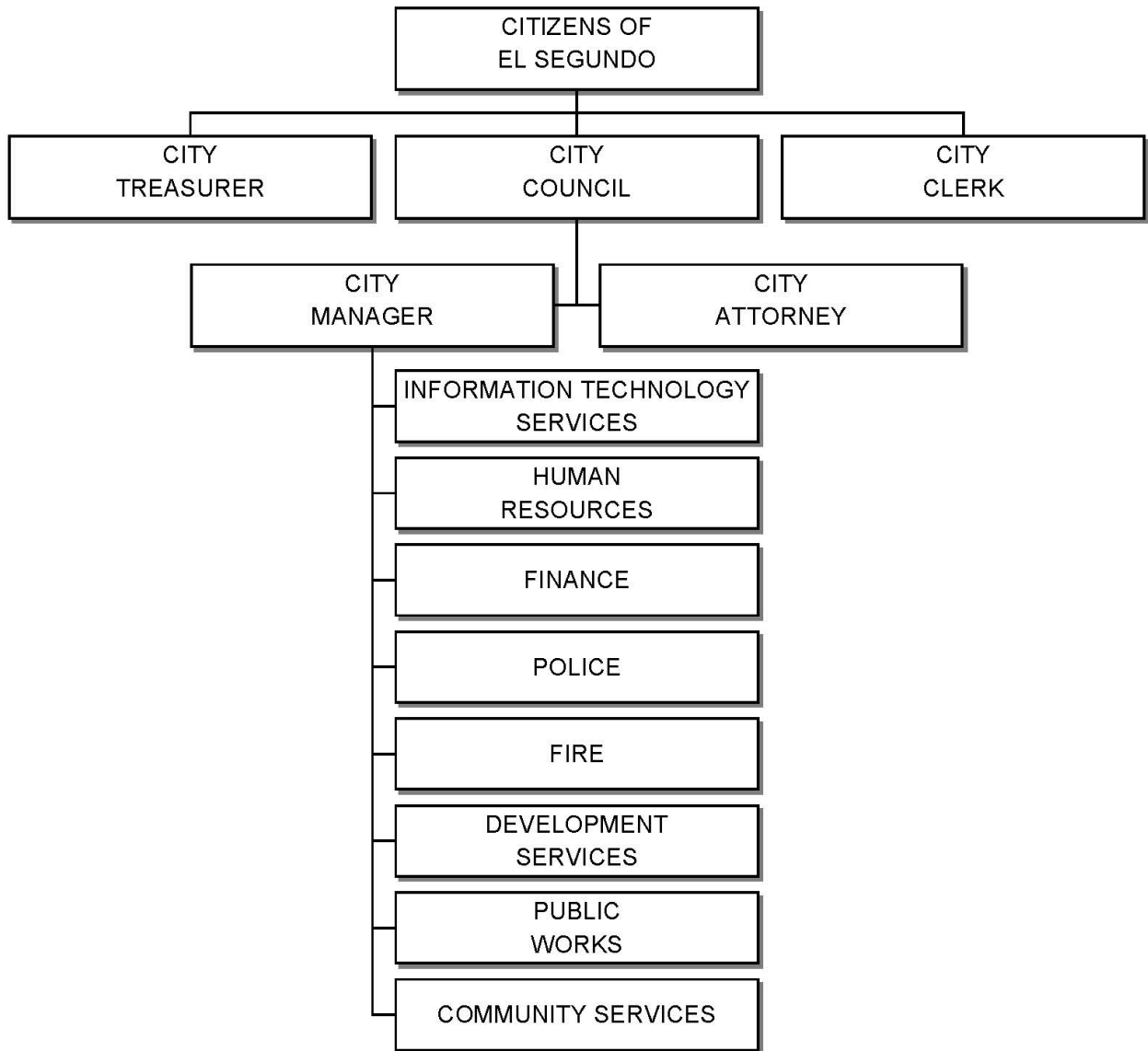
The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Finance Department. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the mayor and the governing council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of El Segundo’s finances.

Respectfully submitted,



Joseph Lillio  
Chief Financial Officer

# CITY OF EL SEGUNDO



**CITY OF EL SEGUNDO**  
OFFICIALS OF THE CITY  
June 30, 2021

**CITY COUNCIL MEMBERS**

<u>Name</u>		<u>Term Expires</u>
Drew Boyles	Mayor	November 2024
Chris Pimentel	Mayor Pro Tem	November 2022
Carol Pirsztuk	Council Member	November 2024
Lance Giroux	Council Member	November 2024
Scot Nicol	Council Member	November 2022

**CITY OFFICIALS**

Scott Mitnick	City Manager
Mark Hensley	City Attorney
Matthew Robinson	City Treasurer
Tracy Weaver	City Clerk

**CITY ADMINISTRATION**

Barbara Voss	Deputy City Manager
Joseph Lillio	Chief Financial Officer
Rebecca Redyk	Director of Human Resources
Jaime Bermudez	Interim Chief of Police
Deena Lee	Fire Chief
Melissa McCollum	Director of Community Services
Michael Allen	Director of Development Services
Elias Sassoon	Director of Public Works
Charles Mallory	Director of Information Systems



Government Finance Officers Association

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Presented to

**City of El Segundo  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2020

*Christopher P. Morrill*

Executive Director/CEO

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## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council  
City of El Segundo  
El Segundo, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of El Segundo, California (the City), as of June 30, 2021, and for the nine month period of October 1, 2020 to June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the El Segundo Senior Citizen Housing Corporation (dba: Park Vista), which represents 100% of the assets, net position, and revenues of the El Segundo Senior Citizen Housing Corporation enterprise fund. Those statements for the year ended December 31, 2020 were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for El Segundo Senior Citizen Housing Corporation, is based solely on the report of the other auditors. 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. The financial statements of the El Segundo Senior Citizen Housing Corporation were not audited in accordance with *Government Auditing Standards*. 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 basic 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 auditors consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the and for the nine month period of October 1, 2020 to June 30, 2021 in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matters**

The City of El Segundo changed its fiscal year end from September 30 to June 30. As a result, the financial statements present nine months of activities. In addition, as discussed in Note 16 to the financial statements, the net position and fund balance as of July 1, 2020, was restated. Our opinions were not modified with respect to these matters.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, schedules of changes in net pension liabilities and related ratios - CalPERS miscellaneous rate plan, CalPERS safety rate plan, and public agency retirement system defined benefit plan, schedule of the City's proportionate share of the net pension liability and related ratios - CalPERS safety rate plan, schedule of contributions - CalPERS miscellaneous rate plan, CalPERS safety rate plan, and public agency retirement system defined benefit plan, schedule of changes in total OPEB liability and related ratios, and schedule of contributions – OPEB 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, the general fund combining schedules and the combining and individual nonmajor fund financial statements and budgetary comparison schedules (collectively, the supplementary information), and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Honorable Mayor and Members of the City Council  
City of El Segundo

The supplementary information is the responsibility of management and were 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, based on our audit, the procedures performed as described above, and the report of the other auditors, 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 March 3, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Irvine, California  
March 3, 2022

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**CITY OF EL SEGUNDO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

As management of the City of El Segundo, California (City) we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of El Segundo for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the City's financial statements.

**Financial Highlights**

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$49,036,930 as of the current fiscal year end (*total net position*). The City had an unrestricted net position of (\$93,201,484). This negative unrestricted net position is the result of GASB 68 implementation in FY 2014-15 that required all government entities to place their unfunded pension liabilities onto their agencies Statement of Net Position.

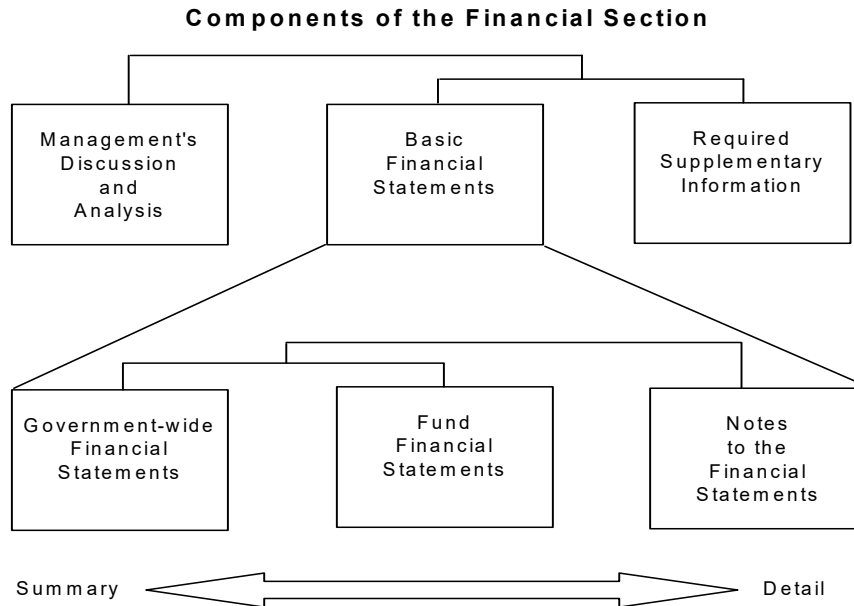
As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$57,908,689. Of this amount, \$35,682,057 (*unrestricted fund balance per GASB 54*) is available for spending at the City's discretion.

At the end of the current year, unrestricted fund balance per GASB 54 for the general fund was \$31,671,778 which represents 19% of total general fund expenditures, net of transfer out, for fiscal year 2020-21.

**Overview of the Financial Statements**

This annual report consists of four parts – management's discussion and analysis (MD&A - current portion), the basic financial statements, optional combining statements for non-major governmental funds, and required supplementary information. The MD&A discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements 2) fund financial statements and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements.

**CITY OF EL SEGUNDO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**



**Government-wide Financial Statements:** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business. These statements include all assets and liabilities of the City.

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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 as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only affect cash flows in future fiscal periods (e.g., uncollected taxes and 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 revenues (*governmental activities*) from functions that are intended to recover some or all of their costs through user fees and charges (*business-type activities*).

**Governmental activities:** Most of the City's basic services are reported in this category, including the general administration (city manager, city clerk, administrative services, etc.), police and fire protection, public works and community development. Property taxes, sales tax, transient occupancy tax, user fees, interest income, franchise fees, state and federal grants, contributions from other agencies, and other revenues finance these activities.

**CITY OF EL SEGUNDO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**Business-type activities:** The City charges a fee to customers to cover all or most of the costs of certain services it provides. The City's Water and Sewer utilities, the Solid Waste and Golf Course operations and the Senior Housing Corporation are reported in this category.

The government-wide financial statements can be found beginning on page 20 of this report.

**Fund Financial Statements:** The fund financial statements provide detailed information about the most significant funds and other funds – not the City as a whole. Some funds are required by state law and by bond covenants. However, management has established other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other resources. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds:** Most of the City's basic services are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at year-end that are available for spending. The City's governmental funds in fiscal year 2021 are General Fund and Non-major Governmental Funds. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences between the results in the Governmental Fund financial statements to those in the Government-Wide financial statements are explained in a reconciliation following each Governmental Fund financial statement.

In addition to the major funds reported separately on the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances, the City also maintains 24 special revenue funds, one capital project fund and two debt service funds. Data from these funds are combined into a single, aggregated presentation referred to as *other governmental funds*.

Individual fund data for each of these non-major governmental funds are provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for all of its governmental and proprietary funds. A budgetary comparison statement has been provided for the general fund and major special revenue funds to demonstrate compliance with this budget. This comparison can be found beginning on page 98 of this report.

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

**CITY OF EL SEGUNDO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**Proprietary funds:** When the City charges customers for the services it provides, these services are generally reported in proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type* activities in the government-wide financial statements. The City uses enterprise funds to account for its Water, Sewer, Solid Waste, Golf Course activities and the Senior Housing Corporation. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its equipment replacement cost and general liability and workers' compensation cost. Because these services predominantly benefit governmental rather than business-type functions, these funds have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements except that more detail is presented. The proprietary fund financial statements provide separate information for the Water, Sewer and Golf Course operations, all of which are considered major funds of the City. The Senior Housing Corporation are not considered major funds of the City. The City's internal service fund is shown separately under the heading of *governmental activities*.

The proprietary fund financial statements can be beginning on page 34 of this report.

**Notes to the financial statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 47 of this report.

**Other information:** The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found beginning on page 116 of this report.



**CITY OF EL SEGUNDO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**Government-wide Financial Analysis**

As was referenced earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, total assets exceeded total liabilities by \$49,036,930 at the close of 2021 fiscal year. A summary of the government-wide *statement of net position* follows:

	Governmental		Business		Total	
	Activities		Activities		Primary Government	
	<u>2021</u>	<u>2020 as Restated</u>	<u>2021</u>	<u>2020 as Restated</u>	<u>2021</u>	<u>2020 as Restated</u>
<b>Assets:</b>						
Current and other assets	\$ 79,500,993	\$ 77,432,243	\$ 40,837,574	\$ 35,214,291	\$ 120,338,567	\$ 112,646,534
Noncurrent assets	<u>103,416,647</u>	<u>104,449,468</u>	<u>28,282,853</u>	<u>31,955,831</u>	<u>131,699,500</u>	<u>136,405,299</u>
<b>Total assets</b>	<u>182,917,640</u>	<u>181,881,711</u>	<u>69,120,427</u>	<u>67,170,122</u>	<u>252,038,067</u>	<u>249,051,833</u>
<b>Deferred Outflows of Resources</b>	168,444,292	15,277,112	4,677,998	195,400	173,122,290	15,472,512
<b>Liabilities:</b>						
Current and other liabilities	20,661,255	13,204,687	4,638,456	5,262,253	25,299,711	18,466,940
Noncurrent liabilities	<u>329,560,427</u>	<u>196,357,291</u>	<u>9,498,459</u>	<u>5,524,929</u>	<u>339,058,886</u>	<u>201,882,220</u>
<b>Total liabilities</b>	<u>350,221,682</u>	<u>209,561,978</u>	<u>14,136,915</u>	<u>10,787,182</u>	<u>364,358,597</u>	<u>220,349,160</u>
<b>Deferred Inflows of Resources</b>	11,326,717	9,080,724	438,113	320,258	11,764,830	9,400,982
<b>Net assets:</b>						
Net investment in capital assets	93,360,733	91,747,670	27,259,225	31,118,997	120,619,958	122,866,667
Restricted	21,618,456	21,263,102	-	-	21,618,456	21,263,102
Unrestricted	<u>(125,165,656)</u>	<u>(134,494,651)</u>	<u>31,964,172</u>	<u>25,139,085</u>	<u>(93,201,484)</u>	<u>(109,355,566)</u>
<b>Total net position</b>	<u>\$ (10,186,467)</u>	<u>\$ (21,483,879)</u>	<u>\$ 59,223,397</u>	<u>\$ 56,258,082</u>	<u>\$ 49,036,930</u>	<u>\$ 34,774,203</u>

It should be kept in mind while reviewing these schedules that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. These assets are used to provide services to its citizens and are *not* available for future spending.

**CITY OF EL SEGUNDO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

A summary of the government-wide *statement of activities* follows:

	Governmental		Business		Total	
	Activities		Activities		Primary Government	
	2021	2020 as Restated	2021	2020 as Restated	2021	2020 as Restated
<b>Revenues</b>						
Program revenues:						
Charges for services	\$6,940,974	\$7,221,812	\$29,765,020	\$32,846,356	\$36,705,994	\$40,068,168
Operating grants and contributions	2,120,276	2,932,318	-	-	2,120,276	2,932,318
Capital grants and contributions	2,421,429	7,691,323	-	-	2,421,429	7,691,323
<b>General revenues:</b>						
Property taxes	12,348,994	11,816,366	-	-	12,348,994	11,816,366
Transient Occupancy taxes	4,416,020	8,760,763	-	-	4,416,020	8,760,763
Sales taxes	8,339,284	12,006,731	-	-	8,339,284	12,006,731
Utility user taxes	4,019,510	5,458,167	-	-	4,019,510	5,458,167
Franchise taxes	2,940,024	3,350,323	-	-	2,940,024	3,350,323
Business license taxes	11,761,998	12,313,710	-	-	11,761,998	12,313,710
Other taxes	7,675,557	6,937,601	-	-	7,675,557	6,937,601
Motor vehicles in lieu	-	-	-	-	-	-
Use of money and property, unrestricted	457,980	3,420,790	427,834	300,048	885,814	3,720,838
Other	<u>1,405,086</u>	<u>1,926,516</u>	<u>-</u>	<u>-</u>	<u>1,405,086</u>	<u>1,926,516</u>
<b>Total revenues</b>	<b>64,847,132</b>	<b>83,836,420</b>	<b>30,192,854</b>	<b>33,146,404</b>	<b>95,039,986</b>	<b>116,982,824</b>
<b>Expenses</b>						
General government	15,339,955	18,698,011	-	-	15,339,955	18,698,011
Public safety	21,813,534	43,330,009	-	-	21,813,534	43,330,009
Public works	8,868,760	11,961,463	-	-	8,868,760	11,961,463
Community & cultural	7,026,812	10,058,912	-	-	7,026,812	10,058,912
Interest on long-term debt	500,659	324,830	-	-	500,659	324,830
Water	-	-	18,520,750	25,014,972	18,520,750	25,014,972
Sewer	-	-	3,430,966	4,978,350	3,430,966	4,978,350
Golf Course	-	-	4,678,672	1,553,159	4,678,672	1,553,159
El Segundo Senior Citizen Housing Corp.	-	-	<u>597,152</u>	<u>576,442</u>	<u>597,152</u>	<u>576,442</u>
<b>Total expenses</b>	<b><u>53,549,720</u></b>	<b><u>84,373,225</u></b>	<b><u>27,227,540</u></b>	<b><u>32,122,923</u></b>	<b><u>80,777,260</u></b>	<b><u>116,496,148</u></b>
<b>Increase (decrease) in net position</b>	<b>11,297,412</b>	<b>(536,805)</b>	<b>2,965,314</b>	<b>1,023,481</b>	<b>14,262,726</b>	<b>486,676</b>
<b>Net position at beginning of year</b>	<b><u>(21,483,879)</u></b>	<b><u>(20,947,074)</u></b>	<b><u>56,258,083</u></b>	<b><u>55,234,602</u></b>	<b><u>34,774,204</u></b>	<b><u>34,287,528</u></b>
<b>Net position at end of year</b>	<b><u>\$(10,186,467)</u></b>	<b><u>\$(21,483,879)</u></b>	<b><u>\$59,223,397</u></b>	<b><u>\$56,258,083</u></b>	<b><u>\$49,036,930</u></b>	<b><u>\$34,774,204</u></b>

**CITY OF EL SEGUNDO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**Governmental Activities**

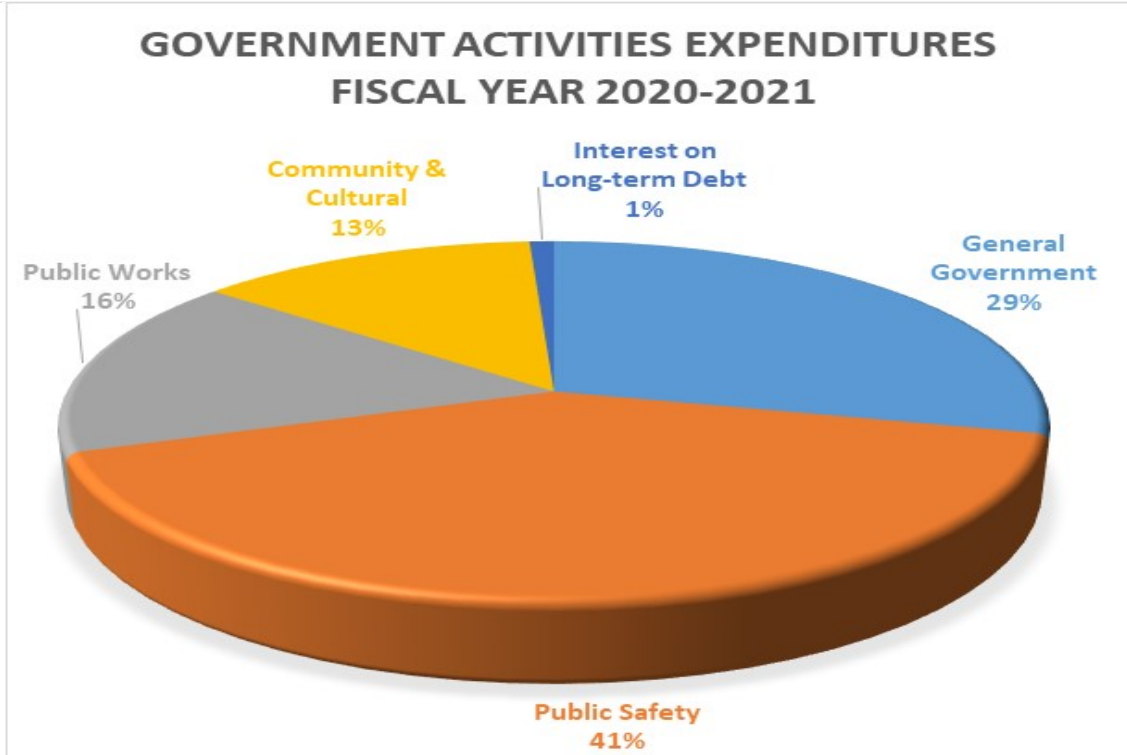
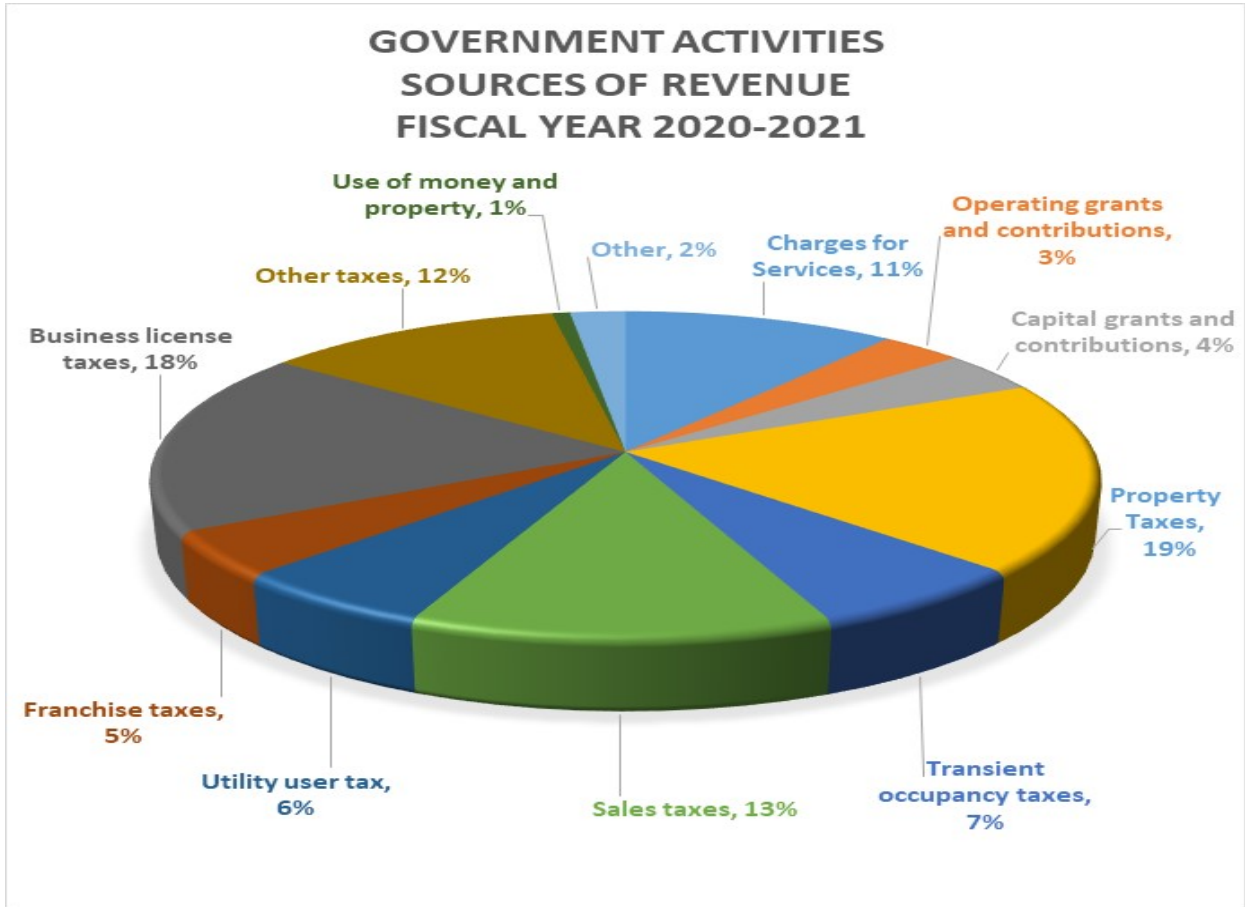
The City's net position from governmental activities increased \$11,297,412. The increase in net position is attributed to a decrease in expenses in governmental funds due to the Covid pandemic and the City changing the 2021 fiscal year to a nine month fiscal year in anticipation of permanently changing the City's fiscal year to a July 1<sup>st</sup> to June 30<sup>th</sup> fiscal year.

- In summary:
  - Charges for services decreased \$281 thousand due to the Covid pandemic;
  - Grants and contributions decreased \$5.3 million;
  - Property taxes increased \$533 thousand due to increased property values;
  - Transient Occupancy taxes decreased \$4.3 million due to the Covid pandemic and the shortened fiscal year;
  - Sales taxes decreased \$3.7 million due to the Covid pandemic and the shortened fiscal year;
  - Utility Users taxes decreased \$1.4 million due to the Covid pandemic and the shortened fiscal year;
  - Franchise taxes decreased \$410 thousand due to the shortened fiscal year;
  - Business license taxes decreased by \$552 thousand due to the Covid pandemic;
  - Interest and rentals decreased \$3.0 million investment returns and the shortened fiscal year;
  - General government expenses decreased by \$3.4 million due to vacancies and the shortened fiscal year;
  - Public safety expenses decreased by \$21.5 million primarily due to vacancies and the shortened fiscal year;
  - Public works expenses decreased by \$3.1 million due to the shortened fiscal year;
  - Community & cultural expenses decreased by \$3.0 million due to vacancies and the shortened fiscal year;

The cost of all governmental activities for the year was \$53.5 million. The taxes that ultimately financed these activities were only \$51.5 million and a portion of the costs were paid by those who directly benefited from the programs (\$6.9 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$4.5 million).

Overall, the City's governmental program revenues were \$11.5 million; of the remaining "public benefit" governmental activities, \$11.8 million were paid with business license taxes, utility user taxes of \$4.0 million, sales and use taxes of \$8.3 million, property taxes of \$12.3 million, franchise taxes of \$2.9 million, transient occupancy tax of \$4.4 million and other revenues and taxes of \$9.5 million.

**CITY OF EL SEGUNDO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**



**CITY OF EL SEGUNDO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**Business-Type Activities**

The programs for the business-type activities include the water, sewer, golf course operations and the Senior Housing corporation.

The City's net position from business-type activities increased by \$2,965,315. The cost of all Proprietary (Business Type) activities this year was \$27,227,540.

Charges for services are the major revenue source for the City's business-type activities, accounting for \$30,192,854 of total business-type activity revenue.

The Water Utility net cost of service of \$6,459,325 is attributable to an increase in revenues due to an increase in potable and recycled rates during the year.

The Sewer Utility net cost of service of \$(99,856) is attributable to an increase in expenses due to an increase in personnel and an increase in repairs and maintenance costs during the year.

The Golf Course net cost of service of \$(3,579,755) is attributable to loss on disposal of capital assets due to the closure of operations due to the contract with TopGolf.

The Senior Housing Corporation net cost of service of \$185,600 is attributable to an increase in revenues and lower repair and maintenance costs.

**Financial Analysis of the Government's Funds**

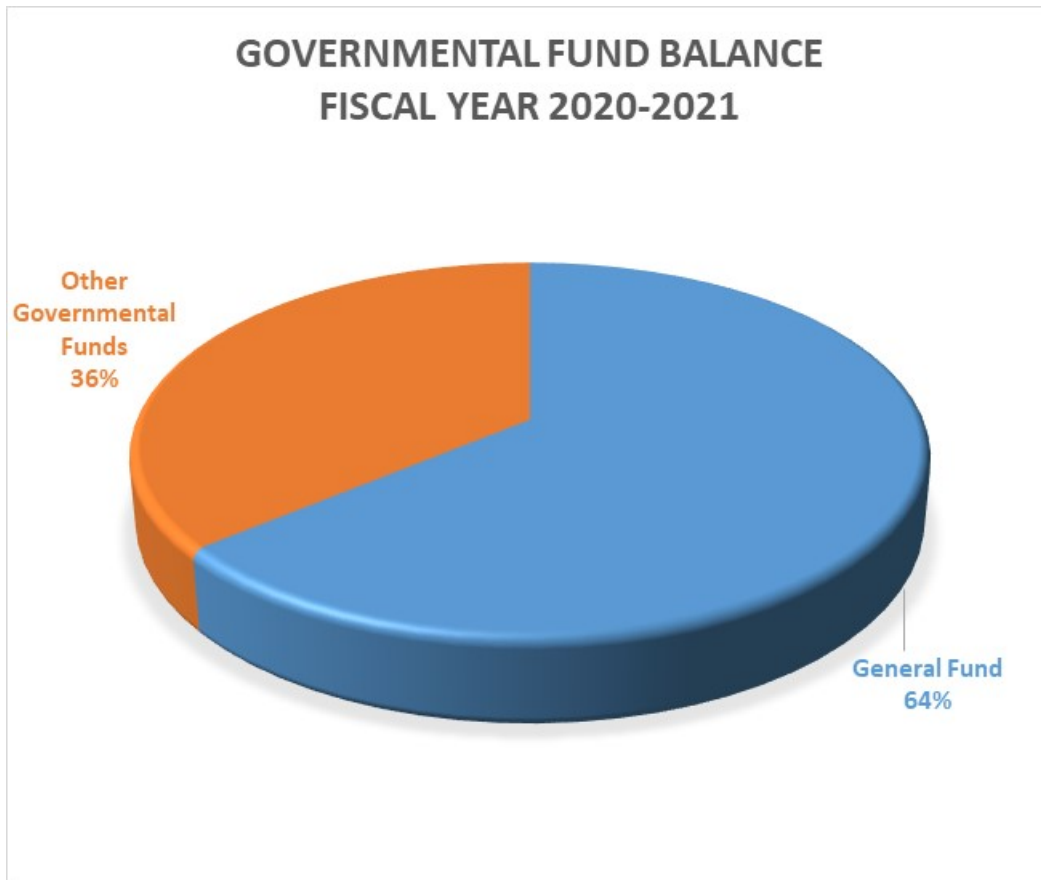
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$57,908,689, an increase of \$2.5 million or 4.5% from the previous year. The increase is primarily due to a decrease in expenditures due to vacancies related to the Covid pandemic. The City's General Fund increased \$1.2 million due to a decrease in expenditures due to vacancies related to the Covid pandemic. The remaining amount is an increase in the non-major Governmental funds of \$1.3 million which is largely due to unspent funds in the Capital Improvement fund and various grant funds. The portion of fund balance that is unreserved, undesignated for all governmental funds is \$29.1 million which represents amounts available for spending at the government's discretion.

Additionally, there are portions of the identified combined ending fund balance that are classified to indicate (1) it represents nonspendable amounts for inventory, receivables and prepaid costs \$163,037, (2) ) for a variety of other restricted and assigned purposes \$7,705,493. More details can be found in Note 15.

**CITY OF EL SEGUNDO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**



**Major Funds:** There is one major fund on the balance sheet for governmental funds. This is the general fund, the chief operating fund of the City. At the end of the current fiscal year, the available fund balance (assigned and unassigned) was \$31,671,778 which represents 86% of total fund balance of \$36,979,271. As a measure of the general fund's available resources, it may be useful to compare restricted and total fund balance to total fund expenditures. The available fund balance represents 16% of total general fund expenditures, net of transfer out, while total general fund balance represents 19% of that same amount.

**Proprietary Funds:** The City's proprietary funds provide the same type of information found in the government-wide financial statements but in greater detail.

Ending unrestricted net position for the proprietary funds is \$31,521,900 for the Water Utility Fund, \$4,191,296 for the Sewer Utility Fund, a negative \$5,150,415 for the Golf Course Fund and \$1,401,391 for the Senior Housing Corporation. The total change in net position for the City's four proprietary funds is as follows:

- The Water Utility's net position increased by \$6,459,325 or an increase of 18% over net position of the prior year due to an increase in revenues;

**CITY OF EL SEGUNDO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

- The Sewer Utility's net position decreased \$99,856 or a decrease of 1% over net position of the prior year due to an increase in expenses;
- The Golf Course net position decreased \$3,579,755 or a net decrease of 81% over the prior year due to the disposal of obsolete assets.
- The Senior Housing Corporation's net position increased by \$185,600 or an increase of 11% over net position of the prior year due to an increase in revenues and lower repair and maintenance costs.

Other factors concerning the finances of these four funds have already been addressed in the discussion of the City's business-type activities.

**General Fund Budgetary Highlights**

During the year, with the recommendation from the City's staff, the City Council revised the expenditure City budget several times. Adjustments were made as the City's staff requested additional appropriations to cover the cost of projects that either had change orders for additional work, or the estimated cost at the beginning of the project was underestimated. All amendments that resulted in a net increase in appropriations are approved by the City Council.

***Appropriations***

Differences between the original budget and the final amended budget of the General Fund resulted in an increase in appropriations of \$1,416,154, or a net decrease in budgetary fund balance of \$1,416,154.

- General Government encumbrances increased \$1,041,000.
- Public Safety encumbrances increased \$144,188.
- Public Works encumbrances increased \$244,466.
- Capital Outlay encumbrances decreased \$13,500.

Over-all, the general fund was over budget when comparing budget to actual. This was due to additional expenditures due to the Covid pandemic and the issuance of pension obligation bonds. The reasons for the variance follows:

- The General Government Departments came in \$15,442,087 over budget, due to the issuance of pension obligation bonds used to pay off the PERS unfunded accrued liability for the miscellaneous employees.
- The Public Safety Departments came in \$110,875,574 over budget due to the issuance of pension obligation bonds used to pay off the PERS unfunded accrued liability for the safety employees.

**CITY OF EL SEGUNDO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

- The Public Works Departments came in \$4,999,942 over budget due to the issuance of pension obligation bonds used to pay off the PERS unfunded accrued liability for the miscellaneous employees.
- The Community and Cultural Departments came in \$6,476,462 over budget due to the issuance of pension obligation bonds used to pay off the PERS unfunded accrued liability for the miscellaneous employees.
- Capital Outlay expenditures came in \$850,000 under budget.

***Revenue***

Differences between the final budget and the actual revenues resulted in an increase of \$2,883,438, or an 5% increase in budgeted revenues.

Some significant variances between the final budget and actual revenues are as follows:

- Business License fees increased \$1,329,000 due to increased license renewals than expected.
- Property Taxes increased \$892,000 above the final budget is attributable to an increase in property values.
- Franchise Taxes increased \$690,000 above the final budget is due to the City budgeting a conservative budget expecting a reduction in commodity prices.
- Utility Users Taxes increased \$519,000 above the final budget is mainly attributable to an increase in electric utility taxes.
- The Gas Resolution Agreement with Chevron increased \$678,000 above the final budget due to a decrease in other taxes Chevron owed the City.
- Other licenses and Permits increased \$588,000 above the final budget due to increased building and electrical permits.
- Charges for Services increased \$615,000 above the final budget is mainly attributable to an increase in accelerated plan check fees and recreation and park activities.
- Other revenues increased \$357,000 above the final budget is attributable to an increase in developer contributions and staff reimbursements.
- Transient Occupancy Tax decreased \$2,631,000 due to lower hotel occupancy due to the pandemic.
- Interest and Rentals decreased \$242,000 below the final budget due to the lower overall effective yield on the investment portfolio.



**CITY OF EL SEGUNDO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

For the City's general fund, amounts available for appropriation of \$58,103,024 was \$2,883,438 lower than actual revenues of \$60,986,462. Actual ending expenditures not including transfers out were \$198,078,128 which was \$137,151,192 more than the final budget of \$60,926,936, not including transfer out. The \$137,151,192 shortfall was offset by bond proceeds of \$140,095,398. The net effect of these variances between actual and budgeted was an increase in budgetary fund balance of \$5,973,600. Therefore, there was an increase in ending fund balance.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets:** The City's investment in capital assets for its governmental and business-type activities as of June 30, 2021 amounts to \$125,275,258 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, vehicles and equipment, park facilities, roads, highways, streets and bridges.

	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Capital assets not being depreciated</b>						
Land	\$29,522,040	\$29,522,040	\$ 5,999,980	\$ 5,999,980	\$ 35,522,020	\$ 35,522,020
Construction in progress	<u>692,638</u>	<u>163,898</u>	<u>1,248,988</u>	<u>296,936</u>	<u>1,941,626</u>	<u>460,834</u>
Total capital assets not being depreciated	<u>30,214,678</u>	<u>29,685,938</u>	<u>7,248,968</u>	<u>6,296,916</u>	<u>37,463,646</u>	<u>35,982,854</u>
<b>Capital assets being depreciated, net</b>						
Buildings and improvements	17,455,318	18,053,074	399,722	2,565,624	17,855,040	20,618,698
Vehicles and equipment	6,458,703	7,128,070	33,408	15,498	6,492,111	7,143,568
Infrastructure	<u>44,143,492</u>	<u>45,100,023</u>	<u>19,754,099</u>	<u>21,789,945</u>	<u>63,897,591</u>	<u>66,889,968</u>
Total capital assets being depreciated, net	<u>68,057,513</u>	<u>70,281,167</u>	<u>20,187,229</u>	<u>24,371,067</u>	<u>88,244,742</u>	<u>94,652,234</u>
<b>Total capital assets, net</b>	<u>\$98,272,191</u>	<u>\$99,967,105</u>	<u>\$27,436,197</u>	<u>\$30,667,983</u>	<u>\$125,708,388</u>	<u>\$130,635,088</u>

Additional information on the City's capital assets can be found in Note 6 of the Notes to Financial Statements in this report.

**Long-term debt:** The City's governmental activities total debt increased by \$143,244,307. Which is attributed to the issuance of \$140,095,398 in pension obligation bonds, the increase in claims and judgements of \$3,261,000 and the Capital parking structure lease decreased by \$43,200. The City's business-type activities total debt increased by \$3,999,042, which is attributable to the issuance of \$4,039,602 in pension obligation bonds. City-wide, compensated absences decreased by \$109,451.

**CITY OF EL SEGUNDO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Compensated absences	\$5,036,020	\$5,104,911	\$176,146	\$216,706	\$5,212,166	\$5,321,617
Claims and judgments	16,187,000	12,926,000	-	-	16,187,000	12,926,000
Capital lease parking structure	1,981,703	2,024,903	-	-	1,981,703	2,024,903
Pension Obligation Bonds	140,095,398	-	4,039,602	-	144,135,000	-
Facility lease	<u>6,178,064</u>	<u>6,178,064</u>	<u>-</u>	<u>-</u>	<u>6,178,064</u>	<u>6,178,064</u>
<b>Total long-term debt</b>	<u>\$169,478,185</u>	<u>\$ 26,233,878</u>	<u>\$4,215,748</u>	<u>\$ 216,706</u>	<u>\$173,693,933</u>	<u>\$ 26,450,584</u>

Additional information on the City's long-term debt can be found in Note 7 of the Notes to Financial Statements in this report.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

In preparing the budget for 2020-2021 the following economic factors significantly impacted the budget process:

- Increase cost in CalPERS retirement benefits for employees and funding of GASB 68 liability.
- Performance of national, state and primarily local economy and its impact on El Segundo's major revenue sources.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City of El Segundo's finances and to show the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City's Finance Department at the City of El Segundo, 350 Main Street, El Segundo, CA 90245.

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# FINANCIAL STATEMENTS

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**CITY OF EL SEGUNDO  
STATEMENT OF NET POSITION  
JUNE 30, 2021**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>CURRENT ASSETS</b>			
Cash and Investments	\$ 67,384,971	\$ 42,319,119	\$ 109,704,090
Receivables:			
Taxes	4,969,656	-	4,969,656
Accounts	682,320	4,032,556	4,714,876
Interest	177,724	-	177,724
Notes and Loans	55,447	-	55,447
Internal Balances	5,577,910	(5,577,910)	-
Due from Other Governments	495,970	-	495,970
Inventories	115,484	35,910	151,394
Prepays and Other Assets	41,511	27,899	69,410
Total Current Assets	<u>79,500,993</u>	<u>40,837,574</u>	<u>120,338,567</u>
<b>NONCURRENT ASSETS</b>			
Restricted Cash	5,144,456	846,656	5,991,112
Capital Assets, not Being Depreciated	30,214,678	7,248,968	37,463,646
Capital Assets, Net of Depreciation	<u>68,057,513</u>	<u>20,187,229</u>	<u>88,244,742</u>
Total Noncurrent Assets	<u>103,416,647</u>	<u>28,282,853</u>	<u>131,699,500</u>
 Total Assets	 182,917,640	 69,120,427	 252,038,067
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows of Resources Related to Pensions	166,459,522	4,575,277	171,034,799
Deferred Outflows of Resources Related to OPEB	<u>1,984,770</u>	<u>102,721</u>	<u>2,087,491</u>
Total Deferred Outflows of Resources	<u>168,444,292</u>	<u>4,677,998</u>	<u>173,122,290</u>

See accompanying Notes to Financial Statements.

**CITY OF EL SEGUNDO**  
**STATEMENT OF NET POSITION (CONTINUED)**  
**JUNE 30, 2021**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>CURRENT LIABILITIES</b>			
Accounts Payable	\$ 3,353,954	\$ 4,014,988	\$ 7,368,942
Accrued Liabilities	1,978,596	64,452	2,043,048
Retention Payable	39,363	28,526	67,889
Accrued Interest	339,096	-	339,096
Unearned Revenue	30,868	25,366	56,234
Deposits Payable	1,466,818	193,230	1,660,048
Long-Term Liabilities - Due Within One Year	13,452,560	311,894	13,764,454
Total Current Liabilities	<u>20,661,255</u>	<u>4,638,456</u>	<u>25,299,711</u>
<b>NONCURRENT LIABILITIES</b>			
Long-Term Liabilities - Due in More Than One Year	156,025,625	3,903,854	159,929,479
Aggregate Net Pension Liability	148,991,592	4,324,384	153,315,976
Net Other Postemployment Benefit Liability	24,543,210	1,270,221	25,813,431
Total Noncurrent Liabilities	<u>329,560,427</u>	<u>9,498,459</u>	<u>339,058,886</u>
Total Liabilities	350,221,682	14,136,915	364,358,597
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows of Resources Related to Pensions	3,178,806	16,422	3,195,228
Deferred Inflows of Resources Related to OPEB	8,147,911	421,691	8,569,602
Total Deferred Outflows of Resources	<u>11,326,717</u>	<u>438,113</u>	<u>11,764,830</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	93,360,733	27,259,225	120,619,958
Restricted for:			
Public Safety	1,709,470	-	1,709,470
Public Works	3,012,961	-	3,012,961
Economic Developemnt	215,126	-	215,126
Community and Cultural	9,911,555	-	9,911,555
Debt Services	1,624,888	-	1,624,888
Pension	5,144,456	-	5,144,456
Unrestricted (Deficit)	<u>(125,165,656)</u>	<u>31,964,172</u>	<u>(93,201,484)</u>
Total Net Position	<u>\$ (10,186,467)</u>	<u>\$ 59,223,397</u>	<u>\$ 49,036,930</u>

See accompanying Notes to Financial Statements.

**CITY OF EL SEGUNDO  
STATEMENT OF ACTIVITIES  
NINE MONTHS ENDED JUNE 30, 2021**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Total Program Revenues</u>
		<u>Charges for Services</u>	<u>Operating Contributions and Grants</u>	<u>Capital Contributions and Grants</u>	
<b>GOVERNMENTAL ACTIVITIES</b>					
General Government	\$ 15,339,955	\$ 266,496	\$ -	\$ -	\$ 266,496
Public Safety	21,813,534	980,145	300,185	904,277	2,184,607
Public Works	8,868,760	54,669	1,084,535	1,434,677	2,573,881
Community and Cultural	7,026,812	5,639,664	735,556	82,475	6,457,695
Interest on Long-Term Debt	500,659	-	-	-	-
Total Governmental Activities	<u>53,549,720</u>	<u>6,940,974</u>	<u>2,120,276</u>	<u>2,421,429</u>	<u>11,482,679</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Water	18,520,750	24,626,599	-	-	24,626,599
Sewer	3,430,966	3,266,685	-	-	3,266,685
Golf Course	4,678,672	1,098,917	-	-	1,098,917
El Segundo Senior Citizen Housing Corp.	597,152	772,819	-	-	772,819
Total Business-Type Activities	<u>27,227,540</u>	<u>29,765,020</u>	<u>-</u>	<u>-</u>	<u>29,765,020</u>
Total Primary Government	<u>80,777,260</u>	<u>36,705,994</u>	<u>2,120,276</u>	<u>2,421,429</u>	<u>41,247,699</u>

See accompanying Notes to Financial Statements.

**CITY OF EL SEGUNDO  
STATEMENT OF ACTIVITIES (CONTINUED)  
NINE MONTHS ENDED JUNE 30, 2021**

<u>Functions/Programs</u>	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES</b>			
General Government	\$ (15,073,459)	\$ -	\$ (15,073,459)
Public Safety	(19,628,927)	-	(19,628,927)
Public Works	(6,294,879)	-	(6,294,879)
Community and Cultural	(569,117)	-	(569,117)
Interest on Long-Term Debt	(500,659)	-	(500,659)
Total Governmental Activities	(42,067,041)	-	(42,067,041)
<b>BUSINESS-TYPE ACTIVITIES</b>			
Water	-	6,105,849	6,105,849
Sewer	-	(164,281)	(164,281)
Golf Course	-	(3,579,755)	(3,579,755)
El Segundo Senior Citizen Housing Corp.	-	175,667	175,667
Total Business-Type Activities	-	2,537,480	2,537,480
Total Primary Government	(42,067,041)	2,537,480	(39,529,561)
<b>GENERAL REVENUES</b>			
Taxes			
Property Taxes, Levied for General Purpose	12,348,994	-	12,348,994
Transient Occupancy Taxes	4,416,020	-	4,416,020
Sales Taxes	8,339,284	-	8,339,284
Utility User Taxes	4,019,510	-	4,019,510
Franchise Taxes	2,940,024	-	2,940,024
Business Licenses Taxes	11,761,998	-	11,761,998
Other Taxes	7,675,557	-	7,675,557
Total Taxes	51,501,387	-	51,501,387
Use of Money and Property, Unrestricted	457,980	427,834	885,814
Other	1,405,086	-	1,405,086
Total General Revenues	53,364,453	427,834	53,792,287
<b>CHANGE IN NET POSITION</b>	11,297,412	2,965,314	14,262,726
Net Position - Beginning of Year, as Restated	(21,483,879)	56,258,083	34,774,204
<b>NET POSITION - END OF YEAR</b>	\$ (10,186,467)	\$ 59,223,397	\$ 49,036,930

See accompanying Notes to Financial Statements.

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# FUND FINANCIAL STATEMENTS

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# GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

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**General Fund** – To account for and report all financial resources not accounted for and reported in another fund.

**Nonmajor Governmental Funds** – To account for the aggregate of all the nonmajor governmental funds.

**CITY OF EL SEGUNDO  
BALANCE SHEET – GOVERNMENTAL FUNDS  
JUNE 30, 2021**

<b>ASSETS</b>	General	Nonmajor Governmental Funds	Total
Cash and Investments	\$ 30,616,147	\$ 22,100,458	\$ 52,716,605
Restricted Cash	5,144,456	-	5,144,456
Receivables:			
Taxes	4,969,656	-	4,969,656
Accounts	625,803	16,745	642,548
Interest	177,672	52	177,724
Notes and Loans	6,042	49,405	55,447
Due from Other Funds	304,851	-	304,851
Due from Other Governments	119,869	376,101	495,970
Inventories	115,484	-	115,484
Prepays	41,511	-	41,511
Total Assets	\$ 42,121,491	\$ 22,542,761	\$ 64,664,252
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 2,019,497	\$ 687,123	\$ 2,706,620
Accrued Liabilities	1,883,837	23,472	1,907,309
Retentions Payable	2,336	37,027	39,363
Due to Other Funds	-	304,851	304,851
Unearned Revenue	30,868	-	30,868
Deposits Payable	1,162,428	304,390	1,466,818
Total Liabilities	5,098,966	1,356,863	6,455,829
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenues	43,254	256,480	299,734
Total Deferred Inflows of Resources	43,254	256,480	299,734
<b>FUND BALANCES</b>			
Nonspendable	163,037	-	163,037
Restricted	5,144,456	16,919,139	22,063,595
Assigned	2,561,037	4,314,909	6,875,946
Unassigned (Deficit)	29,110,741	(304,630)	28,806,111
Total Fund Balances	36,979,271	20,929,418	57,908,689
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 \$ 42,121,491	 \$ 22,542,761	 \$ 64,664,252

See accompanying Notes to Financial Statements.

**CITY OF EL SEGUNDO  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION  
NINE MONTHS ENDED JUNE 30, 2021**

<b>Total Fund Balances -Total Governmental Funds</b>		\$ 57,908,689
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and are not reported in the funds:		
Amount Reported in Government-Wide Statement of Position:		
Capital Assets, Nondepreciable	\$ 30,214,678	
Capital Assets, Depreciable, Net (Net of \$3,860,432- reported in ISF)	64,197,081	
		94,411,759
Interest is recognized when due, and therefore, interest payable is not reported in the governmental funds.		(339,096)
Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds' Balance Sheet.		
Capital Lease and Facility Lease		(8,159,767)
Pension Obligation Bonds		(140,095,398)
Compensated Absences		(5,036,020)
Net OPEB liability is not due and payable in the current period and therefore is not reported in the governmental funds. (net of \$119,853 reported in ISF)		(24,423,357)
OPEB related deferred outflows of resources are not reported in the governmental funds but are reported in the government-wide financial statements. (net of \$9,692 reported in ISF)		1,975,078
OPEB related deferred inflows of resources are not reported in the governmental funds but are reported in government- wide financial statements. (net of \$39,789 reported in ISF)		(8,108,122)
Aggregate net pension liability is not due and payable in the current period and therefore is not reported in the governmental funds. (net of \$798,637 reported in ISF)		(148,192,955)
Pensions related deferred outflows of resources are not reported in the governmental funds but are reported in the government-wide financial statements. (net of \$102,082 reported in ISF)		166,357,440
Pensions related deferred inflows of resources are not reported in the governmental funds but are reported in government- wide financial statements. (net of \$3,032 reported in ISF)		(3,175,774)
Certain revenues in the governmental funds are unavailable because they are collected within the prescribed time period after year-end. Those revenues are recognized on the accrual basis in the government-wide statements.		299,734
Internal service funds are used by management to charge the costs of general liability, workers' compensation and health benefit claims to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Government-Wide Statement of Net Position.		6,391,322
<b>Net Position of Governmental Activities</b>		<b>\$ (10,186,467)</b>

See accompanying Notes to Financial Statements.

**CITY OF EL SEGUNDO**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – GOVERNMENTAL FUNDS**  
**NINE MONTHS ENDED JUNE 30, 2021**

	General	Nonmajor Governmental Funds	Total
<b>REVENUES</b>			
Taxes	\$ 40,187,419	\$ 29,137	\$ 40,216,556
Licenses and Permits	13,560,370	8,177	13,568,547
Intergovernmental	-	3,165,467	3,165,467
Charges for Services	4,357,840	478,714	4,836,554
Use of Money and Property	326,274	131,709	457,983
Fines and Forfeitures	266,634	31,068	297,702
Developer Fees	207,838	769,985	977,823
Miscellaneous	2,080,087	168,719	2,248,806
Total Revenues	<u>60,986,462</u>	<u>4,782,976</u>	<u>65,769,438</u>
<b>EXPENDITURES</b>			
Current			
General Government	32,183,298	-	32,183,298
Public Safety	141,967,680	113,604	142,081,284
Public Works	12,736,945	269,040	13,005,985
Community and Cultural	11,213,078	1,403,853	12,616,931
Capital Outlay	-	3,008,119	3,008,119
Debt Service			
Principal Retirement	43,200	-	43,200
Interest	102,300	88,655	190,955
Total Expenditures	<u>198,246,501</u>	<u>4,883,271</u>	<u>203,129,772</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(137,260,039)</u>	<u>(100,295)</u>	<u>(137,360,334)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Debt Proceeds	140,095,398	-	140,095,398
Transfers In	25,000	1,780,956	1,805,956
Transfers Out	(1,395,956)	(425,000)	(1,820,956)
Total Other Financing Sources (Uses)	<u>138,724,442</u>	<u>1,355,956</u>	<u>140,080,398</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,464,403	1,255,661	2,720,064
Fund Balances - Beginning of year, as Restated	<u>35,514,868</u>	<u>19,673,757</u>	<u>55,188,625</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 36,979,271</u>	<u>\$ 20,929,418</u>	<u>\$ 57,908,689</u>

See accompanying Notes to Financial Statements.

**CITY OF EL SEGUNDO**  
**RECONCILIATION OF THE GOVERNMENT FUNDS STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION**  
**NINE MONTHS ENDED JUNE 30, 2021**

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 2,720,064</b>
Amounts reported for governmental activities in the Statement of Activities are different because:	
Acquisition of capital assets was reported as expenditures in the governmental funds. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over the estimated useful lives as depreciation expense. The following was the amount of capital assets recorded in the current period:	
Capital Outlay	1,781,130
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources. Therefore, depreciation expense was not reported as an expenditure in the governmental funds.	
	(2,859,983)
Long-term compensated absences expense was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. Therefore, the change in long-term compensated absences was not reported in the governmental funds.	
	68,890
Other postemployment benefits and pension expenses were reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. Therefore, the increase in other postemployment benefits liability and net pension liabilities were not reported as an expenditure in the governmental funds.	
OPEB credit (expense) net of reporting contribution made after measurement date reported in deferred outflows of resources in the Government-Wide Statement of Net Position but reported as OPEB expense in the governmental fund.	
	1,346,373
Pension credit (expense) net of reporting contribution made after measurement date reported in deferred outflows of resources in the Government-Wide Statement of Net Position but reported as pension expense in the governmental fund.	
	153,297,238
Proceeds from long-term debt provided current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Principal repayment of leases was an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	
Pension Obligation Bond Proceeds	(140,095,398)
Principal Repayments of Long-Term Debt	43,200
Interest Accrual on Capital Lease and Facility Lease	(309,704)
Certain revenues in the governmental funds are unavailable if they are not collected within the prescribed time period after year-end. Those revenues are recognized on the accrual basis in the government-wide statements.	
	(922,306)
Internal service funds were used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue of the internal service funds was reported with governmental activities.	
	(3,772,092)
<b>Change in net Net Position of Governmental Activities</b>	<b>\$ 11,297,412</b>

See accompanying Notes to Financial Statements.

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# PROPRIETARY FUNDS FINANCIAL STATEMENTS

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**Water Fund** – To account for water utility revenues, including service fees and installation charges, and all expenses related to the construction and maintenance of the City’s water distribution system.

**Sewer Fund** – To account for user charges, fees and all operating costs associated with the operation, maintenance, upgrade and periodic reconstructions of the City’s wastewater collection system.

**Golf Course Fund** – to account for revenues from user fees and expenses incurred for the operation and maintenance of “The Lakes at El Segundo” golf facility.

**Nonmajor Enterprise Funds** - to account for the aggregate of all the nonmajor enterprise funds.

**Internal Service Funds** – To account for financing of goods and services provided by one department to other departments of the City on a cost-reimbursement basis.

**CITY OF EL SEGUNDO**  
**STATEMENT OF NET POSITION – PROPRIETARY FUNDS**  
**JUNE 30, 2021**

	Business-Type Activities - Enterprise Funds			Nonmajor Enterprise Funds El Segundo Senior Citizen Housing Corporation December 31, 2020
	Water	Sewer	Golf Course	
<b>ASSETS</b>				
Current Assets				
Cash and Investments	\$ 35,518,623	\$ 5,760,370	\$ 449,317	\$ 590,809
Accounts Receivable	3,306,535	726,021	-	-
Inventories	35,910	-	-	-
Prepaid Items	-	-	-	27,899
Total Current Assets	<u>38,861,068</u>	<u>6,486,391</u>	<u>449,317</u>	<u>618,708</u>
Noncurrent Assets				
Advances to Other Funds	-	-	-	-
Restricted Cash	-	-	-	846,656
Capital Assets, not Being Depreciated	864,755	384,233	5,999,980	-
Capital Assets, Being Depreciated	<u>9,867,804</u>	<u>9,886,295</u>	<u>-</u>	<u>433,130</u>
Total Noncurrent Assets	<u>10,732,559</u>	<u>10,270,528</u>	<u>5,999,980</u>	<u>1,279,786</u>
Total Assets	49,593,627	16,756,919	6,449,297	1,898,494
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflows of Resources Related to Pension	2,838,445	1,736,832	-	-
Deferred Outflows of Resources Related to OPEB	<u>57,845</u>	<u>44,876</u>	<u>-</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>2,896,290</u>	<u>1,781,708</u>	<u>-</u>	<u>-</u>

See accompanying Notes to Financial Statements.

**CITY OF EL SEGUNDO**  
**STATEMENT OF NET POSITION – PROPRIETARY FUNDS (CONTINUED)**  
**JUNE 30, 2021**

	Business-Type Activities - Enterprise Funds Total	Governmental Activities- Internal Service Funds
<b>ASSETS</b>		
Current Assets		
Cash and Investments	\$ 42,319,119	\$ 14,668,366
Accounts Receivable	4,032,556	39,772
Inventories	35,910	-
Prepaid Items	27,899	-
Total Current Assets	46,415,484	14,708,138
Noncurrent Assets		
Advances to Other Funds	-	5,577,910
Restricted Cash	846,656	-
Capital Assets, not Being Depreciated	7,248,968	-
Capital Assets, Being Depreciated	20,187,229	3,860,432
Total Noncurrent Assets	28,282,853	9,438,342
 Total Assets	 74,698,337	 24,146,480
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Outflows of Resources Related to Pension	4,575,277	102,082
Deferred Outflows of Resources Related to OPEB	102,721	9,692
Total Deferred Outflows of Resources	4,677,998	111,774

See accompanying Notes to Financial Statements.

**CITY OF EL SEGUNDO**  
**STATEMENT OF NET POSITION – PROPRIETARY FUNDS (CONTINUED)**  
**JUNE 30, 2021**

	Business-Type Activities - Enterprise Funds			Nonmajor Enterprise Funds El Segundo Senior Citizen Housing Corporation December 31, 2020
	Water	Sewer	Golf Course	
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable	\$ 3,971,849	\$ 38,182	\$ -	\$ 4,957
Accrued Liabilities	38,442	26,010	-	-
Retentions Payable	28,526	-	-	-
Unearned Revenue	-	-	21,822	3,544
Deposits Payable	137,758	-	-	55,472
Due to Other Funds	-	-	-	-
Claims and Judgments, Current Portion	-	-	-	-
Compensated Absences, Current Portion	36,810	91,931	-	-
Pension Obligation Bonds, Current Portion	113,616	69,537	-	-
Total Current Liabilities	<u>4,327,001</u>	<u>225,660</u>	<u>21,822</u>	<u>63,973</u>
Noncurrent Liabilities				
Advances from Other Funds	-	-	5,577,910	-
Claims and Judgments, Net of Current	-	-	-	-
Compensated Absences, Net of Current	47,405	-	-	-
Pension Bonds Payable	2,392,278	1,464,171	-	-
Aggregate Net Pension Liability	2,682,795	1,641,589	-	-
Net Other Postemployment Benefit Liability	715,297	554,924	-	-
Total Noncurrent Liabilities	<u>5,837,775</u>	<u>3,660,684</u>	<u>5,577,910</u>	<u>-</u>
Total Liabilities	10,164,776	3,886,344	5,599,732	63,973
<b>DEFERRED INFLOWS OF REOSURCES</b>				
Deferred Inflows of Resources Related to Pensions	10,188	6,234	-	-
Deferred Inflows of Resources Related to OPEB	237,466	184,225	-	-
Total Deferred Inflows of Resources	<u>247,654</u>	<u>190,459</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	10,555,587	10,270,528	5,999,980	433,130
Unrestricted (Deficit)	31,521,900	4,191,296	(5,150,415)	1,401,391
Total Net Position	<u>\$ 42,077,487</u>	<u>\$ 14,461,824</u>	<u>\$ 849,565</u>	<u>\$ 1,834,521</u>

See accompanying Notes to Financial Statements.

**CITY OF EL SEGUNDO**  
**STATEMENT OF NET POSITION – PROPRIETARY FUNDS (CONTINUED)**  
**JUNE 30, 2021**

	Business-Type Activities - Enterprise Funds Total	Governmental Activities- Internal Service Funds
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable	\$ 4,014,988	\$ 647,334
Accrued Liabilities	64,452	71,287
Retentions Payable	28,526	-
Unearned Revenue	25,366	-
Deposits Payable	193,230	-
Due to Other Funds	-	-
Claims and Judgments, Current Portion	-	2,909,007
Compensated Absences, Current Portion	128,741	-
Pension Obligation Bonds, Current Portion	183,153	-
Total Current Liabilities	4,638,456	3,627,628
Noncurrent Liabilities		
Advances from Other Funds	5,577,910	-
Claims and Judgments, Net of Current	-	13,277,993
Compensated Absences, Net of Current	47,405	-
Pension Bonds Payable	3,856,449	-
Aggregate Net Pension Liability	4,324,384	798,637
Net Other Postemployment Benefit Liability	1,270,221	119,853
Total Noncurrent Liabilities	15,076,369	14,196,483
Total Liabilities	19,714,825	17,824,111
<b>DEFERRED INFLOWS OF REOSURCES</b>		
Deferred Inflows of Resources Related to Pensions	16,422	3,032
Deferred Inflows of Resources Related to OPEB	421,691	39,789
Total Deferred Inflows of Resources	438,113	42,821
<b>NET POSITION</b>		
Net Investment in Capital Assets	27,259,225	3,848,183
Unrestricted (Deficit)	31,964,172	2,543,139
Total Net Position	\$ 59,223,397	\$ 6,391,322

See accompanying Notes to Financial Statements.

**CITY OF EL SEGUNDO**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN**  
**NET POSITION – PROPRIETARY FUNDS**  
**NINE MONTHS ENDED JUNE 30, 2021**

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Golf Course	Nonmajor Enterprise Funds El Segundo Senior Citizen Housing Corporation December 31, 2020
<b>OPERATING REVENUES</b>				
Sales and Service Charges	\$ 24,613,985	\$ 3,266,685	\$ 781,217	\$ 767,784
Interdepartmental Charges	-	-	-	-
Lease Revenue	-	-	79,071	-
Miscellaneous	12,614	-	238,629	5,035
Total Operating Revenues	<u>24,626,599</u>	<u>3,266,685</u>	<u>1,098,917</u>	<u>772,819</u>
<b>OPERATING EXPENSES</b>				
Personnel Services	860,195	937,898	259,147	-
Materials and Supplies	86,212	49,989	55,998	-
Purchased Water/Utilities	15,783,033	-	58,596	124,204
Insurance and Claims	747,225	231,075	20,172	17,948
Contractual Services	78,069	1,260,247	4,215	175,500
Repairs and Maintenance	290,716	290,334	48,204	143,533
Administrative Cost	542,657	302,604	106,833	95,568
Depreciation	132,643	358,819	103,015	40,399
Total Operating Expenses	<u>18,520,750</u>	<u>3,430,966</u>	<u>656,180</u>	<u>597,152</u>
<b>OPERATING INCOME (LOSS)</b>	6,105,849	(164,281)	442,737	175,667
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest Revenue	353,476	64,425	-	9,933
Loss on Disposal of Capital Assets	-	-	(4,022,492)	-
Total Nonoperating Revenues (Expenses)	<u>353,476</u>	<u>64,425</u>	<u>(4,022,492)</u>	<u>9,933</u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS</b>	6,459,325	(99,856)	(3,579,755)	185,600
<b>TRANSFERS</b>				
Transfers In	-	-	-	-
Total Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CHANGES IN NET POSITION</b>	6,459,325	(99,856)	(3,579,755)	185,600
Net Position - Beginning of Year	<u>35,618,162</u>	<u>14,561,680</u>	<u>4,429,320</u>	<u>1,648,921</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 42,077,487</u>	<u>\$ 14,461,824</u>	<u>\$ 849,565</u>	<u>\$ 1,834,521</u>

See accompanying Notes to Financial Statements.

**CITY OF EL SEGUNDO**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN**  
**NET POSITION – PROPRIETARY FUNDS (CONTINUED)**  
**NINE MONTHS ENDED JUNE 30, 2021**

	Business-Type Activities Enterprise Funds Total	Governmental Activities - Internal Service Funds
<b>OPERATING REVENUES</b>		
Sales and Service Charges	\$ 29,429,671	\$ -
Interdepartmental Charges	-	4,963,415
Lease Revenue	79,071	-
Miscellaneous	256,278	499,067
Total Operating Revenues	29,765,020	5,462,482
<b>OPERATING EXPENSES</b>		
Personnel Services	2,057,240	379,624
Materials and Supplies	192,199	258,849
Purchased Water/Utilities	15,965,833	-
Insurance and Claims	1,016,420	7,995,040
Contractual Services	1,518,031	-
Repairs and Maintenance	772,787	-
Administrative Cost	1,047,662	-
Depreciation	634,876	616,061
Total Operating Expenses	23,205,048	9,249,574
<b>OPERATING INCOME (LOSS)</b>	6,559,972	(3,787,092)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest Revenue	427,834	-
Loss on Disposal of Capital Assets	(4,022,492)	-
Total Nonoperating Revenues (Expenses)	(3,594,658)	-
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS</b>	2,965,314	(3,787,092)
<b>TRANSFERS</b>		
Transfers In	-	15,000
Total Transfers	-	15,000
<b>CHANGES IN NET POSITION</b>	2,965,314	(3,772,092)
Net Position - Beginning of Year	56,258,083	10,163,414
<b>NET POSITION - END OF YEAR</b>	\$ 59,223,397	\$ 6,391,322

See accompanying Notes to Financial Statements.

**CITY OF EL SEGUNDO  
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS  
NINE MONTHS ENDED JUNE 30, 2021**

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Golf Course	Nonmajor Enterprise Funds El Segundo Senior Citizen Housing Corporation December 31, 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers and Users	\$ 24,314,682	\$ 2,988,314	\$ 1,068,040	\$ 773,046
Receipts of Lease Payments	-	-	79,071	-
Payments for Insurance Claims	-	-	-	-
Payments to Suppliers	(17,471,823)	(2,641,629)	(286,222)	(587,720)
Payments to Employees	(3,786,267)	(2,333,581)	(259,147)	-
Net Cash Provided (Used) by Operating Activities	<u>3,056,592</u>	<u>(1,986,896)</u>	<u>601,742</u>	<u>185,326</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Cash Receipts from (Payments to) Other Funds	-	-	-	-
Due to (from) Other Funds	-	-	(160,432)	-
Proceeds from Bonds	<u>2,505,894</u>	<u>1,533,708</u>	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>2,505,894</u>	<u>1,533,708</u>	<u>(160,432)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and Construction of Capital Assets	<u>(716,286)</u>	<u>(235,766)</u>	<u>-</u>	<u>(22,515)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(716,286)</u>	<u>(235,766)</u>	<u>-</u>	<u>(22,515)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Received	<u>353,476</u>	<u>64,425</u>	<u>-</u>	<u>9,933</u>
Net Cash Provided by Investing Activities	<u>353,476</u>	<u>64,425</u>	<u>-</u>	<u>9,933</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>5,199,676</u>	<u>(624,529)</u>	<u>441,310</u>	<u>172,744</u>
Cash and Cash Equivalents - Beginning of Year	<u>30,318,947</u>	<u>6,384,899</u>	<u>8,007</u>	<u>1,264,721</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 35,518,623</u>	<u>\$ 5,760,370</u>	<u>\$ 449,317</u>	<u>\$ 1,437,465</u>
<b>CASH AND CASH EQUIVALENTS</b>				
Cash and Investments	\$ 35,518,623	\$ 5,760,370	\$ 449,317	\$ 590,809
Restricted Cash	-	-	-	846,656
	<u>\$ 35,518,623</u>	<u>\$ 5,760,370</u>	<u>\$ 449,317</u>	<u>\$ 1,437,465</u>

See accompanying Notes to Financial Statements.



**CITY OF EL SEGUNDO**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)**  
**NINE MONTHS ENDED JUNE 30, 2021**

	Business-Type Activities - Enterprise Funds Total	Governmental Activities Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers and Users	\$ 29,144,082	\$ 5,462,710
Receipts of Lease Payments	79,071	-
Payments for Insurance Claims	-	(2,338,059)
Payments to Suppliers	(20,987,394)	(347,370)
Payments to Employees	(6,378,995)	(168,849)
Net Cash Provided (Used) by Operating Activities	1,856,764	2,608,432
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Cash Receipts from (Payments to) Other Funds	-	15,000
Due to (from) Other Funds	(160,432)	-
Proceeds from Bonds	4,039,602	-
Net Cash Provided (Used) by Noncapital Financing Activities	3,879,170	15,000
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and Construction of Capital Assets	(974,567)	-
Net Cash Used by Capital and Related Financing Activities	(974,567)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest Received	427,834	-
Net Cash Provided by Investing Activities	427,834	-
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	5,189,201	2,623,432
Cash and Cash Equivalents - Beginning of Year	37,976,574	12,044,934
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 43,165,775	\$ 14,668,366
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and Investments	\$ 42,319,119	\$ 14,668,366
Restricted Cash	846,656	-
	\$ 43,165,775	\$ 14,668,366

See accompanying Notes to Financial Statements.

**CITY OF EL SEGUNDO  
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)  
NINE MONTHS ENDED JUNE 30, 2021**

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Golf Course	Nonmajor Enterprise Funds El Segundo Senior Citizen Housing Corporation December 31, 2021
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>				
Operating Income (Loss)	\$ 6,105,849	\$ (164,281)	\$ 442,737	\$ 175,667
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation	132,643	358,819	103,015	40,399
(Increase) Decrease in:				
Accounts Receivable	(311,917)	(278,371)	51,280	-
Inventory	(7,107)	-	25,422	-
Prepaid Items	121,897	75,335	-	(23,063)
Deferred Outflows of Resources - Pension	(2,758,996)	(1,699,666)	-	-
Deferred Outflows of Resources - OPEB	(13,479)	(10,457)	-	-
Increase (Decrease) in:			\$	
Accounts Payable	(105,255)	(571,566)	(17,626)	(7,484)
Accrued Liabilities	(23,001)	(11,149)	-	-
Retentions Payable	28,526	-	-	-
Unearned Revenue	-	-	(3,086)	227
Deposits Payable	41,028	-	-	(420)
Claims and Judgements	-	-	-	-
Compensated Absences Payable	(31,881)	(8,679)	-	-
Net Pension Liability	(95,401)	341,954	-	-
Net Other Postemployment Liability	(91,792)	(71,212)	-	-
Deferred Inflows of Resources - Pension	(362)	1,299	-	-
Deferred Inflows of Resources - OPEB	65,840	51,078	-	-
Total Adjustments	<u>(3,049,257)</u>	<u>(1,822,615)</u>	<u>159,005</u>	<u>9,659</u>
Net Cash Provided by Operating Activities	<u>\$ 3,056,592</u>	<u>\$ (1,986,896)</u>	<u>\$ 601,742</u>	<u>\$ 185,326</u>

See accompanying Notes to Financial Statements.

**CITY OF EL SEGUNDO  
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)  
NINE MONTHS ENDED JUNE 30, 2021**

	Business-Type Activities - Enterprise Funds Total	Governmental Activities Internal Service Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating Income (Loss)	\$ 6,559,972	\$ (3,787,092)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation	634,876	616,061
(Increase) Decrease in:		
Accounts Receivable	(539,008)	228
Inventory	18,315	-
Prepaid Items	174,169	1,737,867
Deferred Outflows of Resources - Pension	(4,458,662)	(87,942)
Deferred Outflows of Resources - OPEB	(23,936)	(2,258)
Increase (Decrease) in:		
Accounts Payable	(701,931)	475,215
Accrued Liabilities	(34,150)	94,378
Retentions Payable	28,526	-
Unearned Revenue	(2,859)	-
Deposits Payable	40,608	-
Claims and Judgements	-	3,261,000
Compensated Absences Payable	(40,560)	-
Net Pension Liability	246,553	304,169
Net Other Postemployment Liability	(163,004)	(15,380)
Deferred Inflows of Resources - Pension	937	1,154
Deferred Inflows of Resources - OPEB	116,918	11,032
Total Adjustments	<u>(4,703,208)</u>	<u>6,395,524</u>
Net Cash Provided by Operating Activities	<u>\$ 1,856,764</u>	<u>\$ 2,608,432</u>

See accompanying Notes to Financial Statements.

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# NOTES TO THE FINANCIAL STATEMENTS

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**CITY OF EL SEGUNDO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the City of El Segundo, California (the City), have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant policies:

**Financial Reporting Entity**

The City was incorporated on January 18, 1917, under the laws of the state of California and enjoys all the rights and privileges applicable to a general law city. The City is governed by an elected five-member board.

**Blended Component Unit**

Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government.

The El Segundo Senior Citizen Housing Corporation, dba: Park Vista (the Corporation), is a California nonprofit public benefit corporation created by the City of El Segundo in 1984 to operate a low income senior apartment complex. The apartment complex was built and funded by the City. In 1987, the complex was ready for occupancy. Rather than operate the complex as a fund of the City, the City elected to form the Corporation to facilitate better communication with the residents who live there. The Corporation is managed by a seven-member Board of Directors, appointed by the City Council, all of whom are unpaid volunteers. The City is financially accountable and has the ability to impose its will on the Corporation which has the potential to provide specific financial benefits to, or impose specific financial burdens on, the City. The City is the sole corporate member of the Corporation, as identified in the Corporation's articles of incorporation. As a result, the activities of the Corporation have been presented as a blended component unit in the proprietary fund financial statements as a nonmajor enterprise fund as of June 30, 2021. In previous years, the Corporation was presented as a discretely presented component unit.

The Corporation's fiscal year end is December 31, which is different than the City's fiscal year-end. Separate financial statements may be obtained at City Hall, City of El Segundo, 350 Main Street, El Segundo, CA 90245.

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Basis of Accounting and Measurement Focus**

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. City resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The statement of net position reports separate sections for Deferred Outflows of Resources and Deferred Inflows of Resources, when applicable.

**Deferred Outflows of Resources** represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time. The City has items related to pensions and OPEB that qualify for reporting in this category.

**Deferred Inflows of Resources** represent inflows of resources (acquisition of net position) that apply to future periods and that, therefore, are not recognized as revenue until that time. The City has items related to unavailable revenues, pensions and OPEB that qualify for reporting in this category.

**Government – Wide Financial Statements**

The Government-Wide Financial Statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Fiduciary activities are not included in these statements.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions



**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Basis of Accounting and Measurement Focus (Continued)**

**Government – Wide Financial Statements (Continued)**

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

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

**Governmental Fund Financial Statements**

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance 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 fund balances. 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.

Revenues are recognized as soon as they are both “measurable” and “available”. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For these purposes, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property taxes, other local taxes, franchise fees, forfeitures and penalties, motor license fees, rents and concessions, interest revenue, and state and federal grants and subventions. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Reconciliations of the fund financial statements to the Government-Wide Financial Statements are provided to explain the differences.

Certain indirect costs are included as part of the program expenses reported for individual functions and activities.

The City reports the following major governmental fund:

- General Fund - The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.

**CITY OF EL SEGUNDO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Basis of Accounting and Measurement Focus (Continued)**

**Governmental Fund Financial Statements (Continued)**

The City's fund structure also includes the following fund types:

Special Revenue Funds are used to account for proceeds of specific revenue sources that are legally restricted or otherwise committed for specific purposes.

Capital Projects Funds are used to account for resources restricted or assigned for capital improvements.

Debt Service Funds are used to account for resources restricted or assigned for expenditure of principal and interest.

**Proprietary Fund Financial Statements**

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (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 the liability is incurred.

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

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities and business-type activities in the Government-Wide Financial Statements. The City's internal service funds include three individual funds which provide services directly to other City funds. These areas of service include general liability, workers' compensation, and equipment replacement.

**CITY OF EL SEGUNDO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Basis of Accounting and Measurement Focus (Continued)**

*Proprietary Fund Financial Statements (Continued)*

The City reports the following proprietary funds:

*Enterprise Funds*

- Water Fund - The Water Fund, which is reported as a major fund, accounts for water utility revenues, including service fees and installation charges, and all expenses related to the construction and maintenance of the City's water distribution system.
- Sewer Fund - The Sewer Fund, which is reported as a major fund, accounts for user charges, fees and all operating costs associated with the operation, maintenance, upgrade and periodic reconstructions of the City's wastewater collection system.
- Golf Course Fund - The Golf Course Fund, which is reported as a major fund, accounts for revenues from user fees and expenses incurred for the operation and maintenance of "The Lakes at El Segundo" golf facility.
- Nonmajor Enterprise Funds - Accounts for revenues and expenses of the aggregate nonmajor enterprise funds.

*Internal Service Funds*

The Internal Service Funds account for financing of goods and services provided by one department to other departments of the City on a cost-reimbursement basis.

**Cash and Investments**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. All cash and investments of proprietary funds are held in the City's investment pool. These cash pools have the general characteristics of a demand deposit account, therefore, all cash and investments in the proprietary funds are considered cash and cash equivalents for Statement of Cash Flows purposes.

Investments are stated at fair value (quoted market price or best available estimate thereof).

**Fair Value Measurement**

U.S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosure about fair value measurement. Investments, unless otherwise specified at fair value in the financial statements, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Fair Value Measurement (Continued)**

*Level 1* – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.

*Level 2* – Inputs, other than quoted prices included in Level 1, that are observable for the assets or liabilities through corroboration with market data at the measurement date.

*Level 3* – Unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

**Interfund Transactions**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due from/to other funds” (i.e., current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the Government-Wide Financial Statements as “internal balances”.

**Inventories and Prepaid Items**

Inventories within the various fund types consist of materials and supplies which are valued at cost on a first-in, first-out basis. Reported expenditures reflect the consumption method of recognizing inventory- related expenditures.

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.

A nonspendable fund balance has been reported in the governmental funds to show that inventories and prepaid items do not constitute “available spendable resources”, even though they are a component of current assets.

**Capital Assets**

In the Government-Wide Financial Statements, capital assets are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Donated capital assets are valued at their acquisition value. City policy has set the capitalization threshold for reporting capital assets at \$5,000.

The City defines infrastructure assets as the basic physical assets that allow the City to function. The assets include streets, bridges, sidewalks, drainage systems, and lighting systems, etc. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, landscaping and land. These subsystems were not delineated in the basic financial statements. The appropriate operating department maintains information regarding the subsystems.

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Capital Assets (Continued)**

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets acquired under capital lease are capitalized at the net present value of the total lease payments.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method. The lives used for depreciation purposes are as follows:

Buildings/Structures and Improvements	50 Years
Vehicles and Equipment	5 to 50 Years
Infrastructure	25 to 100 Years

**Compensated Absences**

It is the City's policy to accrue annual leave when incurred in the Government-Wide Financial Statements and the proprietary funds. In governmental funds, the costs for annual leave that are expected to be liquidated with expendable available financial resources are reported as an expenditure and reported as a liability of the governmental fund only if they have matured.

A liability is recorded for unused sick leave balances only to the extent that it is probable that the unused balances will result in termination payments. This is estimated by including in the liability the unused balances of employees currently entitled to receive termination benefits, as well as those who are expected to become eligible to receive termination benefits as a result of continuing their employment with the City. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of a future event (illness) which is outside the control of the City and the employee.

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans (Note 8). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Pensions (Continued)**

The following timeframes are used for pension reporting:

CalPERS

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

PARS

Valuation Date	June 30, 2019
Measurement Date	September 30, 2020
Measurement Period	October 1, 2019 to September 30, 2020

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over five years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

**Other Postemployment Benefits (OPEB) Plan**

For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan (Note 9). For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments, which are reported at amortized cost.

The following timeframes are reported OPEB reporting: OPEB

Valuation Date	June 30, 2019
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Other Postemployment Benefits (OPEB) Plan (Continued)**

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the sources of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over 5 years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

**Claims Payable**

Claims payable in the Internal Service Fund represents estimates of claims against the City. The estimated claims payable represents the City's best estimate of the amount to be paid on workers' compensation and general liability claims. Losses for claims incurred but not reported are also recorded if the probable amount of loss can be reasonably estimated.

**Long-Term Debt**

In the Government-Wide Financial Statements and Proprietary Fund Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the appropriate activities. Bond premium and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

The governmental fund financial statements do not present long-term liabilities. Consequently, long-term debt is shown as a reconciling item in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

**Property Taxes**

Property taxes are attached as an enforceable lien on property at January 1. Taxes are levied on July 1 and are payable in two installments on December 10 and April 10. Any unpaid amounts at the end of the fiscal year are recorded as accounts receivable. The County of Los Angeles bills and collects the property taxes and substantially remits the amount due to the City in installments during the year. Historically, the City has received substantially all of the taxes levied within two years from the date they are levied. The County is permitted by state law (Article XIII A of the California Constitution) to levy taxes at 1% of full market value (at time of purchase) and can increase the property's value no more than 2% per year.

**CITY OF EL SEGUNDO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Net Position and Fund Balances**

In the Government-Wide Financial Statements and proprietary fund financial statements, net position is classified as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred outflows and inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

In the Governmental Fund Financial Statements, fund balances are classified as follows:

Nonspendable – Nonspendable fund balances are items that cannot be spent because they are not in spendable form, such as prepaid items and inventories, or items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

Restricted – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

Committed – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making, normally the governing body, and that remain binding unless removed in the same manner. The City Council is considered the highest authority for the City. Adoption of a resolution by the City Council is required to commit resources or to rescind the commitment.

Assigned – Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The City Council has authorized by resolution the City Finance Officer for that purpose.



**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Net Position and Fund Balances (Continued)**

Unassigned – This amount is for any portion of the fund balances that do not fall into one of the above categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

**Spending Policy**

**Government-Wide Financial Statements and the Proprietary Fund Financial Statements**

When expenses are incurred for purposes for which both restricted and unrestricted components of net position are available, the City's policy is to apply the restricted component of net position first, then the unrestricted component of net position as needed.

**Governmental Fund Financial Statements**

When expenditures are incurred for purposes for which all restricted, committed, assigned and unassigned fund balances are available, the City's policy is to apply in the following order, except for instances wherein an ordinance specifies the fund balance:

- Restricted
- Committed
- Assigned
- Unassigned

**Use of Estimates**

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

**New Accounting Pronouncements**

In January 2017, GASB issued Statement No. 84 – Fiduciary Activities. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**New Accounting Pronouncements (Continued)**

The City adopted GASB 84 in the current fiscal year. The implementation of this statement resulted in reclassification of the previously report Agency Funds, which no longer qualifies as fiduciary activity, to the City's General Fund.

**NOTE 2 BUDGETARY COMPLIANCE AND DEFICIT FUND BALANCES**

**Excess of Expenditures Over Appropriations**

The following funds had expenditures in excess of appropriations:

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess of Expenditures over Appropriations</u>
<b>Major Governmental Funds:</b>			
General Fund			
General Government:			
City Treasurer	\$ 154,701	\$ 155,235	\$ (534)
City Clerk	422,157	1,028,962	(606,805)
City Manager	2,109,586	4,606,984	(2,497,398)
Administrative Services	5,007,089	17,033,249	(12,026,160)
Nondepartmental	5,155,391	6,740,921	(1,585,530)
Public Safety:			
Police	16,376,802	74,489,662	(58,112,860)
Fire	13,068,393	66,123,938	(53,055,545)
Public Works:			
Administration	203,730	5,560,000	(5,356,270)
Government Buildings	1,560,051	1,585,669	(25,618)
Equipment Maintenance	909,498	984,825	(75,327)
Community and Cultural:			
Library	1,783,414	9,223,223	(7,439,809)
Debt Service:			
Principal Retirement	-	43,200	(43,200)
Interest	-	102,300	(102,300)
<b>Nonmajor Governmental Funds:</b>			
Federal Grants Special Revenue Fund			
Community and Cultural	250,000	356,978	(106,978)
Senior Housing Special Revenue Fund			
Community and Culture	15,500	96,769	(81,269)

**Deficit Net Positions and Fund Balance**

Funds with deficit fund balances and net position at June 30, 2021 are as follows:

	<u>Deficit</u>
Federal Grants Special Revenue Fund	\$ 206,426
State Grants Special Revenue Fund	98,204
Liability Insurance Internal Service Fund	3,324,493
Workers' Compensation Internal Service Fund	5,906,523

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2 BUDGETARY COMPLIANCE AND DEFICIT FUND BALANCES (CONTINUED)**

**Excess of Expenditures Over Appropriations**

The City expects to eliminate the Special Revenue Fund deficits when future reimbursements are received from granting agencies. The Liability Insurance and Workers' Compensation Internal Service Fund deficits are expected to be eliminated through future interdepartmental charges.

For the nine months ended June 30, 2021, the Governmental Activities of the City reported a deficit unrestricted net position of \$(124,749,270). This deficit is largely a result of the implementation of GASB Statement No. 68 in 2015 and GASB Statement No. 75 in 2018 that required the City to report aggregate net pension liabilities and net OPEB liability on the financial statements. The City's aggregate net pension liability at June 30, 2021 is \$153,315,976, of which \$148,991,592 is payable from Governmental Activities. The City's net OPEB liability at June 30, 2021 is \$25,813,431, of which \$24,543,210 is payable from Governmental Activities.

**NOTE 3 CASH AND INVESTMENTS**

The City maintains a cash and investment pool, which includes cash balances and authorized investments of all funds.

**Primary Government**

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

	Government-Wide Statement of Net Position		
	Governmental Activities	Business-Type Activities	Total
Cash and Investments	\$ 67,384,971	\$ 42,319,119	\$ 109,704,090
Restricted Cash	5,144,456	846,656	5,991,112
Total Cash and Investments	\$ 72,529,427	\$ 43,165,775	\$ 115,695,202

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

Cash and investments, excluding cash held by the El Segundo Senior Citizen Housing Corporation, as of June 30, 2021, consist of the following:

Cash and Cash Equivalents:	
Petty Cash	\$ 12,052
Demand Deposits	21,928,328
Cash with Custodial Agent	252,659
Restricted cash in PARS 115 Trust	5,144,456
Total Cash and Cash Equivalents	<u>27,337,495</u>
Investments:	
Money Market Mututal Funds	4,637
CAMP	84,415
Corporate Notes	12,824,304
Negotiable Certificates of Deposit	17,911,601
Local Agency Investment Fund	40,227,745
State Obligations	7,156,133
Supranational Obligations	1,262,613
U.S. Government Sponsored Enterprise Securities	8,295,450
Total Investments	<u>87,766,898</u>
Total Cash and Investments	<u>\$ 115,104,393</u>

**Blended Component Unit**

Cash held by the El Segundo Senior Citizen Housing Corporation as of December 31, 2020, consist of the following:

Deposits with Financial Institutions	<u>\$ 590,809</u>
--------------------------------------	-------------------

**Deposits**

The carrying amounts of the City's demand deposits were \$21,928,328 at June 30, 2021. Bank balances at that date were \$22,557,951, the total amount of which was collateralized or insured with accounts held by the pledging financial institutions in the City's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits, deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The City did not waive the collateral requirement for deposits insured by FDIC.

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Deposits (Continued)**

The City follows the practice of pooling cash and investments of all funds. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances.

**Investments**

Under the provision of the City's investment policy, and in accordance with California Government Code, the following investments are authorized:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio *</u>	<u>Maximum Investment in One Issuer</u>
United States Treasury Obligations	5 Years	No Limit	No Limit
U.S. Government Sponsored Enterprise Securities	5 Years	No Limit	No Limit
State and Local Agency Bonds	5 Years	10%	No Limit
Bankers' Acceptances	180 Days	40%	No Limit
Commercial Paper	270 Days	10%	3%
Negotiable Certificates of Deposit	5 Years	30%	No Limit
Local Agency Investment Fund (LAIF)	N/A	No Limit	\$75M
Nonnegotiable Certificates of Deposits	5 Years	No Limit	No Limit
Medium-Term Notes	5 Years	15%	3%
Mutual Funds	N/A	5%	10%
Money Market Mutual Funds	N/A	5%	10%
Supranational Obligations	5 Years	10%	No Limit
Joint Powers Authority Pool	N/A	30%	No Limit

N/A - Not Applicable

\* Excluding amounts held by bond trustees that are not subject to California Government Code restrictions.

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the state of California. The City's investments with LAIF at June 30, 2021, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities:

**Structured Notes:** debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

**Asset-Backed Securities:** generally mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2021, the City had \$40,227,745 invested in LAIF, which had invested 2.31% of the pool investment funds in Structured Notes and Asset-Backed Securities. The fair value of the City's portion in the pool is the same as the value of the pool shares.

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

**Investment in Section 115 Pension Trust**

The City established a trust account with Public Agency Retirement Services (PARS) to hold assets that are legally restricted for use in administering the City's CalPERS pension plans. The Section 115 Pension Trust's specific cash and investments are managed by a third-party portfolio manager under guidelines approved by the City.

**Investment in California Asset Management Program (CAMP)**

The City is a voluntary participant in the California Asset Management Program (CAMP) that is regulated by the California Government Code. 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 CAMP for the entire CAMP portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by CAMP, which are recorded on an amortized cost basis.

**Fair Value Measurement**

As of June 30, 2021, investments are reported at fair value. The following table presents the fair value measurements of investments on a recurring basis and the levels with GASB 72 fair value hierarchy in which the fair value measurements fall at June 30, 2021:

<u>Investment Type</u>	<u>Measurement Input</u>		
	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Uncategorized</u>	<u>Total</u>
Money Market Mutual Funds	\$ -	\$ 4,637	\$ 4,637
CAMP	-	84,415	84,415
Corporate Notes <sup>(1)</sup>	12,824,304	-	12,824,304
Negotiable Certificates of Deposit <sup>(1)</sup>	17,911,601	-	17,911,601
Local Agency Investment Fund	-	40,227,745	40,227,745
State Obligations <sup>(1)</sup>	7,156,133	-	7,156,133
Supranational Obligations <sup>(1)</sup>	1,262,613	-	1,262,613
U.S. Government Sponsored Enterprise Securities <sup>(1)</sup>	8,295,450	-	8,295,450
Total	<u>\$ 39,154,651</u>	<u>\$ 40,316,797</u>	<u>\$ 87,766,898</u>

<sup>(1)</sup> Pricing based on Interactive Data Corporation

All investments classified in Level 2 of the fair value hierarchy are valued using specified fair market value factors or institutional bond quotes.

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Risk Disclosures**

**Interest Rate Risk** - As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits investments to a maximum maturity of five years. At June 30, 2021, the City had the following investment maturities:

Investment Type	Investment Maturities (in Years)					
	Fair Value	Less Than				
		1 Year	1 to 2 Years	2 to 3 Years	3 to 4 Years	4 to 5 Years
Money Market Mutual Funds	\$ 4,637	\$ 4,637	\$ -	\$ -	\$ -	\$ -
CAMP	84,415	84,415	-	-	-	-
Corporate Notes	12,824,304	2,021,865	3,238,549	518,445	2,108,525	4,936,920
Negotiable Certificates of Deposit	17,911,601	4,907,500	-	4,513,806	4,639,012	3,851,283
Local Agency Investment Fund	40,227,745	40,227,745	-	-	-	-
State Obligations	7,156,133	558,385	1,856,883	3,160,515	1,580,350	-
Supranational Obligations	1,262,613	1,262,613	-	-	-	-
U.S. Government Sponsored Enterprise Securities	8,295,450	2,006,235	3,097,160	2,654,935	537,120	-
<b>Total</b>	<b>\$ 87,766,898</b>	<b>\$ 51,073,395</b>	<b>\$ 8,192,592</b>	<b>\$ 10,847,701</b>	<b>\$ 8,865,007</b>	<b>\$ 8,788,203</b>

**Custodial Credit Risk** - For deposits, custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer), the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

**Concentration of Credit Risk** - The City did not have any investments in any one issuer that represent 5% or more of the City's total investments as of June 30, 2021.

**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 or the City's investment policy and the actual rating (by Standard & Poor's) as of year-end for each investment type:

Investment Type	Minimum Legal Rating	Rating					
		Total	AAA	AA	A	BBB	Unrated
Money Market Mutual Funds	A	\$ 4,637	\$ 4,637	\$ -	\$ -	\$ -	\$ -
CAMP	N/A	84,415	84,415	-	-	-	-
Corporate Notes	A	12,824,304	-	2,727,279	5,366,570	4,730,455	-
Negotiable Certificates of Deposit	A	17,911,601	-	-	-	-	17,911,601
Local Agency Investment Fund	N/A	40,227,745	-	-	-	-	40,227,745
State Obligations	N/A	7,156,133	529,650	4,515,333	1,581,255	-	529,895
Supranational Obligations	AA	1,262,613	761,438	-	-	-	501,175
U.S. Government Sponsored Enterprise Securities	N/A	8,295,450	-	7,780,255	-	-	515,195
<b>Total</b>		<b>\$ 87,766,898</b>	<b>\$ 1,380,140</b>	<b>\$ 15,022,867</b>	<b>\$ 6,947,825</b>	<b>\$ 4,730,455</b>	<b>\$ 59,685,611</b>

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 4 NOTES AND LOANS RECEIVABLES**

**Loans to Employees**

The balance of notes receivable in the General Fund consists of loans made to employees for computer purchases. Participants in the computer loan program is eligible for an initial, interest free loan in the amount of \$4,000. Subsequent loans or amount in excess of the above maximum interest free loan, would be at the currently interest rate of 3%. All loans would include a 36-month repayment term. The balance at June 30, 2021 was \$6,042.

**Residential Rehabilitation Program**

The balance of notes receivable in the other governmental funds consists of minor home repair loans made to qualifying homeowners residing within the City. The balance at June 30, 2021 was \$49,405.

	Balance October 1, 2020	Additions	Deletions	Balance June 30, 2021
Residential Rehabilitation Program				
CDBG Loans	\$ 49,405	\$ -	\$ -	\$ 49,405
Total	\$ 49,405	\$ -	\$ -	\$ 49,405

**NOTE 5 INTERFUND ACTIVITIES**

**Fund Financial Statements**

**Due From/To Other Funds** - At June 30, 2021, the City had the following due from/to other funds:

	Due From Other Funds General Fund
<u>Due to Other Funds</u>	
Nonmajor Governmental Funds	\$ 304,851

The interfund amounts from the General Fund to the Nonmajor Governmental Funds and the Nonmajor Enterprise Fund are for short-term loans to cover operations.

**Advance From/To Other Funds** - At June 30, 2021, the City has the following advance from/advance to other funds, which represents the advance from Equipment Replacement Fund to the Golf Course Enterprise Fund to address negative cash:

	Advance From Other Funds Golf Course Enterprise Fund
<u>Advance to Other Funds</u>	
Equipment Replacement Internal Service	\$ 5,577,910



**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 5 INTERFUND ACTIVITIES**

**Transfers In/Out** - At June 30, 2021, the City had the following transfers in/out, which arise in the normal course of operations:

<u>Transfers Out</u>	Transfers In			Total
	Governmental Funds		Internal Service Funds	
	General Fund	Nonmajor Governmental Funds		
<b>Governmental Funds:</b>				
Major Funds:				
General Fund	\$ -	\$ 1,380,956	\$ 15,000	\$ 1,395,956
Nonmajor Governmental Funds	25,000	400,000	-	425,000
Total	\$ 25,000	\$ 1,780,956	\$ 15,000	\$ 1,820,956

Administratively, resources may be transferred from one City fund to another. The City made the following transfers:

- The General Fund transferred \$1,376,319 to Capital Improvement Nonmajor Capital Projects Fund and \$15,000 to Internal Service Funds to fund capital projects.
- The General Fund transferred \$4,637 of cash to the Pension Obligation Bonds Nonmajor Debt Service Fund. This is cash remaining in the Pension Obligation Bonds' cash with fiscal agent account.
- The Cultural Development Nonmajor Special Revenue Fund transferred \$400,000 to Capital Improvement Capital Projects Fund to fund capital projects.
- The Traffic Safety Nonmajor Special Revenue Fund transferred \$25,000 to the General Fund for eligible expenditures.

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 6 CAPITAL ASSETS**

**Governmental Activities**

A summary of changes in capital assets for the governmental activities for the nine months ended June 30, 2021 was as follows:

	Governmental Activities			Balance June 30, 2021
	Balance October 1, 2020	Additions	Deletions	
Capital Assets, not Being Depreciated:				
Land and Rights of Way	\$ 29,522,040	\$ -	\$ -	\$ 29,522,040
Construction in Progress	163,898	1,781,130	(1,252,390)	692,638
Total Capital Assets, not Being Depreciated	29,685,938	1,781,130	(1,252,390)	30,214,678
Capital Assets, Being Depreciated:				
Buildings and Improvements	38,548,209	-	-	38,548,209
Vehicles and Equipment	24,107,347	334,779	-	24,442,126
Infrastructure	93,893,697	917,611	-	94,811,308
Total Capital Assets, Being Depreciated	156,549,253	1,252,390	-	157,801,643
Less Accumulated Depreciation:				
Buildings and Improvements	(20,495,135)	(597,756)	-	(21,092,891)
Vehicles and Equipment	(16,979,277)	(1,004,146)	-	(17,983,423)
Infrastructure	(48,793,674)	(1,874,142)	-	(50,667,816)
Total Accumulated Depreciation	(86,268,086)	(3,476,044)	-	(89,744,130)
Total Capital Assets, Being Depreciated, Net	70,281,167	(2,223,654)	-	68,057,513
Governmental Activities Capital Assets, Net	<u>\$ 99,967,105</u>	<u>\$ (442,524)</u>	<u>\$ (1,252,390)</u>	<u>\$ 98,272,191</u>

Depreciation expenses were charged to functions/programs of the governmental activities for the nine months ended June 30, 2021 as follows:

General Government	\$ 213,870
Public Safety	495,086
Public Works	2,090,697
Community and Cultural	676,391
Total Depreciation Expense	<u>\$ 3,476,044</u>

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 6 CAPITAL ASSETS (CONTINUED)**

**Business-Type Activities**

A summary of changes in capital assets for the business-type activities, not including the El Segundo Senior Citizen Housing Corporation, for the nine months ended June 30, 2021 was as follows:

	Business-Type Activities, Not Including the Corporation			
	Balance			Balance
	October 1, 2020	Additions	Deletions	June 30, 2021
Capital Assets, not Being Depreciated:				
Land	\$ 5,999,980	\$ -	\$ -	\$ 5,999,980
Construction in Progress	296,936	952,052	-	1,248,988
Total Capital Assets, not Being Depreciated	6,296,916	952,052	-	7,248,968
Capital Assets, Being Depreciated:				
Buildings and Improvements	8,755,787	-	(5,461,282)	3,294,505
Improvements Other Than Buildings	418,161	-	(418,161)	-
Vehicles and Equipment	1,095,337	-	(242,330)	853,007
Infrastructure	64,172,830	-	(5,452,594)	58,720,236
Total Capital Assets, Being Depreciated	74,442,115	-	(11,574,367)	62,867,748
Less Accumulated Depreciation:				
Buildings and Improvements	(6,434,444)	(54,916)	3,194,855	(3,294,505)
Improvements Other Than Buildings	(173,880)	(10,512)	184,392	-
Vehicles and Equipment	(1,079,839)	(15,496)	242,328	(853,007)
Infrastructure	(42,382,885)	(513,553)	3,930,301	(38,966,137)
Total Accumulated Depreciation	(50,071,048)	(594,477)	7,551,876	(43,113,649)
Total Capital Assets, Being Depreciated, Net	24,371,067	(594,477)	(4,022,491)	19,754,099
Business-Type Activities Capital Assets, Net	<u>\$ 30,667,983</u>	<u>\$ 357,575</u>	<u>\$ (4,022,491)</u>	<u>\$ 27,003,067</u>

Depreciation expenses for business-type activities, not including the Corporation, for the nine months ended June 30, 2021, was charged as follows:

Water	\$ 132,643
Sewer	358,819
Golf Course	103,015
Total Depreciation Expense	<u>\$ 594,477</u>

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 6 CAPITAL ASSETS (CONTINUED)**

**Blended Component Unit**

A summary of changes in capital assets for the El Segundo Senior Citizen Housing Corporation for the year ended December 31, 2020 was as follows:

	El Segundo Senior Citizen Housing Corporation			
	Balance January 1, 2020	Additions	Deletions	Balance December 31, 2021
Capital Assets, Being Depreciated:				
Buildings and Improvements	\$ 1,046,041	\$ -	\$ -	\$ 1,046,041
Furniture and Equipment	298,542	22,515	-	321,057
Total Capital Assets, Being Depreciated	1,344,583	22,515	-	1,367,098
Less Accumulated Depreciation:				
Buildings and Improvements	(611,193)	(35,126)	-	(646,319)
Furniture and Equipment	(282,376)	(5,273)	-	(287,649)
Total Accumulated Depreciation	(893,569)	(40,399)	-	(933,968)
 Total Capital Assets, Being Depreciated, Net	 451,014	 (17,884)	 -	 433,130
 Total Capital Assets, Net	 \$ 451,014	 \$ (17,884)	 \$ -	 \$ 433,130

Depreciation expenses for the Corporation for the fiscal year ended December 31, 2020 was \$40,399.

**NOTE 7 LONG-TERM LIABILITIES**

**Governmental Activities**

A summary of changes in long-term liabilities for governmental activities for the nine months ended June 30, 2021 was as follows:

	Balance October 1, 2020	Additions	Deletions	Balance June 30, 2021	Due within One Year	Due in more than One Year
	<i>Direct Borrowings:</i>					
Capital Lease Obligation:						
2003 Parking Structure Lease	\$ 2,024,903	\$ -	\$ 43,200	\$ 1,981,703	\$ 61,126	\$ 1,920,577
Facility Lease Obligation:						
2005 Douglas Street Gap Closure Project	6,178,064	-	-	6,178,064	335,351	5,842,713
Other Long-Term Debt:						
Pension Obligation Bonds	-	140,095,398	-	140,095,398	6,351,847	133,743,551
Claims Payable	12,926,000	5,839,050	2,578,050	16,187,000	2,909,007	13,277,993
Compensated Absences	5,104,911	163,290	232,181	5,036,020	3,795,229	1,240,791
Total	\$ 26,233,878	\$ 146,097,738	\$ 2,853,431	\$ 169,478,185	\$ 13,452,560	\$ 156,025,625

Typically, the General Fund has been used to liquidate the liability for compensated absences, and the capital lease obligation. The Liability Insurance and Workers' Compensation Internal Service Funds has been used to liquidate claims payable. The Nonmajor Facility Lease Debt Service Fund has been used to liquidate the facility lease obligation. The Nonmajor Pension Obligation Bonds Debt Service Fund has been used to liquidate the Pension Obligation Bonds.

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 7 LONG-TERM LIABILITIES (CONTINUED)**

**Governmental Activities (Continued)**

**Capital Lease Obligation**

**2003 Parking Structure Lease**

On June 18, 2002, the City entered into a capital lease agreement with 612 Twin Holdings, LLC to acquire a two story, three level parking structure and certain retail space. The terms of the lease include an initial payment of \$1,100,000, monthly lease payments of \$16,167 with an imputed interest rate of 6.80% for 408 months, and a purchase option for \$200,000 due on January 1, 2039. The capital asset acquired had a present value of \$3,688,222 (\$1,659,700 and \$2,028,522 for the building structure and the land, respectively) with an annual depreciation of \$33,194 and accumulated depreciation totaling \$589,101 as of June 30, 2021.

The amount outstanding at June 30, 2021 totaled \$1,981,703. The annual debt service requirements on the capital lease are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 61,126	\$ 132,874	\$ 194,000
2023	65,415	128,585	194,000
2024	70,004	123,996	194,000
2025	74,916	119,084	194,000
2026	80,172	113,828	194,000
2027-2031	613,975	550,025	1,164,000
2032-2036	741,351	228,649	970,000
2037-2038	274,744	8,090	282,834
Total	<u>\$ 1,981,703</u>	<u>\$ 1,405,131</u>	<u>\$ 3,386,834</u>

**Facility Lease Obligation**

**2005 Douglas Street Gap Closure Project**

On September 1, 2005, the City entered into a facility lease agreement with the California Infrastructure and Economic Development Bank (CIEDB) whereby CIEDB issued bonds in the amount of \$10,000,000 to finance the Douglas Street Gap Closure Project. The City will make rental lease payments over a 30-year period starting on February 1, 2006, at an interest rate of 2.87% per annum. Interest payments on the lease obligation are due on February 1 and August 1 of each year.

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 7 LONG-TERM LIABILITIES (CONTINUED)**

**Governmental Activities (Continued)**

**2005 Douglas Street Gap Closure Project (Continued)**

The amount outstanding at June 30, 2021 totaled \$6,178,064. The annual debt service requirements on the facility lease are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 335,351	\$ 172,498	\$ 507,849
2023	344,975	162,735	507,710
2024	354,876	152,693	507,569
2025	365,061	142,361	507,422
2026	375,538	131,734	507,272
2027-2031	2,045,683	488,268	2,533,951
2032-2036	2,356,580	172,911	2,529,491
Total	<u>\$ 6,178,064</u>	<u>\$ 1,423,200</u>	<u>\$ 7,601,264</u>

**Pension Obligation Bonds**

On May 26, 2021, the City issued \$144,135,000 of Taxable Pension Obligation Bonds, Series 2021 (POB), to fund a portion of the City's obligations to CalPERS for the unfunded actuarial accrued liability with respect to the City's miscellaneous and safety defined benefit pension plans. The City allocated the POB between governmental activities and business-type activities as follows:

Governmental Activities	\$ 140,095,397
Business-Type Activities	4,039,603
	<u>\$ 144,135,000</u>

The POB is due from 2022 through 2040 in annual principal installments of \$6,535,000 to \$9,265,000. Interest rates range from 0.191% to 2.897% and interest is payable semiannually on January 1 and July 1. The total outstanding principal as of June 30, 2021, is \$144,135,000. The total annual debt service requirements on the POB are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ -	\$ 1,617,543	\$ 1,617,543
2023	6,535,000	3,135,688	9,670,688
2024	6,735,000	3,023,796	9,758,796
2025	6,760,000	2,990,144	9,750,144
2026	6,805,000	2,937,614	9,742,614
2027-2031	35,365,000	13,187,452	48,552,452
2032-2036	39,215,000	9,134,041	48,349,041
2037-2042	42,720,000	3,206,508	45,926,508
Total	<u>\$ 144,135,000</u>	<u>\$ 39,232,786</u>	<u>\$ 183,367,786</u>

The annual debt service requirements will be allocated 97% to governmental activities and 3% to business-type activities.

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 7 LONG-TERM LIABILITIES (CONTINUED)**

**Business-Type Activities**

The following is a summary of changes in long-term liabilities for business-type activities for the nine months ended June 30, 2021:

	Balance October 1, 2020	Additions	Deletions	Balance June 30, 2021	Due within One Year	Due in more than One Year
Compensated Absences	\$ 216,706	\$ 35,550	\$ 76,110	\$ 176,146	\$ 128,741	\$ 47,405
Pension Obligation Bonds	-	4,039,602	-	4,039,602	183,153	3,856,449
Total	<u>\$ 216,706</u>	<u>\$ 4,075,152</u>	<u>\$ 76,110</u>	<u>\$ 4,215,748</u>	<u>\$ 311,894</u>	<u>\$ 3,903,854</u>

Compensated absences are typically liquidated by the Water and Sewer Enterprise Funds.

**NOTE 8 RETIREMENT PLANS**

**Summary**

The following is the summary of net pension liability and related deferred outflows of resources and deferred inflows of resources at June 30, 2021 and pension expense for the year then ended.

	Governmental Activities	Business-Type Activities	Total
<b>Deferred Outflows of Resources:</b>			
Miscellaneous	\$ 32,363,760	\$ 4,575,277	\$ 36,939,037
Safety	134,088,642	-	134,088,642
PARS	7,120	-	7,120
Total Deferred Outflows of Resources	<u>\$ 166,459,522</u>	<u>\$ 4,575,277</u>	<u>\$ 171,034,799</u>
<b>Aggregate Net Pension Liabilities:</b>			
Miscellaneous	\$ 29,930,247	\$ 4,324,384	\$ 34,254,631
Safety	118,102,353	-	118,102,353
PARS	958,992	-	958,992
Total Aggregate Net Pension Liabilities	<u>\$ 148,991,592</u>	<u>\$ 4,324,384</u>	<u>\$ 153,315,976</u>
<b>Deferred Inflows of Resources:</b>			
Miscellaneous	\$ 113,658	\$ 16,422	\$ 130,080
Safety	3,046,383	-	3,046,383
PARS	18,765	-	18,765
Total Deferred Inflows of Resources	<u>\$ 3,178,806</u>	<u>\$ 16,422</u>	<u>\$ 3,195,228</u>
<b>Pension Expense:</b>			
Miscellaneous	\$ 3,537,045	\$ 511,040	\$ 4,048,085
Safety	31,032,350	-	31,032,350
PARS	71,900	-	71,900
Total Pension Expense	<u>\$ 34,641,295</u>	<u>\$ 511,040</u>	<u>\$ 35,152,335</u>

The City elected to join PARS as a means to provide additional funding for the CalPERS Miscellaneous and Safety defined benefit pension plans. The General Fund contains the Section 115 Trust balance restricted cash balance of \$5,144,456 as of June 30, 2021.

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 RETIREMENT PLANS (CONTINUED)**

**California Public Employees' Retirement System (CalPERS)**

**General Information about the Pension Plan**

*Plan Descriptions*

The City contribution to the California Public Employees Retirement System (CalPERS), an agent multiple-employer defined benefit pension plan for miscellaneous employees and a cost-sharing multiple- employer defined benefit plan for safety employees. CalPERS acts as a common investment and administrative agent for participating public entities within the state of California. Benefit provisions and all other requirements are established by state statute and City ordinance. A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2020 Annual Actuarial Valuation Report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

*Benefits Provided*

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. A classic CalPERS member or PEPRA Safety member becomes eligible for service retirement upon attainment of age 50 with at least five years of credited service. During the year ended June 30, 2013, the California's Public Employees' Pension Reform Act (PEPRA) went into effect. Employees hired after January 1, 2013 who are new to the CalPERS system are part of the PEPRA plan. PEPRA miscellaneous members become eligible for service retirement upon attainment of age 52 with at least five years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 or 12 consecutive months' full-time equivalent monthly pay. Retirement benefits for classic miscellaneous employees are calculated as 2% of average final 12 months compensation. Retirement benefit for PEPRA miscellaneous employees are calculated as 2% of the average final 36 months compensation. Retirement benefits for classic safety employees are calculated as 3% of the average final 12 months compensation. Retirement benefits for PEPRA safety employees are calculated as 2.7% of average final 36 months.



**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 RETIREMENT PLANS (CONTINUED)**

**California Public Employees' Retirement System (CalPERS) (Continued)**

**General Information about the Pension Plan**

**Benefits Provided (Continued)**

Following are the benefit provision for each plan:

	Miscellaneous		
	Miscellaneous Rate Plan	Miscellaneous Second Tier Rate Plan	PEPRA Miscellaneous Rate Plan
Hire Date	Prior to January 1, 2013	Prior to January 1, 2013 Classic Member	On or After January 1, 2013 New Member
Benefit Formula	2% @ 55	2% @ 60	2% @ 62
Benefit Vesting Schedule	5 Years Service	5 Years Service	5 Years Service
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement Age	Minimum 50 Years	Minimum 50 Years	Minimum 52 Years
	Safety - Police/Fire		
	Safety Rate Plan	Safety Second Tier Rate Plan	PEPRA Safety Rate Plan
Hire Date	Prior to October 6, 2012	Between October 6, 2012 to December 31, 2012 Classic Member	On or After January 1, 2013 New Member
Benefit Formula	Police - 3% @ 50 Fire - 3% @ 55	Police - 3% @ 55	2.7% @ 57
Benefit Vesting Schedule	5 Years Service	5 Years Service	5 Years Service
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement Age	Minimum 50 Years	Minimum 50 Years	Minimum 50 Years

Participants are eligible for nonindustrial disability retirement if the participant becomes disabled and has at least five years of credited service. There is no special age requirement. The standard nonindustrial disability retirement benefit is a monthly allowance equal to 1.8% of final compensation, multiplied by service.

Industrial disability benefits are not offered to miscellaneous employees. The City provides industrial disability retirement benefit to safety employees. The industrial disability retirement benefit is a monthly allowance equal to 50% of final compensation.

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 RETIREMENT PLANS (CONTINUED)**

**California Public Employees' Retirement System (CalPERS) (Continued)**

**General Information about the Pension Plan**

**Benefits Provided (Continued)**

An employee's beneficiary may receive the basic death benefit if the employee becomes deceased while actively employed. The employee must be actively employed with the City to be eligible for this benefit. An employee's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the employee's accumulated contributions, where interest is currently credited at 7.5% per year, plus a lump sum in the amount of one month's salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death. Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree's designated survivor(s), or to the retiree's estate.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2%.

**Employee Covered by Benefit Terms**

At June 30, 2020, the measurement date, the following employees were covered by the benefit terms under the miscellaneous plans:

	Miscellaneous Plans
Active Employees	176
Transferred and Terminated Employees	312
Retired Employees and Beneficiaries	359
Total	847

**Contributions**

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

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 RETIREMENT PLANS (CONTINUED)**

**California Public Employees' Retirement System (CalPERS) (Continued)**

**General Information about the Pension Plan (Continued)**

**Contributions (Continued)**

The required contribution rates are as follows:

	Measurement Period Ended June 30, 2020	
	Miscellaneous Plans	
	Classic	PEPRA
Employer Contribution Rate	9.395%	9.395%
Employee Contribution Rate	7.000%	6.250%

	Measurement Period Ended June 30, 2020				
	Safety Plans				
	Police - Tier 1	Police - Tier 2	Police PEPRA	Fire - Tier 1	Fire - PEPRA
Employer Contribution Rate	25.829%	23.558%	13.884%	21.757%	13.884%
Employee Contribution Rate	9.000%	9.000%	13.75%	9.000%	13.75%

Employer contributions for the miscellaneous and safety plans for the nine months ended June 30, 2021, was \$33,525,869 and \$112,915,194, respectively.

**Net Pension Liability**

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plans' fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures.

**Actuarial Methods and Assumption Used to Determine Total Pension Liability**

A summary of principal assumptions and methods used to determine the net pension liability of the miscellaneous and safety plans are as follows:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	(1)
Post Retirement Benefit Increase	(2)

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

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

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 RETIREMENT PLANS (CONTINUED)**

**California Public Employees' Retirement System (CalPERS) (Continued)**

**Net Pension Liability (Continued)**

**Long-term Expected Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as followed:

<u>Asset Class 1</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 -10 <sup>2</sup></u>	<u>Real Return Years 11+ <sup>2</sup></u>
Global Equity	50.00 %	4.80 %	5.98 %
Fixed Income	28.00	1.00	2.62
Inflation Assets	-	0.77	1.81
Private Equity	8.00	6.30	7.23
Real Assets	13.00	3.75	4.92
Liquidity	1.00	-	(0.92)
	<u>100.00 %</u>		

<sup>1</sup> In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

<sup>2</sup> An expected inflation of 2.0% and 2.92% used for years 1-10 and years 11+, respectively.

**Discount Rate**

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

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 RETIREMENT PLANS (CONTINUED)**

**California Public Employees' Retirement System (CalPERS) (Continued)**

**Subsequent Events**

There were no subsequent events that would materially affect the results in this disclosure.

**Changes in the Net Pension Liability**

The following table shows the changes in net pension liability for the City's Miscellaneous Plan recognized over the measurement period.

	<u>Miscellaneous Plan</u>		
	<u>Increase (Decrease)</u>		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2019 (Measurement Date)	\$ 120,807,009	\$ 88,056,385	\$ 32,750,624
Changes Recognized for the Measurement Period:			
Service Cost	2,088,245	-	2,088,245
Interest on the Total Pension Liability	8,447,044	-	8,447,044
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(221,184)	-	(221,184)
Plan to Plan Resource Movement	-	3,966	(3,966)
Contributions from the Employer	-	3,584,857	(3,584,857)
Contributions from Employee	-	946,546	(946,546)
Net Investment Income	-	4,398,867	(4,398,867)
Benefit Payments, Including Refunds of Employee Contributions	(6,978,924)	(6,978,924)	-
Administrative Expense	-	(124,138)	124,138
Net Changes	<u>3,335,181</u>	<u>1,831,174</u>	<u>1,504,007</u>
Balance at June 30, 2020 (Measurement Date)	<u>\$ 124,142,190</u>	<u>\$ 89,887,559</u>	<u>\$ 34,254,631</u>

**Proportionate Share of Net Pension Liability and Pension Expense**

The following table shows the City's safety plan's proportionate share of the risk pool collective net pension liability over the measure period.

	<u>Safety Plan</u>
	<u>Proportionate</u>
	<u>Share of Net</u>
	<u>Pension Liability</u>
Balance at June 30, 2020 (Measurement Date)	<u>\$ 118,102,353</u>

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 RETIREMENT PLANS (CONTINUED)**

**California Public Employees' Retirement System (CalPERS) (Continued)**  
**Changes in the Net Pension Liability (Continued)**

*Proportionate Share of Net Pension Liability and Pension Expense (Continued)*

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool.

- (1) In determining a cost-sharing plan's proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2019). The risk pool's fiduciary net position (FNP) subtracted from its total pension liability (TPL) determines the net pension liability (NPL) at the valuation date.
- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2020). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool's FNP at the measurement date denotes the aggregate risk pool's FNP at June 30, 2020 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2019-2020).
- (3) The individual plan's TPL, FNP and NPL are also calculated at the valuation date. TPL is allocated based on the rate plan's share of the actuarial accrued liability. FNP is allocated based on the rate plan's share of market value assets.
- (4) Two ratios are created by dividing the plan's individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool's total TPL and FNP, respectively.
- (5) The plan's TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan's FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.
- (6) The plan's NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

Deferred outflows of resources, deferred inflows of resources, and pension expense are allocated based on the City's NPL as a percentage of the total plan's NPL.

The City's proportionate share of the net pension liability was as follows:

	<u>Safety Plan</u>
June 30, 2019 measurement date	1.7839 %
June 30, 2020 measurement date	<u>1.7727</u>
Change - Increase (Decrease)	<u><u>0.0112 %</u></u>

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 RETIREMENT PLANS (CONTINUED)**

**California Public Employees' Retirement System (CalPERS) (Continued)**

**Changes in the Net Pension Liability (Continued)**

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

The following presents the net pension liability of the plans as of the measurement date, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.15%) or one percentage-point higher (8.15%) than the current rate:

	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Miscellaneous Plan	\$ 49,708,803	\$ 34,254,631	\$ 21,450,265
Safety Plan	\$ 159,830,180	\$ 118,102,353	\$ 83,860,722

**Pension Plan Fiduciary Net Position**

Detailed information about the plan's fiduciary net position is available in the separately issued CalPERS financial report. See CalPERS website for additional information.

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

For the measurement date of June 30, 2020, the City recognized pension expense in the amounts of \$4,048,085 and \$31,032,350 for the miscellaneous plans and safety plans, respectively.

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

	Miscellaneous Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contribution Made After Measurement Date	\$ 36,322,817	\$ -
Difference Between Expected and Actual Experience	-	(130,080)
Net Difference Between Projected and Actual Earning on Pension Plan Investments	616,220	-
Total	\$ 36,939,037	\$ (130,080)

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 RETIREMENT PLANS (CONTINUED)**

**California Public Employees' Retirement System (CalPERS) (Continued)**  
**Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Continued)**

	Safety Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contribution Made After Measurement Date	\$ 122,118,094	\$ -
Difference Between Expected and Actual Experience	9,158,238	-
Changes of Assumptions	-	(393,401)
Difference Between Projected and Actual Earnings on Pension Plan Investments	2,566,861	-
Change in Employer's Proportion and Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	245,449	(2,652,982)
Total	\$ 134,088,642	\$ (3,046,383)

\$36,322,817 and \$122,118,094 reported as deferred outflows of resources related to pensions for miscellaneous plan and safety plan, respectively, resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in the future pension expense as follows:

<u>Measurement Period Ending June 30.</u>	Deferred Outflows/ (Inflows) of Resources	Deferred Outflows/ (Inflows) of Resources
	Measurement Plan	Safety Plan
2022	\$ (499,109)	\$ 1,028,864
2023	181,017	3,783,776
2024	445,771	2,825,384
2025	358,461	1,286,141
Thereafter	-	-
Total	\$ 486,140	\$ 8,924,165

**Payable to the Pension Plan**

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



**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 RETIREMENT PLANS (CONTINUED)**

**Public Agency Retirement System (PARS)**

**General Information about the Pension Plan**

*Plan Description*

On September 1, 2008, the City approved the establishment of a Retirement Enhancement Plan (the Plan) for eligible employees of the Supervisory and Professional Employees' Association of the City, effective October 1, 2008. Effective November 3, 2015 (Freeze Date), both benefits service and final pay are frozen. The Plan provides a supplemental retirement benefit in addition to the employees' current CalPERS retirement plan. The Plan is an agent multiple-employer defined benefit plan. The Plan will provide for 0.5% at age 55 for employees who retire from the City under CalPERS on or after September 30, 2008 and have 15 years of continuous City service.

The City's Finance Director is the Plan Administrator and is responsible for taking the necessary actions to implement and administer the Plan in compliance with the Plan Document and applicable legal requirements. Public Agency Retirement Services (PARS) is the Trust Administrator and is responsible for Plan accounting, coordinating benefit distributions with the Trustee, and communicating Plan provisions. Union Bank of California is the Trustee and is responsible for receiving and investing Plan contributions, safeguarding Plan assets, and distributing benefits to eligible Plan participants or beneficiaries at the direction of the Plan Administrator and pursuant to the Plan Document.

The amounts of the benefit payments are calculated by the Trust Administrator and all accounting and reporting functions are performed by the Trust Administrator. Plan assets are considered to be held by the third-party administrator on behalf of the employees and are therefore excluded from the accompanying financial statements. The City's responsibilities for this Plan are not sufficient administrative involvement to constitute a "holding of assets" by the City in a pension trust fund. The year ended September 30, 2009, was the first year of the Plan.

The Plan issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by contacting the Trust Administrator at the following address or telephone number:

Public Agency Retirement Services,  
PARS Trust Administrator  
PO Box 12919  
Newport Beach, CA 92658-2919  
(800) 540-6369

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 RETIREMENT PLANS (CONTINUED)**

**Public Agency Retirement System (PARS) (Continued)**

**General Information about the Pension Plan (Continued)**

**Benefits Provided**

Below is the benefits summary provided by the Plan.

Eligibility	Supervisory and Professional employees Full-time employees in the group between August 5, 2008 and October 1, 2012 Before Plan Freeze: <ul style="list-style-type: none"> <li>• Retire from City under CalPERS on or after September 30, 2008</li> <li>• Age 55 with 15 years continuous City service</li> </ul> After Plan Freeze: <ul style="list-style-type: none"> <li>• Retire from CalPERS</li> <li>• Age 55</li> <li>• Does not need to retire directly from the City</li> </ul>
Retirement Benefit	Target of 2.5% @ 55 less CalPERS 2% @ 55 City service from hire date through Freeze Date
Final Pay	Highest consecutive 12-month pay as of Freeze Date PERSable pay including EPMC
COLA	2% after retirement
Normal Form of Benefit	Single life annuity
Termination/Disability/	100% vesting as of Freeze Date
Pre-Retirement Death Benefit	Greater of the following: <ul style="list-style-type: none"> <li>• Refund of employee contributions with 4.25% interest</li> <li>• Deferred retirement benefit</li> </ul>

**Employees Covered by Benefit Terms**

At September 30, 2020, the measurement date, the following employees were covered by the benefit terms:

Active Employees	8
Terminated Employees	6
Retired Employees and Beneficiaries	13
Total	27

**Contributions and Funding Policy**

The City's funding policy is to make the contribution as determined by the Plan's actuary. There was no employee contribution after Freeze Date. Members may elect to receive lump sum refund of employee contributions with 4.25% interest in lieu of annuity upon termination / retirement / disability / death. Employer contributions are determined by actuarial study performed at least every two years. The Plan's annual pension contribution for the measurement date ended September 30, 2020, was based on an actuarial valuation as of June 30, 2020. For the measurement date ended September 30, 2020, the City made contributions of \$158,000 to the Plan, which was a contribution to the PARS trust. For the nine months ended June 30, 2021, no contributions were made.

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 RETIREMENT PLANS (CONTINUED)**

**Public Agency Retirement System (PARS) (Continued)**

**Net Pension Liability**

**Actuarial Methods and Assumptions Used to Determine Total Pension Liability**

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of September 30, 2020, using an actuarial valuation as of June 30, 2020. A summary of principal assumptions and methods used to determine the net pension liability is as follows:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	5.75%
Investment Return	5.75%
Inflation	2.75%
Mortality, Disability, and Termination	CalPERS 1997-2015 experience study Projected fully generational with Scale MP-2020
Service Retirement	CalPERS 1997-2015 Experience Study. Benefit: Modified 2.5% @ 55. Adding 1/3 of sum of the rates for ages 50-54 to the rate for age 55
Post Retirement Cost of Living Adjustment	2.00%

**Discount Rate**

The discount rate used to measure the total pension liability was 5.75%. The projection of cash flows utilized to determine the discount rate assumed that contributions from the City would be made at the actuarially determined contribution amount. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The table below reflects target allocation and expected real rate of return by asset classes for the moderate portfolio selected by the City:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>
Global Equity	58.00 %	4.82 %
Fixed Income	35.00	1.47
REITs	2.00	3.76
Cash	5.00	0.06
	<u>100.00 %</u>	
Assumed Long-Term Rate of Inflation		2.75 %
Expected Long-Term Net Rate of Return, Rounded		5.75 %

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 RETIREMENT PLANS (CONTINUED)**

**Public Agency Retirement System (PARS) (Continued)**

**Net Pension Liability (Continued)**

**Discount Rate (Continued)**

The City elected to use 5.75% investment return assumption.

Confidence Level	50%	55%
Net Return after Expenses	6.25 %	6.00 %
Plan Non-Investment Expense <sup>1</sup>	(0.50)	(0.50)
Net Return	5.75 %	5.50 %

<sup>1</sup> Based on expected long term non-investment expenses

**Changes in Assumptions**

The mortality improvement scale was updated to Scale MP-2020 in the June 30, 2020, actuarial valuation.

**Subsequent Events**

There were no subsequent events that would materially affect the results in this disclosure.

**Changes in Net Pension Liability**

The table on the following page shows the changes in net pension liability recognized over the measurement period:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at September 30, 2019	\$ 2,270,964	\$ 1,196,457	\$ 1,074,507
Changes Recognized for the Measurement Period:			
Interest on the Total Pension Liability	127,254	-	127,254
Differences Between Expected and Actual Experience	12,206	-	12,206
Changes of Assumptions	(18,261)	-	(18,261)
Contributions from the Employer	-	158,000	(158,000)
Net Investment Income	-	84,790	(84,790)
Benefit Payments, Including Refunds of Employee Contributions	(115,700)	(115,700)	-
Administrative Expense	-	(6,076)	6,076
Net Changes	5,499	121,014	(115,515)
Balance at September 30, 2020 (Measurement Date)	\$ 2,276,463	\$ 1,317,471	\$ 958,992

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 RETIREMENT PLANS (CONTINUED)**

**Public Agency Retirement System (PARS) (Continued)**

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

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 5.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (4.75%) or one percentage- point higher (6.75%) than the current rate:

	Discount Rate -1% (4.75%)	Current Discount Rate (5.75%)	Discount Rate 1% (6.75%)
Plan's Net Pension Liability	\$ 1,208,123	\$ 958,992	\$ 746,947

**Pension Plan Fiduciary Net Position**

Detailed information about the PARS California defined benefit pension program's fiduciary net position as of June 30, 2020, the most recent available audited information, is as follows: total assets: \$422,728,992 (cash and cash equivalents of \$25,961,241, contributions receivable of \$551,373, investments of \$396,082,912, and investment income receivable of \$133,466); total accrued liabilities: \$39,956; and, fiduciary net position: \$422,689,036. This audited information is on an accrual basis of accounting and investments are reported at fair value.

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

For the measurement period ended September 30, 2020, the City incurred pension expense of \$71,900 and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 7,120	\$ -
Changes of Assumptions	-	(10,652)
Net Difference Between Projected and Actual Earning on Pension Plan Investments	-	(8,113)
Total	\$ 7,120	\$ (18,765)

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 RETIREMENT PLANS (CONTINUED)**

**Public Agency Retirement System (PARS) (Continued)**

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

<u>Measurement Period Ending September 30.</u>	<u>Deferred Outflows/ (Inflows) of Resources</u>
2021	\$ (10,584)
2022	(1,070)
2023	1,482
2024	(1,473)
Thereafter	-
Total	<u>\$ (11,645)</u>

**Payable to the Pension Plan**

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

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 9 OTHER POSTEMPLOYMENT HEALTH BENEFITS**

At June 30, 2021, net OPEB liability and related deferred outflows of resources and deferred inflows of resources are as follows:

	Governmental Activities	Business-Type Activities	Total
Deferred Outflows of Resources	\$ 1,984,770	\$ 102,721	\$ 2,087,491
Net Other Postemployment Benefit Liability	\$ 24,543,210	\$ 1,270,221	\$ 25,813,431
Deferred Inflows of Resources	\$ 8,147,911	\$ 421,691	\$ 8,569,602
OPEB Expense	\$ 1,274,457	\$ 65,959	\$ 1,340,416

**General Information About the OPEB Plan**

**Plan Description**

The City provides postretirement medical benefits under an agent multiple-employer defined benefit plan to employees who retire directly from the City under CalPERS with age and service requirements that vary by bargaining unit. For eligible retirees, the City contributes a portion of the premium for the medical plan selected by the retiree.

Benefit provisions for CalPERS are established and amended through negotiations between the city and the respective unions. The plan issues a publicly available financial report that includes financial statements and required supplementary information for that plan. Those reports may be obtained from CalPERS on their website [www.calpers.ca.gov](http://www.calpers.ca.gov) or by writing or calling the plans at the following address or telephone number:

CalPERS Member Services Division  
P.O. Box 942704 Sacramento, CA 94229-2704  
1-888-225-7377

The City has entered into an agreement with California Employers' Retiree Benefit Trust (CERBT) to prefund the City's net OPEB liability.

**Funding Policy and Contributions**

The contribution requirements of plan members and the City are established and may be amended by City Council. The annual contribution is based on the actuarially determined contribution. For the nine months ended June 30, 2021, the City's contributions totaled \$2,819,754.

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 9 OTHER POSTEMPLOYMENT HEALTH BENEFITS (CONTINUED)**

**General Information About the OPEB Plan**

Employees Covered

At June 30, 2021, the measurement date, membership in the Plan consisted of the following:

Inactive Plan Member Currently Receiving Benefits	343
Inactive Plan Members Entitled to but not yet Receiving Benefits	24
Active Plan Members	<u>229</u>
Total	<u><u>596</u></u>

**Net OPEB Liability**

The City's total OPEB liability was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2019, rolled forward to June 30, 2021 using standard update procedures. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

Actuarial Methods and Assumptions

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Method
Actuarial Assumption:	
Discount Rate	6.25% - Pre-funded through CalPERS CERBT Asset Strategy #1
Inflation	2.50%
Salary Increases	2.75% per year
Mortality Improvement	Post-retirement mortality projected fully generational with Scale MP-2019
Medical Trend	Non-Medicare: 7.00% for 2021, decreasing to an ultimate rate of 3.75% in 2076. Medicare: 6.1% for 2021, decreasing to an ultimate rate of 3.75% to 2076.

The actuarial assumptions used in the June 30, 2019 valuation were based on a standard set of assumptions the actuary has used for similar valuations, modified as appropriate for the City.

The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. The asset class percentages are taken from the current composition of CERBT, and the expected yields are taken from a recent CalPERS publication for the pension fund:



**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 9 OTHER POSTEMPLOYMENT HEALTH BENEFITS (CONTINUED)**

**Net OPEB Liability (Continued)**

*Actuarial Methods and Assumptions (Continued)*

<u>Asset Class</u>	<u>Allocation</u>	<u>of Return</u>
CERBT:		
Global Equity	59.00 %	4.82 %
Fixed Income	25.00	0.78
TIPS	5.00	(0.08)
Commodities	3.00	1.22
REITs	8.00	4.06
Total	<u>100.00 %</u>	

Assumed Long-Term Rate of Inflation	2.50%
Expected Long-Term Net Rate of Return, Rounded	6.25%

**Discount Rate**

The discount rate used to measure the total OPEB liability is 6.25%. This is the expected long-term rate of return on City assets using investment strategy 1 within the California Employers' Retiree Benefit Trust (CERBT). The projection of cash flows used to determine the discount rate assumed that the City contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position is projected to cover all future OPEB payments. Therefore, the discount rate was set equal to the long-term expected rate of return.

**Changes in Net OPEB Liability**

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability/(Asset) (c) = (a) - (b)</u>
Balance at June 30, 2020 (Measurement Date)	\$ 55,187,829	\$ 26,061,814	\$ 29,126,015
Changes Recognized for the Measurement Period:			
Service Cost	1,313,607	-	1,313,607
Interest on the Net OPEB Liability	3,687,577	-	3,687,577
Changes of Assumptions	2,584,513	-	2,584,513
Contributions from the Employer	-	3,749,757	(3,749,757)
Net Investment Income	-	7,171,637	(7,171,637)
Benefit Payments, Including Refunds of Employee Contributions	(3,741,312)	(3,741,312)	-
Administrative Expense	-	(23,113)	23,113
Net Changes	<u>3,844,385</u>	<u>7,156,969</u>	<u>(3,312,584)</u>
Balance at June 30, 2021 (Measurement Date)	<u>\$ 59,032,214</u>	<u>\$ 33,218,783</u>	<u>\$ 25,813,431</u>

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 9 OTHER POSTEMPLOYMENT HEALTH BENEFITS (CONTINUED)**

**Changes in Net OPEB Liability (Continued)**

Change in Assumptions

From measurement date June 30, 2020, to June 30, 2021, the discount rate changed from 6.75% to 6.25%, inflation changed from 2.75% to 2.50%, salary increase changed from 3.00% to 2.75%, and the trend rate decreased by 0.25%.

Change of Benefit Terms

There were no changes of benefit terms.

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

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

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one-percentage point lower (5.75%) or one-percentage-point higher (7.75%) than the current discount rate:

Net OPEB Liability (Assets)		
Discount Rate -1% (5.25%)	Current Discount Rate (6.25%)	Discount Rate +1% (7.25%)
\$ 33,112,407	\$ 25,813,431	\$ 19,779,750

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are one-percentage-point lower (6.00% and 5.10% for 2021 for Non-Medicare and Medicare, respectively, decreasing to an ultimate rate of 2.75% in 2076) or one-percentage-point higher (8.00% and 7.10% for 2021 for Non-Medicare and Medicare, respectively, decreasing to an ultimate rate of 4.75% in 2076) than the current healthcare cost trend rates:

Net OPEB Liability (Assets)		
Healthcare Cost Trend Rate -1%	Current Rate	Healthcare Cost Trend Rate +1%
\$ 22,225,123	\$ 25,813,431	\$ 29,262,473

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 9 OTHER POSTEMPLOYMENT HEALTH BENEFITS (CONTINUED)**

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

For the nine months ended June 30, 2021, the City' recognized OPEB expense of \$1,340,416. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ -	\$ 3,904,739
Change of Assumptions	2,087,491	814,185
Net Difference Between Projected and Actual Earning on Pension Plan Investments	-	3,850,678
Total	<u>\$ 2,087,491</u>	<u>\$ 8,569,602</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as future OPEB expense as follows:

<u>Measurement Period Ending June 30,</u>	<u>Deferred Outflows/ (Inflows) of Resources OPEB Plan</u>
2022	\$ (1,925,203)
2023	(1,876,710)
2024	(1,899,099)
2025	(880,502)
2026	99,403
Total	<u>\$ (6,482,111)</u>

**Payable to the OPEB Plan**

At June 30, 2021, the City had no outstanding amount of contributions to the OPEB plan required for the nine months ended June 30, 2021.

**NOTE 10 DEFERRED COMPENSATION PLAN**

For the benefit of its employees, the City has established a deferred compensation plan in accordance with the Internal Revenue Code (IRC) Section 457. Generally, the amount of compensation subject to deferral by a participant may not exceed the legal limits set by the IRC. Funds may be withdrawn by participants upon termination of employment, retirement, death or an unforeseeable emergency. The City's contributions to this plan for the nine months ended June 30, 2021, was \$17,904. The deferred compensation plan assets are held in a trust account for the sole benefit of the employees and their beneficiaries and have been excluded from the City's reported assets accordingly.

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 11 RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains self-insurance programs for workers' compensation and general liability up to a maximum of \$500,000 and \$750,000 per occurrence, respectively. General liability claims, which exceed the limit, are insured through Independent Cities Risk Management Authority (ICRMA) up to \$30,000,000 with a maximum per incident of \$3,000,000. Workers compensation claims that exceed the limit are insured by ICRMA up to the California statutory limits for workers' compensation.

The City is a member of the ICRMA, a public entity risk pool currently operating as a common risk management and insurance program for 15 California cities. The City pays an annual premium to the pool for its excess general liability insurance coverage. The agreement for information of the ICRMA provides that the pool will be self-sustaining through member premiums. The City continues to carry commercial companies for all other risks of loss, which include property insurance, and cyber liability insurance.

Estimates for all liabilities, up to the self-insured levels, have been accrued in the Workers' Compensation and the General Liability Self-Insurance Internal Service Funds including an estimate for incurred but not reported claims. Estimates are based on recommended reserves established by the City's third-party administrators who administer the City's claims and insurance programs. There have been no significant changes in insurance coverage as compared to last year and settlements have not exceeded coverage in each of the past three fiscal years.

The ICRMA has published its own financial report for the year ended June 30, 2021, which can be obtained from Independent Cities Risk Management Authority, 14156 Magnolia Park, Sherman Oaks, California.

Changes in the balances of claims liabilities for the current and the last two fiscal years follow:

<u>Fiscal Year Ending</u>	Claims Payable				
	Annual Claims Payable Beginning	Current Year Claims and Changes in Estimates	Current Year Claims Payments	Balance Ending	Due within One Year
September 30, 2019	\$ 12,277,006	\$ 1,693,379	\$ (2,670,385)	\$ 11,300,000	\$ 1,887,705
September 30, 2020	11,300,000	4,437,986	(2,811,986)	12,926,000	2,502,181
June 30, 2021	12,926,000	5,191,595	(1,930,595)	16,187,000	2,909,007

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 12 JOINT POWERS AGREEMENT**

**Los Angeles Interagency Metropolitan Police Apprehension Crime Task Force**

The City is a member of the Los Angeles Interagency Metropolitan Police Apprehension Crime Task Force (L.A. IMPACT), a joint powers authority of the police departments of cities and other institutions in Los Angeles County. L.A. Impact was formed July 1, 1991, with the mission to promote coordinated law enforcement efforts and to address emerging criminal justice issues, mainly in the areas of drug trafficking and money laundering. The Executive Council consists of 14 police chiefs and other various police officers. All financial decisions were made by the Executive Council. The members received monetary distributions from asset seizures based on their respective resource contribution to the effort. The City does not have a measurable equity interest in LA IMPACT. The net position of LA IMPACT represents a temporary holding of funds to be distributed to various law enforcement jurisdictions. The distribution of these funds is not determinable until action has been taken by the courts or the LA IMPACT board of directors with respect to the use of these funds.

Complete financial statements for L.A. IMPACT may be obtained at its administrative office at 5700 South Eastern Avenue Commerce, CA, 90040-2924.

**NOTE 13 COMMITMENTS AND CONTINGENCIES**

**Litigation**

The City is currently a party to various claims and legal proceedings. In management's opinion, the ultimate liabilities, if any, resulting from such claims and proceedings, will not materially affect the City's financial position.

**Federal and State Grants**

The City participates in a number of federal and state assisted grant programs, which are subject to program compliance audits by the grantors or their representatives. Final closeout audits of these programs have not yet been completed. Accordingly, the City's ultimate compliance with applicable grant requirements will be established at some future date. Expenditures, if any, which may be disallowed by the granting agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

**Uncertainties**

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus (the COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the City's financial condition. Management is actively monitoring the impact of the global situation on its financial condition.

**CITY OF EL SEGUNDO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 14 GROUND LEASE AGREEMENT**

The City gave notice of termination of contract to Lane Donovan (previous operator of The Lakes Golf Course) in December 2020. The City (Lessor) and ES CenterCal, LLC, a Delaware limited liability company (Lessee), entered into a ground lease agreement dated February 6, 2021. The ground lease includes an initial term of 20 years. ES CenterCal will then have six options to extend the agreement by five- year increments, resulting in a potential total agreement term of 50 years.

ES CenterCal will make the following payments: (1) \$1,300,000 annual ground lease payment for the driving range once the facility opens to the public (anticipated to be May 2022), with a 10% adjustment every five years, (2) \$200,000 annual payment to the City's General Fund as a community benefit contribution once the facility opens to the public, (3) \$200,000 minimum golf course and driving range capital contribution, and (4) \$20,000 annual ground lease payment for the golf course with a 10% adjustment every five years. Additionally, ES CenterCal will pay the City 3% of gross revenues received from beverage sales at the driving range and golf courses with a minimum guarantee of \$200,000 annually, with a 10% adjustment every five years.

ES CenterCal and TG Holding I, LLC, a Delaware limited liability company (Topgolf Guarantor) will collectively invest over \$40 million in capital improvements on City-owned properties and for the operating period, per the lease agreement.

Topgolf took possession of The Lakes golf course and the entire City owned property, which includes the driving range, clubhouse, parking lot, and maintenance yard, on February 14, 2021. The Golf Course Fund's infrastructure and equipment was fully disposed as of June 30, 2021. The construction of the premises and improvements will take over a year and did not begin until August 2021. The anticipated opening date of the new Topgolf facility is May 2022.

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 15 CLASSIFICATION OF FUND BALANCES**

At June 30, 2021, fund balances are classified in the governmental funds as follows:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
Nonspendable:			
Notes and Loans Receivable	\$ 6,042	\$ -	\$ 6,042
Inventories	115,484	-	115,484
Prepays	41,511	-	41,511
Total Nonspendable	<u>163,037</u>	<u>-</u>	<u>163,037</u>
Restricted:			
Police	-	1,652,310	1,652,310
Fire	-	502,299	502,299
Public Works	-	3,012,961	3,012,961
Economic Development	-	215,126	215,126
Community and Cultural	-	9,911,555	9,911,555
Debt Service	-	1,624,888	1,624,888
Pension	5,144,456	-	5,144,456
Total Restricted	<u>5,144,456</u>	<u>16,919,139</u>	<u>22,063,595</u>
Assigned:			
Police	174,373	-	174,373
Fire	333,589	-	333,589
Public Works	56,926	-	56,926
Tobacco License	33,573	-	33,573
Economic Development	1,449,292	-	1,449,292
Parks and Recreation	193,863	-	193,863
Library	75,236	-	75,236
Computer Refresh	244,185	-	244,185
Capital Outlay	-	4,314,909	4,314,909
Total Assigned	<u>2,561,037</u>	<u>4,314,909</u>	<u>6,875,946</u>
Unassigned:	<u>29,110,741</u>	<u>(304,630)</u>	<u>28,806,111</u>
Total Fund Balance	<u>\$ 36,979,271</u>	<u>\$ 20,929,418</u>	<u>\$ 57,908,689</u>

**CITY OF EL SEGUNDO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 16 RESTATEMENT OF NET POSITION AND FUND BALANCE**

The balance of net position and fund balance as of July 1, 2020, has been restated due to a change in the reporting of certain funds as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Net Position at July 1, 2020, as Originally Reported	\$ (21,235,867)	\$ 54,361,150
Reclassification of the El Segundo Senior Citizen Housing Corporation from a discretely presented component unit to a nonmajor enterprise fund.	-	1,648,921
Reclassification of the Solid Waste Fund from a nonmajor enterprise fund to a component of the General Fund	(248,012)	248,012
Net Position at July 1, 2020, as Restated	<u>\$ (21,483,879)</u>	<u>\$ 56,258,083</u>

	<u>General Fund</u>	<u>Nonmajor Enterprise Fund</u>
Fund Balance and Net Position at July 1, 2020, as Originally Reported	\$ 35,762,880	\$ (248,012)
Reclassification of the El Segundo Senior Citizen Housing Corporation from a discretely presented component unit to a nonmajor enterprise fund.	-	1,648,921
Reclassification of the Solid Waste Fund from a nonmajor enterprise fund to a component of the General Fund	(248,012)	248,012
Fund Balance and Net Position at July 1, 2020, as Restated	<u>\$ 35,514,868</u>	<u>\$ 1,648,921</u>



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**REQUIRED SUPPLEMENTARY  
INFORMATION (UNAUDITED)**

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**CITY OF EL SEGUNDO  
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND  
NINE MONTHS ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 40,257,922	\$ 40,257,922	\$ 40,187,419	\$ (70,503)
Licenses and Permits	11,643,129	11,643,129	13,560,370	1,917,241
Intergovernmental	-	-	-	-
Charges for Services	3,442,159	3,442,159	4,357,840	915,681
Use of Money and Property	585,000	585,000	326,274	(258,726)
Fines and Forfeitures	294,000	294,000	266,634	(27,366)
Developer Fees	-	-	207,838	207,838
Miscellaneous	1,880,814	1,880,814	2,080,087	199,273
Total Revenues	<u>58,103,024</u>	<u>58,103,024</u>	<u>60,986,462</u>	<u>2,883,438</u>
<b>EXPENDITURES</b>				
Current:				
General Government				
City Council	260,903	260,903	251,947	8,956
City Treasurer	154,701	154,701	155,235	(534)
City Clerk	421,157	422,157	1,028,962	(606,805)
City Manager	1,909,586	2,109,586	4,606,984	(2,497,398)
City Attorney	561,950	561,950	527,127	34,823
Planning	1,744,415	1,844,415	858,705	985,710
Building and Safety	1,354,019	1,225,019	980,168	244,851
Administrative Services	4,921,589	5,007,089	17,033,249	(12,026,160)
Nondepartmental	4,371,891	5,155,391	6,740,921	(1,585,530)
Public Safety:				
Police	16,232,614	16,376,802	74,489,662	(58,112,860)
Fire	13,068,393	13,068,393	66,123,938	(53,055,545)
Animal Control	91,041	91,041	33,040	58,001
Communications Center	1,555,870	1,555,870	1,321,040	234,830
Public Works:				
Administration	203,730	203,730	5,560,000	(5,356,270)
Government Buildings	1,590,051	1,560,051	1,585,669	(25,618)
Engineering	518,410	702,744	659,248	43,496
Streets	3,431,476	3,431,476	3,228,500	202,976
Solid Waste	622,394	622,394	555,404	66,990
Storm Drain	246,978	307,110	163,299	143,811
Equipment Maintenance	879,498	909,498	984,825	(75,327)
Community and Cultural:				
Recreation and Parks	2,953,202	2,953,202	1,989,855	963,347
Library	1,783,414	1,783,414	9,223,223	(7,439,809)
Capital Outlay	863,500	850,000	-	850,000
Debt Service:				
Principal Retirement	-	-	43,200	(43,200)
Interest	-	-	102,300	(102,300)
Total Expenditures	<u>59,740,782</u>	<u>61,156,936</u>	<u>198,246,501</u>	<u>(137,089,565)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,637,758)</b>	<b>(3,053,912)</b>	<b>(137,260,039)</b>	<b>(134,206,127)</b>
<b>OTHER FINANCING USES</b>				
Debt Proceeds	-	-	140,095,398	140,095,398
Transfers In	25,000	25,000	25,000	-
Transfers Out	(1,250,000)	(1,250,000)	(1,395,956)	145,956
Total Other Financing Uses	<u>(1,225,000)</u>	<u>(1,225,000)</u>	<u>138,724,442</u>	<u>140,241,354</u>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (2,862,758)</b>	<b>\$ (4,278,912)</b>	<b>1,464,403</b>	<b>\$ 6,035,227</b>
Fund Balance - Beginning of Year			35,514,868	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 36,979,271</u>	

See Note to the Budgetary Comparison Schedule.

**CITY OF EL SEGUNDO  
NOTE TO BUDGETARY COMPARISON SCHEDULE  
NINE MONTHS ENDED JUNE 30, 2021**

**NOTE 1 BUDGETARY CONTROL AND ACCOUNTING POLICY**

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and are used as a management control device. Annual budgets are adopted for the General Fund, Special Revenue Funds, Debt Service Funds and the Capital Projects Funds except for the Pension Obligation Bonds Debt Service Fund.

The City Council approves each year's budget submitted by the City Manager prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by the City Council. Budgets and adopted supplemental appropriations, where required during the period, are also approved by the City Council. Intradepartmental budget changes are approved by the City Manager. The legal level of control, that is defined as the level at which City Council approval is required for changes, is at the department level for the General Fund and functional level for all other funds. During the year, several supplementary appropriations were necessary. All operating budget appropriations lapse at year-end.

**CITY OF EL SEGUNDO  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND  
RELATED RATIOS – CALPERS MISCELLANEOUS RATE PLAN  
LAST TEN MEASUREMENT PERIODS<sup>1</sup>**

**California Public Employees' Retirement System (CalPERS) – Miscellaneous Rate Plan**

Measurement Period and Fiscal Year	2019-20	2018-19	2017-18
Total Pension Liability			
Service Cost	\$ 2,088,245	\$ 2,026,099	\$ 2,002,276
Interest on Total Pension Liability	8,447,044	8,219,352	7,976,930
Changes of Benefit Terms	-	-	-
Changes of Assumptions	-	-	(464,769)
Differences Between Expected and Actual Experience	(221,184)	(38,811)	8,203
Benefit Payments, Including Refunds of Employee Contributions	(6,978,924)	(6,762,739)	(6,360,824)
Net Change in Total Pension Liability	3,335,181	3,443,901	3,161,816
Total Pension Liability - Beginning	120,807,009	117,363,108	114,201,292
Total Pension Liability - Ending (a)	<u>\$ 124,142,190</u>	<u>\$ 120,807,009</u>	<u>\$ 117,363,108</u>
Pension Fiduciary Net Position			
Contributions - Employer	\$ 3,584,857	\$ 3,597,197	\$ 3,291,215
Contributions - Employee	946,546	878,016	905,313
Net Investment Income	4,398,867	5,537,029	6,839,662
Benefit Payments, Including Refunds of Employee Contributions	(6,978,924)	(6,762,739)	(6,360,824)
Net Plan to Plan Resource Movement	3,966	(127,504)	(198)
Administrative Expense	(124,138)	(60,654)	(125,728)
Other Miscellaneous Expense	-	198	(238,760)
Net Change in Plan Fiduciary Net Position	1,831,174	3,061,543	4,310,680
Plan Fiduciary Net Position - Beginning	88,056,385	84,994,842	80,684,162
Plan Fiduciary Net Position - Ending (b)	<u>\$ 89,887,559</u>	<u>\$ 88,056,385</u>	<u>\$ 84,994,842</u>
Plan Net Pension Liability - Ending (a) - (b)	<u>\$ 34,254,631</u>	<u>\$ 32,750,624</u>	<u>\$ 32,368,266</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>72.41%</u>	<u>72.89%</u>	<u>72.42%</u>
Covered Payroll	<u>\$ 14,212,445</u>	<u>\$ 12,851,508</u>	<u>\$ 12,875,891</u>
Plan Net Pension Liability as a Percentage of Covered Payroll	<u>241.02%</u>	<u>254.84%</u>	<u>251.39%</u>

<sup>1</sup> Historical information is presented for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

**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, 2017 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 of Assumptions:** There were no significant changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, 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.

**CITY OF EL SEGUNDO  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED  
RATIOS – CALPERS MISCELLANEOUS RATE PLAN (CONTINUED)  
LAST TEN MEASUREMENT PERIODS <sup>1</sup>**

**California Public Employees' Retirement System (CalPERS) – Miscellaneous Rate Plan**

Measurement Period and Fiscal Year	2016-17	2015-16	2014-15	2013-14
Total Pension Liability				
Service Cost	\$ 2,022,687	\$ 1,836,590	\$ 1,892,820	\$ 1,992,358
Interest on Total Pension Liability	7,747,566	7,584,214	7,355,288	7,137,756
Changes of Benefit Terms	-	-	-	-
Changes of Assumptions	6,199,889	-	(1,728,307)	-
Differences Between Expected and Actual Experience	(813,832)	(899,552)	(1,400,892)	-
Benefit Payments, Including Refunds of Employee Contributions	(5,830,361)	(5,534,415)	(5,121,477)	(4,825,880)
Net Change in Total Pension Liability	9,325,949	2,986,837	997,432	4,304,234
Total Pension Liability - Beginning	104,875,343	101,888,506	100,891,074	96,586,840
Total Pension Liability - Ending (a)	<u>\$ 114,201,292</u>	<u>\$ 104,875,343</u>	<u>\$ 101,888,506</u>	<u>\$ 100,891,074</u>
Pension Fiduciary Net Position				
Contributions - Employer	\$ 2,381,409	\$ 2,189,606	\$ 1,990,762	\$ 2,229,759
Contributions - Employee	975,818	850,845	883,340	1,271,008
Net Investment Income	8,294,674	375,088	1,743,059	11,605,717
Benefit Payments, Including Refunds of Employee Contributions	(5,830,361)	(5,534,415)	(5,121,477)	(4,825,880)
Net Plan to Plan Resource Movement	(31,271)	(256)	161,952	-
Administrative Expense	(110,739)	(47,032)	(86,704)	-
Other Miscellaneous Expense	-	-	-	-
Net Change in Plan Fiduciary Net Position	5,679,530	(2,166,164)	(429,068)	10,280,604
Plan Fiduciary Net Position - Beginning	75,004,632	77,170,796	77,599,864	67,319,260
Plan Fiduciary Net Position - Ending (b)	<u>\$ 80,684,162</u>	<u>\$ 75,004,632</u>	<u>\$ 77,170,796</u>	<u>\$ 77,599,864</u>
Plan Net Pension Liability - Ending (a) - (b)	<u>\$ 33,517,130</u>	<u>\$ 29,870,711</u>	<u>\$ 24,717,710</u>	<u>\$ 23,291,210</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>70.65%</u>	<u>71.52%</u>	<u>75.74%</u>	<u>76.91%</u>
Covered Payroll	<u>\$ 13,007,635</u>	<u>\$ 12,983,105</u>	<u>\$ 13,129,083</u>	<u>\$ 13,163,041</u>
Plan Net Pension Liability as a Percentage of Covered Payroll	<u>257.67%</u>	<u>230.07%</u>	<u>188.27%</u>	<u>176.94%</u>

<sup>1</sup> Historical information is presented for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

**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, 2017 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 of Assumptions:** There were no significant changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, 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.

**CITY OF EL SEGUNDO  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND  
RELATED RATIOS – CALPERS SAFETY RATE PLAN  
LAST TEN MEASUREMENT PERIODS<sup>1</sup>**

**California Public Employees' Retirement System (CalPERS) – Safety Rate Plan**

Measurement Period and Fiscal Year	2015-16	2014-15	2013-14
Total Pension Liability			
Service Cost	\$ 3,906,152	\$ 4,017,009	\$ 4,084,900
Interest	18,561,546	18,050,364	17,643,395
Changes of Benefit Terms	-	-	-
Changes of Assumptions	-	(4,336,187)	-
Differences Between Expected and Actual Experience	(2,593,008)	(4,610,542)	-
Benefit Payments, Including Refunds of Employee Contributions	(13,146,807)	(12,326,846)	(11,753,968)
Net Change in Total Pension Liability	6,727,883	793,798	9,974,327
Total Pension Liability - Beginning	249,847,921	249,054,123	239,079,796
Total Pension Liability - Ending (a)	<u>\$ 256,575,804</u>	<u>\$ 249,847,921</u>	<u>\$ 249,054,123</u>
Pension Fiduciary Net Position			
Contributions - Employer	\$ 6,497,421	\$ 6,155,214	\$ 5,466,181
Contributions - Employee	1,288,776	1,697,612	1,556,189
Net Investment Income	792,070	3,716,152	25,110,451
Benefit Payments, Including Refunds of Employee Contributions	(13,146,807)	(12,326,846)	(11,753,968)
Net Plan to Plan Resource Movement	256	568	-
Administrative Expense	(101,008)	(186,524)	-
Net Change in Plan Fiduciary Net Position	(4,669,292)	(943,824)	20,378,853
Plan Fiduciary Net Position - Beginning	165,737,083	166,680,907	146,302,054
Plan Fiduciary Net Position - Ending (b)	<u>\$ 161,067,791</u>	<u>\$ 165,737,083</u>	<u>\$ 166,680,907</u>
Plan Net Pension Liability - Ending (a) - (b)	<u>\$ 95,508,013</u>	<u>\$ 84,110,838</u>	<u>\$ 82,373,216</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.78%	66.34%	66.93%
Covered Payroll	<u>\$ 14,438,355</u>	<u>\$ 14,977,101</u>	<u>\$ 14,757,054</u>
Plan Net Pension Liability as a Percentage of Covered Payroll	661.49%	561.60%	558.20%

<sup>1</sup> The City's Safety Plan was converted from an Agent Multiple Employer Defined Plan to a Cost Sharing Multiple Employer Defined Benefit Plan starting from the measurement period June 30, 2017. Information is only displayed for years GASB 68 were in effect and prior to the conversion of the plan.

**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, 2015 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 of Assumptions:** In 2016, 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.

**CITY OF EL SEGUNDO  
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION  
LIABILITY AND RELATED RATIOS – CALPERS SAFETY RATE PLAN  
LAST TEN MEASUREMENT PERIODS <sup>1</sup>**

**California Public Employees' Retirement System (CalPERS) – Safety Rate Plan**

Measurement Period and Fiscal Year	2019-20	2018-19	2017-18	2016-17
City Proportion of the Net Pension Liability	1.7727%	1.7839%	1.1081%	1.0764%
City's Proportionate Share of the net Pension Liability	<u>\$ 118,102,353</u>	<u>\$ 111,360,318</u>	<u>\$ 106,775,573</u>	<u>\$ 106,751,685</u>
City's Covered Payroll	<u>\$ 13,583,547</u>	<u>\$ 12,490,385</u>	<u>\$ 12,742,792</u>	<u>\$ 12,697,818</u>
City's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	<u>869.45%</u>	<u>891.57%</u>	<u>837.93%</u>	<u>840.71%</u>
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>75.10%</u>	<u>75.26%</u>	<u>75.26%</u>	<u>73.31%</u>

<sup>1</sup> The City's Safety Plan was converted from an Agent Multiple Employer Defined Plan to a Cost Sharing Multiple Employer Defined Benefit Plan starting from the measurement period June 30, 2017. Information is only displayed for years the plan was converted to a cost sharing plan.

**Changes in Assumptions:**

From measurement period and fiscal year 2016-17 to 2017-18:  
From measurement period and fiscal year 2017-18 to 2018-19:

The discount rate was reduced from 7.65% to 7.15%.  
There were no significant changes in assumptions.

**CITY OF EL SEGUNDO  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS –  
PUBLIC AGENCY RETIREMENT SYSTEM DEFINED BENEFIT PLAN  
LAST TEN MEASUREMENT PERIODS <sup>1</sup>**

**Public Agency Retirement System Defined Benefit Plan**

Fiscal Year	2020-21	2019-20	2018-19	2017-18
Measurement Period	2019-20	2018-19	2017-18	2016-17
Total Pension Liability				
Service Cost	\$ -	\$ -	\$ -	\$ -
Interest	127,254	126,122	115,441	119,000
Changes of Benefit Terms	-	-	-	-
Changes of Assumptions	(18,261)	-	(62,152)	-
Differences Between Expected and Actual Experience	12,206	-	187,849	-
Benefit Payments, Including Refunds of Employee Contributions	(115,700)	(97,156)	(196,140)	(174,000)
Net Change in Total Pension Liability	5,499	28,966	44,998	(55,000)
Total Pension Liability - Beginning	2,270,964	2,241,998	2,197,000	2,252,000
Total Pension Liability - Ending (a)	<u>\$ 2,276,463</u>	<u>\$ 2,270,964</u>	<u>\$ 2,241,998</u>	<u>\$ 2,197,000</u>
Pension Fiduciary Net Position				
Contributions - Employer	\$ 158,000	\$ 158,000	\$ 158,000	\$ 236,000
Contributions - Employee	-	-	-	-
Net Investment Income	84,790	53,443	69,282	91,000
Benefit Payments, Including Refunds of Employee Contributions	(115,700)	(97,156)	(196,140)	(174,000)
Net Plan to Plan Resource Movement	-	-	-	-
Administrative Expense	(6,076)	(5,517)	(5,455)	(5,000)
Other Miscellaneous Expense <sup>1</sup>	-	-	-	-
Net Change in Plan Fiduciary Net Position	121,014	108,770	25,687	148,000
Plan Fiduciary Net Position - Beginning <sup>2</sup>	1,196,457	1,087,687	1,062,000	914,000
Plan Fiduciary Net Position - Ending (b)	<u>\$ 1,317,471</u>	<u>\$ 1,196,457</u>	<u>\$ 1,087,687</u>	<u>\$ 1,062,000</u>
Plan Net Pension Liability - Ending (a) - (b)	<u>\$ 958,992</u>	<u>\$ 1,074,507</u>	<u>\$ 1,154,311</u>	<u>\$ 1,135,000</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>57.87%</u>	<u>52.68%</u>	<u>48.51%</u>	<u>48.34%</u>
Covered Payroll	N/A	N/A	N/A	N/A
Plan Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A

<sup>1</sup> Historical information is presented only for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

*Changes in Assumptions:*

Actuarial Valuation Date	June 30, 2020
Fiscal Year	2020-21
Measurement Period	October 1, 2019, to September 30, 2020
Discount Rate	5.75%
Rate of Return on Assets	5.75%
Inflation Rate	2.75%
Mortality, Retirement, Disability, and Termination	CalPERS 1997-2015 Experience Study
Mortality Improvement Scale	Scale MP-2020



**CITY OF EL SEGUNDO  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS –  
PUBLIC AGENCY RETIREMENT SYSTEM DEFINED BENEFIT PLAN (CONTINUED)  
LAST TEN MEASUREMENT PERIODS <sup>1</sup>**

**Public Agency Retirement System Defined Benefit Plan**

Fiscal Year	2016-17	2015-16	2014-15
Measurement Period	2015-16	2014-15	2013-14
Total Pension Liability			
Service Cost	\$ -	\$ -	\$ 54,000
Interest	121,000	113,000	110,000
Changes of Benefit Terms	-	-	-
Changes of Assumptions	-	140,000	-
Differences Between Expected and Actual Experience	-	93,000	-
Benefit Payments, Including Refunds of Employee Contributions	(141,000)	(81,000)	(37,000)
Net Change in Total Pension Liability	(20,000)	265,000	127,000
Total Pension Liability - Beginning	2,272,000	2,007,000	1,880,000
Total Pension Liability - Ending (a)	<u>\$ 2,252,000</u>	<u>\$ 2,272,000</u>	<u>\$ 2,007,000</u>
Pension Fiduciary Net Position			
Contributions - Employer	\$ -	\$ -	\$ -
Contributions - Employee	16,000	167,000	193,000
Net Investment Income	72,000	(11,000)	52,000
Benefit Payments, Including Refunds of Employee Contributions	(141,000)	(81,000)	(37,000)
Net Plan to Plan Resource Movement	-	-	-
Administrative Expense	(5,000)	(5,000)	(5,000)
Other Miscellaneous Expense <sup>1</sup>	-	-	-
Net Change in Plan Fiduciary Net Position	(58,000)	70,000	203,000
Plan Fiduciary Net Position - Beginning <sup>2</sup>	972,000	902,000	699,000
Plan Fiduciary Net Position - Ending (b)	<u>\$ 914,000</u>	<u>\$ 972,000</u>	<u>\$ 902,000</u>
Plan Net Pension Liability - Ending (a) - (b)	<u>\$ 1,338,000</u>	<u>\$ 1,300,000</u>	<u>\$ 1,105,000</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>40.59%</u>	<u>42.78%</u>	<u>44.94%</u>
Covered Payroll	N/A	N/A	N/A
Plan Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A

<sup>1</sup> Historical information is presented only for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

**CITY OF EL SEGUNDO  
SCHEDULE OF CONTRIBUTIONS – CALPERS MISCELLANEOUS RATE PLAN  
LAST TEN FISCAL YEARS<sup>1</sup>**

**California Public Employees’ Retirement System (CalPERS) – Miscellaneous Rate Plan**

Fiscal Year	2020-21 <sup>2</sup>	2019-20	2018-19	2017-18
Actuarially Determined Contribution	\$ 965,277	\$ 3,695,146	\$ 3,421,223	\$ 2,712,223
Contributions in Relation to the Actuarially Determined Dontribution	<u>(33,525,869)</u>	<u>(3,695,146)</u>	<u>(3,728,014)</u>	<u>(3,291,215)</u>
Contribution Deficiency (Excess)	<u>\$ (32,560,592)</u>	<u>\$ -</u>	<u>\$ (306,791)</u>	<u>\$ (578,992)</u>
Covered Payroll	<u>\$ 10,498,129</u>	<u>\$ 14,446,483</u>	<u>\$ 13,136,731</u>	<u>\$ 12,842,526</u>
Contributions as a Percentage of Covered Payroll	319.35%	25.58%	28.38%	25.63%

<sup>1</sup> Historical information is presented for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

<sup>2</sup> Determined for the nine month period ended on June 30 (fiscal year end).

**Notes to Schedule:**

Valuation date	6/30/2018	6/30/2018	6/30/2017	6/30/2016
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**Methods and Assumptions Used to  
Determine Contribution Rates:**

Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Amortization method	(1)	(1)	(1)	(1)
Asset valuation method	Fair Value	Fair value	Fair value	Fair value
Inflation	2.50%	2.50%	2.625%	2.75%
Salary increases	(2)	(2)	(2)	(2)
Investment rate of return	7.00% (3)	7.00% (3)	7.25% (3)	7.375% (3)
Retirement age	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed

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

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

(4) 2% @ 55, 2% @ 60, and 2% @ 62

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

**CITY OF EL SEGUNDO  
SCHEDULE OF CONTRIBUTIONS – CALPERS MISCELLANEOUS RATE PLAN (CONTINUED)  
LAST TEN FISCAL YEARS<sup>1</sup>**

**California Public Employees’ Retirement System (CalPERS) – Miscellaneous Rate Plan**

Fiscal Year	2016-17	2015-16	2014-15	2013-14
Actuarially Determined Contribution	\$ 2,360,497	\$ 2,267,956	\$ 2,047,988	\$ 2,631,370
Contributions in Relation to the Actuarially Determined Dontribution	<u>(2,360,497)</u>	<u>(2,267,956)</u>	<u>(2,047,988)</u>	<u>(2,631,370)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	<u>\$ 11,980,872</u>	<u>\$ 12,484,558</u>	<u>\$ 12,279,995</u>	<u>\$ 12,782,090</u>
Contributions as a Percentage of Covered Payroll	19.70%	18.17%	16.68%	20.59%

<sup>1</sup> Historical information is presented for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

**Notes to Schedule:**

Valuation date	6/30/2015	6/30/2014	6/30/2013	6/30/2012
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**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Amortization method	(1)	(1)	(1)	(1)
Asset valuation method	Fair value	Fair value	Fair value	Market value
Inflation	2.75%	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)	(2)
Investment rate of return	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed

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

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

(4) 2% @ 55, 2% @ 60, and 2% @ 62

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

**CITY OF EL SEGUNDO  
SCHEDULE OF CONTRIBUTIONS – CALPERS SAFETY RATE PLAN  
LAST TEN FISCAL YEARS<sup>1</sup>**

**California Public Employees’ Retirement System (CalPERS) – Safety Rate Plan**

Fiscal Year	2020-21 <sup>2</sup>	2019-20	2018-19	2017-18
Actuarially Determined Contribution	\$ 1,955,086	\$ 10,830,665	\$ 9,186,753	\$ 8,480,050
Contributions in Relation to the Actuarially Determined Contribution	<u>(112,915,194)</u>	<u>(10,830,665)</u>	<u>(10,424,853)</u>	<u>(8,500,586)</u>
Contribution Deficiency (Excess)	<u>\$ (110,960,108)</u>	<u>\$ -</u>	<u>\$ (1,238,100)</u>	<u>\$ (20,536)</u>
Covered Payroll	<u>\$ 10,018,467</u>	<u>\$ 13,606,528</u>	<u>\$ 12,668,674</u>	<u>\$ 12,614,944</u>
Contributions as a Percentage of Covered Payroll	1127.07%	79.60%	82.29%	67.39%

<sup>1</sup> Historical information is presented for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

<sup>2</sup> Determined for the nine month period ended on June 30 (fiscal year end).

**Notes to Schedule:**

Valuation Date	6/30/2018	6/30/2018	6/30/2017	6/30/2016
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**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age
Amortization Method	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair value	Fair value	Fair value
Inflation	2.50%	2.50%	2.625%	2.75%
Salary Increases	(2)	(2)	(2)	(2)
Investment Rate of Return	7.00% (3)	7.00% (3)	7.25% (3)	7.375% (3)
Retirement Age	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed

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

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

(4) 3% @ 50, 3% @ 55, and 2.7% @ 57

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

**CITY OF EL SEGUNDO  
SCHEDULE OF CONTRIBUTIONS – CALPERS SAFETY RATE PLAN (CONTINUED)  
LAST TEN FISCAL YEARS<sup>1</sup>**

**California Public Employees’ Retirement System (CalPERS) – Safety Rate Plan**

Fiscal Year	2016-17	2015-16	2014-15	2013-14
Actuarially Determined Contribution	\$ 5,282,029	\$ 6,581,713	\$ 6,355,099	\$ 6,316,752
Contributions in Relation to the Actuarially Determined Contribution	<u>(5,282,029)</u>	<u>(6,581,713)</u>	<u>(6,355,099)</u>	<u>(6,316,752)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	<u>\$ 12,410,252</u>	<u>\$ 13,711,733</u>	<u>\$ 13,863,160</u>	<u>\$ 14,420,062</u>
Contributions as a Percentage of Covered Payroll	42.56%	48.00%	45.84%	43.81%

<sup>1</sup> Historical information is presented for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

**Notes to Schedule:**

Valuation Date	6/30/2015	6/30/2014	6/30/2013	6/30/2012
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**Methods and Assumptions Used to**

**Determine Contribution Rates:**

Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age
Amortization Method	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair value	Fair value	Fair value	Market value
Inflation	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)
Investment Rate of Return	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed

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

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

(4) 3% @ 50, 3% @ 55, and 2.7% @ 57

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

**CITY OF EL SEGUNDO  
SCHEDULE OF CONTRIBUTIONS – PUBLIC AGENCY  
RETIREMENT SYSTEM DEFINED BENEFIT PLAN  
LAST TEN FISCAL YEARS<sup>1</sup>**

**Public Agency Retirement System Defined Benefit Plan**

Fiscal Year	2020-21	2019-20	2018-19	2017-18
Actuarially Determined Contribution	\$ 158,000	\$ 158,000	\$ 158,000	\$ 158,000
Contributions in Relation to the Actuarially Determined Contribution	(158,000)	(158,000)	(158,000)	(158,000)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered Payroll	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A

<sup>1</sup> Historical information is presented for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

**Notes to Schedule:**

Valuation Date	6/30/2018	6/30/2018	6/30/16	6/30/16
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**Methods and Assumptions Used to**

**Determine Contribution Rates:**

Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	Level Dollar	Level Dollar	Level Dollar	Level Dollar
Asset valuation Method	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.75%	2.75%	3.00%	3.00%
Investment Rate of Return	5.75%	5.75%	5.50%	5.50%
Mortality, Retirement, Disability, and Termination	(2)	(2)	(1)	(1)
Mortality Improvement Scale	(4)	(4)	(3)	(3)

(1) CalPERS 1997-2015 Experience Study

(2) CalPERS 1997-2011 Experience Study

(3) Scale MP-2014

(4) Scale MP-2020

**CITY OF EL SEGUNDO  
SCHEDULE OF CONTRIBUTIONS – PUBLIC AGENCY RETIREMENT  
SYSTEM DEFINED BENEFIT PLAN (CONTINUED)  
LAST TEN FISCAL YEARS<sup>1</sup>**

**Public Agency Retirement System Defined Benefit Plan**

Fiscal Year	2016-17	2015-16	2014-15
Actuarially Determined Contribution	\$ 118,000	\$ 118,000	\$ -
Contributions in Relation to the Actuarially Determined Contribution	<u>(236,000)</u>	<u>-</u>	<u>-</u>
Contribution Deficiency (Excess)	<u>\$ (118,000)</u>	<u>\$ 118,000</u>	<u>\$ -</u>
Covered Payroll	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A

<sup>1</sup> Historical information is presented for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

**CITY OF EL SEGUNDO**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**LAST TEN MEASUREMENT PERIODS <sup>1</sup>**

**Other Postemployment Benefits (OPEB) Plan**

Measurement Period and Fiscal Year	2020-21	2019-20	2018-19	2017-18
Total OPEB Liability				
Service Cost	\$ 1,313,607	\$ 1,325,398	\$ 1,428,884	\$ 1,387,266
Interest	3,687,577	4,096,818	4,265,776	4,137,853
Changes of Benefit Terms	-	-	(4,289,232)	-
Changes of Assumptions	2,584,513	(1,323,051)	-	-
Differences Between Expected and Actual Experience	-	(6,345,201)	-	-
Benefit Payments, Including Refunds	(3,741,312)	(3,868,684)	(3,741,351)	(3,601,811)
Net Change in Total OPEB Liability	3,844,385	(6,114,720)	(2,335,923)	1,923,308
Total OPEB Liability - Beginning	55,187,829	61,302,549	63,638,472	61,715,164
Total OPEB Liability - Ending (a)	<u>\$ 59,032,214</u>	<u>\$ 55,187,829</u>	<u>\$ 61,302,549</u>	<u>\$ 63,638,472</u>
OPEB Fiduciary Net Position				
Contributions - Employer	\$ 3,749,757	\$ 4,425,712	\$ 4,399,351	\$ 4,026,811
Net Investment Income	7,171,637	884,584	1,431,779	1,634,752
Benefit Payments, Including Refunds of Employee Contributions	(3,741,312)	(3,868,684)	(3,741,351)	(3,601,811)
Administrative Expense	(23,113)	(21,262)	(4,901)	(38,164)
Net Change in Plan Fiduciary Net Position	7,156,969	1,420,350	2,084,878	2,021,588
Plan Fiduciary Net Position - Beginning	26,061,814	24,641,464	22,556,586	20,534,998
Plan Fiduciary Net Position - Ending (b)	<u>\$ 33,218,783</u>	<u>\$ 26,061,814</u>	<u>\$ 24,641,464</u>	<u>\$ 22,556,586</u>
Plan Net OPEB Liability - Ending (a) - (b)	<u>\$ 25,813,431</u>	<u>\$ 29,126,015</u>	<u>\$ 36,661,085</u>	<u>\$ 41,081,886</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	<u>56.27%</u>	<u>47.22%</u>	<u>40.20%</u>	<u>35.44%</u>
Covered Payroll <sup>2</sup>	<u>\$ 36,507,956</u>	<u>\$ 32,938,247</u>	<u>\$ 25,506,339</u>	<u>\$ 25,512,342</u>
Plan Net OPEB Liability as a Percentage of Covered Payroll	<u>70.71%</u>	<u>88.43%</u>	<u>143.73%</u>	<u>161.03%</u>

<sup>1</sup> Historical information is presented for measurement periods for which GASB 75 is applicable. Additional years' information will be displayed as it becomes available.

<sup>2</sup> For the twelve month period ended on June 30 (Measurement Date).

**Changes in Benefit Terms:**

**From measurement period ended June 30, 2018 to June 30, 2019:**

- Management and Conf: Monthly cap and maximum cap changed from \$1,200/\$1,600 to \$782/\$585.
- Executive: Monthly cap and maximum cap changed from \$1,200/\$1,600 to \$782/\$782.
- PMA: Monthly Cap changed from \$1,200 to average HMO family premium but no more than active cap (\$1,575 for 2020, \$1,650 for 2021). Maximum cap increased from \$1,200 to \$1,650.
- PSSEA: Monthly Cap changed from \$1,200 to average HMO family premium but no more than active cap (\$1,450 2019, \$1,500 for 2020, \$1,600 for 2021, \$1,650 for 2022). Maximum cap increased from \$1,200 to \$1,650.
- SPEA: Monthly Cap changed from \$1,200 to average HMO family premium but no more than active cap (\$1,500 for 2019, \$1,550 for 2020, \$1,600 for 2021, \$1,650 for 2022). Maximum cap increased from \$1,200 to \$1,650.
- CEA: Monthly Cap changed from \$1,115.67 to average HMO family premium but no more than active cap (\$1,500 for 2020, \$1,550 for 2022, \$1,600 for 2023).
- Police & Fire: Monthly Cap (Average HMO family) but no more than active cap (\$1,500 for 2019, \$1,575 for 2020, \$1,650 for 2021); Fire Maximum Cap increased from \$1,600 to \$1,800.

**Changes in Assumptions**

**From measurement period ended June 30, 2019 to June 30, 2020:**

The mortality improvement scale was updated to Scale MP-2019 from MP-2017. The healthcare trend changed from 7.50% non-medicare and 6.50% medicare to 7.25% non-medicare and 6.3% medicare.

**From measurement period ended June 30, 2020 to June 30, 2021:**

The discount rate changed from 6.75% to 6.25%, inflation changed from 2.75% to 2.50%, salary increase changed from 3.00% to 2.75%, and the trend rate decreased by 0.25%.



**CITY OF EL SEGUNDO  
SCHEDULE OF CONTRIBUTIONS – OPEB PLAN  
LAST TEN FISCAL YEARS<sup>1</sup>**

**Other Postemployment Benefits (OPEB) Plan**

Fiscal Years	2020-21 <sup>3</sup>	2019-20 <sup>2</sup>	2018-19 <sup>2</sup>	2017-18 <sup>2</sup>
Actuarially Determined Contribution	\$ 2,551,000	\$ 4,436,000	\$ 4,306,000	\$ 3,876,000
Contributions in Relation to the Actuarially Determined Contribution	(2,819,754)	(4,455,502)	(4,435,351)	(4,044,912)
Contribution Deficiency (Excess)	<u>\$ (268,754)</u>	<u>\$ (19,502)</u>	<u>\$ (129,351)</u>	<u>\$ (168,912)</u>
Covered Payroll	\$ 37,380,967	\$ 34,151,544	\$ 26,049,352	\$ 25,382,610
Contributions as a Percentage of Covered Payroll	7.54%	13.05%	17.03%	15.94%

<sup>1</sup> Historical information is presented for measurement periods for which GASB 75 is applicable. Additional years' information will be displayed as it becomes available.

<sup>2</sup> Determined for the twelve month period ended on September 30 (fiscal year end).

<sup>3</sup> Determined for the nine month period ended on June 30 (fiscal year end).

**Notes to Schedule:**

Valuation Date 6/30/2019 6/30/2017 6/30/2017 6/30/2015

**Methods and Assumptions Used to**

**Determine Contribution Rates:**

Actuarial Cost Method		Entry Age		
Amortization Method		Level percentage of payroll		
Amortization Period	21 years	22 years	23 years	25 years
Asset Valuation Method		Investment gains and losses spread over 5-year		
Discount Rate	6.75%	6.75%	6.75%	7.50%
General Inflation	2.75%	2.75%	2.75%	3.00%
Medical Trend	(3)	(2)	(2)	(1)
Mortality, Withdrawal, Disability	(6)	(5)	(5)	(4)

(1) 6.5% (Non-Medicare) and 6.7% (Medicare) for 2018, decreasing to an ultimate rate of 5.0% in 2021.

(2) 7.5% (Non-Medicare) and 6.5% (Medicare) for 2019, decreasing to an ultimate rate of 4.0% in 2076.

(3) 7.25% (Non-Medicare) and 6.3% (Medicare) for 2021, decreasing to an ultimate rate of 4.0% in 2076.

(4) CalPERS 1997-2011 experience study. Mortality Improvement Scale MP-2014.

(5) CalPERS 1997-2015 experience study. Mortality Improvement Scale MP-2017.

(6) CalPERS 1997-2015 experience study. Mortality Improvement Scale MP-2019.

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## SUPPLEMENTARY INFORMATION

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**CITY OF EL SEGUNDO  
COMBINING SCHEDULE OF BALANCE SHEET – GENERAL FUND COMPONENTS  
JUNE 30, 2021**

<b>ASSETS</b>	<u>General</u>	<u>Economic Uncertainty Fund</u>	<u>Hyperion Mitigation Fund</u>
Cash and Investments	\$ 26,805,438	\$ 1,076,296	\$ 102,731
Restricted Cash	5,144,456	-	-
Receivables:			
Taxes	4,969,656	-	-
Accounts	597,424	-	-
Interest	177,672	-	-
Notes and Loans	6,042	-	-
Due from Other Funds	721,236	-	-
Due from Other Governments	119,869	-	-
Inventories	115,484	-	-
Prepays	41,511	-	-
	<u>38,698,788</u>	<u>1,076,296</u>	<u>102,731</u>
Total Assets	<u>\$ 38,698,788</u>	<u>\$ 1,076,296</u>	<u>\$ 102,731</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 1,780,431	\$ -	\$ 653
Accrued Liabilities	1,883,837	-	-
Retentions Payable	2,336	-	-
Due to Other Funds	-	-	-
Unearned Revenue	30,868	-	-
Deposits Payable	640,149	-	-
Total Liabilities	4,337,621	-	653
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenues	43,254	-	-
Total Deferred Inflows of Resources	43,254	-	-
<b>FUND BALANCES</b>			
Nonspendable	163,037	-	-
Restricted	5,144,456	-	-
Assigned	1,111,745	-	-
Unassigned	27,898,675	1,076,296	102,078
Total Fund Balances	34,317,913	1,076,296	102,078
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 38,698,788</u>	<u>\$ 1,076,296</u>	<u>\$ 102,731</u>

**CITY OF EL SEGUNDO**  
**COMBINING SCHEDULE OF BALANCE SHEET – GENERAL FUND COMPONENTS (CONTINUED)**  
**JUNE 30, 2021**

<b>ASSETS</b>	Project Deposits Fund	Solid Waste Fund	Intrafund Eliminations	Total
Cash and Investments	\$ 2,631,682	\$ -	\$ -	\$ 30,616,147
Restricted Cash	-	-	-	5,144,456
Receivables:				
Taxes	-	-	-	4,969,656
Accounts	28,379	-	-	625,803
Interest	-	-	-	177,672
Notes and Loans	-	-	-	6,042
Due from Other Funds	-	-	(416,385)	304,851
Due from Other Governments	-	-	-	119,869
Inventories	-	-	-	115,484
Prepays	-	-	-	41,511
<b>Total Assets</b>	<b>\$ 2,660,061</b>	<b>\$ -</b>	<b>\$ (416,385)</b>	<b>\$ 42,121,491</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 238,413	\$ -		\$ 2,019,497
Accrued Liabilities	-	-		1,883,837
Retentions Payable	-	-		2,336
Due to Other Funds	-	416,385	(416,385)	-
Unearned Revenue	-	-		30,868
Deposits Payable	522,279	-		1,162,428
<b>Total Liabilities</b>	<b>760,692</b>	<b>416,385</b>	<b>(416,385)</b>	<b>5,098,966</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenues	-	-		43,254
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43,254</b>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	163,037
Restricted	-	-	-	5,144,456
Assigned	1,449,292	-	-	2,561,037
Unassigned	450,077	(416,385)	-	29,110,741
<b>Total Fund Balances</b>	<b>1,899,369</b>	<b>(416,385)</b>	<b>-</b>	<b>36,979,271</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 2,660,061</b>	<b>\$ -</b>	<b>\$ (416,385)</b>	<b>\$ 42,121,491</b>

**CITY OF EL SEGUNDO  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES – GENERAL FUND COMPONENTS  
NINE MONTHS ENDED JUNE 30, 2021**

	General	Economic Uncertainty Fund	Hyperion Mitigation Fund
<b>REVENUES</b>			
Taxes	\$ 40,187,419	\$ -	\$ -
Licenses and Permits	13,560,370	-	-
Intergovernmental	-	-	-
Charges for Services	4,121,056	-	-
Use of Money and Property	325,167	-	1,107
Fines and Forfeitures	266,634	-	-
Developer Fees	207,838	-	-
Miscellaneous	2,080,087	-	-
Total Revenues	<u>60,748,571</u>	<u>-</u>	<u>1,107</u>
<b>EXPENDITURES</b>			
Current			
General Government	32,058,014	-	-
Public Safety	141,967,680	-	-
Public Works	12,563,099	-	5,473
Community and Cultural	11,213,078	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal Retirement	43,200	-	-
Interest and Fiscal Charges	102,300	-	-
Total Expenditures	<u>197,947,371</u>	<u>-</u>	<u>5,473</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(137,198,800)</u>	<u>-</u>	<u>(4,366)</u>
<b>OTHER FINANCING USES</b>			
Debt Proceeds	140,095,398	-	-
Transfers In	25,000	-	-
Transfers Out	(472,248)	(923,708)	-
Total Other Financing Uses	<u>139,648,150</u>	<u>(923,708)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	2,449,350	(923,708)	(4,366)
Fund Balance - Beginning of Year	<u>31,868,563</u>	<u>2,000,004</u>	<u>106,444</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 34,317,913</u>	<u>\$ 1,076,296</u>	<u>\$ 102,078</u>

**CITY OF EL SEGUNDO  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES – GENERAL FUND COMPONENTS (CONTINUED)  
NINE MONTHS ENDED JUNE 30, 2021**

	Project Deposits Fund	Solid Waste Fund	Intrafund Eliminations	Total
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ 40,187,419
Licenses and Permits	-	-	-	13,560,370
Intergovernmental	-	-	-	-
Charges for Services	236,784	-	-	4,357,840
Use of Money and Property	-	-	-	326,274
Fines and Forfeitures	-	-	-	266,634
Developer Fees	-	-	-	207,838
Miscellaneous	-	-	-	2,080,087
Total Revenues	<u>236,784</u>	<u>-</u>	<u>-</u>	<u>60,986,462</u>
<b>EXPENDITURES</b>				
Current				
General Government	125,284	-	-	32,183,298
Public Safety	-	-	-	141,967,680
Public Works	-	168,373	-	12,736,945
Community and Cultural	-	-	-	11,213,078
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	43,200
Interest and Fiscal Charges	-	-	-	102,300
Total Expenditures	<u>125,284</u>	<u>168,373</u>	<u>-</u>	<u>198,246,501</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>111,500</u>	<u>(168,373)</u>	<u>-</u>	<u>(137,260,039)</u>
<b>OTHER FINANCING USES</b>				
Debt Proceeds	-	-	-	140,095,398
Transfers In	-	-	-	25,000
Transfers Out	-	-	-	(1,395,956)
Total Other Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>138,724,442</u>
<b>NET CHANGE IN FUND BALANCES</b>	111,500	(168,373)	-	1,464,403
Fund Balance - Beginning of Year	<u>1,787,869</u>	<u>(248,012)</u>	<u>-</u>	<u>35,514,868</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,899,369</u>	<u>\$ (416,385)</u>	<u>\$ -</u>	<u>\$ 36,979,271</u>

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# NONMAJOR GOVERNMENTAL FUNDS

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## Special Revenue Funds:

**State Gas Tax Fund** - Accounts for a share of revenues derived from the State Highway Users' Tax under Sections 2105, 2106, 2107, and 2107.5. The revenue is derived from a share of the gasoline taxes and is used for the construction and maintenance of the road network system of the City.

**Residential Sound Insulation Program Fund** - Accounts for the grants received from the Federal Aviation Administration (FAA) and the Los Angeles World Airports (LAWA). The fund is used to provide acoustical treatment of homes in El Segundo that are within the extreme airport noise impact zone, in order to create a better sound environment inside the home.

**Certified Unified Program Agency** - Accounts for revenues and expenditures for the Endorsement and Emergency Response Program (EERP), a consolidation of six environmental programs at the local level.

**Community Development Block Grant (CDBG)** - Accounts for revenues received from the Department of Housing & Urban Development (HUD). These revenues must be expended to accomplish one of the following objectives: elimination of slum or blight to low and moderate income persons; or, to meet certain urgent community development needs.

**Asset Forfeiture Fund** - Accounts for receipt and disbursement of narcotic forfeitures received from the County, State, and Federal agencies pursuant to Section 11470 of State Health & Safety Code and Federal Statute 21 USC Section 881.

**Prop "A" Transportation Fund** - Accounts for the one-half (1/2) cent Sales Tax approved by the voters of Los Angeles County to be used for local transportation purposes. These revenues are collected by the State and a portion is funneled to the City through the Los Angeles County Transportation Commission. The City of El Segundo uses this fund to participate in CTIP/MAX, a regional commuter service and to provide Dial-a-Ride; beach shuttles; and various transportation services.

**Prop "C" Transportation Fund** - Accounts for the one-half (1/2) cent Sales Tax approved by the voters of Los Angeles County in November 1990. Collection of the tax began in April 1991. Proceeds are to be used to improve transit services and operations; reduce traffic congestion; improve air quality; operate and improve the condition of the streets and freeways utilized by public transit; and reduce foreign oil dependence.

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# NONMAJOR GOVERNMENTAL FUNDS

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## Special Revenue Funds (Continued):

**Traffic Safety Fund** - Accounts for a portion of the Vehicle Code violation fines and penalties collected by the Los Angeles County Municipal Court. By State law, this money must be used for traffic safety related expenditures including traffic enforcement and capital projects.

**Air Pollution Reduction Fund** - Accounts for the City's share of funds received under the Health & Safety Code Section 44223 (AB 2766) to finance mobile source air pollution reduction programs consistent with the California Clean Air Act of 1988. The fund, derived from additional vehicle registration fee, is used to support the South Coast Air Quality Management District's (SCAQMD) program to reduce air pollution from motor vehicles.

**TDA Article 3/SB 821 Bikeway Fund** - Accounts for the monies the City receives from the Transportation Development Act Article 3 which are to be specifically used for construction or repair of bikeways, sidewalks, or handicapped accesses.

**COPS Fund** - Accounts for receipt and disbursement of funds received under the State Citizens' Option for Public Safety (COPS) program allocated pursuant to Government Code Section 30061 enacted by AB 3229, Chapter 134 of the 1996 Statutes. This fund, also known as the Supplemental Law Enforcement Services Fund (SLESF), is allocated based on population and can only be spent for "front line municipal police services" such as local crime prevention and community-oriented policing, per Government Code Section 30061 (c)(2).

**MTA Grant Fund** - Accounts for receipt and disbursement of funds received from the exchange of Federal Surface Transportation Program - Local Funds for Local Transportation Funds from Los Angeles County Metropolitan Transportation Authority.

**Measure R Fund** - Accounts for the one-half (1/2) Sales Tax approved by the voters of Los Angeles County to be used for local transportation needs. These revenues are received by the State and a portion is funneled to the City through the Los Angeles County Metropolitan Transportation Authority. The City of El Segundo uses these funds for street improvements.

**Federal Grants Fund** - Accounts for revenues and expenditures for each Federal grant awarded to the City.

**State & County Grants Fund** - Accounts for revenues and expenditures for each State or County grant awarded to the City.

**PSAF Property Tax Public Safety Fund** - Accounts for the one-half (1/2) cent Sales Tax approved by the voters in November 1993 under Prop 172. These revenues must be spent for public safety (police and fire services) purposes only.

**Senior Housing Fund** - Accounts for the revenues and expenditures from the El Segundo Senior Citizen Housing Corporation.

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# NONMAJOR GOVERNMENTAL FUNDS

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## Special Revenue Funds (Continued):

**Measure M Fund** - Accounts for the one-half (1/2) cent Sales Tax approved by the voters of Los Angeles County in November 2016. These revenues are received by the State and a portion is funneled to the City. These revenues must be spent to ease traffic congestion.

**SB 1 Fund** - Accounts for the revenues and expenditures from the Road Repair and Accountability Act of 2017. These revenues must be spent for local streets and roads.

**Certified Access Specialist Program ("CASP")** - Accounts for the fees collected to increase disability access and compliance with construction related accessibility requirements.

**Affordable Housing** - Accounts for the revenue and expenditures related to the construction and purchase of affordable housing.

**Cultural Development** - Accounts for the 1% in-lieu fee imposed on new developments over \$2 million to meet the public art requirement. These revenues must be spent on design, acquisition, commission, installation, improvement, maintenance and insurance of artwork or sponsoring and supporting artistic and cultural services in the City.

**Special Revenue/Donations Special Revenue Fund** - To account for donations received from private individuals or entities that are to be spent on specific activities or programs not funded by the City.

**County Storm Water Program** - Accounts for the revenues and expenditures related to Measure W, the Los Angeles County Safe, Clean Water Program.

## Debt Service Fund:

**Facility Lease Fund** - Accounts for the lease agreement with the California Infrastructure and Economic Development Bank (CIEDB) whereby CIEDB issued bonds in the amount of \$10 million to finance the Douglas Street Gap Closure Project. The City will make rental lease payments over a 30-year period starting February 1, 2006, at an interest rate of 2.87% per annum. Interest payments on the lease obligation are due on February 1 and August 1 of each year. Base rental payments will be mailed to the City reflecting the actual amount owed prior to each base rental payment due date.

**Pension Obligation Bonds** - Accounts for the payments of interest and principal of the pension obligation bond.

## Capital Projects Fund:

**Capital Improvement Fund** - Accounts for construction of capital facilities typically financed by the City's General Fund and any grant not accounted for in a special revenue fund.

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**CITY OF EL SEGUNDO**  
**COMBINING SCHEDULE OF BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

	Special Revenue Funds				
	State Gas Tax	Residential Sound Insulation	Certified Union Program Agencies	Community Development Block Grant	Asset Forfeiture
<b>ASSETS</b>					
Cash and Investments	\$ 217,216	\$ 458,101	\$ 396,266	\$ -	\$ 1,194,237
Receivables:					
Accounts	-	-	-	-	-
Interest	-	52	-	-	-
Notes and Loans	-	-	-	49,405	-
Due from Other Governments	44,023	-	-	-	-
Prepays	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 261,239</b>	<b>\$ 458,153</b>	<b>\$ 396,266</b>	<b>\$ 49,405</b>	<b>\$ 1,194,237</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 19,333	\$ -	\$ 65,626	\$ -	\$ 23,612
Accrued Liabilities	5,201	-	14,462	-	-
Retentions Payable	-	-	-	-	-
Due to Other Funds	-	-	-	10,664	-
Unearned Revenue	-	-	-	-	-
Deposits Payable	-	-	-	-	-
<b>Total Liabilities</b>	<b>24,534</b>	<b>-</b>	<b>80,088</b>	<b>10,664</b>	<b>23,612</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	236,705	458,153	316,178	38,741	1,170,625
Assigned	-	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-
<b>Total Fund Balances</b>	<b>236,705</b>	<b>458,153</b>	<b>316,178</b>	<b>38,741</b>	<b>1,170,625</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 261,239</b>	<b>\$ 458,153</b>	<b>\$ 396,266</b>	<b>\$ 49,405</b>	<b>\$ 1,194,237</b>

**CITY OF EL SEGUNDO  
COMBINING SCHEDULE OF BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
(CONTINUED)  
JUNE 30, 2021**

	Special Revenue Funds				
	Prop A	Prop C	Traffic Safety	Air Pollution Reduction	SB 821 Bikeway
<b>ASSETS</b>					
Cash and Investments	\$ 1,106,945	\$ 889,486	\$ 48,884	\$ 114,327	\$ 59,320
Receivables:					
Accounts	-	-	-	-	-
Interest	-	-	-	-	-
Notes and Loans	-	-	-	-	-
Due from Other Governments	-	-	3,472	5,570	-
Prepays	-	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 1,106,945</u></b>	<b><u>\$ 889,486</u></b>	<b><u>\$ 52,356</u></b>	<b><u>\$ 119,897</u></b>	<b><u>\$ 59,320</u></b>
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ 2,718	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-	-
Retentions Payable	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Deposits Payable	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>2,718</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	1,106,945	886,768	52,356	119,897	59,320
Assigned	-	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-
<b>Total Fund Balances</b>	<b><u>1,106,945</u></b>	<b><u>886,768</u></b>	<b><u>52,356</u></b>	<b><u>119,897</u></b>	<b><u>59,320</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 1,106,945</u></b>	<b><u>\$ 889,486</u></b>	<b><u>\$ 52,356</u></b>	<b><u>\$ 119,897</u></b>	<b><u>\$ 59,320</u></b>

**CITY OF EL SEGUNDO**  
**COMBINING SCHEDULE OF BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS**  
**(CONTINUED)**  
**JUNE 30, 2021**

	Special Revenue Funds				
	C.O.P.S.	MTA Grant	Measure R	Federal Grants	State Grants
<b>ASSETS</b>					
Cash and Investments	\$ 392,011	\$ 31,908	\$ 1,039,588	\$ -	\$ -
Receivables:					
Accounts	-	-	-	-	-
Interest	-	-	-	-	-
Notes and Loans	-	-	-	-	-
Due from Other Governments	-	-	-	256,480	-
Prepays	-	-	-	-	-
	<u>-\$ 392,011</u>	<u>\$ 31,908</u>	<u>\$ 1,039,588</u>	<u>\$ 256,480</u>	<u>\$ -</u>
Total Assets					
	<u>\$ 392,011</u>	<u>\$ 31,908</u>	<u>\$ 1,039,588</u>	<u>\$ 256,480</u>	<u>\$ -</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 12,141	\$ -	\$ 12,215	\$ -	\$ 10,443
Accrued Liabilities	-	-	-	-	-
Retentions Payable	-	14,711	-	-	-
Due to Other Funds	-	-	-	206,426	87,761
Unearned Revenue	-	-	-	-	-
Deposits Payable	-	-	-	-	-
Total Liabilities	<u>12,141</u>	<u>14,711</u>	<u>12,215</u>	<u>206,426</u>	<u>98,204</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue	-	-	-	256,480	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>256,480</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	379,870	17,197	1,027,373	-	-
Assigned	-	-	-	-	-
Unassigned (Deficit)	-	-	-	(206,426)	(98,204)
Total Fund Balances	<u>379,870</u>	<u>17,197</u>	<u>1,027,373</u>	<u>(206,426)</u>	<u>(98,204)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 392,011</u>	<u>\$ 31,908</u>	<u>\$ 1,039,588</u>	<u>\$ 256,480</u>	<u>\$ -</u>

**CITY OF EL SEGUNDO  
COMBINING SCHEDULE OF BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
(CONTINUED)  
JUNE 30, 2021**

	Special Revenue Funds				Certified Access Specialist Program
	PSAF Property Tax Public Safety	Senior Housing	Measure M	SB 1	
<b>ASSETS</b>					
Cash and Investments	\$ 157,485	\$ 1,193,046	\$ 932,375	\$ 499,561	\$ 94,975
Receivables:					
Accounts	-	1,445	-	-	-
Interest	-	-	-	-	-
Notes and Loans	-	-	-	-	-
Due from Other Governments	9,879	-	-	56,677	-
Prepays	-	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 167,364</u></b>	<b><u>\$ 1,194,491</u></b>	<b><u>\$ 932,375</u></b>	<b><u>\$ 556,238</u></b>	<b><u>\$ 94,975</u></b>
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ 3,188	\$ -	\$ 324,402	\$ 4
Accrued Liabilities	-	420	-	-	1,465
Retentions Payable	-	-	-	15,851	-
Due to Other Funds	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Deposits Payable	-	304,390	-	-	-
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>307,998</u></b>	<b><u>-</u></b>	<b><u>340,253</u></b>	<b><u>1,469</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	167,364	886,493	932,375	215,985	93,506
Assigned	-	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-
<b>Total Fund Balances</b>	<b><u>167,364</u></b>	<b><u>886,493</u></b>	<b><u>932,375</u></b>	<b><u>215,985</u></b>	<b><u>93,506</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 167,364</u></b>	<b><u>\$ 1,194,491</u></b>	<b><u>\$ 932,375</u></b>	<b><u>\$ 556,238</u></b>	<b><u>\$ 94,975</u></b>



**CITY OF EL SEGUNDO**  
**COMBINING SCHEDULE OF BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS**  
**(CONTINUED)**  
**JUNE 30, 2021**

	Special Revenue Funds				Debt Service Fund
	Affordable Housing	Cultural Development	Special Revenues / Donations	County Storm Water Program	Facility Lease
<b>ASSETS</b>					
Cash and Investments	\$ 5,323,759	\$ 213,740	\$ 1,146,593	\$ 497,030	\$ 1,620,251
Receivables:					
Accounts	-	-	15,300	-	-
Interest	-	-	-	-	-
Notes and Loans	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Prepays	-	-	-	-	-
	<u>5,323,759</u>	<u>213,740</u>	<u>1,161,893</u>	<u>497,030</u>	<u>1,620,251</u>
Total Assets	<u>\$ 5,323,759</u>	<u>\$ 213,740</u>	<u>\$ 1,161,893</u>	<u>\$ 497,030</u>	<u>\$ 1,620,251</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 450	\$ 208	\$ 58,230	\$ 7,210	\$ -
Accrued Liabilities	-	1,924	-	-	-
Retentions Payable	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Deposits Payable	-	-	-	-	-
Total Liabilities	<u>450</u>	<u>2,132</u>	<u>58,230</u>	<u>7,210</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	5,323,309	211,608	1,103,663	489,820	1,620,251
Assigned	-	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-
Total Fund Balances	<u>5,323,309</u>	<u>211,608</u>	<u>1,103,663</u>	<u>489,820</u>	<u>1,620,251</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,323,759</u>	<u>\$ 213,740</u>	<u>\$ 1,161,893</u>	<u>\$ 497,030</u>	<u>\$ 1,620,251</u>

**CITY OF EL SEGUNDO**  
**COMBINING SCHEDULE OF BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS**  
**(CONTINUED)**  
**JUNE 30, 2021**

	<u>Debt</u> <u>Service Fund</u>	<u>Capital</u> <u>Projects Fund</u>	
	<u>Pension</u> <u>Obligation</u> <u>Bonds</u>	<u>Capital</u> <u>Improvement</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Investments	\$ 4,637	\$ 4,468,717	\$ 22,100,458
Receivables:			
Accounts	-	-	16,745
Interest	-	-	52
Notes and Loans	-	-	49,405
Due from Other Governments	-	-	376,101
Prepays	-	-	-
	<u>4,637</u>	<u>4,468,717</u>	<u>22,542,761</u>
Total Assets	<u>\$ 4,637</u>	<u>\$ 4,468,717</u>	<u>\$ 22,542,761</u>
<b>LIABILITIES</b>			
Accounts Payable	-	\$ 147,343	\$ 687,123
Accrued Liabilities	-	-	23,472
Retentions Payable	-	6,465	37,027
Due to Other Funds	-	-	304,851
Unearned Revenue	-	-	-
Deposits Payable	-	-	304,390
Total Liabilities	<u>-</u>	<u>153,808</u>	<u>1,356,863</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue	-	-	256,480
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>256,480</u>
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	4,637	-	16,919,139
Assigned	-	4,314,909	4,314,909
Unassigned (Deficit)	-	-	(304,630)
Total Fund Balances	<u>4,637</u>	<u>4,314,909</u>	<u>20,929,418</u>
	<u>\$ 4,637</u>	<u>\$ 4,468,717</u>	<u>\$ 22,542,761</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,637</u>	<u>\$ 4,468,717</u>	<u>\$ 22,542,761</u>

**CITY OF EL SEGUNDO  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS  
NINE MONTHS ENDED JUNE 30, 2021**

	Special Revenue Funds				
	Certified				
	State Gas Tax	Residential Sound Insulation	Union Program Agencies Fund	Community Development Block Grant	Asset Forfeiture
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	8,177	-	-
Intergovernmental	310,296	-	-	-	546,162
Charges for Services	-	-	458,188	-	-
Use of Money and Property	1,912	5,134	1,748	-	8,016
Fines and Forfeitures	-	-	-	-	-
Developer Fees	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>312,208</u>	<u>5,134</u>	<u>468,113</u>	<u>-</u>	<u>554,178</u>
<b>EXPENDITURES</b>					
Current					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	106,534
Public Works	208,217	-	-	-	-
Community and Cultural	-	608	471,019	-	-
Capital Outlay	-	-	-	-	2,246
Debt Service					
Principal Retirement	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	<u>208,217</u>	<u>608</u>	<u>471,019</u>	<u>-</u>	<u>108,780</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	103,991	4,526	(2,906)	-	445,398
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	103,991	4,526	(2,906)	-	445,398
Fund Balances - Beginning of Year	<u>132,714</u>	<u>453,627</u>	<u>319,084</u>	<u>38,741</u>	<u>725,227</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 236,705</u>	<u>\$ 458,153</u>	<u>\$ 316,178</u>	<u>\$ 38,741</u>	<u>\$ 1,170,625</u>

**CITY OF EL SEGUNDO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**NINE MONTHS ENDED JUNE 30, 2021**

	Special Revenue Funds				
	Prop A	Prop C	Traffic Safety	Air Pollution Reduction	SB 821 Bikeway
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental	259,647	215,233	-	21,907	-
Charges for Services	-	-	-	-	-
Use of Money and Property	10,496	9,699	-	1,084	623
Fines and Forfeitures	-	-	31,068	-	-
Developer Fees	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>270,143</u>	<u>224,932</u>	<u>31,068</u>	<u>22,991</u>	<u>623</u>
<b>EXPENDITURES</b>					
Current					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Community and Cultural	64,135	350	-	-	-
Capital Outlay	-	220,175	-	-	-
Debt Service					
Principal Retirement	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	<u>64,135</u>	<u>220,525</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	206,008	4,407	31,068	22,991	623
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	(25,000)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(25,000)</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	206,008	4,407	6,068	22,991	623
Fund Balances - Beginning of Year	<u>900,937</u>	<u>882,361</u>	<u>46,288</u>	<u>96,906</u>	<u>58,697</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 1,106,945</u>	<u>\$ 886,768</u>	<u>\$ 52,356</u>	<u>\$ 119,897</u>	<u>\$ 59,320</u>

**CITY OF EL SEGUNDO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**NINE MONTHS ENDED JUNE 30, 2021**

	Special Revenue Funds				
	C.O.P.S.	MTA Grant	Measure R	Federal Grants	State Grants
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental	100,000	294,218	161,753	196,669	6,638
Charges for Services	-	-	-	-	-
Use of Money and Property	3,979	3,101	10,050	-	-
Fines and Forfeitures	-	-	-	-	-
Developer Fees	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>103,979</u>	<u>297,319</u>	<u>171,803</u>	<u>196,669</u>	<u>6,638</u>
<b>EXPENDITURES</b>					
Current					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	7,070
Public Works	-	-	-	-	-
Community and Cultural	-	-	-	356,978	199,016
Capital Outlay	56,583	294,218	24,372	-	-
Debt Service					
Principal Retirement	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	<u>56,583</u>	<u>294,218</u>	<u>24,372</u>	<u>356,978</u>	<u>206,086</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	47,396	3,101	147,431	(160,309)	(199,448)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	47,396	3,101	147,431	(160,309)	(199,448)
Fund Balances - Beginning of Year	<u>332,474</u>	<u>14,096</u>	<u>879,942</u>	<u>(46,117)</u>	<u>101,244</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 379,870</u>	<u>\$ 17,197</u>	<u>\$ 1,027,373</u>	<u>\$ (206,426)</u>	<u>\$ (98,204)</u>

**CITY OF EL SEGUNDO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**NINE MONTHS ENDED JUNE 30, 2021**

	Special Revenue Funds				Certified Access Specialist Program
	PSAF Property Tax Public Safety	Senior Housing	Measure M	SB 1	
<b>REVENUES</b>					
Taxes	\$ 29,137	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental	-	-	183,159	257,299	-
Charges for Services	-	-	-	-	20,526
Use of Money and Property	1,544	3,040	8,687	5,316	895
Fines and Forfeitures	-	-	-	-	-
Developer Fees	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>30,681</u>	<u>3,040</u>	<u>191,846</u>	<u>262,615</u>	<u>21,421</u>
<b>EXPENDITURES</b>					
Current					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Community and Cultural	-	96,769	-	-	-
Capital Outlay	-	-	-	700,855	-
Debt Service					
Principal Retirement	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>96,769</u>	<u>-</u>	<u>700,855</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	30,681	(93,729)	191,846	(438,240)	21,421
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	30,681	(93,729)	191,846	(438,240)	21,421
Fund Balances - Beginning of Year	<u>136,683</u>	<u>980,222</u>	<u>740,529</u>	<u>654,225</u>	<u>72,085</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 167,364</u>	<u>\$ 886,493</u>	<u>\$ 932,375</u>	<u>\$ 215,985</u>	<u>\$ 93,506</u>

**CITY OF EL SEGUNDO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**NINE MONTHS ENDED JUNE 30, 2021**

	Special Revenue Funds				Debt Service Fund
	Affordable Housing	Cultural Development	Special Revenues / Donations	County Storm Water Program	Facility Lease
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental	-	-	-	612,486	-
Charges for Services	-	-	-	-	-
Use of Money and Property	56,143	-	-	242	-
Fines and Forfeitures	-	-	-	-	-
Developer Fees	-	91,370	-	-	678,615
Miscellaneous	-	-	143,719	-	-
Total Revenues	<u>56,143</u>	<u>91,370</u>	<u>143,719</u>	<u>612,728</u>	<u>678,615</u>
<b>EXPENDITURES</b>					
Current					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	60,823	-
Community and Cultural	30,584	8,818	175,576	-	-
Capital Outlay	-	-	-	62,085	-
Debt Service					
Principal Retirement	-	-	-	-	-
Interest	-	-	-	-	88,655
Total Expenditures	<u>30,584</u>	<u>8,818</u>	<u>175,576</u>	<u>122,908</u>	<u>88,655</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	25,559	82,552	(31,857)	489,820	589,960
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	(400,000)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(400,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	25,559	(317,448)	(31,857)	489,820	589,960
Fund Balances - Beginning of Year	<u>5,297,750</u>	<u>529,056</u>	<u>1,135,520</u>	<u>-</u>	<u>1,030,291</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 5,323,309</u>	<u>\$ 211,608</u>	<u>\$ 1,103,663</u>	<u>\$ 489,820</u>	<u>\$ 1,620,251</u>

**CITY OF EL SEGUNDO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**NINE MONTHS ENDED JUNE 30, 2021**

	Debt Service Fund	Capital Projects Fund	
	Pension Obligation Bonds	Capital Improvement	Total
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ 29,137
Licenses and Permits	-	-	8,177
Intergovernmental	-	-	3,165,467
Charges for Services	-	-	478,714
Use of Money and Property	-	-	131,709
Fines and Forfeitures	-	-	31,068
Developer Fees	-	-	769,985
Miscellaneous	-	25,000	168,719
Total Revenues	-	25,000	4,782,976
<b>EXPENDITURES</b>			
Current			
General Government	-	-	-
Public Safety	-	-	113,604
Public Works	-	-	269,040
Community and Cultural	-	-	1,403,853
Capital Outlay	-	1,647,585	3,008,119
Debt Service			
Principal Retirement	-	-	-
Interest	-	-	88,655
Total Expenditures	-	1,647,585	4,883,271
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	(1,622,585)	(100,295)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	4,637	1,776,319	1,780,956
Transfers Out	-	-	(425,000)
Total Other Financing Sources (Uses)	4,637	1,776,319	1,355,956
<b>NET CHANGE IN FUND BALANCES</b>	4,637	153,734	1,255,661
Fund Balances - Beginning of Year	-	4,161,175	19,673,757
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 4,637</b>	<b>\$ 4,314,909</b>	<b>\$ 20,929,418</b>



**CITY OF EL SEGUNDO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –**  
**BUDGET AND ACTUAL – STATE GAS TAX SPECIAL REVENUE FUND**  
**NINE MONTHS ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 275,000	\$ 275,000	\$ 310,296	\$ 35,296
Use of Money and Property	10,000	10,000	1,912	(8,088)
Total Revenues	<u>285,000</u>	<u>285,000</u>	<u>312,208</u>	<u>27,208</u>
<b>EXPENDITURES</b>				
Current				
Public Works	478,221	478,221	208,217	270,004
Capital Outlay	225,000	225,000	-	225,000
Total Expenditures	<u>703,221</u>	<u>703,221</u>	<u>208,217</u>	<u>495,004</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (418,221)</u>	<u>\$ (418,221)</u>	103,991	<u>\$ 522,212</u>
Fund balance (Deficit) - Beginning of Year			<u>132,714</u>	
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>			<u>\$ 236,705</u>	

**CITY OF EL SEGUNDO**  
**SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –**  
**BUDGET AND ACTUAL – RESIDENTIAL SOUND INSULATION SPECIAL REVENUE FUND**  
**NINE MONTHS ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of Money and Property	\$ 1,500	\$ 1,500	\$ 5,134	\$ 3,634
Total Revenues	<u>1,500</u>	<u>1,500</u>	<u>5,134</u>	<u>3,634</u>
<b>EXPENDITURES</b>				
Current:				
Community and Cultural	800	800	608	192
Total Expenditures	<u>800</u>	<u>800</u>	<u>608</u>	<u>192</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 700</u>	<u>\$ 700</u>	4,526	<u>\$ 3,826</u>
Fund Balance - Beginning of Year			<u>453,627</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 458,153</u>	

**CITY OF EL SEGUNDO**  
**SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES – BUDGET**  
**AND ACTUAL – CERTIFIED UNION PROGRAM AGENCIES SPECIAL REVENUE FUND**  
**NINE MONTHS ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Licenses and Permits	\$ 2,000	\$ 2,000	\$ 8,177	\$ 6,177
Charges for Services	321,000	321,000	458,188	137,188
Use of Money and Property	-	-	1,748	1,748
Fines and Forfeitures	40,000	40,000	-	(40,000)
Total Revenues	363,000	363,000	468,113	105,113
<b>EXPENDITURES</b>				
Current				
Community and Cultural	521,407	521,407	471,019	50,388
Total Expenditures	521,407	521,407	471,019	50,388
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (158,407)</b>	<b>\$ (158,407)</b>	<b>(2,906)</b>	<b>\$ 155,501</b>
Fund Balance - Beginning of Year			319,084	
<b>FUND BALANCE - END OF YEAR</b>			<b>\$ 316,178</b>	

**CITY OF EL SEGUNDO**  
**SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES – BUDGET**  
**AND ACTUAL – COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND**  
**NINE MONTHS ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES</b>				
Capital Outlay	\$ 100,000	\$ 100,000	\$ -	\$ 100,000
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (100,000)</u>	<u>\$ (100,000)</u>	<u>-</u>	<u>\$ 100,000</u>
Fund Balance - Beginning of Year			<u>38,741</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 38,741</u>	

**CITY OF EL SEGUNDO**  
**SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –**  
**BUDGET AND ACTUAL – ASSET FORFEITURE SPECIAL REVENUE FUND**  
**NINE MONTHS ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 546,162	\$ 546,162
Use of Money and Property	-	-	8,016	8,016
Total Revenues	-	-	554,178	554,178
<b>EXPENDITURES</b>				
Current:				
Public Safety	316,000	316,000	106,534	209,466
Capital Outlay	650,000	650,000	2,246	647,754
Total Expenditures	966,000	966,000	108,780	857,220
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (966,000)</u>	<u>\$ (966,000)</u>	445,398	<u>\$ 1,411,398</u>
Fund Balance - Beginning of Year			<u>725,227</u>	
<b>FUND BALNCE - END OF YEAR</b>			<u><u>\$ 1,170,625</u></u>	

**CITY OF EL SEGUNDO**  
**SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –**  
**BUDGET AND ACTUAL – PROP A SPECIAL REVENUE FUND**  
**NINE MONTHS ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 226,000	\$ 226,000	\$ 259,647	\$ 33,647
Use of Money and Property	1,000	1,000	10,496	9,496
Total Revenues	<u>227,000</u>	<u>227,000</u>	<u>270,143</u>	<u>43,143</u>
<b>EXPENDITURES</b>				
Current				
Community and Cultural	244,067	244,067	64,135	179,932
Total Expenditures	<u>244,067</u>	<u>244,067</u>	<u>64,135</u>	<u>179,932</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (17,067)</u>	<u>\$ (17,067)</u>	206,008	<u>\$ 223,075</u>
Fund Balance - Beginning of Year			<u>900,937</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 1,106,945</u>	

**CITY OF EL SEGUNDO**  
**SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –**  
**BUDGET AND ACTUAL – PROP C SPECIAL REVENUE FUND**  
**NINE MONTHS ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 200,000	\$ 200,000	\$ 215,233	\$ 15,233
Use of Money and Property	1,500	1,500	9,699	8,199
Total Revenues	<u>201,500</u>	<u>201,500</u>	<u>224,932</u>	<u>23,432</u>
<b>EXPENDITURES</b>				
Current				
Community and Cultural	70,502	70,502	350	70,152
Capital Outlay	420,000	420,000	220,175	199,825
Total Expenditures	<u>490,502</u>	<u>490,502</u>	<u>220,525</u>	<u>269,977</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (289,002)</u>	<u>\$ (289,002)</u>	4,407	<u>\$ 293,409</u>
Fund Balance - Beginning of Year			<u>882,361</u>	
<b>FUND BALNCE - END OF YEAR</b>			<u>\$ 886,768</u>	

**CITY OF EL SEGUNDO**  
**SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –**  
**BUDGET AND ACTUAL – TRAFFIC SAFETY SPECIAL REVENUE FUND**  
**NINE MONTHS ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of Money and Property	\$ 1,500	\$ 1,500	\$ -	\$ (1,500)
Fines and Forfeitures	39,835	39,835	31,068	(8,767)
Total Revenues	<u>41,335</u>	<u>41,335</u>	31,068	(10,267)
<b>OTHER FINANCING SOURCES</b>				
Transfer Out	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 16,335</u>	<u>\$ 16,335</u>	6,068	<u>\$ (10,267)</u>
Fund Balance - Beginning of Year			<u>46,288</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 52,356</u>	



**CITY OF EL SEGUNDO**  
**SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –**  
**BUDGET AND ACTUAL – AIR POLLUTION REDUCTION SPECIAL REVENUE FUND**  
**NINE MONTHS ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 15,000	\$ 15,000	\$ 21,907	\$ 6,907
Use of Money and Property	500	500	1,084	584
Total Revenues	<u>15,500</u>	<u>15,500</u>	<u>22,991</u>	<u>7,491</u>
<b>EXPENDITURES</b>				
Capital Outlay	90,000	90,000	-	90,000
Total Expenditures	<u>90,000</u>	<u>90,000</u>	<u>-</u>	<u>90,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (74,500)</u>	<u>\$ (74,500)</u>	22,991	<u>\$ 97,491</u>
Fund Balance - Beginning of Year			<u>96,906</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 119,897</u>	

**CITY OF EL SEGUNDO**  
**SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –**  
**BUDGET AND ACTUAL – SB 821 SPECIAL REVENUE FUND**  
**NINE MONTHS ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of Money and Property	\$ -	\$ -	\$ 623	\$ 623
Total Revenues	-	-	623	623
<b>EXPENDITURES</b>				
Capital Outlay	45,000	103,137	-	103,137
Total Expenditures	45,000	103,137	-	103,137
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (45,000)</u>	<u>\$ (103,137)</u>	623	<u>\$ 103,760</u>
Fund Balance - Beginning of Year			<u>58,697</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 59,320</u>	

**CITY OF EL SEGUNDO**  
**SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –**  
**BUDGET AND ACTUAL – C.O.P.S. SPECIAL REVENUE FUND**  
**NINE MONTHS ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Use of Money and Property	1,000	1,000	3,979	2,979
Total Revenues	<u>101,000</u>	<u>101,000</u>	<u>103,979</u>	<u>2,979</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	100,000	100,000	-	100,000
Capital Outlay	175,000	175,000	56,583	118,417
Total Expenditures	<u>275,000</u>	<u>275,000</u>	<u>56,583</u>	<u>218,417</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (174,000)</u>	<u>\$ (174,000)</u>	47,396	<u>\$ 221,396</u>
Fund Balance - Beginning of Year			<u>332,474</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 379,870</u>	

**CITY OF EL SEGUNDO**  
**SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –**  
**BUDGET AND ACTUAL – MTA GRANT SPECIAL REVENUE FUND**  
**NINE MONTHS ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 294,218	\$ 294,218
Use of Money and Property	-	-	3,101	3,101
Total Revenues	-	-	297,319	297,319
<b>EXPENDITURES</b>				
Capital Outlay	-	295,000	294,218	782
Total Expenditures	-	295,000	294,218	782
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ -</b>	<b>\$ (295,000)</b>	<b>3,101</b>	<b>\$ 298,101</b>
Fund Balance - Beginning of Year			14,096	
<b>FUND BALANCE - END OF YEAR</b>			<b>\$ 17,197</b>	

**CITY OF EL SEGUNDO**  
**SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –**  
**BUDGET AND ACTUAL – MEASURE R SPECIAL REVENUE FUND**  
**NINE MONTHS ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 155,000	\$ 155,000	\$ 161,753	\$ 6,753
Use of Money and Property	2,000	2,000	10,050	8,050
Total Revenues	<u>157,000</u>	<u>157,000</u>	<u>171,803</u>	<u>14,803</u>
<b>EXPENDITURES</b>				
Capital Outlay	5,000,000	5,000,000	24,372	4,975,628
Total Expenditures	<u>5,000,000</u>	<u>5,000,000</u>	<u>24,372</u>	<u>4,975,628</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (4,843,000)</u>	<u>\$ (4,843,000)</u>	147,431	<u>\$ 4,990,431</u>
Fund Balance - Beginning of Year			<u>879,942</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 1,027,373</u>	

**CITY OF EL SEGUNDO**  
**SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –**  
**BUDGET AND ACTUAL – FEDERAL GRANTS SPECIAL REVENUE FUND**  
**NINE MONTHS ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 24,000	\$ 24,000	\$ 196,669	\$ 172,669
Total Revenues	<u>24,000</u>	<u>24,000</u>	<u>196,669</u>	<u>172,669</u>
<b>EXPENDITURES</b>				
Current				
Community and Cultural	250,000	250,000	356,978	(106,978)
Total Expenditures	<u>250,000</u>	<u>250,000</u>	<u>356,978</u>	<u>(106,978)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (226,000)</u>	<u>\$ (226,000)</u>	(160,309)	<u>\$ 65,691</u>
Fund Balance - Beginning of Year			<u>(46,117)</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ (206,426)</u>	

**CITY OF EL SEGUNDO**  
**SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –**  
**BUDGET AND ACTUAL – STATE GRANTS SPECIAL REVENUE FUND**  
**NINE MONTHS ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 195,000	\$ 195,000	\$ 6,638	\$ (188,362)
Total Revenues	<u>195,000</u>	<u>195,000</u>	<u>6,638</u>	<u>(188,362)</u>
<b>EXPENDITURES</b>				
Current				
Public Safety	9,000	9,000	7,070	1,930
Community and Cultural	219,000	219,000	199,016	19,984
Total Expenditures	<u>228,000</u>	<u>228,000</u>	<u>206,086</u>	<u>21,914</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (33,000)</u>	<u>\$ (33,000)</u>	<u>(199,448)</u>	<u>\$ (166,448)</u>
Fund Balance - Beginning of Year			<u>101,244</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ (98,204)</u>	

**CITY OF EL SEGUNDO**  
**SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES – BUDGET**  
**AND ACTUAL – PSAF PROPERTY TAX PUBLIC SAFETY SPECIAL REVENUE FUND**  
**NINE MONTHS ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 20,000	\$ 20,000	\$ 29,137	\$ 9,137
Use of Money and Property	-	-	1,544	1,544
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>30,681</u>	<u>10,681</u>
<b>EXPENDITURES</b>				
Current				
Public Safety	125,000	125,000	-	125,000
Total Expenditures	<u>125,000</u>	<u>125,000</u>	<u>-</u>	<u>125,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (105,000)</u>	<u>\$ (105,000)</u>	30,681	<u>\$ 135,681</u>
Fund Balance - Beginning of Year			<u>136,683</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 167,364</u>	



**CITY OF EL SEGUNDO**  
**SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –**  
**BUDGET AND ACTUAL – SENIOR HOUSING SPECIAL REVENUE FUND**  
**NINE MONTHS ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of Money and Property	\$ 10,000	\$ 10,000	\$ 3,040	\$ (6,960)
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>3,040</u>	<u>(6,960)</u>
<b>EXPENDITURES</b>				
Current				
Community and Cultural	15,500	15,500	96,769	(81,269)
Capital Outlay	60,000	60,000	-	60,000
Total Expenditures	<u>75,500</u>	<u>75,500</u>	<u>96,769</u>	<u>(21,269)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (65,500)</u>	<u>\$ (65,500)</u>	(93,729)	<u>\$ (28,229)</u>
Fund Balance - Beginning of Year			<u>980,222</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 886,493</u>	

**CITY OF EL SEGUNDO**  
**SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –**  
**BUDGET AND ACTUAL – MEASURE M SPECIAL REVENUE FUND**  
**NINE MONTHS ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 165,000	\$ 165,000	\$ 183,159	\$ 18,159
Use of Money and Property	1,000	1,000	8,687	7,687
Total Revenues	<u>166,000</u>	<u>166,000</u>	<u>191,846</u>	<u>25,846</u>
<b>EXPENDITURES</b>				
Capital Outlay	<u>550,000</u>	<u>550,000</u>	-	<u>550,000</u>
Total Expenditures	<u>550,000</u>	<u>550,000</u>	-	<u>550,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (384,000)</u>	<u>\$ (384,000)</u>	191,846	<u>\$ 575,846</u>
Fund Balance - Beginning of year			<u>740,529</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 932,375</u>	

**CITY OF EL SEGUNDO**  
**SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –**  
**BUDGET AND ACTUAL – SB 1 SPECIAL REVENUE FUND**  
**NINE MONTHS ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 150,000	\$ 150,000	\$ 257,299	\$ 107,299
Use of Money and Property	1,000	1,000	5,316	4,316
Total Revenues	151,000	151,000	262,615	111,615
<b>EXPENDITURES</b>				
Capital Outlay	500,000	1,150,000	700,855	449,145
Total Expenditures	500,000	1,150,000	700,855	449,145
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (349,000)</b>	<b>\$ (999,000)</b>	<b>(438,240)</b>	<b>\$ 560,760</b>
Fund Balance - Beginning of Year			654,225	
<b>FUND BALANCE - END OF YEAR</b>			<b>\$ 215,985</b>	

**CITY OF EL SEGUNDO**  
**SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES – BUDGET**  
**AND ACTUAL – CERTIFIED ACCESS SPECIALIST PROGRAM SPECIAL REVENUE FUND**  
**NINE MONTHS ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for Services	\$ 18,000	\$ 18,000	\$ 20,526	\$ 2,526
Use of Money and Property	150	150	895	(745)
Total Revenues	<u>18,150</u>	<u>18,150</u>	<u>21,421</u>	<u>1,781</u>
<b>EXPENDITURES</b>				
Current				
Community and Cultural	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>
Total Expenditures	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u><u>\$ (21,850)</u></u>	<u><u>\$ (21,850)</u></u>	<u>21,421</u>	<u><u>\$ 41,781</u></u>
Fund Balance - Beginning of Year			<u>72,085</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u><u>\$ 93,506</u></u>	

**CITY OF EL SEGUNDO**  
**SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –**  
**BUDGET AND ACTUAL – AFFORDABLE HOUSING SPECIAL REVENUE FUND**  
**NINE MONTHS ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of Money and Property	\$ -	\$ -	\$ 56,143	\$ 56,143
Total Revenues	-	-	56,143	56,143
<b>EXPENDITURES</b>				
Current				
Community and Cultural	200,000	200,000	30,584	169,416
Total Expenditures	200,000	200,000	30,584	169,416
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (200,000)</u>	<u>\$ (200,000)</u>	25,559	<u>\$ 225,559</u>
Fund Balance - Beginning of Year			<u>5,297,750</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u><u>\$ 5,323,309</u></u>	

**CITY OF EL SEGUNDO**  
**SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –**  
**BUDGET AND ACTUAL – CULTURAL DEVELOPMENT SPECIAL REVENUE FUND**  
**NINE MONTHS ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Developer Fees	\$ -	\$ -	\$ 91,370	\$ 91,370
Total Revenues	-	-	91,370	91,370
<b>EXPENDITURES</b>				
Current:				
Community and Cultural	486,850	486,850	8,818	478,032
Total Expenditures	486,850	486,850	8,818	478,032
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(486,850)	(486,850)	82,552	569,402
<b>OTHER FINANCING SOURCES</b>				
Transfer Out	-	-	(400,000)	(400,000)
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (486,850)</u>	<u>\$ (486,850)</u>	(317,448)	<u>\$ 169,402</u>
Fund Balance - Beginning of Year			<u>529,056</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 211,608</u>	

**CITY OF EL SEGUNDO**  
**SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –**  
**BUDGET AND ACTUAL – SPECIAL REVENUES AND DONATIONS SPECIAL REVENUE FUND**  
**NINE MONTHS ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ -	\$ 143,719	\$ 143,719
Total Revenues	-	-	143,719	143,719
<b>EXPENDITURES</b>				
Current:				
Public Safety	5,000	5,000	-	5,000
Community and Cultural	585,000	585,000	175,576	409,424
Capital Outlay	10,000	10,000	-	10,000
Total Expenditures	600,000	600,000	175,576	424,424
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (600,000)</b>	<b>\$ (600,000)</b>	<b>(31,857)</b>	<b>\$ 568,143</b>
Fund Balance - Beginning of Year			1,135,520	
<b>FUND BALANCE - END OF YEAR</b>			<b>\$ 1,103,663</b>	

**CITY OF EL SEGUNDO**  
**SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –**  
**BUDGET AND ACTUAL – COUNTY STORM WATER PROGRAM SPECIAL REVENUE FUND**  
**NINE MONTHS ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 850,000	\$ 850,000	\$ 612,486	\$ (237,514)
Use of Money and Property	-	-	242	242
Total Revenues	<u>850,000</u>	<u>850,000</u>	<u>612,728</u>	<u>(237,272)</u>
<b>EXPENDITURES</b>				
Current				
Public Works	850,000	611,232	60,823	550,409
Capital Outlay	-	238,768	62,085	176,683
Total Expenditures	<u>850,000</u>	<u>850,000</u>	<u>122,908</u>	<u>727,092</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ -</u>	<u>\$ -</u>	489,820	<u>\$ 489,820</u>
Fund Balance - Beginning of Year			<u>-</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 489,820</u>	



**CITY OF EL SEGUNDO**  
**SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –**  
**BUDGET AND ACTUAL – FACILITY LEASE DEBT SERVICE FUND**  
**NINE MONTHS ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Developer Fees	\$ 137,000	\$ 137,000	\$ 678,615	\$ 541,615
Total Revenues	<u>137,000</u>	<u>137,000</u>	<u>678,615</u>	<u>541,615</u>
<b>EXPENDITURES</b>				
Current				
General Government	30,000	30,000	-	30,000
Debt Service				
Principal Retirement	320,000	320,000	-	320,000
Interest	195,000	195,000	88,655	106,345
Total Expenditures	<u>545,000</u>	<u>545,000</u>	<u>88,655</u>	<u>456,345</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (408,000)</u>	<u>\$ (408,000)</u>	589,960	<u>\$ 997,960</u>
Fund Balance - Beginning of Year			<u>1,030,291</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 1,620,251</u>	

**CITY OF EL SEGUNDO**  
**SCHEDULE OF REVENUES, EXPENSITURES, AND CHANGES IN FUND BALANCES –**  
**BUDGET AND ACTUAL – CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND**  
**NINE MONTHS ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ -	\$ 25,000	\$ 25,000
Total Revenues	-	-	25,000	25,000
<b>EXPENDITURES</b>				
Capital Outlay	1,250,000	5,799,060	1,647,585	4,151,475
Total Expenditures	1,250,000	5,799,060	1,647,585	4,151,475
<b>EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES</b>	(1,250,000)	(5,799,060)	(1,622,585)	4,176,475
<b>OTHER FINANCING SOURCES:</b>				
Transfers In	1,250,000	1,250,000	1,776,319	526,319
Total Other Financing Sources	1,250,000	1,250,000	1,776,319	526,319
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ -</u>	<u>\$ (4,549,060)</u>	153,734	<u>\$ 4,702,794</u>
Fund Balance - Beginning of Year			<u>4,161,175</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u><u>\$ 4,314,909</u></u>	

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# INTERNAL SERVICE FUNDS

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## Internal Service Funds:

***Equipment Replacement Fund*** - Accounts for in-house charges to City departments to accumulate funding for future replacement of equipment used by the departments. The Fund also accounts for the proceeds from sale of surplus equipment.

***Liability Insurance Fund*** - Accounts for charges to departments for their share of general liability claims and the administration cost of the self-insurance program.

***Workers' Compensation Insurance Fund*** - Accounts for charges to the departments for their share of workers' compensation claims and administrative costs of the self-insurance program.

**CITY OF EL SEGUNDO**  
**COMBINING STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS**  
**JUNE 30, 2021**

	Equipment Replacement Fund	Liability Insurance Fund	Workers' Compensation Fund	Total
<b>ASSETS</b>				
Current Assets				
Cash and Investments	\$ 6,196,245	\$ 701,830	\$ 7,770,291	\$ 14,668,366
Accounts Receivable	-	39,772	-	39,772
Total Current Assets	<u>6,196,245</u>	<u>741,602</u>	<u>7,770,291</u>	<u>14,708,138</u>
Noncurrent Assets				
Advance to Other Funds	5,577,910	-	-	5,577,910
Capital Assets, Being Depreciated	3,860,432	-	-	3,860,432
Total Noncurrent Assets	<u>9,438,342</u>	<u>-</u>	<u>-</u>	<u>9,438,342</u>
Total Assets	15,634,587	741,602	7,770,291	24,146,480
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflows of Resources Related to Pension				
	-	41,178	60,904	102,082
Deferred Outflows of Resources Related to OPEB				
	-	5,047	4,645	9,692
Total Deferred Outflows of Resources	<u>-</u>	<u>46,225</u>	<u>65,549</u>	<u>111,774</u>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable	12,249	634,807	278	647,334
Accrued Liabilities	-	-	71,287	71,287
Claims and Judgments, Current Portion	-	637,701	2,271,306	2,909,007
Total Current Liabilities	<u>12,249</u>	<u>1,272,508</u>	<u>2,342,871</u>	<u>3,627,628</u>
Noncurrent Liabilities				
Claims and Judgments, Net of Current	-	2,433,299	10,844,694	13,277,993
Aggregate Net Pension Liability	-	322,156	476,481	798,637
Net Other Postemployment Benefit Liability	-	62,414	57,439	119,853
Total Noncurrent Liabilities	<u>-</u>	<u>2,817,869</u>	<u>11,378,614</u>	<u>14,196,483</u>
Total Liabilities	12,249	4,090,377	13,721,485	17,824,111
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflows of Resources Related to Pensions				
	-	1,223	1,809	3,032
Deferred Inflows of Resources Related to OPEB				
	-	20,720	19,069	39,789
Total Deferred Inflows of Resources	<u>-</u>	<u>21,943</u>	<u>20,878</u>	<u>42,821</u>
<b>NET POSITION (DEFICIT)</b>				
Investment in Capital Assets	3,848,183	-	-	3,848,183
Unrestricted (Deficit)	11,774,155	(3,324,493)	(5,906,523)	2,543,139
Total Net Position (Deficit)	<u>\$ 15,622,338</u>	<u>\$ (3,324,493)</u>	<u>\$ (5,906,523)</u>	<u>\$ 6,391,322</u>

**CITY OF EL SEGUNDO  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN FUND NET POSITION – INTERNAL SERVICE FUNDS  
NINE MONTHS ENDED JUNE 30, 2021**

	Equipment Replacement Fund	Liability Insurance Fund	Workers' Compensation Fund	Total
<b>OPERATING REVENUES</b>				
Interdepartmental Charges	\$ 994,379	\$ 1,418,300	\$ 2,550,736	\$ 4,963,415
Miscellaneous	408,952	39,772	50,343	499,067
Total Operating Revenues	<u>1,403,331</u>	<u>1,458,072</u>	<u>2,601,079</u>	<u>5,462,482</u>
<b>OPERATING EXPENSES</b>				
Personnel Services	-	124,613	255,011	379,624
Materials and Supplies	258,849	-	-	258,849
Insurance and Claims	-	4,232,889	3,762,151	7,995,040
Depreciation	616,061	-	-	616,061
Total Operating Expenses	<u>874,910</u>	<u>4,357,502</u>	<u>4,017,162</u>	<u>9,249,574</u>
<b>OPERATING INCOME</b>	<u>528,421</u>	<u>(2,899,430)</u>	<u>(1,416,083)</u>	<u>(3,787,092)</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>				
<b>TRANSFERS</b>				
Transfers In	15,000	-	-	15,000
Total Transfers	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CHANGES IN NET POSITION</b>	543,421	(2,899,430)	(1,416,083)	(3,772,092)
Net Position - Beginning of the Year	<u>15,078,917</u>	<u>(425,063)</u>	<u>(4,490,440)</u>	<u>10,163,414</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 15,622,338</u>	<u>\$ (3,324,493)</u>	<u>\$ (5,906,523)</u>	<u>\$ 6,391,322</u>

**CITY OF EL SEGUNDO  
COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS  
NINE MONTHS ENDED JUNE 30, 2021**

	Equipment Replacement Fund	Liability Insurance Fund	Workers' Compensation Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Users	\$ 1,443,331	\$ 1,418,300	\$ 2,601,079	\$ 5,462,710
Payments for Insurance and Claims	-	(991,019)	(1,347,040)	(2,338,059)
Payments to Suppliers	(347,370)	-	-	(347,370)
Payments to Employees	-	(74,859)	(93,990)	(168,849)
Net Cash Provided (Used) by Operating Activities	<u>1,095,961</u>	<u>352,422</u>	<u>1,160,049</u>	<u>2,608,432</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Cash Received from (Paid to) Other Funds	15,000	-	-	15,000
Net Cash Provided by Noncapital Financing Activities	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>15,000</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	1,110,961	352,422	1,160,049	2,623,432
Cash and Cash Equivalents - Beginning of Year	<u>5,085,284</u>	<u>349,408</u>	<u>6,610,242</u>	<u>12,044,934</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 6,196,245</u>	<u>\$ 701,830</u>	<u>\$ 7,770,291</u>	<u>\$ 14,668,366</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED) BY OPERATING ACTIVITIES:</b>				
Operating Income	\$ 528,421	\$ (2,899,430)	\$ (1,416,083)	\$ (3,787,092)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation	616,061	-	-	616,061
(Increase) Decrease in:				
Accounts Receivable	40,000	(39,772)	-	228
Prepaid Items	-	882,106	855,761	1,737,867
Deferred Outflows of Resources - Pension	-	(34,463)	(53,479)	(87,942)
Deferred Outflows of Resources - OPEB	-	(1,176)	(1,082)	(2,258)
Increase (Decrease) in:				
Accounts Payable	(88,521)	563,503	233	475,215
Accrued Liabilities	-	59,261	35,117	94,378
Claims and Judgments	-	1,737,000	1,524,000	3,261,000
Net Pension Liability	-	87,326	216,843	304,169
Net Other Postemployment Liability	-	(8,009)	(7,371)	(15,380)
Deferred Inflows of Resources - Pension	-	331	823	1,154
Deferred Inflows of Resources - OPEB	-	5,745	5,287	11,032
Total Adjustments	<u>567,540</u>	<u>3,251,852</u>	<u>2,576,132</u>	<u>6,395,524</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,095,961</u>	<u>\$ 352,422</u>	<u>\$ 1,160,049</u>	<u>\$ 2,608,432</u>

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# STATISTICAL SECTION

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**CITY OF EL SEGUNDO  
DESCRIPTION OF STATISTICAL SECTION CONTENTS**

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.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the city’s financial performance and well-being have changed over time.	170
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the city’s most significant local revenue source, the property tax.	178
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the city’s current levels of outstanding debt and the city’s ability to issue additional debt in the future.	183
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the city’s financial activities take place.	190
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the city’s financial report relates to the services the city provides and the activities it performs.	192

*Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.*

**CITY OF EL SEGUNDO  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2012	2013	2014	2015	2016
<b>Governmental activities:</b>					
Net investment in capital assets	92,822,442	94,098,755	93,534,776	90,783,595	90,014,262
Restricted	10,941,373	6,276,645	8,054,083	8,922,448	8,562,915
Unrestricted	<u>14,728,936</u>	<u>15,050,409</u>	<u>22,170,866</u>	<u>(89,732,982)</u>	<u>(86,756,004)</u>
Total governmental activities net position	<u><u>118,492,751</u></u>	<u><u>115,425,809</u></u>	<u><u>123,759,725</u></u>	<u><u>9,973,061</u></u>	<u><u>11,821,173</u></u>
<b>Business-type activities:</b>					
Net investment in capital assets	21,009,889	20,675,297	21,771,266	22,657,797	25,387,562
Restricted	-	-	-	-	-
Unrestricted	<u>3,362,263</u>	<u>7,484,917</u>	<u>11,652,989</u>	<u>12,247,482</u>	<u>12,855,184</u>
Total business-type activities net position	<u><u>24,372,152</u></u>	<u><u>28,160,214</u></u>	<u><u>33,424,255</u></u>	<u><u>34,905,279</u></u>	<u><u>38,242,746</u></u>
<b>Primary government:</b>					
Net investment in capital assets	113,832,331	114,774,052	115,306,042	113,441,392	115,401,824
Restricted	10,941,373	6,276,645	8,054,083	8,922,448	8,562,915
Unrestricted	<u>18,091,199</u>	<u>22,535,326</u>	<u>33,823,855</u>	<u>(77,485,500)</u>	<u>(73,900,820)</u>
Total primary government net position	<u><u>142,864,903</u></u>	<u><u>143,586,023</u></u>	<u><u>157,183,980</u></u>	<u><u>44,878,340</u></u>	<u><u>50,063,919</u></u>

**CITY OF EL SEGUNDO  
NET POSITION BY COMPONENT (CONTINUED)  
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2017	2018	2019	2020	2021
Governmental activities:					
Net investment in capital assets	92,615,618	93,775,527	93,823,843	91,747,670	93,360,733
Restricted	7,372,369	7,882,394	11,082,956	21,263,102	21,618,456
Unrestricted	<u>(91,119,511)</u>	<u>(129,410,242)</u>	<u>(125,853,873)</u>	<u>(134,494,651)</u>	<u>(125,165,656)</u>
Total governmental activities net position	<u>8,868,476</u>	<u>(27,752,321)</u>	<u>(20,947,074)</u>	<u>(21,483,879)</u>	<u>(10,186,467)</u>
Business-type activities:					
Net investment in capital assets	27,679,609	30,800,645	31,244,813	30,667,983	27,259,225
Restricted	-	-	-	-	-
Unrestricted	<u>15,808,634</u>	<u>10,485,483</u>	<u>22,534,785</u>	<u>23,941,178</u>	<u>31,964,172</u>
Total business-type activities net position	<u>43,488,243</u>	<u>41,286,128</u>	<u>53,779,598</u>	<u>54,609,161</u>	<u>59,223,397</u>
Primary government:					
Net investment in capital assets	120,295,227	124,576,172	125,068,656	122,415,653	120,619,958
Restricted	7,372,369	7,882,394	11,082,956	21,263,102	21,618,456
Unrestricted	<u>(75,310,877)</u>	<u>(118,924,759)</u>	<u>(103,319,088)</u>	<u>(110,553,473)</u>	<u>(93,201,484)</u>
Total primary government net position	<u>52,356,719</u>	<u>13,533,807</u>	<u>32,832,524</u>	<u>33,125,282</u>	<u>49,036,930</u>

**CITY OF EL SEGUNDO  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2012	2013	2014	2015	2016
<b>Expenses:</b>					
<b>Governmental activities:</b>					
General government	12,537,230	12,048,465	11,813,797	14,984,299	14,165,449
Public safety	32,238,620	32,790,373	31,891,478	41,422,188	35,612,565
Public works	7,988,435	9,123,850	8,459,550	9,150,452	7,440,438
Community development	13,877,815	15,681,868	12,065,582	21,038,253	9,298,275
Interest on long-term debt	16,182	(15,914)	457,655	457,994	441,712
Total governmental activities expenses	<u>66,658,282</u>	<u>69,628,642</u>	<u>64,688,062</u>	<u>87,053,186</u>	<u>66,958,439</u>
<b>Business-type activities:</b>					
Water	22,452,371	21,988,089	23,946,676	25,035,801	25,454,732
Wastewater	2,528,839	2,908,241	2,980,026	3,484,104	3,517,640
Golf Course	1,973,712	2,017,716	2,091,413	2,190,195	2,136,456
El Segundo Senior Citizen Housing Corp.	-	-	-	-	-
Total business-type activities expenses	<u>26,954,922</u>	<u>26,914,046</u>	<u>29,018,115</u>	<u>30,710,100</u>	<u>31,108,828</u>
Total primary government expenses	<u>93,613,204</u>	<u>96,542,688</u>	<u>93,706,177</u>	<u>117,763,286</u>	<u>98,067,267</u>
<b>Program revenues:</b>					
<b>Governmental activities:</b>					
<b>Charges for services:</b>					
General government	581,718	419,008	421,649	635,350	631,274
Public safety	1,568,107	1,663,384	1,522,081	1,948,464	1,637,884
Public works	15,190	14,262	50,489	267,748	11,199
Community development	5,081,885	5,030,006	5,796,983	6,733,395	5,708,772
Operating grants and contributions	1,508,499	2,699,324	2,629,490	2,052,527	1,808,463
Capital grants and contributions	7,815,458	7,646,118	7,469,236	14,487,783	2,174,898
Total governmental activities program revenues	<u>16,570,857</u>	<u>17,472,102</u>	<u>17,889,928</u>	<u>26,125,267</u>	<u>11,972,490</u>
<b>Business-type activities:</b>					
<b>Charges for services:</b>					
Water	23,344,919	25,048,713	28,032,902	29,304,012	28,281,456
Wastewater	3,236,359	3,574,272	3,389,450	3,568,042	4,090,187
Golf Course	1,919,435	2,111,937	2,045,652	1,939,165	1,828,549
El Segundo Senior Citizen Housing Corp.	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>28,500,713</u>	<u>30,734,922</u>	<u>33,468,004</u>	<u>34,811,219</u>	<u>34,200,192</u>
Total primary government program revenues	<u>45,071,570</u>	<u>48,207,024</u>	<u>51,357,932</u>	<u>60,936,486</u>	<u>46,172,682</u>
<b>Net revenues (expenses):</b>					
Governmental activities	(50,087,425)	(52,156,540)	(46,798,134)	(60,927,919)	(54,985,949)
Business-type activities	1,545,791	3,820,876)	4,449,889)	4,101,119)	3,091,364)
Total net revenues (expenses)	<u>(48,541,634)</u>	<u>(48,335,664)</u>	<u>(42,348,245)</u>	<u>(56,826,800)</u>	<u>(51,894,585)</u>
<b>General revenues and other changes in net assets:</b>					
<b>Governmental activities:</b>					
<b>Taxes:</b>					
Property taxes	7,365,363	7,910,980	8,452,120	8,380,084	8,884,423
Sales tax	10,623,237	9,099,745	10,297,709	11,442,632	12,089,552
Transient occupancy taxes	4,735,585	5,156,080	5,964,403	5,423,972	7,597,007
Other taxes	18,587,882	25,314,387	28,809,018	27,765,133	26,730,933
Motor vehicle in lieu, unrestricted	8,754	7,245	6,998	-	6,859
Investment income	393,719	113,173	324,825	331,238	646,338
Other general revenues	1,692,208	1,487,988	1,277,597	813,211	1,396,608
Total governmental activities	<u>43,406,748</u>	<u>49,089,598</u>	<u>55,132,670</u>	<u>54,156,270</u>	<u>57,351,720</u>
<b>Business-type activities:</b>					
Investment income	99,690	21,378	152,874	254,662	222,348
Other	63,795	35,600	42,379	19,730	23,755
Total business-type activities	<u>163,485</u>	<u>56,978</u>	<u>195,253</u>	<u>274,392</u>	<u>246,103</u>
Total primary government	<u>43,570,233</u>	<u>49,146,576</u>	<u>55,327,923</u>	<u>54,430,662</u>	<u>57,597,823</u>
<b>Changes in net position:</b>					
Governmental activities	(6,680,677)	(3,066,942)	8,334,536	(6,771,649)	2,365,771
Business-type activities	1,709,276	3,877,854)	4,645,142)	4,375,511)	3,337,467)
Total primary government	<u>(4,971,401)</u>	<u>810,912</u>	<u>12,979,678</u>	<u>(2,396,138)</u>	<u>5,703,238</u>

**CITY OF EL SEGUNDO  
CHANGES IN NET POSITION (CONTINUED)  
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2017	2018	2019	2020	2021
<b>Expenses:</b>					
<b>Governmental activities:</b>					
General government	14,869,930	16,215,039	17,788,600	18,698,011	15,339,955
Public safety	42,891,455	44,847,122	40,878,258	43,330,009	21,813,534
Public works	7,474,391	9,413,340	9,534,893	11,961,463	8,868,760
Community development	11,407,811	10,442,877	11,321,339	10,058,912	7,026,812
Interest on long-term debt	361,470	242,750	337,350	324,830	500,659
Total governmental activities expenses	<u>77,005,057</u>	<u>81,161,128</u>	<u>79,860,440</u>	<u>84,373,225</u>	<u>53,549,720</u>
<b>Business-type activities:</b>					
Water	26,508,256	27,907,911	26,525,468	25,014,972	18,520,750
Wastewater	4,048,104	4,164,437	3,336,645	4,978,350	3,430,966
Golf Course	2,017,104	1,990,092	1,674,851	1,553,159	4,678,672
El Segundo Senior Citizen Housing Corp.	-	-	-	-	597,152
Total business-type activities expenses	<u>32,573,464</u>	<u>34,062,440</u>	<u>31,536,964</u>	<u>31,546,481</u>	<u>27,227,540</u>
Total primary government expenses	<u>109,578,521</u>	<u>115,223,568</u>	<u>111,397,404</u>	<u>115,919,706</u>	<u>80,777,260</u>
<b>Program revenues:</b>					
<b>Governmental activities:</b>					
<b>Charges for services:</b>					
General government	445,394	371,345	364,486	258,538	266,496
Public safety	1,523,519	2,058,888	1,624,718	1,545,947	980,145
Public works	16,643	1,201	-	26,524	54,669
Community development	6,516,792	6,477,503	7,473,096	5,390,803	5,639,664
Operating grants and contributions	1,189,900	1,858,256	4,148,187	2,932,318	2,120,276
Capital grants and contributions	1,737,376	1,197,981	2,580,996	7,691,323	2,421,429
Total governmental activities program revenues	<u>11,429,624</u>	<u>11,965,174</u>	<u>16,191,483</u>	<u>17,845,453</u>	<u>11,482,679</u>
<b>Business-type activities:</b>					
<b>Charges for services:</b>					
Water	31,626,637	27,779,828	33,824,119	26,404,788	24,626,599
Wastewater	4,275,264	4,348,849	4,475,896	4,194,630	3,266,685
Golf Course	1,604,258	1,650,376	1,643,682	1,484,846	1,098,917
El Segundo Senior Citizen Housing Corp.	-	-	-	-	772,819
Capital grants and contributions	-	-	375,000	-	-
Total business-type activities program revenues	<u>37,506,159</u>	<u>33,779,053</u>	<u>40,318,697</u>	<u>32,084,264</u>	<u>29,765,020</u>
Total primary government program revenues	<u>48,935,783</u>	<u>45,744,227</u>	<u>56,510,180</u>	<u>49,929,717</u>	<u>41,247,699</u>
<b>Net revenues (expenses):</b>					
Governmental activities	(65,575,433)	(69,195,954)	(63,668,957)	(66,527,772)	(42,067,041)
Business-type activities	4,932,695	(283,387)	8,781,733	537,783	2,537,480
Total net revenues (expenses)	<u>(60,642,738)</u>	<u>(69,479,341)</u>	<u>(54,887,224)</u>	<u>(65,989,989)</u>	<u>(39,529,561)</u>
<b>General revenues and other changes in net assets:</b>					
<b>Governmental activities:</b>					
<b>Taxes:</b>					
Property taxes	9,093,795	10,444,931	11,138,625	11,816,366	12,348,994
Sales tax	12,201,208	10,636,769	13,023,091	12,006,731	8,339,284
Transient occupancy taxes	12,876,631	13,885,312	14,598,200	8,760,763	4,416,020
Other taxes	27,021,575	29,498,067	28,391,959	28,059,801	26,397,089
Motor vehicle in lieu, unrestricted	7,461	-	-	-	-
Investment income	532,728	760,598	2,440,102	3,420,790	457,980
Other general revenues	889,337	1,954,399	1,682,211	1,926,516	1,405,086
Total governmental activities	<u>62,622,735</u>	<u>67,180,076</u>	<u>71,274,188</u>	<u>65,990,967</u>	<u>53,364,453</u>
<b>Business-type activities:</b>					
Investment income	170,178	176,212	1,139,315	291,780	427,834
Other	142,624	16,929	23,926	-	-
Total business-type activities	<u>312,802</u>	<u>193,141</u>	<u>1,163,241</u>	<u>291,780</u>	<u>427,834</u>
Total primary government	<u>62,935,537</u>	<u>67,373,217</u>	<u>72,437,429</u>	<u>66,282,747</u>	<u>53,792,287</u>
<b>Changes in net position:</b>					
Governmental activities	(2,952,698)	(2,015,878)	7,605,231	(536,805)	11,297,412
Business-type activities	5,245,497	(90,246)	9,944,974	829,563	2,965,314
Total primary government	<u>2,292,799</u>	<u>(2,106,124)</u>	<u>17,550,205</u>	<u>292,758</u>	<u>14,262,726</u>

**CITY OF EL SEGUNDO  
FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2012	2013	2014	2015	2016
General fund:					
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Nonspendable	1,884,602	1,873,812	3,380,264	2,575,497	2,017,346
Restricted	-	-	-	-	-
Assigned	445,114	2,049,483	2,876,450	3,129,606	2,939,325
Unassigned	7,839,124	12,664,755	14,075,307	14,587,023	17,987,731
Total general fund	<u>10,168,840</u>	<u>16,588,050</u>	<u>20,332,021</u>	<u>20,292,126</u>	<u>22,944,402</u>
All other governmental funds:					
Reserved	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Debt Service funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Nonspendable	-	80	5,772	-	-
Restricted	5,798,068	4,196,184	7,373,435	5,005,452	6,963,441
Assigned	3,690,657	1,548,572	1,416,473	5,031,396	3,301,813
Unassigned	<u>(2,752,409)</u>	<u>(3,779,255)</u>	<u>(1,577,594)</u>	<u>(78,071)</u>	<u>(1,326,041)</u>
Total all other governmental funds	<u>6,736,316</u>	<u>1,965,581</u>	<u>7,218,086</u>	<u>9,958,777</u>	<u>8,939,213</u>

Notes: <sup>1</sup> The City of El Segundo implemented GASB Statement No. 54 during the fiscal year ended September 30, 2011. This statement eliminated the previous fund balance categories (reserved and unreserved) and replaced them with for new categories (nonspendable, restricted, assigned, unassigned). Fund balance amounts as of September 30, 2011 are stated to present the new categories; however, all previous fiscal years are presented using the old categories.

**CITY OF EL SEGUNDO  
FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)  
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2017	2018	2019	2020	2021
General fund:					
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Nonspendable	7,373,109	6,256,640	7,004,769	7,937,643	163,037
Restricted	-	1,000,000	2,643,380	4,482,363	5,144,456
Assigned	3,608,509	2,210,602	2,663,037	2,534,891	2,561,037
Unassigned	<u>17,660,917</u>	<u>24,432,049</u>	<u>26,625,368</u>	<u>20,559,971</u>	<u>29,110,741</u>
Total general fund	<u><u>28,642,535</u></u>	<u><u>33,899,291</u></u>	<u><u>38,936,554</u></u>	<u><u>35,514,868</u></u>	<u><u>36,979,271</u></u>
All other governmental funds:					
Reserved	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Debt Service funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Nonspendable	-	-	115,844	85,049	-
Restricted	6,312,687	6,882,394	8,404,718	15,473,650	16,919,139
Assigned	3,159,860	3,231,083	5,289,298	4,161,175	4,314,909
Unassigned	<u>(971,152)</u>	<u>(333,731)</u>	<u>(177,229)</u>	<u>(46,117)</u>	<u>(304,630)</u>
Total all other governmental funds	<u><u>8,501,395</u></u>	<u><u>9,779,746</u></u>	<u><u>13,632,631</u></u>	<u><u>19,673,757</u></u>	<u><u>20,929,418</u></u>

**CITY OF EL SEGUNDO  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2012	2013	2014	2015	2016
<b>Revenues:</b>					
Taxes	31,218,273	37,452,888	42,638,899	42,132,274	43,410,318
Licenses and permits	11,855,052	11,624,026	12,725,503	12,973,204	13,989,221
Intergovernmental	4,596,724	9,811,864	11,931,067	8,919,841	7,751,363
Charges for services	5,220,234	4,958,310	5,172,579	6,197,552	5,214,048
Use of money and property	452,022	133,291	590,605	615,862	682,140
Fines and forfeitures	1,050,832	791,650	914,036	903,172	1,249,820
Developers Fees	-	-	-	432,810	296,427
Other	1,826,973	2,074,386	1,877,562	2,960,332	1,729,917
Total revenues	<u>56,220,110</u>	<u>66,846,415</u>	<u>75,850,251</u>	<u>75,135,047</u>	<u>74,323,254</u>
<b>Expenditures</b>					
<b>Current:</b>					
General government	12,575,953	11,724,215	12,677,731	14,523,141	14,200,855
Public safety	31,291,236	31,145,703	33,576,082	33,694,064	33,166,579
Public works	5,126,634	6,300,670	5,676,244	5,574,118	6,325,541
Community and cultural	13,190,255	14,451,893	12,277,418	19,523,563	8,951,898
Capital outlay	1,607,702	2,015,459	2,133,639	1,021,033	3,389,585
<b>Debt service:</b>					
Principal retirement	-	-	275,092,000	282,987	291,109
Interest and fiscal charges	-	-	237,569,000	229,674	221,552
Total expenditures	<u>63,791,780</u>	<u>65,637,940</u>	<u>66,853,775</u>	<u>74,848,580</u>	<u>66,547,119</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,571,670)</u>	<u>1,208,475</u>	<u>8,996,476</u>	<u>286,467</u>	<u>7,776,135</u>
<b>Other financing sources (uses):</b>					
Transfers in	3,163,394	8,455,512	3,048,087	10,138,836	2,687,843
Transfers out	(2,263,394)	(8,015,512)	(3,048,087)	(10,338,840)	(2,887,847)
Debt proceeds	-	-	-	-	-
Total other financing sources (uses)	<u>900,000</u>	<u>440,000</u>	<u>-</u>	<u>(200,004)</u>	<u>(200,004)</u>
Net change in fund balances	<u>(6,671,670)</u>	<u>1,648,475</u>	<u>8,996,476</u>	<u>86,463</u>	<u>7,576,131</u>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.79%	0.69%	0.81%



**CITY OF EL SEGUNDO  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)  
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2017	2018	2019	2020	2021
Revenues:					
Taxes	49,986,183	53,125,853	55,018,471	47,767,783	40,216,556
Licenses and permits	13,131,485	13,695,476	14,559,036	14,237,723	13,568,547
Intergovernmental	2,805,424	2,400,010	3,635,668	2,391,795	3,165,467
Charges for services	5,811,835	6,053,614	6,179,231	4,817,551	4,836,554
Use of money and property	552,662	781,402	2,465,235	3,472,256	457,983
Fines and forfeitures	444,188	831,067	659,653	367,045	297,702
Developers Fees	329,474	262,346	824,075	6,293,956	977,823
Other	2,785,946	2,541,114	4,031,022	3,359,551	2,248,806
Total revenues	<u>75,847,197</u>	<u>79,690,882</u>	<u>87,372,391</u>	<u>82,707,660</u>	<u>65,769,438</u>
Expenditures					
Current:					
General government	14,905,246	15,738,556	18,177,843	18,964,880	32,183,298
Public safety	34,682,695	37,595,758	38,014,581	40,124,678	142,081,284
Public works	6,296,743	6,533,963	7,331,278	7,630,503	13,005,985
Community and cultural	10,259,037	9,274,383	10,923,487	9,499,235	12,616,931
Capital outlay	3,930,500	3,426,202	3,328,392	3,162,263	3,008,119
Debt service:					
Principal retirement	299,464	355,461	367,627	380,281	43,200
Interest and fiscal charges	213,197	244,223	339,035	326,380	190,955
Total expenditures	<u>70,586,882</u>	<u>73,168,546</u>	<u>78,482,243</u>	<u>80,088,220</u>	<u>203,129,772</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,260,315</u>	<u>6,522,336</u>	<u>8,890,148</u>	<u>2,619,440</u>	<u>(137,360,334)</u>
Other financing sources (uses):					
Transfers in	2,668,046	3,556,821	4,490,751	1,389,000	1,805,956
Transfers out	(2,668,046)	(3,556,821)	(4,490,751)	(1,389,000)	(1,820,956)
Debt proceeds	-	-	-	-	140,095,398
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,080,398</u>
Net change in fund balances	<u>5,260,315</u>	<u>6,522,336</u>	<u>8,890,148</u>	<u>2,619,440</u>	<u>2,720,064</u>
Debt service as a percentage of noncapital expenditures	0.77%	0.86%	0.94%	0.92%	0.12%

**CITY OF EL SEGUNDO  
PRINCIPAL SALES TAX PRODUCERS  
CURRENT YEAR AND NINE YEARS AGO**

2020-21		2011-12	
Taxpayer	Business Type	Taxpayer	Business Type
Aerospace Corporation	Misc. Vehicle Sales	Accuvant	Office Equipment
Best Buy Stores	Furniture/Appliance	Aerospace Corporation	Misc. Vehicle Sales
Calportland Company	Bldg.Matls-Whsle	Aref & Associates	Miscellaneous Retail
Chevron Service Stations	Service Stations	Best Buy Stores	Furniture/Appliance
Chick-Fil-A	Restaurants	Bobs Union	Service Station
Circle K Food Stores	Food Markets	Chevron Service Stations	Service Stations
Dick's Sporting Goods	Recreation Products	Circle K Food Stores	Food Markets
Homegoods	Furniture/Appliance	Dick's Sporting Goods	Apparel Stores
Insight Direct USA	I.T. Infrastructure	Directv	Leasing
Jaannu	Apparel Stores	Fleming's Prime Steakhouse	Restaurants
Karl Storz Endoscopy	Office Equipment	Homegoods	Furniture/Appliance
Los Angeles Times Communications	Light Industry	Jim and Jacks	Auto Parts/Repair
Luna Cycles	Recreation Products	Karl Storz Endoscopy	Office Equipment
Meaningful Beauty	Miscellaneous Retail	Lululemon	Apparel Stores
Nordstrom Department Store	Department Stores	Munters Corporation	Heavy Industry
Osata Enterprises	Apparel Stores	Murad Skin Research Laboratories	Miscellaneous Retail
Patterson Dental Supply	Light Industry	P.F.Changs's China Bistro	Restaurants
PCM Gov	Office Equipment	Patterson Dental Supply	Light Industry
Petsmart	Miscellaneous Retail	Petsmart	Miscellaneous Retail
Ralph's Grocery Company	Food Markets	Primary Color Systems	Light Industry
Raytheon Company	Electronic Equipment	Salt Creek Grille	Restaurants
The Body Firm	Misc. Vehicle Sales	Sensa Products	Miscellaneous Retail
The Boeing Company	Auto Parts/Repair	The Boeing Company	Misc. Vehicle Sales
The Container Store	Furniture/Appliance	Trace 3	Light Industry
Whole Foods Market	Food Markets	Whole Foods Market	Food Markets

Source: Avenu Insights & Analytics

**CITY OF EL SEGUNDO  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2020-21		2011-12	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Chevron Usa Inc	2,600,334,658	16.88%	1,993,205,189	21.41%
Sof Xi Pct Two Tower Owner Llc	629,920,583	4.09%		
Raytheon Company	521,035,318	3.38%	257,351,950	2.76%
The Boeing Company	438,918,088	2.85%	322,200,846	3.46%
Aerospace Corporation	324,522,252	2.11%	280,919,278	3.02%
Sfii Flyte Llc	174,299,900	1.13%		
Pes Partners Llc	174,022,673	1.13%	148,875,831	1.60%
LVA5 El Segundo 777 Aviation LP	173,400,000	1.13%		
2121 Park Place Fee Owner Ca Llc	156,032,594	1.01%		
TA 101 Continental LLC	141,270,000	0.92%		
Northrop Grumman Systems Corp	132,397,917	0.86%	96,728,399	1.04%
Gateway El Segundo Fee Owner LLC	127,344,958	0.83%		
Kilroy Realty Finance Ptnshp	125,097,473	0.81%	168,423,944	1.81%
Rar2 Campus 2100 Llc	121,885,840	0.79%		
800 Apollo Fee Owner Ca Llc	121,708,671	0.79%		
Street Retail Inc	114,979,375	0.75%		
Direct TV LLC	106,397,942	0.69%	61,676,157	0.66%
Trea Pacific Coast Highway LLC	95,370,000	0.62%		
400 Cg Owner Llc	90,859,148	0.59%		
Bsrep li Grand Avenue Llc	90,562,843	0.59%		
Hughes Aircraft Co	89,189,534	0.58%	305,371,626	3.28%
La4 Llc	88,206,408	0.57%	109,353,063	1.17%
HC Hornet Way LLC	86,488,452	0.56%		
300 Cg Owner Llc	86,275,744	0.56%		
Ocotillo La Mariposa LLC	84,000,000	0.55%		
Continental Atrium Corporation			284,878,605	3.06%
Pacific Corp Towers Llc			162,058,456	1.74%
Hines Reit El Segundo Lp			123,029,395	1.32%
Continental Grand Lp			108,300,000	1.16%
Air Liquidelarge Industries U			77,900,711	0.84%
Digital 2260 East El Segundo L			72,707,087	0.78%
300 N Sepulveda Assoc Llc			71,000,000	0.76%
Plaza Cp Llc			70,241,197	0.75%
Mattel Realty Corp			64,880,068	0.70%
101 Continental Partners Llc			52,910,988	0.57%
Realty Assoc Fund IX LP			50,650,000	0.54%
Brcp 2160 Grand Avenue Llc			48,533,251	0.52%
Mattel Inc.			41,911,006	0.45%
Lax Granada Assoc			41,794,491	0.45%
Time Warner Ny Cable Llc Time			38,684,382	0.42%
<b>Total Top 25 Taxpayers</b>	<b>6,894,520,371</b>	<b>44.77%</b>	<b>5,053,585,920</b>	<b>54.27%</b>
<b>Total Taxable Value</b>	<b>15,403,646,060</b>	<b>100.00%</b>	<b>9,307,783,047</b>	<b>100.00%</b>

Source: County Assessor data, Avanu Insights & Analytics

Unitary value is included in the total taxable value.

**CITY OF EL SEGUNDO  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY<sup>1</sup>  
 LAST TEN FISCAL YEARS**

Fiscal Year End	Residential Property	Commercial Property	Industrial Property	Other Property (1)	Unsecured Property	Less Tax-Exempt Property	Taxable Assessed Value	Total Direct Tax Rate (2)	Estimated Actual Taxable Value (3)	Factor of Taxable Assessed Value (3)	Assessed Value as a Percentage of Actual Value
2011-12	-	-	-	8,082,672	1,241,746	-	9,324,418	1.115400	-	-	-
2012-13	-	-	-	8,278,135	1,423,110	-	9,701,245	1.115200	-	-	-
2013-14	-	-	-	8,446,568	1,862,068	-	10,308,636	1.115200	-	-	-
2014-15	-	-	-	8,433,859	1,604,574	-	10,038,433	1.115200	-	-	-
2015-16	-	-	-	8,919,245	1,736,530	-	10,655,775	1.115200	-	-	-
2016-17	-	-	-	9,408,029	1,565,767	-	10,973,796	1.115200	-	-	-
2017-18	2,695,443,946	4,056,923,408	1,526,293,700	2,501,109,520	1,480,982,133	34,490,981	12,226,261,726	1.202225	17,863,020,753	1.461037	68.44%
2018-19	2,901,889,931	4,452,614,029	1,785,769,246	2,418,895,212	1,556,962,904	48,412,749	13,067,718,573	1.205652	22,816,281,059	1.746003	57.27%
2019-20	3,059,827,370	5,145,402,602	2,011,925,385	2,466,641,048	1,552,123,561	50,366,079	14,185,553,887	1.202446	22,800,483,319	1.607303	62.22%
2020-21	3,272,541,827	5,624,003,706	1,806,225,832	3,050,851,815	1,682,078,566	32,055,686	15,403,646,060	1.178940	20,376,825,371	1.322857	75.59%

Source: County Assessor data, Avenu Insights & Analytics

Source: 2016-17 and prior, previous published ACFR report

State unitary property of \$15,610,462 is included in Other Property.

1.) Other property for 2016-17 and prior years represent the Secured Values.

2.) Total direct tax rate is represented by TRA 09-849.

3.) Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sale prices. Based on these calculations a multiplier value was extrapolated and applied to current assessed values.

(-) No data available.

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

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
General										
COUNTY OF LOS ANGELES	0.936812	0.936812	0.936812	0.936812	0.936812	0.936812	0.936812	0.936812	0.936812	0.936812
CITY OF EL SEGUNDO	0.063188	0.063188	0.063188	0.063188	0.063188	0.063188	0.063188	0.063188	0.063188	0.063188
TOTAL	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Override Assessments										
Metropolitan Water District	0.003700	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500
County Flood Control	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
El Segundo Unified School District	0.111700	0.111700	0.111700	0.111700	0.111700	0.111700	0.177526	0.179923	0.177391	0.151816
Community College	-	-	-	-	-	-	0.021199	0.022229	0.021555	0.023624
TOTAL	0.115400	0.115200	0.115200	0.115200	0.115200	0.115200	0.202225	0.205652	0.202446	0.178940
 TOTAL TAX RATE	<u>1.115400</u>	<u>1.115200</u>	<u>1.115200</u>	<u>1.115200</u>	<u>1.115200</u>	<u>1.115200</u>	<u>1.202225</u>	<u>1.205652</u>	<u>1.202446</u>	<u>1.178940</u>

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Source: County Auditor/Controller data, Avenu Insights & Analytics

Source: 2016-17 and prior, previous published ACFR report

Tax Rate as represented by TRA 09-849

**CITY OF EL SEGUNDO  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Amount	Percent of Levy	Collections in Subsequent Years	Amount	Percent of Levy
2012	6,006,864	5,990,455	99.73%	-	5,990,455	99.73%
2013	6,277,523	6,144,309	97.88%	-	6,144,309	97.88%
2014	6,680,795	6,558,427	98.17%	-	6,558,427	98.17%
2015	6,538,375	6,438,118	98.47%	55,500	6,493,618	99.32%
2016	6,728,811	6,637,510	98.64%	59,028	6,696,538	99.52%
2017	6,853,422	6,773,927	98.84%	39,950	6,813,877	99.42%
2018	7,672,612	7,659,388	99.83%	(4,958)	7,654,430	99.76%
2019	8,185,486	8,169,815	99.81%	610,801	8,780,616	107.27%
2020	8,929,004	8,183,987	91.66%	1,237,541	9,421,528	105.52%
2021	9,684,760	8,520,268	87.98%	-	8,520,268	87.98%

Source: Los Angeles County Auditor Controller's Office

**CITY OF EL SEGUNDO  
RATIO OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
(IN THOUSANDS, EXCEPT PER CAPITA)**

Fiscal Year Ended <sup>1</sup> September 30	Outstanding General Bonded Debt					Total	Percent of Assessed Value <sup>2</sup>	Per Capita
	General Obligation	Tax Allocation	Certificates of Participation	Pension Obligation				
	Bonds	Bonds						
2012	-	-	-	-	-	-	0.000%	-
2013	-	-	-	-	-	-	0.000%	-
2014	-	-	-	-	-	-	0.000%	-
2015	-	-	-	-	-	-	0.000%	-
2016	-	-	-	-	-	-	0.000%	-
2017	-	-	-	-	-	-	0.000%	-
2018	-	-	-	-	-	-	0.000%	-
2019	-	-	-	-	-	-	0.000%	-
2020	-	-	-	-	-	-	0.000%	-
2021	-	-	-	140,095,398	140,095,398	140,095,398	909.500%	-

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

<sup>1</sup> Fiscal Years 2000 - current are 12 month reporting periods ending on September 30.

<sup>2</sup> Assessed value has been used because the actual value of taxable property is not

**CITY OF EL SEGUNDO  
RATIO OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(IN THOUSANDS, EXCEPT PER CAPITA)**

Fiscal Year Ended September 30	Governmental Activities					Total Governmental Activities
	General Obligation Bonds	Tax Allocation Bonds	Certificates of Participation	Pension Obligation	Leases/ Loans	
2012	-	-	-	-	10,916,677	10,916,677
2013	-	-	-	-	10,615,488	10,615,488
2014	-	-	-	-	10,303,635	10,303,635
2015	-	-	-	-	9,982,592	9,982,592
2016	-	-	-	-	9,650,093	9,650,093
2017	-	-	-	-	9,306,335	9,306,335
2018	-	-	-	-	8,950,875	8,950,875
2019	-	-	-	-	8,583,247	8,583,247
2020	-	-	-	-	8,202,967	8,202,967
2021	-	-	-	140,095,398	8,159,767	148,255,165

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

<sup>1</sup> Office of Economic Development (data shown is for Los Angeles County)



**CITY OF EL SEGUNDO  
RATIO OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(IN THOUSANDS, EXCEPT PER CAPITA)**

Fiscal Year Ended September 30	Business-type Activities				Total Primary Government	Percentage of Personal Income <sup>1</sup>	Debt Per Capita <sup>1</sup>
	Leases/ Loans	Certificates of Participation	Pension Obligation	Total Business-type Activities			
2012	-	-	-	-	10,916,677	1.5%	254
2013	-	-	-	-	10,615,488	1.4%	239
2014	-	-	-	-	10,303,635	1.4%	227
2015	-	-	-	-	9,982,592	1.3%	214
2016	-	-	-	-	9,650,093	1.2%	203
2017	-	-	-	-	9,306,335	1.1%	187
2018	-	-	-	-	8,950,875	1.0%	169
2019	-	-	-	-	8,583,247	0.9%	154
2020	-	-	-	-	8,202,967	0.8%	141
2021	-	-	4,039,602	4,039,602	152,294,767	14.6%	2,430

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

<sup>1</sup> Office of Economic Development (data shown is for Los Angeles County)

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**CITY OF EL SEGUNDO  
DIRECT AND OVERLAPPING BONDED DEBT  
LAST TEN FISCAL YEARS**

2020-21 Assessed Valuation: \$15,418,644,304

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/21	% Applicable (1)	City's Share of Debt 6/30/21
Metropolitan Water District	\$ 26,830,000	0.472%	\$ 126,638
El Camino Community College District	442,085,306	12.141	53,673,577
El Segundo Unified School District	84,955,859	100.	84,955,859
Manhattan Beach Unified School District	188,696,414	0.002	3,774
Wiseburn Unified School District	115,767,787	72.617	84,067,094
Centinela Valley Union High School District	227,890,955	35.198	80,213,058
Centinela Valley Union High School District School Facilities Improvement District No. 2016-1	182,565,000	39.630	<u>72,350,510</u>
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$375,390,510</b>
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Los Angeles County General Fund Obligations	\$2,618,507,256	0.902%	\$23,618,935
Los Angeles County Superintendent of Schools Certificates of Participation	4,565,373	0.902	41,180
Los Angeles County Sanitation District No. 5 Authority	4,100,179	6.545	268,357
Los Angeles County Sanitation District South Bay Cities Authority	698,865	0.040	280
<b>City of El Segundo General Fund Obligations</b>	<b>8,159,762</b>	<b>100.</b>	<b>8,159,762</b>
<b>City of El Segundo Pension Obligation Bonds</b>	<b>144,135,000</b>	<b>100.</b>	<b><u>144,135,000</u></b>
<b>TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$176,223,514</b>
 <u>SUBTOTALS:</u>			
<b>TOTAL DIRECT DEBT</b>			<b>\$152,294,762</b>
<b>TOTAL OVERLAPPING DEBT</b>			<b>\$399,319,262</b>
 <u>TOTALS:</u>			
<b>COMBINED TOTAL DIRECT AND OVERLAPPING DEBT</b>			<b>\$551,614,024 (2)</b>

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Also excludes accreted value of capital appreciation bonds.

Ratios to 2020-21 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	2.43%
<b>Total Direct Debt (\$152,294,762).....</b>	<b>0.99%</b>
Combined Total Debt .....	3.58%

**CITY OF EL SEGUNDO  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2011-12	2012-13	2013-14	2014-15	2015-16
Assessed valuation	\$ 9,324,417,663	\$ 9,701,244,855	\$ 10,308,636,196	\$ 10,038,433,763	\$ 10,655,775,000
Conversion percentage	25%	25%	25%	25%	25%
Assessed valuation	2,331,104,416	2,425,311,214	2,577,159,049	2,509,608,441	2,663,943,750
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	349,665,662.36	363,796,682	386,573,857	376,441,266.11	399,591,563
Total net debt applicable to limit:					
General obligation bonds	-	-	-	-	-
Legal debt margin	\$ 349,665,662	\$ 363,796,682	\$ 386,573,857	\$ 376,441,266	\$ 399,591,563
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). Although the statutory debt limit has not been amended by the State since this change, the percentages presented in the above computations have been proportionately modified to 3.75% (25% of 15%) for the purpose of this calculation in order to be consistent with the computational effect of the debt limit at the time of the state's establishment of the limit.

Source: California Municipal Statistics, Inc.  
Los Angeles County Tax Assessor's Office

**CITY OF EL SEGUNDO  
LEGAL DEBT MARGIN INFORMATION (CONTINUED)  
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2016-17	2017-18	2018-19	2019-20	2020-21
Assessed valuation	\$ 10,973,796,359	\$ 12,226,261,726	\$ 13,067,718,573	\$ 14,185,553,887	\$ 15,403,646,060
Conversion percentage	25%	25%	25%	25%	25%
Assessed valuation	2,743,449,090	3,056,565,432	3,266,929,643	3,546,388,472	3,850,911,515
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	411,517,363	458,484,815	490,039,446	531,958,271	577,636,727
Total net debt applicable to limit: General obligation bonds	-	-	-	-	133,743,551
Legal debt margin	\$ 411,517,363	\$ 458,484,815	\$ 490,039,446	\$ 531,958,271	\$ 577,636,727
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	23.2%

**CITY OF EL SEGUNDO  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>City Population (1)</b>	<b>Personal Income (in thousands) (2)</b>	<b>Per Capita Personal Income (2)</b>	<b>Median Age (3)</b>	<b>City Unemployment Rate (%) (4)</b>
2011-12	16,708	717,659	42,953	-	12.3%
2012-13	16,720	743,605	44,474	-	11.0%
2013-14	16,815	761,888	45,310	-	9.9%
2014-15	16,897	787,958	46,633	-	8.2%
2015-16	16,646	790,452	47,486	38.9	3.7%
2016-17	16,717	832,029	49,771	38.9	2.9%
2017-18	16,784	888,503	52,938	39.0	3.3%
2018-19	17,066	952,927	55,838	38.7	3.2%
2019-20	16,777	974,307	58,074	38.7	23.5%
2020-21	16,660	1,044,326	62,685	37.3	13.8%

Source: Avenu Insights & Analytics

Source: 2014-15 and prior, previously published ACFR Report

The California Department of Finance demographics estimates now incorporate 2010 Census counts as the benchmark.

- 1.) Population Projections are provided by the California Department of Finance Projections.
- 2.) Income Data is provided by the U.S. Census Bureau, 2010 American Community Survey.
- 3.) Median Age is provided by US Census data.
- 4.) Unemployment Data is provided by the EDD's Bureau of Labor Statistics Department.

**CITY OF EL SEGUNDO  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

<b>Business Name</b>	<b>2020-21</b>		<b>2009-10</b>
	<b>Number of Employees</b>	<b>Percent of Total Employment (%)</b>	<b>Number of Employees</b>
Boeing Satellite Systems*	12,005	127.71%	5,167
Raytheon Space & Airborne Syst	6,000	63.83%	7,268
Northrop Grumman Corporation (1)	2,422	25.77%	5,219
Aerospace Corporation	2,180	23.19%	3,002
Mattel Inc	1,545	16.44%	1,635
Chevron Products Company/USA inc	1,187	12.63%	1,179
Internet Brands Inc	661	7.03%	-
Infineon Technologies Americas Corp (formerly International Rectifier)	498	5.30%	-
Karl Storz Endoscopy America Inc	421	4.48%	-
Big 5 Sporting Goods**	290	3.09%	-
The Direct TV Group Inc.	-	0.00%	1,866
Accenture (2)	-	0.00%	713
Rhythm & Hues	-	0.00%	703
International Rectifier Corporation	-	0.00%	537
<b>Total Top 10 Employers</b>	<b>27,209</b>	<b>289.47%</b>	<b>27,289</b>
<b>Total City Labor Force (3)</b>	<b>9,400</b>		

Source: Avenu Insights & Analytics

2010-11 based on previously published CAFR

Results based on direct correspondence with city's local businesses.

\*Employee Count is statewide, employment levels are not available by site.

\*\* Includes Corporate office and retail store.

(1) Accenture no longer has office space in El Segundo.

(2) Total City Labor Force provided by EDD Labor Force Data.

**CITY OF EL SEGUNDO  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2012	2013	2014	2015	2016
Police:					
Stations	1	1	1	1	1
Fire:					
Fire stations	2	2	2	2	2
Public works:					
Streets (miles)	55	55	55	55	55
Streetlights	1,718	1,718	1,718	1,718	1,718
Traffic signals	55	55	55	55	55
Parks and recreation:					
Parks	22	22	22	22	22
Recreation Facilities	13	13	13	13	13
Number of Acres	91	91	91	91	91

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Source: City of El Segundo



**CITY OF EL SEGUNDO  
CAPITAL ASSET STATISTICS BY FUNCTION (CONTINUED)  
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2017	2018	2019	2020	2021
Police:					
Stations	1	1	1	1	1
Fire:					
Fire stations	2	2	2	2	2
Public works:					
Streets (miles)	55	55	55	55	55
Streetlights	1,718	1,718	1,718	1,718	1,718
Traffic signals	55	55	55	55	55
Parks and recreation:					
Parks	22	22	22	22	22
Recreation Facilities	13	14	14	14	14
Number of Acres	91	91	91	91	91

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Source: City of El Segundo