

CITY OF SOUTH GATE CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2022



CITY OF SOUTH GATE
ANNUAL FINANCIAL COMPREHENSIVE REPORT
Year ended June 30, 2022

Prepared by:
Administrative Services Department

CITY OF SOUTH GATE
Annual Comprehensive Financial Report
For the Year Ended June 30, 2022

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June 30, 2022

Honorable Mayor, Members of the City Council and
Residents of the City of South Gate:

The Annual Comprehensive Financial Report (ACFR) of the City of South Gate for the Fiscal Year ended June 30, 2022, is hereby presented as mandated by both local ordinances and state statutes. These ordinances and statutes require that the City of South Gate issue annually a report on its financial position and activity, and that an independent firm of certified public accountants audit this report. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds and component units of the City of South Gate. To the best of our knowledge and belief, there are no misstatements of material fact within the financial statements or omissions of material fact which would cause the financial statements to be misleading. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The financial section of the ACFR includes Management's Discussion and Analysis (MD&A) of the financial activity. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors in the financial section of the ACFR.

The financial reporting entity (the government) includes all the funds of the primary government (i.e., the City of South Gate, as legally defined), as well as its component units, the South Gate Utility Authority, the South Gate Housing Authority, and the South Gate Public Financing Authority. A component unit is a legally separate entity for which the primary government is financially accountable.

PROFILE OF THE CITY OF SOUTH GATE

The City of South Gate, incorporated on January 20, 1923, under the general laws of the State of California. South Gate encompasses 7.4 square miles and is located in the heart of the Los Angeles Metropolitan area. The City is characterized by a high density, working class community with a population of 93,259 according to the State of California's Department of Finance. Services provided by the City include administration, police, public works, planning, building & safety, and parks & recreation. The City of South Gate provides a full range of services for the citizens delivered by the City's own employees. The City has its own Police Department but contract for fire services through the Los Angeles County Fire Department (LACFD), and contracts with other governmental entities or private companies for library and refuse collection.

Centrally located, South Gate is an ideal location for commerce within a 15-mile radius of downtown Los Angeles, Los Angeles International Airport, and the Ports of Los Angeles and Long Beach. The City is linked to these sites by several major transportation thoroughfares, including the I-710 (Long Beach) and I-105 (Century) freeways, Firestone and Alameda Boulevards, and an extensive rail system with services provided by the Union Pacific and Southern Pacific Railroads. With a diverse mix of residential, commercial and industrial areas, the City has promoted itself as an area rich in economic opportunities and continues to have many projects slated for development that will play a significant role in revitalizing the community.

The City has operated under the council-manager form of government since incorporation. Policy-making and legislative authority are vested in the governing City Council, which consists of five Council Members, including the Mayor and Vice-Mayor. The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the City Manager and the City Attorney. The City Council is elected on a non-partisan, at-large basis. Council Members are elected to four-year staggered terms with two or three Council Members elected every two years. Each year, the City Council selects the Mayor and Vice Mayor for a one-year term. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the City's departments.

FINANCIAL INFORMATION

Internal Control

The Administrative Services department of the City is responsible for establishing and maintaining an appropriate internal control structure. The internal control system is designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Controls

The City of South Gate maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions contained in the annual appropriated budgets approved by the City Council. Activities of the General Fund, Special Revenue funds, Capital Projects funds, Debt Service funds and the Proprietary funds are included in the annual appropriated budgets of the government units. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount at the department level, which is the legal level of control) is established at the department level within each fund. Formal budgetary integration is employed as a management control device. The City also maintains an encumbrance accounting system as one method of maintaining budgetary control.

Budget to Actual Comparison

For the fiscal year ended June 30, 2022, the City experienced a \$2.1M favorable budget variance in general fund revenues and a favorable \$3.2M budget variance in general fund operating expenditures resulting in \$5.3M net positive budgetary variance. The total actual general fund operating expenditures exceeded revenues by \$2.6M. The City also transferred in \$21.9M to the Sewer Enterprise Fund to satisfy a loan used to fund capital improvements. An additional 6.4M was transferred to Internal Services Funds, which brought the prior fiscal year general fund balance from 60.3M to 40M for the fiscal year ended June 30, 2022. Many of the favorable revenue and expenditure variances were the result of conservative budget practices and continued careful management of resources during FY 2021/22.

Significant Financial Events

The Governmental Accounting Standards Board (GASB) is a private, non-governmental organization that creates accounting reporting standards, or generally accepted accounting principles (GAAP), for state and local governments. Changes in accounting policies issued by the Board, known as GASB Statements, will impact how the City reports and compiles its financial report. During the fiscal year ended June 30, 2022, the City implemented the following new GASB Pronouncement.

GASB Statement No. 87 – Leases statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities

OTHER INFORMATION

Independent Audit

The City requires an annual audit by independent certified public accountants. The accounting firm of Davis Farr LLP conducted this year's audit. The auditors' report on the government-wide financial statements and the combining and individual fund statements and schedules is included in the financial section of this report.

Single Audit

As a recipient of federal, state and county financial assistance, the City is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management. Beginning with the single audit of fiscal years beginning on or after

January 1, 2015, the U. S. Office of Management and Budget (OMB) raised the single audit threshold for federal awards from \$500,000 to \$750,000. When over \$750,000 from Federal financial assistance programs is expended in any one fiscal year, the City is required to undergo a single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). For the year ended June 30, 2022, approximately \$11.3M in Federal financial assistance program funds were expended.

GFOA Certificate of Achievement Award

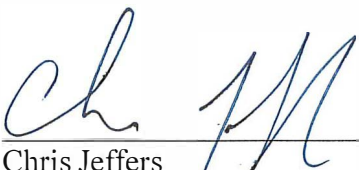
The Government Finance Officers Association of the United States and Canada (GFOA) oversees a prestigious national award program to recognize conformance with the highest standards of report preparation. To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report (ACFR). This report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

The City of South Gate strives to achieve this prestigious award each year. The City of South Gate submitted its ACFR for the fiscal year ended June 30, 2021 for the GFOA award of Certificate of Achievement for Excellence in Financial Reporting. The award is still being reviewed by the GFOA. We also believe our June 30, 2022, ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The preparation of this report could not have been accomplished without the hard work and dedicated service of the Finance Division staff. We would like to express our appreciation to all members of the Finance Division and to Davis Farr LLP, the City's independent auditors, for their expertise, guidance, assistance, and professionalism in preparing this year's report. Finally, we would like to express our sincere thanks to the City Council, whose strong and effective leadership and continuous support has made the preparation of this report possible.

Respectfully submitted,


Chris Jeffers
City Manager


Kristopher Ryan
Director of Administrative Services/Finance

**CITY OF SOUTH GATE
ELECTED AND ADMINISTRATIVE OFFICIALS**

Mayor

Al Rios

Vice Mayor

Maria del Pilar Avalos

Councilmember

Maria Davila

Councilmember

Denise Diaz

Councilmember

Gil Hurtado

City Clerk

Yodit Glaze

City Treasurer

Greg Martinez

City Manager

Chris Jeffers

City Attorney

Raul Salinas

Assistant City Manager/Director of Public Works

Arturo Cervantes

Police Chief

Darren Arakawa

Director of Administrative Services

Kristopher Ryan

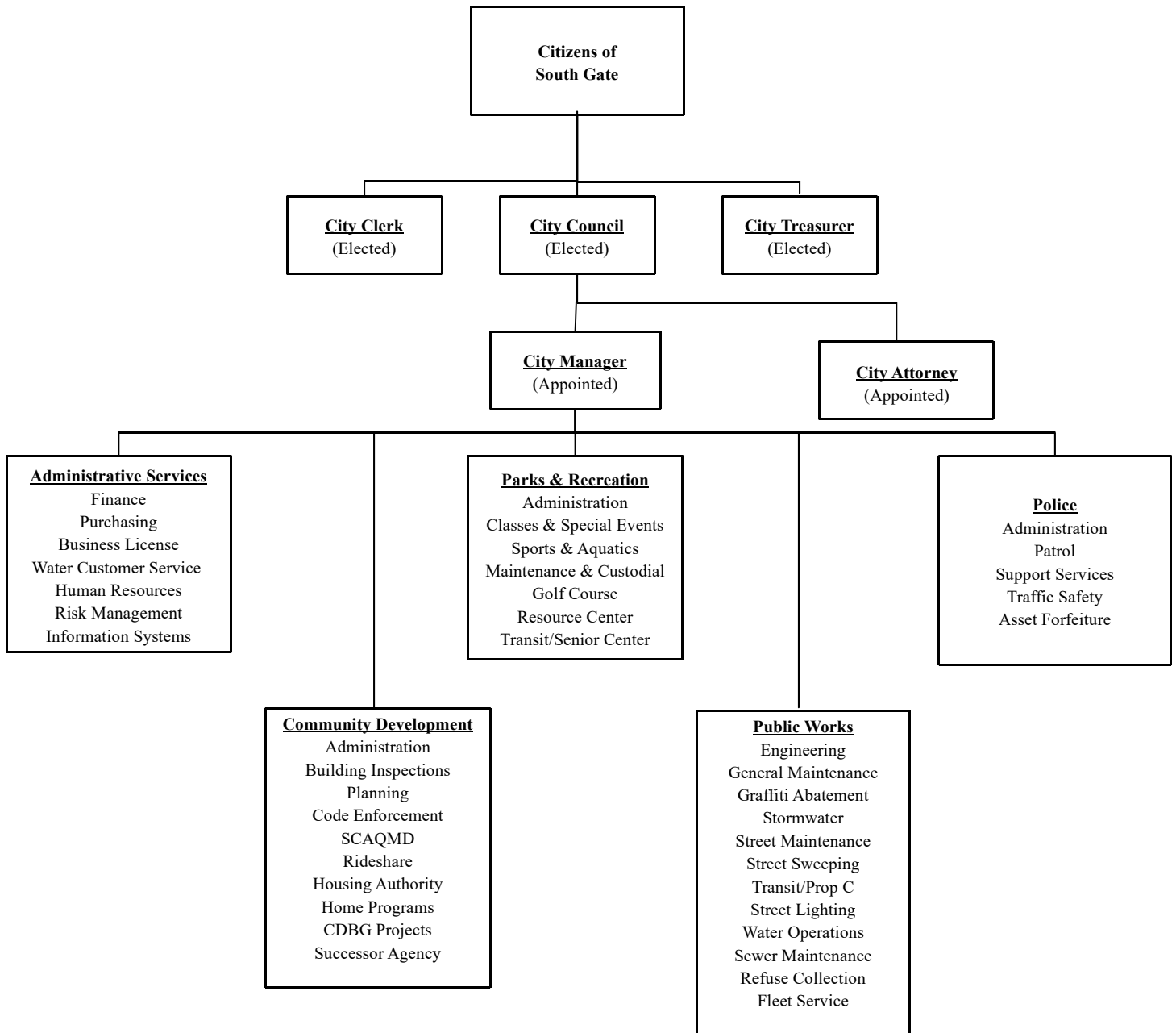
Director of Community Development

Meredith Elguira

Acting Director of Parks & Recreation

Steve Costley

CITY OF SOUTH GATE





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of South Gate
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to
City of South Gate
California

For its Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021

is still pending review with Government Finance Officers Association

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the City Council
of the City of South Gate
South Gate, California

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Emphasis of Matters

During the year ended June 30, 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87: Leases. Additionally, the financial statements for the fiscal year ended June 30, 2022 reflect certain prior period adjustments as described further in note 17 to the financial statements. Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The *combining and individual nonmajor fund financial statements and schedules* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 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 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.



Irvine, California
December 22, 2022

City of South Gate
Management's Discussion and Analysis (Unaudited)
Year Ended June 30, 2022

The following discussion and analysis of the financial performance of the City of South Gate provides an overview of the City's financial activities for the fiscal year ended June 30, 2022. It should be read in conjunction with the financial statements identified in the accompanying table of contents.

Financial Highlights

Government-wide Financial Statements

- **Net Position:** The total assets and deferred outflows of the City of South Gate exceeded total liabilities and deferred inflows at the close of the fiscal year ended June 30, 2022, by \$268.1M. This amount is referred to as the net position of the City. Of this amount, \$261.9M is invested in capital assets, \$49.3M is restricted for public works, housing activities, community development projects, public safety and debt service, and \$43.1M is an unrestricted deficit amount.
- **Changes in Net Position:** The City's net position decreased by \$5.5M year over year (from \$273.6M prior fiscal year ending balance to \$268.1M balance as June 30, 2022). Governmental Activities decreased by \$30.4M while Business-type activities increased by \$24.8M in net position.
- **Long-Term Debt:** The City's total long-term liabilities decreased from \$189.2M to \$151.5M year over year as of June 30, 2022, a net decrease of \$37.7M. The net decrease was mainly from decreases of \$39.9M in pension liability and \$3.1M from the paydown of outstanding bonds and lease obligations.
- **Capital Assets:** The City's capital assets totaled \$289.8M on June 30, 2022, a net increase of \$6.9M over the prior year balance of \$282.9M. \$7.5 million was a net increase attributable to the governmental activities while \$533 thousand was a net decrease attributable to the business-type activities.

Fund Financial Statements

- **Governmental Funds:** As of June 30, 2022, the City's governmental funds reported a combined ending fund balance of \$83.5M, a decrease of \$37.2M (31%) over the prior year's restated balance.
- **General Fund:** As of June 30, 2022, expenditures and transfers-out exceeded revenues and transfers-in by \$21.0M, decreasing the fund balance from \$60.4M to \$39.4M. Of the \$39.4M fund balance, \$24.4M is unassigned and is available for future appropriations at the City's discretion.

Using the Accompanying Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City of South Gate as a whole and present a longer-term view of the City's finances. Also included in the accompanying reports are fund financial statements. For governmental activities, the fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of others outside of the government.

Overview of the Financial Statements

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

City of South Gate

Management's Discussion and Analysis (Unaudited)

Year Ended June 30, 2022

Government-wide financial statements: The *government-wide financial statements* are designed to provide readers with a broad overview of the City of South Gate's finances, in a manner similar to a private-sector business. The *statement of net position* presents information on all of the City of South Gate's assets (including deferred outflows of resources) and liabilities (including deferred inflows of resources), with the difference between them 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 of South Gate is improving or deteriorating.

The *statement of activities* presents information on 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 result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both statements include not only the City of South Gate itself (known as the *primary government*) but also the South Gate Utility Authority, the South Gate Housing Authority and the South Gate Public Financing Authority, for which the City of South Gate is financially accountable. Financial information on these *component units* is reported separately from the financial information presented for the primary government itself.

After the dissolution of the South Gate Community Development Commission (Redevelopment Agency), the City of South Gate elected to become the Successor Agency for the former Community Development Commission and the remaining assets and activities of the dissolved redevelopment agency were reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

Fund financial statements: A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of South Gate, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of South Gate can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

- **Governmental funds.** Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using the *modified accrual* basis of accounting, which measures cash and all other *current* 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 relationship or differences between *governmental activities* (reported in the Statement of Net Position and the Statement of Activities) and *governmental funds* are described in the reconciliation at the bottom of the fund financial statements.
- **Proprietary funds.** When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. Internal service funds (the other component of proprietary funds) are used to report activities that provide supplies and services for the City's other programs and activities.
- **Fiduciary funds.** The City of South Gate is an agent for certain assets held for, and under the control of, other organizations and individuals. All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Assets. These activities are excluded from the other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

City of South Gate

Management’s Discussion and Analysis (Unaudited)

Year Ended June 30, 2022

Notes to the basic 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 on page 42 immediately following the basic financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this annual comprehensive financial report also presents certain *required supplementary information*, providing budgetary comparison schedules for budgeted versus actual revenues and expenditures of the City’s major funds.

The combining statements referred to earlier in connection with the non-major governmental funds and internal service funds are presented immediately following the required supplementary information on budget comparisons.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. For City of South Gate, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$265.9M on June 30, 2022, as shown in Table 1.

**Table 1
Statement of Net Positions**

	Governmental		Business-Type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 124,339,561	\$ 144,880,902	\$ 53,103,099	\$ 30,793,468	\$ 177,442,660	\$ 175,674,370
Capital assets	239,899,328	240,697,494	49,945,175	50,478,247	289,844,503	291,175,741
Total assets	364,238,889	385,578,396	103,048,274	81,271,715	467,287,163	466,850,111
Deferred Outflows	23,738,468	20,447,980	2,327,815	2,241,488	26,066,283	22,689,468
Total Deferred Outflows	23,738,468	20,447,980	2,327,815	2,241,488	26,066,283	22,689,468
Long-term debt outstanding	108,006,651	145,805,183	33,241,148	37,569,467	141,247,799	183,374,650
Other liabilities	24,355,165	13,742,328	8,126,478	9,012,191	32,481,643	22,754,519
Total liabilities	132,361,816	159,547,511	41,367,626	46,581,658	173,729,442	206,129,169
Deferred Inflows	48,669,492	9,118,980	2,895,701	656,027	51,565,193	9,775,007
Total Deferred Inflows of Resources	48,669,492	9,118,980	2,895,701	656,027	51,565,193	9,775,007
Net position:						
Invested in net capital assets	239,101,781	239,643,790	22,811,740	20,711,825	261,913,521	260,355,615
Restricted	49,311,796	61,928,090		846,419	49,311,796	62,774,509
Unrestricted (deficit)	(81,467,528)	(64,211,995)	38,301,022	14,717,274	(43,166,506)	(49,494,721)
Total net position	\$ 206,946,049	\$ 237,359,885	\$ 61,112,762	\$ 36,275,518	\$ 268,058,811	\$ 273,635,403

The largest portion of the City’s net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment) of \$261.9M, less any related debt used to acquire those assets that is still outstanding. The City of South Gate uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves

City of South Gate

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Year Ended June 30, 2022

cannot be used to liquidate these liabilities. Another portion of the City's net position, \$49.3M, represents resources that are subject to external restrictions in how they may be used. The remaining Unrestricted Net Position (deficit) balance of \$43.1M is \$6.3M more than it was in FY 2020/21.

**Table 2
Statement of Changes in Net Position**

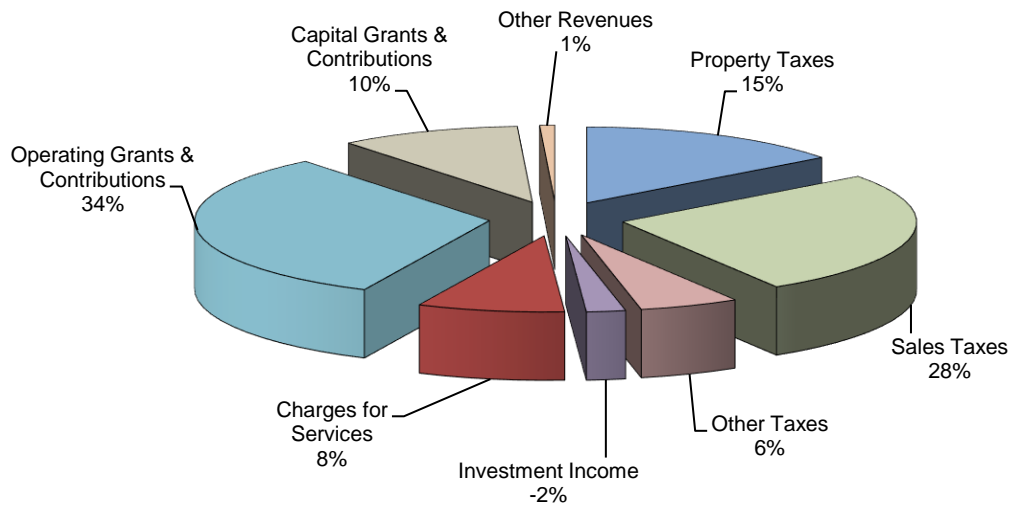
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues:						
Charges for services	\$ 8,437,224	\$ 9,749,871	\$ 25,184,185	\$ 24,894,165	\$ 33,621,409	\$ 34,644,036
Operating grants & contributions:	33,777,737	28,487,051	137,101	11,065	33,914,838	28,498,116
Capital grants & contributions	10,387,141	24,999,083	-	-	10,387,141	24,999,083
General revenues:						
Property taxes	15,462,214	15,082,297	-	-	15,462,214	15,082,297
Sales taxes	27,689,344	25,106,247	-	-	27,689,344	25,106,247
Other taxes	5,730,603	5,482,779	-	-	5,730,603	5,482,779
Investment income	(2,243,040)	225,984	(1,324,133)	61,524	(3,567,173)	287,508
Other revenues	858,214	570,861	-	-	858,214	570,861
Total revenues	100,099,437	109,704,173	23,997,153	24,966,754	124,096,590	134,670,927
Program expenses						
General government	7,578,443	7,646,438	-	-	7,578,443	7,646,438
Public works	19,188,975	22,509,065	-	-	19,188,975	22,509,065
Parks & recreation	8,774,974	8,526,385	-	-	8,774,974	8,526,385
Police	34,486,871	34,518,786	-	-	34,486,871	34,518,786
Community development	11,374,303	13,738,406	-	-	11,374,303	13,738,406
Interest expense	649,620	702,810	-	-	649,620	702,810
Sewer	-	-	1,751,215	1,223,295	1,751,215	1,223,295
Water	-	-	15,070,542	14,001,403	15,070,542	14,001,403
Refuse	-	-	4,324,468	4,162,820	4,324,468	4,162,820
Total expenses	82,053,186	87,641,890	21,146,225	19,387,518	103,199,411	107,029,408
Revenues over (under) expenditures	18,046,251	22,062,283	2,850,928	5,579,236	20,897,179	27,641,519
Transfers	(21,986,316)	1,591	21,986,316	(1,591)	-	-
Changes in Net Position	(3,940,065)	22,063,874	24,837,244	5,577,645	20,897,179	27,641,519
Beginning net position, restated	210,886,114	215,296,011	36,275,518	30,697,873	247,161,632	245,993,884
Ending net position, restated	\$ 206,946,049	\$ 237,359,885	\$ 61,112,762	\$ 36,275,518	\$ 268,058,811	\$ 273,635,403

Governmental Activities. See Table 2. The city's net position attributable to governmental activities decreased by \$30.4M as of June 30, 2022. Program revenues decreased by \$10.6M in FY 21-22 mainly from less capital grants received during the year. General revenues increased \$1.0M compared to prior year. Property tax increased by about \$380K, sales tax increased by \$2.6M while investment income decreased by approximately \$2.5M due to unrealized mark to market valuation losses. Program expenses decreased by \$5.5M from \$87.6M in FY 2021 to \$82.1 in FY 2022, primarily from public works and community development. However, the main reason for the decrease in net position comes from a 2001 City Loan to the South Gate Utility Authority Sewer Enterprise for \$21,985,000 being deemed satisfied and discharged.

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The City of South Gate relies heavily on federal, state, and local grant funds (44%) as a major funding source for capital projects and eligible operating costs. After grants, sales tax (28%), property taxes (15%) and charges for services (8%) remain the most significant sources of the Governmental Activities revenue stream.

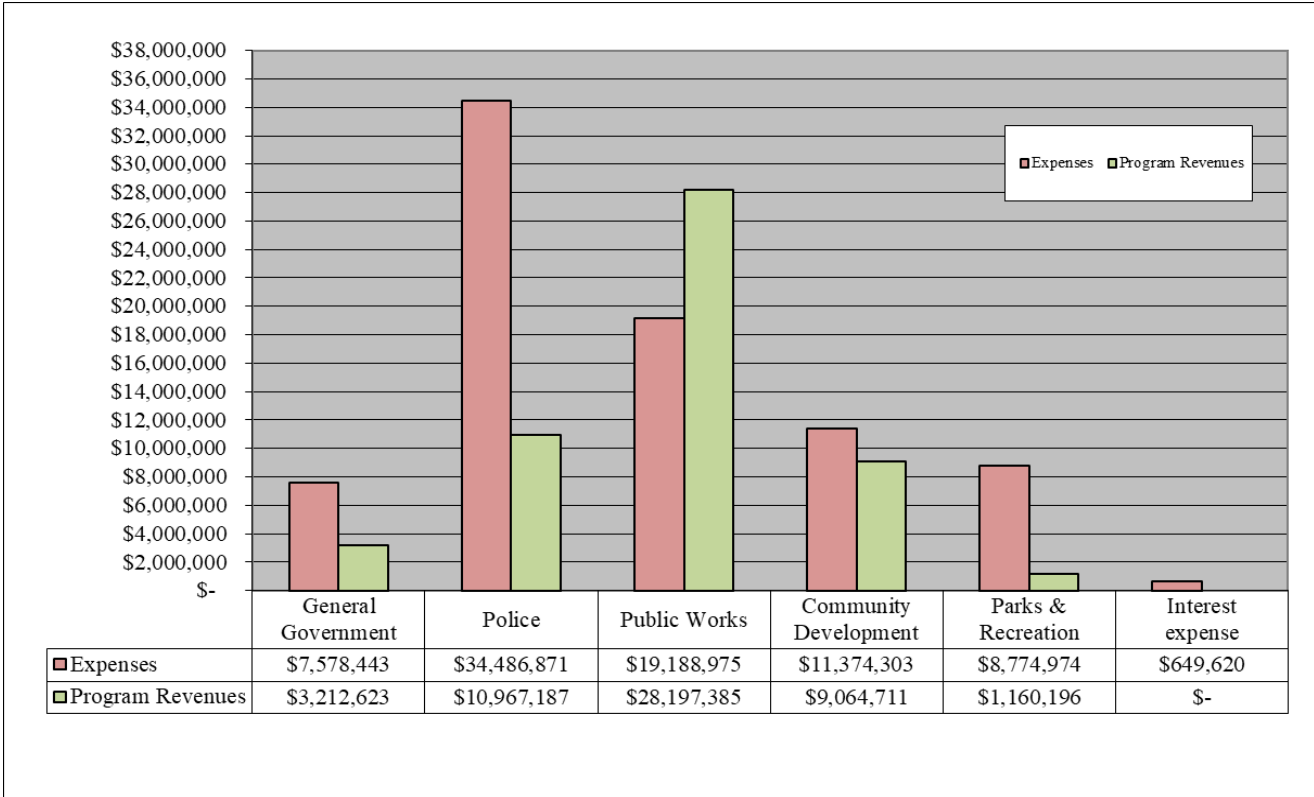
Revenues by Source – Governmental Activities



The cost of all governmental activities this year was \$87.6M compared to \$79.6M in the prior year. Governmental activities generated sufficient revenues to pay these costs with \$9.38M paid for by those who directly benefited from programs provided, \$43.5 being subsidized by grants received from other governmental organizations for both capital and operating activities, and \$46.5M coming from general taxes and other revenues.

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Expenses and Program Revenues – Governmental Activities



City of South Gate

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Year Ended June 30, 2022

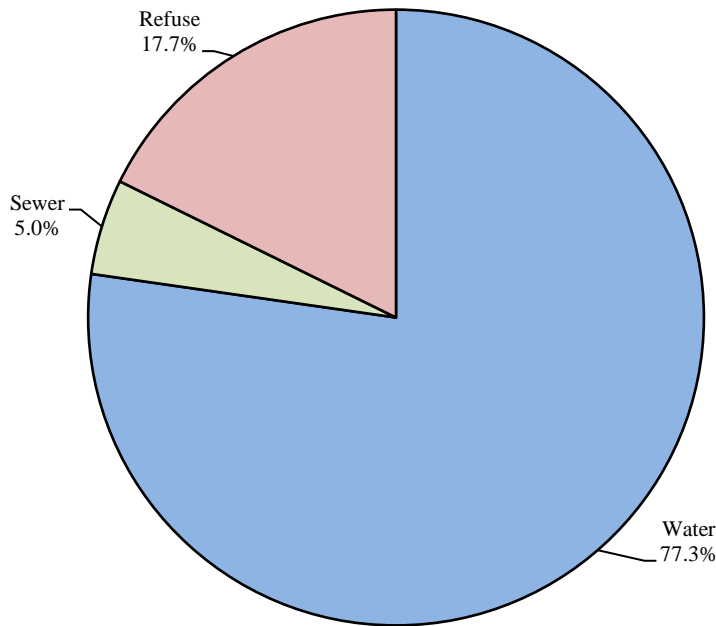
The City’s largest expense is the Police Department, where operations totaled \$34.5M in FY 2021-22. Public Works followed with \$19.2M of expenses, which included expenses related to several large capital improvement projects. Community Development was the third largest in expenses, at \$11.4M, which included Federal Housing and Urban Development (HUD) funds.

Business-Type Activities. As of June 30, 2022, the financial condition of the City’s business-type activities was a positive net position of \$61.1M, a \$24.8M increase from \$36.3M beginning net position. The increase in net position is mainly attributed to the 2001 City Loan to the South Gate Utility Authority Sewer Enterprise for \$21,985,000 being deemed satisfied and discharged.

The city business-type activities consisted of the water, sewer and refuse utilities. The combined cost of providing all business-type activities this year was \$21.2M. The revenue paid by users of these utilities was \$25.3M of which 77.3% comes from water fees, 17.7% from refuse fees and 5.0% from sewer fees. When capital improvements are made, the costs are capitalized and no expenses are incurred given that current assets have been converted to long-term capital assets.

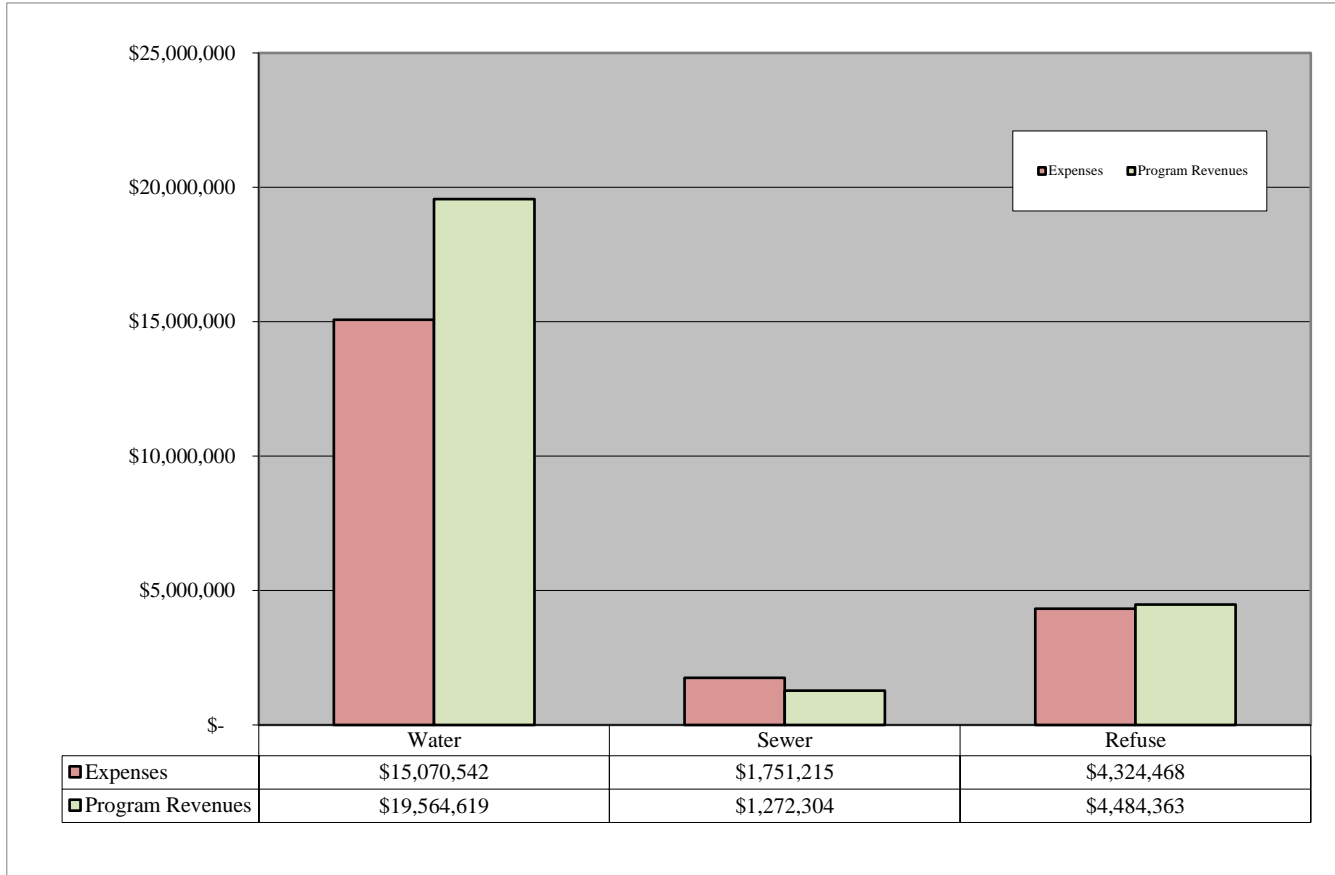
The water utility user rates are set to generate some excess of revenues over expenses in an effort to maintain a reasonable reserve for capital improvements and debt service requirements. A sewer rate study is underway to ensure that the sewer utility is similarly sustained financially to cover its operating and capital requirement costs. The city contracts out the refuse collection and disposal, and the user rates are set to cover the contractual costs and related administration costs. See below revenue and expense chart.

Revenues by Source – Business-Type Activities



City of South Gate
Management’s Discussion and Analysis (Unaudited)
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Expenses and Program Revenues – Business-Type Activities



Financial Analysis of the City’s Funds

As noted earlier, the City of South Gate 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 of South Gate’s financing requirements. In particular, spendable fund balance may serve as a useful measure of a government’s net resources at the end of the fiscal year.

As of June 30, 2022, the City’s governmental funds reported combined ending fund balances of \$83.5M, a decrease of \$37.2M from prior year. Of that amount, \$2.1M constitutes *nonspendable* fund balance. Of the remaining \$81.4M *spendable* fund balance, \$44.8M is *restricted* because it is subject to external enforceable legal obligations, \$12.5M is *committed* for such things as an emergency reserve, the employment resource center, a budget stabilization fund, and an OPEB Section 115 trust, \$5.0M has been *assigned* by management for specific purposes such as capital projects, and the remaining \$19M is *unassigned* and is available for future appropriations at the City’s discretion.

The General Fund is the chief operating fund of the City of South Gate. As of June 30, 2022, the total general fund balance was \$39.4M, a decrease of \$20.9M from prior year. The main reason for the decrease in net position comes

City of South Gate
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from a 2001 City Loan from the General Fund to the Sewer Fund for \$21,985,000 being deemed satisfied and discharged. The unassigned fund balance totaled \$24.4M.

For FY 2021/22 General Fund revenues increased by 2.3M (4.0%) over the prior year from \$55.4M to \$57.7M, operating expenditures increased by \$2.5M from \$53.1M to \$55.6M. In summary, General Fund revenues exceeded expenditures by approximately \$2.1M for the fiscal year ended June 30, 2022.

The Grants Special Revenue Fund is used to account for all Federal, State and local grants not specified in other funds. As of June 30, 2022, the Grants Special Revenue fund balance had a deficit of \$3.4M. This is attributable to \$4.7M in unavailable revenue that has been earned but not yet available. This is due to recognizing grant receipts for expenses incurred that don't meet the reporting period's availability criteria.

In March 2021, congress passed the \$1.9 trillion American Rescue Plan Act of 2021 (ARPA). The city's allocable share amounted to \$34.5M. The initial disbursement of \$17.25M was received by the City in June 2021. The second payment of \$17.25M was received in July 2022. The ARPA monies can be used to recover revenue loss due to the Pandemic, fund infrastructure projects including water, sewer and broadband and respond to public health emergency due to COVID-19 Pandemic including assistance to households, small business, and nonprofits organizations. For FY 2021/22, the City had \$9.9M in expenditures funded by ARPA.

The Capital Improvement Projects Fund accounts for most of the capital improvement activity in the City, such as buildings and street infrastructure. Capital expenditures are charged directly to this fund and reimbursed with transfers from other funds as monies are received from the various funding sources, primarily grants. As of June 30, 2022, the total fund balance was \$4.9M, of which \$3.5M is designated for the Courthouse Rehabilitation project, which the City envisions repurposing the building for future city uses.

The other non-major governmental funds include several special revenue funds used exclusively to account for intergovernmental and assessment proceeds which are restricted by law as to their use. This group of funds includes the Community Development Block Grant, HOME Program, Housing Successor, Gas Tax, Asset Forfeiture, Prop A and C Local Returns, Measure R, Measure M, Street Lighting & Landscaping, and various other grant funds.

Proprietary Funds: The City's proprietary funds consist of the Water, Sewer and Refuse Funds, which are the business-type activities that account for the operation of those utilities. Also included are the internal service funds, which provide for supporting governmental activities including insurance activities, information systems, fleet management, capital asset & equipment replacement, and building & infrastructure maintenance.

In the business-type activities, the Water and Sewer Funds are considered major funds. The Refuse Fund is considered non-major. At fiscal year end, the combined net position of these funds totaled \$61.1M, an increase of \$24.8M (68.5%) from the beginning fund balance mainly as a result from a 2001 City Loan to the South Gate Utility Authority Sewer Enterprise for \$21,985,000 being deemed satisfied and discharged. Additionally, resources used for the construction of capital facilities do not result in expenses because the assets are capitalized.

The internal service funds include Insurance Fund, Information Systems Fund, Fleet Management Fund, Capital Asset & Equipment Replacement Fund and Building Maintenance Fund. The internal services funds account for goods and services provided by one City department to other City departments. The net position increased by \$2.6M from \$1.6M beginning fund balance to \$4.2M as of June 30, 2022, largely because of delays in replacing vehicles and equipment due to supply chain issues and decrease in net pension liability.

General Fund Budgetary Highlights

For FY 2021/22, the final adopted General Fund revenue budget was \$56.1M. The actual revenues came in \$1.6M (2.9%) higher than projected at \$57.7M, and mostly because of increases in tax revenues. Overall, property tax

City of South Gate
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Year Ended June 30, 2022

increased \$380K, sales tax increased \$2.6M and other taxes increased \$1.5M. Charges for Services were up by \$1.1M, mainly due to the reopening of recreational activities, and Licenses and Permits were down by \$26K. Use of money and property were down nearly \$1M mostly because of lower interest rate environment and the resulting “unrealized” investment losses as of June 30, 2022. Total actual expenditures came in at \$55.6M, which is \$3.2M (5.5%) lower than the final projected expenditure budget of \$58.8M. The main attributable factor for the decrease in expenditures was largely due to staff vacancies resulting in \$3.4M in savings.

Capital Asset and Debt Administration

Capital Assets: The capital assets of the City are assets used in the performance of City functions including infrastructure assets. Capital Assets include equipment, buildings, land, park facilities and roads. As of June 30, 2022, the City’s net investment in capital assets for governmental activities totaled \$239.9M and net investment in capital assets for business-type activities totaled \$49.9M. Governmental capital assets had a net increase of \$7.5M mainly due to the completion of \$18.5M in infrastructure projects and \$3.4M in building improvements, less \$9.7M in depreciation and \$9.8M in prior year restatements. Business-type capital assets decreased by \$533K with additions to water facilities improvements of \$2.3M reduced by accumulated depreciation of \$2.8M.

City of South Gate Capital Assets
(Net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021*	2022	2021	2022	2021*
Structures and improvements	\$ 13,838,824	\$ 11,195,164	\$ 7,926,948	\$ 2,600,018	\$ 21,765,772	\$ 13,795,182
Machinery and equipment	4,080,680	4,615,926	1,308,360	1,503,564	5,389,040	6,119,490
Infrastructure	204,037,489	193,651,175	-	-	204,037,489	193,651,175
Utility distribution system	-	-	37,302,468	39,769,208	37,302,468	39,769,208
Land	3,738,993	3,738,993	1,290,602	1,290,602	5,029,595	5,029,595
Construction in progress	14,076,026	19,019,773	183,653	3,381,711	14,259,679	22,401,484
Lease assets	127,316	158,982	-	-	127,316	158,982
Water rights	-	-	1,933,144	1,933,144	1,933,144	1,933,144
Total	\$239,899,328	\$232,380,013	\$49,945,175	\$50,478,247	\$289,844,503	\$282,858,260

* The balance at July 1, 2021 has been restated to reflect the implementation of GASB 87 and to correct certain prior period adjustments as described further in note 17.

Additional information on the City’s capital assets can be found in Note 7 of the Notes to the Basic Financial Statements of this report.

Long-Term Liabilities. At the end of the fiscal year, the City of South Gate had total long-term liabilities of \$151.5M, a decrease of approximately \$37.8M over the prior year balance. The net change is attributable to a combination of increases of \$4.4M in claims and judgements liability and \$1.2M in other post-employment benefits liability, with decreases of \$39.9M of actuarially determined decreases in pension liability, \$0.7M in compensated absences liability, and \$2.8M in the paydown of the City’s outstanding revenue bond, pension obligation bonds and other financing agreements.

City of South Gate
Management's Discussion and Analysis (Unaudited)
Year Ended June 30, 2022

City of South Gate Long-Term Liabilities

	Governmental		Business-Type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Revenue bonds	\$ -	\$ -	\$ 28,998,877	\$ 30,713,226	\$ 28,998,877	\$ 30,713,226
Pension obligation bonds	10,085,000	11,480,000	-	-	10,085,000	11,480,000
Financing agreements	673,019	500,241	-	-	673,019	500,241
Lease Payable	124,528	-	-	-	124,528	-
Notes/loans payable	-	-	-	-	-	-
Claims and judgments	13,077,396	10,771,328	-	-	13,077,396	10,771,328
Compensated Absences	4,929,052	5,628,554	355,666	372,380	5,284,718	6,000,934
Other post-employment benefits	27,422,713	26,359,310	2,781,798	2,620,475	30,204,511	28,979,785
Net pension liability	57,996,371	95,188,598	2,886,673	5,609,552	60,883,044	100,798,150
Total	\$ 114,308,079	\$149,928,031	\$35,023,014	\$39,315,633	\$149,331,093	\$189,243,664

Additional information on the City's long-term liabilities can be found in Note 8 of the Notes to the Basic Financial Statements of this report.

Economic Factors and Next Year's Budget

Over the past year, despite continuing challenges of the COVID-19 pandemic and the associated impacts to both revenues and expenditures, the city has continued to effectively service and support our residents and businesses. While there have been steady improvements across all areas of the community, there is still more work to be done to ensure the City remains on solid financial ground for the years to come. Over the past year, the nation saw inflation hit a 40-year all-time high peaking at 9.1% in June 2022 with the unemployment rate sitting around 3.6%. Economists are predicting that the US economic growth will slow to 2.0% in 2023 and 1.9% in 2024. Unemployment rates are also expected to rise in 2023 as the Fed increases interest rates causing the economy to slow down. However, California is being seen as faring more favorable than the nation and isn't likely to enter a recession in 2023 according to a UCLA Anderson forecast. Housing construction in California is outpacing the rest of the country and defense spending is also helping the state economy with the US Department of Defense increasing its budget by \$33 billion in 2023. UCLA Anderson also projects employment growth of 1.1% in 2023 and 1.2% in 2024 for California if the state does not go into recession and employment growth of .5% in 2023 and 1.3% in 2024 if it does.

Like many cities throughout California, South Gate is also facing significant continued increases in retiree pension and health care costs. Future salary increases and increased CalPERS pension costs are expected to put upward pressure on the budget over the next few years.

For FY 2022/23, the city adopted a Maintenance of Effort Budget with provisions to attend to critical needs. The FY 2022/23 citywide adopted operating and capital improvement budget totaling approximately \$243M includes all city funds, including General fund and Other Governmental funds, Water fund, Sewer fund, Housing Authority fund, Successor Agency fund Grants and Other Subventions, Special Assessment District funds, and Capital Improvement Project funds.

General Fund Budget: The General Fund expenditure adopted budget for FY 2022/23 of \$65.8M constitutes 27% of the citywide budget and reflects a 12.5% increase in General Fund expenditures over prior fiscal year. FY 2022/23 General Fund revenue adopted budget of \$61.8M is a decrease of 7.2% over prior fiscal year receipts due to the one-time ARPA revenue losses of \$8.8M the City claimed in FY 2021/22. Overall, the FY2022-23 General Fund adopted budget was balanced with draw down from fund balance reserves of about \$4.0M to cover the projected deficit.

City of South Gate
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Year Ended June 30, 2022

Requests for Information

This annual comprehensive financial report (ACFR) is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's transparency and accountability for the money it receives and expends. If you have questions about this report or need additional financial information, please contact City Administrative Services/Finance, by phone at (323) 563-9522, or by mail at 8650 California Avenue, South Gate, California 90280.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of South Gate
Statement of Net Position
June 30, 2022

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Current assets:			
Cash and investments	\$ 84,911,372	\$ 47,729,559	\$ 132,640,931
Receivables:			
Accounts	1,650,945	4,446,729	6,097,674
Accrued interest	116,661	66,494	183,155
Lease	782,286	-	782,286
Internal balances	(1,023)	1,023	-
Prepaid items	57,031	-	57,031
Due from other governments	22,429,902	-	22,429,902
Inventories	223,736	-	223,736
Property held for resale	4,950,000	-	4,950,000
Total current assets	<u>115,120,910</u>	<u>52,243,805</u>	<u>167,364,715</u>
Noncurrent assets:			
Restricted cash and investments with fiscal agent	452,082	859,294	1,311,376
Notes and loans receivables	8,766,569	-	8,766,569
Capital assets:			
Non-depreciable capital assets	17,815,019	3,407,399	21,222,418
Depreciable capital assets, net	<u>222,084,309</u>	<u>46,537,776</u>	<u>268,622,085</u>
Total capital assets	<u>239,899,328</u>	<u>49,945,175</u>	<u>289,844,503</u>
Total noncurrent assets	<u>249,117,979</u>	<u>50,804,469</u>	<u>299,922,448</u>
Total assets	<u>364,238,889</u>	<u>103,048,274</u>	<u>467,287,163</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding of debt	-	1,006,148	1,006,148
Deferred outflows of resources related to pensions	18,427,811	782,946	19,210,757
Deferred outflows of resources related to OPEB	<u>5,310,657</u>	<u>538,721</u>	<u>5,849,378</u>
Total deferred outflows of resources	<u>23,738,468</u>	<u>2,327,815</u>	<u>26,066,283</u>

See accompanying Notes to the Basic Financial Statements.

City of South Gate
Statement of Net Position (Continued)
June 30, 2022

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
LIABILITIES			
Current liabilities:			
Accounts payable	5,479,838	1,530,632	7,010,470
Accrued liabilities	1,064,408	100,705	1,165,113
Retention payable	869,671	162,714	1,032,385
Accrued interest	45,298	206,910	252,208
Unearned revenue	9,238,805	-	9,238,805
Deposits payable	1,353,844	4,343,651	5,697,495
Due to other governments	1,873	-	1,873
Compensated absences - due within one year	450,648	32,517	483,165
Claims payable - due within one year	3,845,757	-	3,845,757
Long-term debt - due within one year	2,005,023	1,749,349	3,754,372
Total current liabilities	<u>24,355,165</u>	<u>8,126,478</u>	<u>32,481,643</u>
Noncurrent liabilities:			
Compensated absences - due in more than one year	4,478,404	323,149	4,801,553
Claims payable - due in more than one year	9,231,639	-	9,231,639
Long-term debt - due in more than one year	8,877,524	27,249,528	36,127,052
Aggregate net pension liability	57,996,371	2,886,673	60,883,044
Total other postemployment benefits liability	27,422,713	2,781,798	30,204,511
Total noncurrent liabilities	<u>108,006,651</u>	<u>33,241,148</u>	<u>141,247,799</u>
Total liabilities	<u>132,361,816</u>	<u>41,367,626</u>	<u>173,729,442</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to leases	758,674	-	758,674
Deferred inflows of resources related to pensions	40,572,059	2,151,247	42,723,306
Deferred inflows of resources related to OPEB	7,338,759	744,454	8,083,213
Total deferred inflows of resources	<u>48,669,492</u>	<u>2,895,701</u>	<u>51,565,193</u>
NET POSITION			
Net investment in capital assets	<u>239,101,781</u>	<u>22,811,740</u>	<u>261,913,521</u>
Restricted:			
Community development projects	13,760,738	-	13,760,738
Asset forfeiture program	2,561,903	-	2,561,903
Law enforcement	379,187	-	379,187
Public works	28,319,789	-	28,319,789
Capital projects	58,800	-	58,800
Low/mod income housing activities	4,231,379	-	4,231,379
Total restricted	<u>49,311,796</u>	<u>-</u>	<u>49,311,796</u>
Unrestricted (deficit)	<u>(81,467,528)</u>	<u>38,301,022</u>	<u>(43,166,506)</u>
Total net position	<u>\$ 206,946,049</u>	<u>\$ 61,112,762</u>	<u>\$ 268,058,811</u>

See accompanying Notes to the Basic Financial Statements.

City of South Gate
Statement of Activities
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Total Program Revenues
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 7,578,443	\$ 1,965,422	\$ 1,247,201	\$ -	\$ 3,212,623
Police	34,486,871	1,606,675	9,360,512	-	10,967,187
Community development	11,374,303	2,001,775	7,062,936	-	9,064,711
Parks & recreation	8,774,974	1,160,196	-	-	1,160,196
Public works	19,188,975	1,703,156	16,107,088	10,387,141	28,197,385
Interest on long-term debt	649,620	-	-	-	-
Total governmental activities	<u>82,053,186</u>	<u>8,437,224</u>	<u>33,777,737</u>	<u>10,387,141</u>	<u>52,602,102</u>
Business-type activities:					
Water	15,070,542	19,564,619	-	-	19,564,619
Sewer	1,751,215	1,272,304	-	-	1,272,304
Refuse	4,324,468	4,347,262	137,101	-	4,484,363
Total business-type activities	<u>21,146,225</u>	<u>25,184,185</u>	<u>137,101</u>	<u>-</u>	<u>25,321,286</u>
Total primary government	<u>\$ 103,199,411</u>	<u>\$ 33,621,409</u>	<u>\$ 33,914,838</u>	<u>\$ 10,387,141</u>	<u>\$ 77,923,388</u>

See accompanying Notes to the Basic Financial Statements.

City of South Gate
Statement of Activities (Continued)
For the Year Ended June 30, 2022

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Primary government:			
Governmental activities:			
General government	\$ (4,365,820)	\$ -	\$ (4,365,820)
Police	(23,519,684)	-	(23,519,684)
Community development	(2,309,592)	-	(2,309,592)
Parks & recreation	(7,614,778)	-	(7,614,778)
Public works	9,008,410	-	9,008,410
Interest on long-term debt	(649,620)	-	(649,620)
Total governmental activities	<u>(29,451,084)</u>	<u>-</u>	<u>(29,451,084)</u>
Business-type activities:			
Water	-	4,494,077	4,494,077
Sewer	-	(478,911)	(478,911)
Refuse	-	159,895	159,895
Total business-type activities	<u>-</u>	<u>4,175,061</u>	<u>4,175,061</u>
Total primary government	<u>(29,451,084)</u>	<u>4,175,061</u>	<u>(25,276,023)</u>
General revenues			
Taxes:			
Property taxes, levied for general purpose	15,462,214	-	15,462,214
Transient occupancy taxes	556,972	-	556,972
Sales taxes	27,689,344	-	27,689,344
Franchise taxes	2,846,921	-	2,846,921
Business licenses taxes	1,568,305	-	1,568,305
Motor vehicle license in lieu	111,543	-	111,543
Other taxes	646,862	-	646,862
Total taxes	48,882,161	-	48,882,161
Use of money and property (loss)	(2,243,040)	(1,324,133)	(3,567,173)
Other	858,214	-	858,214
Transfers	(21,986,316)	21,986,316	-
Total general revenues and transfers	<u>25,511,019</u>	<u>20,662,183</u>	<u>46,173,202</u>
Changes in net position	(3,940,065)	24,837,244	20,897,179
Net Position:			
Beginning of year, as restated (note 17)	210,886,114	36,275,518	247,161,632
End of year	<u>\$ 206,946,049</u>	<u>\$ 61,112,762</u>	<u>\$ 268,058,811</u>

See accompanying Notes to the Basic Financial Statements.

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FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

General Fund – The General Fund accounts for resources traditionally associated with government which are not legally required, or determined by sound financial management, to be accounted for in another fund.

Grants Special Revenue Fund - This fund is used to account for all Federal, State, and local grants not specified in other funds.

American Rescue Plan Act (ARPA) - This fund is account for expenditures related to the funds received through this source by the U.S Treasury. These funds must be used for specific purposes outlined in the Act and promulgated by regulations issued by the U.S Treasury. Funds must be spent by December 31, 2024 or legally obligated. In no case shall be funds be allow to be expended beyond December 31, 2026. All revenue and expenditure elements caused or impacted by the Coronavirus Disease 2019 (COVID-19) pandemic since January 2020 through December 2024 are generally covered by the ARPA.

Capital Improvement Projects Fund - This fund accounts for various capital projects funded by grants, other governmental entities or designated by the City Council.

**City of South Gate
Balance Sheet
Governmental Funds
June 30, 2022**

	General Fund	Grants Special Revenue Fund	American Recuse Plan Act Fund	Capital Improvement Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 17,930,684	\$ -	\$ 7,772,917	\$ 8,547,674	\$ 32,911,446	\$ 67,162,721
Restricted cash and investments held by fiscal agent	450,082	-	-	2,000	-	452,082
Receivables:						
Accounts	1,467,570	-	-	15,000	166,986	1,649,556
Notes and loans	17,433	342,680	-	-	8,406,456	8,766,569
Accrued interest	29,136	-	17,329	-	47,354	93,819
Lease	777,328	-	-	-	4,958	782,286
Prepaid items	22,025	-	-	-	35,006	57,031
Due from other governments	6,558,776	14,691,232	-	-	1,179,894	22,429,902
Due from other funds	14,326,327	-	-	4,290	1,416,731	15,747,348
Inventories	223,736	-	-	-	-	223,736
Land held for resale	-	-	-	-	4,950,000	4,950,000
Advances to other funds	1,813,000	-	-	-	-	1,813,000
Total assets	<u>\$ 43,616,097</u>	<u>\$ 15,033,912</u>	<u>\$ 7,790,246</u>	<u>\$ 8,568,964</u>	<u>\$ 49,118,831</u>	<u>\$ 124,128,050</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 1,109,553	\$ -	\$ 359,939	\$ 2,460,418	\$ 935,196	\$ 4,865,106
Accrued liabilities	932,443	-	-	-	101,925	1,034,368
Unearned revenue	-	1,110,378	7,348,915	259,353	520,159	9,238,805
Deposits	933,933	396,857	-	-	23,054	1,353,844
Retentions payable	-	-	-	869,671	-	869,671
Due to other governments	1,873	-	-	-	-	1,873
Due to other funds	329,590	12,247,715	-	-	3,211,441	15,788,746
Advances from other funds	-	-	-	-	1,813,000	1,813,000
Total liabilities	<u>3,307,392</u>	<u>13,754,950</u>	<u>7,708,854</u>	<u>3,589,442</u>	<u>6,604,775</u>	<u>34,965,413</u>
Deferred inflows of resources:						
Lease related	753,839	-	-	-	4,835	758,674
Unavailable revenues	151,014	4,691,542	-	-	63,571	4,906,127
Total deferred inflows of resources	<u>904,853</u>	<u>4,691,542</u>	<u>-</u>	<u>-</u>	<u>68,406</u>	<u>5,664,801</u>
Fund Balances:						
Nonspendable:						
Inventories	223,736	-	-	-	-	223,736
Prepaid items	22,025	-	-	-	35,006	57,031
Notes and loans	17,433	-	-	-	-	17,433
Advances to other funds	1,813,000	-	-	-	-	1,813,000
Restricted:						
Community development projects	-	342,680	-	-	13,383,052	13,725,732
Asset forfeiture program	-	-	-	-	2,561,903	2,561,903
Law enforcement	-	-	-	-	379,187	379,187
Public works	-	-	-	-	23,524,190	23,524,190
Capital projects	56,800	-	-	2,000	-	58,800
Debt service	393,282	-	-	-	-	393,282
Low/mod income housing	-	-	-	-	4,231,379	4,231,379
Committed:						
Emergency reserve	2,000,000	-	-	-	-	2,000,000
Employment resource center	-	-	-	3,507,085	-	3,507,085
Budget stabilization	6,000,000	-	-	-	-	6,000,000
OPEB section 115 trust	1,000,000	-	-	-	-	1,000,000
Assigned:						
Public works	115,000	-	-	-	-	115,000
Capital projects	3,367,023	-	-	1,470,437	-	4,837,460
Unassigned (deficit)	24,395,553	(3,755,260)	81,392	-	(1,669,067)	19,052,618
Total fund balances	<u>39,403,852</u>	<u>(3,412,580)</u>	<u>81,392</u>	<u>4,979,522</u>	<u>42,445,650</u>	<u>83,497,836</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 43,616,097</u>	<u>\$ 15,033,912</u>	<u>\$ 7,790,246</u>	<u>\$ 8,568,964</u>	<u>\$ 49,118,831</u>	<u>\$ 124,128,050</u>

See accompanying Notes to the Basic Financial Statements.

City of South Gate
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2022

Total Fund Balances - Total Governmental Funds	\$ 83,497,836
Amounts reported for governmental activities in the Statement of Net Position were different because:	
Capital assets used in governmental activities were not financial resources and therefore were not reported in governmental funds.	
Government-Wide Financial Statements	239,899,328
Less: capital assets reported in Internal Service Funds	<u>(3,353,900)</u>
Total capital assets adjustment	<u>236,545,428</u>
Long-term debt are not due and payable in the current period and, therefore, are not reported in the governmental fund activity:	
Pension Obligation Bonds	(9,680,349)
Notes payable	(673,019)
Leases payable	(124,528)
Compensated absences, net of \$(87,498) reported in Internal Service Funds	<u>(4,841,554)</u>
Total long-term debt adjustment	<u>(15,319,450)</u>
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.	(45,298)
Governmental funds report all pension contributions as expenditures; however, in the statement of net position, the excess of the total pension liability over the plan fiduciary net position is reported as a net pension liability:	
Deferred outflows of resources related to pensions, net of \$301,754 reported in Internal Service Funds	18,126,057
Aggregate net pension liabilities, net of \$(1,112,550) reported in Internal Service Funds.	(56,883,821)
Deferred inflows of resources related to pensions, net of \$(829,110) reported in Internal Service Funds	(39,742,949)
Governmental funds report all OPEB contributions as expenditures; however, in the statement of net position, total OPEB liability is reported as a total OPEB liability:	
Deferred outflows of resources related to OPEB, net of \$188,661 reported in Internal Service Funds.	5,121,996
Other postemployment benefits liabilities, net of \$(974,188) reported in Internal Service Funds.	(26,448,525)
Deferred inflows of resources related to OPEB, net of \$(260,709) reported in Internal Service Funds.	(7,078,050)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental	4,906,127
Internal service funds were used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds were included in governmental activities in the Government-Wide Statement of Net Position.	<u>4,266,698</u>
Net Position of Governmental Activities	<u><u>\$ 206,946,049</u></u>

See accompanying Notes to the Basic Financial Statements.

City of South Gate
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	Major Funds					Total Governmental Funds
	General Fund	Grants Special Revenue Fund	American Resuce Plan Fund	Capital Improvement Projects Fund	Nonmajor Governmental Funds	
REVENUES:						
Taxes	\$ 48,770,618	\$ -	\$ -	\$ -	\$ 2,001,775	\$ 50,772,393
Licenses and permits	1,623,236	-	-	-	42,493	1,665,729
Intergovernmental	216,631	10,387,142	9,929,322	-	20,794,143	41,327,238
Charges for services	2,342,111	-	-	-	1,117,510	3,459,621
Use of money and property (loss)	(783,785)	-	66,103	-	(793,188)	(1,510,870)
Fines and forfeitures	1,310,097	-	-	-	-	1,310,097
Rental	129,788	-	-	-	-	129,788
Miscellaneous	4,120,074	-	-	-	8,788	4,128,862
Total revenues	<u>57,728,770</u>	<u>10,387,142</u>	<u>9,995,425</u>	<u>-</u>	<u>23,171,521</u>	<u>101,282,858</u>
EXPENDITURES:						
Current:						
General government	7,142,469	-	1,142,113	-	20,594	8,305,176
Police	30,040,630	-	-	-	1,176,453	31,217,083
Community development	3,293,625	-	-	-	8,757,412	12,051,037
Parks & recreation	8,676,195	-	-	-	101,005	8,777,200
Public works	4,343,329	-	-	-	7,679,504	12,022,833
Capital outlay	64,008	-	-	17,038,461	442,541	17,545,010
Debt service:						
Principal	1,411,339	-	-	-	280,294	1,691,633
Interest and fiscal charges	624,408	-	-	-	8,229	632,637
Total expenditures	<u>55,596,003</u>	<u>-</u>	<u>1,142,113</u>	<u>17,038,461</u>	<u>18,466,032</u>	<u>92,242,609</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,132,767</u>	<u>10,387,142</u>	<u>8,853,312</u>	<u>(17,038,461)</u>	<u>4,705,489</u>	<u>9,040,249</u>
OTHER FINANCING SOURCES (USES):						
Proceeds from leases	-	-	-	-	30,306	30,306
Transfers in	8,787,075	-	-	18,313,205	1,355,045	28,455,325
Transfers out	(31,880,830)	(12,540,722)	(8,787,210)	(8,000)	(4,241,627)	(57,458,389)
Total other financing sources (uses)	<u>(23,093,755)</u>	<u>(12,540,722)</u>	<u>(8,787,210)</u>	<u>18,305,205</u>	<u>(2,856,276)</u>	<u>(28,972,758)</u>
CHANGES IN FUND BALANCES	(20,960,988)	(2,153,580)	66,102	1,266,744	1,849,213	(19,932,509)
FUND BALANCES:						
Beginning of year, as restated (note 17)	60,364,840	(1,259,000)	15,290	3,712,778	40,596,437	103,430,345
End of year	<u>\$ 39,403,852</u>	<u>\$ (3,412,580)</u>	<u>\$ 81,392</u>	<u>\$ 4,979,522</u>	<u>\$ 42,445,650</u>	<u>\$ 83,497,836</u>

See accompanying Notes to the Basic Financial Statements.

City of South Gate
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balances to the Government-Wide Statement of Activities
For the Year Ended June 30, 2022

Net Change in Fund Balances - Total Governmental Funds	\$ (19,932,509)
Amounts reported for governmental activities in the Statement of Activities were different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	
Capital outlay, net of \$401,749 reported in Internal Service Fund	16,815,458
Depreciation, net of \$424,938 reported in Internal Service Fund	(9,350,296)
	7,465,162
Repayment of long-term liabilities was an expenditures in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	
Principal paid on long-term debt, net of \$391,171 reported in Internal Service Fund	1,691,633
Proceeds from leases	(30,306)
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.	
	9,219
Compensated absences expenses reported in the statement of activities do not require the use of current financial resources: therefore, are not reported as expenditures in governmental funds.	
	705,805
Pension expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
	1,004,246
Other postemployment benefits expenses reported in the statement of activities do not require the use of current financial resources; therefore, are not reported as expenditures in the governmental funds.	
	(252,742)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are not included in the intergovernmental revenues in the governmental fund activity.	
	2,949,185
Internal service funds are used by management to charge the costs of certain activities, such as fleet management and self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities.	
	2,450,242
Change in Net Position of Governmental Activities	\$ (3,940,065)

See accompanying Notes to the Basic Financial Statements.

PROPRIETARY FUND FINANCIAL STATEMENTS

ENTERPRISE FUNDS:

Utility Authority - Water Fund – This fund accounts for the operations of the City's water utility. All activities necessary to provide this service are accounted for in this fund including administration, operations, maintenance, capital improvements, billing, collections and depreciation.

Utility Authority - Sewer Fund – This fund accounts for the provision of sewer maintenance services to the residents of the City. All activities necessary to provide this service are accounted for in this fund including, but not limited to, administration, operations, maintenance, capital improvements, billing, collections and depreciation.

Refuse Fund (Non-Major) – This fund accounts for the provision of waste management services to the residents of the City. All activities necessary to provide this service are accounted for in this fund including, but not limited to, administration, operations, maintenance, capital improvements, billing, collections and depreciation.

INTERNAL SERVICE FUNDS: (Refer to page 164 for more details)

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City of South Gate
Statement of Net Position
Proprietary Funds
June 30, 2022

	Business-type Activities Enterprise Funds			Total	Governmental Activities Internal Service Funds
	Major		Nonmajor		
	Water	Sewer	Refuse		
ASSETS					
Current assets:					
Cash and investments	\$ 45,073,843	\$ 1,736,255	\$ 919,461	\$ 47,729,559	\$ 17,748,651
Receivables:					
Accounts	3,270,555	436,265	739,909	4,446,729	1,389
Accrued interest	62,278	2,930	1,286	66,494	22,842
Due from other funds	1,023	-	-	1,023	40,375
Total current assets	<u>48,407,699</u>	<u>2,175,450</u>	<u>1,660,656</u>	<u>52,243,805</u>	<u>17,813,257</u>
Noncurrent assets:					
Restricted assets:					
Cash and investments	859,294	-	-	859,294	-
Capital assets:					
Non-depreciable assets	3,377,991	-	29,408	3,407,399	-
Depreciable assets, net of accumulated depreciation	31,343,775	15,194,001	-	46,537,776	3,353,900
Total capital assets, net	<u>34,721,766</u>	<u>15,194,001</u>	<u>29,408</u>	<u>49,945,175</u>	<u>3,353,900</u>
Total noncurrent assets	<u>35,581,060</u>	<u>15,194,001</u>	<u>29,408</u>	<u>50,804,469</u>	<u>3,353,900</u>
Total assets	<u>83,988,759</u>	<u>17,369,451</u>	<u>1,690,064</u>	<u>103,048,274</u>	<u>21,167,157</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding of debt	1,006,148	-	-	1,006,148	-
Deferred outflows of resources related to pensions	676,299	106,647	-	782,946	301,754
Deferred outflows of resources related to OPEB	482,213	56,508	-	538,721	188,661
Total deferred outflows of resources	<u>2,164,660</u>	<u>163,155</u>	<u>-</u>	<u>2,327,815</u>	<u>490,415</u>

See accompanying Notes to the Basic Financial Statements.

City of South Gate
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2022

	Business-type Activities Enterprise Funds			Total	Governmental Activities Internal Service Funds
	Major		Nonmajor		
	Water	Sewer	Refuse		
LIABILITIES					
Liabilities:					
Current liabilities:					
Accounts payable	1,271,185	67,281	192,166	1,530,632	614,732
Accrued liabilities	87,905	10,448	2,352	100,705	30,040
Accrued interest	206,910	-	-	206,910	-
Deposits payable	4,343,651	-	-	4,343,651	-
Retentions payable	162,714	-	-	162,714	-
Compensated absences, due within one year	28,799	3,435	283	32,517	8,000
Claims and judgments, due within one year	-	-	-	-	3,845,757
Bonds payable, due within one year	236,162	1,513,187	-	1,749,349	-
Total current liabilities	<u>6,337,326</u>	<u>1,594,351</u>	<u>194,801</u>	<u>8,126,478</u>	<u>4,498,529</u>
Noncurrent liabilities:					
Compensated absences, due in more than one year	286,196	34,138	2,815	323,149	79,498
Claims and judgments, due in more than one year	-	-	-	-	9,231,639
Bonds payable, due in more than one year	24,847,867	2,401,661	-	27,249,528	-
Aggregate net pension liability	2,493,471	393,202	-	2,886,673	1,112,550
Net OPEB liability	2,490,008	291,790	-	2,781,798	974,188
Total noncurrent liabilities	<u>30,117,542</u>	<u>3,120,791</u>	<u>2,815</u>	<u>33,241,148</u>	<u>11,397,875</u>
Total liabilities	<u>36,454,868</u>	<u>4,715,142</u>	<u>197,616</u>	<u>41,367,626</u>	<u>15,896,404</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources related to pensions	1,858,220	293,027	-	2,151,247	829,110
Deferred inflows of resources related to OPEB	666,366	78,088	-	744,454	260,709
Total deferred inflows of resources	<u>2,524,586</u>	<u>371,115</u>	<u>-</u>	<u>2,895,701</u>	<u>1,089,819</u>
NET POSITION					
Net investment in capital assets	11,503,179	11,279,153	29,408	22,811,740	2,949,249
Restricted for debt service	859,294	-	-	859,294	-
Unrestricted (deficit)	34,811,492	1,167,196	1,463,040	37,441,728	1,317,449
Total net position	<u>\$ 47,173,965</u>	<u>\$ 12,446,349</u>	<u>\$ 1,492,448</u>	<u>\$ 61,112,762</u>	<u>\$ 4,266,698</u>

See accompanying Notes to the Basic Financial Statements.

City of South Gate
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2022

	Business-type Activities Enterprise Funds			Total	Governmental Activities Internal Service Funds
	Major		Nonmajor		
	Water	Sewer	Refuse		
OPERATING REVENUES:					
Sales and service charges	\$ 19,162,483	\$ 1,271,082	\$ 4,341,457	\$ 24,775,022	\$ -
Interdepartmental charges	-	-	-	-	7,702,537
Miscellaneous	402,136	1,222	5,805	409,163	-
Total operating revenues	<u>19,564,619</u>	<u>1,272,304</u>	<u>4,347,262</u>	<u>25,184,185</u>	<u>7,702,537</u>
OPERATING EXPENSES:					
Personnel services	2,977,895	424,100	74,267	3,476,262	1,300,776
Utilities	789,240	1,667	3,960,076	4,750,983	6,205
Contractual services	4,750,722	159,189	159,148	5,069,059	277,612
Administrative services	3,119,584	278,945	130,977	3,529,506	492,467
Repairs and maintenance	113,550	226,893	-	340,443	596,863
Supplies	283,464	18,915	-	302,379	832,251
Insurance	-	-	-	-	4,285,849
Claims expense	-	-	-	-	3,585,914
Depreciation expense	2,283,986	534,694	-	2,818,680	424,938
Total operating expenses	<u>14,318,441</u>	<u>1,644,403</u>	<u>4,324,468</u>	<u>20,287,312</u>	<u>11,802,875</u>
OPERATING INCOME (LOSS)	<u>5,246,178</u>	<u>(372,099)</u>	<u>22,794</u>	<u>4,896,873</u>	<u>(4,100,338)</u>
NONOPERATING REVENUES (EXPENSES):					
Investment income (loss)	(1,239,508)	(57,939)	(26,686)	(1,324,133)	(439,966)
Intergovernmental revenue	-	-	137,101	137,101	-
Interest expense and fiscal charges	(752,101)	(106,812)	-	(858,913)	(26,202)
Total nonoperating revenues (expenses)	<u>(1,991,609)</u>	<u>(164,751)</u>	<u>110,415</u>	<u>(2,045,945)</u>	<u>(466,168)</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>3,254,569</u>	<u>(536,850)</u>	<u>133,209</u>	<u>2,850,928</u>	<u>(4,566,506)</u>
TRANSFERS:					
Transfers in	7,680	21,985,136	-	21,992,816	7,243,566
Transfers out	(4,700)	(1,800)	-	(6,500)	(226,818)
Total transfers	<u>2,980</u>	<u>21,983,336</u>	<u>-</u>	<u>21,986,316</u>	<u>7,016,748</u>
CHANGES IN NET POSITION	<u>3,257,549</u>	<u>21,446,486</u>	<u>133,209</u>	<u>24,837,244</u>	<u>2,450,242</u>
NET POSITION:					
Beginning of year, as restated (note 17)	43,916,416	(9,000,137)	1,359,239	36,275,518	1,816,456
End of year	<u>\$ 47,173,965</u>	<u>\$ 12,446,349</u>	<u>\$ 1,492,448</u>	<u>\$ 61,112,762</u>	<u>\$ 4,266,698</u>

See accompanying Notes to the Basic Financial Statements.

City of South Gate
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2022

	Business-type Activities Enterprise Funds			Total	Governmental Activities Internal Service Funds
	Major		Nonmajor		
	Water	Sewer	Refuse		
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers and users	\$ 19,983,453	\$ 1,254,598	\$ 4,320,173	\$ 25,558,224	\$ -
Cash received from interfund service provided	-	-	-	-	7,778,171
Cash paid to suppliers for goods and services	(6,996,127)	(445,234)	(4,335,225)	(11,776,586)	(7,388,648)
Cash paid to employees for services	(6,518,854)	(782,788)	(204,985)	(7,506,627)	(1,508,731)
Net cash provided by (used in) operating activities	<u>6,468,472</u>	<u>26,576</u>	<u>(220,037)</u>	<u>6,275,011</u>	<u>(1,119,208)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and construction of capital assets	(2,372,659)	143,892	(29,408)	(2,258,175)	(275,513)
Principal paid for capital-related debt	(1,413,560)	(231,440)	-	(1,645,000)	(391,761)
Interest paid on capital-related debt	(753,743)	(106,812)	-	(860,555)	(26,202)
Net cash (used in) capital and related financing activities	<u>(4,539,962)</u>	<u>(194,360)</u>	<u>(29,408)</u>	<u>(4,763,730)</u>	<u>(693,476)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Intergovernmental revenue	-	-	137,101	137,101	-
Cash received from other funds	7,680	-	-	7,680	7,243,566
Cash paid to other funds	(4,700)	(1,662)	-	(6,362)	(226,818)
Net cash provided by (used in) noncapital financing activities	<u>2,980</u>	<u>(1,662)</u>	<u>137,101</u>	<u>138,419</u>	<u>7,016,748</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment income (loss)	(1,255,011)	(58,779)	(26,692)	(1,340,482)	(449,860)
Net cash provided by (used in) investing activities	<u>(1,255,011)</u>	<u>(58,779)</u>	<u>(26,692)</u>	<u>(1,340,482)</u>	<u>(449,860)</u>
Net change in cash and cash equivalents	676,479	(228,225)	(139,036)	309,218	4,754,204
CASH AND CASH EQUIVALENTS:					
Beginning of year	45,256,658	1,964,480	1,058,497	48,279,635	12,994,447
End of year	<u>\$ 45,933,137</u>	<u>\$ 1,736,255</u>	<u>\$ 919,461</u>	<u>\$ 48,588,853</u>	<u>\$ 17,748,651</u>
RECONCILIATION TO STATEMENT OF NET POSITION:					
Cash and investments	\$ 45,073,843	\$ 1,736,255	\$ 919,461	\$ 47,729,559	\$ 17,748,651
Restricted cash and investment	859,294	-	-	859,294	-
Total cash and cash equivalents	<u>\$ 45,933,137</u>	<u>\$ 1,736,255</u>	<u>\$ 919,461</u>	<u>\$ 48,588,853</u>	<u>\$ 17,748,651</u>

See accompanying Notes to the Basic Financial Statements.

City of South Gate
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2022

	Business-type Activities Enterprise Funds			Total	Governmental Activities Internal Service Funds
	Major		Nonmajor		
	Water	Sewer	Refuse		
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:					
Operating income (loss)	\$ 5,246,178	\$ (372,099)	\$ 22,794	\$ 4,896,873	\$ (4,100,338)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	2,283,986	534,694	-	2,818,680	424,938
(Increase) decrease in accounts receivable	39,913	(17,706)	(27,089)	(4,882)	(1,389)
(Increase) decrease in due from other funds	5,817	-	-	5,817	77,022
(Increase) decrease in deferred outflows of resources related to pensions	(376,992)	4,439	-	(372,553)	(37,405)
(Increase) decrease in deferred outflows of resources related to other postemployment benefits	231,724	(21,434)	-	210,290	(71,561)
Increase (decrease) in accounts payable	(1,091,747)	(38,371)	(217,424)	(1,347,542)	35,409
Increase (decrease) in accrued liabilities	26,779	(199)	1,423	28,003	8,750
Increase (decrease) in deposits payable	378,921	-	-	378,921	-
Increase (decrease) in claims and judgments	-	-	-	-	2,306,068
Increase (decrease) in compensated absences	1,629	(18,602)	259	(16,714)	6,303
Increase (decrease) in net pension liability	(2,360,774)	(362,105)	-	(2,722,879)	(684,844)
Increase (decrease) in net OPEB liability	144,402	16,921	-	161,323	56,495
Increase (decrease) in deferred inflows of resources related to pensions	1,309,042	287,305	-	1,596,347	815,495
Increase (decrease) in deferred inflows of resources related to other postemployment benefits	629,594	13,733	-	643,327	45,849
Total adjustments	<u>1,222,294</u>	<u>398,675</u>	<u>(242,831)</u>	<u>1,378,138</u>	<u>2,981,130</u>
Net cash provided by (used in) operating activities	<u>\$ 6,468,472</u>	<u>\$ 26,576</u>	<u>\$ (220,037)</u>	<u>\$ 6,275,011</u>	<u>\$ (1,119,208)</u>

See accompanying Notes to the Basic Financial Statements.

FIDUCIARY FUND FINANCIAL STATEMENTS

Custodial Funds – These funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private purpose trust funds.

Successor Agency to the Community Development Commission Private Purpose Trust Fund – This fund accounts for the assets and liabilities of the former Community Development Commission and the allocated revenue to pay estimated installment payments of enforceable obligations until the obligations of the former Community Development Commission (Redevelopment Agency) are paid in full and assets have been liquidated.

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City of South Gate
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

	Custodial Funds	Successor Agency of the Former Community Development Commission
ASSETS		
Cash and investments	\$ 982,410	\$ 1,267,730
Cash and investments with fiscal agent	-	4,102,186
Account receivables	163	27,199
Notes receivables and loans receivable	42	153,656
Due from other governments	-	1,873
Prepaid bond insurance	-	47,349
Property held for resale	-	1,463,492
Capital assets:		
Non-depreciable	-	1,686,000
Depreciable, net	-	84,315
Total assets	982,615	8,833,800
LIABILITIES		
Accounts payable	828	162,442
Interest payable	-	190,598
Due to other governments	-	448,891
Long-term debt:		
Due within one year	-	3,809,649
Due in more than one year	-	9,074,441
Total liabilities	828	13,686,021
NET POSITION (DEFICIT)		
Held for:		
Individuals, organizations, and other governments	\$ 981,787	\$ (4,852,221)

See accompanying Notes to the Basic Financial Statements.

City of South Gate
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2022

	Custodial Funds	Successor Agency of the Former Community Development Commission
ADDITIONS:		
Redevelopment property tax trust fund	\$ -	\$ 4,995,250
Membership assessment	131,026	-
Use of money and property (loss)	(740)	39,994
Total additions	<u>130,286</u>	<u>5,035,244</u>
DEDUCTIONS:		
Operational expense	119,622	-
Contractual services	-	510,087
Administrative services	-	261,847
Depreciation expense	-	19,089
Interest expense and fiscal charges	-	285,234
Total deductions	<u>119,622</u>	<u>1,076,257</u>
Changes in Net Position	10,664	3,958,987
NET POSITION:		
Beginning of year	<u>971,123</u>	<u>(8,811,208)</u>
End of year	<u>\$ 981,787</u>	<u>\$ (4,852,221)</u>

See accompanying Notes to the Basic Financial Statements.

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(1) Summary of Significant Accounting Policies

The basic financial statements of the City have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

A. Description of the Reporting Entity

The City of South Gate (the "City") was incorporated January 20, 1923, under the general laws of the state of California and enjoys all the rights and privileges pertaining to such "General Law" cities. The City is a municipal corporation governed by an elected five-member council.

As required by generally accepted accounting principles, these basic financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The following blended component units, although legally separate entities are, in substance, part of the City's operations and data from these units are combined with the data of the City. They are reported as blended for the following reasons: (1) the governing board is substantively the same as the primary government and there is a financial benefit or burden relationship between the primary government and the component unit; (2) the component unit provides services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefits the primary government even though it does not provide services directly to it; and (3) the component unit's total debt outstanding, including leases, is expected to be repaid entirely or almost entirely with the resources of the primary government. A brief description of each component unit is discussed below.

Blended Component Units

Blended component units, although legally separate entities, are, in substance part of the government's operation and so data from these units are combined with data of the primary government. Discretely presents component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the government.

The City Council acts as the governing body and is able to impose its will on the following organizations and establishing financial accountability. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body and the City is either able to impose its will on that organization, or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable if an organization is fiscally dependent upon the City (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). As a result, these organizations are considered component units of the City and are included within the financial statements of the City using the blended method. All component units have a June 30 year-end.

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(1) Summary of Significant Accounting Policies (Continued)

The South Gate Utility Authority ("Utility Authority") is a joint powers authority that was established by the City and Authority on August 28, 2001. The Utility Authority is governed by a board of five members comprised of the same individuals who comprise the City Council of the City. The Utility Authority was created for the purpose of providing financing for public capital improvements for the City. Separate financial statements are not prepared for the Utility Authority.

The Housing Authority of the City of South Gate ("Housing Authority") was established on September 23, 1974, pursuant to the State of California Health and Safety Code 34200 entitled, "Housing Authorities Law." The Housing Authority is governed by a board of five members comprised of the same individuals who comprise the City Council of the City. The purpose of the Housing Authority of the City of South Gate is to provide safe and sanitary dwelling accommodations in the City to persons of low income. Separate financial statements are not prepared for the Housing Authority.

The South Gate Public Financing Authority ("Financing Authority") was formed on September 11, 1989. The purpose of the South Gate Public Financing Authority is to issue debt to finance public improvements and other capital purchases for the City. The Public Financing Authority is governed by a board of five members comprised of the same individuals who comprise the City Council of the City. Separate financial statements are not available for the Financing Authority.

The following specific criteria were used in determining the status of these component units:

- Members of the City Council also act as the governing body of the Utility Authority, the Housing Authority, and the Financing Authority.
- The City, the Utility Authority, the Housing Authority, and the Financing Authority are financially interdependent.
- The Utility Authority, the Housing Authority, and the Financing Authority are managed by employees of the City, who provide various support functions including financial reporting and investment decisions.

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

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

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(1) Summary of Significant Accounting Policies (Continued)

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the primary government. These statements include the financial activities of the overall City government, except for fiduciary activities.

Eliminations have been made to minimize the double counting of internal service fund and similar activities. The effect of inter-fund services provided and used between functions is not eliminated in the process of consolidation. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other no exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The government-wide financial statements are reported using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets and liabilities, including capital assets (as well as infrastructure assets) and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. Certain indirect costs are included in program expenses reported for individual functions and activities.

Fund Financial Statements

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

Governmental Fund Financial Statements

Governmental fund financial statements are reported using the “current financial resources” measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of grants, for which the revenue recognition period is 270 days. Expenditures generally are recorded when a liability is incurred, as under accrual

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(1) Summary of Significant Accounting Policies (Continued)

accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Sales taxes, property taxes, franchise taxes, gas taxes, motor vehicle in lieu, transient occupancy taxes, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

- General Fund – The General Fund accounts for resources traditionally associated with government which are not legally required or by sound financial management to be accounted for in another fund.
- American Rescue Plan Act Special Revenue Fund - This fund is account for expenditures related to the funds received through this source by the U.S Treasury. These funds must be used for specific purposes outlined in the Act and promulgated by regulations issued by the U.S Treasury. Funds must be spent by December 31, 2024 or legally obligated. In no case shall be funds be allow to be expended beyond December 31, 2026. All revenue and expenditure elements caused or impacted by the Coronavirus Disease 2019 (COVID-19) pandemic since January 2020 through December 2024 are generally covered by the ARPA.
- Grants Special Revenue Fund - This fund is used to account for all Federal, State, and local grants not specified in other funds.
- Capital Improvement Projects Fund – This fund accounts for various capital projects from resources committed by the City Council.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows for each proprietary fund.

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 in the Government-Wide Financial Statements. These funds have been established to finance and account for goods and services provided by one City department to other City departments or agencies. These areas of service include Insurance, Information Systems, Fleet Management, Capital Asset & Equipment Replacement, and Building & Infrastructure Maintenance.

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(1) Summary of Significant Accounting Policies (Continued)

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

Proprietary fund operating revenues and expenses, such as charges for services, and payments to employees and vendors, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues and expenses, such as subsidies, investment earnings, changes in fair value of investments and interest charges result from non-exchange transactions or ancillary activities.

The concept of major funds extends to Proprietary Funds. The City has identified the funds below as major proprietary funds. Individual non-major funds may be found in the supplemental section.

- Utility Authority - Water Fund – This fund accounts for the operations of the City's water utility. All activities necessary to provide this service are accounted for in this fund including administration, operations, maintenance, capital improvements, billing, collection and depreciation.
- Utility Authority - Sewer Fund – This fund accounts for the provision of sewer maintenance services to the residents of the City. All activities necessary to provide this service are accounted for in this fund including, but not limited to, operations, maintenance, capital improvements and depreciation.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position and a Statement of Changes in Fiduciary Net Position. The City's fiduciary funds represent custodial funds and private purpose trust funds. Both custodial funds and the private purpose trust funds are accounted for on the full accrual basis of accounting.

The City also reports the following fiduciary funds:

- Custodial Funds – These funds account for resources held by the City in custodian capacity. Cash and deposits are maintained for activities associated with various associations and third-party projects. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(1) Summary of Significant Accounting Policies (Continued)

- Private-purpose Trust Fund – This fund accounts for the assets and liabilities of the former Community Development Commission and the allocated revenue to pay estimated installment payments of enforceable obligations until the obligations of the former redevelopment agency are paid in full and assets have been liquidated.

C. Cash Investments and Cash Equivalents

In order to maximize investment return, the City pools its available cash for investment purposes. The City's cash management pool is used essentially as a demand deposit account by the various funds. The City has defined, for purposes of the preparation of its statements of cash flows, cash and cash equivalents as demand deposits plus all investments maintained in its cash management pool, regardless of maturity period.

Investments are reported in the accompanying balance sheet at fair value, except for certain certificates of deposit and investment contracts that are reported at cost. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

The City pools cash and investments of all funds, except for assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance, except investment income for the Internal Service Funds and the Capital Improvement Fund which is allocated to the General Fund.

Following areas of certain disclosure requirements, if applicable, for Deposits and Investment Risks are presented in the footnotes:

- Interest Rate Risk
- Credit Risk
- Overall
- Custodial Credit Risk
- Concentration of Credit Risk
- Foreign Currency Risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

D. 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, recorded 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.

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(1) Summary of Significant Accounting Policies (Continued)

The three levels of the fair value measurement hierarchy are described below:

- Level 1 – Inputs are unadjusted, quoted prices for identical assets and 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 and 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 and liabilities at the measurement date.

E. Receivables and Payables

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

All trade and property tax receivables are shown net of an allowance for uncollectible.

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

F. Prepaid Items

The prepaid items are payments made to vendors for costs applicable to future accounting periods and are recorded under the consumption method in both government-wide and fund financial statements.

G. Inventories

Inventories of supplies are recorded at cost, whereas inventories held for resale are recorded at lower of cost or market using the first-in, first-out (FIFO) method. The cost of inventory is recorded as an asset when purchased and is expensed when consumed.

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(1) Summary of Significant Accounting Policies (Continued)

H. Land Held for Resale

Land held for resale is recorded in the City's Housing Successor Special Revenue Fund, Housing Authority Development Projects Fund and in the Private-Purpose Trust Fund – Successor Agency of the Former Community Development Commission (CDC) at the lower of acquisition cost or estimated net realizable value when such amount becomes determinable as a result of the City entering into a contract for sale of property.

I. Capital Assets

Capital assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Contributed capital assets are valued at their estimated acquisition value at the date of the contribution. Generally, capital asset purchases in excess of \$5,000 are capitalized if they have an expected useful life of three years or more.

Capital assets, which include property, plant, equipment, infrastructure (e.g., roads, bridges, sidewalks and similar items) and intangible assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City's infrastructure assets are recorded at historical cost or at estimated historical cost if actual historical cost was not available. All current year additions to infrastructure assets are depreciated.

Depreciation has been provided using the straight-line method over the estimated useful life of the asset in the government-wide financial statements and in the fund financial statements of the proprietary funds.

The following schedule summarizes capital asset useful lives:

- Building and improvements 10-50 years
- Equipment and furniture 3-50 years
- Vehicles 5-10 years
- Infrastructure 10-65 years
- Wells 20 years
- Pumping and purification equipment 5-50 years
- Distribution and service equipment 5-50 years
- Eastside reservoir 45 years
- Westside reservoir 45 years
- Right to use lease assets 5-50 years

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(1) Summary of Significant Accounting Policies (Continued)

J. Deferred Outflows/Inflows of Resources

The Statement of Net Position and the Balance Sheet report 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 assets) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources represent inflows of resources (acquisition of net assets) that apply to future periods and that, therefore, will not be recognized as revenue until that time.

K. Net Pension Liability

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

The following timeframes are used for pension reporting:

CalPERS

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

PARS

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

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 5 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.

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(1) Summary of Significant Accounting Policies (Continued)

L. Other Postemployment Benefits ("OPEB")

For purposes 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 Retiree Benefits Plan ("OPEB Plan") and additions to/deductions from OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms

The following timeframes are used for OPEB reporting:

OPEB

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

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 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 5 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.

M. Compensated Absences

Employees can carry forward, for use in subsequent years, earned but unused vacation and sick leave benefits to a specific limit. Upon termination, the City is obligated to compensate employees for all accrued earned but unused vacation days. Upon termination, employees that have provided at least 15 years of service to the City are reimbursed for 50% to 75% of earned but unused sick leave benefits.

A liability is recorded for unused vacation and similar compensatory leave balances since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement.

A liability is also recorded for unused sick leave balances for an estimated amount based on active employee's eligibility. The estimated amount is calculated based on accrued value of the sick leave balances at June 30, 2022, and the City of South Gate Memorandum of Understanding Sick Leave Payoff eligibility calculation. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of a future event which is outside the control of the City and the employee.

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(1) Summary of Significant Accounting Policies (Continued)

A liability is accrued for all leave benefits relating to the operations of the proprietary funds. A current liability is accrued in the governmental funds for material leave benefits due on demand to governmental fund employees that have terminated prior to year-end. All other amounts are recorded in the statement of net position. These non-current amounts will be recorded as fund expenditures in the year in which they are paid or become due.

N. Long-Term Liabilities

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 governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums 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.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

O. Net Position

In the governmental-wide financial statements and proprietary fund financial statements, net position is classified as follows:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt and any deferred outflows or inflows of resources that are attributed to the acquisition, construction, or improvement of the assets, net of unspent debt proceeds and deferred gain/loss on refunding and retention payable.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Position – 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.

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

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(1) Summary of Significant Accounting Policies (Continued)

P. Fund Balance

In the fund financial statements, governmental funds report the following fund balance classification:

Nonspendable – This portion of a fund balance includes amounts that cannot be spent because they are either: (a) not in a spendable form, such as prepaid items, inventories of supplies, loans receivable, and land held for resale, unless the proceeds from the collection of those receivables or from sale of the properties is restricted, committed, or assigned; or (b) legally or contractually required to be maintained intact.

Restricted – This portion of a fund balance reflects constraints placed on the use of resources (other than non-spendable items) that are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – This portion of a fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (City Council), and remain binding unless removed in the same manner. The City Council, as the City's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by the adoption of a resolution. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through the same type of formal action taken to establish the commitment. As part of the City's initiative to prepare for potential economic downturns or a major emergency, the City Council has committed funds as emergency reserves. As of June 30, 2022, the City has committed \$2,000,000 in the emergency reserves. The commitments are made through council approval establishing and amending the reserve amounts.

Assigned – This portion of a fund balance includes amounts that are constrained by the government's intent to be used for specific purposes, but that are neither restricted nor committed. The City Council has designated the Director of Administrative Services as the City official to determine and define the amounts of those components of fund balance that are classified as "Assigned Fund Balance."

Unassigned – This portion of a fund balance includes amounts that do not fall into one of the above four categories. The General Fund is the only fund that should report this category of fund balance, unless a negative fund balance exists.

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. The City considers restricted fund balance to have been spent first when expenditure is incurred for

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(1) Summary of Significant Accounting Policies (Continued)

purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts.

Q. Use of Estimates

The preparation of financial statements in accordance 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.

R. Changes in Accounting Policy

During fiscal year ended June 30, 2022, the City implemented the following new GASB Pronouncement:

GASB Statement No. 87, Leases – The primary objective of this Statement is to meet the information needs of financial statement users by improving accounting and financial reporting of leases by governments. The Statement increases the usefulness of governments financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflow of resources and outflow of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments leasing activities.

(2) Cash and Investments

As of June 30, 2022, cash and investments were reported in the accompanying financial statements as follows:

	Government-Wide		Fiduciary Funds	Total
	Statement of Net Position			
	Governmental	Business-Type	Statement of	
	Activities	Activities	Net Position	
Cash and investments	\$ 84,911,372	\$ 47,729,559	\$ 2,250,140	\$ 134,891,071
Cash and investments with fiscal agent	452,082	859,294	4,102,186	5,413,562
Total cash and investments	<u>\$ 85,363,454</u>	<u>\$ 48,588,853</u>	<u>\$ 6,352,326</u>	<u>\$ 140,304,633</u>

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(2) Cash and Investments (Continued)

Cash and investments as of June 30, 2022 consisted of the following:

Cash:	
Cash on hand	\$ 16,750
Deposits with financial institution	25,023,860
Total Cash	<u>25,040,610</u>
Investments:	
Investments	109,909,261
Investments held by bond trustee	5,354,762
Total Investments	<u>115,264,023</u>
Total Cash and Investments	<u>\$ 140,304,633</u>

The City maintains a cash and investment pool that is available for use for all funds. Each fund type's position in the pool is reported on the combined balance sheet as cash and investments. The City has adopted an investment policy, which authorizes it to invest in various investments.

A. Demand Deposits

At June 30, 2022, the carrying amount of the City's deposits was \$24,965,060 and the bank balance was \$25,250,532. The difference represents outstanding checks and other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC.

The collateral for deposits in federal and state-chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository.

These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental.

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(2) Cash and Investments (Continued)

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

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

Investment Types Authorized by State Law	Authorized by Investment Policy	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	Yes	5 years	None	None
Federal Agency Obligations	Yes	5 years	None	None
U.S. Government Sponsored Enterprise Securities	Yes	5 years	None	None
Bankers' Acceptances	Yes	180 days	40%	30%
Commercial Paper	Yes	270 days	30%	10%
Negotiable Certificates of Deposit	Yes	5 years	None	None
Repurchase Agreements	No	1 year	None	None
Reverse Repurchase Agreements	No	92 days	20%	None
Medium-Term Notes	Yes	5 years	30%	10%
Money Market Mutual Funds	Yes	N/A	None	None
Mortgage Pass-Through Securities	No	5 years	20%	None
County Pooled Investment Funds	No	N/A	None	None
Local Agency Investment Fund (LAIF)	Yes	N/A	None	None

*Based on state law requirements or investment policy requirements, whichever is more restrictive

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(2) Cash and Investments (Continued)

C. Investments Authorized by Debt Agreements

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

<u>Authorized Investment Types</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Allowed</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	None	None	None
Bankers' Acceptances	1 year	40%	30%
Commercial Paper	270 days	25%	10%
Repurchase Agreements	30 days	None	None
Money Market Mutual Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Investment Agreements	N/A	None	None

D. Investment in State Investment Pool

The City is a voluntary participant in the LAIF that is regulated by the California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is not registered with the Securities and Exchange Commission. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The City's investments with LAIF at June 30, 2022, 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, 2022, the City had \$49,499,976 invested in LAIF, which had invested 2.31% of the pool investment funds in Structured Notes and Asset-Backed Securities

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(2) Cash and Investments (Continued)

E. Fair Value Measurements

At June 30, 2022, investments are reported at fair value. The following table presents the fair value measurement of investments on a recurring basis and the levels within the fair value hierarchy in which the fair value measurements fall at June 30, 2022:

Investment Type	Level 2	Not subject to measurement	Total
Local Agency Investment Fund	\$ -	\$ 49,499,976	\$ 49,499,976
Certificates of deposits	24,233,754	-	24,233,754
Money market funds	-	5,318,651	5,318,651
U.S. government sponsored enterprise securities	30,856,880	-	30,856,880
Held by fiscal agent: Money market funds	-	5,354,762	5,354,762
Total	\$ 55,090,634	\$ 60,173,389	\$ 115,264,023

The certificates of deposits are valued based on matrix pricing and the U.S. government sponsored enterprise securities are valued based on institutional bond quotes.

F. Risk Disclosures

Credit Risk

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. LAIF does not have a rating provided by a nationally recognized statistical rating organization.

At June 30, 2022, the City's investments are rated as following:

Investment Type	Total	Minimum Legal Rating	Ratings at Year-End AA or AAA	Not Rated
Local Agency Investment Fund	\$ 49,499,976	N/A	\$ -	\$ 49,499,976
Certificates of deposits	24,233,754	N/A	-	24,233,754
Money market funds	5,318,651	AAA	5,318,651	-
U.S. government sponsored enterprise securities	30,856,880	AAA	30,856,880	-
Held by fiscal agent: Money market funds	5,354,762	AAA	5,354,762	-
	\$ 115,264,023		\$ 41,530,293	\$ 73,733,730

CITY OF SOUTH GATE
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

(2) Cash and Investments (Continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. As of June 30, 2022, none of the City's deposits or investments was exposed to custodial credit risk.

Concentration of Credit Risk

The City's investment policy imposes restrictions with the exception of U.S. Treasury securities, federal agency securities, U.S. government sponsored enterprise securities, overnight sweep accounts, and authorized pools that no more than 30% of the City's total investment portfolio to be invested in a single security type or 10% in any one corporate or bank issuer. With respect to concentration risk, as of June 30, 2022, the City is in compliance with its investment policy.

Investments in any one issuer that represent 5% or more of total City investment are as follows:

<u>Investment Type</u>	<u>Issuer</u>	<u>Reported Amount</u>	<u>Percentage of Portfolio</u>
U.S. government sponsored enterprise securities	Federal Farm Credit Bank	\$ 6,506,520	5.92%
U.S. government sponsored enterprise securities	Federal Home Loan Bank	7,422,680	6.75%
U.S. government sponsored enterprise securities	Freddie Mac	6,608,870	6.01%

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(2) Cash and Investments (Continued)

Interest Rate Risk

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

At June 30, 2022, the City's investments have the following remaining maturities:

Investment Type	Totals	Remaining Maturing (In Months)		
		12 Months Or Less	13 to 24 Months	25 to 60 Months
Local Agency Investment Fund	\$ 49,499,976	\$ 49,499,976	\$ -	\$ -
Certificates of deposits	24,233,754	4,939,170	18,615,877	678,707
Money market funds	5,318,651	5,318,651	-	-
U.S. government sponsored enterprise securities	30,856,880	-	25,354,280	5,502,600
Held by fiscal agent:				
Money market funds	5,354,762	5,354,762	-	-
Total	\$ 115,264,023	\$ 65,112,559	\$ 43,970,157	\$ 6,181,307

(3) Lease Receivable

The City is the lessor in 2 noncancellable leases for building office space and a land lease. The lessees are required to make fixed monthly payments ranging from \$1,664 to \$10,000 per month. The City recognized \$117,964 in lease revenue and \$33,863 in interest revenue during the current fiscal year related to these agreements. As of June 30, 2022, the lease receivable is \$782,286 and deferred inflow of resources related to leases is \$758,674.

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(4) Notes and Loans Receivable

Summary of changes in notes and loans receivable for the year ended June 30, 2022 is as follows:

<u>Program</u>	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2022</u>
Rental Rehabilitation	\$ 17,433	\$ -	\$ -	\$ 17,433
Section 8 Repayment Program	14,415	-	-	14,415
CDBG and First Time Home Buyers	8,738,733	-	(346,692)	8,392,041
CalHome Loan Program	342,680	-	-	342,680
Total	<u>\$ 9,113,261</u>	<u>\$ -</u>	<u>\$ (346,692)</u>	<u>\$ 8,766,569</u>

A. Rental Rehabilitation

The City participates in a Rental Rehabilitation Program. The purpose of the Rental Rehabilitation Loan Program is to assist owners of smaller rental properties which are occupied by persons or families that have an income less than 80% of the statewide median income. At June 30, 2022, the City has rental rehabilitation outstanding balance in the amount of \$17,433.

B. Section 8 Repayment Program

The City of South Gate also participates in a Section 8 Repayment Program. The program was authorized by Congress in 1974 and developed by HUD to provide rental subsidies for eligible tenant families (including single persons) residing in newly constructed, rehabilitated and existing rental and cooperative apartment projects. At June 30, 2022, the outstanding balance was \$14,415.

C. CDBG First Time Home Buyer

The Community Development Department of the City of South Gate operates various loan programs under the Federal Community Development Block Grant Program which includes the First Time Homebuyer Program. This program provides zero percent interest silent second down payment assistance loans to residents who meet certain qualifications for the purpose of providing homeownership assistance to low-and-moderate income families.

The loans are secured by a deed of trust and monthly payments are not required. The loans become due and payable when any of the following occurs: 1) the property is sold or transferred, 2) property is no longer owner-occupied, 3) property is refinanced, 4) the last surviving borrower dies, at which time full repayment would be required, the loan is never forgiven. At June 30, 2022, the outstanding balance was \$8,392,041.

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(4) Notes and Loans Receivable (Continued)

D. CalHome Loan Program

The Community Development Department of the City of South Gate operates a Homeowner Rehabilitation Program to assist low-income qualified residents make needed home repairs. Home repairs include such things as new energy efficient windows, new roof, upgraded electrical and plumbing, and to address other substandard conditions.

A one-time funding of \$1,000,000 was awarded by the State of California Housing and Community Development Department to assist at least 15 residents with zero percent interest loans. This loan program is capped at \$50,000 per household and is due and payable when any of the following occurs: 1) the property is sold or transferred, 2) property is no longer owner-occupied, 3) property is refinanced, 4) the last surviving borrower dies, or 5) at the end of thirty (30) years from loan origination, at which time full repayment would be required. The loan is never forgiven. At June 30, 2022, the outstanding balance is \$342,680.

(5) Interfund Transactions

Due from Other Funds	Due to Other Funds			Total
	General Fund	Grant Special Revenue Fund	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 12,243,425	\$ 2,082,902	\$ 14,326,327
Capital Improvement Projects Fund	-	4,290	-	4,290
Non Major Governmental Funds	329,590	-	1,087,141	1,416,731
Utility Authority Water Fund	-	-	1,023	1,023
Internal Services Funds	-	-	40,375	40,375
Total	\$ 329,590	\$ 12,247,715	\$ 3,211,441	\$ 15,788,746

A. Due To/From Other Funds

Current interfund receivables and payables are the result of short-term borrowings at June 30, 2022.

B. Advances To/From Other Funds

On November 13, 2001, a \$21,985,000 advance was made between the General Fund and the Sewer Fund to fund certain improvements to the sewer systems. On of June 28, 2022, The City Council authorized the advance of \$21,985,000 from the Sewer Enterprise Fund of the Utility Authority satisfied and written off. As such, the advance outstanding at June 30, 2022, is \$0.

On April 23, 2020, the City Council approved cooperation agreement between the City and the Housing Authority to provide needed financing for the purchase of property for development of low-moderate income housing project. The General Fund advanced \$1,813,000 to the Nonmajor Governmental Funds (Housing Successor Special Revenue

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(5) Interfund Transactions (Continued)

Fund). As of June 30, 2022, the outstanding balance for the advance was in the amount of \$1,813,000. The advance is to be repaid upon sale of the project.

C. Interfund Transfers

Transfers Out	Transfers In						Total
	General Fund	Capital Improvement Projects Fund	Non-major Governmental Funds	Utility Authority Water Fund	Utility Authority Sewer Fund	Internal Service Funds	
General Fund	\$ -	\$ 1,388,991	\$ 1,263,273	\$ -	\$ 21,985,000	\$ 7,243,566	\$ 31,880,830
Grants Special Revenue Fund	-	12,456,950	83,772	-	-	-	12,540,722
Capital Improvement Projects Fund	-	-	8,000	-	-	-	8,000
Non-major Governmental Funds	-	4,233,946	-	7,680	-	-	4,241,626
American Rescue Plan Act (ARPA)	8,787,074	-	-	-	136	-	8,787,210
Utility Authority Water Fund	-	4,700	-	-	-	-	4,700
Utility Authority Sewer Fund	-	1,800	-	-	-	-	1,800
Internal Service Funds	-	226,818	-	-	-	-	226,818
Total	\$ 8,787,074	\$ 18,313,205	\$ 1,355,045	\$ 7,680	\$ 21,985,136	\$ 7,243,566	\$ 57,691,706

The General Fund and Grant Special Revenue Fund transferred \$1,388,891 and \$12,458,510, respectively, to the Capital Improvement Projects Fund to pay for capital improvement projects.

The General Fund, Grant Special Revenue Fund, and Capital Projects Fund, transferred \$1,263,273, \$83,722, and \$8,000, respectively, to Special Revenue Funds to pay for various projects for traffic safety, median improvements, fleet management, information systems, and HOME program delivery costs.

The General Fund transferred \$21,985,000 related to the Sewer Enterprise Fund advance write-off from the General Fund.

The General Fund transferred \$7,243,566 to cover deficit balances in the Internal Service funds.

The American Rescue Plan Act Fund transferred \$8,787,075 to the General Fund to pay for eligible public safety costs.

CITY OF SOUTH GATE
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

(6) Capital Assets

A. Governmental Activities

Capital assets activity for Governmental Activities for the year ended June 30, 2022, follows:

	Balance July 1, 2021*	Additions	Deletions	Balance June 30, 2022
Capital assets, not being depreciated:				
Land	\$ 3,738,993	\$ -	\$ -	\$ 3,738,993
Construction in progress	19,019,773	11,138,155	(16,081,902)	14,076,026
Total capital assets, not being depreciated	22,758,766	11,138,155	(16,081,902)	17,815,019
Capital assets, being depreciated:				
Structures and improvements	28,717,672	3,445,622	-	32,163,294
Machinery and equipment	16,936,588	441,942	(240,938)	17,137,592
Right to use lease assets	158,982	35,549	-	194,531
Infrastructure street network	387,022,031	18,450,923	-	405,472,954
Subtotal	432,835,273	22,374,036	(240,938)	454,968,371
Less accumulated depreciation				
Structures and improvements	(17,522,508)	(801,962)	-	(18,324,470)
Machinery and equipment	(12,320,662)	(977,188)	240,938	(13,056,912)
Right to use lease assets	-	(67,215)	-	(67,215)
Infrastructure street network	(193,370,856)	(8,064,609)	-	(201,435,465)
Subtotal	(223,214,026)	(9,910,974)	240,938	(232,884,062)
Total capital assets, being depreciated	209,621,247	12,463,062	-	222,084,309
Total capital assets, net	<u>\$ 232,380,013</u>	<u>\$ 23,601,217</u>	<u>\$ (16,081,902)</u>	<u>\$ 239,899,328</u>

* The balance at July 1, 2021 has been restated to reflect the implementation of GASB 87 and to correct certain prior period errors as described further in note 17.

Depreciation expense was charged to functions/programs of the primary government in the Governmental Activities as follows:

General government	\$ 31,409
Police	493,943
Parks and recreation	1,029,635
Community development	15,812
Public works	7,915,237
Fleet management	4,896
Information system	187,287
Buildings	59,534
Capital asset and equipment replacement	173,221
Total depreciation expense	<u>\$ 9,910,974</u>

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(6) Capital Assets (Continued)

B. Business Type Activities

Capital assets activity for Business-Type Activities for the year ended June 30, 2022, follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Capital assets, not being depreciated:				
Water rights	\$ 1,933,144	\$ -	\$ -	\$ 1,933,144
Land	1,290,602	-	-	1,290,602
Construction in progress	<u>3,381,711</u>	<u>97,035</u>	<u>(3,295,093)</u>	<u>183,653</u>
Total capital assets, not being depreciated	<u>6,605,457</u>	<u>97,035</u>	<u>(3,295,093)</u>	<u>3,407,399</u>
Capital assets, being depreciated:				
Structures and improvements	4,190,415	5,423,642	-	9,614,057
Machinery and equipment	6,734,169	37,611	(25,057)	6,746,723
Infrastructure utility distribution system	<u>73,623,454</u>	<u>22,413</u>	<u>-</u>	<u>73,645,867</u>
Subtotal	<u>84,548,038</u>	<u>5,483,666</u>	<u>(25,057)</u>	<u>90,006,647</u>
Less accumulated depreciation				
Structures and improvements	(1,590,397)	(96,712)	-	(1,687,109)
Machinery and equipment	(5,230,605)	(232,815)	25,057	(5,438,363)
Infrastructure utility distribution system	<u>(33,854,246)</u>	<u>(2,489,153)</u>	<u>-</u>	<u>(36,343,399)</u>
Subtotal	<u>(40,675,248)</u>	<u>(2,818,680)</u>	<u>25,057</u>	<u>(43,468,871)</u>
Total capital assets, being depreciated	<u>43,872,790</u>	<u>2,664,986</u>	<u>-</u>	<u>46,537,776</u>
Total capital assets, net	<u>\$ 50,478,247</u>	<u>\$ 2,762,021</u>	<u>\$ (3,295,093)</u>	<u>\$ 49,945,175</u>

Depreciation expense was charged to functions/programs of the primary government in the Business-Type Activities as follows:

Water Enterprise Fund	\$ 2,283,986
Sewer Enterprise Fund	<u>534,694</u>
Total depreciation expense	<u>\$ 2,818,680</u>

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(7) Long Term Liabilities

A. Governmental Activities

The following is summary of changes in governmental activities long-term liabilities for the year ended June 30, 2022:

	Balance 7/1/2021*	Addition	Deletion	Balance June 30, 2022	Due within One Year
Governmental activities:					
Notes payable:					
SCE Edison financing agreements	\$ 353,339	\$ -	\$ (84,971)	\$ 268,368	\$ 83,548
Motorola Solutions A loan	146,902	-	(146,902)	-	-
Motorola Solutions B loan	796,412	-	(391,761)	404,651	404,651
Total notes payable	<u>1,296,653</u>	<u>-</u>	<u>(623,634)</u>	<u>673,019</u>	<u>488,199</u>
Public offering:					
2005 Pension obligation bonds	11,480,000	-	(1,395,000)	10,085,000	1,470,000
Total bonds	<u>11,480,000</u>	<u>-</u>	<u>(1,395,000)</u>	<u>10,085,000</u>	<u>1,470,000</u>
Lease payable:					
Vehicle lease	79,168	30,306	(47,746)	61,728	29,405
Copier lease	79,814	-	(17,014)	62,800	17,419
Total lease payable	<u>158,982</u>	<u>30,306</u>	<u>(64,760)</u>	<u>124,528</u>	<u>46,824</u>
Total long-term debt	<u>\$ 12,935,635</u>	<u>\$ 30,306</u>	<u>\$ (2,083,394)</u>	<u>\$ 10,882,547</u>	<u>\$ 2,005,023</u>

* The balance at July 1, 2021 has been restated to reflect the implementation of GASB 87 and to correct prior period errors related to notes payable as described further in note 17.

Notes Payable

Southern California Edison On-Bill Financing

The City entered into a financing agreement with Southern California Edison (direct borrowing) to provide five loans for a total of \$882,556 for the implementation of certain energy conservation measures at City facilities. The City is to make monthly payments of \$7,946 over a ten-year period. Payments commenced on December 30, 2015, and the last payment will be made on June 30, 2026. The loan has no interest. At June 30, 2022, the outstanding balance is \$268,368.

The following schedule summarizes the debt service to maturity requirements for Southern California Edison debt outstanding as of June 30, 2022:

Year Ending June 30,	Principal
2023	\$ 83,548
2024	78,004
2025	76,363
2026	30,453
Total	<u>\$ 268,368</u>

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(7) Long Term Liabilities (Continued)

Motorola Solutions

The City entered into a financing agreement with Motorola for the purchase of hardware and software which includes consoles, radios and services for the South Gate Police Department in the amount of \$1,253,890. The City is to make annual payments of \$417,963 over a three-year period. At June 30, 2022, outstanding balance is \$404,651.

The following schedule summarizes the debt service to maturity requirements for debt outstanding as of June 30, 2022:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 404,651	\$ 13,313	\$ 417,964
Total	<u>\$ 404,651</u>	<u>\$ 13,313</u>	<u>\$ 417,964</u>

Bonds

2005 Pension Obligation Bond

In March 2005, the City of South Gate issued \$24,400,000 in Pension Obligation Bonds (public offering). The proceeds were used to provide funds to cover the City's unfunded actuarial liability for safety employees through June 30, 2004. Proceeds were also used to advance refund \$6,675,000 of outstanding 2001 Taxable Certificates of Participation. The net proceeds were deposited in an escrow account with U.S. Bank National Association. The Certificates of Participation are considered defeased and have been paid in full.

The bonds mature in amounts ranging from \$1,070,000 to \$1,910,000 with interest ranging from 4.6% to 5.42%. Interest on the bonds is payable on December 1, 2005 and semi-annually thereafter on June 1 and December 1 of each year. The bonds were issued at face value. At June 30, 2022, the outstanding balance on the bonds is \$10,085,000.

The following schedule summarizes the debt service to maturity requirements for governmental activities bonds payable outstanding as of June 30, 2022:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 1,470,000	\$ 543,582	\$ 2,013,582
2024	1,545,000	464,349	2,009,349
2025	1,630,000	381,073	2,011,073
2026	1,720,000	293,216	2,013,216
2027	1,810,000	200,508	2,010,508
2028	1,910,000	102,949	2,012,949
Total	<u>\$ 10,085,000</u>	<u>\$ 1,985,677</u>	<u>\$ 12,070,677</u>

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(7) Long Term Liabilities (Continued)

Lease Payable

Vehicle Lease

The City entered into six leases agreements for the right to use vehicles in the amount of \$225,578. The City is to make monthly payments between \$682 and \$996 over five-year periods. At June 30, 2022, the outstanding balance is \$61,728.

The following schedule summarizes the debt service to maturity requirements for debt outstanding as of June 30, 2022:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 29,405	\$ 1,863	\$ 31,268
2024	16,259	997	17,256
2025	10,024	428	10,452
2026	6,040	101	6,141
Total	<u>\$ 61,728</u>	<u>\$ 3,389</u>	<u>\$ 65,117</u>

Copier Lease

The City entered into an agreement for the right to use copiers in the amount of \$79,814. The City is to make monthly payments of \$1,559 over a five-year period. At June 30, 2022, the outstanding balance is \$62,800.

The following schedule summarizes the debt service to maturity requirements for debt outstanding as of June 30, 2022:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 17,419	\$ 1,289	\$ 18,708
2024	17,832	876	18,708
2025	18,258	450	18,708
2026	9,291	62	9,353
Total	<u>\$ 62,800</u>	<u>\$ 2,677</u>	<u>\$ 65,477</u>

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(7) Long Term Liabilities (Continued)

Compensated Absences

The following is summary of changes in governmental activities compensated absences for the year ended June 30, 2022:

	Balance July 1, 2021	Addition	Deletion	Balance June 30, 2022	Due within One Year
Compensated absences	\$ 5,628,554	\$ 2,755,710	\$(3,455,212)	\$ 4,929,052	\$ 450,648

For governmental activities, accumulated vacation, sick leave benefits, holiday and compensatory time payable at June 30, 2022, was \$4,929,052. Vacation, sick leave, holiday and compensatory time are recorded as expenditures in the related funds when used, mainly in the General Fund.

B. Business-Type Activities

The following is summary of changes in business-type activities long-term liabilities for the year ended June 30, 2022:

	Balance July 1, 2021	Addition	Deletion	Balance June 30, 2022	Due within One Year
Business-Type Activities:					
Public Offering:					
2019A Water Revenue Refunding Bonds	\$ 7,935,000	\$ -	\$ (55,000)	\$ 7,880,000	\$ 60,000
2019AT Water Revenue Refunding Bonds	21,790,000	-	(1,590,000)	20,200,000	1,620,000
Unamortized premium	988,226	-	(69,349)	918,877	69,349
Total long-term debt	<u>\$ 30,713,226</u>	<u>\$ -</u>	<u>\$(1,714,349)</u>	<u>\$ 28,998,877</u>	<u>\$ 1,749,349</u>

2019 Series A and AT Water Revenue Bonds

On December 5, 2019, the South Gate Utility Authority issued \$31,340,000 of 2019 Series A and AT Water Revenue Bonds. Proceeds of these bonds were used to refund the Authority's 2001 Subordinate Revenue Bonds and 2012 Series Water Revenue Bonds and pay costs of issuance of these bonds. The refunding resulted in saving in debt service payment in the amount of \$7,568,399 and economic gain in present value saving of \$5,941,319. The outstanding balance of the refunded debt at June 30, 2022 was \$28,998,877.

Debt covenants of the 2019 Revenue Bonds require that the Utility Authority set its charges at rates that will produce net water revenues that are at least equal to 120% of the proportionate share of certain debt service payments (as defined in the official statement). Net water revenue received during the year was \$7,715,551. Total principal and interest paid for the fiscal year was \$2,505,556 for 2019 Series A and AT Water Revenue Bonds.

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(7) Long Term Liabilities (Continued)

The following schedule summarizes the debt service to maturity requirements for the bonds outstanding as of June 30, 2022:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 1,680,000	\$ 827,639	\$ 2,507,639
2024	1,715,000	791,722	2,506,722
2025	1,755,000	752,853	2,507,853
2026	1,795,000	710,856	2,505,856
2027	1,840,000	665,624	2,505,624
2028-2032	10,015,000	2,522,703	12,537,703
2033-2036	9,280,000	751,244	10,031,244
Total	<u>\$ 28,080,000</u>	<u>\$ 7,022,641</u>	<u>\$ 35,102,641</u>

Compensated Absences

The following is summary of changes in business-type activities compensated absences for the year ended June 30, 2022:

	Balance July 1, 2021	Addition	Deletion	Balance June 30, 2022	Due within One Year
Compensated absences	<u>\$ 372,380</u>	<u>\$ 266,515</u>	<u>\$ (283,229)</u>	<u>\$ 355,666</u>	<u>\$ 32,517</u>

For the enterprise funds, accumulated vacation, sick leave, holiday and compensatory time amounted to \$355,666 at June 30, 2022. The liability will be paid in future years by the Utility Authority Water Fund and the Utility Authority Sewer Fund.

(8) Defined Contribution Plan

The City has established a defined contribution plan in accordance with Internal Revenue Code Section 401(a) to provide tax deferred payments towards retirement for employees. Under this plan, the City will provide a dollar-for-dollar match of the contributions paid by the employee into a 457 deferred compensation plan up to one-half the annual contribution limit set by the IRS. For the year ended June 30, 2022, the City contributed \$296,073 to the plan.

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(9) Retirement Plans

The following is the summary of net pension liability and related deferred outflows of resources and deferred inflows of resources at June 30, 2022 and pension expense for the year then ended.

	<u>CalPERS Miscellaneous</u>	<u>CalPERS Safety</u>	<u>PARS</u>	<u>Total</u>
Net pension liability	\$ 20,670,896	\$ 40,036,851	\$ 175,297	\$ 60,883,044
Deferred outflows of resources	\$ 5,606,522	\$ 13,510,831	\$ 93,404	\$ 19,210,757
Deferred inflow of resources	\$ 15,404,657	\$ 27,189,560	\$ 129,089	\$ 42,723,306
Pension expense (credit)	\$ 460,007	\$ 10,955,092	\$ (74,095)	\$ 11,341,004

A. *California Public Employees' Retirement System ("CalPERS")*

General Information about the Pension Plan

Plan Description

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 act 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 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.

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(9) Retirement Plans (Continued)

Benefits Provided

CalPERS provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits provisions under both plans are established by the State statute and City resolution as follows:

	Miscellaneous Plan		Safety Plan	
	Classic*	PEPRA	Classic*	PEPRA
Hire date	Prior to January 1, 2013	On or after January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.7% @ 55	2.0% @ 62	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50	minimum 52	minimum 50	minimum 50
Monthly benefits, as a % of eligible compensation	2.000% - 2.700%	1.000% - 2.500%	3.00%	2.000% - 2.700%
Required employee contribution rates	8.000%	6.500%	9.000%	13.750%
Required employer contribution rates	11.590%	11.590%	25.590%	13.980%

* Closed to new entrants

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 percent of final compensation.

An employee's beneficiary may receive the basic death benefit if the employee dies 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 6 percent 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 percent.

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(9) Retirement Plans (Continued)

Employees Covered by Benefit Terms

At the June 30, 2021 measurement date, the following employees were covered by the benefit terms:

	Miscellaneous	Safety	
		Classic	PEPRA
Active employees	255	46	28
Transferred and terminated employees	404	43	-
Retired Employees and Beneficiaries	364	208	1
Total	<u>1,023</u>	<u>297</u>	<u>29</u>

Contribution Description

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

Net Pension Liability

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2020 valuation was rolled forward to determine the June 30, 2021 total pension liabilities, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.5% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.5% thereafter

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(9) Retirement Plans (Continued)

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

Change in Assumptions

There were no changes in assumptions.

Long-Term Expected Rate of Return

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

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

The expected real rate of return by asset class as followed:

Asset Class ¹	Current Target Allocation	Real Return Years 1 - 10 ²	Real Return Years 11+ ³
Public equity	50.00%	4.80%	5.98%
Fixed income	28.00%	1.00%	2.62%
Inflation assets	0.00%	0.77%	1.81%
Private equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.93%
Liquidity	1.00%	-	-0.92%
	100.00%		

¹ 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.

² An expected inflation of 2.00% used for this period.

³ An expected inflation of 2.92% used for this period.

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(9) Retirement Plans (Continued)

Discount Return

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.

Changes in the Net Pension Liability

The following table shows the changes in net pension liability for the miscellaneous plan recognized over the measurement period.

	Miscellaneous Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2020 (Valuation Date)	\$ 175,808,686	\$ 133,850,964	\$ 41,957,722
Changes Recognized for the Measurement Period:			
Service Cost	3,140,084	-	3,140,084
Interest on the total pension liability	12,388,906	-	12,388,906
Changes of benefit terms	-	-	-
Changes of assumptions	-	-	-
Difference between expected and actual experience	(601,444)	-	(601,444)
Contributions from the employer	-	4,879,335	(4,879,335)
Contributions from employees	-	1,142,823	(1,142,823)
Net investment income	-	30,325,923	(30,325,923)
Administrative expenses	-	(133,709)	133,709
Plan to plan resource movement	-	-	-
Other Miscellaneous Income/(Expense)	-	-	-
Benefit payments, including refunds of employee contributions	(7,011,754)	(7,011,754)	-
Net Changes during July 1, 2020 to June 30, 2021	7,915,792	29,202,618	(21,286,826)
Balance at June 30, 2021 (Measurement Date)	\$ 183,724,478	\$ 163,053,582	\$ 20,670,896

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(9) Retirement Plans (Continued)

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.

	Safety Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2020 (Measurement Date)	\$ 184,765,880	\$ 126,391,602	\$ 58,374,278
Balance at June 30, 2021 (Measurement Date)	189,896,593	149,859,742	40,036,851
Net Changes during 2020-2021	5,130,713	23,468,140	(18,337,427)

The City's proportionate share of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

Deferred outflows of resources, deferred inflows of resources, and pension expense are allocated based on the City's share of contributions made during the measurement period.

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

	Safety Plan
6/30/2020 (Measurement Date)	0.536507%
6/30/2021 (Measurement Date)	0.740287%
Change - Increase (Decrease)	0.203780%

Sensitivity of the 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 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) 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	\$ 46,695,593	\$ 20,670,896	\$ (626,121)
Safety Plan	\$ 65,598,571	\$ 40,036,851	\$ 19,041,055

Pension Plan Fiduciary Net Position

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

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(9) Retirement Plans (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the plan’s fiduciary net position is available in the separately issued CalPERS financial report.

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

As of measurement date of June 30, 2021, 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 after measurement date	\$ 5,234,731	\$ -
Difference between expected and actual experience	371,791	(370,119)
Net difference between projected and actual earning on pension plan investments	-	(15,034,538)
	\$ 5,606,522	\$ (15,404,657)

Safety Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contribution after measurement date	\$ 6,175,454	\$ -
Difference between expected and actual experience	6,840,261	-
Net difference between projected and actual earning on pension plan investments	-	(23,829,623)
Adjustment due to differences in proportions	495,116	-
Employer contributions in excess (under) proportionate contributions	-	(3,359,937)
Total	\$ 13,510,831	\$ (27,189,560)

The expected average remaining service lifetime (“EARSL”) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired). The EARSL for the miscellaneous plan and the safety risk pool for the measurement date ending June 30, 2021 is 2.6 and 3.8 years, which was obtained by dividing the total service years of 2,632 and 548,581 (the sum of remaining service lifetimes of the active employees) by 1,011 and 145,663 (the total number of participants: active, inactive, and retired), respectively. Inactive employees and retirees have remaining service lifetime equal to 0. Total future service is based on the members’ probability of decrementing due to an event other than receiving a cash refund.

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(9) Retirement Plans (Continued)

\$5,234,731 and \$6,175,454 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 during the fiscal year ended June 30, 2022 will be recognized as a reduction of the net pension liability and collective net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30	Deferred Outflows/ (Inflows) of Resources Miscellaneous	Deferred Outflows/ (Inflows) of Resources Safety
2023	\$ (3,639,565)	\$ (3,629,634)
2024	(3,615,474)	(4,288,717)
2025	(3,615,080)	(5,378,252)
2023	(4,162,747)	(6,557,580)
2027	-	-
Thereafter	-	-
Total	\$ (15,032,866)	\$ (19,854,183)

Subsequent Events

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

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

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(9) Retirement Plans (Continued)

B. Supplemental Retirement Plan

General Information about the Pension Plan

Plan Description

Effective July 1, 2002, the City established a supplemental retirement plan with the Public Agency Retirement System ("PARS"). The supplemental retirement plan administered by PARS (the "PARS plan") is an agent multiple-employer defined benefit pension plan. The PARS plan is separated into two tiers. The PARS plan was organized under the authority of the City Council and may be amended by the City Council. The City issues a stand-alone financial report that is available to the public. The report is available on the City's website.

Benefits Provided

Tier one provides for the difference between the 3% at 55 benefits and the 2.7% at 55 benefits for years of service to the City. Eligibility to receive benefits is as follows:

- Must be a full-time Top Management miscellaneous (non-safety) employee of the City of South Gate on or after July 1, 2002. Employees hired after December 31, 2012 are not eligible to participate in the Plan.
- Must have completed three years of full-time continuous employment with the City prior to retirement.
- Must concurrently retire from PERS at the time of application for benefits under this plan.
- Must either 1) be at least fifty-five years of age, if retirement is concurrent with separation from the City or 2) be at least sixty years of age.
- Must apply for the benefits, and meet the age requirements.

Tier two provides a monthly lifetime annuity payment to eligible employees in lieu of post-employment health care benefits. Eligibility to receive benefits is as follows:

- Must have retired from the City with 20 or more years of service.
- Must remain retired.
- Must not participate in the PERS health plan offered by the City.

Employees Covered by Benefit Terms

At June 30, 2021, the valuation date, plan membership consisted of the following:

Active employees	1
Terminated employees	-
Retired Employees and Beneficiaries	28
Total	<u>29</u>

CITY OF SOUTH GATE
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

(9) Retirement Plans (Continued)

Contributions

The employer contribution rates for all public employees are determined on an annual basis by the actuary and are effective on the July 1 following notice of a change in the rate. The total plan contributions are determined by an independent pension actuary using information furnished by the City and by PARS. 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. For the year ended June 30, 2022, the City contributed \$49,000 for the plan. No contributions are required from the employees.

Net Pension Liability

The City's total pension liability was valued as of June 30, 2020 and was used to calculate the net pension liability measured as of June 30, 2021.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry age normal , level percent of pay
Amortization Method	Closed period, level percent of pay
Amortization period	20 years
Inflation	5.90%
Investment return	6.22%
Mortality	CalPERS rates
Retirement	CalPERS rates

CITY OF SOUTH GATE
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

(9) Retirement Plans (Continued)

Long-Term Expected Real Rate of Return

The long-term expected rate of return is determined using the long-term rates of return developed by CalPERS Investment Office in their report dated May 14, 2018.

Index	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Core	32.00%	6.80%
Mid Cap Core	6.00%	7.10%
Small Cap Core	9.00%	7.90%
International	7.00%	7.30%
Emerging Markets	4.00%	7.30%
Real Estate	2.00%	6.60%
Short-Term Bond	6.75%	3.30%
Intermediate - Term Bond	27.00%	3.90%
High - Yield Bond	1.25%	6.10%
Cash	5.00%	2.40%
	100.00%	

Discount Rate

The discount rate used to measure the total pension liability is 6.22%. This is the expected long-term rate of return on City assets using the expected long-term rate of return on invested assets provided by Public Agency Retirement Services (PARS). 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 pension plan's fiduciary net position is projected to cover all future pension payments. Therefore, the discount rate was set equal to the long-term expected rate of return.

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(9) Retirement Plans (Continued)

Change in Net Pension Liability

The following table 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 June 30, 2020	\$ 1,605,800	\$ 1,139,650	\$ 466,150
Changes Recognized for the Measurement Period:			
Service Cost	7,560	-	7,560
Interest on the total pension liability	96,992	-	96,992
Difference between expected and actual experience	(90,671)	-	(90,671)
Contributions from employees	-	49,000	(49,000)
Net investment income	-	261,564	(261,564)
Benefit payments, including refunds	(107,996)	(107,996)	-
Administrative expense	-	(5,830)	5,830
Net Changes	<u>(94,115)</u>	<u>196,738</u>	<u>(290,853)</u>
Balance at June 30, 2021 (Measurement Date)	<u>\$ 1,511,685</u>	<u>\$ 1,336,388</u>	<u>\$ 175,297</u>

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

The following presents the net pension liability of the City, calculated using the discount rate of 6.22%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.22%) or 1 percentage point higher (7.22%) than the current rate.

	Discount Rate 1% Decrease (5.22%)	Current Discount Rate (6.22%)	Discount Rate 1% Increase (7.22%)
Plan's Net Pension Liability	<u>\$ 331,044</u>	<u>\$ 175,297</u>	<u>\$ 42,724</u>

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available upon request.

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(9) Retirement Plans (Continued)

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

At June 30, 2022, the City reported deferred outflows and deferred inflows of resources related to PARS plan as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contribution after measurement date	\$ 93,404	\$ -
Net difference between expected and actual earnings on pension plan investment	-	(129,089)
Total	\$ 93,404	\$ (129,089)

\$93,404 reported as deferred outflows of resources related to pension contribution resulting from the City's contributions subsequent to the measurement date during the year ended June 30, 2022 will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30	Deferred Outflows/(Inflows) of Resources
2023	\$ (28,919)
2024	(30,418)
2025	(31,214)
2026	(38,538)
2027	-
Thereafter	-
Total	\$ (129,089)

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(10) Other Postemployment Benefits

A. Plan Description

The City administers a single-employer defined-benefit post-employment healthcare plan (the Plan). Dependents are eligible to enroll, and benefits continue to surviving spouses. Retirees are eligible for medical benefits if they retire with 20+ years of City service, and remain in or enroll in a CalPERS plan upon retirement, and remain so retired. For 2021, the City reimburses retirees who have attained age 50 and at least 20 years of service for 100% of premiums up to a maximum of \$150/month for NonSafety Employees, \$200/month for Top Management Employees, and \$250/month for Safety Employees who retired before July 1, 2005. Safety employees retired after July 1, 2005, who have attained age 50 and at least 20 years of service are eligible to receive up to the two-party Kaiser rate in effect on July 1, 2005 and increased each year by 5% maximum. The maximum does not change based on Medicare eligibility or spouse coverage. The terms of benefits provided are authorized and may be amended in the future by City Council.

At June 30, 2021, (the census date), the benefit term covered the following employees:

Active employees	336
Retired employees and beneficiaries	191
	<hr/>
	527
	<hr/>

B. Funding Policy

Retirees participating in PEMHCA are responsible for the payment of their medical insurance premiums except that the City contributes the minimum amount provided under Government Code Section 22825 of the Public Employees Medical and Hospital Care Act. The amount contributed by the City during the year ended June 30, 2022 was \$836,126, on a pay-as-you-go basis. The City has not established a trust for the purpose of holding assets accumulated for plan benefits.

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(10) Other Postemployment Benefits (Continued)

C. Actuarial Assumptions

The City's total OPEB liability was valued as of June 30, 2021, and was used to calculate the net OPEB liability measured as of June 30, 2021. The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal, Level Percentage of Salary
Actuarial Assumptions:	
Discount Rate	1.92%
Inflation	5.50%
Salary Increases	2.75%. Additional merit-based increases based on CalPERS merit salary increase tables.
Healthcare cost trend rates	
Pre-Medicare	7.00% in the first year, trending down to 4.04%
Medicare	6.00% in the first year, trending down to 4.04% over 56 years.
Mortality Rate Table	Based on CalPERS tables.

D. Discount Rate

The discount rate used to measure the total OPEB liability was 1.92%. The City's OPEB Plan is an unfunded plan, therefore the discount rate was set to the rate of tax-exempt, high-quality 20-year municipal bonds, as of the valuation date.

E. Change in the Total OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2021	\$ 28,979,784	\$ -	\$ 28,979,784
Changes Recognized for the Measurement Period:			
Service Cost	1,342,086	-	1,342,086
Interest on the total OPEB liability	731,487	-	731,487
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(3,057,982)	-	(3,057,982)
Changes of assumptions	3,139,649	-	3,139,649
Contributions from the employer	-	(714,003)	(714,003)
Contributions from employees	-	-	-
Benefit payments, including refunds of employee contributions and implicit subsidy	(216,510)	-	(216,510)
Net Changes during July 1, 2019 to June 30, 2020	1,938,730	(714,003)	1,224,727
Balance at June 30, 2020 (Measurement Date)	\$ 30,918,514	\$ (714,003)	\$ 30,204,511

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(10) Other Postemployment Benefits (Continued)

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

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate 1-percentage point lower (0.92%) or 1-percentage point higher (2.92%) than the current discount rate:

Plan's OPEB Liability/(Asset)		
Discount Rate - 1% (0.92%)	Current Discount Rate (1.92%)	Discount Rate + 1% (2.92%)
\$ 34,624,975	\$ 30,204,511	\$ 26,562,480

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6%) or 1-percentage-point higher (8%) than the current healthcare cost trend rates:

Plan's OPEB Liability/(Asset)		
Healthcare Cost Trend Rate - 1% (6.00%)	Healthcare Cost Trend Rate (7.00%)	Healthcare Cost Trend Rate + 1% (8.00%)
\$ 27,560,456	\$ 30,204,511	\$ 33,546,710

F. OPEB Liabilities, OPEB Expense and Deferred Outflows/Inflows of Resources to OPEB

For the year ended June 30, 2022, the City recognized OPEB expense of \$1,327,692 for the City Plan. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contribution made after the measurement period	\$ 836,126	\$ -
Difference between expected and actual experience	-	(7,436,782)
Changes of assumptions	5,013,252	(646,431)
Total	\$ 5,849,378	\$ (8,083,213)

\$836,126 reported as deferred outflows of resources related to OPEB resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2023. Other amount reported as deferred inflows of resources related to OPEB will be recognized in the future OPEB expense as follow:

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(10) Other Postemployment Benefits (Continued)

Fiscal Year Ending June 30	Deferred Outflows/(Inflows) of Resources
2023	\$ (745,881)
2024	(745,881)
2025	(637,759)
2026	(559,054)
2027	(551,649)
Thereafter	170,263
Total	\$ (3,069,961)

(11) Self-Insurance

The City is self-insured for general, automobile, public liability and worker’s compensation claims. The City has purchased an excess insurance policy for worker compensation claims from Safety National Casualty Corporation. Under this policy, Safety National covers all workers’ compensation claim expenses over \$1,000,000 per claim for safety and over \$750,000 for non-safety. An Internal Service Fund is used to account for the collection of premiums from various City departments related to the amount of workers' compensation policy premium paid and general claims liabilities. Premiums assessed for general claim liabilities are established based on historical claims experience. The City is a member of the Independent Cities Risk Management Authority (“ICRMA”), a joint powers authority formed to provide liability insurance coverage for independent cities. Under the terms of the agreement with the Authority, the City is insured for losses above \$250,000 per claim.

A claims liability of \$13,077,396 is reported in the Self-Insurance Internal Service Fund at June 30, 2022. Claims are reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Claims activities for the two years ended June 30, 2022 are presented as follows:

Years Ended	Beginning Balance	Addition	Deletion	Ending Balance
Workers' Compensation:				
June 30, 2021	\$ 5,292,425	\$ 35,695	\$ (273,900)	\$ 5,054,220
June 30, 2022	5,054,220	1,150,370	-	6,204,590
General Liability:				
June 30, 2021	\$ 3,497,248	\$ 2,514,491	\$ (294,631)	\$ 5,717,108
June 30, 2022	5,717,108	2,365,347	(1,209,649)	6,872,806

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(12) Contingencies

The City is presently involved in other matters of litigation that have arisen in the normal course of the City's business. City management believes, based upon consultation with the City Attorney, that these cases, in aggregate, are not expected to have a material adverse financial impact on the City. Additionally, City management believes that sufficient reserves are available to the City to cover any potential losses, should an unfavorable outcome materialize.

(13) Construction Commitments

The following material construction commitments existed at June 30, 2022:

<u>Project Name</u>	<u>Contract Amount</u>	<u>Expenditures to date as of June 30, 2022</u>	<u>Remaining Commitments</u>
Firestone Blvd Median Island-Alameda	\$ 14,942,278	\$ 13,279,288	\$ 812,058
Urban Orchard Construction	16,128,863	8,634,593	7,494,270
Tweedy Mile Complete Streets	704,506	80,660	623,846
I-710 Freeway Blvd Southbound	1,070,257	14,259	1,055,998
Water System Chlorination Facilities Upgrade	3,336,815	2,951,780	385,035
Water Main Replacement Phase I	232,000	-	232,000
Gentry General Engineering	194,500	-	194,500

(14) Deficit Fund Balances and Net Position

A. Government Wide Financial Statements

The City's Statement of Net Position shows an unrestricted deficit net position of \$81,467,528, resulting mainly from the implementation of GASB Statement No.'s 68 (Pensions) and 75 (OPEB) that required the City to report \$60,883,044 in aggregate net pension liability and \$30,204,511 in net OPEB liability in the City's financial statements.

CITY OF SOUTH GATE
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

(14) Deficit Fund Balances and Net Position (Continued)

B. Fund Financial Statements

The following funds contained a deficit at June 30, 2022:

Funds	Deficit
Governmental Funds:	
Grants Special Revenue	\$ 3,412,580
Nonmajor Governmental Funds:	
Street Lighting & Landscaping	1,389,661
Used Oil Recycling	475
Housing Authority Development	134,047
SB 2 Grant	124,356
LEAP Grant	20,528
Internal Service Funds:	
Insurance	4,344,662
Fiduciary Funds:	
Successor Agency of the Former CDC	4,852,221

These deficits will be funded with future revenue or transfers from other funds. The Successor Agency Funds deficit will be eliminated by future property tax revenues.

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(15) Excess Expenditures over Appropriations

Expenditures for the year ended June 30, 2022, exceeded appropriations at the department or expenditure category level within the following funds:

Fund	Appropriations	Expenditures	Excess
General Fund:			
City attorney	\$ 1,208,032	\$ 1,910,212	\$ (702,180)
Capital outlay	-	64,008	(64,008)
Nonmajor Governmental Funds:			
Special Revenue Funds:			
Housing Authority			
Community development	4,873,484	5,243,215	(369,731)
Law Enforcement Grants			
Capital outlay	103,231	103,555	(324)
Asset Forfeiture			
Principal retirement	146,902	195,323	(48,421)
Interest and fiscal charges	6,376	8,229	(1,853)
Street Sweeping			
Public works	681,780	689,897	(8,117)
Public Access Corporation			
General government	18,145	20,594	(2,449)
Street Lighting & Landscaping			
Principal	-	84,971	(84,971)
Measure R			
Public works	1,147,385	1,379,943	(232,558)
Measure W			
Public works	-	395,026	(395,026)
Used Oil Recycling Program			
Public works	-	34,068	(34,068)
Beverage Container Recycling Program			
Public works	-	47,147	(47,147)
Emergency Housing Voucher			
Community development	-	8,127	(8,127)

(16) Successor Agency Trust for Assets of Former Community Development Commission

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 ("the Bill") that provided for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of South Gate that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit. The Bill provided that upon dissolution of a redevelopment agency, either the City or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On January 11, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 7473.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(16) Successor Agency Trust for Assets of Former Community Development Commission (Continued)

control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

The Successor Agency to the Former Improvement Agency is reported as a fiduciary fund (private purpose trust fund).

A. Notes and Loans Receivable

On April 5, 1994, the Community Development Commission of the City of South Gate entered into a Disposition and Development Agreement with South Gate Realty Group for the development of certain Real property. South Gate Realty Group owns and operates a housing project located within the boundaries of the South Gate Community Development Commission at 8931 Dudlext Avenue consisting of 20 senior 1-bedroom units. South Gate Realty Group must comply with Housing and Urban Development (HUD) rents for 30 years from the certificate of occupancy date.

The agreement states that 1/30th of the loan amount (\$51,222) will be forgiven each fiscal year starting from the occupancy date if South Gate Realty Group can illustrate compliance with the Disposition and Development Agreement (DDA). The DDA limits the rent at \$620 per unit less \$50 utility allowance for a net of \$570 per month or less. The compliance report is required to be submitted to the City each month in order to receive the \$51,222 annual forgiveness. At June 30, 2022, the outstanding balance on the loan is \$153,656.

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

**(16) Successor Agency Trust for Assets of Former Community Development Commission
(Continued)**

B. Capital Assets

The summary of changes in the successor agency's capital assets for the year ended June 30, 2022 is as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Capital assets, not being depreciated:				
Land	\$ 1,686,000	\$ -	\$ -	\$ 1,686,000
Total capital assets, not being depreciated	1,686,000	-	-	1,686,000
Capital assets, being depreciated:				
Structures and improvements	381,785	-	-	381,785
Machinery and equipment	19,359	-	-	19,359
Subtotal	401,144	-	-	401,144
Less accumulated depreciation:				
Structures and improvements	(278,381)	(19,089)	-	(297,470)
Machinery and equipment	(19,359)	-	-	(19,359)
Subtotal	(297,740)	(19,089)	-	(316,829)
Total capital assets, being depreciated	103,404	(19,089)	-	84,315
Total capital assets, net	\$ 1,789,404	\$ (19,089)	\$ -	\$ 1,770,315

C. Long-Term Liabilities

The summary of changes in the successor agency's long-term liabilities for the year ended June 30, 2022, is as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due within One Year
Fiduciary Activities:					
Public Offering:					
Tax allocation bonds:					
2014A Tax Allocation Bonds	\$ 13,590,000	\$ -	\$ (3,155,000)	\$ 10,435,000	\$ 3,310,000
Unamortized premium	1,559,077	-	(389,769)	1,169,308	79,538
2014B Tax Allocation Bonds	1,690,000	-	(400,000)	1,290,000	415,000
Unamortized discount	(15,329)	5,111	-	(10,218)	5,111
Total tax allocation bonds	16,823,748	5,111	(3,944,769)	12,884,090	3,809,649
Total	\$ 16,823,748	\$ 5,111	\$ (3,944,769)	\$ 12,884,090	\$ 3,809,649

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

**(16) Successor Agency Trust for Assets of Former Community Development Commission
(Continued)**

2014 Tax Allocation Revenue Refunding Bonds

In July 2014, the County of Los Angeles Redevelopment Refunding Authority issued \$29,835,000 in 2014 Tax Allocation Revenue Refunding Bonds, Series A, South Gate Redevelopment Project No. 1 with an average interest rate of 4.36% and \$3,920,000 in 2014 Tax Allocation Revenue Refunding Bonds, Series B, South Gate Redevelopment Project No. 1 with an average interest rate of 2.65% to refund the outstanding balance of the 2002 Certificates of Participation Series A and Series B, the 2002 Tax Allocation Revenue Bonds and the 2003 Tax Allocation Revenue Bonds.

The 2014 Tax Allocation Revenue Bonds, Series A mature in amounts ranging from \$2,570,000 to \$3,650,000 with interest rates ranging from 2% to 5% through September 1, 2024. Interest on the bonds is payable on March 1, 2015 and semi-annually thereafter on September 1 and March 1 of each year.

A reserve account is required to be maintained in an amount equal to the least of: (i) 10% of the original aggregate principal amount of the bonds; (ii) 125% of average annual debt service; or (iii) maximum annual debt service. As of June 30, 2022, the reserve requirement was \$2,983,500 and the balance held in the reserve account was \$3,651,813.

The bonds were issued at a premium of \$4,287,460. At June 30, 2022, the unamortized premium is \$1,169,308 and the outstanding balance on the bonds is \$10,435,000.

The following schedule summarizes the debt service to maturity requirements for bonds payable outstanding as of June 30, 2022:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 3,310,000	\$ 439,000	\$ 3,749,000
2024	3,475,000	356,250	3,831,250
2025	3,650,000	182,500	3,832,500
Total	\$ 10,435,000	\$ 977,750	\$ 15,168,375

The 2014 Tax Allocation Revenue Bonds, Series B mature in amounts ranging from \$365,000 to \$445,000 with interest rates ranging from .70% to 4% through September 1, 2024. Interest on the bonds is payable on March 1, 2015 and semi-annually thereafter on September 1 and March 1 of each year.

A reserve account is required to be maintained in an amount equal to the least of: (i) 10% of the original aggregate principal amount of the bonds; (ii) 125% of average annual debt service; or (iii) maximum annual debt service. As of June 30, 2022, the reserve requirement was \$392,000 and the balance held in the reserve account was \$450,373.

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

**(16) Successor Agency Trust for Assets of Former Community Development Commission
(Continued)**

The bonds were issued at a discount of \$51,106. At June 30, 2022, the unamortized discount is \$10,218 and the outstanding balance on the bonds is \$1,290,000.

The net proceeds of \$38.0 million of the 2014 Tax Allocation Revenue Refunding Bonds Series A and Series B South Gate Redevelopment Project No. 1 (after a net \$4.2 million of bond premium, discount and cost of issuance) and with \$15.6 million of amounts released from prior obligations were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded 2002 Certificates of Participation Series A and Series B, the 2002 Tax Allocation Revenue Bonds and the 2003 Tax Allocation Revenue Bonds. As a result, the refunded bonds are considered to be defeased and the liability of the 2002 Certificates of Participation Series A and Series B, the 2002 Tax Allocation Revenue Bonds and the 2003 Tax Allocation Revenue Bonds has been removed from long term debt. The refunding decreased the total debt service payment by \$3.1 million over the next 10 years and resulted in an economic gain of \$0.8 million.

The following schedule summarizes the debt service to maturity requirements for bonds payable outstanding as of June 30, 2022:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 415,000	\$ 42,522	\$ 457,522
2024	430,000	26,400	456,400
2025	445,000	8,900	453,900
Total	<u>\$ 1,290,000</u>	<u>\$ 77,822</u>	<u>\$ 1,367,822</u>

D. Commitments and Contingencies

On May 13, 1998, the Community Development Commission of the City of South Gate entered into a Disposition and Development Agreement with South Gate Villas, LLC. In accordance with this agreement, a promissory note, dated October 27, 1998, was written whereby South Gate Villas, LLC, would pay the Commission \$7,030,000. However, subject to certain provisions included in the disposition and development agreement, \$243,333 would be forgiven annually for each of the next twenty-nine years. Since the provisions indicated in the disposition and development agreement have been significantly met and the possibility of repayment is remote, no receivable has been reflected. The accounting treatment is in accordance with generally accepted accounting principles.

In addition, the Community Development Commission of the City of South Gate has land held for resale in the amount \$1,463,492 which was acquired and recorded at acquisition cost. Due to the downturn of the economic condition of the State and potential sale of the land in the future, the City may record a potential loss due to the fair market of the asset at the time of the sale.

CITY OF SOUTH GATE

Notes to the Basic Financial Statements

For the Year Ended June 30, 2022

(17) Prior Period Adjustments

	Governmental Activities	American Rescue Plan Act Fund	Water Fund	Sewer Fund	Internal Service Funds
Net position at July 1, 2021, as previously reported	\$ 237,359,885	\$ 17,293,527	\$ 39,770,128	\$ (4,853,849)	\$ 1,641,370
Prior period adjustments:					
To restate construction in progress	(9,922,180)	-	-	-	-
To restate capital assets and long-term liabilities	726,646	-	-	-	175,087
To record unearned revenue for ARPA funding	(17,278,237)	(17,278,237)	-	-	-
To split 2019 bonds between Water & Sewer Funds	-	-	4,146,288	(4,146,288)	-
Net position at July 1, 2021, as restated	<u>\$ 210,886,114</u>	<u>\$ 15,290</u>	<u>\$ 43,916,416</u>	<u>\$ (9,000,137)</u>	<u>\$ 1,816,457</u>

Construction in Progress

As discussed in note 6, the City restated the beginning balance for construction in progress in governmental activities. The restatement was due to a project recorded in CIP in the prior year that is not a City owned capital asset. The City revaluated prior year expenses associated with the I-710 project and determined that \$9,922,180 of expenses were not eligible for capitalization.

Capital Assets and Long-term Liabilities Governmental Activities

As discussed in Note 6 and Note 7, the City restated to increase the beginning balance of capital assets and long-term liabilities for an agreement with Motorola to acquire certain radio equipment. The capital assets and long-term liability was not included in the prior year financial statements in error.

Other Liabilities

The City recorded a prior period adjustment for \$17,278,237 to record unearned revenue for the American Rescue Plan Act funding that was received in the prior fiscal year but not earned as of June 30, 2021. The amount was incorrectly recorded as revenue in the prior fiscal year.

Long-term Liabilities Enterprise Funds

The South Gate Utility Authority Water Revenue Refunding Bonds Series 2019 ("the 2019 Bonds") is the current debt obligation for the SGUA and are for the sole bond obligation for the water enterprise. However, the 2019 Bonds refunded a portion of the 2012 Bonds, which refunded a portion of the 2001 Bonds. The 2001 Bonds funded \$5.875 million in sewer improvements and the sewer enterprise was therefore obligated to pay 20% of the 2001 debt service. The 2001 Bond portion of the 2019 Bonds debt service for the Sewer Enterprise is approximately 13.5%. As such, a prior period adjustment was made to properly reflect 13.5% of the 2019 Water Revenue Bonds as an obligation of the Sewer Fund.

REQUIRED SUPPLEMENTARY INFORMATION

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City of South Gate
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes	\$ 44,729,073	\$ 44,729,073	\$ 48,770,618	\$ 4,041,545
Licenses and permits	1,757,049	1,757,049	1,623,236	(133,813)
Intergovernmental	85,500	85,500	216,631	131,131
Charges for services	2,424,700	2,424,700	2,342,111	(82,589)
Use of money and property (loss)	856,636	856,636	(783,785)	(1,640,421)
Fines and forfeitures	1,170,587	1,170,587	1,310,097	139,510
Rental	264,366	264,366	129,788	(134,578)
Miscellaneous	4,796,090	4,796,090	4,120,074	(676,016)
Total revenues	<u>56,084,001</u>	<u>56,084,001</u>	<u>57,728,770</u>	<u>1,644,769</u>
EXPENDITURES:				
Current:				
General government				
City Council	359,191	359,191	321,283	37,908
City Clerk	598,330	598,330	543,289	55,041
City Treasurer	37,557	37,557	36,646	911
City Attorney	1,208,032	1,208,032	1,910,212	(702,180)
City Manager	1,235,427	1,235,427	955,798	279,629
Administrative Services	3,586,334	3,591,459	3,375,241	216,218
Total general government	<u>7,024,871</u>	<u>7,029,996</u>	<u>7,142,469</u>	<u>(112,473)</u>
Police	30,770,083	30,786,285	30,040,630	745,655
Community development	3,371,026	3,727,344	3,293,625	433,719
Parks & recreation	9,916,510	9,926,510	8,676,195	1,250,315
Public works	4,943,773	5,354,771	4,343,329	1,011,442
Capital outlay	-	-	64,008	(64,008)
Debt service:				
Principal	1,395,000	1,395,000	1,411,339	(16,339)
Interest and fiscal charges	622,039	622,039	624,408	(2,369)
Total expenditures	<u>58,043,302</u>	<u>58,841,945</u>	<u>55,596,003</u>	<u>3,245,942</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,959,301)</u>	<u>(2,757,944)</u>	<u>2,132,767</u>	<u>4,890,711</u>
OTHER FINANCING (USES)				
Transfers in	-	-	8,787,075	8,787,075
Transfers out	(4,728,750)	(4,737,250)	(31,880,830)	(27,143,580)
Total other financing (uses)	<u>(4,728,750)</u>	<u>(4,737,250)</u>	<u>(23,093,755)</u>	<u>(18,356,505)</u>
Net change in fund balance	<u>\$ (6,688,051)</u>	<u>\$ (7,495,194)</u>	<u>(20,960,988)</u>	<u>\$ (13,465,794)</u>
Fund Balance:				
Beginning of year			<u>60,364,840</u>	
End of year			<u>\$ 39,403,852</u>	

See accompanying Notes to the Required Supplementary Information.

City of South Gate
Required Supplementary Information
Budgetary Comparison Schedule - Grants Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 38,846,078	\$ 44,284,078	\$ 10,387,142	\$(33,896,936)
Total revenues	<u>38,846,078</u>	<u>44,284,078</u>	<u>10,387,142</u>	<u>(33,896,936)</u>
EXPENDITURES:				
Current:				
Community development	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>38,846,078</u>	<u>44,284,078</u>	<u>10,387,142</u>	<u>(33,896,936)</u>
OTHER FINANCING USES:				
Transfers out	<u>(38,846,078)</u>	<u>(44,284,078)</u>	<u>(12,540,722)</u>	<u>31,743,356</u>
Total other financing uses	<u>(38,846,078)</u>	<u>(44,284,078)</u>	<u>(12,540,722)</u>	<u>31,743,356</u>
CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>(2,153,580)</u>	<u>\$ (2,153,580)</u>
FUND BALANCE (DEFICIT):				
Beginning of year			<u>(1,259,000)</u>	
End of year			<u>\$ (3,412,580)</u>	

See accompanying Notes to the Required Supplementary Information.

City of South Gate
Required Supplementary Information
Budgetary Comparison Schedule - American Rescue Plan Act Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$17,278,236	\$ 17,278,236	\$ 9,929,322	\$ (7,348,914)
Use of money and property (loss)	-	-	66,103	66,103
Total revenues	<u>17,278,236</u>	<u>17,278,236</u>	<u>9,995,425</u>	<u>(7,282,811)</u>
EXPENDITURES:				
Current:				
General government	541,877	12,759,627	1,142,113	11,617,514
Total expenditures	<u>541,877</u>	<u>12,759,627</u>	<u>1,142,113</u>	<u>11,617,514</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>16,736,359</u>	<u>4,518,609</u>	<u>8,853,312</u>	<u>4,334,703</u>
OTHER FINANCING USES:				
Transfers out	(199,839)	(8,986,913)	(8,787,210)	199,703
Total other financing uses	<u>(199,839)</u>	<u>(8,986,913)</u>	<u>(8,787,210)</u>	<u>199,703</u>
CHANGE IN FUND BALANCE	<u>\$16,536,520</u>	<u>\$ (4,468,304)</u>	66,102	<u>\$ 4,534,406</u>
FUND BALANCE (DEFICIT):				
Beginning of year			<u>15,290</u>	
End of year			<u>\$ 81,392</u>	

City of South Gate
Required Supplementary Information
Notes to the Budgetary Comparison Schedules
For the Year Ended June 30, 2022

Budgets and Budgetary Accounting

The City adheres to general procedures in establishing its annual budget, which is reflected in the accompanying budgetary statements and schedules. The annual budget adopted by the City Council provides for the general operations of the City. It includes proposed expenditures and the means of financing them. Budgeted appropriations lapse at the end of the year. The City Council approves total budgeted appropriations and amendments to appropriations throughout the year. The City Council must approve budget transfers between departments, funds and activities, as well as for the use of salary and benefit appropriations for something other than salary and benefits. The departments of the General Fund are considered to be departments for purposes of this requirement. Actual expenditures may not legally exceed budgeted appropriations at the department level. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount at the department level, which is the legal level of control) is established at the department level within each fund.

Annual budgets are adopted for all Governmental Funds on a basis substantially consistent with Generally Accepted Accounting Principles (GAAP). Formal budgetary information is employed as a management control device. Commitments for materials and services, such as purchase orders and contracts are recorded during the year as encumbrances to assist in controlling expenditures. All appropriations lapse at year-end. Encumbrances for open purchase orders and/or ongoing projects or contracts are carried over and are added to the following year's budgeted appropriations.

City of South Gate
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended June 30, 2022

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Miscellaneous Plan

Measurement Period	2020-21	2019-20	2018-19
Service cost	\$ 3,140,084	\$ 3,054,995	\$ 2,870,032
Interest on total pension liability	12,388,906	11,842,099	11,164,341
Changes in assumptions	-	-	-
Differences between expected and actual experience	(601,444)	1,611,093	(1,377,295)
Changes in benefit terms	-	-	-
Benefit payments, including refunds of contributions	(7,011,754)	(6,369,348)	(6,148,296)
Net change in total pension liability	7,915,792	10,138,839	6,508,782
Total pension liability - beginning	175,808,686	165,669,847	159,161,065
Total pension liability - ending (a)	<u>\$ 183,724,478</u>	<u>\$ 175,808,686</u>	<u>\$ 165,669,847</u>
Plan fiduciary net position			
Contributions - employer	\$ 4,879,335	\$ 4,439,314	\$ 3,679,801
Contributions - employee	1,142,823	1,242,255	1,242,553
Net investment income ²	30,325,923	6,383,436	7,937,313
Benefit payments	(7,011,754)	(6,369,348)	(6,148,296)
Plan to plan resources movement	-	-	-
Administrative expense	(133,709)	(180,923)	(86,856)
Other Miscellaneous Income/(Expense)	-	-	282
Net change in plan fiduciary net position	29,202,618	5,514,734	6,624,797
Plan fiduciary net position - beginning	133,850,964	128,336,230	121,711,433
Plan fiduciary net position - ending (b)	<u>\$ 163,053,582</u>	<u>\$ 133,850,964</u>	<u>\$ 128,336,230</u>
Net pension liability - ending (a)-(b)	<u>\$ 20,670,896</u>	<u>\$ 41,957,722</u>	<u>\$ 37,333,617</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>88.75%</u>	<u>76.13%</u>	<u>77.47%</u>
Covered payroll	<u>\$ 16,037,124</u>	<u>\$ 15,607,907</u>	<u>\$ 15,190,177</u>
Net pension liability as a percentage of covered payroll	<u>128.89%</u>	<u>255.04%</u>	<u>245.77%</u>

Notes:

Benefit changes: the figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2017 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years of Additional Service Credit (a.k.a. Golden Handshakes).

Changes in assumptions: None in 2021, 2020 and 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 accounting discount rate 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 South Gate
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2022

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Miscellaneous Plan

Measurement Period	2017-18	2016-17	2015-16	2014-15	2013-14 ¹
Service cost	\$ 2,850,621	\$2,604,468	\$2,261,496	\$2,160,710	\$ 2,209,895
Interest on total pension liability	10,723,300	10,183,905	9,807,665	9,431,040	9,016,106
Changes in assumptions	(532,576)	9,063,137	-	(2,453,625)	-
Differences between expected and actual experience	961,061	(1,443,448)	(1,238,446)	(399,523)	-
Changes in benefit terms	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(5,927,517)	(5,664,414)	(5,601,315)	(5,359,664)	(5,203,224)
Net change in total pension liability	8,074,889	14,743,648	5,229,400	3,378,938	6,022,777
Total pension liability - beginning	151,086,176	136,342,528	131,113,128	127,734,190	121,711,413
Total pension liability - ending (a)	<u>\$ 159,161,065</u>	<u>\$ 151,086,176</u>	<u>\$ 136,342,528</u>	<u>\$ 131,113,128</u>	<u>\$ 127,734,190</u>
Plan fiduciary net position					
Contributions - employer	\$ 3,025,649	\$ 2,807,597	\$ 2,371,025	\$ 1,749,186	\$ 1,971,806
Contributions - employee	1,239,580	1,119,350	1,117,889	1,028,703	963,778
Net investment income ²	9,588,212	11,577,937	511,739	2,339,332	15,942,156
Benefit payments	(5,927,517)	(5,664,414)	(5,601,315)	(5,359,664)	(5,203,224)
Plan to plan resources movement	(282)	936	(254)	(119,756)	-
Administrative expense	(178,114)	(154,457)	(64,773)	4,871	-
Other Miscellaneous Income/(Expense)	(338,242)	-	-	-	-
Net change in plan fiduciary net position	7,409,286	9,686,949	(1,665,689)	(357,328)	13,674,516
Plan fiduciary net position - beginning	114,302,147	104,615,198	106,280,887	106,638,215	92,963,699
Plan fiduciary net position - ending (b)	<u>\$ 121,711,433</u>	<u>\$ 114,302,147</u>	<u>\$ 104,615,198</u>	<u>\$ 106,280,887</u>	<u>\$ 106,638,215</u>
Net pension liability - ending (a)-(b)	<u>\$ 37,449,632</u>	<u>\$ 36,784,029</u>	<u>\$ 31,727,330</u>	<u>\$ 24,832,241</u>	<u>\$ 21,095,975</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>76.47%</u>	<u>75.65%</u>	<u>76.73%</u>	<u>81.06%</u>	<u>83.48%</u>
Covered payroll	<u>\$ 14,926,282</u>	<u>\$ 13,777,340</u>	<u>\$ 13,452,475</u>	<u>\$ 12,677,247</u>	<u>\$ 12,254,729</u>
Net pension liability as a percentage of covered payroll	<u>250.90%</u>	<u>266.99%</u>	<u>235.85%</u>	<u>195.88%</u>	<u>172.15%</u>

¹ Historical information is presented only for periods for which GASB 68 is implemented. The first year of implementation is 2013-14.

City of South Gate
Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2022

Last Ten Fiscal Years

PARS - Supplemental Retirement Plan

Measurement Period	2020-21	2019-20	2018-19
Service cost	\$ 7,560	\$ 7,114	\$ 6,565
Interest on total pension liability	96,992	98,688	94,584
Differences between expected and actual experience	(90,671)	(2,071)	62,961
Changes in assumptions	-	42,502	3,036
Benefit payments, including refunds of employee contributions	(107,996)	(103,183)	(97,041)
Net change in total pension liability	(94,115)	43,050	70,105
Total pension liability - beginning	1,605,800	1,562,750	1,492,645
Total pension liability - ending (a)	<u>\$ 1,511,685</u>	<u>\$ 1,605,800</u>	<u>\$ 1,562,750</u>
Plan fiduciary net position			
Contributions - employer	\$ 49,000	\$ 96,005	\$ 101,362
Net investment income	261,564	35,713	64,637
Benefit payments	(107,996)	(103,183)	(97,041)
Administrative expense	(5,830)	(5,484)	(5,307)
Net change in plan fiduciary net position	196,738	23,051	63,651
Plan fiduciary net position - beginning	1,139,650	1,116,599	1,052,948
Plan fiduciary net position - ending (b)	<u>\$ 1,336,388</u>	<u>\$ 1,139,650</u>	<u>\$ 1,116,599</u>
Net pension liability - ending (a)-(b)	<u>\$ 175,297</u>	<u>\$ 466,150</u>	<u>\$ 446,151</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>88.40%</u>	<u>70.97%</u>	<u>71.45%</u>
Covered payroll	<u>\$ 321,270</u>	<u>\$ 321,270</u>	<u>\$ 312,672</u>
Net pension liability as a percentage of covered payroll	<u>54.56%</u>	<u>145.10%</u>	<u>142.69%</u>

Notes:

Changes in assumptions: None in 2021. In 2020, discount rate changed from 6.50% to 6.22%. In 2019, discount rate changed from 6.52% to 6.50%. In 2018, discount rate changed from 6.75% to 6.52%; payroll growth rate changed from 2.875% to 2.750%.

City of South Gate
Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2022

Last Ten Fiscal Years

PARS - Supplemental Retirement Plan

Measurement Period	2017-18	2016-17	2015-16	2014-15	2013-14 ¹
Service cost	\$ 6,173	\$ -	\$ 9,276	\$ 9,006	\$ 20,273
Interest on total pension liability	97,115	-	95,683	94,489	91,587
Differences between expected and actual experience	-	-	-	(29,211)	-
Changes in assumptions	32,997	13,920	-	63,351	-
Benefit payments, including refunds of employee contributions	(86,425)	-	(85,995)	(86,885)	(80,278)
Net change in total pension liability	49,860	13,920	18,964	50,750	31,582
Total pension liability - beginning	1,442,785	1,428,865	1,409,901	1,359,151	1,327,569
Total pension liability - ending (a)	<u>\$ 1,492,645</u>	<u>\$ 1,442,785</u>	<u>\$ 1,428,865</u>	<u>\$ 1,409,901</u>	<u>\$ 1,359,151</u>
Plan fiduciary net position					
Contributions - employer	\$ 89,422	\$ -	\$ 89,262	\$ 92,402	\$ 108,819
Net investment income	62,482	-	91,701	10,118	18,658
Benefit payments	(86,425)	-	(85,995)	(86,885)	(80,278)
Administrative expense	(8,712)	-	(4,851)	(4,517)	(4,503)
Net change in plan fiduciary net position	56,767	-	90,117	11,118	42,696
Plan fiduciary net position - beginning	996,181	996,181	906,064	894,946	852,250
Plan fiduciary net position - ending (b)	<u>\$ 1,052,948</u>	<u>\$ 996,181</u>	<u>\$ 996,181</u>	<u>\$ 906,064</u>	<u>\$ 894,946</u>
Net pension liability - ending (a)-(b)	<u>\$ 439,697</u>	<u>\$ 446,604</u>	<u>\$ 432,684</u>	<u>\$ 503,837</u>	<u>\$ 464,205</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>70.54%</u>	<u>69.05%</u>	<u>69.72%</u>	<u>64.26%</u>	<u>65.85%</u>
Covered payroll	<u>\$ 289,767</u>	<u>\$ 282,012</u>	<u>\$ 277,966</u>	<u>\$ 260,000</u>	<u>\$ 720,372</u>
Net pension liability as a percentage of covered payroll	<u>151.74%</u>	<u>158.36%</u>	<u>155.66%</u>	<u>193.78%</u>	<u>64.44%</u>

¹ Historical information is presented only for periods for which GASB 68 is implemented. The first year of implementation is 2013-14.

City of South Gate
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and Related Ratios
For the Year Ended June 30, 2022

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Safety Plan

Measurement Period	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
Proportion of the Net Pension Liability	0.69752%	0.53651%	0.52584%
Proportionate Share of the Net Pension Liability	\$ 40,036,851	\$ 58,374,278	\$ 53,883,494
Covered Payroll	<u>\$ 8,592,734</u>	<u>\$ 8,357,626</u>	<u>\$ 8,138,937</u>
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	<u>465.94%</u>	<u>698.46%</u>	<u>662.05%</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>78.92%</u>	<u>68.41%</u>	<u>70.22%</u>

City of South Gate
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2022

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Safety Plan

Measurement Period	2017-18	2016-17	2015-16	2014-15	2013-14¹
Proportion of the Net Pension Liability	0.52052%	0.49939%	0.50255%	0.49730%	0.46523%
Proportionate Share of the Net Pension Liability	\$ 50,159,050	\$ 49,525,601	\$43,486,293	\$34,133,907	\$ 28,948,876
Covered Payroll	\$ 8,109,044	\$ 7,968,440	\$ 7,367,602	\$ 7,077,495	\$ 6,919,179
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	618.56%	621.52%	590.24%	482.29%	418.39%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.18%	70.47%	71.79%	77.47%	81.02%

¹ Historical information is presented only for periods for which GASB 68 is implemented. The first year of implementation is 2013-14.

City of South Gate
Required Supplementary Information
Schedule of Contributions - Pensions
For the Year Ended June 30, 2022

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Miscellaneous

Fiscal year	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
Actuarially determined contribution	\$ 5,234,731	\$ 4,018,442	\$ 4,439,314	\$ 3,679,801
Contributions in relation to the actuarially determined contributions	<u>(5,234,731)</u>	<u>(4,018,442)</u>	<u>(4,439,314)</u>	<u>(3,679,801)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ²	\$ 17,709,348	\$ 16,037,124	\$ 15,607,907	\$ 15,190,177
Contributions as a percentage of covered payroll ²	29.56%	25.06%	28.44%	24.22%

² Covered Payroll represented above is based on pensionable earnings provided by the employer.

Notes to Schedule

Valuation date:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021-22 were from the June 30, 2019 public agency valuations.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method/period	Level percentage of payroll
Asset valuation method	Market value
Inflation	2.50%
Salary increases	Varies by entry age and service
Payroll growth	2.75%
Investment rate of return	7.00%, net of pension plan investment and administrative expenses, including inflation
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre- retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

City of South Gate
Required Supplementary Information
Schedule of Contributions - Pensions (Continued)
For the Year Ended June 30, 2022

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Miscellaneous

Fiscal year	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u> ¹
Actuarially determined contribution	\$ 3,025,649	\$ 2,807,597	\$ 2,371,025	\$ 1,901,745	\$ 1,819,247
Contributions in relation to the actuarially determined contributions	<u>(3,025,649)</u>	<u>(2,807,597)</u>	<u>(2,371,025)</u>	<u>(1,901,745)</u>	<u>(1,819,247)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ²	\$ 14,926,282	\$ 13,777,340	\$ 13,452,475	\$ 12,677,247	\$ 12,254,729
Contributions as a percentage of covered payroll ²	20.27%	20.38%	17.63%	15.00%	14.85%

¹ Historical information is presented only for periods for which GASB 68 is implemented. The first year of implementation is 2013-14.

City of South Gate
Required Supplementary Information
Schedule of Contributions - Pensions (Continued)
For the Year Ended June 30, 2022

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Safety

Fiscal year	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>
Actuarially determined contribution	\$ 6,175,454	\$ 4,902,949	\$ 4,902,949	\$ 4,957,802	\$4,399,729
Contributions in relation to the actuarially determined contributions	<u>(6,175,454)</u>	<u>(4,902,949)</u>	<u>(4,902,949)</u>	<u>(4,957,802)</u>	<u>(4,399,729)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ²	\$ 12,341,610	\$ 8,592,734	\$ 8,357,626	\$ 8,138,937	\$8,109,044
Contributions as a percentage of covered payroll ²	50.04%	57.06%	57.06%	59.28%	54.06%

² Covered Payroll represented above is based on pensionable earnings provided by the employer.

Notes to Schedule

Valuation date:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021-22 were from the June 30, 2019 public agency valuations.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method/period	Level percentage of payroll
Asset valuation method	Market value
Inflation	2.50%
Salary increases	Varies by entry age and service
Payroll growth	2.75%
Investment rate of return	7.00%, net of pension plan investment and administrative expenses, including inflation
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre- retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

City of South Gate
Required Supplementary Information
Schedule of Contributions - Pensions (Continued)
For the Year Ended June 30, 2022

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Safety

Fiscal year	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u> ¹
Actuarially determined contribution	\$ 3,802,971	\$ 3,802,971	\$ 3,000,801	\$ 2,086,240
Contributions in relation to the actuarially determined contributions	<u>(3,802,971)</u>	<u>(3,802,971)</u>	<u>(3,000,801)</u>	<u>(2,086,240)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ²	\$ 7,968,440	\$ 7,367,602	\$ 7,077,495	\$ 6,919,179
Contributions as a percentage of covered payroll ²	46.90%	47.73%	40.73%	29.48%

¹ Historical information is presented only for periods for which GASB 68 is implemented. The first year of implementation is 2013-14.

City of South Gate
Required Supplementary Information
Schedule of Contributions - Pensions (Continued)
For the Year Ended June 30, 2022

Last Ten Fiscal Years

PARS - Supplemental Retirement Plan

Fiscal year	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
Actuarially determined contribution	\$ 114,778	\$ 109,307	\$ 92,251	\$ 71,442
Contributions in relation to the actuarially determined contributions	<u>(93,404)</u>	<u>(96,005)</u>	<u>(101,362)</u>	<u>(89,422)</u>
Contribution deficiency (excess)	<u>\$ 21,374</u>	<u>\$ 13,302</u>	<u>\$ (9,111)</u>	<u>\$ (17,980)</u>
Covered payroll	\$ 142,716	\$ 321,270	\$ 312,672	\$ 289,767
Contributions as a percentage of covered payroll	65.45%	29.88%	32.42%	30.86%

Notes to Schedule

Valuation date: June 30, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method/period	Closed period, level percent of pay
Asset valuation method	Fair market value
Inflation	2.75%
Salary increases	Varies by entry age and service
Cost of living adjustment	5.90% based on 2021 SSA OASDI report
	6.22%
Investment rate of return	
Retirement age	Consistent with Non-Industrial rates used to value the Miscellaneous CalPERS Pension Plans.
Mortality	Consistent with Non-Industrial rates used to value the Miscellaneous CalPERS Pension Plans.

City of South Gate
Required Supplementary Information
Schedule of Contributions - Pensions (Continued)
For the Year Ended June 30, 2022

Last Ten Fiscal Years

PARS - Supplemental Retirement Plan

Fiscal year	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u> ¹
Actuarially determined contribution	\$ (3,073)	\$ 65,461	\$ 61,230	\$ 89,000	\$ 84,594
Contributions in relation to the actuarially determined contributions	-	(89,262)	(92,402)	(108,819)	(144,907)
Contribution deficiency (excess)	<u>\$ (3,073)</u>	<u>\$ (23,801)</u>	<u>\$ (31,172)</u>	<u>\$ (19,819)</u>	<u>\$ (60,313)</u>
Covered payroll	\$ 282,012	\$ 282,012	\$ 277,966	\$ 260,000	\$ 720,372
Contributions as a percentage of covered payroll	0.00%	31.65%	33.24%	41.85%	20.12%

¹ Historical information is presented only for periods for which GASB 68 is implemented. The first year of implementation is 2013-14.

City of South Gate
Required Supplementary Information
Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios
For the Year Ended June 30, 2022

Last Ten Fiscal Years

Measurement Period	2020-21	2019-20	2018-19	2017-18	2016-17 ¹
Service cost	\$ 1,342,086	\$ 1,093,910	\$ 1,094,006	\$ 1,102,741	\$ 1,071,923
Interest on total OPEB liability	731,487	809,810	1,147,746	1,064,551	1,036,683
Differences between expected and actual experience	(3,057,982)	(89,563)	(6,638,431)	-	(1,503,666)
Changes in assumptions	3,139,649	2,719,276	(652,631)	(526,077)	650,700
Implicit Subsidy Credit	(216,510)	(190,665)	-	-	-
Benefit payments, including refunds of employee contributions	(714,004)	(473,890)	(902,892)	(834,408)	(799,760)
Net change in total OPEB liability	1,224,726	3,868,878	(5,952,202)	806,807	455,880
Total OPEB liability - beginning	28,979,785	25,110,907	31,063,109	30,256,302	29,800,422
Total OPEB liability - ending (a)	<u>\$ 30,204,511</u>	<u>\$ 28,979,785</u>	<u>\$ 25,110,907</u>	<u>\$ 31,063,109</u>	<u>\$ 30,256,302</u>
Plan fiduciary net position					
Contributions - employer	\$ 836,126	\$ 473,890	\$ 902,892	\$ 834,408	\$ 799,760
Contributions - employee	-	-	-	-	-
Net investment income	-	-	-	-	-
Benefit payments	(836,126)	(473,890)	(902,892)	(834,408)	(799,760)
Recognized difference in proportion	-	-	-	-	-
Plan to plan resources movement	-	-	-	-	-
Administrative expense	-	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending (a)-(b)	<u>\$ 30,204,511</u>	<u>\$ 28,979,785</u>	<u>\$ 25,110,907</u>	<u>\$ 31,063,109</u>	<u>\$ 30,256,302</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 23,961,037	\$ 23,319,744	\$ 22,695,615	\$ 20,739,803	\$ 20,184,723
Net OPEB liability as a percentage of covered-employee payroll	126.06%	120.88%	110.64%	149.78%	149.90%

¹ Historical information is presented only for periods for which GASB 75 is implemented. The first year of implementation is 2016-17.

The City has not established a trust for the purpose of holding assets accumulated for plan benefits.

City of South Gate
Required Supplementary Information
Schedule of Contributions - Other Postemployment Benefits
For the Year Ended June 30, 2022

Fiscal year	Last Ten Fiscal Years					
	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17 ¹
Actuarially determined contribution	\$ 836,126	\$ 752,739	\$ 752,739	\$ 902,892	\$ 834,408	\$ 799,760
Contributions in relation to the actuarially	(836,126)	(930,513)	(664,556)	(902,892)	(834,408)	(799,760)
Contribution deficiency (excess)	\$ -	\$ (177,774)	\$ 88,183	\$ -	\$ -	\$ -
Covered-employee payroll ²	\$ 23,242,786	\$ 23,961,037	\$ 23,319,744	\$ 22,695,615	\$ 20,739,803	\$ 20,184,723
Contributions as a percentage of covered payroll	3.60%	3.88%	2.85%	3.98%	4.02%	3.96%

¹ Historical information is presented only for periods for which GASB 75 is implemented. The first year of implementation is 2016-17.

² Payroll from prior year was assumed to increase by the 2.75% payroll growth assumption.

Notes to Schedule

Valuation date: June 30, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Discount Rate	1.92%
Inflation	5.50%
Healthcare Cost Trend Rate	6.00% trending down to 4.04% over 54 years
Salary increases	2.75%
Retirement age	According to the retirement rates under the most recent CalPERS pension plan experience study.
Mortality	According to the mortality rates under the CalPERS pension plan updated to reflect the most recent experience study

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SUPPLEMENTARY INFORMATION

City of South Gate
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Capital Improvement Projects Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Capital outlay	69,535,722	74,719,314	17,038,461	57,680,853
Total expenditures	<u>69,535,722</u>	<u>74,719,314</u>	<u>17,038,461</u>	<u>57,680,853</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(69,535,722)</u>	<u>(74,719,314)</u>	<u>(17,038,461)</u>	<u>57,680,853</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	65,341,409	71,090,409	18,313,205	(52,777,204)
Transfers out	-	-	(8,000)	8,000
Total other financing sources (uses)	<u>65,341,409</u>	<u>71,090,409</u>	<u>18,305,205</u>	<u>(52,777,204)</u>
CHANGE IN FUND BALANCE	<u>\$ (4,194,313)</u>	<u>\$ (3,628,905)</u>	1,266,744	<u>\$ 4,903,649</u>
FUND BALANCE:				
Beginning of year			<u>3,712,778</u>	
End of year			<u>\$ 4,979,522</u>	

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NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

Community Development Block Grant Fund - This fund accounts for revenues received from the U.S. Department of Housing and Urban Development for housing rehabilitation and other community

Housing Authority Fund - This fund is used to account for revenues from the U.S. Department of Housing and Urban Development for housing assistance (Section 8) payments to eligible participants.

HOME Program Fund - This fund accounts for revenues received from the U.S. Department of Housing and Urban Development's Affordable Housing program to assist low income households.

Housing Successor Fund - This fund accounts for the housing assets of the former Community Development Commission.

Law Enforcement Grants Fund - This fund accounts for revenues received from federal, state and local law enforcement grants to be used for public safety.

Asset Forfeiture Fund - This fund accounts for revenues received from asset seizures which can only be used to augment law enforcement expenditures.

Air Quality Improvement Fund - This fund accounts for local revenue received from the South Coast Air Quality Management District to be used for clean air programs.

Traffic Safety Fund - This fund accounts for traffic safety programs funded by moving vehicle violations collected by the County court system and remitted to the City.

Gas Tax Fund - This fund accounts for gas tax and other transportation revenues received from the State for construction and maintenance of streets and roads.

Street Sweeping Fund - This fund accounts for street sweeping fees used to fund the City's street sweeping and storm drain maintenance.

Prop A Transit Fund - To account for revenues received from a one-half cent sales tax collected by L.A. County Metro and distributed to cities for use in transportation service and transportation-related

Prop C Transit Fund - This fund accounts for revenues received from a one-half cent sales tax collected by L.A. County Metro and distributed to cities for use in street improvement projects along major bus

UDAG Fund - This fund accounts for former Urban Development Assistance Grant funds (UDAG) that the City uses for community development projects.

Public Access Corporation Fund - This fund accounts for revenues previously received from the City's cable television operator through a franchise agreement. This nonprofit corporation was established to promote community access through media.

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (Continued):

Street Lighting & Landscaping Fund - This fund accounts for revenues received through a citywide street lighting assessment for street lighting and traffic signal maintenance.

Measure R Transit Fund - This fund accounts for revenues received from a one-half cent sales tax collected by L.A. County Metro and distributed to cities for use in transportation, street and road improvements.

Road Repair & Accountability Act Fund - This fund accounts for revenues received from the 12 cent gasoline tax, 20 cent diesel fuel tax, and \$100 vehicle registration tax collected by the State of California, Department of Transportation and distributed to Cities for the purpose of repairing roads, improving traffic safety, and expanding public transit systems across the state.

Measure M Transit Fund - This fund accounts for revenues received from a 1/2 cent sales tax collected by L.A. County Metro and distributed to cities for use in transportation, street and road improvement projects.

Park Enhancement Fund - This fund accounts for revenues received from the lease of the goal soccer and batting cage facilities, cell tower, and other sources collected by the City for use in park improvement projects.

CASp Fund - This fund accounts for revenues received under the SB 1186 (\$1) and the SB 1379 (\$4) State legislation that assesses a fee when business licenses and equivalent permits are issued or renewed. The CASp program is designed to meet the public's need for experienced, trained, and tested individuals (Certified Access Specialists) who can inspect buildings and sites for compliance with applicable state and federal construction standards.

Measure W Stormwater - This fund accounts for revenues generated from Measure W is used to for regional and municipal projects that improve water quality, prepare for future drought, and provide community benefits such as parks or wetlands. The City uses funds for storm water projects in compliance with the MS4 permit.

Used Oil Recycling Program - This fund is to account for the revenue derived from oil recycling grants awarded by the CalRecycle.

Beverage Container Recycling Program - The California Department of Resources Recycling and Recovery (CalRecycle) administers the California Beverage Container Recycling and Litter Reduction Act which governs the recycling of California Redemption Value (CRV) beverage containers. The primary goal of the recycling program is to achieve an 80% recycling rate for all aluminum, glass, plastic, and bi-metal

Road Mitigation Program Fund - These are funds derived from an impact fee placed upon new development as a way to mitigate the developments impact to the wear and tear upon city streets.

Housing Authority - Development Projects - This fund is to account for acquisition of new development properties use for housing projects.

Emergency Housing Voucher (EHV) - This fund is to account for the HUD grant allocations specific to assisting emergency housing needs. It is a housing voucher program to assist for emergency housing for

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (Continued):

SB 2 Grant Fund - This fund is to account for SB 2 allocations from the state in addressing housing shortage, high housing costs, and supply of affordable homes within City limits.

LEAP Grant - This fund is to account for the LEAP grant revenues to assist with availability of affordable homes and ending the homelessness.

City of South Gate
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue				
	Community Development Block Grant	Housing Authority	HOME Program	Housing Successor	Law Enforcement Grants
ASSETS					
Cash and investments	\$ -	\$535,497	\$ 532,487	\$ 126,021	\$ 333,284
Receivables:					
Accounts	-	6,076	-	2,030	-
Loans	1,484,792	14,415	6,258,572	648,677	-
Interest	-	542	-	336	613
Leases	-	-	-	4,958	-
Prepaid items	-	-	-	-	-
Due from other governments	474,378	13,916	43,130	-	52,108
Due from other funds	-	1,434	-	-	-
Land held for resale	-	-	-	3,150,000	-
Total assets	<u>\$ 1,959,170</u>	<u>\$571,880</u>	<u>\$ 6,834,189</u>	<u>\$ 3,932,022</u>	<u>\$ 386,005</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 123,596	\$ 8,585	\$ 4,239	\$ 26,040	\$ -
Accrued payroll and related liabilities	4,288	15,121	248	-	6,818
Unearned revenue	132,431	-	313,435	-	-
Deposits	-	-	-	23,054	-
Due to other funds	365,069	193,224	-	-	-
Advances from other funds	-	-	-	-	-
Total liabilities	<u>625,384</u>	<u>216,930</u>	<u>317,922</u>	<u>49,094</u>	<u>6,818</u>
Deferred inflows of resources:					
Leases	-	-	-	4,835	-
Unavailable revenues	-	-	-	1,664	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,499</u>	<u>-</u>
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	1,333,786	354,950	6,516,267	3,876,429	379,187
Unassigned (deficit)	-	-	-	-	-
Total fund balances	<u>1,333,786</u>	<u>354,950</u>	<u>6,516,267</u>	<u>3,876,429</u>	<u>379,187</u>
Total liabilities and fund balances	<u>\$ 1,959,170</u>	<u>\$571,880</u>	<u>\$ 6,834,189</u>	<u>\$ 3,932,022</u>	<u>\$ 386,005</u>

(Continued)

City of South Gate
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue				
	Asset Forfeiture	Air Quality Improvement	Traffic Safety	Gas Tax	Street Sweeping
ASSETS					
Cash and investments	\$2,606,035	\$ 431,387	\$ 31,151	\$ 1,584,079	\$ 469,608
Receivables:					
Accounts	-	-	-	337	132,728
Loans	-	-	-	-	-
Interest	4,442	827	-	1,755	729
Leases	-	-	-	-	-
Prepaid items	-	-	-	-	-
Due from other governments	14,822	-	-	171,740	-
Due from other funds	-	-	-	-	-
Land held for resale	-	-	-	-	-
Total assets	\$2,625,299	\$ 432,214	\$ 31,151	\$ 1,757,911	\$ 603,065
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 61,352	\$ 705	\$ -	\$ 78,620	\$ 60,573
Accrued payroll and related liabilities	2,044	-	-	12,210	1,190
Unearned revenue	-	-	-	74,293	-
Deposits	-	-	-	-	-
Due to other funds	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Total liabilities	63,396	705	-	165,123	61,763
Deferred inflows of resources:					
Leases	-	-	-	-	-
Unavailable revenues	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	2,561,903	431,509	31,151	1,592,788	541,302
Unassigned (deficit)	-	-	-	-	-
Total fund balances	2,561,903	431,509	31,151	1,592,788	541,302
Total liabilities and fund balances	\$2,625,299	\$ 432,214	\$ 31,151	\$ 1,757,911	\$ 603,065

(Continued)

City of South Gate
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue				
	Prop A Transit	Prop C Transit	UDAG	Public Access Corporation	Street Lighting & Landscaping
ASSETS					
Cash and investments	\$ 4,541,894	\$ 4,547,073	\$ 407,263	\$ 18,204	\$ -
Receivables:					
Accounts	-	-	-	15,959	9,856
Loans	-	-	-	-	-
Interest	5,876	8,935	576	24	-
Leases	-	-	-	-	-
Prepaid items	35,006	-	-	-	-
Due from other governments	-	25,000	-	-	58,125
Due from other funds	368,134	255,858	-	-	-
Land held for resale	-	-	-	-	-
Total assets	<u>\$ 4,950,910</u>	<u>\$ 4,836,866</u>	<u>\$ 407,839</u>	<u>\$ 34,187</u>	<u>\$ 67,981</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 158,463	\$ 74,076	\$ -	\$ -	\$ 124,200
Accrued payroll and related liabilities	4,076	-	-	-	15,263
Unearned revenue	-	-	-	-	-
Deposits	-	-	-	-	-
Due to other funds	248,832	38,544	-	-	1,318,179
Advances from other funds	-	-	-	-	-
Total liabilities	<u>411,371</u>	<u>112,620</u>	<u>-</u>	<u>-</u>	<u>1,457,642</u>
Deferred inflows of resources:					
Leases	-	-	-	-	-
Unavailable revenues	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Nonspendable	35,006	-	-	-	-
Restricted	4,504,533	4,724,246	407,839	34,187	-
Unassigned (deficit)	-	-	-	-	(1,389,661)
Total fund balances	<u>4,539,539</u>	<u>4,724,246</u>	<u>407,839</u>	<u>34,187</u>	<u>(1,389,661)</u>
Total liabilities and fund balances	<u>\$ 4,950,910</u>	<u>\$ 4,836,866</u>	<u>\$ 407,839</u>	<u>\$ 34,187</u>	<u>\$ 67,981</u>

(Continued)

City of South Gate
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue				
	Measure R Transit	Road Repair & Accountability Act	Measure M Transit	Park Enhancement	CASp
ASSETS					
Cash and investments	\$ 3,922,891	\$ 4,842,654	\$ 3,367,940	\$1,086,524	\$ 75,774
Receivables:					
Accounts	-	-	-	-	-
Loans	-	-	-	-	-
Interest	6,267	6,364	4,161	1,432	92
Leases	-	-	-	-	-
Prepaid items	-	-	-	-	-
Due from other governments	3,789	322,886	-	-	-
Due from other funds	791,305	-	-	-	-
Land held for resale	-	-	-	-	-
Total assets	\$ 4,724,252	\$ 5,171,904	\$ 3,372,101	\$1,087,956	\$ 75,866
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 19,731	\$ -	\$ 88,779	\$ -	\$ -
Accrued payroll and related liabilities	39,443	-	1,224	-	-
Unearned revenue	-	-	-	-	-
Deposits	-	-	-	-	-
Due to other funds	7,026	-	791,305	-	-
Advances from other funds	-	-	-	-	-
Total liabilities	66,200	-	881,308	-	-
Deferred inflows of resources:					
Leases	-	-	-	-	-
Unavailable revenues	-	-	-	2,407	-
Total deferred inflows of resources	-	-	-	2,407	-
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	4,658,052	5,171,904	2,490,793	1,085,549	75,866
Unassigned (deficit)	-	-	-	-	-
Total fund balances	4,658,052	5,171,904	2,490,793	1,085,549	75,866
Total liabilities and fund balances	\$ 4,724,252	\$ 5,171,904	\$ 3,372,101	\$1,087,956	\$ 75,866

City of South Gate
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue				
	Measure W Stormwater	Used Oil Recycling Program	Beverage Container Recycling Program	Road Mitigation Program	Housing Authority Development
ASSETS					
Cash and investments	\$ 1,050,679	\$ 1,996	\$ 61,953	\$ 2,080,307	\$ -
Receivables:					
Accounts	-	-	-	-	-
Loans	-	-	-	-	-
Interest	1,367	24	71	2,921	-
Leases	-	-	-	-	-
Prepaid items	-	-	-	-	-
Due from other governments	-	-	-	-	-
Due from other funds	-	-	-	-	-
Land held for resale	-	-	-	-	1,800,000
Total assets	\$ 1,052,046	\$ 2,020	\$ 62,024	\$ 2,083,228	\$ 1,800,000
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 60,865	\$ 2,495	\$ 18,081	\$ -	\$ 9,181
Accrued payroll and related liabilities	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Deposits	-	-	-	-	-
Due to other funds	-	-	-	-	111,866
Advances from other funds	-	-	-	-	1,813,000
Total liabilities	60,865	2,495	18,081	-	1,934,047
Deferred inflows of resources:					
Leases	-	-	-	-	-
Unavailable revenues	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	991,181	-	43,943	2,083,228	-
Unassigned (deficit)	-	(475)	-	-	(134,047)
Total fund balances	991,181	(475)	43,943	2,083,228	(134,047)
Total liabilities and fund balances	\$ 1,052,046	\$ 2,020	\$ 62,024	\$ 2,083,228	\$ 1,800,000

City of South Gate
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue			Total Nonmajor Governmental Funds
	Emergency Housing Voucher	SB 2 Grant	LEAP Grant	
ASSETS				
Cash and investments	\$ 256,745	\$ -	\$ -	\$ 32,911,446
Receivables:				
Accounts	-	-	-	166,986
Loans	-	-	-	8,406,456
Interest	-	-	-	47,354
Leases	-	-	-	4,958
Prepaid items	-	-	-	35,006
Due from other governments	-	-	-	1,179,894
Due from other funds	-	-	-	1,416,731
Land held for resale	-	-	-	4,950,000
Total assets	<u>\$ 256,745</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,118,831</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 8,127	\$ 5,518	\$ 1,970	935,196
Accrued payroll and related liabilities	-	-	-	101,925
Unearned revenue	-	-	-	520,159
Deposits	-	-	-	23,054
Due to other funds	-	118,838	18,558	3,211,441
Advances from other funds	-	-	-	1,813,000
Total liabilities	<u>8,127</u>	<u>124,356</u>	<u>20,528</u>	<u>6,604,775</u>
Deferred inflows of resources:				
Leases	-	-	-	4,835
Unavailable revenues	59,500	-	-	63,571
Total deferred inflows of resources	<u>59,500</u>	<u>-</u>	<u>-</u>	<u>68,406</u>
Fund Balances:				
Nonspendable	-	-	-	35,006
Restricted	189,118	-	-	44,079,711
Unassigned (deficit)	-	(124,356)	(20,528)	(1,669,067)
Total fund balances	<u>189,118</u>	<u>(124,356)</u>	<u>(20,528)</u>	<u>42,445,650</u>
Total liabilities and fund balances	<u>\$ 256,745</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,118,831</u>

(Concluded)

City of South Gate
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue				
	Community Development Block Grant	Housing Authority	HOME Program	Housing Successor	Law Enforcement Grants
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	1,634,045	5,110,692	43,130	-	384,725
Charges for services	30,000	-	-	-	-
Use of money and property	-	(2,637)	870	88,150	(12,415)
Rental	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>1,664,045</u>	<u>5,108,055</u>	<u>44,000</u>	<u>88,150</u>	<u>372,310</u>
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Police	-	-	-	-	441,026
Community development	1,434,606	5,243,215	126,900	67,728	-
Parks & recreation	-	-	-	-	-
Public works	-	-	-	-	-
Capital outlay	-	-	-	-	103,555
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>1,434,606</u>	<u>5,243,215</u>	<u>126,900</u>	<u>67,728</u>	<u>544,581</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>229,439</u>	<u>(135,160)</u>	<u>(82,900)</u>	<u>20,422</u>	<u>(172,271)</u>
OTHER FINANCING SOURCES (USES):					
Proceeds from lease	-	-	-	-	-
Transfers in	-	-	83,772	-	-
Transfers out	(265,352)	-	-	-	-
Total other financing sources (uses)	<u>(265,352)</u>	<u>-</u>	<u>83,772</u>	<u>-</u>	<u>-</u>
CHANGES IN FUND BALANCES	<u>(35,913)</u>	<u>(135,160)</u>	<u>872</u>	<u>20,422</u>	<u>(172,271)</u>
FUND BALANCES:					
Beginning of year	<u>1,369,699</u>	<u>490,110</u>	<u>6,515,395</u>	<u>3,856,007</u>	<u>551,458</u>
End of year	<u>\$ 1,333,786</u>	<u>\$ 354,950</u>	<u>\$ 6,516,267</u>	<u>\$ 3,876,429</u>	<u>\$ 379,187</u>

City of South Gate
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue				
	Asset Forfeiture	Air Quality Improvement	Traffic Safety	Gas Tax	Street Sweeping
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	188,578	91,424	-	2,250,408	-
Charges for services	-	-	-	-	685,161
Use of money and property	(92,566)	(16,379)	-	(30,335)	(14,808)
Rental	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>96,012</u>	<u>75,045</u>	<u>-</u>	<u>2,220,073</u>	<u>670,353</u>
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Police	735,427	-	-	-	-
Community development	-	6,386	-	-	-
Parks & recreation	-	-	-	-	-
Public works	-	-	-	1,154,904	689,897
Capital outlay	267,842	71,144	-	-	-
Debt service:					
Principal	195,323	-	-	-	-
Interest and fiscal charges	8,229	-	-	-	-
Total expenditures	<u>1,206,821</u>	<u>77,530</u>	<u>-</u>	<u>1,154,904</u>	<u>689,897</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,110,809)</u>	<u>(2,485)</u>	<u>-</u>	<u>1,065,169</u>	<u>(19,544)</u>
OTHER FINANCING SOURCES (USES):					
Proceeds from lease	30,306	-	-	-	-
Transfers in	-	-	1,263,273	-	-
Transfers out	(11,004)	(180,000)	-	(7,680)	-
Total other financing sources (uses)	<u>19,302</u>	<u>(180,000)</u>	<u>1,263,273</u>	<u>(7,680)</u>	<u>-</u>
CHANGES IN FUND BALANCES	(1,091,507)	(182,485)	1,263,273	1,057,489	(19,544)
FUND BALANCES:					
Beginning of year	<u>3,653,410</u>	<u>613,994</u>	<u>(1,232,122)</u>	<u>535,299</u>	<u>560,846</u>
End of year	<u>\$ 2,561,903</u>	<u>\$ 431,509</u>	<u>\$ 31,151</u>	<u>\$ 1,592,788</u>	<u>\$ 541,302</u>

City of South Gate
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue				
	Prop A Transit	Prop C Transit	UDAG	Public Access Corporation	Street Lighting & Landscaping
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,001,775
Licenses and permits	-	-	-	-	-
Intergovernmental	2,673,505	2,031,907	-	-	-
Charges for services	80,827	-	-	42,740	-
Use of money and property	(84,728)	(175,192)	(11,616)	(512)	-
Rental	-	-	-	-	-
Miscellaneous	8,788	-	-	-	-
Total revenues	<u>2,678,392</u>	<u>1,856,715</u>	<u>(11,616)</u>	<u>42,228</u>	<u>2,001,775</u>
EXPENDITURES:					
Current:					
General government	-	-	-	20,594	-
Police	-	-	-	-	-
Community development	1,694,144	-	-	-	-
Parks & recreation	-	-	-	-	-
Public works	-	439,700	-	-	2,157,617
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	84,971
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>1,694,144</u>	<u>439,700</u>	<u>-</u>	<u>20,594</u>	<u>2,242,588</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>984,248</u>	<u>1,417,015</u>	<u>(11,616)</u>	<u>21,634</u>	<u>(240,813)</u>
OTHER FINANCING SOURCES (USES):					
Proceeds from lease	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	(2,534,973)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(2,534,973)</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGES IN FUND BALANCES	984,248	(1,117,958)	(11,616)	21,634	(240,813)
FUND BALANCES:					
Beginning of year	<u>3,555,291</u>	<u>5,842,204</u>	<u>419,455</u>	<u>12,553</u>	<u>(1,148,848)</u>
End of year	<u>\$ 4,539,539</u>	<u>\$ 4,724,246</u>	<u>\$ 407,839</u>	<u>\$ 34,187</u>	<u>\$ (1,389,661)</u>

City of South Gate
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue				
	Measure R Transit	Road Repair & Accountability Act	Measure M Transit	Park Enhancement	CASp
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	14,633
Intergovernmental	1,523,685	1,925,088	1,724,225	-	-
Charges for services	-	-	-	278,782	-
Use of money and property	(130,643)	(123,052)	(80,058)	(28,026)	(1,802)
Rental	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>1,393,042</u>	<u>1,802,036</u>	<u>1,644,167</u>	<u>250,756</u>	<u>12,831</u>
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Police	-	-	-	-	-
Community development	-	-	-	-	-
Parks & recreation	-	-	-	101,005	-
Public works	1,379,943	-	1,381,202	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>1,379,943</u>	<u>-</u>	<u>1,381,202</u>	<u>101,005</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>13,099</u>	<u>1,802,036</u>	<u>262,965</u>	<u>149,751</u>	<u>12,831</u>
OTHER FINANCING SOURCES (USES):					
Proceeds from lease	-	-	-	-	-
Transfers in	-	-	8,000	-	-
Transfers out	(216,604)	(578,784)	(224,888)	(3,604)	-
Total other financing sources (uses)	<u>(216,604)</u>	<u>(578,784)</u>	<u>(216,888)</u>	<u>(3,604)</u>	<u>-</u>
CHANGES IN FUND BALANCES	(203,505)	1,223,252	46,077	146,147	12,831
FUND BALANCES:					
Beginning of year	<u>4,861,557</u>	<u>3,948,652</u>	<u>2,444,716</u>	<u>939,402</u>	<u>63,035</u>
End of year	<u>\$4,658,052</u>	<u>\$ 5,171,904</u>	<u>\$ 2,490,793</u>	<u>\$ 1,085,549</u>	<u>\$ 75,866</u>

City of South Gate
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue					
	Measure W Stormwater	sed Oil Program	Recyclin Program	Beverage Container Recycling Program	Road Mitigation Program	Housing Authority Development
REVENUES:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	27,860	-	-
Intergovernmental	991,744	13,202	24,140	-	-	-
Charges for services	-	-	-	-	-	-
Use of money and property	(24,626)	(412)	(1,247)	(51,154)	-	-
Rental	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>967,118</u>	<u>12,790</u>	<u>22,893</u>	<u>(23,294)</u>	<u>-</u>	<u>-</u>
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	-
Police	-	-	-	-	-	-
Community development	-	-	-	-	52,144	-
Parks & recreation	-	-	-	-	-	-
Public works	395,026	34,068	47,147	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>395,026</u>	<u>34,068</u>	<u>47,147</u>	<u>-</u>	<u>52,144</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>572,092</u>	<u>(21,278)</u>	<u>(24,254)</u>	<u>(23,294)</u>	<u>(52,144)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):						
Issuance of debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	(218,738)	-	-	-	-	-
Total other financing sources (uses)	<u>(218,738)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGES IN FUND BALANCES	353,354	(21,278)	(24,254)	(23,294)	(52,144)	-
FUND BALANCES:						
Beginning of year	<u>637,827</u>	<u>20,803</u>	<u>68,197</u>	<u>2,106,522</u>	<u>(81,903)</u>	<u>-</u>
End of year	<u>\$991,181</u>	<u>\$ (475)</u>	<u>\$ 43,943</u>	<u>\$ 2,083,228</u>	<u>\$ (134,047)</u>	<u>-</u>

City of South Gate
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue			Total Nonmajor Governmental Funds
	Emergency Housing Voucher	SB 2 Grant	LEAP Grant	
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ 2,001,775
Licenses and permits	-	-	-	42,493
Intergovernmental	183,645	-	-	20,794,143
Charges for services	-	-	-	1,117,510
Use of money and property	-	-	-	(793,188)
Rental	-	-	-	-
Miscellaneous	-	-	-	8,788
Total revenues	183,645	-	-	23,171,521
EXPENDITURES:				
Current:				
General government	-	-	-	20,594
Police	-	-	-	1,176,453
Community development	8,127	108,172	15,990	8,757,412
Parks & recreation	-	-	-	101,005
Public works	-	-	-	7,679,504
Capital outlay	-	-	-	442,541
Debt service:				
Principal	-	-	-	280,294
Interest and fiscal charges	-	-	-	8,229
Total expenditures	8,127	108,172	15,990	18,466,032
REVENUES OVER (UNDER) EXPENDITURES	175,518	(108,172)	(15,990)	4,705,489
OTHER FINANCING SOURCES (USES):				
Issuance of debt	-	-	-	30,306
Transfers in	-	-	-	1,355,045
Transfers out	-	-	-	(4,241,627)
Total other financing sources (uses)	-	-	-	(2,856,276)
CHANGES IN FUND BALANCES	175,518	(108,172)	(15,990)	1,849,213
FUND BALANCES:				
Beginning of year	13,600	(16,184)	(4,538)	40,596,437
End of year	\$ 189,118	\$ (124,356)	\$ (20,528)	\$ 42,445,650

City of South Gate
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Community Development Block Grant Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 2,170,852	\$ 2,170,852	\$ 1,634,045	\$ (536,807)
Charges for services	-	-	30,000	30,000
Total revenues	<u>2,170,852</u>	<u>2,170,852</u>	<u>1,664,045</u>	<u>(506,807)</u>
EXPENDITURES:				
Current:				
Community development	508,713	2,043,846	1,434,606	609,240
Total expenditures	<u>508,713</u>	<u>2,043,846</u>	<u>1,434,606</u>	<u>609,240</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,662,139</u>	<u>127,006</u>	<u>229,439</u>	<u>102,433</u>
OTHER FINANCING (USES):				
Transfers out	(1,662,139)	(1,662,139)	(265,352)	1,396,787
Total other financing sources (uses)	<u>(1,662,139)</u>	<u>(1,662,139)</u>	<u>(265,352)</u>	<u>1,396,787</u>
CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (1,535,133)</u>	(35,913)	<u>\$ 1,499,220</u>
FUND BALANCE:				
Beginning of year			<u>1,369,699</u>	
End of year			<u>\$ 1,333,786</u>	

City of South Gate
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Housing Authority Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 5,214,700	\$ 5,214,700	\$ 5,110,692	\$ (104,008)
Use of money and property	5,600	5,600	(2,637)	(8,237)
Total revenues	<u>5,220,300</u>	<u>5,220,300</u>	<u>5,108,055</u>	<u>(112,245)</u>
EXPENDITURES:				
Current:				
Community development	4,873,484	4,873,484	5,243,215	(369,731)
Total expenditures	<u>4,873,484</u>	<u>4,873,484</u>	<u>5,243,215</u>	<u>(369,731)</u>
CHANGE IN FUND BALANCE	<u>\$ 346,816</u>	<u>\$ 346,816</u>	(135,160)	<u>\$ (481,976)</u>
FUND BALANCE:				
Beginning of year			<u>490,110</u>	
End of year			<u>\$ 354,950</u>	

City of South Gate
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
HOME Program Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 2,506,133	\$ 2,506,133	\$ 43,130	\$ (2,463,003)
Use of money and property	-	-	870	870
Total revenues	<u>2,506,133</u>	<u>2,506,133</u>	<u>44,000</u>	<u>(2,462,133)</u>
EXPENDITURES:				
Current:				
Community development	2,606,133	2,613,933	126,900	2,487,033
Total expenditures	<u>2,606,133</u>	<u>2,613,933</u>	<u>126,900</u>	<u>2,487,033</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(100,000)</u>	<u>(107,800)</u>	<u>(82,900)</u>	<u>24,900</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	100,000	100,000	83,772	(16,228)
Total other financing sources (uses)	<u>100,000</u>	<u>100,000</u>	<u>83,772</u>	<u>(16,228)</u>
CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (7,800)</u>	872	<u>\$ 8,672</u>
FUND BALANCE:				
Beginning of year			<u>6,515,395</u>	
End of year			<u>\$ 6,516,267</u>	

City of South Gate
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Housing Successor Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ 64,238	\$ 64,238	\$ 88,150	\$ 23,912
Rental	-	-	-	-
Total revenues	<u>64,238</u>	<u>64,238</u>	<u>88,150</u>	<u>23,912</u>
EXPENDITURES:				
Current:				
Community development	165,819	165,819	67,728	98,091
Total expenditures	<u>165,819</u>	<u>165,819</u>	<u>67,728</u>	<u>98,091</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(101,581)</u>	<u>(101,581)</u>	<u>20,422</u>	<u>122,003</u>
CHANGE IN FUND BALANCE	<u>\$ (101,581)</u>	<u>\$ (101,581)</u>	<u>20,422</u>	<u>\$ 122,003</u>
FUND BALANCE:				
Beginning of year			<u>3,856,007</u>	
End of year			<u>\$ 3,876,429</u>	

City of South Gate
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Law Enforcement Grants Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 415,495	\$ 468,495	\$ 384,725	\$ (83,770)
Use of money and property	3,700	3,700	(12,415)	(16,115)
Total revenues	<u>419,195</u>	<u>472,195</u>	<u>372,310</u>	<u>(99,885)</u>
EXPENDITURES:				
Current:				
Police	415,495	498,446	441,026	57,420
Capital outlay	-	103,231	103,555	(324)
Total expenditures	<u>415,495</u>	<u>601,677</u>	<u>544,581</u>	<u>57,096</u>
CHANGE IN FUND BALANCE	<u>\$ 3,700</u>	<u>\$ (129,482)</u>	(172,271)	<u>\$ (42,789)</u>
FUND BALANCE:				
Beginning of year			<u>551,458</u>	
End of year			<u>\$ 379,187</u>	

City of South Gate
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Asset Forfeiture Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 830,000	\$ 830,000	\$ 188,578	\$ (641,422)
Use of money and property	33,700	33,700	(92,566)	(126,266)
Total revenues	<u>863,700</u>	<u>863,700</u>	<u>96,012</u>	<u>(767,688)</u>
EXPENDITURES:				
Current:				
Police	1,041,281	1,054,512	735,427	319,085
Capital outlay	300,732	427,050	267,842	159,208
Debt service:				
Principal retirement	146,902	146,902	195,323	(48,421)
Interest and fiscal charges	6,376	6,376	8,229	(1,853)
Total expenditures	<u>1,495,291</u>	<u>1,634,840</u>	<u>1,206,821</u>	<u>428,019</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(631,591)</u>	<u>(771,140)</u>	<u>(1,110,809)</u>	<u>(339,669)</u>
OTHER FINANCING (USES):				
Issuance of debt	-	-	30,306	30,306
Transfers out	(40,477)	(40,477)	(11,004)	29,473
Total other financing (uses)	<u>(40,477)</u>	<u>(40,477)</u>	<u>19,302</u>	<u>59,779</u>
CHANGE IN FUND BALANCE	<u>\$ (672,068)</u>	<u>\$ (811,617)</u>	<u>(1,091,507)</u>	<u>\$ (279,890)</u>
FUND BALANCE:				
Beginning of year			<u>3,653,410</u>	
End of year			<u>\$ 2,561,903</u>	

City of South Gate
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Air Quality Improvement Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 125,938	\$ 125,938	\$ 91,424	\$ (34,514)
Use of money and property	3,200	3,200	(16,379)	(19,579)
Total revenues	<u>129,138</u>	<u>129,138</u>	<u>75,045</u>	<u>(54,093)</u>
EXPENDITURES:				
Current:				
Community development	12,914	12,914	6,386	6,528
Capital outlay	335,209	324,650	71,144	253,506
Total expenditures	<u>348,123</u>	<u>337,564</u>	<u>77,530</u>	<u>260,034</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(218,985)</u>	<u>(208,426)</u>	<u>(2,485)</u>	<u>205,941</u>
OTHER FINANCING (USES):				
Transfers out	-	(180,000)	(180,000)	-
Total other financing (uses)	<u>-</u>	<u>(180,000)</u>	<u>(180,000)</u>	<u>-</u>
CHANGE IN FUND BALANCE	<u>\$ (218,985)</u>	<u>\$ (388,426)</u>	<u>(182,485)</u>	<u>\$ 205,941</u>
FUND BALANCE:				
Beginning of year			<u>613,994</u>	
End of year			<u>\$ 431,509</u>	

City of South Gate
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Traffic Safety Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Fines and forfeitures	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Current:				
Police	-	-	-	-
Total expenditures	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
OTHER FINANCING (USES):				
Transfers in	-	-	1,263,273	1,263,273
Total other financing (uses)	-	-	1,263,273	1,263,273
CHANGE IN FUND BALANCE	\$ -	\$ -	1,263,273	\$ 1,263,273
FUND BALANCE:				
Beginning of year			(1,232,122)	
End of year			\$ 31,151	

City of South Gate
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Gas Tax Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 2,313,513	\$ 2,313,513	\$ 2,250,408	\$ (63,105)
Use of money and property	2,000	2,000	(30,335)	(32,335)
Total revenues	<u>2,315,513</u>	<u>2,315,513</u>	<u>2,220,073</u>	<u>(95,440)</u>
EXPENDITURES:				
Current:				
Public works	<u>2,026,007</u>	<u>2,076,452</u>	<u>1,154,904</u>	<u>921,548</u>
Total expenditures	<u>2,026,007</u>	<u>2,076,452</u>	<u>1,154,904</u>	<u>921,548</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>289,506</u>	<u>239,061</u>	<u>1,065,169</u>	<u>826,108</u>
OTHER FINANCING (USES):				
Transfers out	<u>(6,399)</u>	<u>(14,079)</u>	<u>(7,680)</u>	<u>6,399</u>
Total other financing (uses)	<u>(6,399)</u>	<u>(14,079)</u>	<u>(7,680)</u>	<u>6,399</u>
CHANGE IN FUND BALANCE	<u>\$ 283,107</u>	<u>\$ 224,982</u>	1,057,489	<u>\$ 832,507</u>
FUND BALANCE:				
Beginning of year			<u>535,299</u>	
End of year			<u>\$ 1,592,788</u>	

City of South Gate
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Street Sweeping Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 688,963	\$ 688,963	\$ 685,161	\$ (3,802)
Use of money and property	5,000	5,000	(14,808)	(19,808)
Total revenues	<u>693,963</u>	<u>693,963</u>	<u>670,353</u>	<u>(23,610)</u>
EXPENDITURES:				
Public works	<u>681,780</u>	<u>681,780</u>	689,897	(8,117)
Total expenditures	<u>681,780</u>	<u>681,780</u>	<u>689,897</u>	<u>(8,117)</u>
CHANGE IN FUND BALANCE	<u>\$ 12,183</u>	<u>\$ 12,183</u>	(19,544)	<u>\$ (31,727)</u>
FUND BALANCE:				
Beginning of year			<u>560,846</u>	
End of year			<u>\$ 541,302</u>	

City of South Gate
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Prop A Transit Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 2,118,926	\$ 2,118,926	\$ 2,673,505	\$ 554,579
Charges for services	73,805	73,805	80,827	7,022
Use of money and property	99,200	99,200	(84,728)	(183,928)
Miscellaneous	8,100	8,100	8,788	688
Total revenues	<u>2,300,031</u>	<u>2,300,031</u>	<u>2,678,392</u>	<u>378,361</u>
EXPENDITURES:				
Current:				
Community development	<u>2,191,816</u>	<u>2,207,929</u>	<u>1,694,144</u>	<u>513,785</u>
Total expenditures	<u>2,191,816</u>	<u>2,207,929</u>	<u>1,694,144</u>	<u>513,785</u>
CHANGE IN FUND BALANCE	<u><u>\$ 108,215</u></u>	<u><u>\$ 92,102</u></u>	984,248	<u><u>\$ 892,146</u></u>
FUND BALANCE:				
Beginning of year			<u>3,555,291</u>	
End of year			<u><u>\$ 4,539,539</u></u>	

City of South Gate
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Prop C Transit Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,624,877	\$ 1,624,877	\$ 2,031,907	\$ 407,030
Use of money and property	34,000	34,000	(175,192)	(209,192)
Total revenues	<u>1,658,877</u>	<u>1,658,877</u>	<u>1,856,715</u>	<u>197,838</u>
EXPENDITURES:				
Current:				
Public works	691,284	751,284	439,700	311,584
Total expenditures	<u>691,284</u>	<u>751,284</u>	<u>439,700</u>	<u>311,584</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>967,593</u>	<u>907,593</u>	<u>1,417,015</u>	<u>509,422</u>
OTHER FINANCING (USES):				
Transfers out	(5,934,716)	(5,934,716)	(2,534,973)	3,399,743
Total other financing (uses)	<u>(5,934,716)</u>	<u>(5,934,716)</u>	<u>(2,534,973)</u>	<u>3,399,743</u>
CHANGE IN FUND BALANCE	<u>\$ (4,967,123)</u>	<u>\$ (5,027,123)</u>	<u>(1,117,958)</u>	<u>\$ 3,909,165</u>
FUND BALANCE:				
Beginning of year			<u>5,842,204</u>	
End of year			<u>\$ 4,724,246</u>	

City of South Gate
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
UDAG Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ 3,400	\$ 3,400	\$ (11,616)	\$ (15,016)
Total revenues	<u>3,400</u>	<u>3,400</u>	<u>(11,616)</u>	<u>(15,016)</u>
EXPENDITURES:				
Current:				
Community development	30,000	30,000	-	30,000
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
CHANGE IN FUND BALANCE	<u>\$ (26,600)</u>	<u>\$ (26,600)</u>	(11,616)	<u>\$ 14,984</u>
FUND BALANCE:				
Beginning of year			419,455	
End of year			<u>\$ 407,839</u>	

City of South Gate
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Public Access Corporation Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 60,000	\$ 60,000	\$ 42,740	\$ (17,260)
Use of money and property	900	900	(512)	(1,412)
Total revenues	<u>60,900</u>	<u>60,900</u>	<u>42,228</u>	<u>(18,672)</u>
EXPENDITURES:				
Current:				
General government	18,145	18,145	20,594	(2,449)
Total expenditures	<u>18,145</u>	<u>18,145</u>	<u>20,594</u>	<u>(2,449)</u>
CHANGE IN FUND BALANCE	<u>\$ 42,755</u>	<u>\$ 42,755</u>	21,634	<u>\$ (21,121)</u>
FUND BALANCE:				
Beginning of year			<u>12,553</u>	
End of year			<u>\$ 34,187</u>	

City of South Gate
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Street Lighting & Landscaping Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes	\$ -	\$ -	\$ 2,001,775	\$ 2,001,775
Total revenues	<u>-</u>	<u>-</u>	<u>2,001,775</u>	<u>2,001,775</u>
EXPENDITURES:				
Current:				
Public works	2,352,359	2,352,359	2,157,617	194,742
Debt service:				
Principal	-	-	84,971	(84,971)
Total expenditures	<u>2,352,359</u>	<u>2,352,359</u>	<u>2,242,588</u>	<u>109,771</u>
CHANGE IN FUND BALANCE	<u><u>\$ (2,352,359)</u></u>	<u><u>\$ (2,352,359)</u></u>	<u>(240,813)</u>	<u><u>\$ 2,111,546</u></u>
FUND BALANCE:				
Beginning of year			<u>(1,148,848)</u>	
End of year			<u><u>\$ (1,389,661)</u></u>	

City of South Gate
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Measure R Transit Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,218,658	\$ 1,218,658	\$ 1,523,685	\$ 305,027
Use of money and property	46,100	46,100	(130,643)	(176,743)
Total revenues	<u>1,264,758</u>	<u>1,264,758</u>	<u>1,393,042</u>	<u>128,284</u>
EXPENDITURES:				
Current:				
Public works	1,144,863	1,147,385	1,379,943	(232,558)
Total expenditures	<u>1,144,863</u>	<u>1,147,385</u>	<u>1,379,943</u>	<u>(232,558)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>119,895</u>	<u>117,373</u>	<u>13,099</u>	<u>(104,274)</u>
OTHER FINANCING (USES):				
Transfers out	(1,312,657)	(1,312,657)	(216,604)	1,096,053
Total other financing (uses)	<u>(1,312,657)</u>	<u>(1,312,657)</u>	<u>(216,604)</u>	<u>1,096,053</u>
CHANGE IN FUND BALANCE	<u>\$ (1,192,762)</u>	<u>\$ (1,195,284)</u>	<u>(203,505)</u>	<u>\$ 991,779</u>
FUND BALANCE:				
Beginning of year			<u>4,861,557</u>	
End of year			<u>\$ 4,658,052</u>	

City of South Gate
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Road Repair & Accountability Act Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,863,456	\$ 1,863,456	\$ 1,925,088	\$ 61,632
Use of money and property	16,000	16,000	(123,052)	(139,052)
Total revenues	<u>1,879,456</u>	<u>1,879,456</u>	<u>1,802,036</u>	<u>(77,420)</u>
EXPENDITURES:				
Current:				
Public works	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,879,456</u>	<u>1,879,456</u>	<u>1,802,036</u>	<u>(77,420)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(5,110,499)	(5,110,499)	(578,784)	4,531,715
Total other financing sources (uses)	<u>(5,110,499)</u>	<u>(5,110,499)</u>	<u>(578,784)</u>	<u>4,531,715</u>
CHANGE IN FUND BALANCE	<u>\$ (3,231,043)</u>	<u>\$ (3,231,043)</u>	1,223,252	<u>\$ 4,454,295</u>
FUND BALANCE:				
Beginning of year			<u>3,948,652</u>	
End of year			<u>\$ 5,171,904</u>	

City of South Gate
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Measure M Transit Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,381,146	\$ 1,381,146	\$ 1,724,225	\$ 343,079
Use of money and property	9,100	9,100	(80,058)	(89,158)
Total revenues	<u>1,390,246</u>	<u>1,390,246</u>	<u>1,644,167</u>	<u>253,921</u>
EXPENDITURES:				
Current:				
Public works	<u>1,388,152</u>	<u>1,388,152</u>	<u>1,381,202</u>	<u>6,950</u>
Total expenditures	<u>1,388,152</u>	<u>1,388,152</u>	<u>1,381,202</u>	<u>6,950</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,094</u>	<u>2,094</u>	<u>262,965</u>	<u>260,871</u>
OTHER FINANCING (USES):				
Transfers in	-	-	8,000	8,000
Transfers out	<u>(2,008,688)</u>	<u>(2,008,688)</u>	<u>(224,888)</u>	<u>1,783,800</u>
Total other financing (uses)	<u>(2,008,688)</u>	<u>(2,008,688)</u>	<u>(216,888)</u>	<u>1,791,800</u>
CHANGE IN FUND BALANCE	<u>\$ (2,006,594)</u>	<u>\$ (2,006,594)</u>	46,077	<u>\$ 2,052,671</u>
FUND BALANCE:				
Beginning of year			<u>2,444,716</u>	
End of year			<u>\$ 2,490,793</u>	

City of South Gate
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Park Enhancement Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 277,054	\$ 277,054	\$ 278,782	\$ 1,728
Use of money and property	4,100	4,100	(28,026)	(32,126)
Total revenues	<u>281,154</u>	<u>281,154</u>	<u>250,756</u>	<u>(30,398)</u>
EXPENDITURES:				
Current:				
Parks & recreation	210,336	210,336	101,005	109,331
Total expenditures	<u>210,336</u>	<u>210,336</u>	<u>101,005</u>	<u>109,331</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>70,818</u>	<u>70,818</u>	<u>149,751</u>	<u>78,933</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,037,139)	(1,037,139)	(3,604)	1,033,535
Total other financing sources (uses)	<u>(1,037,139)</u>	<u>(1,037,139)</u>	<u>(3,604)</u>	<u>1,033,535</u>
CHANGE IN FUND BALANCE	<u>\$ (966,321)</u>	<u>\$ (966,321)</u>	146,147	<u>\$ 1,112,468</u>
FUND BALANCE:				
Beginning of year			<u>939,402</u>	
End of year			<u>\$ 1,085,549</u>	

City of South Gate
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
CASp Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ 8,313	\$ 8,313	\$ 14,633	\$ 6,320
Use of money and property	300	300	(1,802)	(2,102)
Total revenues	<u>8,613</u>	<u>8,613</u>	<u>12,831</u>	<u>4,218</u>
CHANGE IN FUND BALANCE	<u>\$ 8,613</u>	<u>\$ 8,613</u>	12,831	<u>\$ 4,218</u>
FUND BALANCE:				
Beginning of year			<u>63,035</u>	
End of year			<u>\$ 75,866</u>	

City of South Gate
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Measure W Stormwater Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,000,000	\$ 1,000,000	\$ 991,744	\$ (8,256)
Use of money and property	-	-	(24,626)	(24,626)
Total revenues	<u>1,000,000</u>	<u>1,000,000</u>	<u>967,118</u>	<u>(32,882)</u>
EXPENDITURES:				
Current:				
Public works	-	-	395,026	(395,026)
Total expenditures	<u>-</u>	<u>-</u>	<u>395,026</u>	<u>(395,026)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,000,000</u>	<u>1,000,000</u>	<u>572,092</u>	<u>(427,908)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(1,073,119)</u>	<u>(1,073,119)</u>	<u>(218,738)</u>	<u>854,381</u>
Total other financing sources (uses)	<u>(1,073,119)</u>	<u>(1,073,119)</u>	<u>(218,738)</u>	<u>854,381</u>
CHANGE IN FUND BALANCE	<u>\$ (73,119)</u>	<u>\$ (73,119)</u>	353,354	<u>\$ 426,473</u>
Beginning of year			<u>637,827</u>	
End of year			<u>\$ 991,181</u>	

City of South Gate
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Used Oil Recycling Program Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 26,053	\$ 26,053	\$ 13,202	\$ (12,851)
Use of money and property	-	-	(412)	(412)
Total revenues	<u>26,053</u>	<u>26,053</u>	<u>12,790</u>	<u>(13,263)</u>
EXPENDITURES:				
Current:				
Public works	-	-	34,068	(34,068)
Total expenditures	<u>-</u>	<u>-</u>	<u>34,068</u>	<u>(34,068)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>26,053</u>	<u>26,053</u>	<u>(21,278)</u>	<u>(47,331)</u>
CHANGE IN FUND BALANCE	<u>\$ 26,053</u>	<u>\$ 26,053</u>	(21,278)	<u>\$ (47,331)</u>
FUND BALANCE:				
Beginning of year			<u>20,803</u>	
End of year			<u>\$ (475)</u>	

City of South Gate
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Beverage Container Recycling Program Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 23,935	\$ 23,935	\$ 24,140	\$ 205
Use of money and property	-	-	(1,247)	(1,247)
Total revenues	<u>23,935</u>	<u>23,935</u>	<u>22,893</u>	<u>(1,042)</u>
EXPENDITURES:				
Current:				
Public works	-	-	47,147	(47,147)
Total expenditures	<u>-</u>	<u>-</u>	<u>47,147</u>	<u>(47,147)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>23,935</u>	<u>23,935</u>	<u>(24,254)</u>	<u>(48,189)</u>
CHANGE IN FUND BALANCE	<u>\$ 23,935</u>	<u>\$ 23,935</u>	<u>(24,254)</u>	<u>\$ (48,189)</u>
FUND BALANCE:				
Beginning of year			<u>68,197</u>	
End of year			<u>\$ 43,943</u>	

City of South Gate
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Road Mitigation Program Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ 50,000	\$ 50,000	\$ 27,860	\$ (22,140)
Use of money and property	-	-	(51,154)	(51,154)
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>(23,294)</u>	<u>(73,294)</u>
EXPENDITURES:				
Current:				
Public works	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(23,294)</u>	<u>(73,294)</u>
CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>(23,294)</u>	<u>\$ (73,294)</u>
FUND BALANCE:				
Beginning of year			<u>2,106,522</u>	
End of year			<u>\$ 2,083,228</u>	

City of South Gate
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Housing Authority - Development Projects Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
EXPENDITURES:				
Current:				
Community development	\$ 277,475	\$ 277,475	\$ 52,144	\$ 225,331
Total expenditures	<u>277,475</u>	<u>277,475</u>	<u>52,144</u>	<u>225,331</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(277,475)</u>	<u>(277,475)</u>	<u>(52,144)</u>	<u>225,331</u>
CHANGE IN FUND BALANCE	<u>\$ (277,475)</u>	<u>\$ (277,475)</u>	<u>(52,144)</u>	<u>\$ 225,331</u>
FUND BALANCE:				
Beginning of year			<u>(81,903)</u>	
End of year			<u>\$ (134,047)</u>	

City of South Gate
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Emergency Housing Voucher Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 183,645	\$ 183,645
Total revenues	-	-	183,645	183,645
EXPENDITURES:				
Current:				
Community development	-	-	8,127	(8,127)
Total expenditures	-	-	8,127	(8,127)
REVENUES OVER (UNDER) EXPENDITURES	-	-	175,518	175,518
CHANGE IN FUND BALANCE	\$ -	\$ -	175,518	\$ 175,518
FUND BALANCE:				
Beginning of year			13,600	
End of year			\$ 189,118	

City of South Gate
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
SB 2 Grant Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
EXPENDITURES:				
Current:				
Community development	310,000	310,000	108,172	201,828
Total expenditures	310,000	310,000	108,172	201,828
REVENUES OVER (UNDER) EXPENDITURES	(310,000)	(310,000)	(108,172)	201,828
CHANGE IN FUND BALANCE	\$ (310,000)	\$ (310,000)	(108,172)	\$ 201,828
FUND BALANCE:				
Beginning of year			(16,184)	
End of year			\$ (124,356)	

City of South Gate
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
LEAP Grant Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
EXPENDITURES:				
Current:				
Community development	\$ 282,500	\$ 282,500	\$ 15,990	\$ 266,510
Total expenditures	<u>282,500</u>	<u>282,500</u>	<u>15,990</u>	<u>266,510</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(282,500)</u>	<u>(282,500)</u>	<u>(15,990)</u>	<u>266,510</u>
CHANGE IN FUND BALANCE	<u>\$ (282,500)</u>	<u>\$ (282,500)</u>	<u>(15,990)</u>	<u>\$ 266,510</u>
FUND BALANCE:				
Beginning of year			<u>(4,538)</u>	
End of year			<u>\$ (20,528)</u>	

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INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS have been established to finance and account for goods and services provided by one City department to other City departments or agencies:

Insurance Fund - To administer the City's self-insured workers' compensation, health insurance and general liability programs. The fund collects premiums from departments and employees, records the related liability and makes benefit payments through outside settlement agents.

Information Systems Fund - To account for the operations and maintenance costs of the City's Enterprise Resource Planning (ERP) systems and hardware used by all City departments.

Fleet Management Fund - To account for the regular maintenance and repair of all City-owned vehicles and other pieces of equipment.

Capital Asset & Equipment Replacement Fund - To account for the funding and replacement of the City's capital assets.

Building & Infrastructure Maintenance Fund - To account for the funding and maintenance of the City's buildings and infrastructure.

City of South Gate
Combining Statement of Net Position
Internal Service Funds
June 30, 2022

	Insurance	Information Systems	Fleet Management	Capital Asset & Equipment Replacement
ASSETS				
Current assets:				
Cash and investments	\$ 9,310,506	\$ 940,693	\$2,240,869	\$4,467,641
Accounts receivable	1,389	-	-	-
Accrued interest	11,192	1,562	2,735	5,907
Due from other funds	21,865	18,510	-	-
Total current assets	<u>9,344,952</u>	<u>960,765</u>	<u>2,243,604</u>	<u>4,473,548</u>
Noncurrent assets:				
Capital assets:				
Depreciable assets, net of accumulated depreciation	-	1,446,336	4,895	1,268,327
Total capital assets, net	<u>-</u>	<u>1,446,336</u>	<u>4,895</u>	<u>1,268,327</u>
Total assets	<u>9,344,952</u>	<u>2,407,101</u>	<u>2,248,499</u>	<u>5,741,875</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions	72,445	77,887	151,422	-
Deferred outflows of resources related to OPEB	19,859	54,161	114,641	-
Total deferred outflows of resources	<u>92,304</u>	<u>132,048</u>	<u>266,063</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable	102,705	150,800	143,467	24,525
Accrued liabilities	2,187	10,067	17,786	-
Compensated absences, due within one year	319	3,931	3,750	-
Claims and judgments, due within one year	3,845,757	-	-	-
Long-term debt, due within one year	-	404,651	-	-
Total current liabilities	<u>3,950,968</u>	<u>569,449</u>	<u>165,003</u>	<u>24,525</u>
Noncurrent liabilities:				
Compensated absences, due in more than one year	3,170	37,082	39,246	-
Claims and judgments, due in more than one year	9,231,639	-	-	-
Net pension liability	267,100	287,166	558,284	-
Net OPEB liability	102,546	279,671	591,971	-
Total noncurrent liabilities	<u>9,604,455</u>	<u>603,919</u>	<u>1,189,501</u>	<u>-</u>
Total liabilities	<u>13,555,423</u>	<u>1,173,368</u>	<u>1,354,504</u>	<u>24,525</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pensions	199,052	214,006	416,052	-
Deferred inflows of resources related to OPEB	27,443	74,845	158,421	-
Total deferred inflows of resources	<u>226,495</u>	<u>288,851</u>	<u>574,473</u>	<u>-</u>
NET POSITION				
Investment in capital assets	-	1,041,685	4,895	1,268,327
Unrestricted (deficit)	(4,344,662)	35,245	580,690	4,449,023
Total net position	<u>\$ (4,344,662)</u>	<u>\$ 1,076,930</u>	<u>\$ 585,585</u>	<u>\$ 5,717,350</u>

City of South Gate
Combining Statement of Net Position (Continued)
Internal Service Funds
June 30, 2022

	Building & Infrastructure Maintenance	Total
ASSETS		
Current assets:		
Cash and investments	\$ 788,942	\$ 17,748,651
Accounts receivable	-	1,389
Accrued interest	1,446	22,842
Due from other funds	-	40,375
Total current assets	<u>790,388</u>	<u>17,813,257</u>
Noncurrent assets:		
Capital assets:		
Depreciable assets, net of accumulated depreciation	634,342	3,353,900
Total capital assets, net	<u>634,342</u>	<u>3,353,900</u>
Total assets	<u>1,424,730</u>	<u>21,167,157</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pension plan	-	301,754
Deferred outflows of resources related to OPEB	-	188,661
Total deferred outflows of resources	<u>-</u>	<u>490,415</u>
LIABILITIES		
Current liabilities:		
Accounts payable	193,235	614,732
Accrued liabilities	-	30,040
Compensated absences, due within one year	-	8,000
Claims and judgments, due within one year	-	3,845,757
Long-term debt, due within one year	-	404,651
Total current liabilities	<u>193,235</u>	<u>4,903,180</u>
Noncurrent liabilities:		
Compensated absences, due in more than one year	-	79,498
Claims and judgments, due in more than one year	-	9,231,639
Net pension liability	-	1,112,550
Net OPEB liability	-	974,188
Total noncurrent liabilities	<u>-</u>	<u>11,397,875</u>
Total liabilities	<u>193,235</u>	<u>16,301,055</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	-	829,110
Deferred inflows of resources related to OPEB	-	260,709
Total deferred inflows of resources	<u>-</u>	<u>1,089,819</u>
NET POSITION		
Investment in capital assets	634,342	2,949,249
Unrestricted (deficit)	597,153	1,317,449
Total net position	<u>\$ 1,231,495</u>	<u>\$ 4,266,698</u>

City of South Gate
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2022

	Insurance	Information Systems	Fleet Management	Capital Asset & Equipment Replacement
OPERATING REVENUES:				
Interdepartmental charges	\$ 4,278,610	\$ 1,097,735	\$1,761,800	\$ 564,392
Total operating revenues	<u>4,278,610</u>	<u>1,097,735</u>	<u>1,761,800</u>	<u>564,392</u>
OPERATING EXPENSES:				
Personnel services	360,896	355,073	584,807	-
Utilities	-	6,205	-	-
Contractual services	117,528	29,780	128,504	-
Administrative services	95,111	145,431	251,925	-
Repair and maintenance	-	441,179	15,606	-
Supplies	9,251	13,935	809,065	-
Insurance	4,285,849	-	-	-
Claim expense	3,585,914	-	-	-
Depreciation expense	-	187,287	4,896	173,221
Total operating expenses	<u>8,454,549</u>	<u>1,178,890</u>	<u>1,794,803</u>	<u>173,221</u>
Operating income (loss)	<u>(4,175,939)</u>	<u>(81,155)</u>	<u>(33,003)</u>	<u>391,171</u>
NONOPERATING REVENUES:				
Interest expense	-	(26,202)	-	-
Interest income (loss)	(219,236)	(28,654)	(47,278)	(117,957)
Total nonoperating revenues	<u>(219,236)</u>	<u>(54,856)</u>	<u>(47,278)</u>	<u>(117,957)</u>
TRANSFERS:				
Transfers in	2,986,259	1,340,357	2,156,038	-
Transfers out	-	-	-	-
Total transfers	<u>2,986,259</u>	<u>1,340,357</u>	<u>2,156,038</u>	<u>-</u>
Changes in net position	(1,408,916)	1,204,346	2,075,757	273,214
NET POSITION:				
Beginning of year, as restated (note 17)	(2,935,746)	(127,416)	(1,490,172)	5,444,136
End of year	<u>\$ (4,344,662)</u>	<u>\$ 1,076,930</u>	<u>\$ 585,585</u>	<u>\$5,717,350</u>

City of South Gate
Combining Statement of Revenues, Expenses, and Changes in Net Position (Continued)
Internal Service Funds
For the Year Ended June 30, 2022

	Building & Infrastructure Maintenance	Total
OPERATING REVENUES:		
Interdepartmental charges	\$ -	\$7,702,537
Total operating revenues	<u>-</u>	<u>7,702,537</u>
OPERATING EXPENSES:		
Personnel services	-	1,300,776
Utilities	-	6,205
Contractual services	1,800	277,612
Administrative services	-	492,467
Repair and maintenance	140,078	596,863
Supplies	-	832,251
Insurance	-	4,285,849
Claim expense	-	3,585,914
Depreciation expense	59,534	424,938
Total operating expenses	<u>201,412</u>	<u>11,802,875</u>
Operating income (loss)	<u>(201,412)</u>	<u>(4,100,338)</u>
NONOPERATING REVENUES:		
Interest expense	-	(26,202)
Interest income (loss)	<u>(26,841)</u>	<u>(439,966)</u>
Total nonoperating revenues	<u>(26,841)</u>	<u>(466,168)</u>
TRANSFERS:		
Transfers in	760,912	7,243,566
Transfers out	<u>(226,818)</u>	<u>(226,818)</u>
Total transfers	<u>534,094</u>	<u>7,016,748</u>
Changes in net position	305,841	2,450,242
NET POSITION:		
Beginning of year	<u>925,654</u>	<u>1,816,456</u>
End of year	<u>\$1,231,495</u>	<u>\$4,266,698</u>

City of South Gate
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2022

	Insurance	Information Systems	Fleet Management	Capital Asset & Equipment Replacement
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from interfund service provided	\$ 4,342,814	\$ 1,103,263	\$ 1,767,702	\$ 564,392
Cash paid to suppliers for goods and services	(113,295)	(669,403)	(961,627)	-
Cash paid to employees for services	(224,894)	(425,294)	(858,543)	-
Cash paid for insurance premium and claims	(5,565,695)	-	-	-
Net cash provided by (used in) operating activities	<u>(1,561,070)</u>	<u>8,566</u>	<u>(52,468)</u>	<u>564,392</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Principal paid on long-term debt	-	(391,761)	-	-
Interest paid on long-term debt	-	(26,202)	-	-
Acquisition and construction of capital assets	-	(136,888)	-	(138,625)
Net cash (used in) capital and related financing activities	<u>-</u>	<u>(554,851)</u>	<u>-</u>	<u>(138,625)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income (loss)	(223,030)	(29,744)	(50,013)	(119,317)
Net cash provided by (used in) investing activities	<u>(223,030)</u>	<u>(29,744)</u>	<u>(50,013)</u>	<u>(119,317)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfer in	2,986,259	1,340,357	2,156,038	-
Transfer out	-	-	-	-
Net cash (used in) noncapital financing activities	<u>2,986,259</u>	<u>1,340,357</u>	<u>2,156,038</u>	<u>-</u>
Net change in cash and cash equivalents	1,202,159	764,328	2,053,557	306,450
CASH AND CASH EQUIVALENTS:				
Beginning of year	8,108,347	176,365	187,312	4,161,191
End of year	<u>\$ 9,310,506</u>	<u>\$ 940,693</u>	<u>\$ 2,240,869</u>	<u>\$ 4,467,641</u>

(Continued)

City of South Gate
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Year Ended June 30, 2022

	Building & Infrastructure Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from interfund service provided	\$ -	\$ 7,778,171
Cash paid to suppliers for goods and services	(78,628)	(1,822,953)
Cash paid to employees for services	-	(1,508,731)
Cash paid for insurance premium and claims	-	(5,565,695)
Net cash provided by (used in) operating activities	(78,628)	(1,119,208)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Principal paid on long-term debt	-	(391,761)
Interest paid on long-term debt	-	(26,202)
Acquisition and construction of capital assets	-	(275,513)
Net cash (used in) capital and related financing activities	-	(693,476)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment income (loss)	(27,756)	(449,860)
Net cash provided by (used in) investing activities	(27,756)	(449,860)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfer in	760,912	7,243,566
Transfer out	(226,818)	(226,818)
Net cash (used in) noncapital financing activities	534,094	7,016,748
Net change in cash and cash equivalents	427,710	4,754,204
CASH AND CASH EQUIVALENTS:		
Beginning of year	361,232	12,994,447
End of year	\$ 788,942	\$ 17,748,651

(Continued)

City of South Gate
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Year Ended June 30, 2022

	Insurance	Information Systems	Fleet Management	Capital Asset & Equipment Replacement
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	\$ (4,175,939)	\$ (81,156)	\$ (33,002)	\$ 391,171
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	187,287	4,896	173,221
(Increase) decrease in accounts receivable	(1,389)	-	-	-
(Increase) decrease in due from other funds	65,593	5,528	5,901	-
(Increase) decrease in deferred outflows of resources related to pensions	(44,428)	7,585	(562)	-
(Increase) decrease in deferred outflows of resources related to other postemployment benefits	(7,533)	(20,544)	(43,484)	-
Increase (decrease) in accounts payable	13,484	(32,872)	(8,453)	-
Increase (decrease) in accrued liabilities	(1,623)	1,304	9,069	-
Increase (decrease) in compensated absences	(283)	(3,561)	10,147	-
Increase (decrease) in claims and judgments	2,306,068	-	-	-
Increase (decrease) in net pension liability	76,598	(293,990)	(467,452)	-
Increase (decrease) in net OPEB liability	5,947	16,218	34,330	-
Increase (decrease) in deferred inflows of resources related to pensions	197,609	209,604	408,282	-
Increase (decrease) in deferred inflows of resources related to other postemployment benefits	4,826	13,163	27,860	-
Total adjustments	<u>2,614,869</u>	<u>89,722</u>	<u>(19,466)</u>	<u>173,221</u>
Net cash provided by (used in) operating activities	<u>\$ (1,561,070)</u>	<u>\$ 8,566</u>	<u>\$ (52,468)</u>	<u>\$ 564,392</u>

(Continued)

City of South Gate
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Year Ended June 30, 2022

	Building & Infrastructure Maintenance	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Operating income (loss)	\$ (201,412)	\$ (4,100,338)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	59,534	424,938
(Increase) decrease in accounts receivable	-	(1,389)
(Increase) decrease in due from other funds	-	77,022
(Increase) decrease in deferred outflows of resources related to pensions	-	(37,405)
(Increase) decrease in deferred outflows of resources related to other postemployment benefits	-	(71,561)
Increase (decrease) in accounts payable	63,250	35,409
Increase (decrease) in accrued liabilities	-	8,750
Increase (decrease) in compensated absences	-	6,303
Increase (decrease) in claims and judgments	-	2,306,068
Increase (decrease) in net pension liability	-	(684,844)
Increase (decrease) in net OPEB liability	-	56,495
Increase (decrease) in deferred inflows of resources related to pensions	-	815,495
Increase (decrease) in deferred inflows of resources related to other postemployment benefits	-	45,849
Total adjustments	122,784	2,981,130
Net cash provided by (used in) operating activities	\$ (78,628)	\$ (1,119,208)

(Concluded)

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CUSTODIAL FUNDS

CUSTODIAL FUNDS accounts for assets held by the City as an agent for individuals, private organizations, other governments and/or other funds. Cash resources are collected, held for a brief period and then distributed to the proper recipients. The City has a fiduciary responsibility for the assets, which it does not own. The following funds are classified as an custodial fund in the financial statements:

Tweedy P & BIA - This fund is funded for several eligible events and activities under the Tweedy Parking and Business Improvement District (BID). To raise funds, each business in the District area will pay an assessment along with the City Business License. Assessments charged to each business will vary depending on the gross income reported on their License application/renewal. Decision regarding use of the BID funds are made by an Advisory Board appointed by the City Council.

Special Deposits Fund - This fund is used to account for deposits placed with the City for future services and trust funds awaiting remittance to relevant service providers.

City of South Gate
Combining Statement of Fiduciary Assets and Liabilities
Custodial Funds
June 30, 2022

	Tweedy P & BIA	Special Deposits	Total
ASSETS			
Cash and investments	\$ 34,667	\$ 947,743	\$ 982,410
Accounts receivable	42	163	205
Total assets	\$ 34,709	\$ 947,906	\$ 982,615
LIABILITIES			
Accounts payable	\$ -	\$ 828	\$ 828
Total liabilities	-	828	828
NET POSITION			
Restricted for:			
Individuals, organizations, and other governments	\$ 34,709	\$ 947,078	\$ 981,787

City of South Gate
Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Custodial Funds
For the Year Ended June 30, 2022

	Tweedy P & BIA	Special Deposits	Total
ADDITIONS:			
Use of money and property	\$ (740)	\$ -	\$ (740)
Membership assessment	18,392	112,634	131,026
Total additions	17,652	112,634	130,286
DEDUCTIONS:			
Operational expenses	12,633	106,989	119,622
Total deductions	12,633	106,989	119,622
Changes in Net Position	5,019	5,645	10,664
NET POSITION:			
Beginning of year	29,690	941,433	971,123
End of year	\$ 34,709	\$ 947,078	\$ 981,787

See accompanying Notes to the Basic Financial Statements.

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STATISTICAL SECTION (UNAUDITED)

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**City of South Gate
Statistical Section
Overview (Unaudited)**

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

Contents	Page
Financial Trends	181 - 194
<p>These schedules contain trend information to help the reader understand how the government's financial performance and well being have changed over time.</p>	
Revenue Capacity	195 - 201
<p>These schedules contain information to help the reader assess one of the government's most significant local revenue sources - property tax.</p>	
Debt Capacity	202 - 207
<p>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</p>	
Demographic and Economic Information	208
<p>This schedule offers demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</p>	
Operating Information	209 - 213
<p>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</p>	

**City of South Gate
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental Activities					
Net Investment in capital assets	\$ 223,462	\$ 227,259	\$ 225,811	\$ 228,683	\$ 214,310
Restricted	19,734	21,358	22,135	29,778	32,432
Unrestricted	<u>10,889</u>	<u>13,875</u>	<u>(39,779)</u>	<u>(40,323)</u>	<u>(22,504)</u>
Total governmental activities net position	<u>\$ 254,085</u>	<u>\$ 262,492</u>	<u>\$ 208,167</u>	<u>\$ 218,138</u>	<u>224,238</u>
Business-type activities					
Net Investment in capital assets	\$ 44,813	\$ 44,824	\$ 43,963	\$ 352	\$ 17,879
Restricted	13,944	14,492	6,517	2,002	2,169
Unrestricted	<u>(53,012)</u>	<u>(48,245)</u>	<u>(36,142)</u>	<u>20,588</u>	<u>11,024</u>
Total business-type activities net position	<u>\$ 5,745</u>	<u>\$ 11,071</u>	<u>\$ 14,338</u>	<u>\$ 22,942</u>	<u>31,072</u>
Primary government					
Net Investment in capital assets	\$ 268,275	\$ 272,083	\$ 269,774	\$ 229,035	\$ 232,189
Restricted	33,678	35,850	28,652	31,780	34,601
Unrestricted	<u>(42,123)</u>	<u>(34,370)</u>	<u>(75,921)</u>	<u>(19,735)</u>	<u>(11,480)</u>
Total primary government net position	<u>\$ 259,830</u>	<u>\$ 273,563</u>	<u>\$ 222,505</u>	<u>\$ 241,080</u>	<u>255,310</u>

Source: The information is derived from the City's financial statements.

City of South Gate
Net Position by Component (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Governmental Activities					
Net Investment in capital assets	\$ 233,267	\$ 237,924	\$ 235,345	\$ 239,644	\$ 239,102
Restricted	34,187	34,130	38,447	61,928	49,312
Unrestricted	<u>(72,433)</u>	<u>(70,880)</u>	<u>(56,382)</u>	<u>(64,212)</u>	<u>(83,605)</u>
Total governmental activities net position	<u>195,021</u>	<u>201,174</u>	<u>217,410</u>	<u>237,360</u>	<u>204,809</u>
Business-type activities					
Net Investment in capital assets	\$ 19,086	\$ 19,213	\$ 18,944	\$ 20,712	\$ 22,812
Restricted	1,888	1,974	831	846	-
Unrestricted	<u>16,523</u>	<u>22,031</u>	<u>10,984</u>	<u>14,717</u>	<u>38,301</u>
Total business-type activities net position	<u>37,497</u>	<u>43,218</u>	<u>30,759</u>	<u>36,275</u>	<u>61,113</u>
Primary government					
Net Investment in capital assets	\$ 252,353	\$ 257,137	\$ 254,289	\$ 260,356	\$ 261,914
Restricted	36,075	36,104	39,278	62,774	49,312
Unrestricted	<u>(55,910)</u>	<u>(48,849)</u>	<u>(45,398)</u>	<u>(49,495)</u>	<u>(45,304)</u>
Total primary government net position	<u>232,518</u>	<u>244,392</u>	<u>248,169</u>	<u>273,635</u>	<u>265,922</u>

Source: The information is derived from the City's financial statements.

**CITY OF SOUTH GATE
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Expenses					
Governmental activities:					
General government	\$ 5,591	\$ 4,648	\$ 6,830	\$ 6,312	\$ 6,847
Public works	15,504	15,988	15,753	16,794	18,513
Parks and recreation	5,174	5,454	6,155	6,951	7,544
Police	20,065	20,251	21,435	22,507	27,043
Community development	10,690	11,651	10,542	10,939	10,987
Interest expense	2,260	2,148	1,712	1,122	1,310
Total governmental activities expenses	<u>59,284</u>	<u>60,140</u>	<u>62,427</u>	<u>64,625</u>	<u>72,244</u>
Business-type activities:					
Sewer	1,496	1,591	1,543	1,672	1,767
Water	13,206	12,411	12,394	12,956	12,516
Refuse	3,499	3,498	3,433	3,493	3,715
Total business-type activities expenses	<u>18,201</u>	<u>17,500</u>	<u>17,370</u>	<u>18,121</u>	<u>17,998</u>
Total primary government expenses	<u>\$ 77,485</u>	<u>\$ 77,640</u>	<u>\$ 79,797</u>	<u>\$ 82,746</u>	<u>\$ 90,242</u>

Source: The information is derived from the City's financial statements.

CITY OF SOUTH GATE
CHANGES IN NET POSITION (Continued)
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Program Revenues					
Governmental activities:					
Charges for service:					
General government	\$ 3,032	\$ 3,102	\$ 3,105	\$ 3,037	\$ 2,949
Public works	1,163	1,101	1,231	1,146	1,456
Parks and recreation	685	894	986	966	1,106
Police	2,656	3,445	3,262	3,844	4,189
Community development	3,229	4,171	2,888	2,684	3,619
Operating grants and contributions	14,777	16,363	13,527	14,756	14,090
Capital grants and contributions	3,993	4,696	3,811	7,148	8,221
Total governmental activities program revenues	<u>29,535</u>	<u>33,772</u>	<u>28,810</u>	<u>33,581</u>	<u>35,630</u>
Business-type activities:					
Charges for service:					
Sewer	1,485	1,513	1,388	1,346	1,340
Water	15,061	17,255	18,279	20,524	19,720
Refuse	3,550	3,673	3,714	3,717	3,738
Operating grants and contributions	54	64	57	71	35
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>20,150</u>	<u>22,505</u>	<u>23,438</u>	<u>25,658</u>	<u>24,833</u>
Total primary government program revenues	<u>\$ 49,685</u>	<u>\$ 56,277</u>	<u>\$ 52,248</u>	<u>\$ 59,239</u>	<u>\$ 60,463</u>
Net (expense)/revenue					
Governmental activities	\$ (29,749)	\$ (26,368)	\$ (33,617)	\$ (31,044)	\$ (36,614)
Business-type activities	1,949	5,005	6,068	7,537	6,835
Total primary government net expense	<u>\$ (27,800)</u>	<u>\$ (21,363)</u>	<u>\$ (27,549)</u>	<u>\$ (23,507)</u>	<u>\$ (29,779)</u>

Source: The information is derived from the City's financial statements.

CITY OF SOUTH GATE
CHANGES IN NET POSITION (Continued)
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Revenues and Other Changes in Position					
Governmental activities:					
Taxes					
Property taxes	\$ 13,346	\$ 12,834	\$ 13,301	\$ 11,712	\$ 12,131
Sales taxes	13,347	14,186	17,838	21,838	20,623
Transient occupancy taxes	250	278	267	350	390
Franchise taxes	2,031	2,228	2,287	2,420	2,454
Other taxes	1,745	1,862	2,006	2,073	2,216
Investment income	2,638	2,487	1,784	2,412	1,539
Motor vehicle in-lieu	44	-	42	39	45
Lawsuit settlements	-	-	-	-	-
Gain on sale of land	-	-	-	-	-
Miscellaneous	2,081	832	1,538	1,237	576
Transfers	51	95	-	(1,066)	(1,294)
Extraordinary gain/(loss) on dissolution of redevelopment agency	-	-	-	-	-
Total governmental activities	<u>35,533</u>	<u>34,802</u>	<u>39,063</u>	<u>41,015</u>	<u>38,680</u>
Business-type activities:					
Investment income	142	118	127	-	-
Miscellaneous	731	298	532	-	-
Transfers	(51)	(95)	-	1,066	1,294
Total business-type activities	<u>822</u>	<u>321</u>	<u>659</u>	<u>1,066</u>	<u>1,294</u>
Total primary government	<u>\$ 36,355</u>	<u>\$ 35,123</u>	<u>\$ 39,722</u>	<u>\$ 42,081</u>	<u>\$ 39,974</u>
Change in Net Position					
Governmental activities	\$ 4,951	\$ 8,434	\$ 5,447	\$ 9,972	\$ 2,065
Business-type activities	2,184	5,326	6,726	8,603	8,130
Total primary government	<u>\$ 7,135</u>	<u>\$ 13,760</u>	<u>\$ 12,173</u>	<u>\$ 18,575</u>	<u>\$ 10,195</u>

Source: The information is derived from the City's financial statements.

CITY OF SOUTH GATE
CHANGES IN NET POSITION (Continued)
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Expenses					
Governmental activities:					
General government	\$ 8,663	\$ 7,568	\$ 7,239	\$ 7,647	\$ 9,716
Public works	21,475	18,882	18,790	22,509	19,189
Parks and recreation	10,115	8,495	8,762	8,526	8,775
Police	31,154	27,451	32,658	34,519	34,487
Community development	12,533	11,033	11,681	13,738	11,374
Interest expense	911	797	533	703	650
Total governmental activities expenses	<u>84,851</u>	<u>74,226</u>	<u>79,663</u>	<u>87,642</u>	<u>84,191</u>
Business-type activities:					
Sewer	1,740	1,481	1,330	1,224	1,751
Water	14,033	13,733	15,171	14,001	15,071
Refuse	3,810	3,941	4,043	4,163	4,324
Total business-type activities expenses	<u>19,583</u>	<u>19,155</u>	<u>20,544</u>	<u>19,388</u>	<u>21,146</u>
Total primary government expenses	<u>\$ 104,434</u>	<u>\$ 93,381</u>	<u>\$ 100,207</u>	<u>\$ 107,030</u>	<u>\$ 105,337</u>

Source: The information is derived from the City's financial statements.

CITY OF SOUTH GATE
CHANGES IN NET POSITION (Continued)
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Program Revenues					
Governmental activities:					
Charges for service:					
General government	\$ 2,900	\$ 3,104	\$ 2,945	\$ 2,676	\$ 1,965
Public works	1,283	1,269	1,584	3,597	1,703
Parks and recreation	1,274	1,394	1,029	328	1,160
Police	1,837	2,160	2,052	1,580	1,607
Community development	1,619	1,671	1,739	1,569	2,002
Operating grants and contributions	11,846	16,278	19,486	28,487	33,778
Capital grants and contributions	8,748	8,496	5,370	24,999	10,387
Total governmental activities program revenues	<u>29,507</u>	<u>34,372</u>	<u>34,205</u>	<u>63,236</u>	<u>52,602</u>
Business-type activities:					
Charges for service:					
Sewer	1,350	1,298	1,258	1,289	1,272
Water	20,772	19,899	19,859	19,398	19,565
Refuse	3,856	3,955	4,080	4,207	4,347
Operating grants and contributions	37	69	48	11	137
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>26,015</u>	<u>25,221</u>	<u>25,245</u>	<u>24,905</u>	<u>25,321</u>
Total primary government program revenues	<u>\$ 55,522</u>	<u>\$ 59,593</u>	<u>\$ 59,450</u>	<u>\$ 88,141</u>	<u>\$ 77,923</u>
Net (expense)/revenue					
Governmental activities	\$ (55,344)	\$ (39,854)	\$ (45,458)	\$ (24,406)	\$ (31,589)
Business-type activities	6,432	6,066	4,701	5,517	4,175
Total primary government net expense	<u>\$ (48,912)</u>	<u>\$ (33,788)</u>	<u>\$ (40,757)</u>	<u>\$ (18,889)</u>	<u>\$ (27,414)</u>

Source: The information is derived from the City's financial statements.

CITY OF SOUTH GATE
CHANGES IN NET POSITION (Continued)
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Revenues and Other Changes in Position					
Governmental activities:					
Taxes					
Property taxes	\$ 14,907	\$ 15,358	\$ 14,079	\$ 15,082	\$ 15,462
Sales taxes	21,121	22,561	21,162	25,106	27,689
Transient occupancy taxes	420	450	412	474	557
Franchise taxes	2,708	2,688	2,744	2,732	2,847
Other taxes	2,051	2,118	1,990	2,206	2,215
Investment income	1,356	2,532	1,575	226	(2,243)
Motor vehicle in-lieu	52	47	76	71	112
Lawsuit settlements	-	-	-	-	-
Gain on sale of land	-	-	-	-	-
Miscellaneous	5,800	240	1,064	571	858
Transfers	6	12	287	2	(21,986)
Extraordinary gain/(loss) on dissolution of redevelopment agency	-	-	-	-	-
Total governmental activities	<u>48,421</u>	<u>46,006</u>	<u>43,389</u>	<u>46,470</u>	<u>25,511</u>
Business-type activities:					
Investment income	-	-	-	62	(1,324)
Miscellaneous	-	-	-	-	-
Transfers	(6)	(12)	(287)	(2)	21,986
Total business-type activities	<u>(6)</u>	<u>(12)</u>	<u>(287)</u>	<u>60</u>	<u>20,662</u>
Total primary government	<u>\$ 48,415</u>	<u>\$ 45,994</u>	<u>\$ 43,102</u>	<u>\$ 46,530</u>	<u>\$ 46,173</u>
Change in Net Position					
Governmental activities	\$ (6,922)	\$ 6,153	\$ (2,070)	\$ 22,064	\$ (6,078)
Business-type activities	6,425	6,218	5,681	5,578	24,837
Total primary government	<u>\$ (497)</u>	<u>\$ 12,371</u>	<u>\$ 3,611</u>	<u>\$ 27,642</u>	<u>\$ 18,759</u>

Source: The information is derived from the City's financial statements.

CITY OF SOUTH GATE
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved					
Designated	-	-	-	-	-
Undesignated	-	-	-	-	-
Nonspendable	36,768	36,339	14,330	11,705	9,522
Restricted	-	280	391	280	224
Committed	-	1,000	1,000	16,000	15,929
Assigned	-	134	3,452	3,572	3,724
Unassigned	11,136	12,691	23,146	14,570	18,343
Total general fund	<u>\$ 47,904</u>	<u>\$ 50,444</u>	<u>\$ 42,319</u>	<u>\$ 46,127</u>	<u>\$ 47,742</u>
All other governmental funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special Revenue funds	-	-	-	-	-
Capital Project funds	-	-	-	-	-
Debt Service funds	-	-	-	-	-
Nonspendable	4,479	4,274	4,005	1	400
Restricted					
Restricted, reported in:					
Special Revenue funds	14,557	15,041	16,281	21,168	21,227
Capital Projects funds	750	655	681	128	2
Low and moderate housing activities	-	1,146	955	8,799	10,980
Committed					
Capital Project funds	-	-	-	558	558
Unassigned					
Unassigned, reported in:					
Special Revenue funds	(323)	(295)	(472)	(5,401)	(3,672)
Capital Projects funds	-	-	-	-	-
Debt Service funds	-	-	-	(26)	(26)
Total all other governmental funds	<u>\$ 19,463</u>	<u>\$ 20,821</u>	<u>\$ 21,450</u>	<u>\$ 25,227</u>	<u>\$ 29,469</u>

Source: The information is derived from the City's financial statements.

CITY OF SOUTH GATE
FUND BALANCES OF GOVERNMENTAL FUNDS (Continued)
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved					
Designated	-	-	-	-	-
Undesignated	-	-	-	-	-
Nonspendable	8,069	7,055	23,997	24,009	2,076
Restricted	230	281	172	282	450
Committed	19,870	19,870	19,870	19,870	9,000
Assigned	3,503	3,482	3,482	3,482	3,482
Unassigned	11,562	14,545	10,535	12,722	24,396
Total general fund	<u>\$ 43,234</u>	<u>\$ 45,233</u>	<u>\$ 58,056</u>	<u>\$ 60,365</u>	<u>\$ 39,404</u>
All other governmental funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special Revenue funds	-	-	-	-	-
Capital Project funds	-	-	-	-	-
Debt Service funds	-	-	-	-	-
Nonspendable	-	-	32	32	35
Restricted					
Restricted, reported in:					
Special Revenue funds	22,831	22,828	28,058	49,465	40,116
Capital Projects funds	2	2	2	2	2
Low and moderate housing activities	11,125	11,019	10,867	10,874	4,231
Committed					
Capital Project funds	4,055	4,055	4,056	3,711	3,507
Unassigned					
Unassigned, reported in:					
Special Revenue funds	(3,437)	(3,139)	(4,384)	(3,741)	(5,267)
Capital Projects funds	-	39	-	-	1,470
Debt Service funds	-	-	-	-	-
Total all other governmental funds	<u>\$ 34,576</u>	<u>\$ 34,804</u>	<u>\$ 38,631</u>	<u>\$ 60,343</u>	<u>\$ 44,094</u>

Source: The information is derived from the City's financial statements.

CITY OF SOUTH GATE
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>Revenues</u>					
Taxes	\$ 30,855	\$ 31,279	\$ 35,065	\$ 39,966	\$ 39,925
Intergovernmental	20,733	23,835	18,920	20,009	27,090
Charges for service	5,672	5,708	5,968	3,365	3,227
Fines and forfeitures	2,135	2,915	2,477	1,249	1,183
Licenses and permits	1,025	1,468	1,322	1,557	1,482
Investment income	2,630	2,474	1,768	2,226	1,204
Lease income	-	-	-	-	-
Rental income	-	-	-	-	-
Lawsuit settlements	-	-	-	-	-
Other	2,137	841	1,802	3,943	3,635
Total revenues	<u>65,187</u>	<u>68,520</u>	<u>67,322</u>	<u>72,315</u>	<u>77,746</u>
<u>Expenditures</u>					
General government	5,154	4,889	5,568	6,369	6,545
Public works	8,250	8,602	7,764	8,405	9,276
Parks and recreation	4,616	4,890	5,593	6,027	6,429
Police	19,456	19,344	20,430	22,863	24,131
Community development	10,333	11,608	10,533	10,893	10,766
Capital Outlay	8,467	10,531	7,066	12,912	12,891
Debt service:					
Principal	2,799	2,686	16,251	1,823	1,725
Interest and fees	2,281	2,141	1,613	1,109	1,028
Bond issuance costs	-	-	-	-	-
Payment to bond escrow agent	-	-	-	-	-
Total expenditures	<u>61,356</u>	<u>64,691</u>	<u>74,818</u>	<u>70,401</u>	<u>72,791</u>
Excess of revenues over (under) expenditures	<u>3,831</u>	<u>3,829</u>	<u>(7,496)</u>	<u>1,914</u>	<u>4,955</u>

Source: The information is derived from the City's financial statements.

CITY OF SOUTH GATE
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (Continued)
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>Other financing sources (uses)</u>					
Transfers in	\$ 8,053	\$ 10,067	\$ 6,061	\$ 14,968	\$ 11,212
Transfers out	(8,001)	(9,972)	(6,061)	(16,034)	(12,345)
Premium on bonds issued	-	-	-	-	-
Write-offs	-	-	-	-	-
Pension contribution	-	-	-	-	-
Proceeds from Capital leases	-	-	-	-	-
Debt issued	-	-	-	882	-
Issuance of financing agreements	-	-	-	-	-
Payment to bond escrow agent	-	-	-	-	-
Contributions to Successor Agency	(353)	-	-	-	-
Total other financing sources (uses)	<u>(301)</u>	<u>95</u>	<u>-</u>	<u>(184)</u>	<u>(1,133)</u>
Extraordinary gain/(loss) on dissolution of redevelopment agency	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 3,530</u>	<u>\$ 3,924</u>	<u>\$ (7,496)</u>	<u>\$ 1,730</u>	<u>\$ 3,822</u>
Debt service as a percentage of noncapital expenditures	9.6%	8.9%	26.4%	5.1%	4.6%

Source: The information is derived from the City's financial statements.

CITY OF SOUTH GATE
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (Continued)
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>Revenues</u>					
Taxes	\$ 41,207	\$ 43,175	\$ 42,377	\$ 47,599	\$ 50,772
Intergovernmental	21,660	25,274	22,577	49,934	41,327
Charges for service	3,451	3,699	2,785	2,132	3,460
Fines and forfeitures	1,125	1,443	1,502	1,095	1,310
Licenses and permits	1,464	1,371	2,001	3,767	1,666
Investment income	1,356	2,531	2,033	414	(1,523)
Lease income	-	-	-	-	-
Rental income	-	-	-	-	142
Lawsuit settlements	-	-	-	-	-
Other	8,672	3,325	4,256	3,474	4,230
Total revenues	78,935	80,818	77,531	108,415	101,384
<u>Expenditures</u>					
General government	6,686	6,882	7,007	6,807	8,305
Public works	10,089	10,104	10,753	11,424	12,023
Parks and recreation	7,148	7,510	7,956	7,212	8,777
Police	25,252	26,539	29,449	30,318	31,217
Community development	10,880	11,143	11,537	13,160	12,152
Capital Outlay	9,689	14,696	7,017	13,250	17,545
Debt service:					-
Principal	1,749	1,575	1,813	1,554	1,692
Interest and fees	946	862	774	706	633
Bond issuance costs	-	-	-	-	-
Payment to bond escrow agent	-	-	-	-	-
Total expenditures	72,439	79,311	76,306	84,431	92,344
Excess of revenues over (under) expenditures	6,496	1,507	1,225	23,984	9,040

Source: The information is derived from the City's financial statements.

CITY OF SOUTH GATE
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (Continued)
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>Other financing sources (uses)</u>					
Transfers in	\$ 13,237	\$ 13,533	\$ 6,680	\$ 12,190	\$ 28,455
Transfers out	(19,134)	(13,254)	(6,393)	(12,152)	(57,458)
Premium on bonds issued	-	-	-	-	-
Write-offs	-	-	-	-	-
Pension contribution	-	-	-	-	-
Proceeds from Capital leases	-	-	-	-	30
Debt issued	-	-	-	-	-
Issuance of financing agreements	-	441	-	-	-
Payment to bond escrow agent	-	-	-	-	-
Contributions to Successor Agency	-	-	-	-	-
Total other financing sources (uses)	<u>(5,897)</u>	<u>720</u>	<u>287</u>	<u>38</u>	<u>(28,973)</u>
Extraordinary gain/(loss) on dissolution of redevelopment agency	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 599</u>	<u>\$ 1,945</u>	<u>\$ 1,512</u>	<u>\$ 24,022</u>	<u>\$ (19,933)</u>
Debt service as a percentage of noncapital expenditures	4.3%	3.8%	3.7%	3.2%	3.1%

Source: The information is derived from the City's financial statements.

**CITY OF SOUTH GATE
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)**

<u>Type of Tax</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Property tax	\$ 13,346	\$ 12,834	\$ 13,301	\$ 11,712	\$ 12,131	\$ 14,907	\$ 15,358	\$ 14,079	\$ 15,082	\$ 15,462
Sales and use tax	13,347	14,186	17,838	21,838	20,623	21,121	22,561	21,162	25,106	27,689
Transient occupancy tax	250	278	267	350	390	420	450	412	474	557
Franchise tax	2,031	2,228	2,287	2,420	2,454	2,708	2,688	2,744	2,732	2,847
Business licenses tax	1,213	1,336	1,398	1,466	1,584	1,461	1,560	1,397	1,496	1,568
Motor vehicle in-lieu	43	-	42	39	45	52	47	76	71	112
Other taxes	<u>532</u>	<u>525</u>	<u>608</u>	<u>608</u>	<u>632</u>	<u>590</u>	<u>558</u>	<u>593</u>	<u>710</u>	<u>647</u>
Total	<u>\$ 30,762</u>	<u>\$ 31,387</u>	<u>\$ 35,741</u>	<u>\$ 38,433</u>	<u>\$ 37,859</u>	<u>\$ 41,259</u>	<u>\$ 43,222</u>	<u>\$ 40,463</u>	<u>\$ 45,671</u>	<u>\$ 48,882</u>

Source: The information is derived from the City's financial statements.

**City of South Gate
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rate per \$100 of Taxable Value)**

Agency	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Basic Levy *	1.00000	1.00000	1.00000	1.00000	1.00000
Cerritos Community College District	0.02594	0.02502	0.04809	0.04809	0.04698
Compton Community College District	0.01531	0.00963	0.00987	0.00926	0.00920
Downey Unified School District	0.07132	0.06603	0.06549	0.11466	0.11473
LA Community College District	0.04875	0.04454	0.04017	0.03576	0.03596
Los Angeles Unified School District	0.17561	0.14644	0.14688	0.12971	0.13110
Lynwood Unified School District	0.05059	0.12005	0.08489	0.09583	0.10308
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350	0.00350
Paramount Unified School District	0.10930	0.10457	0.10105	0.05266	0.10677
Total Direct & Overlapping ** Tax Rates	<u>1.50032</u>	<u>1.51978</u>	<u>1.49995</u>	<u>1.48947</u>	<u>1.55131</u>
City's Share of 1% Levy per Prop 13***	0.06146	0.06146	0.06146	0.06146	0.06146
General Obligation Debt Rate	0.00000	0.00000	0.00000	0.00000	0.00000
Redevelopment Rate****					
Total Direct Rate*****	0.26745	0.06078	0.06081	0.06084	0.06086

Notes:

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

**Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

***City's Share of 1% levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. The ERAF portion of the City's Levy has been subtracted where known.

****Redevelopment rate is based on the largest RDA tax rate area (TRA) and includes only rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property tax values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.

***** Total Direct Rate is the weighted average of all individual direct rates applied by the City/Agency preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City/Agency in the same proportions as general fund revenue.

Source: L. A. County Assessor 2012/13 - 2021/22 Tax Rate Table

City of South Gate
Direct and Overlapping Property Tax Rates (Continued)
Last Ten Fiscal Years
(Rate per \$100 of Taxable Value)

Agency	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Basic Levy *	1.00000	1.00000	1.00000	1.00000	1.00000
Cerritos Community College District	0.04370	0.04446	0.04449	0.04348	0.04251
Compton Community College District	0.00954	0.02335	0.02323	0.00899	0.00906
Downey Unified School District	0.10538	0.10113	0.09708	0.08771	0.09504
LA Community College District	0.04599	0.04621	0.02717	0.04016	0.04376
Los Angeles Unified School District	0.12219	0.12323	0.12552	0.13993	0.11323
Lynwood Unified School District	0.19014	0.11737	0.18874	0.08702	0.12991
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350	0.00350
Paramount Unified School District	0.17409	0.16756	0.22092	0.15139	0.16594
Total Direct & Overlapping ** Tax Rates	<u>1.69454</u>	<u>1.62681</u>	<u>1.73065</u>	<u>1.56218</u>	<u>1.60295</u>
City's Share of 1% Levy per Prop 13***	0.06146	0.06146	0.06146	0.06146	0.06146
General Obligation Debt Rate	0.00000	0.00000	0.00000	0.00000	0.00000
Redevelopment Rate****					
Total Direct Rate*****	0.06073	0.06093	0.06095	0.06097	0.06098

**City of South Gate
Assessed Value of Taxable Property
Last Ten Fiscal Years
(amounts expressed in thousands)**

<u>Type of Property</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>
Residential	\$ 3,133,928	\$ 3,223,318	\$ 3,360,338	\$ 3,526,730	\$ 3,682,817
Commercial	485,723	495,030	502,898	526,371	553,697
Industrial	576,920	586,502	627,907	653,662	668,701
Farm	635	647	650	663	673
Government	3,150	3,213	3,227	3,292	3,595
Institutional	12,443	12,791	18,895	12,343	15,256
Irrigated	10,355	9,031	9,497	10,674	11,572
Miscellaneous	404	464	-	-	-
Recreational	4,362	4,449	4,715	4,372	6,675
Vacant Land	88,072	81,439	90,777	110,995	99,828
SBE Nonunitary	419	419	419	419	530
Unsecured	304,312	305,457	323,351	339,707	350,070
Cross Reference	10,843	14,705	10,852	11,327	11,674
Total taxable Assesed Value	4,631,565	4,737,463	4,953,525	5,200,554	5,405,089
Total direct tax rate	0.26745%	0.60780%	0.60810%	0.60840%	0.60860%
Tax-Exempt	(54,662)	(48,602)	(47,025)	(47,025)	(46,977)

Source: Los Angeles County Assessor

City of South Gate
Assessed Value of Taxable Property (Continued)
Last Ten Fiscal Years
(amounts expressed in thousands)

<u>Type of Property</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>
Residential	\$ 3,836,767	\$ 4,041,859	\$ 4,244,936	\$ 4,413,386	\$ 4,544,525
Commercial	597,645	636,252	681,218	898,548	915,066
Industrial	662,336	683,926	744,779	781,891	802,521
Farm	-	-	-	-	-
Government	479	489	3,070	3,131	2,649
Institutional	18,358	16,386	23,895	30,181	25,601
Irrigated	9,998	9,557	9,808	9,846	9,863
Miscellaneous	398	406	414	422	426
Recreational	7,165	8,287	5,553	5,664	9,375
Vacant Land	99,578	97,262	89,581	38,881	40,656
SBE Nonunitary	861	661	661	883	883
Unsecured	375,664	389,984	414,742	405,425	423,319
Cross Reference	13,478	13,658	13,303	15,952	16,192
Total taxable A.V.	5,622,727	5,898,727	6,231,960	6,604,211	6,791,076
Total direct tax rate	0.60730%	0.60930%	6.09500%	6.09700%	0.00000%
Tax-Exempt	(46,977)	(44,588)	(44,456)	(44,456)	(44,979)

Source: Los Angeles County Assessor

**City of South Gate
Principal Property Taxpayers
Current Year and Nine Years Ago
(amounts expressed in thousands)**

<u>Taxpayer</u>	<u>2021/22</u>			<u>2012/13</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total City Taxable Assessed Value</u>
Azalea Joint Venture LLC	\$ 124,671	1	1.84%	\$ 29,202	5	0.63%
Schultz Steel Company	124,493	2	1.83%	100,913	1	2.18%
El Paseo Southern Gate LLC	62,144	3	0.92%	53,554	2	1.16%
South Gate Owner LP	39,371	4	0.58%			
Tesoro Logistics Operations LLC	37,774	5	0.56%	44,399	3	0.96%
Walmart Stores Inc/Sam's	37,520	6	0.55%			
South Gate Business & Industrial Park	36,135	7	0.53%	30,426	4	0.66%
Glasswerks LA Inc	34,135	8	0.50%			
Crossroad Capital LP ET AL	30,402	9	0.45%			
Hudd Distribution Services Inc.	29,050	10	0.43%	24,934	7	0.54%
Armstrong Cork Company				26,537	6	0.57%
World Oil Company				24,119	8	0.52%
Rockview Dairies Inc.				22,137	9	0.48%
Saputo Cheese USA Inc				18,638	10	0.40%
	<u>\$ 555,695</u>		<u>8.19%</u>	<u>\$ 374,859</u>		<u>8.10%</u>
City Total Assessed Valuation	6,791,077			4,631,565		

Source: Los Angeles County Assessor and HdL Companies

**City of South Gate
Property Tax Levies and Collections
Last Ten Fiscal Years
(amounts expressed in thousands)**

<u>Fiscal Year Ended June 30</u>	<u>Total Tax Levy for Fiscal Year (2)</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date (1)</u>	
		<u>Amount</u>	<u>% of Levy</u>		<u>Amount</u>	<u>% of Levy</u>
2022	\$ 3,028	\$ 3,174	104.82%	N/A	N/A	N/A
2021	2,960	3,125	105.57%	N/A	N/A	N/A
2020	2,785	2,920	104.85%	N/A	N/A	N/A
2019	2,689	2,868	106.66%	N/A	N/A	N/A
2018	2,585	2,720	105.22%	N/A	N/A	N/A
2017	2,504	2,636	105.27%	N/A	N/A	N/A
2016	2,431	2,532	104.15%	N/A	N/A	N/A
2015	2,329	2,443	104.89%	N/A	N/A	N/A
2014	2,297	2,511	109.32%	N/A	N/A	N/A
2013	2,242	2,540	113.29%	N/A	N/A	N/A

Source: Los Angeles County Assessor and City of South Gate Finance Department

(1) Information is not available since the County of Los Angeles pools prior years taxes for remittance to the City.

(2) Tax Levy includes VLF in Lieu fees

City of South Gate
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands, except for per capita amounts)

Fiscal Year Ended June 30	General Bonded Debt			Percentage of Actual Taxable Value of Property (1)	Per Capita (2)	Other Governmental Activities Debt			
	Revenue Bonds	Pension Obligation Bonds				Certificates of Participation	Assessment Bonds	Capital Leases	Notes/Loans
2022	\$ -	\$ 10,085		0.15%	108.14	\$ -	\$ -	\$ 798	\$ -
2021	-	11,480		0.17%	118.90	-	-	500	-
2020	-	12,800		0.19%	132.26	-	-	739	-
2019	-	14,055		0.24%	145.23	-	-	987	310
2018	-	15,245		0.27%	155.35	-	-	641	600
2017	-	16,375		0.30%	166.02	-	-	730	1,130
2016	-	17,445		0.34%	175.19	-	-	825	1,690
2015	-	18,460		0.37%	192.09	-	-	221	2,220
2014	-	19,425		0.41%	202.22	14,395	30	582	2,720
2013	-	20,345		0.44%	213.90	15,315	60	927	3,190

Fiscal Year Ended June 30	Business Type Activities		Percentage of Personal Income (2)	Per Capita (2)
	Water Revenue Bonds	Total Primary Government (3)		
2022	\$ 28,080	38,963	2.17%	417.79
2021	29,725	41,705	2.44%	431.94
2020	32,398	45,937	2.81%	474.67
2019	36,750	52,102	3.43%	538.37
2018	38,299	54,785	3.76%	558.27
2017	39,777	58,012	4.19%	588.16
2016	41,187	61,147	4.49%	614.06
2015	42,540	63,441	4.68%	660.15
2014	43,839	80,991	5.96%	843.15
2013	44,941	84,778	6.38%	891.32
2012	34,749	77,385	5.87%	820.45

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

(1) See Assessed Value of Property schedule for taxable property value data.

(2) See Demographic & Economic Statistics schedule for population and personal income data. These ratios are calculated using personal income and population for the prior calendar year.

(3) Includes general bonded debt, other governmental activities debt, and business-type activities debt.

**City of South Gate
Direct & Overlapping Debt
June 30, 2022**

	Gross Bonded Debt Balance	Percent Applicable To City	Net Bonded Debt
Direct Debt			
264.01 2005 PENSION OBLIGATION BONDS	11,480,000	100.000	10,085,000
264.01 CAPITAL LEASE OBLIGATIONS	500,241	100.000	797,547
Total Direct Debt			10,882,547
Overlapping Debt			
*315.05 METROPOLITAN WATER DISTRICT	9,835,780	0.411	40,417
790.54 CERRITOS CCD DS 2004 SERIES 2012D	30,896,885	1.148	354,596
790.55 CERRITOS CCD DS 2012 SERIES 2014A	73,900,000	1.148	848,133
790.56 CERRITOS CCD DS 2014 REF BONDS SERIES A	72,380,000	1.148	830,688
790.57 CERRITOS CCD DS 2014 REF BONDS SERIES B	5,255,000	1.148	60,310
790.58 CERRITOS CCD DS 2012 SERIES 2018B	52,770,000	1.148	605,629
790.59 CERRITOS CCD DS 2012 SERIES 2019C	93,325,000	1.148	1,071,069
790.60 CERRITOS CCD DS 2020 REF BONDS	51,350,000	1.148	589,332
790.61 CERRITOS CCD DS 2012 SERIES 2021D	75,000,000	1.148	860,757
793.52 COMPTON CCD DS 2002 SERIES 2012C	6,382,720	2.212	141,156
793.53 COMPTON CCD DS 2012 REF BONDS	2,095,000	2.212	46,332
793.54 COMPTON CCD DS 2002 SERIES 2013D	149,624	2.212	3,309
793.55 COMPTON CCD DS 2014 REF	5,770,000	2.212	127,606
793.56 COMPTON CCD DS 2015 REF BONDS	5,300,000	2.212	117,212
793.57 COMPTON CCD DS 2014 SERIES A	16,035,000	2.212	354,620
793.58 COMPTON CCD DS 2002 SERIES 2018E	10,145,677	2.212	224,376
793.59 COMPTON CCD DS 2020 REF BONDS SERIES A	79,945,000	2.212	1,768,015
805.55 LA CCD DS 2003 TAXABLE SERIES 2004B	2,115,000	0.561	11,856
805.56 LA CCD DS 2001 TAXABLE SERIES 2004A	31,555,000	0.561	176,885
805.65 LA CCD DS 2008, 2009 TAXABLE SER B	75,000,000	0.561	420,421
805.66 LA CCD DS 2008, 2010 TAX SERIES D	125,000,000	0.561	700,701
805.67 LA CCD DS 2008, 2010 TAX SER E (BABS)	900,000,000	0.561	5,045,046
805.69 LA CCD DS 2008 SERIES F	13,000,000	0.561	72,873
805.70 LA CCD DS 2013 REF BONDS	8,380,000	0.561	46,975
805.71 LA CCD DS 2008 SERIES G	30,765,000	0.561	172,456
805.73 LA CCD DS 2015 REF SERIES A	144,260,000	0.561	808,665
805.74 LA CCD DS 2015 REF SERIES B	14,965,000	0.561	83,888
805.75 LA CCD DS 2015 REF SERIES C	178,565,000	0.561	1,000,965
805.76 LA CCD DS 2008 SERIES I	184,220,000	0.561	1,032,665
805.77 LA CCD DS 2008 SERIES J	173,020,000	0.561	969,882
805.78 LA CCD DS 2016 REF BONDS	239,880,000	0.561	1,344,673
805.84 LA CCD DS 2020 REF BONDS	1,750,350,000	0.561	9,811,774
805.86 LA CCD DS 2016 SERIES C	275,440,000	0.561	1,544,008
853.53 DOWNEY USD DS REFUNDING 1999 SERIES A	1,730,256	4.323	74,806
853.60 DOWNEY USD DS 2007 REF BDS	9,335,000	4.323	403,590
853.63 DOWNEY USD DS 2014 SERIES A	34,935,000	4.323	1,510,381
853.64 DOWNEY USD DS 2015 REF BONDS	2,940,000	4.323	127,108
853.65 DOWNEY USD DS 2016 REF BONDS	4,565,000	4.323	197,363
853.66 DOWNEY USD DS 2014 SERIES B	116,900,000	4.323	5,054,060
853.68 DOWNEY USD DS 2014 SERIES C	9,997,984	4.323	432,253
853.69 DOWNEY USD DS 2021 REF BONDS	773,270,000	4.323	3,167,759
887.86 LOS ANGELES UNIF DS 2002 SERIES E BABS	200,000,000	0.685	1,370,419
887.89 LOS ANGELES UNIF DS 2005 SERIES H	207,560,000	0.685	1,422,221
887.92 LOS ANGELES UNIF MEASURE R SERIES KRY BABS	363,005,000	0.685	2,487,345
887.93 LOS ANGELES UNIF MEASURE Y 2009 SERIES KRY BABS	806,795,000	0.685	5,528,236
887.98 LOS ANGELES UNIF MEASURE R 2010 SERIES RY BABS	477,630,000	0.685	3,272,766
887.99 LOS ANGELES UNIF MEASURE Y 2010 SERIES RY BABS	772,955,000	0.685	5,296,361

**City of South Gate
Direct & Overlapping Debt (Continued)
June 30, 2022**

	Gross Bonded Debt Balance	Percent Applicable To City	Net Bonded Debt
Overlapping Debt (Continued)			
888.55 LOS ANGELES UNIF DS 2005 2010 SERIES J-1 QSCBS	115,480,000	0.685	791,280
888.56 LOS ANGELES UNIF DS 2005 2010 SERIES J-2 QSCBS	60,710,000	0.685	415,991
888.59 LOS ANGELES UNIF DS 2012 REFUNDING BOND SERIES A	27,435,000	0.685	187,987
888.60 LOS ANGELES UNIF DS 2014 REF BOND SERIES A	17,090,000	0.685	117,102
888.61 LOS ANGELES UNIF DS 2014 REF BOND SERIES B	20,480,000	0.685	140,331
888.62 LOS ANGELES UNIF DS 2014 REF BOND SERIES C	100,155,000	0.685	686,272
888.63 LOS ANGELES UNIF DS 2014 REF BOND SERIES D	713,850,000	0.685	4,891,368
888.68 LOS ANGELES UNIF DS 2015 REF BONDS SERIES A	95,430,000	0.685	653,895
888.69 LOS ANGELES UNIF DS 2008 SERIES A 2016	164,550,000	0.685	1,127,512
888.70 LOS ANGELES UNIF DS 2016 REF BONDS SERIES A	359,570,000	0.685	2,463,808
888.71 LOS ANGELES UNIF DS 2016 REF BONDS SERIES B	238,230,000	0.685	1,632,375
888.72 LOS ANGELES UNIF DS 2017 REF BONDS SER A PROP BB	498,240,000	0.685	3,413,988
888.73 LOS ANGELES UNIF DS 2017 REF BONDS SER A MEAS K	109,935,000	0.685	753,285
888.74 LOS ANGELES UNIF DS 2005 SERIES M 1 2018	921,240,000	0.685	6,312,424
888.76 LOS ANGELES UNIF DS 2008 SERIES B 1 2018	108,220,000	0.685	741,534
888.78 LOS ANGELES UNIF DS 2019 REF 2002 SER D MEAS K	1,007,820,000	0.685	6,905,678
888.79 LOS ANGELES UNIF DS 2019 REF 2004 SER I MEAS R	135,105,000	0.685	925,752
888.80 LOS ANGELES UNIF DS 2019 REF 2005 SER F MEAS Y	299,825,000	0.685	2,054,429
888.82 LOS ANGELES UNIF MEASURE R 2020 SERIES RYQ	81,115,000	0.685	555,808
888.83 LOS ANGELES UNIF MEASURE Y 2020 SERIES RYQ	29,955,000	0.685	205,254
888.84 LOS ANGELES UNIF MEASURE Q 2020 SERIES RYQ	151,450,000	0.685	1,037,750
888.85 LOS ANGELES UNIF SERIES RYQ 2020B	603,245,000	0.685	4,133,492
888.86 LOS ANGELES UNIF 2020 REF A MEAS K	108,865,000	0.685	745,953
888.87 LOS ANGELES UNIF 2020 REF A MEAS R	108,375,000	0.685	742,596
888.88 LOS ANGELES UNIF 2020 REF A MEAS Y	74,215,000	0.685	508,528
888.89 LOS ANGELES UNIF 2021 REF A PROP BB	893,005,000	0.685	6,118,955
888.91 LOS ANGELES UNIF 2021 REF A MEAS Q	673,280,000	0.685	4,613,378
891.51 LYNWOOD USD DS 2012 REF BONDS	563,904	0.806	4,546
891.52 LYNWOOD USD DS 2012 SERIES A	10,190,000	0.806	82,147
891.53 LYNWOOD USD DS 2012 SERIES B	860,000	0.806	6,933
891.54 LYNWOOD USD DS 2012 SERIES C	10,165,000	0.806	81,946
891.55 LYNWOOD USD DS 2016 SERIES A	9,200,000	0.806	74,166
891.57 LYNWOOD USD DS 2012 SERIES D	8,863,701	0.806	71,455
891.58 LYNWOOD USD DS 2016 SERIES B	305,000	0.806	2,459
891.59 LYNWOOD USD DS 2020 REF BONDS	12,670,000	0.806	102,140
891.60 LYNWOOD USD DS 2012 SERIES E	70,145,876	0.806	565,485
907.53 PARAMOUNT USD DS 2006, SERIES 2011 BONDS	21,700,770	7.386	1,602,765
907.55 PARAMOUNT USD DS REF BOND SERIES 2015	22,560,000	7.386	1,666,225
907.56 PARAMOUNT USD DS REF BOND SERIES 2015	5,878,314	7.386	434,158
907.57 PARAMOUNT USD DS 2016 SERIES 2017A	18,515,000	7.386	1,367,472
907.58 PARAMOUNT USD DS 2016 SERIES 2018B	26,631,089	7.386	1,966,906
907.59 PARAMOUNT USD DS 2016 SERIES 2020C	46,395,000	7.386	3,426,619
907.60 PARAMOUNT USD DS REF BOND SERIES 2020	66,756,012	7.386	4,930,432
Total Overlapping Debt			130,894,533
Total Direct and Overlapping Debt			141,777,080

2021/2022 Assessed Valuation: \$4,967,852,368 After Deducting \$1,823,224,609 Incremental Value.

Debt To Assessed Valuation Ratios:

Direct Debt	0.20%
Overlapping Debt	2.63%
Total Debt	2.84%

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

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

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

Data Source: HdL Coren & Cone, Los Angeles County Assessor and Auditor Combined 2021/22 Lien Date Tax Rolls

This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

**City of South Gate
Legal Debt Margin Information
Last Ten Fiscal Years
(amounts expressed in thousands)**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt Limit	\$ 708,842	\$ 728,496	\$ 759,572	\$ 799,634	\$ 824,157
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	708,842	728,496	759,572	799,634	824,157
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

**Legal Debt Margin Calculation for
Fiscal Year 2020-2021:**

Assessed value	\$ 6,791,077
Add back: exempt real property	110,553
Total assessed value	<u>\$ 6,901,630</u>
Debt limit (15% of total assessed value)	\$ 1,035,245
Debt applicable to limit:	-
Legal debt margin	<u>\$ 1,035,245</u>

Source: L.A. County Assessor 2021/22 Combined Tax Rolls

Note: Under state finance law, the City of South Gate's outstanding general obligation debt should not exceed 15 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

**City of South Gate
 Legal Debt Margin Information (Continued)
 Last Ten Fiscal Years
 (amounts expressed in thousands)**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2020</u>	<u>2022</u>
Debt Limit	\$ 863,575	\$ 895,128	\$ 942,346	\$ 1,003,037	\$ 1,035,245
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	863,575	895,128	942,346	1,003,037	1,035,245
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

Source: L.A. County Assessor 2021/22 Combined Tax Rolls

Note: Under state finance law, the City of South Gate's outstanding general obligation debt should not exceed 15 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

**CITY OF SOUTH GATE
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

2019 Water Revenue Bonds (1)

Fiscal Year	Utility Charges and Other	Less: Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2022	\$ 19,564,619	\$ 12,034,455	\$ 7,530,164	\$ 1,645,000	\$ 860,556	\$ 2,505,556	300.54%
2021	19,397,616	10,866,612	8,531,004	1,615,000	891,362	2,506,362	340.37%

2001 Utility Revenue Bonds

Fiscal Year	Utility Charges and Other (2)	Less: Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2020	\$ 20,062,750	\$ 12,023,515	\$ 8,039,235	\$ 1,635,000	\$ 1,497,450	\$ 3,132,450	256.64%
2019	20,102,247	11,047,753	9,054,494	1,625,000	1,512,050	3,137,050	288.63%
2018	20,975,927	10,961,972	10,013,955	1,615,000	1,521,250	3,136,250	319.30%
2017	19,924,023	9,359,674	10,564,349	1,605,000	1,525,650	3,130,650	337.45%
2016	20,727,981	9,665,349	11,062,632	1,600,000	1,534,350	3,134,350	352.95%
2015	19,011,746	8,619,311	10,392,435	1,595,000	1,541,800	3,136,800	331.31%
2014	17,756,659	8,967,497	8,789,162	1,445,000	1,543,675	2,988,675	294.08%
2013	17,952,236	9,460,882	8,491,354	1,450,000	1,208,125	2,658,125	319.45%

2012 Water Revenue Bonds

Fiscal Year	Utility Charges and Other	Less: Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2020	\$ 19,859,155	\$ 12,023,515	\$ 7,835,640	\$ 1,635,000	\$ 1,497,450	\$ 3,132,450	250.14%
2019	19,898,652	11,047,753	8,850,899	1,625,000	1,512,050	3,137,050	282.14%
2018	20,772,332	10,961,972	9,810,360	1,615,000	1,521,250	3,136,250	312.81%
2017	19,720,428	9,359,674	10,360,754	1,605,000	1,525,650	3,130,650	330.95%
2016	20,524,386	9,665,349	10,859,037	1,600,000	1,534,350	3,134,350	346.45%
2015	18,808,151	8,619,311	10,188,840	1,595,000	1,541,800	3,136,800	324.82%
2014	17,553,064	8,967,497	8,585,567	1,445,000	1,543,675	2,988,675	287.27%
2013	17,553,064	9,460,882	8,092,182	1,450,000	1,208,125	2,658,125	304.43%

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

Operating expenses do not include interest or depreciation.

(1) 2019 Water Revenue Bonds refunded both 2001 and 2012 Water Revenue Bonds

(2) Amount Includes transfer in from Sewer Fund for its share of the debt service payment.

**City of South Gate
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population (1)	Personal Income (amounts expressed in thousands) (2)	Per Capita Personal Income (2)	School Enrollment (3)	Unemployment Rate (4)
2021	93,259	\$ 1,797,081	\$ 19,269	28,683	9.9%
2020	96,553	1,706,474	17,673	28,672	13.7%
2019	97,003	1,633,262	16,837	28,672	4.7%
2018	96,777	1,517,002	15,675	28,672	4.9%
2017	98,133	1,455,568	14,832	29,076	6.3%
2016	98,633	1,384,879	14,040	28,859	6.9%
2015	99,578	1,361,700	13,674	28,920	8.8%
2014	96,101	1,354,544	14,095	28,956	10.7%
2013	96,057	1,358,150	14,139	29,699	9.8%
2012	95,115	1,327,805	13,960	29,830	11.9%
2011	94,320	1,317,273	13,966	30,174	15.6%

Sources:

- (1) State of California - Department of Finance
- (2) Bureau of Economic Analysis - reflects latest data available for Los Angeles Metro region
- (3) Factfinder.census.gov. 2011 - 2020.
- (4) California Employment Development Department/U.S. Dept. of Labor - Bureau of Labor Statistics

City of South Gate
Full-Time Equivalent City Employees by Function
Last Ten Fiscal Years

Function	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
City Manager	5.00	5.00	5.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
City Attorney	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
City Treasurer (1)	-	-	-	-	-	-	-	-	-	-
City Clerk	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Personnel	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Finance	20.00	20.00	20.00	20.00	24.00	23.00	23.00	23.00	23.00	24.00
Police										
Officers	82.00	82.00	82.00	82.00	82.00	85.00	85.00	85.00	85.00	85.00
Civilians	37.00	39.00	39.00	41.00	41.00	43.00	43.00	43.00	43.00	45.00
Public Works										
Administration/Engineering	8.00	8.00	8.00	8.00	8.00	10.00	10.00	10.00	12.00	12.00
Maintenance	37.00	37.00	36.00	37.00	37.00	40.00	40.00	40.00	42.00	46.00
Water/Sewer	26.00	27.00	27.00	26.00	29.00	29.00	29.00	29.00	26.00	26.00
Parks & Recreation	35.00	38.00	38.00	42.00	43.00	45.00	45.00	46.00	46.00	46.00
Community Development	26.00	25.00	25.00	24.00	25.00	24.00	24.00	23.00	23.00	24.00
Sub-Total	<u>284.00</u>	<u>290.00</u>	<u>289.00</u>	<u>297.00</u>	<u>306.00</u>	<u>316.00</u>	<u>316.00</u>	<u>316.00</u>	<u>317.00</u>	<u>325.00</u>
Part-Time Hours	109,385	114,095	129,005	121,757	109,880	126,794	124,718	124,718	96,853	126,166
Full-Time Equivalent	52.59	54.85	62.02	58.54	52.83	60.96	59.96	59.96	46.56	60.66
TOTAL POSITIONS	<u>336.59</u>	<u>344.85</u>	<u>351.02</u>	<u>355.54</u>	<u>358.83</u>	<u>376.96</u>	<u>375.96</u>	<u>375.96</u>	<u>363.56</u>	<u>385.66</u>

Source: City of South Gate Finance Department

**City of South Gate
Operating Indicators by Function
Last Ten Fiscal Years**

<u>Function</u>		<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Police	Calls for service	37,129	35,528	37,658	44,565	44,829
	Arrests	2,288	2,559	2,612	3,203	3,055
	Parking citations issued	13,809	24,146	23,300	22,927	23,425
	Moving citations/traffic violations	4,289	3,676	3,139	4,604	4,258
	Share of seized asset (in thousands)	\$ 744	\$ 1,586	\$ 1,264	\$ 1,616	\$ 2,149
Water	Customer accounts	15,445	15,445	15,361	15,454	15,520
	Average daily consumption (millions of gallons)	7.5	7.5	6.7	6.8	6.4
	Water samples taken	2,240	2,240	1,940	2,173	2,169
	New connections	9	9	13	19	15
Street Maintenance						
	Potholes repaired	206	1,215	1,250	1,250	2,500
	Sq.ft of graffiti removal (in thousands)	700	1,000	980	711	904
	Miles of streets swept	32,760	32,760	33,040	32,760	36,400
Culture and Recreation						
	Golf course participants	6,934	6,238	5,579	8,475	6,550
	Swimming participants	95,265	88,280	88,688	83,553	86,924
	Facility rentals	1,078	1,115	1,160	1,413	1,534
	Recreation classes provided	311	568	498	417	328
Community Development						
	Permits issued	4,459	3,377	2,931	3,247	2,980
	Code enforcement inspections	5,554	6,893	5,019	4,870	5,831
	Housing vouchers issued	36	35	41	47	61

Source: Various City Departments

**City of South Gate
Operating Indicators by Function
Last Ten Fiscal Years**

<u>Function</u>		<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Police	Calls for service	44,565	40,541	39,800	40,521	45,549
	Arrests	3,023	2,997	1,138	1,222	1,617
	Parking citations issued	22,927	36,668	2,567	21,567	19,938
	Moving citations/traffic violations	4,604	3,068	3,228	2,650	3,374
	Share of seized asset (in thousands)	\$ 475	\$ 1,143	\$ 917	\$ 160	\$ 70
Water	Customer accounts	15,689	15,737	15,691	15,691	14,418
	Average daily consumption (millions of gallons)	7.4	7.4	7.5	7.5	6.4
	Water samples taken	2,225	2,500	2,037	2,161	2,323
	New connections	26	23	16	20	33
Street Maintenance						
	Potholes repaired	140	140	193	85	500
	Sq.ft of graffiti removal (in thousands)	942	1,000	800	900	800
	Miles of streets swept	36,400	36,400	36,400	36,400	36,400
Culture and Recreation						
	Golf course participants	5,276	3,484	440	1,666	1,560
	Swimming participants	88,070	86,293	55,000	1,492	18,418
	Facility rentals	1,900	2,839	1,816	449	1,850
	Recreation classes provided	328	436	54	77	340
Community Development						
	Permits issued	2,842	2,839	2,333	2,225	927
	Code enforcement inspections	6,587	9,698	8,845	10,041	746
	Housing vouchers issued	72	80	62	62	41

Source: Various City Departments

**City of South Gate
Capital Asset Statistics by Function
Last Ten Fiscal Years**

<u>Function</u>		<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Police	Stations	1	1	1	1	1
	Patrol Units	37	37	37	37	38
Water	Miles of lines and mains	135	135	135	135	135
	Number of wells	11	11	11	11	12
	Number of tanks	2	2	2	2	2
	Number of reservoirs	5	5	5	5	6
Sewer	Miles of sewers	125.8	125.8	125.8	125.8	125.8
	Miles of storm drains	25.2	25.2	25.2	25.2	25.2
Streets	Miles of streets	125.8	125.8	125.8	125.8	125.8
	Traffic signals	86	83	83	83	86
	Streetlights	4,400	4,400	4,400	4,400	4,400
Culture and Recreation	Parks	8	8	8	8	8
	Park acreage	182	182	182	182	182
	Playgrounds	8	8	12	12	14
	Ballfields	16	16	17	17	17
	Swimming pools	1	1	1	1	1
	Community Centers	7	7	7	7	7

Source: Various City Departments

**City of South Gate
Capital Asset Statistics by Function
Last Ten Fiscal Years**

<u>Function</u>		<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Police	Stations	1	1	1	1	1
	Patrol Units	38	36	36	36	35
Water	Miles of lines and mains	135	135	135	135	135
	Number of wells	12	12	12	12	11
	Number of tanks	2	2	2	2	2
	Number of reservoirs	6	6	6	6	6
Sewer	Miles of sewers	125.8	125.8	125.8	125.8	125.8
	Miles of storm drains	25.2	25.2	25.2	25.2	25.2
Streets	Miles of streets	125.8	125.8	125.8	125.8	125.8
	Traffic signals	86	86	86	93	93
	Streetlights	4,400	4,400	4,400	4,400	4,400
Culture and Recreation	Parks	8	8	8	8	9
	Park acreage	182	185	185	185	185
	Playgrounds	14	14	14	14	14
	Ballfields	17	16	16	15	15
	Swimming pools	1	1	1	1	1
	Community Centers	7	7	7	7	7

Source: Various City Departments