

AGENDA

REGULAR CITY COUNCIL MEETING
COUNCIL CHAMBERS
5000 CLARK AVENUE
LAKEWOOD, CALIFORNIA

December 12, 2023

RECEPTION: “Lakewood Celebrates . . .” 6:00 p.m.

CALL TO ORDER 7:30 p.m.

INVOCATION: Reverend Tamara John, Christ Presbyterian Church Lakewood

PLEDGE OF ALLEGIANCE: Cub Scout Pack 208

ROLL CALL: Mayor Ariel Pe
Vice Mayor Todd Rogers
Council Member Cassandra Chase
Council Member Steve Croft
Council Member Jeff Wood

ANNOUNCEMENTS AND PRESENTATIONS:

ROUTINE ITEMS:

All items listed within this section of the agenda are considered to be routine and will be enacted by one motion without separate discussion. Any Member of Council may request an item be removed for individual discussion or further explanation. All items removed shall be considered immediately following action on the remaining items.

- RI-1 MEETING MINUTES - Staff recommends City Council approve Minutes of the Meetings held November 14, and November 28, 2023
- RI-2 PERSONNEL TRANSACTIONS - Staff recommends City Council approve report of personnel transactions.
- RI-3 REGISTERS OF DEMANDS - Staff recommends City Council approve registers of demands.
- RI-4 CITY COUNCIL COMMITTEES' ACTIVITIES - Staff recommends City Council receive and file the report.
- RI-5 MONTHLY REPORT OF INVESTMENT TRANSACTIONS - NOVEMBER 2023 - Staff recommends City Council receive and file the report.
- RI-6 APPROVAL OF PROFESSIONAL SERVICES AGREEMENT WITH THE GATEWAY CITIES COUNCIL OF GOVERNMENTS FOR IMPLEMENTATION OF THE GATEWAY CITIES LOCAL SOLUTIONS FUND - Staff recommends the City Council approve a professional services agreement with Gateway Cities Council of Governments for the implementation of the Gateway Cities Local Solutions Fund to continue the LCA 4 Homeless Services Liaison program, and authorize the City Manager to sign the agreement in a form approved by the City Attorney.
- RI-7 APPROVAL OF CONSULTING SERVICES AUTHORIZATION – ARDURRA GROUP – WEINGART SR. CENTER IMPROVEMENTS - Staff recommends the City Council authorize work for the Weingart Sr. Center improvements per the Ardurra proposal dated November 28, 2023, in an amount not-to-exceed \$47,905, and authorize the Mayor to sign the proposal.

City Council Agenda

December 12, 2023

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ROUTINE ITEMS: - Continued

- RI-8 APPROVAL OF LEASE AGREEMENT BETWEEN THE CITY OF LAKEWOOD AND BIG BEN ENGINEERING - Staff recommends the City Council authorize the execution of the Lease Agreement between the City of Lakewood and Big Ben Engineering for the use of the property located at 20525-20529 Pioneer Boulevard for the purpose of staging for a water main replacement project.
- RI-9 APPROVAL OF AFTER STUDY AND DESIGN ENGINEERING SERVICES FOR UNCONTROLLED MARKED CROSSWALKS - Staff recommends the City Council appropriate \$100,000 in the project account 10109908-58800-60062 from the General Fund, for the after study and design engineering services related to the uncontrolled marked crosswalks; authorize Willdan Engineering's services to conduct the after study and develop the technical memorandum of the uncontrolled marked crosswalks pilot locations, under their existing Agreement for Engineering Services, in an amount of \$21,241 and authorize the Mayor to sign the proposal; and authorize Willdan Engineering's design engineer services for the additional 23 uncontrolled marked crosswalks, under their existing Agreement for Engineering Services, in an amount of \$134,000 and authorize the Mayor to sign the proposal

REPORTS:

- 3.1 REVIEW OF ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) FOR YEAR ENDED JUNE 30, 2023, AND PRESENTATION OF GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) AWARD - Staff recommends City Council receive and file the ACFR for year ended June 30, 2023, and accept the GFOA Certificate of Achievement for Excellence in Financial Reporting award for fiscal year ending June 30, 2022.
- 3.2 APPROVAL OF EXPENSE REIMBURSEMENT AGREEMENT WITH CENTRAL BASIN MUNICIPAL WATER DISTRICT FOR WATER EFFICIENCY PROJECT - Staff recommends the City Council approve and authorize the mayor to sign the Expense Reimbursement Agreement with Central Basin Municipal Water District for an amount up to \$110,000 to complete water efficiency projects at San Martin, Boyar and Del Valle parks.
- 3.3 EXTENSION OF AGREEMENT BETWEEN THE CITY OF LAKEWOOD AND CARE SOLACE, INC. - Staff recommends the City Council approve the five-month contract extension with Care Solace, Inc. and appropriate \$28,125 of American Rescue Plan Act funds.

AGENDA

LAKEWOOD SUCCESSOR AGENCY

1. APPROVAL OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) FOR JULY 1, 2024 THROUGH JUNE 30, 2025 – ROPS 24-25 AND ADMINISTRATIVE BUDGET FY 2024-25 – Staff recommends City Council approve the Recognized Obligation Payment Schedule for July 1, 2024 Through June 30, 2025 – ROPS 24-25 and the Administrative Budget for FY 2024-25.

ORAL COMMUNICATIONS:

ADJOURNMENT

In compliance with the Americans with Disabilities Act, if you are a qualified individual with a disability and need an accommodation to participate in the City Council meeting, please contact the City Clerk's Office, 5050 Clark Avenue, Lakewood, CA, at 562/866-9771, ext. 2200; or at cityclerk@lakewoodcity.org at least 48 hours in advance to ensure that reasonable arrangements can be made to provide accessibility to the meeting.

Agenda items are on file in the Office of the City Clerk, 5050 Clark Avenue, Lakewood, and are available for public review during regular business hours. Any supplemental material distributed after the posting of the agenda will be made available for public inspection during normal business hours in the City Clerk's Office. For your convenience, the agenda and the supporting documents are available in an alternate format by request and are also posted on the City's website at www.lakewoodcity.org

Routine Items

Routine Item 1 – City Council Minutes
will be available prior to the meeting.

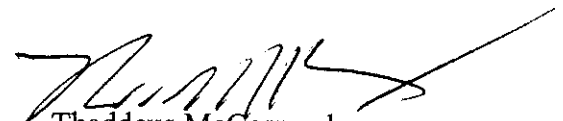
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COUNCIL AGENDA
December 12, 2023

TO: The Honorable Mayor and City Council

SUBJECT: Report of Personnel Transactions

	<u>Name</u>	<u>Title</u>	<u>Schedule</u>	<u>Effective Date</u>
1. FULL-TIME EMPLOYEES				
A. Appointments	None			
B. Changes	None			
C. Separations	None			
PART-TIME EMPLOYEES				
A. Appointments				
	Gabriel Argott	Maintenance Services Aide IV	B	11/13/2023
	David Carver	Maintenance Services Aide IV	B	11/13/2023
B. Changes				
	Geoffrey Barker	Maintenance Services Aide III Maintenance Services Aide IV	B to B	10/29/2023
C. Separations				
	Alyssa Anna	Community Services Leader III	B	11/08/2023
	Stephen Echavarria	Maintenance Services Aide III	B	10/28/2023
	Jonathan Siordia	Paratransit Communications Operator	B	11/08/2023
	Jose Vega	Community Services Leader II	B	11/15/2023


Thaddeus McCormack
City Manager

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**CITY OF LAKEWOOD
FUND SUMMARY 11/09/2023**

In accordance with section 2521 of the Lakewood Municipal Code, presented herewith is a summary of obligations to be paid by the City of Lakewood. Each of the following demands has been audited by the Director of Finance and Administrative Services and approved by the City Manager.

1010	GENERAL FUND	452,539.67
1025	AMERICAN RESCUE PLAN	310.00
1030	CDBG CURRENT YEAR	17,055.38
1050	COMMUNITY FACILITY	23,898.32
1070	RETIREE BENEFITS	7,450.00
1090	LAKEWOOD EQUESTRIAN CENTER	14,218.08
1500	MISC-SPECIAL REVENUE FUND	10,111.64
1621	LA CNTY MEASURE R	3,328.50
1623	LA CNTY MEASURE W	44,833.12
3070	PROPOSITION "C"	2,198.19
5010	GRAPHICS AND COPY CENTER	394.81
5020	CENTRAL STORES	5,069.38
5030	FLEET MAINTENANCE	26,711.69
7500	WATER UTILITY FUND	876,608.30
8020	LOCAL REHAB LOAN	238.00
8030	TRUST DEPOSIT	3,568.98
		1,488,534.06

Council Approval

Date

City Manager

Attest

City Clerk

Director of Finance and Administrative Services

**CITY OF LAKEWOOD
SUMMARY CHECK REGISTER**

CHECK DATE	VENDOR NAME	CHECK AMOUNT
11/09/2023	AT & T CORP	368.63
11/09/2023	ACTUARIAL RETIREMENT CONSULTING LLC	4,350.00
11/09/2023	ADAMS-HILLERY SHARRON	6,450.00
11/09/2023	AEF SYSTEMS CONSULTING INC	310.00
11/09/2023	AIRE RITE A/C & REFRIGERATION INC	29,808.69
11/09/2023	ALESHIRE & WYNDER LLP	156.00
11/09/2023	ALL CITIES ENGINEERING INC	806,181.40
11/09/2023	ALLIANT INSURANCE SERVICES	1,426.00
11/09/2023	ALS GROUP USA CORP	1,784.13
11/09/2023	AMAZON CAPITAL SERVICES INC	1,269.45
11/09/2023	ARC DOCUMENT SOLUTIONS LLC	17,621.84
11/09/2023	ATALLA. IBRAHIM	117.00
11/09/2023	N. HARRIS COMPUTER CORPORATION	33,361.60
11/09/2023	BAY AREA DRIVING SCHOOL INC	32.50
11/09/2023	BIOMETRICS4ALL INC	14.25
11/09/2023	BREA. CITY OF	35,382.00
11/09/2023	BROEKER. CANDACE	16.25
11/09/2023	LEE. YOUNG	274.52
11/09/2023	C S M F O	405.00
11/09/2023	CAL STATE AUTO PARTS INC	641.65
11/09/2023	CHICAGO TITLE CO	238.00
11/09/2023	CINTAS CORPORATION	251.25
11/09/2023	CINTAS CORPORATION	343.84
11/09/2023	COUCH. RON JR	240.00
11/09/2023	CPS HR CONSULTING	976.50
11/09/2023	CSI ELECTRICAL CONTRACTORS INC	10,120.00
11/09/2023	DAHLIN GROUP INC	78,814.87
11/09/2023	DE LAGE LANDEN FINANCIAL SERVICES	394.81
11/09/2023	DELAROSA. LORRAINE	162.44
11/09/2023	DIRECTV INC	46.25
11/09/2023	DUNRITE PEST CONTROL INC	635.00
11/09/2023	EMPLOYMENT DEVELOPMENT DEPT	6,282.00
11/09/2023	FEDERAL EXPRESS CORP	15.30
11/09/2023	FOGGIA INC	363.83
11/09/2023	FONTELA. THAO	100.00
11/09/2023	FRONTIER CALIFORNIA INC	2,336.73
11/09/2023	GEORGE T HALL CO INC	18,374.13
11/09/2023	HARA M LAWNMOWER CENTER	891.87
11/09/2023	HOME DEPOT	1,097.05
11/09/2023	HORIZON MECHANICAL CONTRACTORS	1,002.40
11/09/2023	JHM SUPPLY INC	672.40
11/09/2023	KDC INC	2,160.00
11/09/2023	KICK IT UP KIDZ LLC	672.75
11/09/2023	NORTH AMERICAN YOUTH ACTIVITIES LLC	2,167.75

**CITY OF LAKEWOOD
SUMMARY CHECK REGISTER**

CHECK DATE	VENDOR NAME	CHECK AMOUNT
11/09/2023	KIM. YVONNE	470.40
11/09/2023	LAKESWOOD ROTARY CLUB	352.00
11/09/2023	LAKESWOOD. CITY OF	200.00
11/09/2023	LONG BEACH CITY GAS & WATER DEPT	414.48
11/09/2023	LOPEZ. ADRIANA	10,020.00
11/09/2023	GREATER LOS ANGELES ZOO ASSOCIATION	1,624.00
11/09/2023	M&M DISPLAY INC	797.50
11/09/2023	MACRO AUTOMATICS	9,800.00
11/09/2023	MALLORY SAFETY AND SUPPLY LLC	352.98
11/09/2023	MERRIMAC PETROLEUM INC	3,796.33
11/09/2023	MIEIR-KING. RICHARD	507.00
11/09/2023	MUSCO CORPORATION	51,523.75
11/09/2023	NADA BUS INC	1,070.00
11/09/2023	O'REILLY AUTOMOTIVE STORES INC	1,198.78
11/09/2023	ODP BUSINESS SOLUTIONS LLC	1,658.71
11/09/2023	ONWARD ENGINEERING	16,750.00
11/09/2023	PHASE II SYSTEMS INC	3,100.00
11/09/2023	ROMBERG MILLING INC	13,409.93
11/09/2023	S & J SUPPLY CO	3,858.76
11/09/2023	SANCHEZ. EUGENE	270.00
11/09/2023	BARRY SANDLER ENTERPRISES	119.72
11/09/2023	SOUTHERN COUNTIES OIL CO	20,395.44
11/09/2023	SEE'S CANDIES INC	3,368.98
11/09/2023	SHELLITO. MICHAEL	6,148.23
11/09/2023	SIERRA INSTALLATIONS INC	7,892.50
11/09/2023	SIGNAL HILL AUTO ENTERPRISES INC	308.26
11/09/2023	SIMPSON & SIMPSON CPAs	810.00
11/09/2023	SITEONE LANDSCAPE SUPPLY LLC	830.69
11/09/2023	SMART & FINAL INC	686.66
11/09/2023	MWB COPY PRODUCTS INC	115.76
11/09/2023	SOMERS ENTERPRISES INC	11,440.00
11/09/2023	COMPUTER & PERIPHERALS GROUP	1,415.63
11/09/2023	SOUTHERN CALIFORNIA EDISON CO	139,307.29
11/09/2023	SPASEFF TED C	240.00
11/09/2023	STEIN. ANDREW T	1,390.10
11/09/2023	SULLY MILLER	518.17
11/09/2023	TNEMEC COMPANY INC	330.03
11/09/2023	BANDURRAGA ROBERT	700.00
11/09/2023	UNITED WATER WORKS INC	55.93
11/09/2023	CELLCO PARTNERSHIP	1,638.76
11/09/2023	VOORHEES. RONDA	32.50
11/09/2023	WATERLINE TECHNOLOGIES INC	4,440.87
11/09/2023	WAXIE ENTERPRISES INC	1,888.42
11/09/2023	WEST COAST ARBORISTS INC	71,490.30

**CITY OF LAKEWOOD
SUMMARY CHECK REGISTER**

<u>CHECK DATE</u>	<u>VENDOR NAME</u>	<u>CHECK AMOUNT</u>
11/09/2023	WHITE HOUSE FLORIST INC	99.23
11/09/2023	WILBER, BILL	42.00
11/09/2023	WILLDAN ASSOCIATES	18,976.50
11/09/2023	WYNN, LAKYN	81.25
11/09/2023	ATANACIO, STEPHANIE	250.00
11/09/2023	FRIENDS OF THE LAKEWOOD LIBRARIES	250.00
11/09/2023	HEATH, CATHY	1,380.00
11/09/2023	MACERICH LAKEWOOD LLC	2,136.14
11/09/2023	WESTBROOK, SHANNON	250.00
	Total:	1,488,534.06

**CITY OF LAKEWOOD
FUND SUMMARY 11/16/2023**

In accordance with section 2521 of the Lakewood Municipal Code, presented herewith is a summary of obligations to be paid by the City of Lakewood. Each of the following demands has been audited by the Director of Finance and Administrative Services and approved by the City Manager.

1010	GENERAL FUND	1,988,431.98
1020	CABLE TV	207.08
1025	AMERICAN RESCUE PLAN	7,068.00
1030	CDBG CURRENT YEAR	813.33
1050	COMMUNITY FACILITY	1,909.54
1070	RETIREE BENEFITS	2,958.05
1336	STATE COPS GRANT	16,666.66
1621	LA CNTY MEASURE R	38,678.25
3060	PROPOSITION "A"	227,980.00
3070	PROPOSITION "C"	16.99
5010	GRAPHICS AND COPY CENTER	1.72
5020	CENTRAL STORES	2,040.25
5030	FLEET MAINTENANCE	3,130.63
7500	WATER UTILITY FUND	32,336.99
8020	LOCAL REHAB LOAN	4,219.00
8030	TRUST DEPOSIT	37,390.23
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		2,363,848.70

Council Approval

Date

City Manager

Attest

City Clerk

Director of Finance and Administrative Services

**CITY OF LAKEWOOD
SUMMARY CHECK REGISTER**

CHECK DATE	VENDOR NAME	CHECK AMOUNT
11/16/2023	HEALTH AND HUMAN RESOURCES CENTER INC	280.26
11/16/2023	ALEX MACIAS DOG TRAINING LLC	682.50
11/16/2023	ALL STAR GLASS	578.37
11/16/2023	AMAZON CAPITAL SERVICES INC	1,392.97
11/16/2023	AOUATIC DESIGN GROUP	650.00
11/16/2023	AOUATIC DESIGN GROUP	5,200.00
11/16/2023	AOUATIC DESIGN GROUP	765.29
11/16/2023	ARC DOCUMENT SOLUTIONS LLC	630.99
11/16/2023	ARDURRA GROUP INC	29,955.48
11/16/2023	ROSS AVIATION INVESTMENT LLC	6,595.32
11/16/2023	AUTOLIFT SERVICES INC	800.00
11/16/2023	B & H FOTO & ELECTRONICS CORP	847.78
11/16/2023	BANNER BANK	752.83
11/16/2023	BEAR COMMUNICATIONS INC	1,881.97
11/16/2023	BEGINNERS EDGE SPORTS TRAINING LLC	4,361.50
11/16/2023	TWO SHELLS ENTERPRISES INC	120.00
11/16/2023	BROWN. BONNIE	245.05
11/16/2023	BUCKNAM PETER JOSEPH	38,678.25
11/16/2023	C S M F O	135.00
11/16/2023	CALIFORNIA STATE DEPT OF JUSTICE	256.00
11/16/2023	CANYON SPRINGS ENTERPRISES	14,303.84
11/16/2023	COCHRAN. JACQUELINE	475.62
11/16/2023	COLOMRICAN INC	226.11
11/16/2023	DICKSON R F CO INC	48,931.76
11/16/2023	EDCO WASTE SERVICES LLC	525,672.29
11/16/2023	EDCO WASTE SERVICES LLC	910.68
11/16/2023	FEDERAL EXPRESS CORP	105.92
11/16/2023	FLEMING ENVIRONMENTAL INC	49,964.00
11/16/2023	GLAVINICH. JESSICA	484.00
11/16/2023	GONSALVES JOE A & SON	4,526.00
11/16/2023	HASS. BARBARA	780.00
11/16/2023	HOME DEPOT	703.44
11/16/2023	JHM SUPPLY INC	299.26
11/16/2023	JONES RICHARD D. A PROF LAW CORP	17,252.50
11/16/2023	KICK IT UP KIDZ LLC	672.75
11/16/2023	KILEY GREGORY THOMAS	3,750.00
11/16/2023	KONO GINGER ANNA CHAN	300.00
11/16/2023	LAKEWOOD CHAMBER OF COMMERCE	1,833.33
11/16/2023	LAKEWOOD. CITY OF	200.00
11/16/2023	LAKEWOOD. CITY WATER DEPT	1,000.13
11/16/2023	LAWRENCE W ROSINE CO	32,700.00
11/16/2023	LONG BEACH PUBLIC TRANSPORTATION CO	227,980.00
11/16/2023	LOS ANGELES CO SHERIFFS DEPT	1,188,162.84
11/16/2023	LA COUNTY DEPT OF PUBLIC WORKS	6,906.92

**CITY OF LAKEWOOD
SUMMARY CHECK REGISTER**

CHECK DATE	VENDOR NAME	CHECK AMOUNT
11/16/2023	MALLORY SAFETY AND SUPPLY LLC	605.08
11/16/2023	MARTUCCI, CHUCK	125.53
11/16/2023	MC ENROE, BARBARA	187.20
11/16/2023	MOTA, DANIEL	250.00
11/16/2023	NIMCO INC	1,819.14
11/16/2023	NOVAK, NORA	178.70
11/16/2023	OCAJ INC	19.00
11/16/2023	ODP BUSINESS SOLUTIONS LLC	737.71
11/16/2023	DY-JO CORPORATION	790.00
11/16/2023	PHASE II SYSTEMS INC	2,958.05
11/16/2023	PATHWAYS VOLUNTEER HOSPICE	548.33
11/16/2023	PULLMAN, GARY	725.00
11/16/2023	PUN GROUP, THE LLP	15,000.00
11/16/2023	REPTACULAR ANIMALS CORPORATION	1,010.00
11/16/2023	S.T.E.A.M.	15,499.24
11/16/2023	SCMAF OFFICE	330.49
11/16/2023	SERVICEWEAR APPAREL INC	693.58
11/16/2023	SHARP ELECTRONICS CORPORATION	2,057.79
11/16/2023	SITEONE LANDSCAPE SUPPLY LLC	3,963.25
11/16/2023	SMART & FINAL INC	151.98
11/16/2023	SOUTHERN CALIFORNIA EDISON CO	14,452.51
11/16/2023	SOUTHERN CALIFORNIA GAS CO	2,935.48
11/16/2023	SOUTHWEST PATROL INC	23,165.00
11/16/2023	SPECIALTY TIRES LLC	1,085.38
11/16/2023	SU CASA ENDING DOMESTIC VIOLENCE	265.00
11/16/2023	SUPERIOR COURT OF CALIFORNIA	6,894.50
11/16/2023	SUPERIOR COURT OF CALIFORNIA	9,997.50
11/16/2023	T2 SYSTEMS INC	95.00
11/16/2023	TGIS CATERING SVCS INC	780.00
11/16/2023	THE SALVATION ARMY	7,068.00
11/16/2023	THE TECHNOLOGY DEPOT	7,659.23
11/16/2023	TRAFFIC MANAGEMENT INC	2,766.60
11/16/2023	FUSION METALWORKS INC	5,790.44
11/16/2023	VITAL RECORDS HOLDING LLC	73.78
11/16/2023	WAXIE ENTERPRISES INC	383.69
11/16/2023	WESTERN WATER WORKS SUPPLY CO	3,537.03
11/16/2023	WILBER, BILL	28.00
11/16/2023	AVILA, BLANCA	250.00
11/16/2023	FLORES, ADRIANNA	250.00
11/16/2023	HEDBERG, W H	189.34
11/16/2023	KELLY, JORDAN	250.00
11/16/2023	MORALES, GILBERTO	881.20
11/16/2023	NEW LIGHT ELECTRIC	4,200.00
11/16/2023	SPINKS, TERRILL	250.00

**CITY OF LAKEWOOD
SUMMARY CHECK REGISTER**

**CHECK
DATE**

VENDOR NAME

**CHECK
AMOUNT**

Total:

2,363,848.70

**CITY OF LAKEWOOD
FUND SUMMARY 11/22/2023**

In accordance with section 2521 of the Lakewood Municipal Code, presented herewith is a summary of obligations to be paid by the City of Lakewood. Each of the following demands has been audited by the Director of Finance and Administrative Services and approved by the City Manager.

1010	GENERAL FUND	347,398.66
1015	SPECIAL OLYMPICS	10.49
1020	CABLE TV	7,039.59
1030	CDBG CURRENT YEAR	1,168.66
1035	CASP CERTIFICATION & TRNG FUND	4.00
1050	COMMUNITY FACILITY	7,751.48
1090	LAKEWOOD EQUESTRIAN CENTER	2,429.94
1623	LA CNTY MEASURE W	13,478.00
3070	PROPOSITION "C"	307.24
5020	CENTRAL STORES	3,905.48
5030	FLEET MAINTENANCE	9,076.75
7500	WATER UTILITY FUND	178,643.17
8030	TRUST DEPOSIT	278.01
		571,491.47

Council Approval

Date

City Manager

Attest

City Clerk

Director of Finance and Administrative Services

**CITY OF LAKEWOOD
SUMMARY CHECK REGISTER**

<u>CHECK DATE</u>	<u>VENDOR NAME</u>	<u>CHECK AMOUNT</u>
11/22/2023	ADVANCED INDUSTRIAL SERVICES INC	15,815.00
11/22/2023	AGRI-TURF DISTRIBUTING	441.03
11/22/2023	ALAN'S LAWN AND GARDEN CENTER INC	87.98
11/22/2023	ALBANO'S PLUMBING INC	395.00
11/22/2023	ALLIED REFRIGERATION INC	43.88
11/22/2023	AMAZON CAPITAL SERVICES INC	2,616.74
11/22/2023	AMERICAN TRUCK & TOOL RENTAL INC	930.72
11/22/2023	BACKSTREET SURVEILLANCE INC	10,616.00
11/22/2023	BERG. APRIL	591.50
11/22/2023	BIG STUDIO INC	192.94
11/22/2023	TWO SHELLS ENTERPRISES INC	120.00
11/22/2023	BREA. CITY OF	41,632.50
11/22/2023	BRIZUELA XOCHITL	257.40
11/22/2023	CAL BLEND SOILS INC	1,323.00
11/22/2023	CALIF. STATE DISBURSEMENT UNIT	849.68
11/22/2023	CALIF STATE FRANCHISE TAX BOARD	104.02
11/22/2023	CAMERON WELDING SUPPLY	26.55
11/22/2023	CERRITOS. CITY OF	33,973.70
11/22/2023	CINTAS CORPORATION	4.55
11/22/2023	CINTAS CORPORATION	355.48
11/22/2023	CAMERON WELDING SUPPLY	185.64
11/22/2023	COMMUNITY FAMILY GUIDANCE CTR	548.33
11/22/2023	CORELOGIC INC	66.00
11/22/2023	DANGELO COMPANY	931.99
11/22/2023	DATA TICKET INC	207.60
11/22/2023	ZW USA INC	457.43
11/22/2023	EAST LONG BEACH POOL SUPPLY	94.86
11/22/2023	EEC ACOUISION LLC	5,460.16
11/22/2023	C AND C ORGANIX ENTERPRISES LLC	66,237.50
11/22/2023	FLUE STEAM INC	241.00
11/22/2023	GANAHL LUMBER COMPANY	69.53
11/22/2023	GOLDEN METERS SERVICES	575.00
11/22/2023	GOLDEN STATE WATER COMPANY	11,557.27
11/22/2023	GRAINGER W W INC	267.77
11/22/2023	H & H NURSERY	137.81
11/22/2023	HARA M LAWNMOWER CENTER	870.98
11/22/2023	HAWK. TRUDY (FAHTIEM)	159.25
11/22/2023	HEATON. KATHRYN	195.00
11/22/2023	HOME DEPOT	5,454.93
11/22/2023	HUMAN SERVICES ASSOCIATION	598.33
11/22/2023	INTERNATIONAL ELECTRONIC ENTERPRISES INC	5,859.79
11/22/2023	JHM SUPPLY INC	1,399.30
11/22/2023	KARTER. JANET	873.60
11/22/2023	KICK IT UP KIDZ LLC	29.25

**CITY OF LAKEWOOD
SUMMARY CHECK REGISTER**

CHECK DATE	VENDOR NAME	CHECK AMOUNT
11/22/2023	LA OPINION LP	465.00
11/22/2023	LAKEWOOD. CITY OF	100.00
11/22/2023	LAKEWOOD. CITY WATER DEPT	95,413.30
11/22/2023	LIFTECH ELEVATOR SERVICES INC	447.00
11/22/2023	LONG BEACH. CITY OF	1,147.22
11/22/2023	MALLORY SAFETY AND SUPPLY LLC	141.19
11/22/2023	MC ENROE. BARBARA	343.20
11/22/2023	MILLER DON & SONS	258.13
11/22/2023	ODP BUSINESS SOLUTIONS LLC	718.06
11/22/2023	BAR NONE GROUP INC	1,588.75
11/22/2023	DY-JO CORPORATION	3,420.00
11/22/2023	TAYLOR CORPORATION	218.34
11/22/2023	PAYMENTUS CORPORATION	8,409.24
11/22/2023	PUMPMAN LLC	13,478.00
11/22/2023	MARTINEZ-RADZIUK. SONYA	93.37
11/22/2023	RAYVERN LIGHTING SUPPLY CO INC	27.50
11/22/2023	ROMBERG MILLING INC	1,243.62
11/22/2023	S & J SUPPLY CO	2,482.21
11/22/2023	SAN JUAN. CLYDE J	230.75
11/22/2023	SCHRUBBE. JACQUELINE	680.00
11/22/2023	STEARNS CONRAD & SCHMIDT CONSLT ENG	1,850.00
11/22/2023	SERVICEWEAR APPAREL INC	1,101.34
11/22/2023	SIEGEL. THEODORE	175.00
11/22/2023	SITEONE LANDSCAPE SUPPLY LLC	4,789.66
11/22/2023	SO CALIF SECURITY CENTERS INC	688.87
11/22/2023	SOUTHERN CALIFORNIA EDISON CO	82,954.33
11/22/2023	STEPHENS. ERIC	97.50
11/22/2023	SYN-TECH SYSTEMS INC	7,254.22
11/22/2023	TENG. WHEA-FUN	149.60
11/22/2023	TETRA TECH INC	5,185.00
11/22/2023	THE RINKS-LAKEWOOD ICE	243.75
11/22/2023	THURSTON ELEVATOR CONCEPTS INC	149.00
11/22/2023	TUMBLE-N-KIDS INC	11,181.30
11/22/2023	U S BANK NATIONAL ASSOCIATION	55,980.03
11/22/2023	UNDERGROUND SERVICE ALERT	178.00
11/22/2023	CELLCO PARTNERSHIP	3,920.17
11/22/2023	VIDIFLO INC	325.00
11/22/2023	WALTERS WHOLESALE ELECTRIC CO	11.40
11/22/2023	WATER SYSTEM SERVICES LLC	195.00
11/22/2023	WATERLINE TECHNOLOGIES INC	5,075.08
11/22/2023	WAXIE ENTERPRISES INC	2,467.92
11/22/2023	WECK ANALYTICAL ENVIRONMENTAL SERVICES I	375.00
11/22/2023	WEST COAST ARBORISTS INC	14,002.00
11/22/2023	WESTERN WATER WORKS SUPPLY CO	1,268.98

**CITY OF LAKEWOOD
SUMMARY CHECK REGISTER**

CHECK DATE	VENDOR NAME	CHECK AMOUNT
11/22/2023	WOOD RODGERS INC	16,565.00
11/22/2023	WORLDWIDE RECOVERY SYSTEMS INC	7,664.10
11/22/2023	WYNN, LAKYN	81.25
11/22/2023	ALCALA, YESSENIA	265.18
11/22/2023	ARCEO, MYA & GAIUS	21.81
11/22/2023	DY, ALONNA	487.50
11/22/2023	EAGLE SYSTEMS INTERNATIONAL INC	70.11
11/22/2023	FERNANDEZ, CHARLENE CARPENTER	80.48
11/22/2023	GUYOU CONSTRUCTION INC	293.15
11/22/2023	HAWKINS, E'MIAH	250.00
11/22/2023	JIMENEZ, JESSICA	250.00
11/22/2023	JONES, KEANNA	240.00
11/22/2023	MONROY, SARA	250.00
11/22/2023	PEDRO, MIGUEL	254.32
11/22/2023	SUNRUN INSTALLATION SERVICES	450.00
11/22/2023	SUNRUN INSTALLATION SERVICES	102.40
11/22/2023	TRUE PWR CA LLC	450.00
11/22/2023	TRUE PWR CA LLC	293.15
11/22/2023	VIZA ROOFING COMPANY INC	44.00
	Total:	571,491.47

**CITY OF LAKEWOOD
FUND SUMMARY 11/30/2023**

In accordance with section 2521 of the Lakewood Municipal Code, presented herewith is a summary of obligations to be paid by the City of Lakewood. Each of the following demands has been audited by the Director of Finance and Administrative Services and approved by the City Manager.

1010	GENERAL FUND	242,762.82
1020	CABLE TV	1,768.44
1050	COMMUNITY FACILITY	86,575.50
1090	LAKEWOOD EQUESTRIAN CENTER	18,813.71
3000	AIR QUALITY IMPROVEMENT	61,718.52
5010	GRAPHICS AND COPY CENTER	480.19
5020	CENTRAL STORES	3,554.51
5030	FLEET MAINTENANCE	2,957.11
7500	WATER UTILITY FUND	401,279.20
8020	LOCAL REHAB LOAN	7,081.23
8030	TRUST DEPOSIT	500.00
		827,491.23

Council Approval

Date

City Manager

Attest

City Clerk

Director of Finance and Administrative Services

**CITY OF LAKEWOOD
SUMMARY CHECK REGISTER**

CHECK DATE	VENDOR NAME	CHECK AMOUNT
11/30/2023	COASTAL OCCUPATIONAL MEDICAL GROUP	305.00
11/30/2023	ALAN'S LAWN AND GARDEN CENTER INC	1,499.40
11/30/2023	ALLENSWORTH JASON	11,238.89
11/30/2023	AMAZON CAPITAL SERVICES INC	1,389.87
11/30/2023	AMERICAN TRUCK & TOOL RENTAL INC	1,821.44
11/30/2023	AMERICAN SOCCER COMPANY INC	1,652.11
11/30/2023	AOUATIC INFORMATICS INC	8,580.00
11/30/2023	B & H FOTO & ELECTRONICS CORP	1,614.59
11/30/2023	B.R. BREWER SIGN & GRAPHICS	1,481.76
11/30/2023	BANC OF AMERICA PUBLIC CAPITAL CORP	390,154.69
11/30/2023	BEAR COMMUNICATIONS INC	5,671.81
11/30/2023	BIG STUDIO INC	266.81
11/30/2023	BOBCAT OF CERRITOS	724.05
11/30/2023	BROEKER, CANDACE	19.50
11/30/2023	LEE, YOUNG	499.38
11/30/2023	CALIF. STATE DISBURSEMENT UNIT	849.68
11/30/2023	CALIF STATE FRANCHISE TAX BOARD	25.00
11/30/2023	CALIFORNIA COMMERCIAL POOLS INC	45,950.00
11/30/2023	CALIFORNIA, STATE OF	225.00
11/30/2023	SEMA INC	480.19
11/30/2023	CINTAS CORPORATION	4.55
11/30/2023	DG INVESTMENT INTERMEDIATE HOLDINGS 2 INC	2,505.00
11/30/2023	D&J INTERNATIONAL INC	796.56
11/30/2023	DAHLIN GROUP INC	21,120.00
11/30/2023	DELTA DENTAL INSURANCE COMPANY	912.39
11/30/2023	DIRECTV INC	46.25
11/30/2023	FARMERS & MERCHANTS BANK	5,933.00
11/30/2023	GEORGE CHEVROLET	30,551.85
11/30/2023	GIEMONT DEBORAH	158.52
11/30/2023	HOME DEPOT	2,202.96
11/30/2023	THE TUBBY CUBBY COMPANY	695.62
11/30/2023	JHM SUPPLY INC	283.12
11/30/2023	KICK IT UP KIDZ LLC	19.50
11/30/2023	KLASSEN WOOD COMPANY	7,469.65
11/30/2023	KOSMONT & ASSOCIATES INC	1,856.40
11/30/2023	LAKEWOOD, CITY OF	500.00
11/30/2023	LIEBERT CASSIDY WHITMORE	624.50
11/30/2023	LA COUNTY DEPT OF PUBLIC WORKS	262.86
11/30/2023	LA COUNTY DEPT OF PUBLIC WORKS	17,391.36
11/30/2023	MC MASTER-CARR SUPPLY CO	543.34
11/30/2023	MERRIMAC PETROLEUM INC	2,957.11
11/30/2023	MITY-LITE	86,575.50
11/30/2023	NATIONAL UNION FIRE INSURANCE CO	444.55
11/30/2023	ODP BUSINESS SOLUTIONS LLC	1,727.48
11/30/2023	CERRITOS FORD INC	47,730.39
11/30/2023	SANCHEZ, EUGENE	630.00
11/30/2023	SECTRAN SECURITY INC	211.11

**CITY OF LAKEWOOD
SUMMARY CHECK REGISTER**

CHECK DATE	VENDOR NAME	CHECK AMOUNT
11/30/2023	SELMAN CHEVROLET COMPANY	31,166.67
11/30/2023	SERVICEWEAR APPAREL INC	140.35
11/30/2023	SITEONE LANDSCAPE SUPPLY LLC	2,387.07
11/30/2023	SKYHAWKS SPORTS ACADEMY LLC	484.25
11/30/2023	SMART & FINAL INC	97.69
11/30/2023	SO CALIF SECURITY CENTERS INC	8.21
11/30/2023	SOUTHWEST PATROL INC	19,844.00
11/30/2023	SPENCER. GORDON	153.85
11/30/2023	TD SPORTS INC	23,311.00
11/30/2023	STANDARD INSURANCE CO UNIT 22	2,036.40
11/30/2023	STATE WATER RESOURCES CONTROL BOARD	60.00
11/30/2023	STEPHENS. ERIC	228.80
11/30/2023	TRAFFIC MANAGEMENT INC	600.00
11/30/2023	TRANSAMERICA LIFE INSURANCE COMPANY	1,038.19
11/30/2023	TUMBLE-N-KIDS INC	5,054.40
11/30/2023	FUSION METALWORKS INC	5,790.44
11/30/2023	WALTERS WHOLESALE ELECTRIC CO	404.73
11/30/2023	WAMBA. DIANE B	339.30
11/30/2023	WATERLINE TECHNOLOGIES INC	837.90
11/30/2023	WAXIE ENTERPRISES INC	1,085.66
11/30/2023	WESTERN EXTERMINATOR CO	78.70
11/30/2023	COMPREHENSIVE PRINT GROUP LLC	6,807.52
11/30/2023	WHITE HOUSE FLORIST INC	2,274.46
11/30/2023	CALI EDGE BUILDERS	1,424.19
11/30/2023	ENERGY SERVICE PARTNERS	247.20
11/30/2023	GUEVARA. JULIETA	250.00
11/30/2023	HERNDON. SAKILE	250.00
11/30/2023	HU. ADAM	61.00
11/30/2023	JOHNSON. BILLY	250.00
11/30/2023	MEZA-YAW. MARIA	50.00
11/30/2023	SMART WINDOW COMPANY	7,081.23
11/30/2023	SUNRUN INSTALLATION SERVICES	199.28
11/30/2023	THOMAS. JASMINE	250.00
11/30/2023	WATER REPLENISHMENT DIST OF SOUTHERN CALI	4,380.00
11/30/2023	WILLIAMS. ALBERT	216.00
	Total:	827,491.23

**CITY OF LAKEWOOD
SUMMARY ACH/WIRE REGISTER NOVEMBER 2023**

ACH date	Amount	Recipient	Purpose	Period
11/1/23	\$638,773.55	Various	Employee Payroll	Oct 15-28, 2023
11/2/23	\$114,101.52	IRS via F&M	Payroll - Federal Taxes	Oct 15-28, 2023
11/2/23	\$32,034.33	EDD	Payroll - State Taxes	Oct 15-28, 2023
11/3/23	\$4,079.09	MidAmerica	Retiree Medical Benefit	Oct 15-28, 2023
11/3/23	\$14,366.94	VOYA	Payroll -Deferred Compensation	Oct 15-28, 2023
11/3/23	\$35,251.70	VOYA	Payroll - Deferred Compensation	Oct 15-28, 2023
11/3/23	\$3,425.00	PARS via U.S. Bank	Payroll - Retirement Plan 1 of 2	Oct 15-28, 2023
11/3/23	\$4,597.88	PARS via U.S. Bank	Payroll - Retirement Plan 2 of 2	Oct 15-28, 2023
11/10/23	\$3,006.14	The Technology Depot	Communications Services 1 of 2	November 2023
11/10/23	\$1,516.99	LEF	Reimbursement for Cash Collected	November 2023
11/11/23	\$437.00	SCE	Invoice #525315 - Temp Power	November 2023
11/15/23	\$114,939.10	IRS via F&M	Payroll - Federal Taxes	Oct 29-Nov 11, 2023
11/15/23	\$648,728.32	Various	Employee Payroll	Oct 29-Nov 11, 2023
11/16/23	\$32,511.55	EDD	Payroll - State Taxes	Oct 29-Nov 11, 2023
11/16/23	\$4,238.27	MidAmerica	Retiree Medical Benefit	Oct 29-Nov 11, 2023
11/16/23	\$15,221.76	VOYA	Payroll -Deferred Compensation	Oct 29-Nov 11, 2023
11/16/23	\$8,002.62	PARS via U.S. Bank	Payroll - Retirement Plan 1 of 1	Oct 29-Nov 11, 2023
11/16/23	\$34,119.70	VOYA	Payroll - Deferred Compensation	Oct 29-Nov 11, 2023
11/17/23	\$26,126.22	MidAmerica	Retiree Medical Benefit	November 2023
11/21/23	\$125,699.08	CalPERS	Payroll - Retirement Plan	Oct 15-28, 2023
11/24/23	\$2,600.00	LCEA	Employee Paid Dues	November 2023
11/24/23	\$12,595.40	The Technology Depot	Communications Services 2 of 2	November 2023
11/29/23	\$126,409.76	CalPERS	Payroll - Retirement Plan	Oct 29-Nov 11, 2023
11/29/23	\$254,074.00	CalPERS	Retirmnt-Unfunded Accrued Liab	November 2023
11/29/23	\$693,225.49	Various	Employee Payroll	Nov 12-25, 2023
11/29/23	\$115,103.83	IRS via F&M	Payroll - Federal Taxes	Nov 12-25, 2023
11/30/23	\$30,366.62	EDD	Payroll - State Taxes	Nov 12-25, 2023
11/30/23	\$16,857.83	VOYA	Payroll -Deferred Compensation	Oct 29-Nov 11, 2023
11/30/23	\$14,895.36	VOYA	Payroll -Deferred Compensation	Oct 29-Nov 11, 2023
11/30/23	\$32,119.70	VOYA	Payroll - Deferred Compensation	Oct 29-Nov 11, 2023
11/30/23	\$8,029.68	PARS via U.S. Bank	Payroll - Retirement Plan 1 of 1	Oct 29-Nov 11, 2023
11/30/23	\$2,910.12	MidAmerica	Retiree Medical Benefit	Oct 29-Nov 11, 2023

Council Approval

Date

City Manager

Attest:

City Clerk

Director of Finance & Administrative Services

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COUNCIL AGENDA

December 12, 2023

TO: The Honorable Mayor and City Council

SUBJECT: Report of City Council Committees' Activities

INTRODUCTION

A brief update is provided for City Council review on the activities of the following standing committee: Public Safety Committee.

STATEMENT OF FACT

On November 9, 2023, the Public Safety Committee met and discussed:

Community Organizations Firework Stands Update

One vacancy has become available for 2024. A drawing will be held at the beginning of the year for eligible organizations. An interest list was provided for review. The committee received and filed the report without objection.

Crime Trends and Statistics

Overall, Part 1 Crimes are down. There has been an increase in reports of vandalism. A recent trend of "skimming" devices on exterior ATMs (automatic teller machines) was discussed. Safety and awareness tips will be shared with the community. At Lakewood Mall, extra patrols will occur during busy activity times. Traffic reports were presented for review.

Abatement Deputy Update

Updates were provided on several locations. Outreach services were offered alongside Homeless Services Liaison. Abatement Deputy is working with the Homeless Outreach Services Team (HOST) to create a protocol for the bridge at Carson St. and the San Gabriel Riverbed due to an increase of individuals in area.

Community Prosecutor Program Update

Updates were provided on various locations. Deputy District Attorney attending court matters for incidents in Lakewood.

Public Safety Department Update

Community Safety Officer recruitments continue with interviews scheduled for end of November 2023. Monthly block captain liaison meetings will begin January 2023. The Annual Emergency Response Training Exercise was a success.

Council Committees' Activities

December 12, 2023

Page 2

Public Outreach

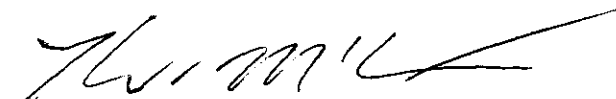
Award of Valor event went smoothly. Holiday safety tips will be publicized. Southwest Patrol success stories will be shared in community newsletter for residents.

Follow-Up Items

Chairman Rogers suggested researching options for better traffic safety practices.

RECOMMENDATION

It is recommended that the City Council receive and file this report.

A handwritten signature in black ink, appearing to read 'Thaddeus McCormack', with a long horizontal flourish extending to the right.

Thaddeus McCormack
City Manager

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COUNCIL AGENDA
December 12, 2023

TO: The Honorable Mayor and City Council

SUBJECT: Monthly Report of Investment Transactions – November 2023

INTRODUCTION

In accordance with California Government Code Section 53607, the City Council has delegated to the City Treasurer the responsibility to invest or to reinvest funds, or to sell or exchange securities so purchased. The California Government Code Section 53607 requires that, if such responsibility has been delegated, then the Treasurer “shall make a monthly report of those transactions to the legislative body.” In compliance with this requirement, the Monthly Report of Investment Transactions is being rendered to be received and filed.

STATEMENT OF MONTHLY ACTIVITY

Date	Amount at Cost	Investment	Transaction	Rate*
01-Nov-23	\$135,219.16	CAMP POOL	Interest	5.580%
01-Nov-23	367.25	BOND	Interest	0.565%
01-Nov-23	465.98	CORP	Interest	0.981%
02-Nov-23	109,961.50	CORP	Purchase	5.600%
04-Nov-23	3,187.50	CORP	Interest	4.250%
04-Nov-23	1,608.75	CORP	Interest	1.650%
06-Nov-23	454,984.66	TREAS	Purchase	4.875%
06-Nov-23	194,800.56	CORP	Sell	0.776%
06-Nov-23	149,943.24	TREAS	Sell	1.500%
06-Nov-23	299,719.67	TREAS	Sell	1.750%
08-Nov-23	4,085.00	CORP	Interest	2.150%
10-Nov-23	600,000.00	CAMP POOL	Sell	5.580%
10-Nov-23	3800.00	CORP	Interest	4.000%
10-Nov-23	2,200.00	CORP	Interest	4.000%
11-Nov-23	1,631.25	CORP	Interest	1.125%
12-Nov-23	22.50	CORP	Interest	0.450%
15-Nov-23	387.50	ABS	Interest	4.650%
15-Nov-23	233.75	CORP	Interest	0.550%
15-Nov-23	446.42	ABS	Interest	4.870%
15-Nov-23	1,610.90	BOND	Interest	4.506%
15-Nov-23	833.38	ABS	Interest	3.390%

Monthly Investment Transactions
December 12, 2023
Page 2

Date	Amount at Cost	Investment	Transaction	Rate*
15-Nov-23	1,683.29	ABS	Interest	5.690%
15-Nov-23	2,626.74	CORP	Interest	4.450%
15-Nov-23	375.83	ABS	Interest	4.510%
15-Nov-23	902.42	ABS	Interest	4.420%
15-Nov-23	\$1,130.83	ABS	Interest	5.900%
15-Nov-23	106.33	ABS	Interest	0.580%
15-Nov-23	518.92	ABS	Interest	4.790%
15-Nov-23	26.07	ABS	Interest	0.520%
15-Nov-23	876.71	ABS	Interest	3.970%
15-Nov-23	740.00	CORP	Interest	3.700%
15-Nov-23	1,221.21	ABS	Interest	5.530%
15-Nov-23	247.00	ABS	Interest	1.040%
15-Nov-23	850.00	CORP	Interest	1.700%
15-Nov-23	862.00	ABS	Interest	4.310%
15-Nov-23	74.35	ABS	Interest	0.550%
15-Nov-23	501.21	ABS	Interest	5.230%
15-Nov-23	1,372.88	ABS	Interest	5.230%
15-Nov-23	359.67	ABS	Interest	3.320%
15-Nov-23	5,046.88	TREAS	Interest	2.375%
15-Nov-23	637.00	ABS	Interest	5.460%
15-Nov-23	5.76	ABS	Interest	0.340%
15-Nov-23	9.72	ABS	Interest	0.380%
15-Nov-23	2,970.00	CORP	Interest	3.300%
15-Nov-23	1,311.50	ABS	Interest	5.160%
15-Nov-23	366.00	ABS	Interest	3.660%
15-Nov-23	11,140.63	TREAS	Interest	2.875%
15-Nov-23	1,583.33	ABS	Interest	5.000%
15-Nov-23	365.33	ABS	Interest	5.480%
15-Nov-23	9.68	ABS	Interest	0.500%
15-Nov-23	3,865.02	ABS	Paydown	0.380%
15-Nov-23	5,189.08	ABS	Paydown	0.520%
15-Nov-23	10,026.34	ABS	Paydown	0.550%
15-Nov-23	2,077.13	ABS	Paydown	0.340%
15-Nov-23	3,507.35	ABS	Paydown	0.500%
16-Nov-23	2,800,000.00	CAMP POOL	Sell	5.580%
16-Nov-23	363.33	ABS	Interest	5.450%

Monthly Investment Transactions
December 12, 2023
Page 3

Date	Amount at Cost	Investment	Transaction	Rate*
17-Nov-23	1,518.75	CORP	Interest	4.050%
18-Nov-23	186.50	ABS	Interest	3.730%
18-Nov-23	4.31	ABS	Interest	0.370%
18-Nov-23	1,104.54	ABS	Interest	5.410%
18-Nov-23	5,430.58	ABS	Paydown	0.370%
19-Nov-23	1,496.25	CORP	Interest	3.150%
20-Nov-23	\$18.75	ABS	Interest	0.500%
21-Nov-23	139,989.52	FNMA	Purchase	5.069%
25-Nov-23	1,171.92	FNMA	Interest	3.430%
25-Nov-23	1,505.94	FNMA	Interest	4.819%
25-Nov-23	606.02	FNMA	Interest	3.750%
25-Nov-23	1,074.67	FNMA	Interest	3.224%
25-Nov-23	1212.26	FNMA	Interest	4.777%
25-Nov-23	1,520.00	FNMA	Interest	4.800%
25-Nov-23	767.02	FNMA	Interest	3.347%
25-Nov-23	1,309.38	FNMA	Interest	4.190%
25-Nov-23	1,501.00	FNMA	Interest	4.740%
25-Nov-23	1,094.51	FNMA	Interest	3.243%
25-Nov-23	1,131.67	FNMA	Interest	4.850%
25-Nov-23	514.69	FNMA	Interest	2.745%
25-Nov-23	1,472.50	FNMA	Interest	4.650%
25-Nov-23	862.23	FNMA	Interest	2.653%
25-Nov-23	296.29	ABS	Interest	5.470%
25-Nov-23	96.90	FNMA	Paydown	3.750%
25-Nov-23	154.75	FNMA	Paydown	4.777%
28-Nov-23	690.00	CORP	Interest	1.200%
29-Nov-23	34,433.57	BOND	Sell	2.046%
29-Nov-23	132,781.19	BOND	Sell	2.021%
29-Nov-23	150,283.61	BOND	Sell	0.510%
30-Nov-23	261,750.13	TREAS	Purchase	1.375%
30-Nov-23	14,500.00	TREAS	Interest	3.625%
30-Nov-23	1,050.00	TREAS	Interest	0.375%
30-Nov-23	8,531.25	TREAS	Interest	2.625%
30-Nov-23	1,687.50	TREAS	Interest	1.250%
30-Nov-23	4,650.00	TREAS	Interest	3.875%
30-Nov-23	1,875.00	TREAS	Paydown	0.750%

* Rates shown for MMF, LAIF, and CAMP are distribution yields. All others are coupon rates.

INVESTMENT GLOSSARY

ABS (Asset-Backed Securities)

A mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond.

AGENCY (U.S. Government Agency Issues)

Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There are no portfolio percentage limits for U. S. Government Agency issues.

BOND (Municipal Bonds or Note)

Registered treasury notes or bonds issued by states or municipalities, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California.

CAMP (California Asset Management Program) Pool and Term

A Joint Powers Authority established in 1989 by the treasurers and finance directors of several California public agencies to provide an investment tool at a reasonable cost. Participation is limited to California public agencies. The Pool option offers daily liquidity with a variable rate of return. In recent years the Term option was added offering an investment tool for a fixed period (up to one year) and a fixed rate of return.

CD (Certificate of Deposit)

Negotiable CDs are issued by large banks and are freely traded in secondary markets as short term (2 to 52 weeks), large denomination (\$100,000 minimum) CDs, that are either issued at a discount on its par value, or at a fixed interest rate payable at maturity.

COM (Commercial Paper)

Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization.

CORP (Corporate Notes)

Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States, or any state and operating within the United States.

FNMA (Federal National Mortgage Association)

A government-sponsored, privately owned corporation established to create a secondary market for Federal Housing Administration mortgages.

LAIF (Local Agency Investment Fund, State of California)

The Treasurer of the State of California administers this investment pool, providing a high-level of liquidity and strong safety through diversification of investments.

MMF (Money Market Fund)

This is a money market interest-bearing checking account that is fully insured and collateralized.

SUPRA (Supra-National Agency Bonds or Notes)

Supranational bonds and notes are debt of international or multi-lateral financial agencies. The debt is used to finance economic/infrastructure development, environmental protection, poverty reduction and renewable energy around the globe, rated AAA, highly liquid and issued in a range of maturities.

TREAS (U.S. Treasury Notes)

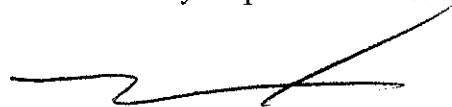
A Treasury obligation of the U.S. Government to provide for the cash flow needs of the Federal Government.

RECOMMENDATION

It is recommended that the City Council receive and file the Monthly Report of Investment Transactions rendered for the month of November 2023.



Jose Gomez
Director of Finance & Administrative Services



Thaddeus McCormack
City Manager

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COUNCIL AGENDA

December 12, 2023

TO: The Honorable Mayor and City Council

SUBJECT: Approval of Professional Services Agreement with the Gateway Cities Council of Governments for Implementation of the Gateway Cities Local Solutions Fund

INTRODUCTION

On April 26, 2022, City Council approved an agreement with the Gateway Cities Council of Governments (GCCOG), a California joint powers authority, to implement the Gateway Cities Innovation Plan to hire a Homeless Services Liaison to serve the Local Coordinating Alliance 4 cities of Hawaiian Gardens, Lakewood and Signal Hill. On June 27, 2023, City Council approved an agreement amendment with GCCOG extending funding through December 31, 2023.

SUMMARY


The Homeless Services Liaison program originated from the Gateway Cities Innovation Plan, funded through the LA County Homeless Initiative using Measure H funds, to provide direct homeless outreach coordination services within LCA 4, of which Lakewood has served as the lead agency. Innovation Plan funds from the GCCOG expire December 31 2023.

The GCCOG Board approved an agreement with LA County in May 2023 to receive additional Measure H funding to implement the Gateway Cities Local Solutions Fund to support local initiatives to address homelessness in the Gateway Cities region. The LCA 4 Homeless Services Liaison program is eligible to continue to be funded under the Local Solutions Fund. The term of the agreement is through June 30, 2027, contingent upon sufficient budget allocation is approved by the LA County Board of Supervisors each fiscal. The annual allocation of funding for the LCA 4 Homeless Services Liaison program is \$150,000.

RECOMMENDATION

Staff recommends City Council approve a professional services agreement with Gateway Cities Council of Governments for the implementation of the Gateway Cities Local Solutions Fund to continue the LCA 4 Homeless Services Liaison program, and authorize the City Manager to sign the agreement in a form approved by the City Attorney.

Joshua Yordt
Director of Public Safety


Thaddeus McCormack
City Manager

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COUNCIL AGENDA

December 12, 2023

TO: The Honorable Mayor and City Council

SUBJECT: Consulting Services Authorization – Ardurra Group – Weingart Sr. Center Improvements

INTRODUCTION

The consulting engineering firm Ardurra has an agreement with the City of Lakewood to assist with various engineering matters and has submitted a proposal to provide a constructability review, project management, and construction management for the preliminary phases of the project.

STATEMENT OF FACT

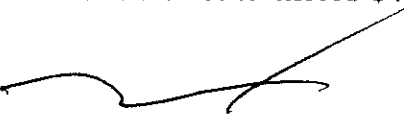
On April 17th 2023, the CIP Committee directed staff to immediately increase resources to expedite the delivery of CIP Projects due to a recent influx of funding, several of which have looming funding deadlines. The City of Lakewood established an on-call consulting services agreement with the Ardurra Group Inc. in June 2023 for engineering and project management services in order to provide an extension of staff due to the Public Works Department's current workload.

Ardurra has provided a proposal under their on-call agreement for the services to accomplish the constructability review, as well as project management and construction management services for the preliminary phases of the project, including the pre-bid phase, bid phase and the contract award phase. The scope of work is comprehensive for the preliminary phases of the project to minimize the use of staff time and to allow staff to focus on the delivery of additional projects. Ardurra is ready to begin work immediately upon authorization of the agreement. Their fee for this scope of work will not exceed \$47,905. There are adequate funds in the project account 10309922-58800-70017 for this work.

RECOMMENDATION

Staff recommends that the City Council authorize work for the Weingart Sr. Center improvements per the Ardurra proposal dated November 28, 2023, in an amount not-to-exceed \$47,905, and authorize the Mayor to sign the proposal.

Kelli Pickler
Director of Public Works


Thaddeus McCormack
City Manager



November 28, 2023

Kelli Pickler, Public Works Director
City of Lakewood
5050 Clark Avenue
Lakewood, CA 90712

SUBJECT: REVISED PROPOSAL TO PROVIDE CONSTRUCTION MANAGEMENT SERVICES FOR THE WEINGART SENIOR CENTER IMPROVEMENTS PROJECT

Dear Mrs. Pickler,

Ardurra Group, Inc. is pleased to present our revised proposal to the City of Lakewood to provide professional construction management (CM) services for the Weingart Senior Center Improvements project in accordance with Attachment "A" – Scope of Services and Attachment "B" – Estimated Fee Allowance.

PROJECT UNDERSTANDING

Ardurra understands the City wishes to retain an experienced construction management team capable of assisting the City with constructability review, the pre-bid phase, bid phase and contract award/execution phase services of the Weingart Senior Center improvements project. Construction management, administration and inspection services are excluded from this proposal and will be proposed for consideration and implementation at the time that the construction contract is processed for approval by the City.

Ardurra will review the constructability review comments, made previously by the Ardurra team, to confirm that they have been included in the updated design and perform a final constructability review. Ardurra assumes one backcheck is required. If multiple iterations are needed, Ardurra may seek an amendment for the additional effort required.

This project is intended to replace depleted infrastructure and facilitate energy efficiency improvements to the Weingart Senior Center. It is also anticipated that this project will provide functional alterations and repairs to the aging facility, which include, but may not be limited to, partial facility demolition, replacement of existing doors and hardware, restroom fixtures and finishes, softscape and sidewalk lighting, ADA improvements, electrical improvements, removal of existing trees and indoor planters, upgraded finishes, painting and trim, mechanical improvements, and replacement of wall-mounted non-illuminated exterior building signage.

As the new project is funded by various federal, state and local agencies, inclusive of Community Development Block Grant (CDBG), it will be imperative that the selected consultant provide expertise to safeguard all project funding and abide by all established funding source requirements, and to assist with mitigating impacts that result from these requirements.

It is Ardurra's understanding that the estimated budget for construction costs is \$4.5 million.

PROPOSED STAFFING

Ardurra proposes **Mark Lewis, PE, TE** as project director who will oversee **Mahina Payo-Siu**, our proposed construction manager. Mahina will be assisted by **Dustin Blackwell**, who will provide document/project controls services. Resumes of the proposed team can be found in our on-call professional engineering services proposal/contract.

Ardurra's estimated fee allowance to provide the services outlined in this proposal is provided at the end of this document.



We look forward to assisting the City with successfully engaging a qualified construction contractor for this project. If there are any questions regarding this proposal, please contact Omar Alameddine at 949.533.3012 or oalameddine@ardurra.com or Mark Lewis at 949.677.0391 or mlewis@ardurra.com.

Respectfully submitted,
Ardurra Group, Inc.

Omar Alameddine
Project and Construction Management Group Leader

Mark Lewis, PE, TE
Project Director, Municipal Services

ATTACHMENT "A" SCOPE OF SERVICES

Pre-Bid Phase Services

Biddability/Constructability: The Ardurra constructability/biddability review methodology and scope of services is detailed below.

■ Constructability Review of Bid Documents

Constructability reviews will be conducted as directed by the City. A punch list of comments and recommendations will be submitted to the City for consideration and implementation with the project architect.

The CM team will review the constructability review comments, made previously by the Ardurra team, to confirm that they have been included in the updated design and perform a final constructability review.

The CM team will review the plans for biddability and constructability and identify potential value engineering solutions, ambiguities, conflicts and/or omissions apparent during its review. The bid documents and technical specifications will also be reviewed for potential duplication/overlap of clauses, conflicts, proper placement of critical requirements within the order and precedence of documents. Ardurra will also recommend key contract provisions to provide the necessary controls and remedies for the City to maintain a proactive approach on the project.

The CM constructability/biddability review typically involves the following:

- Check pothole data and as-built underground and overhead utility information (as applicable) against proposed design and assist the design team in resolving any resulting conflicts.
- Identify and implement quantity measurement methodologies to obtain the most efficient and accurate field measurements during construction.
- Compare plan notes with standard and special revisions, eliminating and/or removing any conflicts/overlapping requirements.
- Check quantities (as applicable).
- Check construction notes and proposed improvements against bid items and bid item descriptions/identify and resolve apparent inconsistencies and/or gaps.
- Compare proposed removals with proposed improvements and existing field conditions.
- Recommend special provisions language for project-specific and time-tested public contract remedies.
- Recommend order and precedence revisions and/or standard specification modification, as applicable.
- Recommend bid item allowances, alternates and minimum performance requirements, contractor deferred design items, e.g., detailed traffic control phases, pedestrian safety measures, public relations activities, SWPPP/NOI development and processing, etc.
- Establish bid evaluation criteria. Prepare Request for Bid documents.
- **Project Phasing:** Minimum phasing plans or narrative requirements will be recommended for inclusion in the bid documents, and a separate bid line item(s) will be established to identify the adequacy of the bidders' intent to facilitate the necessary phasing requirements. Additionally, separate sub-milestones can be established (with separately calculated liquidated damages attached) to track that the phases are properly carried out to maintain continuous and unobstructed use of critical existing operations (if any).

- **Project Scoping:** Check for clear identification of project limits. For unit price contracts with budgetary limits (e.g., projects with indefinite paving rehabilitation areas), methodology to maintain quantities delivered within the budget program will be developed and implemented into the bid documents and project procedures.

Bid Phase Services

- Administer the bid process using the City's bid distribution system.
- Coordinate with the City Clerk's Office and the Public Works Department to establish advertising dates, arrange pre-bid meeting and the bid opening date.
- Participate in pre-bid meeting to assist with answering bidder questions.
- Confirm that the project is advertised in appropriate publications and online contractor bid announcement services. Directly contact contractors specializing in this type of construction to encourage their participation.
- Assist with coordination with the City and other affected agencies/agencies having jurisdiction, as necessary.
- Assist City staff in conducting public outreach and communications program for the project, including providing regular status updates of ongoing construction activities, budget and schedule; providing progress photos or videos of construction activities; attending and/or participating in up to two (2) community meetings or events; and addressing or responding to residents' questions and concerns as they may arise.
- Assist with the development of responses to bidder questions during bidding period.
- Conduct reference checks on the low bidder.
- Check state licenses of bidder and subs.
- Review insurance and bonds for compliance with contract documents.
- Compile bid analysis:
 - Tabulate all bids with detailed breakdown with comparison to latest construction estimate.
 - Identify apparent unbalancing within bids.
 - Identify apparent missing items.
 - Monitor and document that all funding requirements are included in the bid documents.
 - Assist with addressing minor omissions or administrative issues as approved by the City.
 - Repeat above steps for next bidder if as-bid numerically low bidder appears to be unresponsive (additional allowance may be required).
- Assist with compiling recommendation to award to the successful bidder.
 - Make recommendation for confirmation of lowest responsive and responsible bidder with detailed basis, particularly if the as-bid numerically low bidder is not recommended.
- Assist in preparation of staff reports for City Council contract awards.

Contract Award/Execution Services

- Attend City Council meeting for award of the construction contract.
- Assist with coordinating contractor documentation requirements to support execution of contract.
- Assist with expediting contract execution by the parties.
- Assist with coordination with the City and other affected agencies/agencies having jurisdiction, as necessary.
- Assist the City in preparing the agreement with the selected contractor.

ATTACHMENT "B"
ESTIMATED FEE ALLOWANCE

City of Lakewood
Construction Management Services for the
Weingart Senior Center Improvements Project

Pre-Bid Phase			
Role / Name	Total Hours	Hourly Rate	Extended Fee
Project Director/Agency Advisor	10.00	\$ 240.00	\$ 2,400.00
Construction Manager	45.00	\$ 230.00	\$ 10,350.00
Project Controls Engineer	85.00	\$ 175.00	\$ 14,875.00
Subtotal Bid Phase			\$ 27,625.00
Bid Phase			
Role / Name	Total Hours	Hourly Rate	Extended Fee
Project Director/Agency Advisor	6.00	\$ 240.00	\$ 1,440.00
Construction Manager	20.00	\$ 230.00	\$ 4,600.00
Project Controls Engineer	40.00	\$ 175.00	\$ 7,000.00
Subtotal Bid Phase			\$ 13,040.00
Contract Execution Phase			
Role / Name	Total Hours	Hourly Rate	Extended Fee
Project Director/Agency Advisor	6.00	\$ 240.00	\$ 1,440.00
Construction Manager	10.00	\$ 230.00	\$ 2,300.00
Project Controls Engineer	20.00	\$ 175.00	\$ 3,500.00
Subtotal Contract Execution Phase			\$ 7,240.00
Total Estimated Fee			\$ 47,905.00

Notes: Terms and conditions shall be pursuant to the City of Lakewood On-Call Professional Engineering Services Contract dated June 13, 2023.

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CITY COUNCIL AGENDA

December 12, 2023

TO: Honorable Mayor and Members of the Council

SUBJECT: Lease Agreement between the City of Lakewood and Big Ben Engineering

INTRODUCTION

Big Ben Engineering (“Big Ben”), contractors for Golden State Water Company, recently approached the City of Lakewood (“City”) requesting a permit to conduct a water main replacement project along Pioneer Boulevard between Del Amo Boulevard and 206th Street. As part of the request for permit, Big Ben is also requesting to lease Housing Successor Agency owned property located at 20525-20529 Pioneer Boulevard, situated at the northwest corner of Pioneer Boulevard and 206th Street for staging purposes for the water main replacement project.

STATEMENT OF FACT

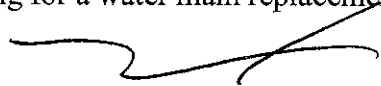
Big Ben is proposing to begin a water main replacement project on December 18, 2023 along Pioneer Boulevard between 206th Street and Del Boulevard. Other streets included in this project are Roseton Avenue, Alburdis Avenue and 205th Street. The project is expected to take place for approximately four (4) months, commencing on December 18, 2023 until April 30, 2024 or until the project is complete, whichever comes first. The property is approximately 12,800 square feet in area and Big Ben is proposing to use the site as a staging area for the water main replacement project. The City will collect \$3,000.00 monthly for the lease of the property.

The former Lakewood Redevelopment Agency (“Former Agency”) owned this property and slated it for development of affordable housing. The Former Agency was dissolved in February of 2012 and the City is the successor to the “housing assets” of the Former Agency. In its capacity as Housing Successor, the City owns this property and is currently negotiating with a developer for an affordable housing project. Should title to this property transfer prior to completion of the water main replacement project, the developer will carry the lease until the project is complete.

RECOMMENDATION

Staff recommends that the City Council authorize the execution of the Lease Agreement between the City of Lakewood and Big Ben Engineering for the use of the property located at 20525-20529 Pioneer Boulevard for the purpose of staging for a water main replacement project.


Abel Avalos
Director of Community Development


Thaddeus McCormack
City Manager

LEASE AGREEMENT FOR USE OF THE PROPERTY LOCATED AT
20525-20529 PIONEER BOULEVARD FOR STAGING PURPOSES FOR
THE INSTALLATION OF A NEW WATER MAIN

This Agreement, made and entered into this 12th day of December, 2023, by and between the City of Lakewood, a municipal corporation, hereinafter referred to as "CITY", and Big Ben Engineering, Contractors for Golden State Water Company, a Subsidiary of American States Water Company, hereinafter referred to as "TENANT".

WITNESSETH:

WHEREAS, the City Council of the City of Lakewood authorizes the execution of a lease agreement for the use of the property located at 20525-20529 Pioneer Boulevard, Lakewood, CA as a temporary staging site for a water main replacement project taking place in the vicinity of the site for approximately four months commencing December 18, 2023

WHEREAS, said Tenant will occupy the site to perform a water main replacement project;
and;

WHEREAS, the Tenant's use of said premises is a public purpose;

NOW THEREFORE, THE CITY AND TENANT AGREE AS FOLLOWS:

1. The City does hereby lease to Tenant the exclusive right to occupy the property located at 20525-20529 Pioneer Boulevard, Lakewood, California, and hereinafter referred to as "property" for a term commencing December 18, 2023 until April 30, 2024 or until the project is complete, whichever comes first.
2. The parties hereto agree that the property is approximately 12,800 square feet in area and the City does hereby find and determine that the reasonable lease value of the property is \$3,000.00 a month for the lease. It is therefore agreed by and between the parties hereto that Tenant shall pay the monthly lease payments to the City for the use of the property by the 10th day of each calendar month following each month in which Tenant occupies the property during the term of this agreement. Lease payments for any portion of a month shall be prorated accordingly.
3. It is understood by and between the parties hereto that Tenant will cover the site to prevent exposure of oil, gas and other hazardous materials to the site. All storage on the property shall be exclusively limited to equipment and materials necessary for the water main replacement project. All debris and backfill material kept on the site shall be maintained in a manner to prevent exposure to the site.
4. It is understood by and between the parties hereto that Tenant will provide all personnel and equipment necessary for the purpose of conducting a water main replacement project and that Tenant agrees to observe and comply with all rules, regulations and laws in effect or which may be in effect or which may be enacted during the continuation of this agreement by the City, State of California, and Federal Government, applicable to the occupancy and use of the property.
5. It is understood and agreed that Tenant shall be responsible for any damage to the premises and/or any liability imposed for damages or injuries pursuant to Government Code Section 810.8 where occurring by reason of anything done or omitted to be done by Tenant, its officers or employees or its invitees or guests while occupying the property. Further, it is understood and agreed that Tenant shall be responsible for the operation of the staging site and water main replacement project conducted on the property and City roadways and in

that regard, neither City or any officer or employee thereof shall be responsible for the operation of the project or for any cost and charges incurred in the conducting of the project when due and owing. Pursuant to Government Code Section 895.4, Tenant shall fully indemnify and hold harmless City, and each officer or employee thereof, from any liability imposed for damages or injuries arising out of the foregoing.

6. Tenant covenants and agrees to maintain workmen's compensation insurance policy as required by law and in addition comprehensive liability and property damage insurance in the amount of one million dollars (\$1,000,000.00). The policy shall contain a provision that the same cannot be cancelled with at least thirty (30) days written notice to the City thereof and shall name the City as an additional insured.
7. Upon termination of this agreement, Tenant agrees to vacate the property and restore the property to the same condition the property was in prior to occupancy by Tenant except where directed otherwise by the Director of Community Development.
8. The parties further agree that the City maintains the right to transfer this agreement upon transfer of Title of the Property.
9. Any notice required to be given under this agreement shall be in writing and either personally served, mailed or emailed to the parties as follows:

City of Lakewood
Attention Abel Avalos, Director of Community Development
5050 Clark Avenue
Lakewood, CA 90712
aavalos@lakewoodcity.org

Big Ben Engineering
Attention Sep Sharifi, President
4790 Irvine Boulevard #105-404
Irvine, CA 92620
ssharifi@bigbenengineering.com

IN WITNESS WHEREOF, the City has, by Motion, caused these presence to be executed by the Mayor and attested by the City Clerk and the Tenant has caused the same to be executed the day and year first written above.

CITY OF LAKEWOOD, A Municipal Corporation

By _____
Mayor, Ariel Pe

ATTEST:

City Clerk, Jo Mayberry

BIG BEN ENGINEERING

By _____
President, Sep Sharifi

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COUNCIL AGENDA

December 12, 2023

TO: The Honorable Mayor and City Council

SUBJECT: Approval of After Study and Design Engineering Services for Uncontrolled Marked Crosswalks

INTRODUCTION

On November 24, 2021 the City Manager authorized the first phase in a comprehensive study of uncontrolled marked crosswalks in an amount not-to-exceed \$18,480, to allow Willdan to collect data on twenty-eight uncontrolled marked crosswalks throughout the City. On December 14, 2021, City Council authorized the second phase of the study to determine if traffic control devices are warranted to address the needs of the crosswalk locations. In 2022, the City installed traffic controls devices at five pilot uncontrolled marked crosswalk locations. Now, staff is proposing that an “after study” of the five uncontrolled marked crosswalk pilot locations be conducted, as well as a technical memorandum which will address the effectiveness of the installations. In addition, staff proposes design engineering services commence for an additional 23 uncontrolled marked crosswalk locations city-wide.

STATEMENT OF FACT

Staff asked Willdan for a proposal to conduct an after study report of the five uncontrolled marked crosswalk pilot locations where the City implemented uncontrolled marked crosswalk improvements in 2022. These include the following locations:

1. Bellflower Blvd. and Hardwick St.
2. Bloomfield Ave. and Lemming St.
3. Del Amo Blvd. and Coldbrook Ave.
4. Norwalk Blvd. and 207th St.
5. Pioneer Blvd. and 205th St.

Willdan will field review each pilot location, and gather reported collision history from January 1, 2016 to the most current date available at each of the study locations. Willdan would then use their sub-consultant, National Data and Surveying Services (NDS) to collect 48 hours of video surveillance at each of the pilot locations. The surveillance would capture actions of pedestrians using the crossing and the motorists impacted by the crossings. The data will be collected when local schools are in session and under good weather conditions. NDS will analyze the captured data for four hours each day at each pilot location. The data will identify the amounts of pedestrians using the crosswalk as well as the vehicles traveling through the crosswalk. In addition, Willdan will develop a survey to determine the perception of the benefits and/or detriments to the improvements. The survey would be distributed to crossing guards stationed at each of the pilot locations, City staff who may have experience at those locations, Sheriff personnel who may have experience at those locations, and other staff as appropriate.

Willdan will review all of the information collected to develop an after study report. After the development of the after study report, Willdan would work with City staff to develop a technical memorandum. The memorandum will document any problems that occurred after the installation and what changes or revisions were made in response to the issues. The memorandum will include updated record drawings for the locations. In addition, Willdan will prepare and attend up to three public hearings. The proposed fee for the scope of work is \$21,241.

Staff has also requested a proposal from Willdan to commence with design engineering services for 23 other locations city-wide that have uncontrolled marked crosswalks. The crosswalk locations are listed in the proposal. The design for the uncontrolled marked crosswalk improvements will be based on the study conducted by Willdan that analyzed if additional traffic controls are appropriate with respect to maintenance needs and the current California Manual on Uniform Traffic Control Devices (CA-MUTCD) standards. Improvements would include replacement or refresh of crosswalks with ladder crosswalks; installation of yield limit lines and signage; installation of school crosswalk signs; relocation or refresh of pavement markings; upgrade and installation of ADA curb ramps; and installation of rapid rectangular flashing beacons (RRFB), and other improvements as recommended. As part of their design engineer services, Willdan would prepare the contract documents suitable for bidding; inclusive of plans, specifications, and engineer estimates. The proposal also includes engineer support services during the construction phase of the project, estimated to commence in March of 2024. The proposed fee for the scope of work is \$134,000.

In order to fully fund the scope of work for both proposals, staff needs authorization to appropriate additional funds in the project account, 10109908-58800-60062, in the amount of \$100,000.

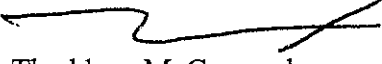
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RECOMMENDATION

That the City Council:

1. Appropriate \$100,000 in the project account 10109908-58800-60062 from the General Fund, for the after study and design engineering services related to the uncontrolled marked crosswalks.
2. Authorize Willdan Engineering's services to conduct the after study and develop the technical memorandum of the uncontrolled marked crosswalks pilot locations, under their existing Agreement for Engineering Services, in an amount of \$21,241 and authorize the Mayor to sign the proposal.
3. Authorize Willdan Engineering's design engineer services for the additional 23 uncontrolled marked crosswalks, under their existing Agreement for Engineering Services, in an amount of \$134,000 and authorize the Mayor to sign the proposal.

Kelli Pickler
Director of Public Works


Thaddeus McCormack
City Manager



December 4, 2023

Ms. Kelli Pickler
Director of Public Works
City of Lakewood
5050 Clark Avenue
Lakewood, CA 90713

Subject: Proposal to Provide Professional Engineering Services for the After Study Report and Technical Memorandum of Uncontrolled Marked Crosswalks Pilot Locations

Dear Ms. Pickler:

Willdan Engineering is pleased to submit this proposal to the City of Lakewood (City) for the After Study Report of the 5 uncontrolled marked crosswalk Pilot locations. The After Study is intended to help identify benefits of the crosswalk improvements implemented in 2022. The Technical Memorandum will address the hardware and operational challenges of the installations. The Memorandum will also provide updated Record Drawings of the locations.

The 5 Pilot Locations include:

1. Bellflower Boulevard and Hardwick Street (#1)
2. Bloomfield Avenue and Lemming Street (#2)
3. Del Amo Boulevard and Coldbrook Avenue (#9)
4. Norwalk Boulevard and 207th Street (#17)
5. Pioneer Boulevard and 205th Street (#18)

The following is our proposed scope of work, schedule, and fee for the After Study and Technical Memorandum:

SCOPE OF WORK

AFTER STUDY ANALYSIS

Task 1: Field Observations and Data Collection

Willdan will field review each Pilot location. The field observations will identify any changes from the original installation plans of the locations. This could include changes in pole/post locations, equipment changes, etc.

Willdan will gather the reported collision history from January 1, 2016 to the most current date available at each of the study locations. The Pilot Location Study dated March 9, 2022 reviewed collision history from January 2016. The after data may not provide a “deep” analysis of reported collisions, but it is the data that will be available for this After Study.

Willdan will utilize our subconsultant, National Data & Surveying Services – NDS, to collect 48 hours of video surveillance at each of the Pilot locations. This surveillance will capture the actions and reactions of pedestrians using the crossings and the motorists’ impacted by the crossings. The data will be collected when local schools are in session and under good weather conditions.

NDS will review and breakdown the captured data for 4 hours (2 AM and 2 PM) for each day at each Pilot location. These AM and PM peak hours will be the same hours studied during the Pilot Location study. The data will include the number of vehicles traveling through the crosswalk and the number of pedestrians using the crosswalk. The data will further identify the following:

- Do the pedestrians push the button to activate the rectangular rapid flashing beacon (RRFB) or edge-lit signs?
- Do the motorists/vehicles stop for the pedestrians after they have pushed the button:
 - When the pedestrian is still on the sidewalk?
 - When the pedestrian is in the crosswalk
- If the pedestrian did not push the button (nothing is flashing), did the motorist/vehicle stop for the pedestrian in the crosswalk?

Deliverables:

- ✓ 1-year “plus” reported collision history
- ✓ AM and PM peak hour data sets (4 hours for 2 days)
- ✓ Video Surveillance files

Task 2: Survey of Crossing Guards and Knowledgeable Staff

Willdan will develop a Survey to determine the perception of the benefits/detriments of the improvements. Distribution of this Survey will require assistance from Lakewood City Staff. Willdan recommends the Survey be distributed to:

- The crossing guards stationed at each of the Pilot locations,
- Knowledgeable City staff who have experience at the locations, (field crews, bus/transit staff, Public Safety staff, street sweeping/trash drivers, etc.),
- Knowledgeable Sheriff personnel who have experience at the locations, and
- Other knowledgeable staff as appropriate.

Deliverables:

- ✓ Draft Survey for review (electronic copy)
- ✓ Final Survey (electronic copy)

Task 3: After Study Report

Willdan will review the information collected from Tasks 1 and 2 to develop the After Study Report. The Report will summarize the methodology and findings at the 5 Pilot locations. The After Study Report will be submitted to the City for review and comment.



Electronic PDF versions of the DRAFT After Study Report will be prepared and delivered to the City for review by City staff. Upon receipt of City review comments, Willdan will prepare a FINAL Report signed, stamped, and dated by a Traffic Engineer licensed in the State of California. The FINAL Report will be provided to the City in an electronic PDF format.

Deliverables:

- ✓ Draft After Study Report (electronic copy)
- ✓ Final After Study Report (electronic copy)

TECHNICAL MEMORANDUM

Task 4: Meeting with City Staff

Willdan will schedule a meeting with City Staff to discuss and clarify the hardware and operational experience of the RRFB and edge-lit sign improvements implemented at the 5 Pilot locations. This meeting will provide the primary information for the development of the Technical Memorandum. The Memorandum will document problems that occurred after the installations and what changes/revisions were made in response to those issues.

Deliverables:

- ✓ Meeting minutes within 7 working days

Task 5: Technical Memorandum

Willdan will prepare a Technical Memorandum documenting the hardware and operational experience of the Pilot Locations. This Memorandum will include updated Record Drawings for the locations.

Electronic PDF versions of the DRAFT Technical Memorandum will be prepared and delivered to the City for review by City staff. Upon receipt of City review comments, Willdan will prepare a FINAL Technical Memorandum, stamped, and dated by a Traffic Engineer licensed in the State of California. The FINAL Memorandum will be provided to the City in an electronic PDF format.

Deliverables:

- ✓ Draft Technical Memorandum (electronic copy)
- ✓ Final Technical Memorandum (electronic copy)

Task 6: Public Meetings/Hearings Attendance

Attendance and preparation for up to three (3) public meetings/hearings are included as part of this proposal. Attendance and preparation at any additional meetings/hearings will be on a time-and-materials basis using the hourly rates identified in the current agreement with the City of Lakewood.

PROPOSED SCHEDULE

Upon authorization to proceed, we estimate that approximately 8 weeks from receipt of AM and PM peak surveillance analysis will be needed to provide the DRAFT After Study Report and DRAFT Technical Memorandum to the City for review. Willdan will provide the FINAL Report and Memorandum 10 working days after receipt of comments by the City.

PROPOSED FEE

We propose to provide the above professional services of the After Study Report and Technical Memorandum for a not-to-exceed fee of **\$21,241.00**.

Please indicate the City's approval and authorization to proceed by either printing out and signing two originals and returning one hard copy original to our office, or by scanning one signed original and returning it by e-mail.

Thank you for the opportunity to be of service to the City of Lakewood. We recognize the importance of this project to the City and are committed to realizing its timely and successful completion. Should you have questions regarding this proposal, please contact me at (562) 364-8526 or via email jlau@willdan.com.

Respectfully submitted,

Approval and Authorization to Proceed By:

WILLDAN ENGINEERING

CITY OF LAKEWOOD



Jeffrey Lau, PE, TE, ENV SP
Deputy Director of Engineering

Signature

Title

Date

910005/WW.00.60/P23-362_25896





December 4, 2023

Ms. Kelli Pickler
Director of Public Works
City of Lakewood
5050 Clark Avenue
Lakewood, CA 90713

Subject: Proposal to Provide Professional Engineering Design Services for the Uncontrolled Marked Crosswalk Improvements – 23 Locations

Dear Ms. Pickler:

Willdan Engineering (Willdan) is pleased to submit this proposal to the City of Lakewood (City) to provide professional engineering design services for the Uncontrolled Marked Crosswalk Improvements. Uncontrolled marked crosswalk improvements are based on a study by Willdan Engineering that analyzed if any additional traffic controls are appropriate with respect to maintenance needs and current California Manual on Uniform Traffic Control Devices (CA-MUTCD) standards. Improvements include removal of uncontrolled crosswalks; replacement/refresh with ladder crosswalks; installation of yield limit lines and signs; installation of school crosswalk signs; relocation/refresh of pavement markings; upgrade/installation of ADA curb ramps; and installation of rapid rectangular flashing beacons (RRFB). We understand that the City desires to construct the proposed improvements starting in March 2024.

The following crosswalk locations have improvements:

- | | |
|--|---|
| 1. Bloomfield Avenue and 215th Street | 13. Lakewood Boulevard and Michelson Street |
| 2. Candlewood Street and Hayter Avenue | 14. Woodruff Avenue and Hardwick Street |
| 3. Candlewood Street and Briercrest Avenue | 15. 214th Street and Rossford Avenue |
| 4. Centralia Street and Eastbrook Avenue | 16. 215th Street and Rossford Avenue |
| 5. Centralia Street and Dunrobin Avenue | 17. Fairway Drive and Country Club Drive |
| 6. Clark Avenue and Michelson Street | 18. Haston Place and 214th Street |
| 7. Del Amo Boulevard and Claretta Avenue | 19. Massinger Street and Alburtis Avenue |
| 8. Downey Avenue and Michelson Street | 20. Michelson Street and Coke Avenue |
| 9. Harvey Way and Marwick Avenue | 21. Michelson Street and Pearce Avenue |
| 10. Harvey Way and Lomina Avenue | 22. Roseton Avenue and 205th Street |
| 11. Harvey Way and Gondar Avenue | 23. St. Pancratius Place and Verdura Avenue |
| 12. Lakewood Boulevard and Hedda Street | |

Improvements at each crosswalk location can be found in Attachment A. The improvement list is taken from the Final Draft Analysis of Uncontrolled Marked Crosswalks – 23 Locations and is subject to change.

The following is our proposed scope, schedule, and fee:

SCOPE OF WORK

Task 1 - Project Management

1. Attend a pre-design (kick-off) meeting with City representatives to review the project, in detail, to determine the City's specific requirements concerning the project.
2. Maintain continuous communication with the City of Lakewood Project Manager, including meetings to review project status at 90%, and 100% completion.
3. Provide agendas of special items for discussion, and minutes listing agreed actions.
4. Provide a detailed project schedule with updates on a monthly basis.
5. Maintain continuous awareness of the status of each task as it proceeds and make provisions to expedite and resolve any difficulties that may impede progress.
6. Proactively initiate communications with City Project Manager and/or staff when questions arise due to inconsistency in the flow of work production.

Task 2A – Preliminary and Final Design for Proposed Crosswalk Improvements

Task 2A.1 – Records Research and Field Reviews

1. Obtain available as-built drawings, survey data and utility contact information from the City of Lakewood. The research may include assessor parcel maps, tract maps, recently completed or planned improvement drawings, as-built drawings for street, traffic signals, signing, striping, and storm drain, as well as municipal improvements such as water and sewer as-builts, atlases, and/or GIS information. Willdan Engineering will verify known underground utilities to avoid conflicts with proposed traffic signal improvements.
2. Perform field investigations to verify existing conditions once base plans have been completed with existing as-built records. A photographic catalog of existing conditions will be provided for the design project limits.
3. Conduct topographic land surveys for horizontal and vertical control for curb ramp upgrades as needed.

Task 2A.2 – Utility Coordination

1. Provide utility coordination, including notices to all utility companies in accordance with City's procedures. All documentation of contacts and responses will be copied to the City. Willdan will prepare utility notices and deliver them to the City for mailing under City letterhead. If so desired by the City, Willdan can transmit these notices under Willdan's letterhead; however, the City shall be responsible for any fees assessed to Willdan by the utility companies. In either case, all responses, questions, and correspondence from the utility companies will be addressed to Willdan's Utility Coordinator.



2. Review project scope of work with each utility company at the preconstruction conference. Identify possible conflicts and work with each utility to assure that its facilities will be protected if properly identified.
3. Coordinate relocation work by utility companies as needed within the project limits.

Task 2A.3 - Plans, Specifications and Estimates (PS&E)

1. Prepare a title sheet which will include but not be limited to the following: City project number, plan sheet index, vicinity map, and general notes.
2. Prepare curb ramp detail plans (3 sheets) at a scale of 1"=10'. Plans will conform to current ADA standards and specifications.
3. Prepare signing and striping plans (5 sheets) at a scale of 1"=40'. Plans will conform to the latest edition of the CA MUTCD, Caltrans Standard Plans and Standard Specifications. Plan will include removal and refresh of crosswalks, installation of ladder crosswalks and yield lines, installation of advanced signs and installation of solar RRFB systems.
4. Prepare a detailed engineer's estimate in Microsoft Excel spreadsheet format. The items will be arranged in chronological order of construction. The estimate will be based upon recent bid prices for similar projects as maintained by the City, Willdan, and Caltrans. Backup quantity calculations will be provided showing detailed computations for accuracy of the quantities upon request.
5. The City will provide Willdan with its boilerplate specifications and general technical provisions in the current version of Microsoft Word for Windows format. Willdan will be responsible for compiling the project specifications, signed by a civil engineer registered in the State of California, which are complete and ready for bidding purposes. The latest edition of the Greenbook (Standard Specifications for Public Works Construction and subsequent amendments) will be used on the project, except for traffic design. The technical portion of the Caltrans Standard Specifications will be used for the traffic design.

Task 2B – Preliminary and Final Design for Crosswalk Removals (Optional Task)

Task 2B.1 – Records Research and Field Reviews

1. Obtain available as-built drawings, survey data and utility contact information from the City of Lakewood. The research may include assessor parcel maps, tract maps, recently completed or planned improvement drawings, as-built drawings for street, traffic signals, signing, striping, and storm drain, as well as municipal improvements such as water and sewer as-builts, atlases, and/or GIS information. Willdan Engineering will verify known underground utilities to avoid conflicts with proposed traffic signal improvements.
2. Perform field investigations to verify existing conditions once base plans have been completed with existing as-built records. A photographic catalog of existing conditions will be provided for the design project limits.



Task 2B.2 - Plans, Specifications and Estimates (PS&E)

1. Prepare signing and striping plans (1 sheet) at a scale of 1"=40' for crosswalk removals at up to four (4) locations. Plans will conform to the latest edition of the CA MUTCD, Caltrans Standard Plans and Standard Specifications. Plans will also include removal of crosswalk related signs and pavement markings.
2. Prepare a detailed engineer's estimate in Microsoft Excel spreadsheet format. The items will be arranged in chronological order of construction. The estimate will be based upon recent bid prices for similar projects as maintained by the City, Willdan, and Caltrans. Backup quantity calculations will be provided showing detailed computations for accuracy of the quantities upon request.

Task 3 – Engineering Support During Construction

1. Respond to questions during project advertising and prepare project addenda, as necessary.
2. Attend the pre-construction meeting, job walk, and job-site meeting over the course of the construction schedule.
3. Assist the City during the construction support phase by reviewing and approving material submittals, responding to RFIs, and assisting with contract change orders as necessary. If a design oversight is identified in the design plans or specifications, we will make the appropriate design correction at no cost.
4. Provide engineering design services for revision to construction documents resulting from changed field conditions upon written authorization from the City. A detailed scope and fee estimate for each revision will be submitted to the City for approval.
5. Incorporate redline comments prepared by the Contractor and City's Construction Manager on the signed design plans to provide As-Built Record Drawings. Willdan will assume no responsibility for the accuracy of the information provided by the City's Construction Manager and the Contractor.

Task 4 – Advertising and Bidding Support (Optional Task)

1. Assist the City with advertisement and notifying various plan holders of the project.
2. Assist City staff with the preparation of the staff report to City Council.
3. Review and analyze bid results and prepare bid summary.
4. Verify contractor's references, bonding, insurance, and contractor's license for the three lowest bidders.
5. Provide recommendation to award project.



PROPOSED SCHEDULE

We estimate that preliminary PS&E can be completed for review within six (6) weeks from the receipt of the signed proposal and the Notice-to-Proceed. Final PS&E can be completed within two (2) weeks after receipt of City Comments.

PROPOSED FEE

We propose to provide the above engineering design services, including all optional tasks, for a not-to-exceed fee of **\$134,000** based on the following breakdown:

Task 1 – Project Management	\$ 10,000
Task 2A – Preliminary and Final Design for Proposed X-Walk Improvements	\$ 110,000
Task 2B – Preliminary and Final Design for Crosswalk Removals (Optional)	\$ 5,000
Task 3 – Engineering Support During Construction	\$ 6,000
Task 4 – Advertising and Bidding Support (Optional)	\$ 3,000
Total	\$ 134,000

Please indicate the City's approval and authorization to proceed by either printing out and signing two originals and returning one hard copy original to our office, or by scanning one signed original and returning it by e-mail.

Thank you for the opportunity to be of service to the City of Lakewood. We recognize the importance of this project to the City and are committed to realizing its timely and successful completion. Should you have questions regarding this proposal, please contact me at (562) 364-8526 or via email jlau@willdan.com.

Respectfully submitted,

Approval and Authorization to Proceed By:

WILLDAN ENGINEERING

CITY OF LAKEWOOD



Jeffrey Lau, PE, TE, ENV SP
Deputy Director of Engineering

Signature

Title

Date

910005/WW.00.60/P23-368R1_25907



Table 8 - Summary of Improvements

Location	Crosswalk		Remove Uncontrolled Crosswalk	Replace / Refresh with Ladder Crosswalk	Install Yield Limit Lines and R1-5 Signs	Install FYG SW24-2(CA) and/or SW24-3(CA) Signs	Relocate / Refresh SLOW SCHOOL XING Markings	Improve / Install ADA Ramps	Install RRFB ¹	Comments	
	Color	Type									
CATEGORY: 5 PEDESTRIANS/CYCLISTS OR LESS											
4	Candlewood St-Hayter Av	White	Standard	X							If these crosswalks are removed, the relocation of bus stops adjacent to the crosswalks should be discussed with the transit authorities. The crosswalk removal should remove the demand of bus riders crossing at this uncontrolled location.
14	Harvey Wy-Gondar Av	Yellow	Standard		X	X	X	X	X		It should be noted that the existing ADA ramp on the south side of Harvey Way is a driveway to a residential home. Consideration should be given to the possible relocation of the crosswalk to the east leg of the intersection to avoid the residential driveway.
15	Lakewood Blvd-Hedda St	White	Standard	X							If these crosswalks are removed, the relocation of bus stops adjacent to the crosswalks should be discussed with the transit authorities. The crosswalk removal should remove the demand of bus riders crossing at this uncontrolled location.
16	Lakewood Blvd-Michelson St	White	Standard	X							If these crosswalks are removed, the relocation of bus stops adjacent to the crosswalks should be discussed with the transit authorities. The crosswalk removal should remove the demand of bus riders crossing at this uncontrolled location.
19	Woodruff Ave-Hardwick St	White	Ladder		X (Yellow)	X	X	X	X		
25	Michelson St-Coke Ave	Yellow	Standard		X	X	X	X	X		
CATEGORY: 6 TO 29 PEDESTRIANS/CYCLISTS											
3	Bloomfield Av-215th St	Yellow	Ladder			X	X	X			
5	Candlewood St-Briercrest Ave	Yellow	Standard		X	X	X	X	X		
11	Downey Ave - Michelson St	Yellow	Ladder			X	X	X	X		
12	Harvey Way-Marwick Ave	Yellow	Standard		X	X	X	X	X		
13	Harvey Way-Lomina Ave	Yellow	Standard		X	X	X	X	X		
21	215th St-Rossford Ave	Yellow	Standard		X	X	X	X	X		Replace S1-1(mod) and "School Xing" sign at crosswalk with FYG SW24-2(CA) signs. It should be noted that there is no ADA ramp on the southside of 215th Street at Rossford Avenue.
23	Haston Pl-214th St	Yellow	Standard		X	X	X	X	X		Replace S1-1(mod) and "School Xing" sign at crosswalk with FYG SW24-2(CA) signs. It should be noted that there is no ADA ramp on the westside of Haston Place at 214th Street. There is also a fire hydrant on the westside which may impact the installation of an ADA ramp.
22	Fairway Dr-Country Club Dr	Yellow	Standard		X	X	X	X	X		Replace S1-1(mod) and "School Xing" sign at crosswalk with FYG SW24-2(CA) signs.
26	Michelson St-Pearce Ave	Yellow	Standard		X	X	X	X	X		
27	Roseton Ave-205th St	Yellow	Standard		X	X	X	X	X		
28	St Pancratius Pl-Verdura Ave	Yellow	Standard		X	X	X	X	X		Replace S1-1(mod) and "School Xing" sign at crosswalk with FYG SW24-2(CA) signs.

Table 8 - Summary of Improvements (con't)

Location	Crosswalk		Remove Uncontrolled Crosswalk	Replace / Refresh with Ladder Crosswalk	Install Yield Limit Lines and R1-5 Signs	Install FYG SW24-2(CA) and/or SW24-3(CA) Signs	Relocate / Refresh SLOW SCHOOL XING Markings	Improve / Install ADA Ramps	Install RRFB ¹	Comments
	Color	Type								
CATEGORY: MORE THAN 30 PEDESTRIANS/CYCLISTS										
6 Centralia St-Eastbrook Ave	Yellow	Standard		X	X	X	X	X		Replace S1-1(mod) and "School Xing" sign at crosswalk with FYG SW24-2(CA) signs. Current access ramp on the south side of Centralia Av is the driveway to the School. Discussion may need to occur with School staff to determine if this driveway access is necessary so that an appropriate ADA ramp can be installed.
7 Centralia St-Dunrobin Ave	Yellow	Standard	X							Coordinate with Lakewood High School staff to inform students/parents of this change. This may require the School consider closing an access point into the school for better compliance to cross Centralia St at Eastbrook Av.
8 Clark Ave-Michelson St	Yellow	Ladder		X	X	X	X		X	
10 Del Amo Bl-Claretta Av	Yellow	Standard		X	X	X	X		X	
20 214th St-Rossford Ave	Yellow	Standard		X	X	X	X	X		
24 Massinger St-Alburtis Ave	Yellow	Standard		X	X	X	X	X		It should be noted that these is a fire hydrant on the south side of Massinger Street.

¹ - RRFB = Rapid Rectangular Flashing Beacon

Sign Callouts:



R1-5



SW24-2 (CA)



SW24-3 (CA)

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Reports

COUNCIL AGENDA

December 12, 2023

TO: The Honorable Mayor and Members of the Council

SUBJECT: Annual Comprehensive Financial Report (ACFR) - Year Ended June 30, 2023
and Presentation of the Government Finance Officers Association (GFOA) Award

INTRODUCTION

The Annual Comprehensive Financial Report is a set of City financial statements that complies with Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board (GASB). It presents a wide variety of information needed for readers to understand the true fiscal picture of a local government's finances.

The City of Lakewood's ACFR is compiled by the Finance & Administrative Services Department staff and audited by an independent public accounting firm (The Pun Group LLP, Certified Public Accountants) whose unmodified opinion (the most favorable that can be obtained) is included within the financial section of the report.

In preparation for the City's annual audit and the development of the ACFR, the City Council Audit Committee convened three times. The meetings, with staff and The Pun Group, took place during the audit and after its completion when the financial statements were available in draft form. The meetings covered a wide array of subjects and materials, including management/auditor roles and responsibilities, audit approach, financial statements, indicators, compliance matters, internal controls, audit results, and upcoming GASB accounting pronouncements.

STATEMENT OF FACT

The City of Lakewood's Fiscal Year 2022-23 ACFR is composed in the standard format of four sections: Introductory, Financial, Supplemental, and Statistical.

- The Introductory Section includes the Transmittal Letter to the City Council from the City Manager and the Director of Finance & Administrative Services, the City's organizational chart and the GFOA Certificate of Achievement for Excellence in Financial Reporting.
- The Financial Section includes the Independent Auditor's Report, staff's Management's Discussion and Analysis that provides a high-level review of the year-over-year changes from the prior year's ACFR, the Basic Financial Statements of the Governmental and Business Type Activities of the City, and the Fund, Proprietary and Fiduciary Financial Statements, followed by the Notes to the Basic Financial Statements.

- The Supplemental Schedules section includes schedules of the City's various special revenue funds (grants), and internal service and fiduciary funds.
- The Statistical Section contains information regarding the financial trends, revenue and debt capacity, demographic and economic data and operational information of the City.

The City of Lakewood has two major fund groups, Governmental and Proprietary (Enterprise) that fall into two types of activities: governmental and business. The City's water utility is the only Enterprise Fund and is presented as a business activity in the financial statements along with the internal service funds that serve as cost centers for all funds and functions of the City.

In the Governmental Funds financial statements, Governmental Funds are broken out into Major Funds and Non-Major Governmental Funds. The City of Lakewood has four major funds, the General Fund, American Rescue Plan Act (ARPA) Fund, Successor Housing Agency Fund and Capital Projects Fund; all remaining Governmental Funds are combined and represented under Non-Major Governmental Funds. The combined fund balance of the City's Governmental Funds (page 31) increased by \$20,147,122 over the prior year; this increase was mainly from the increase in the General Fund category.

The Proprietary Fund financial statements primarily represent the City's Water Utility. The Water Utility is treated as an Enterprise Fund and as such has retained earnings rather than a fund balance. Unrestricted retained earnings in the Water Fund increased by \$646,208 (page 37). Retained earnings increases are necessary to fund future-year capital improvements. Projects on the horizon include water main replacements, as well as water treatment and operational upgrades.

GENERAL FUND SUMMARY

The City's General Fund is the City's largest fund, over which the City Council has the greatest discretionary authority, and is extremely valuable in the provision of essential services. It is important to note that the presentation of information in the ACFR is different from that in the City's budget. While a municipal budget is a spending plan for a future time period, an ACFR is a set of financial statements for a prior time period that complies with highly regimented accounting reporting requirements as established by GASB. More specifically, the ACFR presents expenditure information without regard to the anticipated use of reserves (i.e., capital improvement projects - CIPs) or departmental expenses. On the revenue side, accounting principles require investments to be adjusted to year-end market value on the City's books each year even though they are held through maturity. The adjustment results in an unrealized "paper" gain or loss that is recorded.

When analyzing the City's General Fund revenues versus expenditures, there was a "surplus" of \$17,043,829 (page 103) at year-end. However, when excluding reserves for Capital Improvement Project (CIP) and Equipment Replacement for carry-over use the next fiscal year, the General Fund realized a \$12,945,964 surplus. This is greater than the amount previously

anticipated when developing the budget, but still in line with the City's long-term financial plan which projects revenues and expenditures out 20 years and has identified a need for surpluses over the initial years to offset expected increases in expenditures over the last 10 years of the 20-year forecast. Accordingly, the additional current-year funds received are needed and will be programmed to address identified and unanticipated fiscal needs over subsequent years to come.

The following are some of the major reasons for the surplus:

Revenues

Overall, General Fund Revenues, plus the transfer in from other sources, were greater than budgeted by \$3,415,420. The largest component of this higher amount was Investment Income (\$1,581,054) as interest rates and commensurate earnings rose rapidly over a short period of time. Following is a brief review of the major components of the revenues received by the City as presented on page 103 of the ACFR.

Sales tax revenues exceeded budgeted amounts. Traditional sales tax revenues (also known as Bradley-Burns) were greater than their budgeted amount by \$241,871. Locally, "brick and mortar" sales remained strong throughout the year. The top two industry groups (Autos and Restaurant) experienced 15% and 5% increases, respectively over the prior year.

Measure L sales tax revenues (the City's local transaction sales tax measure) generated \$379,473 or 2.7% less than budgeted in its third year. In its first two years the local 0.75% transaction and use tax had been tracking higher (relative to the 1% Bradley-Burns rate that the City captures). The passage of Measure L allowed for the City to capture those sales tax revenue dollars that otherwise would not have been allocated locally.

Current service charges exceeded budget projections by \$744,638. The largest component was Refuse Collection fees, with revenues surpassing its budget estimate by \$466,421.

Utility User's Tax (UUT) revenue was higher than budget estimates by \$451,673. This is largely reflective of higher commodity rates in the electricity and natural gas sectors during the year.

Property tax revenues were higher than expected by \$349,303 when compared to budgeted estimates. The increase is mostly attributed to the continued increase in property values in addition to the annual countywide two-percent adjustment factor.

Expenditures

The ACFR presents expenditure activities by defined functions that differ from the City's organizational and CIP structure. Overall, General Fund expenditures, plus the transfer out to other sources, were less than budgeted by \$9,246,697. The vast majority of this amount (\$6,879,376) represents funds that have been already budgeted to specific CIPs (typically completed over multiple years), but have not been spent. Much of the \$6,879,376 above was from the Culture and leisure function, with expenditures \$5,858,040 less than anticipated. Since

many of the City's budgeted CIPs address park facilities, the year-end "savings" are recognized in the Culture and leisure function within the report.

The remaining portion (\$2,367,321) of savings are due to operational activities. There were significant savings (\$1,293,265) in labor costs. They are reflective of position vacancies (both full and part-time) throughout the organization as the City experienced the effects of a tight labor market. Organizationally, General Fund contractual costs were lower (\$738,094) as staff shifted eligible expenditures away from the General Fund and utilized available grant monies. In some instances, as well, budgeted contingency amounts in various accounts were not fully utilized.

Fund Balance

As mentioned previously, General Fund revenues (including transfers in) exceeded expenditures (including capital projects) by \$17,043,829 (without factoring in anticipated use of reserves). In general terms, the City has sound "rainy day" reserves. The fund balance is presented pursuant to GASB 54, which includes four components; the following is a brief review of these components as presented on page 26 of the ACFR.

The Nonspendable component includes prepaid items, inventories and loans to the Successor Agency. This component increased by \$307,139 from the prior year. The Successor agency loan receivable is the major element of this component and of the year-over-year change.

The Committed component includes reserves for City obligations, current capital projects and economic uncertainties. This component increased by \$1,758,340 from the prior year. It was primarily due to the increase in funds committed to the economic uncertainties reserves.

The Assigned component includes reserves for budgeted but unallocated capital replacement projects, equipment replacement needs, long-term stabilization set-asides as well as major emergencies or catastrophes. Two new categories are included in this year's report: Legal Fees Contingency and Pension Obligations Paydown. Both provide set-aside funds that help stabilize and improve the City's long-term fiscal health. Overall, this component increased by \$13,419,511 with \$4.4 million going into the Measure L long-term reserve.

The Unassigned component, which increased by \$1,558,839 compared to the last fiscal year, is available to be allocated as needed.

GFOA Financial Reporting Award - Fiscal Year ending June 30, 2022

Recently, the GFOA awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Lakewood for the FY 2021-22 ACFR. This is the 41st consecutive year that the City has received this prestigious award. In order to be awarded the Certificate of Achievement, the ACFR must satisfy both generally accepted accounting principles and applicable legal requirements, as well as be easily readable and efficiently organized.

Mr. Ken Pun from The Pun Group will present this award to the Mayor and Council.

RECOMMENDATION

Staff recommends the City Council:

- Receive and file the City of Lakewood Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ended June 30, 2023.
- Accept the GFOA Certificate of Achievement for Excellence in Financial Reporting award for the Fiscal Year ended June 30, 2022.



Jose Gomez
Director of Finance & Administrative Services



Thaddeus McCormack
City Manager

Attached: City of Lakewood ACFR for the Fiscal Year ended June 30, 2023



Annual Comprehensive Financial Report



City of Lakewood, California
Year Ended June 30, 2023

CITY OF LAKEWOOD, CALIFORNIA

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

**WITH REPORTS ON AUDIT
BY INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**

**FOR THE YEAR ENDED
JUNE 30, 2023**

Prepared by:
Finance and Administrative Services Department

Jose Gomez
Director of Finance and Administrative Services



City of Lakewood
Annual Comprehensive Financial Report
For the Year Ended June 30, 2023

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Annual Comprehensive Financial Report
For the Year Ended June 30, 2023

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Todd Rogers
Vice Mayor

Cassandra Chase
Council Member



Ariel Pe
Mayor

Steve Croft
Council Member

Jeff Wood
Council Member

December 12, 2023

The Honorable Mayor and City Council
City of Lakewood
Lakewood, California

TRANSMITTAL LETTER

We are pleased to submit for your information and consideration the Annual Comprehensive Financial Report of the City of Lakewood. State law requires that all general-purpose local governments publish within six months of the close of the fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted government auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the City of Lakewood for the fiscal year ended June 30, 2023.

This report consists of management's representations concerning the finances of the City of Lakewood. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management of the City of Lakewood has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Lakewood's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Lakewood's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Lakewood's financial statements have been audited by The Pun Group, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Lakewood for the fiscal year ended June 30, 2023 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statements presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions that the City of Lakewood's financial statements for the fiscal year ended June 30, 2023 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

The City of Lakewood, incorporated in 1954, is located in Southern Los Angeles County, 20 miles south of the City of Los Angeles. Lakewood enjoys the benefits of the diversified economy of Southern California. The City is primarily a bedroom community providing housing for the Southern California region. The City of Lakewood occupies a land area of 9.5 square miles and serves a population of 82,713 as of the 2020 census.

The City of Lakewood has operated under the council-manager form of government since its incorporation. The City is a "contract city," having been the first in the country to adopt this form of government. John Stanford Todd's contributions to Lakewood and city government are now honored by two John Sanford Todd Memorial Highway signs located near the northern and southern borders of Lakewood along the 605 freeway. Policy-making and legislative authority are vested in a governing council consisting of five members. The governing council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees and hiring both the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The Council is elected on a non-partisan basis. Council members serve four-year overlapping terms. The mayor is selected by the council from among its members and generally serves in that capacity for a one-year term.

The City of Lakewood provides a full range of services, including police protection, solid waste collection, construction and maintenance of highways, streets and infrastructure, planning and zoning activities, utilities (water), recreational activities, cultural events, housing and general administrative services. As mentioned above, the City of Lakewood is a "contract" city, meaning that some of these services are provided by contract with other agencies (both public and private) and some services are delivered by the City's own employees. Library services, fire protection services, and sewer services are provided by special districts of the County of Los Angeles. The City has excluded the County of Los Angeles, as well as the State of California and various school districts, because they do not meet the established criteria for inclusion in the report.

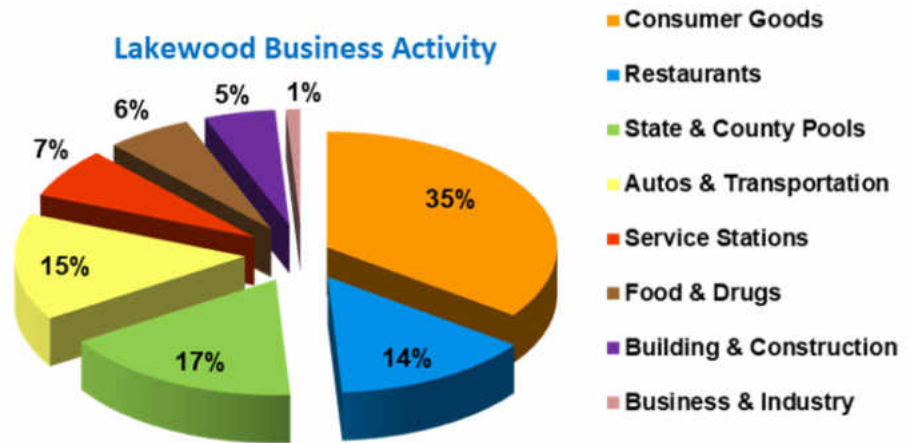
The City budget serves as the foundation for the City of Lakewood's financial planning and control. All departments of the City are required to submit requests for appropriation to the City Manager for inclusion in the budget that commences July 1st. The City Manager uses these requests, along with a query of City Council priorities, as the starting point for developing a proposed budget. The City Manager then presents a proposed budget to the Council for review prior to June 30. The Council is required to hold a public hearing on the proposed budget and to adopt a final budget by no later than June 30, the close of the City's fiscal year. The appropriated budget is prepared by fund, function (e.g., solid waste collection), and department (e.g., public works). The City Manager may authorize transfers of appropriations within and between departments within funds. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented under the required supplementary information in the financial section of this report. For governmental funds, other than the General Fund, with appropriated annual budgets, this comparison is presented in the supplementary schedules section of this report.

ASSESSING THE CITY'S ECONOMIC CONDITION AND OUTLOOK

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Lakewood operates and serves.

The City of Lakewood is primarily a residential community with only 6% of the City zoned for commercial use. The City is home to one of the largest malls in the United States with about 2.1 million square feet of retail space, which is strategically located in the center of the City. By the end of the 1990's, Lakewood was essentially "built out," leaving

very little of the 9.5 square miles of the City available for new development.

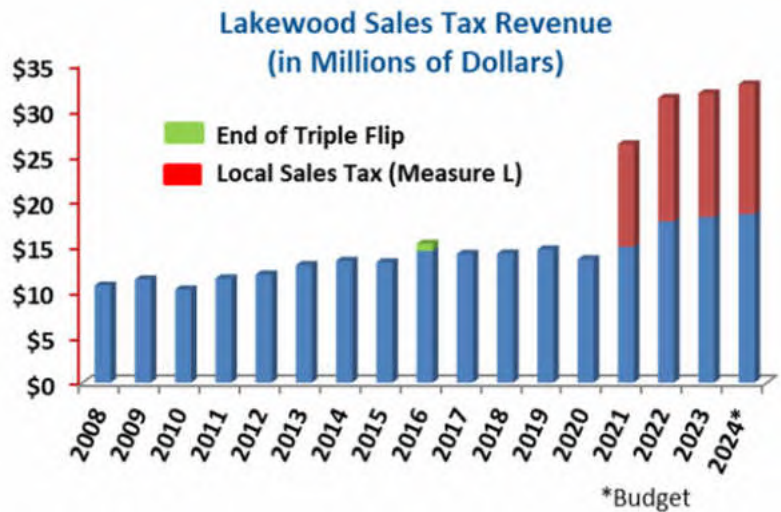


In the aftermath of the COVID-19 pandemic, local economic conditions and climate were favorable as restrictions were minimized. For the City of Lakewood, retail sales is the economic indicator that best heralds the City's financial status. Sales tax revenues account for about 42% of all General Fund revenues. There are over 4,000 businesses (including home occupations) located in Lakewood that helped generate over \$18 million in "Bradley-Burns" sales tax revenue for the City in Fiscal Year 2022-23. This amount was supplemented by approximately \$13.6 million in sales tax revenue generated by Measure L (the local 0.75% transaction and use tax). More on this below. The economic base of Lakewood is largely retail with the City's "top twenty-five" retail businesses as a group producing 59% of the City's "Bradley-Burns" sales tax revenues. Undeniably, Lakewood has long benefited from a popular regional shopping center and several smaller commercial plazas. In recent years, the City had been experiencing the slowing of sales tax revenue growth. Most of this was stemming from the continued migration of consumers away from traditional brick-and-mortar to online shopping. Restrictions from the COVID-19 pandemic greatly exacerbated this phenomenon starting in March 2020 as many traditional retailers were forced to close their doors and shoppers were reluctant to leave their homes.

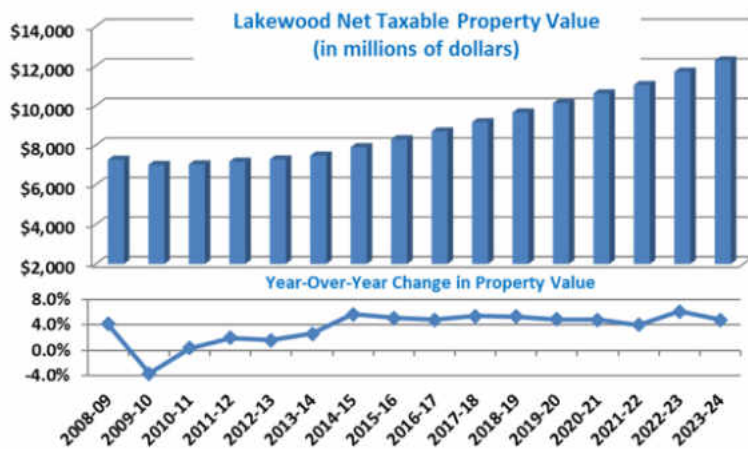
Over the last decade, state and county pools have provided a greater share of sales tax revenues to the City as online sales have grown and federal tax laws have evolved. This has somewhat offset the loss of brick-and-mortar sales tax revenue to online shopping. Historically, "Bradley-Burns" sales tax collected from online sales had been disbursed to cities through state and county pools based on each city's percent of total brick-and-mortar sales. For Lakewood, this will diminish over time as the percentage of online sales grows in comparison to the City's shrinking brick-and-mortar sales activity. The City's outlook in the collection of sales tax revenue, however, greatly changed in the spring of 2020.

In March 2020, Lakewood voters passed Measure L allowing for a ¾ cent local sales tax measure which was expected to provide over \$10 million in additional funds per year that benefit the Lakewood community. The tax applies to both brick-and-mortar and online sales transactions. Its importance cannot be overstated as the new revenue allows the City to continue providing and maintaining the essential services that help define the quality of life that residents deserve and expect. Its passage was also timely in that it came at the onset of the then unforeseen economic collapse from the COVID-19 pandemic, thus offering a needed buffer for the diminished revenue trends that were anticipated ahead. More importantly, the impact from Measure L will be felt for years to come as it provides the foundation for long-term economic stability, funding for needed community services and programs, as well as helping address the City’s aging facilities and infrastructure.

Despite a somewhat turbulent environment, economic development in the City added a number of retailers in the past year. It allowed for expanded shopping and dining opportunities, as well as adding jobs from over 100 new businesses in Lakewood including home occupation businesses. This built on the more than 5,000 jobs that new businesses brought to Lakewood over the past decade. Among the new businesses opening or expanding during the year were WalMart Fuel Station, Wave Imaging/Breastlink, and Sola Salons.



The City is a “low property tax city,” which means the City assessed a small municipal property tax prior to 1978-79 that has been folded into the tax base under Proposition 13. Today, the City relies on a small 5.84% share of the county collections – the fourth lowest in the County.



The County Assessor increased property tax assessments by 2%, the maximum allowed by law.

During the last recession, the County Assessor lowered property tax assessments utilizing the 1978 Proposition 8 reduction requirement where the lesser of the adjusted base year value or market value is used for taxation.

Not surprisingly, the number of Prop 8 reductions has steadily decreased in recent years as property values have risen considerably. More so, about \$23 million in Prop 8 values was restored from prior year value reductions throughout the City. Overall, the top two factors (transfer of ownership and a CPI increase of \$208 million), along with the recapture of Prop 8 valuations largely accounted for the overall taxable value increase of more than \$672 million. As in past years, the main driver of the increase was residential properties at \$600 million followed by commercial properties at approximately \$66 million.

The total assessed value of real property in the City was \$11.7 billion for Fiscal Year 2022-23, a 6.1% increase from the previous year. The growth was only slightly less than the County’s rate of 6.97%. With mortgage interest rates dropping to record lows during the COVID-19 pandemic, real estate values soared with the pandemic having no detrimental impact on assessed values. The housing market has changed more recently. In calendar year 2023, the sales price for a median single family Lakewood home has remained flat. At \$810,000, it is about the same as it was in 2022. A major reason for this leveling is the significant rise in mortgage interest rates that have brought a sharp decline in the number of homes sold on a nationwide basis. It is anticipated that the fewest homes will be sold in 2023, since 2007.



In Fiscal Year 2012-13, the City began to receive residual property tax from the dissolution of the Lakewood Redevelopment Agency (LRA). In that year, all property tax increment held by the LRA was shifted to the County and disbursed to local taxing agencies - the City’s share of this disbursement was \$404,967. The significantly greater residual disbursement (\$436,749) received in Fiscal Year 2015-16 was primarily the City’s share of the \$9.4 million payment made that year to the County by the Successor Agency of the former Lakewood Redevelopment Agency. Annual residual property tax is expected to be approximately \$250,000 in Fiscal Year 2023-24 due to former LRA bonds being fully paid.

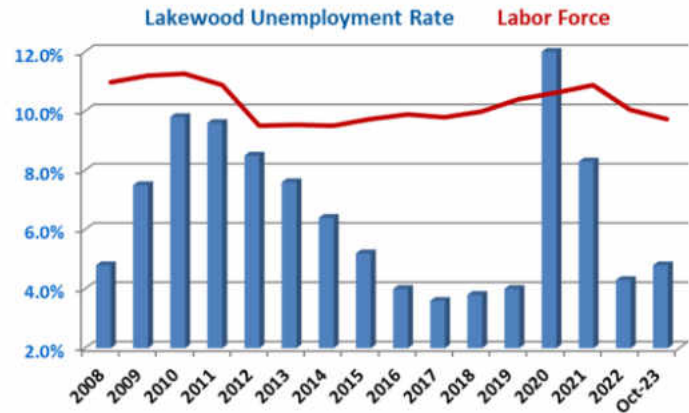
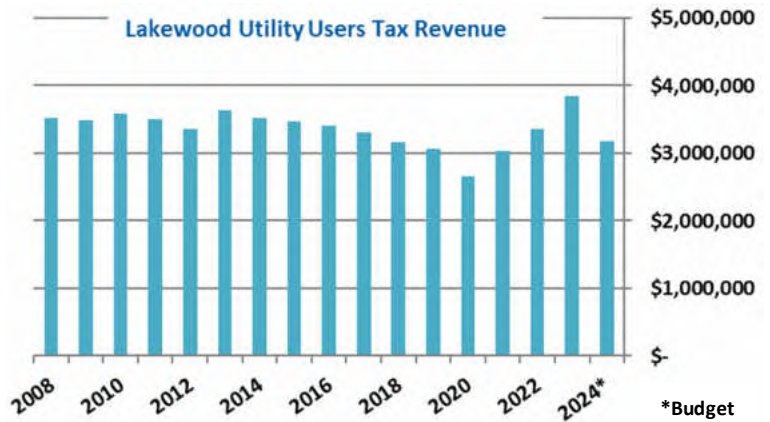
In Fiscal Year 2007-08 the City joined in a collective action against Los Angeles County regarding property tax administrative fees. The case was settled in Fiscal Year 2012-13 resulting in a refund to the City of \$804,544 in excess property tax fees. The settlement also resulted in an on-going annual reduction of the property tax administrative fee of about \$150,000.



Property tax revenue in Fiscal Year 2022-23 increased by 7.7% over the prior year, exceeding budget expectations by 5.3%, and is expected to reflect a modest increase in Fiscal Year 2023-24. Overall, property tax revenue accounts for about 9% of General Fund revenues. Since the 2004 passage of Prop 1A, changes in property tax valuation have a greater impact on revenue. Vehicle license fee revenue growth is tied to property tax growth.

Property tax in-lieu of vehicle license fees accounts for an additional 15% of General Fund revenues. The COVID-19 pandemic did not impact either of the above revenues, with little long-term effect. During Fiscal Year 2022-23, over 4,900 construction and remodeling permits were issued, which is the fourth year in row of increased permits issued and the largest total since Fiscal Year 2005-06.

City revenues are also affected by changes in the commodity markets. The City’s assessed utility user’s tax (UUT) revenue totaled almost \$3.9 million and represents 5.1% of General Fund revenues. The 3% tax is assessed on communications, electricity, natural gas and water use. Fiscal Year 2022-23 revenues increased over \$490,000 across all four utility areas when compared to the prior year. The majority of the UUT increase was from electricity and gas utilities. The increased commodity prices during the year, especially natural gas, were responsible. The telecommunications UUT revenue is less than one-third of its 2010 peak year and saw an 11% decrease from the prior year to \$431,893 in Fiscal Year 2022-23. Significant changes in technology have shifted core telecommunications usage outside of those subject to the City’s UUT.



In most years, Lakewood’s employment rate depends largely on the regional job market. The COVID-19 pandemic, however, was largely responsible for a tremendous swing in the unemployment rate unlike any other in decades. The sweeping effect of the COVID-19 pandemic initiated shut-downs in March 2020 that resulted in steep job losses. As the economy recovered from the pandemic, a decline in the size of the workforce drove the unemployment rate downward

dramatically to 4.3% in 2022. Subsequently, it has risen to a rate of 4.8% as of October 2023.

Major employers located within city limits are Long Beach Unified School District, County of Los Angeles, Lakewood Regional Medical Center, and various retail, automotive and home improvement businesses, as well as the City itself.

The April to April Consumer Price Index (CPI) for the Los Angeles, Riverside and Orange County region, which is the basis for many of the City’s contract increases, was 3.8% in 2023. After reaching 40-year highs last year, the CPI is approaching more historically average levels. Partly responsible for this decline are higher interest rates. The U.S. Federal Reserve, tasked with setting interest rates, has increased them sharply in an attempt to lower the CPI to a more reasonable level. As it has declined, there are some indications that the Reserve may pause and not continue raising rates in the near future.



Economic Outlook

Beacon Economics provides market insights and forecasts for communities across the western United States. In their recent analysis Beacon states, “Despite adding over 440,000 jobs since the pandemic, California's job growth is largely a result of its size. The state's labor force is still below pre-pandemic levels, with about 168,000 fewer workers. California is also facing a housing crisis, with a decline in population but an increase in new households. The number of job openings in the state exceeds the number of unemployed persons. California's housing shortage and high interest rates have limited home sales activity, but there is still a shortage of housing supply. Progress in easing the housing crisis will depend on a balance between demographic and economic factors.”

The HdL Companies, the City’s sales tax revenue consultant also provided a restrained outlook stating, “Steady household spending, despite historically low unemployment, has shielded the economy from recession, a unique situation even as inflation exceeded Federal Reserve targets and interest rates on loans and credit cards rose. In California, sales tax performance for Fiscal Year 2022-23 grew by 2.1%, but it lags far behind the double-digit growth seen during the pandemic recovery. Looking ahead, households face tight budgets, and various industries grapple with challenges like labor costs, inventory issues, and competition. Spending generating sales taxes is expected to dip slightly in Fiscal Year 2023-24, with limited expansion anticipated in the following year.”

LONG-TERM FINANCIAL PLANNING

Long-term financial planning involves the management of the City’s programs and assets. Programs include the services the City provides through its employees and contracts. Assets include cash and investments, as well as the City’s entire infrastructure of streets, street lighting, signals, medians, signage, parks, recreation facilities, water mains, trees, sidewalks and bus stops, etc. Long-term debt, pension and post-employment benefits, and the depreciation and deterioration of the above named tangible assets, are also included in the long-term financial plan. The City’s policies provide parameters that reflect the City’s management and fiscal philosophy.

The City’s financial and operating budget policies serve as the guiding principles for the City’s financial management and annual budgetary process. The financial policy is written with the objective to maintain or improve an entity’s financial position, financial management and credit rating. The operating budget policy, along with the City’s purchasing policy, is written with the objective to promote good stewardship in the management of public funds and resources.

The City’s cash and investment policy is written with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints, liquidity needs and cash flow characteristics of the portfolio. Return on investment is of secondary importance compared to safety and liquidity objectives.

The City’s governmental fund balance policy is written with the objective to retain the proper levels of reserves for economic uncertainty (20% of operational costs), unforeseen capital expenditures and repairs, emergency response services, and pension obligations.

The City’s capital financing and debt management policy is written with the objective to set guidelines as to the financing of capital expenditures and long-term capital planning.

The City's capital improvement program and replacement of assets policy provides guidance as to the objectives capital improvements shall meet. Capital improvement projects typically involve large outlays and cover multiple years. Although capital improvements are considered apart from the operating budget of the City, the operating budget includes set-aside funding for capital projects. In addition, Lakewood staff is encouraged and readily takes the steps necessary to acquire new, and retain current funding sources. New funding possibilities include various one-time competitive grants and on-going block grants. These grants fund public works projects, park and recreation facilities, public safety, transportation and housing programs. Following are examples of recent project and programmatic accomplishments:

Street, Stormwater and Traffic Signal Improvements:

- Trimmed approximately 7,780 trees, removed over 168 trees determined to be in poor condition, and replanted 174 trees throughout the City.
- Removed and Replaced 2.5 miles of curb & gutter and 5.4 miles of sidewalk, enabling better movement of pedestrians and run-off water throughout the City.
- Resurfaced approximately 9 miles of street using rubberized asphalt.
- Reconstructed 15 ADA curb ramps to bring them up to current standards.

Parks and Community Facilities Projects and Activities:

- Pool equipment improvements completed at Mayfair pool with the installation of new rubber filter seals.
- Improvements were completed at Mayfair Swim Pavilion, including the replacement of the water heater and the replacement of the carpet.
- Construction was completed at Rynerson Park, with the installation of new picnic shelters and ADA-accessible parking improvements.
- Construction was completed at San Martin Park, with improvements including new picnic shelters, a new tot lot playground, and ADA-accessible parking improvements.

Parks, Sports, Human Services and Special Events

- The aquatics program provided 2,865 swim lessons and aquatic fitness classes for 709 individuals. A total of 17,167 people attended recreation swim over the three-plus month swim season.
- Lakewood Youth Sports (LYS) continued to resurge following the pandemic. The traditional programmed sports include baseball, softball and t-ball, flag football, volleyball, and basketball. This number increased from the prior year by 198 participants. An estimated 400+ volunteer coaches assisted with the program this year.
- The Lakewood Youth Hall of Fame celebrated its 41st year in 2023. Fifty-one athletes and 13 league champion teams from local high schools were honored in front of over 300 attendees for their athletic and scholastic achievements.
- Staff processed 1,454 facility reservations, including rooms and fields, totaling over \$236,000 in revenue.
- Contract class offerings and participation demonstrated a steady increase during the year as 1,394 class offerings were attended by 8,166 participants. This marks a 24.5% increase in participation from the prior year.
- The 25th annual LAMP/LCEA Special Olympics Fundraiser was held on Friday, September 23, 2022 and it was a very successful event returning from a two-year, in-person hiatus due to the pandemic. Staff, family and community sponsors raised \$7,000 for the Lakewood Special Olympics athletes.

- The Project Shepherd program continued to serve residents in need. Items were provided throughout the year, including backpacks with school supplies to 434 children in August, 412 families were provided Holiday assistance (grocery store gift cards, boxes of food and bags of toiletry items) for both Thanksgiving and December holidays. Utility assistance helped 77 families and 261 families were provided assistance with food and gift cards during the year-round program.

Public Safety Activities:

- Sustained implementation of Citywide Neighborhood Safety Enhancement Plan, including:
 - Dedicated Sheriff's Deputy crime suppression unit
 - Utilization of contracted private security to perform targeted overnight patrols
 - Purchase of the latest license plate reader cameras to be deployed citywide
 - Purchase of two radar trailers with variable message signs
 - Implementation of home security camera and catalytic converter anti-theft device rebate programs, and catalytic converter engraving events.
- Continued events organized for residents to meet and interact with members of law enforcement at City events and programs. Events included Coffee with a Deputy, inaugural Doggies & Deputies and Kids n Cops Bowling Night, the return of the Connect with Public Safety series with community meeting and tours of Lakewood Sheriff's Station.
- Continued community outreach and education through the expanded use of social media and other public education platforms.
- Hosted American Red Cross' "Sound the Alarm" for the first time in Lakewood, reaching over 300 residents to provide and install free smoke detectors in homes throughout the city.
- Reinstated the School Safety Program as the Healthy and Safe Initiative since COVID. Public Safety staff partnered with American Red Cross to deliver educational topics on emergency preparedness and personal safety to Lakewood elementary school students.
- Implemented the Community Prosecutor Program, a contract service through the Office of the District Attorney for a dedicated Deputy District Attorney focused on abating nuisance and criminal activity to improve quality of life issues in neighborhoods.
- Addition of a Homeless Service Liaison to address homeless issues through coordinated efforts with various city departments, law enforcement, regional outreach service providers and other partner agencies. The program is funded using Measure H money made available through the Gateway cities Council of Government.

Water System Improvements:

- Completed Phase II construction of the Well 13A arsenic treatment system. The project will allow Well 13A to resume production upon receiving approval from the State's Division of Drinking Water.
- Completed construction of Plant 4 Tank 1 and 2 coating repairs and installation of a cathodic protection for corrosion control. The project will extend the service life of two existing steel storage tanks.
- Completed construction of the Long Beach 2nd Interconnection which will allow the City to increase water sales to the City of Long Beach.
- Executed two long-term water rights lease agreements with the City of Compton and City of Whittier for next three fiscal years to maximize the City's unused water rights assets.
- Completed replacement of Plant 4-Booster Pumps 4 & 5 to maintain pumping capability and enhance system reliability.
- Completed rehabilitation of Well 18 with replacement of pump and motor to restore pumping capacity and extend the useful life of the well.

Commercial Development:

- Walmart Fuel completed the construction of a 1.9 acre gasoline station, with six fuel pumps and a canopy.
- Farmers and Merchants Bank completed the installation of a parking lot shade structure with solar panels.
- The City celebrated the grand opening of various small businesses, including: ContinuEM Urgent Care, Mattress Firm, Carwood Carwash, Shake Menu, Wave Imaging, and a Tesla supercharging station.

Residential Programs and Development:

- The City maintained the Home Improvement Loans and Fix Up / Paint Up Programs. The Home Improvement Loan Program provides up to \$18,000 to eligible homeowners for home improvements. The Fix Up / Paint Up Program assists eligible low-income homeowners by providing grants of approximately \$3,000 for exterior repairs. Many of the participants are elderly and disabled residents who cannot cope with property upkeep. In the past year a total of ten loans and six grants were issued.
- A total of 90 new Accessory Dwelling Unit (ADU) permits were issued. ADUs are small units built within an existing residential property, and can either be new construction or a conversion of an existing space, such as a garage.

Public Communication Projects:

- The City continued to provide legendary customer service by receiving and processing over 10,000 service requests through multiple contact methods, including in-person, phone, and mobile apps.
- The City Council adopted the city's Vision, Mission and Values Statements, which serve as a guidepost in the city's decision making process.
- The City Council approved the formation of the Lakewood Leadership Academy, which is designed to educate and develop effective community leaders to take an active role towards building a stronger Lakewood. The initial class of 45 residents completed the 8-month program, and emerged as wanting to be more involved in the community because of the program.
- The City Council approved an agreement with Care Solace to provide mental health care coordination for the Lakewood community.
- Secured federal funding through the Congressional Project Funding process for Weingart Senior Center and Palms Park Community Center.
- Secured state funding for the Weingart Senior Center and for capital projects at the City's discretion.

Long-term Debt:

Long-term debt is limited to the City's Governmental Activities and the Water Enterprise Fund. More detailed information regarding the City's long-term debt is presented in the notes to the basic financial statements.

The Successor Agency of the former Redevelopment Agency holds debt in the form of City loans. Senate Bill 107 allows for the payment of all outstanding loans made by the City to the Agency as recalculated using a four percent rate over the life of the loan. Loan payments to the City can resume once the housing deferrals have been fully paid; 20 % of the loan payments are required to fund housing operations and capital.

Pension and Other Post Employment Benefit Liabilities:

The City provides three retirement benefit programs. The City takes measures to ensure that the City's retirement benefit plans are financially secure and well-funded. These programs are as follows:

- California Public Employee Retirement System (CalPERS) is a 2% at 55 pension plan for "classic" CalPERS members, and 2% at 62 pension plan for new members as defined by the Public Employees Pension Reform Act (PEPRA), who are employees that have never been a member of CalPERS or who had a break in service of six months or greater. CalPERS currently utilizes a 6.9% discount rate and is 76.06% funded as of June 30, 2022, per the CalPERS GASB 68 Accounting Valuation Report and the market value of assets.
- PARS Retirement Enhancement Plan is a 0.5% at 60 pension plan. The PARS Plan was established in 2004 and is only available to full-time/permanent employees. The PARS Plan was closed to new employees on January 1, 2013 as restricted by the Public Employees Pension Reform Act (PEPRA). This Plan utilizes a 5.5% discount rate and is 84.8% funded as of June 30, 2023, based on the assumptions of the GASB 67 and 68 Disclosure Document and the market value of assets.
- The City offers other post-employment benefits (OPEB), a Career Employee Medical Retirement Benefit Plan, to eligible retirees. The plan is constructed to keep costs in check by limiting eligibility and length of benefit. The City provides limited supplemental payment for post-retirement healthcare benefits for full-time/permanent employees who have completed 20 years of service and have reached the age of 55, or who have completed 15 years and reached the age of 60, and who are retiring under CalPERS. The benefit is also limited by the retiree's years of service. This Plan utilizes a 6% discount rate and is 93% funded as of June 30, 2023 based on the assumptions of the latest actuarial and the market value of assets.

More detailed information regarding the City's pensions and other post-employment benefits is presented in the notes to the basic financial statements.

FINANCIAL MANAGEMENT POLICIES AND PRACTICES

GASB Statement No. 91. In May 2019, GASB issued Statement No. 91, Conduit Debt Obligations (GASB Statement No. 91), to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Implementation of this Statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2023.

GASB Statement No. 94. In March 2020, GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements (GASB Statement No. 94) to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). Implementation of this Statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2023.

GASB Statement No. 96. In May 2020, GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements (GASB Statement No. 96), to provide guidance on the accounting and financial reporting for subscription based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset- -an intangible asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Implementation of this Statement had a significant effect on the City’s financial statements for the fiscal year ended June 30, 2023.

GASB Statement No. 99. In April 2022, the GASB issued Statement No. 99, Omnibus 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The Statement is effective immediately for the requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63. The Statement is effective for fiscal year years beginning after June 15, 2022 for requirements related to leases, PPPs, and SBITAS. Implementation of this Statement did not have a significant effect on the City’s financial statements for the fiscal year ended June 30, 2023.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lakewood for its Annual Comprehensive Financial Report (formerly known as the Comprehensive Annual Financial Report) for the fiscal year ended June 30, 2022. This was the 41st consecutive year that Lakewood has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program’s requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Preparation of this report was accomplished by the combined efforts of the Finance and Administrative Services Department staff. We appreciate the high level of professionalism and dedication that these staff members bring to the City. The contributions made by Anne Rodriguez, Assistant Director of Finance & Administrative Services and Claire Pierson, Senior Accountant deserve special recognition. We also thank the members of the City Council, especially the Audit Committee, for their interest and support in the development of this report.

Respectfully submitted,



Thaddeus McCormack
City Manager



Jose Gomez
Director of Finance & Admin. Services

CITY COUNCIL

ARIEL PE
Mayor

TODD ROGERS
Vice Mayor

CASSANDRA CHASE
Council Member

STEVE CROFT
Council Member

JEFF WOOD
Council Member

ADMINISTRATION AND DEPARTMENT DIRECTORS

THADDEUS McCORMACK
City Manager

IVY M. TSAI
City Attorney

PAOLO BELTRAN
Deputy City Manager

ABEL AVALOS
Director of Community Development

VALARIE FROST
Director of Recreation and Community Services

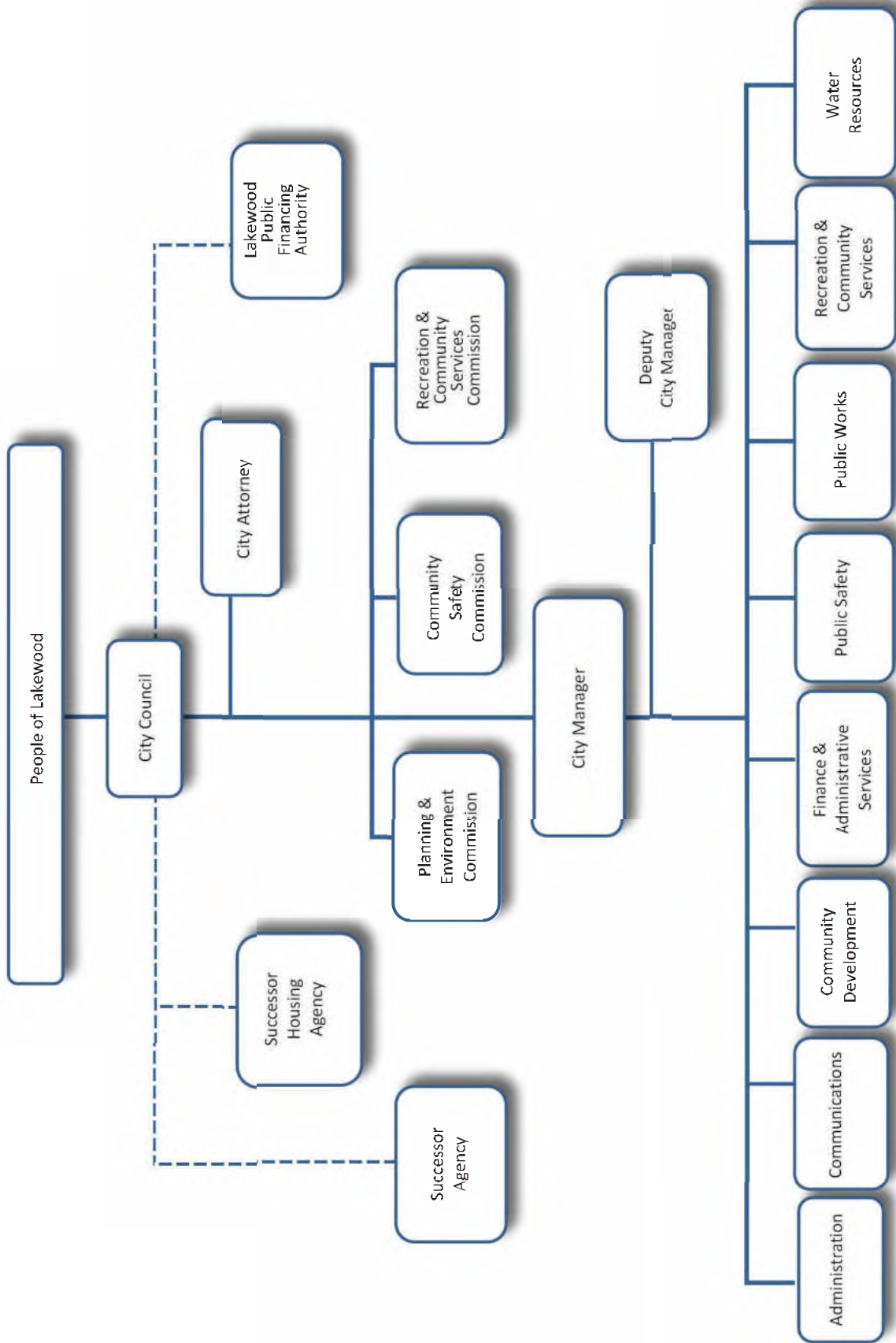
JOSE GOMEZ
Director of Finance and Administrative Services

BILL GRADY
Director of Communications

DEREK NGUYEN
Director of Water Resources

KELLI PICKLER
Director of Public Works

JOSHUA YORDT
Director of Public Safety





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Presented to

**City of Lakewood
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO





INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and the Members of the City Council
of the City of Lakewood
Lakewood, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lakewood, California (the "City"), as of and for the year ended June 30, 2023, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' 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 opinions.

Emphasis of Matter

Change in Accounting Principle - Implementation of GASB 96

As discussed in Note 2 to the basic financial statements, the City adopted new accounting guidance, Governmental Accounting Standards Board ("GASB") Statement No. 96, *Subscription-based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' 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 auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if 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 auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules – General Fund and American Rescue Plan Act Special Revenue Fund, the Budgetary Information, the Schedules of Changes in Net Pension Liability and Related Ratios, the Schedules of Contributions – Pensions, the Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios, and the Schedule of Contributions – Other Postemployment Benefits as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Honorable Mayor and the Members of the City Council
of the City of Lakewood
Lakewood, California
Page 3

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 report. The other information comprises the Introductory and Statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "The PwC Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California
December 6, 2023



City of Lakewood
Management's Discussion and Analysis (Unaudited)
For The Year Ended June 30, 2023

As management of the City of Lakewood, California, (City) we offer readers of the City of Lakewood's financial statements, this narrative overview and analysis of the financial activities of the City for fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report, and with the City's financial statements, which follow this discussion.

Financial Highlights

- **Net Position:** The assets and deferred outflows of resources of the City (*which include the value of streets, sidewalks and other infrastructure*) exceeded liabilities and deferred inflows of resources at June 30, 2023, by \$260,756,974. Of this amount, \$70,586,554 may be used to meet the government's ongoing obligations to citizens and creditors, but is subject to designation for specific City programs.
- **Changes in Net Position:** The government's total net position increased by \$24,487,160. The governmental activities increased by \$23,898,818 and business-type activities by \$588,342 at the end of fiscal year June 30, 2023.
- **Long Term Debt:** The City of Lakewood's total debt decreased by \$1,151,876. This was attributable to normal scheduled debt service payments.
- **Governmental Funds:** As of June 30, 2023, the City's governmental funds reported a combined ending fund balance of \$121,867,727. Approximately 59.2 percent of the ending fund balance, \$72,195,177, is available for spending at the government's discretion as either a committed, assigned, and unassigned fund balance within the guidelines of the funding sources.
- **General Fund:** At June 30, 2023, committed, assigned and unassigned fund balance of the general fund was \$70,543,413. All but \$4,094,060 of these funds are committed or assigned for specific purposes in accordance with City policies and budgetary guidelines.

Government-wide financial statements.

The *government-wide financial statements* are designed to provide readers with a broad overview of the City overall financial status in a manner similar to a private sector business.

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflow of resources with the difference between the four reported as *net positions*. Over time, increase or decreases in net position may serve as a useful indicator of whether the financial position of the City of Lakewood is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net positions are reported as soon as the underlying event giving rise to the change occurs, *regardless of 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).

City of Lakewood
Management's Discussion and Analysis (Unaudited) (Continued)
For The Year Ended June 30, 2023

Both of the government-wide financial statements distinguish functions of the City of Lakewood that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Lakewood include general government, public safety, transportation, community development, health and sanitation, and culture and leisure.

The government-wide financial statements include the City of Lakewood and a component unit the Lakewood Public Financing Authority. Financial information for this component unit is reported within the funds of the City. The Water Utility, although also legally separate, functions for all practical purposes as a department of the City of Lakewood, and therefore has been included as an integral part of the government.

The government-wide financial statements can be found on pages 17 - 21 of this report.

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 Lakewood, 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 Lakewood can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The City of Lakewood maintains twenty four governmental funds comprised of four major and twenty one nonmajor funds. Information is presented separately in the governmental fund balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances. Data from the twenty one nonmajor governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is provided in the form of *combining statements* in the supplementary information.

The City of Lakewood adopts a biennial appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget in the required supplementary information. Budgetary comparisons for other funds are provided in the supplementary information of this report.

The governmental fund financial statements can be found on pages 25 - 32 of this report.

City of Lakewood
Management's Discussion and Analysis (Unaudited) (Continued)
For The Year Ended June 30, 2023

Proprietary funds. The City of Lakewood maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Lakewood uses enterprise funds to account for its Water Utility operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Lakewood's various functions. The City of Lakewood uses internal service funds to account for its central garage and graphics operations. Because all of these services predominately benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Utility operations. The Internal Service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The proprietary fund financial statements can be found on pages 33 - 39 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City of Lakewood's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The fiduciary fund financial statement can be found on pages 41 - 44 of this report.

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 pages 45 - 99 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Lakewood's General Fund budgetary comparison schedule, pension and changes in net pension liabilities and related ratio schedules, pension contribution schedules, and other post-employment funding progress schedule. Required supplementary information can be found on pages 101-117 of this report.

The combining statements referred to earlier in connection with other governmental funds, internal service funds and agency funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 125-161 of this report.

Government-wide Financial Analysis

The government-wide financial statements provide long and short-term information about the City's overall financial condition. The net positions may serve over time as a useful indicator of a government's financial position. In the case of the City of Lakewood, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$260,756,974 at the close of the most recent fiscal year.

City of Lakewood
Management's Discussion and Analysis (Unaudited) (Continued)
For The Year Ended June 30, 2023

City of Lakewood Net Position						
	Governmental Activities		Business-type Activities		Total	
	2023	2022*	2023	2022*	2023	2022*
Current and other assets	\$ 141,930,605	\$ 124,550,392	\$ 23,553,005	\$ 21,863,878	\$ 165,483,610	\$ 146,414,270
Capital assets	122,825,268	119,428,556	34,640,067	35,299,798	157,465,335	154,728,354
Total Assets	<u>264,755,873</u>	<u>243,978,948</u>	<u>58,193,072</u>	<u>57,163,676</u>	<u>322,948,945</u>	<u>301,142,624</u>
Deferred Outflow of Resources	<u>15,728,144</u>	<u>8,722,263</u>	<u>1,722,908</u>	<u>936,770</u>	<u>17,451,052</u>	<u>9,659,033</u>
Long-term liabilities outstanding	40,863,748	22,787,231	10,189,380	9,070,495	51,053,128	31,857,726
Other liabilities	<u>16,551,449</u>	<u>19,146,219</u>	<u>5,282,866</u>	<u>3,867,309</u>	<u>21,834,315</u>	<u>23,013,528</u>
Total Liabilities	<u>57,415,197</u>	<u>41,933,450</u>	<u>15,472,246</u>	<u>12,937,804</u>	<u>72,887,443</u>	<u>54,871,254</u>
Deferred Inflow of Resources	<u>5,365,690</u>	<u>16,963,539</u>	<u>1,389,800</u>	<u>2,697,050</u>	<u>6,755,490</u>	<u>19,660,589</u>
Net positions:						
Net Investment in Capital Assets	121,076,026	118,073,852	27,470,407	27,686,379	148,546,433	145,760,231
Restricted	41,623,987	38,566,384	-	-	41,623,987	38,566,384
Unrestricted	<u>55,003,027</u>	<u>37,163,986</u>	<u>15,583,527</u>	<u>14,779,213</u>	<u>70,586,554</u>	<u>51,943,199</u>
Total Net Position	<u>\$217,703,040</u>	<u>\$ 193,804,222</u>	<u>\$ 43,053,934</u>	<u>\$ 42,465,592</u>	<u>\$260,756,974</u>	<u>\$ 236,269,814</u>

*re-stated due to GASB 96 implementation

By far, the largest portion of the City of Lakewood's net positions, 57 percent, reflects its net investment in capital assets (i.e. land, buildings, improvements other than buildings, machinery and equipment, infrastructure, and construction in progress). The City of Lakewood uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Lakewood's investment in its capital assets are 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 cannot be used to liquidate these liabilities.

Additional portion of the City of Lakewood's net position, 16.0 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$70,586,554 may be used to meet the government's ongoing obligation to citizens and creditors, but is subject to designation for specific City programs per the City's Governmental Fund Balance Policy.

At the end of the current fiscal year, the City of Lakewood is able to report positive balances in all three categories of net positions, both for the government as a whole, as well as for its separate governmental and business-type activities. At year-end, 64 percent of the City of Lakewood's business-type activities' net position were invested in capital assets.

City of Lakewood
Management's Discussion and Analysis (Unaudited) (Continued)
For The Year Ended June 30, 2023

City of Lakewood Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 15,163,516	\$ 11,968,030	\$ 13,497,514	\$ 13,787,798	\$ 28,661,030	\$ 25,755,828
Operating grants and contributions	16,264,335	13,575,994			16,264,335	13,575,994
Capital grants and contributions	2,532,217	2,957,680			2,532,217	2,957,680
General revenues:						
Sales taxes	31,642,524	31,256,373			31,642,524	31,256,373
Property taxes	18,058,390	16,945,351			18,058,390	16,945,351
Franchise taxes	1,706,982	1,582,709			1,706,982	1,582,709
Business operation taxes	645,799	578,867			645,799	578,867
Utility user taxes	3,851,673	3,361,075			3,851,673	3,361,075
Other taxes	404,168	582,151			404,168	582,151
Investment income (loss)	2,221,985	(2,028,209)	638,544	(10,565)	2,860,529	(2,038,774)
Gain on sale of property	146,530	-	-	-	146,530	-
Total revenues	<u>92,638,119</u>	<u>80,780,021</u>	<u>14,136,058</u>	<u>13,777,233</u>	<u>106,774,177</u>	<u>94,557,254</u>
Expenses:						
General government	11,937,554	9,982,626			11,937,554	9,982,626
Public safety	19,143,257	17,505,002			19,143,257	17,505,002
Transportation	7,344,923	6,503,537			7,344,923	6,503,537
Community development	6,852,859	5,291,189			6,852,859	5,291,189
Health and sanitation	6,601,028	6,083,718			6,601,028	6,083,718
Culture and leisure	15,790,357	13,651,705			15,790,357	13,651,705
Unallocated infrastructure depreciation	2,853,732	2,723,750			2,853,732	2,723,750
Interest and fiscal charges	11,291	6,525			11,291	6,525
Water	-	-	11,752,016	11,481,342	11,752,016	11,481,342
Total expenses	<u>70,535,001</u>	<u>61,748,052</u>	<u>11,752,016</u>	<u>11,481,342</u>	<u>82,287,017</u>	<u>73,229,394</u>
Transfer in/(out)	1,795,700	1,795,700	(1,795,700)	(1,795,700)	-	-
Changes in net position	<u>23,898,818</u>	<u>20,827,669</u>	<u>588,342</u>	<u>500,191</u>	<u>24,487,160</u>	<u>21,327,860</u>
Net position at beginning of year, as restated	<u>193,804,222</u>	<u>172,976,553</u>	<u>42,465,592</u>	<u>41,965,401</u>	<u>236,269,814</u>	<u>214,941,954</u>
Net position at end of year	<u>\$ 217,703,040</u>	<u>\$ 193,804,222</u>	<u>\$43,053,934</u>	<u>\$ 42,465,592</u>	<u>\$ 260,756,974</u>	<u>\$ 236,269,814</u>

Additional information on the change in net position can be found on page 20 – 21 of this report.

Governmental activities. Overall, governmental revenues increased by \$11,858,098 or 14.7 percent and expenditures increased by \$8,786,949 or 14.2 percent from prior year. Key elements of the change are as follows:

- Investment income increased by \$4,250,194 due to the city's investment earnings revenue benefitting from the sharp rise in interest rates.
- Charges for services increased by \$3,195,486. Charges for services includes building and safety permits, culture and leisure programs and facilities, rents and concessions, and other revenue. The increase is attributable mainly to the uptick in building permits associated with constructions of accessory dwelling units (ADU) throughout the city, as well as an increase in other revenue for the receipt of a one-time legal settlement. Building permits and other revenue increased by \$1,203,377 and \$1,293,969, respectively.

City of Lakewood
Management's Discussion and Analysis (Unaudited) (Continued)
For The Year Ended June 30, 2023

- The Operating grants and contributions increased by \$2,688,341. The increase was derived from a combination of several grants: American Rescue Plan Act Special Revenue Fund (ARPA) for \$839,456, Road Maintenance and Rehabilitation Account (RMRA) and Gas Tax for \$607,855, and METRO Local Return funds Prop A and Prop C for \$435,050.
- The Property tax and sales tax revenues increased by a combined total of \$1,499,190. Sales tax went up by \$386,151. Property taxes went up by \$1,113,039 mainly due to the higher property tax valuation experienced in FY 2022-23 compared to the previous fiscal year.
- The Culture and leisure expense increased by \$2,138,562. Overall salary and benefits experienced an uptick of \$549,000 due to cost-of-living adjustment in FY 2022-23. Other increases are attributed to a more robust and additional community programs such as Fest-of-All, Pan Am Fiesta, and Block Party.
- General government expense increased by \$1,954,298. Salary and benefits increased by \$427,000 due to a cost-of-living adjustment. Other increases were due to inflation and growing cost of doing business, as well as growth and volume in overall contractual services compared to the previous fiscal year. .
- Public safety's expense increase of \$1,638,255 was due to a combination of increases in several contractual services including \$425,918 for the continuing services of a private security patrol and \$430,480 for enhanced patrol by the Los Angeles County Sheriff's Department. Comprehensive helicopter maintenance is performed on a bi-annual basis, including FY 2022-23, contributing to the increase by \$389,931.
- Community Development's expense increased by \$1,561,670 due to an increase to salary and benefits of \$568,000 and an increase of \$357,000 for engineering services and economic development consulting.
- The Water Fund transferred \$1,795,700 into the General Fund to defray the Water Fund's use of General Fund's staff, resources, facilities, and infrastructures.
- The City of Lakewood was allotted a total of \$11.3 million in ARPA funding. Of that, the City has spent \$2,421,399 through June 30, 2023. The City has approved plans to spend the full funding by December 31, 2026.

Additional information on activities and change in net position can be found on pages 20 - 21 of this report.

Business-type activities. The business-type activities reflect the City's water system, which includes water operation, water treatment and water production and distribution. A slight decrease in the water sales of \$290,284 was attributed to the overall reduction in demand and consumption of water. The combination of statewide drought conservation efforts and extraordinary amount of rainfall experienced during winter of 2023 adversely impacted revenues. For the year ended June 30, 2023, the City's business-type activities' change in net position was \$588,342, an increase of 1.4 percent compared to last year. During the year, the water fixed and consumption rates were adjusted to help defray increases in cost of pumping and distributing water and administration of the utility and infrastructure improvements. Major improvements on the horizon include \$8 million for Water Main Construction project, \$6 million for Well 22B Equipping and Drilling, \$1.3 million for Plant 13 Tanks Upgrade project, \$1.2 million for Water Operations Improvements and \$600,000 for Water Meter Replacement Program.

City of Lakewood
Management's Discussion and Analysis (Unaudited) (Continued)
For The Year Ended June 30, 2023

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City of Lakewood'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 Lakewood'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 the end of the fiscal year, the City of Lakewood's governmental funds reported combined ending fund balances of \$121,867,727, an increase of \$20,147,122 in comparison with the prior year. As noted in the Governmental Activities section, the increase was primarily due to the local tax measure that continue to add much needed boost to the city's revenue. Of the City's governmental funds ending fund balances, \$72,195,177 or 59.2 percent constitute committed, assigned and unassigned fund balance, which is available for spending at the government's discretion within the guidelines of the funding sources. The remainder of fund balance, \$49,672,550, is either nonspendable or restricted for purposes imposed by creditors, grantors, contributors, laws or regulations of other governments or through enabling legislation.

Proprietary funds. The City of Lakewood's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water Enterprise at the end of the year amounted to \$16,243,527 an increase of \$862,180 from the prior year. These funds will be used to fund water operations and planned capital improvements. Other factors concerning the finance of this fund have already been addressed in the discussion of the City of Lakewood's business-type activities.

Major and Nonmajor Fund Financial Highlights

The General Fund is the chief operating fund of the City of Lakewood. At the end of the current fiscal year, committed, assigned and unassigned fund balance of the general fund was \$70,543,413, while total fund balance was \$81,412,647. The general fund's ending fund balance increased by \$17,043,829 in comparison with the prior year. As a measure of the General Fund's liquidity, it may be useful to compare only the committed, assigned and unassigned fund balance to total fund expenditures. Committed, assigned and unassigned fund balance represents 86.6 percent of the total general fund expenditures, most of which is committed or assigned to meet the City's long-term obligations.

Overall, General Fund revenues (including other financing sources) increased year-over-year by \$9,829,850. Tax-related revenue increased by \$1,326,579. Current service charges and Other revenue increased by \$971,984 and \$1,224,900, respectively. The Intergovernmental revenues and Investment income, rents, and concession also increased by \$741,504 and \$4,309,375, respectively. Overall expenditures (including other financing uses) increased by \$4,291,531. Community Development increased by \$1,013,613 due to reasons mentioned above in the Governmental Activities section. General government increased by \$472,307 due to reasons mentioned above in the Governmental Activities section.

City of Lakewood
Management's Discussion and Analysis (Unaudited) (Continued)
For The Year Ended June 30, 2023

Aside from the General Fund, the city has other major and nonmajor funds. Other major funds are the ARPA, Housing Admin and Program Capital Projects Fund, Capital Improvements Projects Fund, and the nonmajor Governmental Funds for Special Revenue sources. The ARPA fund will always have a zero fund balance due to the unspent allocation being booked as liabilities ready to be used for the next fiscal year. The Housing Admin and Program Capital Projects Fund's ending fund balance decreased by \$170,597 in comparison to the prior year due to the City providing two more rehabilitation loans in FY 2022-23 compared to FY 2021-22, plus the City received less revenue compared to the expenditures within the fiscal year. The Capital Improvements Projects Fund's ending fund balance increased by \$390,958 in comparison to the prior year. The nonmajor Special Revenue Fund consists of numerous accounts such as AB2766, Prop A Transit Fund, Prop C Transportation Fund and several others. The ending fund balance of the nonmajor Special Revenue funds increased by \$2,882,932 in comparison to the prior year mainly due to the County and State funds where more revenue came in compared to what was spent within the fiscal year.

General Fund Budgetary Highlights

For the fiscal year ended June 30, 2023, the General Fund's final amended expenditure budget increased over the original budget by \$9,583,271 and actual expenditures were \$10,434,965 lower than the final amended budget. These can be briefly summarized as follows:

- Capital projects that either started in FY 2022-23 or rolled over from previous fiscal years were not completed by June 30, 2023. Multi-year projects that had to be carried over into FY 2023-24 totaled of \$9,302,126. Some of these projects are as follows: electrical, HVAC and room improvements for \$1,845,889; the Centre lighting project for \$568,576, replacement of the generators at City Hall for \$731,280, Palms Park improvement for \$777,810, and citywide ADA improvements for \$319,019.
- The City experienced a year-over-year increase of \$3,103,263 in operating expenditures. This is attributed to a combination of salaries and benefits adjustments and the rising costs of materials and services.

Capital Asset and Debt Administration

Capital assets. The City of Lakewood's net investment in capital assets for its governmental and business-type activities as of June 30, 2023, amounts to \$157,465,335 an increase of \$2,736,981 or 1.8 percent of total capital assets over prior year. This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads, highways, and bridges.

City of Lakewood						
Capital Assets (Net of depreciation and amortization)						
	Governmental Activities		Business-type Activities		Total	
	2023	2022*	2023	2022*	2023	2022*
Land	\$ 17,041,023	\$ 17,041,023	\$ 100,000	\$ 100,000	\$ 17,141,023	\$ 17,141,023
Water rights	-	-	1,834,586	1,834,586	1,834,586	1,834,586
Construction in progress	43,187,031	43,089,201	4,749,839	3,499,642	47,936,870	46,588,843
Infrastructure	38,956,009	35,603,550	-	-	38,956,009	35,603,550
Structures and improvements	21,174,358	22,284,164	14,912,181	15,641,756	36,086,539	37,925,920
Equipment	2,186,726	1,138,591	12,642,339	13,662,244	14,829,065	14,800,835
Lease assets	119,069	157,007	-	-	119,069	157,007
Subscription Assets	161,052	115,020	401,122	561,570	562,174	676,590
Total	\$ 122,825,268	\$ 119,428,556	\$ 34,640,067	\$ 35,299,798	\$ 157,465,335	\$ 154,728,354

*re-stated due to GASB 96 implementation

Additional information on the City of Lakewood's capital assets can be found in Note 9 to the basic financial

City of Lakewood
Management’s Discussion and Analysis (Unaudited) (Continued)
For The Year Ended June 30, 2023

statements.

Long-term debt. At the end of the current fiscal year, the City of Lakewood’s total long-term debt outstanding decreased by \$1,151,876 totaling \$6,944,837. This was attributable to normal scheduled debt service payments.

City of Lakewood						
Summary of Outstanding Debt						
	Governmental Activities		Business-type Activities		Total	
	2023	2022*	2023	2022*	2023	2022*
Loan Payable	-	-	-	271,127	-	271,127
Loan Payable-MELPA			6,106,508	6,688,531	6,106,508	6,688,531
ADA Financing Program	154,123	309,075	-	-	154,123	309,075
Lease Payable	110,343	151,390	-	-	110,343	151,390
Subscription Liabilities	159,252	115,020	414,611	561,570	573,863	676,590
Total	<u>\$ 423,718</u>	<u>\$ 575,485</u>	<u>\$ 6,521,119</u>	<u>\$ 7,521,228</u>	<u>\$ 6,944,837</u>	<u>\$ 8,096,713</u>

*re-stated due to GA SB 96 implementation

Additional information on the City of Lakewood’s long-term debt can be found in Note 10 to the basic financial statements.

Economic Factors and Next Year’s Budgets and Rates

The City prudently anticipates and conservatively budgets for General Fund revenues to gradually increase as the economy transitions and recovers from the effects of the COVID-19 pandemic. The City’s sales tax revenues have shown a slow but continuous increase and the local sales and use tax (Measure L) has provided a cushion from the diminished revenue from other revenue sources. The passage provided a timely and much-needed stabilizing effect for the city. Other anticipated increase includes a modest increase in property tax revenues, a growth in current service charges, and a steady flow of activities in building permits as the impact of COVID-19 subsides and residents look to build more ADUs. Interest earnings are expected to take a slight dip, and gas tax and fines are both expected to remain flat through 2025.

The City’s general fund operational expenditures are also expected to increase annually over the next five years; in Fiscal Year 2023-24 General Fund expenditures increased by 5.9 percent. Employee services costs increased by 3.9 percent in Fiscal Year 2022-23 over that of the prior year. The City is a contract-city where 40.1 percent of the cost of operations is employee service-related, and contract services made up 45.2 percent of the City’s General Fund operational costs. The April to April Consumer Price Index (CPI) for the Los Angeles, Riverside, and Orange County region, which is the basis for many of the City’s contract increases, was 3.8 percent in 2023. Overall, General Fund contract services increased by 9.6 percent in Fiscal Year 2022-23. The City’s water, refuse and building and safety fees also include the local CPI as a factor in determining rate increases.

The City weathered the Great Recession, the prolonged sluggish multi-year recovery, and now trying to withstand the lasting effects of the COVID-19 pandemic by adhering to its philosophy to stay focused on what is truly important – the core functions of operating a city – resulting in a healthy community for residents and business. By keeping this focus, the City has built a large capital base that includes the entire inventory of City assets: streets, sidewalks, water system, trees, parks, community facilities and goodwill. The City’s goodwill, cultivated through recreation, community services, public safety and economic development programs, creates the neighborly sense of community we all enjoy. Further detail regarding the impact of other factors on the City’s budget and finances can be read in the Transmittal Letter.

City of Lakewood
Management's Discussion and Analysis (Unaudited) (Continued)
For The Year Ended June 30, 2023

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance and Administrative Services, City of Lakewood, Post Office Box 220, Lakewood, CA 90712.

BASIC FINANCIAL STATEMENTS



GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Lakewood
Statement of Net Position
June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 107,909,709	\$ 20,379,334	\$ 128,289,043
Receivables:			
Accounts	9,652,293	1,605,863	11,258,156
Accrued revenue	-	1,100,042	1,100,042
Leases receivables	351,858	45,104	396,962
Internal balances	660,000	(660,000)	-
Prepaid items	21,077	-	21,077
Inventories	123,744	70,140	193,884
Total current assets	118,718,681	22,540,483	141,259,164
Noncurrent assets:			
Restricted cash and investments:			
Cash in escrow	579,560	28,466	608,026
Held by City	-	40,205	40,205
Notes receivable	2,423,622	-	2,423,622
Leases receivable	1,142,907	943,851	2,086,758
Receivable from Successor Agency	16,105,533	-	16,105,533
Land held for resale	2,960,302	-	2,960,302
Capital assets:			
Nondepreciable	60,228,054	6,684,425	66,912,479
Depreciable, net	62,317,093	27,554,520	89,871,613
Intangible assets, net	280,121	401,122	681,243
Total capital assets	122,825,268	34,640,067	157,465,335
Total noncurrent assets	146,037,192	35,652,589	181,689,781
Total assets	264,755,873	58,193,072	322,948,945
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	13,708,087	1,523,121	15,231,208
Deferred outflows of resources related to OPEB	2,020,057	199,787	2,219,844
Total deferred outflows of resources	15,728,144	1,722,908	17,451,052

City of Lakewood
Statement of Net Position (Continued)
June 30, 2023

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
LIABILITIES			
Current liabilities:			
Accounts payable	4,909,844	4,301,643	9,211,487
Retention payable	579,560	44,281	623,841
Accrued liabilities	633,186	53,951	687,137
Accrued interest payable	1,070	12,637	13,707
Unearned revenues	9,208,758	20,382	9,229,140
Long-term liabilities - due within one year	1,219,031	849,972	2,069,003
Total current liabilities	16,551,449	5,282,866	21,834,315
Noncurrent liabilities:			
Liabilities payable from restricted assets:			
Customer deposits	1,051,624	40,205	1,091,829
Long-term liabilities - due in more than one year	1,098,937	5,857,151	6,956,088
Aggregate net pension liability	37,939,180	4,215,465	42,154,645
Net OPEB liability	774,097	76,559	850,656
Total noncurrent liabilities	40,863,838	10,189,380	51,053,218
Total liabilities	57,415,287	15,472,246	72,887,533
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	2,183,309	242,590	2,425,899
Deferred inflows of resources related to OPEB	1,728,972	170,998	1,899,970
Deferred inflows of resources related to leases	1,453,409	976,212	2,429,621
Total deferred inflows of resources	5,365,690	1,389,800	6,755,490
NET POSITION			
Net investment in capital assets	121,076,026	27,470,407	148,546,433
Restricted for:			
Transportation	25,952,146	-	25,952,146
Public safety	30,958	-	30,958
Community development	13,139,654	-	13,139,654
Health and sanitation	274,395	-	274,395
Culture and leisure	2,226,834	-	2,226,834
Unrestricted	55,003,027	15,583,527	70,586,554
Total net position	\$ 217,703,040	\$ 43,053,934	\$ 260,756,974

City of Lakewood
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 11,937,554	\$ 2,701,247	\$ 2,332,216	\$ -
Public safety	19,143,257	413,873	1,753,403	-
Transportation	7,344,923	-	11,517,484	2,404,102
Community development	6,852,859	3,164,754	442,595	111,238
Health and sanitation	6,601,028	7,145,242	218,637	-
Culture and leisure	15,790,357	1,738,400	-	16,877
Unallocated infrastructure depreciation	2,853,732	-	-	-
Interest and fiscal charges	11,291	-	-	-
Total governmental activities	<u>70,535,001</u>	<u>15,163,516</u>	<u>16,264,335</u>	<u>2,532,217</u>
Business-type Activities:				
Water	11,752,016	13,497,514	-	-
Total business-type activities	<u>11,752,016</u>	<u>13,497,514</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 82,287,017</u>	<u>\$ 28,661,030</u>	<u>\$ 16,264,335</u>	<u>\$ 2,532,217</u>

City of Lakewood
Statement of Activities (Continued)
For the Year Ended June 30, 2023

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Governmental Activities:			
General government	\$ (6,904,091)	\$ -	\$ (6,904,091)
Public safety	(16,975,981)	-	(16,975,981)
Transportation	6,576,663	-	6,576,663
Community development	(3,134,272)	-	(3,134,272)
Health and sanitation	762,851	-	762,851
Culture and leisure	(14,035,080)	-	(14,035,080)
Unallocated infrastructure depreciation	(2,853,732)	-	(2,853,732)
Interest and fiscal charges	(11,291)	-	(11,291)
Total governmental activities	(36,574,933)	-	(36,574,933)
Business-type Activities:			
Water	-	1,745,498	1,745,498
Total business-type activities	-	1,745,498	1,745,498
Total primary government	(36,574,933)	1,745,498	(34,829,435)
 General revenues:			
Taxes:			
Sales taxes - Bradley Burns	31,642,524	-	31,642,524
Property taxes	18,058,390	-	18,058,390
Franchise taxes	1,706,982	-	1,706,982
Business operation taxes	645,799	-	645,799
Utility user taxes	3,851,673	-	3,851,673
Other taxes	404,168	-	404,168
Total taxes	56,309,536	-	56,309,536
Investment income	2,221,985	638,544	2,860,529
Gain on sale of property	146,530	-	146,530
Transfers	1,795,700	(1,795,700)	-
Total general revenues	60,473,751	(1,157,156)	59,316,595
Changes in net position	23,898,818	588,342	24,487,160
Net position - beginning of year	193,804,222	42,465,592	236,269,814
Net position - end of year	\$ 217,703,040	\$ 43,053,934	\$ 260,756,974



FUND FINANCIAL STATEMENTS



GOVERNMENTAL FUND FINANCIAL STATEMENTS

City of Lakewood
Balance Sheet
Governmental Funds
June 30, 2023

	Major Funds			
	General Fund	American Rescue Plan Act Special Revenue Fund	Housing Admin and Program Capital Projects Fund	Lakewood Capital Improvements Capital Projects Fund
ASSETS				
Cash and investments	\$ 68,501,459	\$ 8,893,848	\$ 2,190,093	\$ 1,840,510
Restricted cash and investments:				
Cash in escrow	-	-	-	579,560
Accounts receivable	7,896,769	-	-	524,993
Prepaid items	19,430	-	-	-
Inventories	59,274	-	-	-
Due from other funds	800,668	-	-	-
Receivable from Successor Agency	10,790,530	-	5,315,003	-
Notes receivable	-	-	1,920,068	-
Leases receivable	1,494,765	-	-	-
Land held for resale	-	-	2,960,302	-
Total assets	\$ 89,562,895	\$ 8,893,848	\$ 12,385,466	\$ 2,945,063
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 4,156,158	\$ 6,202	\$ 104,195	\$ 4,055
Accrued liabilities	617,403	-	-	-
Retention payable	-	-	-	579,560
Deposit payable	1,050,757	-	867	-
Due to other funds	-	-	-	-
Unearned revenue	308,587	8,887,646	-	-
Total liabilities	6,132,905	8,893,848	105,062	583,615
Deferred inflows of resources:				
Unavailable revenue	563,934	-	-	524,993
Deferred inflows of resources related to leases	1,453,409	-	-	-
Total deferred inflows of resources	2,017,343	-	-	524,993
Fund balances:				
Nonspendable				
Prepaid items	19,430	-	-	-
Inventories	59,274	-	-	-
Receivables from Successor Agency	10,790,530	-	-	-
Restricted				
Public safety	-	-	-	-
Transportation projects and street maintenance	-	-	-	-
Community development	-	-	12,280,404	-
Health and sanitation	-	-	-	-
Culture and leisure	-	-	-	-
Committed				
Self insurance	4,000,000	-	-	-
Pension and personnel obligations	6,874,209	-	-	-
Capital projects	5,222,544	-	-	1,836,455
Refuse stabilization	1,964,966	-	-	-
Economic uncertainties	14,610,137	-	-	-
Assigned				
Infrastructure development	6,000,000	-	-	-
Measure L CIP reserve	5,612,901	-	-	-
Equipment replacement	2,864,987	-	-	-
Contract emergency services	2,399,609	-	-	-
Legal fees contingency	1,300,000	-	-	-
Pension obligations paydown	1,000,000	-	-	-
Measure L long-term reserve	14,600,000	-	-	-
Unassigned (deficit)	4,094,060	-	-	-
Total fund balances	81,412,647	-	12,280,404	1,836,455
Total liabilities, deferred inflows of resources, and fund balances	\$ 89,562,895	\$ 8,893,848	\$ 12,385,466	\$ 2,945,063

See accompanying Notes to the Basic Financial Statements.

City of Lakewood
Balance Sheet (Continued)
Governmental Funds
June 30, 2023

	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS		
Cash and investments	\$ 26,483,799	\$ 107,909,709
Restricted cash and investments:		
Cash in escrow	-	579,560
Accounts receivable	1,230,531	9,652,293
Prepaid items	-	19,430
Inventories	-	59,274
Due from other funds	-	800,668
Receivable from Successor Agency	-	16,105,533
Notes receivable	503,554	2,423,622
Leases receivable	-	1,494,765
Land held for resale	-	2,960,302
Total assets	\$ 28,217,884	\$ 142,005,156
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 607,247	\$ 4,877,857
Accrued liabilities	-	617,403
Retention payable	-	579,560
Deposit payable	-	1,051,624
Due to other funds	800,668	800,668
Unearned revenue	12,525	9,208,758
Total liabilities	1,420,440	17,135,870
Deferred inflows of resources:		
Unavailable revenue	459,223	1,548,150
Deferred inflows of resources related to leases	-	1,453,409
Total deferred inflows of resources	459,223	3,001,559
Fund balances:		
Nonspendable		
Prepaid items	-	19,430
Inventories	-	59,274
Receivables from Successor Agency	-	10,790,530
Restricted		
Public safety	30,958	30,958
Transportation projects and street maintenance	22,529,227	22,529,227
Community development	352,452	12,632,856
Health and sanitation	274,395	274,395
Culture and leisure	3,335,880	3,335,880
Committed		
Self insurance	-	4,000,000
Pension and personnel obligations	-	6,874,209
Capital projects	-	7,058,999
Refuse stabilization	-	1,964,966
Economic uncertainties	-	14,610,137
Assigned		
Infrastructure development	-	6,000,000
Measure L CIP reserve	-	5,612,901
Equipment replacement	-	2,864,987
Contract emergency services	-	2,399,609
Legal fees contingency	-	1,300,000
Pension obligations paydown	-	1,000,000
Measure L long-term reserve	-	14,600,000
Unassigned (deficit)	(184,691)	3,909,369
Total fund balances	26,338,221	121,867,727
Total liabilities, deferred inflows of resources, and fund balances	\$ 28,217,884	\$ 142,005,156

See accompanying Notes to the Basic Financial Statements.



City of Lakewood
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2023

Total Fund Balances - Total Governmental Funds \$ 121,867,727

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in governmental funds. Those assets consist of:

Amount reported in government-wide statement of position:

Nondepreciable assets	\$ 60,228,054	
Depreciable/amortizable assets	62,597,214	
Less: Amount reported in Internal Service Fund		
Depreciable assets	(104,899)	122,720,369

Some of the City's receivables for operating and capital grant reimbursements, and taxes will be collected after year end, but are not available soon enough to pay for current-period expenditures, and therefore, are reported with an offset to unavailable revenues in the funds. 1,548,150

Internal service funds are used by the City to charge the cost of materials and supplies, maintenance and repair of vehicles and equipment and printing services provided to the various departments of the City. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position. Internal Service funds net position, net of the deficit in the amount of \$660,000 reported in Business-type activities. 783,246

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly are not reported as fund liabilities. All liabilities, both current and long-term and related deferred outflows and inflows of resources are reported in the Statement of Net Position:

Lease payable		(264,466)
Subscription liability		(159,252)
Interest payable		(1,070)
Compensated absences		(1,894,250)
Pensions:		
Deferred outflows of resources related to pensions		13,708,087
Aggregate net pension liabilities		(37,939,180)
Deferred inflows of resources related to pensions		(2,183,309)
Other postemployment benefits:		
Deferred outflows of resources related to OPEB		2,020,057
Net OPEB liabilities		(774,097)
Deferred inflows of resources related to OPEB		(1,728,972)

Net position of governmental activities **\$ 217,703,040**

City of Lakewood
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	Major Funds			
	General Fund	American Rescue Plan Act Special Revenue Fund	Housing Admin and Program Capital Projects Fund	Lakewood Capital Improvements Capital Projects Fund
REVENUES:				
Taxes	\$ 45,154,227	\$ -	\$ -	\$ -
Licenses and permits	2,214,773	-	-	-
Fines and forfeitures	682,411	-	-	-
Investment income, rents, and concessions	3,054,219	-	76,613	-
Intergovernmental revenues	11,498,072	1,527,254	-	877,153
Current service charges	9,658,905	-	-	-
Other	3,153,184	-	162,000	-
Total revenues	75,415,791	1,527,254	238,613	877,153
EXPENDITURES:				
Current:				
General government	11,216,593	202,802	-	-
Public safety	17,717,031	725,174	-	-
Transportation	3,774,297	62,316	-	-
Community development	6,138,038	133,688	209,210	-
Health and sanitation	6,442,584	-	-	-
Culture and leisure	13,715,968	318,375	-	-
Capital outlay:				
General government	443,096	-	-	-
Public safety	217,398	75,685	-	-
Transportation	177,240	-	-	486,195
Community development	18,710	-	-	-
Culture and leisure	1,482,332	9,214	-	-
Debt service:				
Principal retirement	270,147	-	-	-
Interest payment	12,333	-	-	-
Total expenditures	61,625,767	1,527,254	209,210	486,195
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	13,790,024	-	29,403	390,958
OTHER FINANCING SOURCES (USES):				
Transfers in	4,302,783	-	-	-
Transfers out	(1,188,268)	-	(200,000)	-
Issuance of debt	118,380	-	-	-
Proceeds from sale of properties	20,910	-	-	-
Total other financing sources (uses)	3,253,805	-	(200,000)	-
NET CHANGES IN FUND BALANCES	17,043,829	-	(170,597)	390,958
FUND BALANCES:				
Beginning of year,	64,368,818	-	12,451,001	1,445,497
End of year	<u>\$ 81,412,647</u>	<u>\$ -</u>	<u>\$ 12,280,404</u>	<u>\$ 1,836,455</u>

(Continued)

City of Lakewood
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended June 30, 2023

	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:		
Taxes	\$ 3,900,353	\$ 49,054,580
Licenses and permits	262	2,215,035
Fines and forfeitures	-	682,411
Investment income (loss), rents, and concessions	817,146	3,947,978
Intergovernmental revenues	9,667,276	23,569,755
Current service charges	-	9,658,905
Other	-	3,315,184
Total revenues	14,385,037	92,443,848
EXPENDITURES:		
Current:		
General government	23,744	11,443,139
Public safety	289,385	18,731,590
Transportation	3,148,531	6,985,144
Community development	205,679	6,686,615
Health and sanitation	26,136	6,468,720
Culture and leisure	180,806	14,215,149
Capital outlay:		
General government	214,725	657,821
Public safety	-	293,083
Transportation	4,897,049	5,560,484
Community development	297,235	315,945
Culture and leisure	37,352	1,528,898
Debt service:		
Principal retirement	-	270,147
Interest payment	-	12,333
Total expenditures	9,320,642	73,169,068
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	5,064,395	19,274,780
OTHER FINANCING SOURCES (USES):		
Transfers in	-	4,302,783
Transfers out	(2,307,083)	(3,695,351)
Issuance of debt	-	118,380
Proceeds from sale of properties	125,620	146,530
Total other financing sources (uses)	(2,181,463)	872,342
NET CHANGES IN FUND BALANCES	2,882,932	20,147,122
FUND BALANCES:		
Beginning of year,	23,455,289	101,720,605
End of year	\$ 26,338,221	\$ 121,867,727

(Concluded)

City of Lakewood
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, 2023

Net changes in fund balances - total governmental funds: \$ 20,147,122

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital expenditures exceeded depreciation in the current period:

Capital outlay expenditures, \$16,104 reported in Internal Service Funds	\$ 8,356,231	
Non-capital expenditures reclassified to functional expense	(156,896)	
Gain on disposal of capital assets	(272,851)	
Depreciation and amortization expense, net of \$27,654 reported in Internal Service Funds	<u>(4,518,222)</u>	3,408,262

Certain accrued revenues such as taxes, grants, and City's general billing charges, do not provide current financial resources and therefore, are not reported in the governmental funds as revenues. This is the amount of the net change in these accrued revenue amounts during the current period. 47,741

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Issuance of lease payable and SBITA liability		(118,380)
Lease, subscription liability, loan and ADA financing payment		270,147
Change in interest payable		1,042
Change in compensated absences		(32,952)
Pension expense of CalPERS Plan, net of pension contribution made after measurement date in the amount of \$4,249,841		(363,721)
Pension expense of PARS Plan, net of pension contribution made during the measurement period in the amount of \$831,760		560,802
OPEB expense, net of OPEB contribution made during the measurement period in the amount of \$603,276		(1,415)

Internal service funds are used by management to charge the costs of certain activities, such as fleet repair and maintenance, central stores and printing services to individual funds. The net revenue (expense) of these internal service funds are reported as governmental activities (net of \$57,866 allocated to business-type activities). (19,830)

Change in net position of governmental activities \$ 23,898,818

PROPRIETARY FUND FINANCIAL STATEMENTS

City of Lakewood
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-Type Activities - Water Enterprise Fund	Governmental Activities - Internal Service Funds
ASSETS		
Current assets:		
Cash and investments	\$ 20,379,334	\$ -
Restricted cash and investments:		
Cash in escrow	28,466	-
Customer deposits	40,205	-
Accounts receivable	1,605,863	-
Accrued revenue	1,100,042	-
Inventories	70,140	64,470
Prepays	-	1,647
Leases receivable	45,104	-
Total current assets	23,269,154	66,117
Noncurrent assets:		
Leases receivable	943,851	-
Capital assets:		
Capital assets, not being depreciated:		
Land	100,000	-
Water rights	1,834,586	-
Construction in progress	4,749,839	-
Capital assets, being depreciated:		
Source of supply	6,878,096	-
Pumping plant	996,284	-
Water treatment	4,852,172	-
Transmission/distribution	34,548,038	-
General plant	5,884,600	-
Equipment	15,655,435	1,403,604
Less: accumulated depreciation	(41,260,105)	(1,298,705)
Intangible asset, net	401,122	-
Total capital assets	34,640,067	104,899
Total noncurrent assets	35,583,918	104,899
Total assets	58,853,072	171,016
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred outflows of resources related to pensions	1,523,121	-
Deferred outflows of resources related to OPEB	199,787	-
Total deferred outflows of resources	1,722,908	-

(Continued)

City of Lakewood
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2023

	Business-Type Activities - Water Enterprise Fund	Governmental Activities - Internal Service Funds
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 4,301,643	\$ 31,987
Retention payable	44,281	-
Accrued liabilities	53,951	15,783
Accrued interest payable	12,637	-
Customer deposit	40,205	-
Unearned revenues	20,382	-
Compensated absences, due within one year	93,002	-
Lease payable, due within one year	599,792	-
Subscription liabilities, due in one year	157,178	-
Total current liabilities	5,323,071	47,770
Noncurrent liabilities:		
Compensated absences, due in more than one year	93,002	-
Lease payable, due in more than one year	5,506,716	-
Subscription liabilities, due in more than one year	257,433	-
Aggregate net pension liability	4,215,465	-
Net OPEB liability	76,559	-
Total noncurrent liabilities	10,149,175	-
Total liabilities	15,472,246	47,770
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	242,590	-
Deferred inflows of resources related to OPEB	170,998	-
Deferred inflows of resources related to leases	976,212	-
Total deferred inflows of resources	1,389,800	-
NET POSITION		
Net investment in capital assets	27,470,407	104,899
Unrestricted	16,243,527	18,347
Total net position	43,713,934	\$ 123,246
Adjustment to reflect the consolidation of internal service fund activities to the water enterprise fund	(660,000)	
Net position of business-type activities	\$ 43,053,934	

(Concluded)



City of Lakewood
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities- Water Enterprise Fund	Governmental Activities - Internal Service Funds
OPERATING REVENUES:		
Metered water sales	\$ 11,003,910	\$ -
Reclaimed water sales	446,593	-
Fire protection	198,095	-
Service initiation and restoration charges	33,550	-
Billing to departments	-	123,426
Other revenues	1,815,366	-
Total operating revenues	13,497,514	123,426
OPERATING EXPENSES:		
Operations:		
Supply, transmission and distribution	7,746,821	-
Customer service	213,884	-
Administration	1,474,561	-
Operating expenses	43,686	1,361,736
Depreciation and amortization	1,978,154	27,654
Total operating expenses	11,457,106	1,389,390
OPERATING INCOME (LOSS)	2,040,408	(1,265,964)
NONOPERATING REVENUES (EXPENSES):		
Investment income	638,544	-
Interest expense	(213,844)	-
Loss on disposal capital assets	(23,200)	-
Total nonoperating revenues (expenses)	401,500	-
INCOME (LOSS) BEFORE TRANSFERS	2,441,908	(1,265,964)
TRANSFERS:		
Transfers in	-	1,188,268
Transfers out	(1,795,700)	-
Total transfers	(1,795,700)	1,188,268
CHANGES IN NET POSITION	646,208	(77,696)
NET POSITION:		
Beginning of the year	43,067,726	200,942
End of the year	\$ 43,713,934	\$ 123,246
Changes in net position - Business-type activities	\$ 646,208	
Adjustment to reflect the consolidation of the internal service fund activities related to the Water Enterprise Fund	(57,866)	
Changes in net position of business-type activities	\$ 588,342	

City of Lakewood
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	<u>Business-Type Activities- Water Enterprise Fund</u>	<u>Governmental Activities - Internal Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	\$ 13,416,467	\$ -
Receipts from interfund services provided	-	123,426
Payments to suppliers	(4,712,476)	(1,295,590)
Payments to employees	(3,007,930)	-
Net cash provided by (used in) operating activities	<u>5,696,061</u>	<u>(1,172,164)</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:		
Transfers in/(out)	<u>(1,795,700)</u>	<u>1,188,268</u>
Net cash (used in) noncapital financing activities	<u>(1,795,700)</u>	<u>1,188,268</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Acquisition of capital assets	(1,389,534)	(16,104)
Principal paid on leases and subscription liabilities	(1,000,108)	-
Interest paid on revenue bonds	(215,461)	-
Net cash (used in) capital and related financing activities	<u>(2,605,103)</u>	<u>(16,104)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment income	<u>638,544</u>	<u>-</u>
Net cash provided by investing activities	<u>638,544</u>	<u>-</u>
Net increase in cash and cash equivalents	1,933,802	-
CASH AND CASH EQUIVALENTS:		
Beginning of year	<u>18,514,203</u>	<u>-</u>
End of year	<u>\$ 20,448,005</u>	<u>\$ -</u>
CASH AND CASH EQUIVALENTS:		
Cash and investments	\$ 20,379,334	\$ -
Cash in escrow	28,466	-
Customer deposit	40,205	-
Total cash and cash equivalents	<u>\$ 20,448,005</u>	<u>\$ -</u>

(Continued)

City of Lakewood
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2023

	<u>Business-Type Activities- Water Enterprise Fund</u>	<u>Governmental Activities - Internal Service Fund</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Operating income (loss)	\$ 2,040,408	\$ (1,265,964)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	1,978,154	27,654
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
(Increase) decrease in accounts receivable	127,040	-
(Increase) decrease in accrued revenue	4,787	-
(Increase) decrease in prepaids	-	(58,056)
(Increase) decrease in inventories	14,373	110,823
(Increase) decrease in lease receivable	40,609	-
(Increase) decrease in deferred outflows of resources related to pensions	(848,558)	-
Increase (decrease) in accounts payable	1,772,044	8,390
Increase (decrease) in accrued liabilities	11,143	4,989
Increase (decrease) in customer deposits	7,142	-
Increase (decrease) in unearned revenues	(213,294)	-
Increase (decrease) in compensated absences	(17,257)	-
Increase (decrease) in net pension liability	2,050,974	-
Increase (decrease) in net OPEB liability	35,746	-
Increase (decrease) in deferred inflows of resources related to pensions	(1,224,313)	-
Increase (decrease) in deferred inflows of resources related to OPEB	(35,606)	-
Increase (decrease) in deferred inflows of resources related to leases	(47,331)	-
Total adjustments	<u>3,655,653</u>	<u>93,800</u>
Net cash provided by (used in) operating activities	<u><u>\$ 5,696,061</u></u>	<u><u>\$ (1,172,164)</u></u>

(Concluded)



FIDUCIARY FUND FINANCIAL STATEMENTS



City of Lakewood
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2023

	Successor Agency to the City of Lakewood Redevelopment Agency Private Purpose Trust Fund
ASSETS:	
Cash and investments	\$ 1,083,802
Total assets	<u>1,083,802</u>
LIABILITIES:	
Due to the City of Lakewood	<u>16,105,533</u>
Total liabilities	<u>16,105,533</u>
NET POSITION (DEFICIT):	
Held in trust	<u>(15,021,731)</u>
Total net position (deficit)	<u><u>\$ (15,021,731)</u></u>

City of Lakewood
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended June 30, 2023

	Successor Agency to the City of Lakewood Redevelopment Agency Private Purpose Trust Fund
ADDITIONS:	
Redevelopment property tax trust fund	\$ 639,730
Investment loss	(382,030)
Total additions	257,700
DEDUCTIONS:	
Overhead	251,000
Total deductions	251,000
CHANGE IN NET POSITION	6,700
NET POSITION (DEFICIT):	
Beginning of year	(15,028,431)
End of year	\$ (15,021,731)

NOTES TO THE BASIC FINANCIAL STATEMENTS



City of Lakewood
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For the Year Ended June 30, 2023

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City of Lakewood
Notes to the Basic Financial Statements
For the Year Ended June 30, 2023

Note 1 – Reporting Entity

The City of Lakewood, California, (the “City”) was incorporated April 16, 1954, under the general laws of the State of California and enjoys all the rights and privileges pertaining to "General Law" cities.

The Lakewood Public Financing Authority (the “Financing Authority”) was created on December 12, 1995, by a Joint Exercise of Powers Agreement between the City and the former Redevelopment Agency pursuant to the State of California Joint Exercise of Powers Act. The primary purpose of the Financing Authority is assisting in the financing and refinancing of certain public programs and projects of the City or the Agency.

Blended Component Unit

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The primary criteria for including a potential component unit within the reporting entity are the governing body’s financial accountability and a financial benefit or burden relationship and whether it is misleading to exclude. A primary government is financially accountable and shares a financial benefit or burden relationship, if it appoints a voting majority of an organization’s governing body and it is able to impose its will on the organization, or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government. A primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government.

Management determined that the following component unit should be blended based on the criteria above:

Although the following is legally separate from the City, it has been “blended” as though it is part of the City because the component unit’s governing body is substantially the same as the City’s and there is a financial benefit or burden relationship between the City and the component unit; management of the City has operational responsibilities for the component unit; and/or the component unit provides services entirely, or almost entirely, to the City or otherwise exclusively, or almost exclusively, benefits the City, even though it does not provide services directly to it.

The Financing Authority

- The members of the City Council also act as the governing body of the Financing Authority.
- The Financing Authority is managed by employees of the City. No allocation of the City's salary and overhead expenses are made to the Financing Authority.
- The City and the Financing Authority are financially interdependent. The Financing Authority arranges financing issues for the City. The City pays the debt service on the Financing Authority's financing issues.

No individual financial statements are prepared for the Financing Authority.

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Summary of Significant Accounting Policies

A. Basis of Presentation

Financial statement presentation follows the recommendations promulgated by the Governmental Accounting Standards Board (“GASB”) commonly referred to as accounting principles generally accepted in the United States of America (“U.S. GAAP”). GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

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

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained in accordance with legal and managerial requirements.

Government-Wide Financial Statements

The City’s Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These financial statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

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

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

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

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

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

B. Measurement Focus, Basis of Accounting and Financial Statements Presentation (Continued)

Government Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and nonmajor funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net position as presented in these statements to the net position presented in the Government-Wide Financial Statements. The City has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a spending or "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both "measurable" and "available" to finance expenditures of the current period.

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 as soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property taxes, sales tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences.

The City reports the following major Governmental Funds:

The **General Fund** is used to account for all revenues and activities financed by the City, except those required to be accounted for in another fund.

The **American Rescue Plan Act Special Revenue Fund** is used to account for revenues and activities for American Rescue Plan Act funding which was provided to fund additional relief for individuals and businesses affected by the coronavirus pandemic.

The **Housing Admin and Program Capital Projects Fund** is used to account for the low-and moderate-income housing activities that were transferred to the City upon dissolution of the former Redevelopment Agency.

The **Lakewood Capital Improvements Capital Projects Fund** is used to account for the receipt and disbursement of monies used for the construction of major capital facilities which generally require more than one budgetary cycle to complete. These projects are funded by the General Fund, Gas Tax Special Revenue Fund, and federal and state grants.

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

B. Measurement Focus, Basis of Accounting and Financial Statements Presentation (Continued)

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major 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. The City's internal service funds include two individual funds which provide services directly to other City funds. These areas of service include Central Garage and Print Shop.

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 Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

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

The City reports the following major proprietary fund:

The **Water Enterprise Fund** is used to account for the construction, operation, and maintenance of the City water system.

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 agency 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 reports the following fiduciary fund:

The **Private Purpose Trust Fund** is used to account for the activities of the Successor Agency to the Lakewood Redevelopment Agency.

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

C. Cash, Cash Equivalents, and Investments

The City pools its available cash for investment purposes. The City considers pooled cash and investment amounts, with original maturities of three months or less, to be cash equivalents.

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available. The City reported its investments at fair value and the unrealized gain on investments amounted to \$202,285 for the fiscal year ended June 30, 2023.

The statement of cash flows requires presentation of “cash and cash equivalents”. For the purposes of the statement of cash flows, the City considers all proprietary fund pooled cash and investments as “cash and cash equivalents”, as such funds are available to the various funds as needed.

Certain disclosure requirements, if applicable, for Deposits and Investment Risks in the following areas:

- 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. Restricted Cash in Escrow

Cash and investments in escrow are restricted for capital projects retention payments.

E. Fair Value Measurement

U.S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosures 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. Levels of inputs are as follows:

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

- Level 1 - Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.
- Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the assets or liabilities through corroboration with market data at the measurement date.
- Level 3 – Unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

F. Receivables

Receivables include such items as taxes, intergovernmental revenues, charges for services, miscellaneous accounts receivable, and interest receivable. No allowance for doubtful accounts has been established, as the City believes all amounts are considered to be collectible in the normal course of business.

G. Inventories

Inventories consist primarily of recreation equipment, maintenance and repair supplies, fuel, and office supplies for the governmental activities. Inventories consist primarily of water pipe, valves, and fittings for the Water Enterprise Fund. Inventories are valued at cost on a weighted average basis.

H. Prepaid Items

Prepaid items are payments made to vendors for services that will benefit periods beyond the fiscal year ended using purchase method.

I. Interfund Transactions

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” or “advances to/from other funds” (i.e., the current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the Government-Wide Financial Statements as “internal balances”.

J. Land Held for Resale

Land held for resale is recorded at the lower of acquisition cost or net realizable value in the Housing Admin and Program Capital Projects Fund.

K. Leases

Lessee

The City has a policy to recognize a lease liability and a right-to-use asset (lease asset) in the financial statements with an initial, individual value of \$5,000 or more with a lease term greater than one year. Variable payments based on future performance or usage of the underlying assets are not included in the measurement of the lease liability.

At the commencement of a lease, the lease liability is measured at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

Lease assets are recorded at the amount of the initial measurement of the lease liabilities and modified by any lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term along with any initial direct costs that are ancillary charges necessary to place the lease assets into service. Lease assets are amortized using the straight-line method over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the State has determined is reasonably certain of being exercised. In this case, the lease asset is amortized over the useful life of the underlying asset.

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

K. Leases (Continued)

Lessee (Continued)

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease, plus any option periods that are reasonably certain to be exercised.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise. The City monitors changes in circumstances that would require a remeasurement of a lease and will remeasure any lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported as right-to-use along with other capital assets and lease liabilities are reported on the statement of net position.

Lessor

The City is a lessor for leases of buildings and land and recognizes leases receivable and deferred inflows of resources in the financial statements. Variable payments based on future performance or usage of the underlying asset are not included in the measurement of the lease receivable.

At the commencement of a lease, the lease receivable is measured at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources are recognized as revenue over the life of the lease term in a systematic and rational method.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses the average of the LAIF rate and the incremental borrowing rate (IBR) provided by the City's financial institution for existing leases or the current rate at the time a new lease is executed.
- The lease term includes the noncancelable period of the lease plus any option periods that are likely to be exercised.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

L. Capital Assets

Capital assets, which include land, site improvements, buildings and improvements, equipment and infrastructure assets are reported in the applicable governmental or business-type activities in the accompanying government-wide statement of net position. The City defines infrastructure as the basic physical assets that allow the City to function. The assets include roads, bridges, streetlights, traffic signals and sewer lines. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curbs and gutters, sidewalks, medians, streetlights, landscaping and land. These subsystems were not delineated in the basic financial statements. The appropriate operating department maintains information regarding the subsystems.

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated capital assets are valued at their estimated acquisition value on the date donated. City policy has set the capitalization threshold for reporting capital assets at \$5,000 for non-infrastructure assets and \$25,000 for infrastructure assets.

Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

Buildings	50 years
Building improvements	30 years
Water and sewer lines	50 years
Roads	30 years
Vehicles	7 years
Office equipment	7 years
Computer equipment/software	5 years
Other equipment	7 years

For all infrastructure systems, the City has elected to use the basic approach for infrastructure reporting.

M. Subscription-Based Information Technology Arrangements (SBITAs)

The City has a policy to recognize a subscription liability and a right-to-use subscription asset (subscription asset) in the financial statements. The City recognizes subscription liabilities with an initial, individual value of \$5,000 or more with a subscription term greater than one year. Variable payments based on future performance of the City, usage of the underlying IT asset, or number of user seats are not included in the measurement of the subscription liability, rather, those variable payments are recognized as outflows of resources (expenses) in the period the obligation for those payments is incurred.

At the commencement of a SBITA, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made.

Subscription assets are recorded at the amount of the initial measurement of the subscription liabilities, less any payments made to the SBITA vendor before the commencement of the subscription term, and capitalizable initial implementation cost, less any incentives received from the SBITA vendor at or before the commencement of the subscription term.

- Preliminary Project Stage: Outlays are expensed as incurred.
- Initial Implementation Stage: Outlays are capitalized as an addition to the subscription asset.

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

M. Subscription-Based Information Technology Arrangements (SBITAs) (Continued)

- Operation and Additional Implementation Stage: Outlays are expensed as incurred unless they meet specific capitalization criteria.

Upon adoption, the City elected to exclude the capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage that were incurred prior to the implementation of this Statement in the measurement of subscription assets as of July 1, 2022.

Subscription assets are reported in capital assets and subscription liabilities are reported with long-term liabilities on the statement of net position. Subscription assets are amortized using the straight-line method over the shorter of the subscription term or the useful life of the underlying IT asset, unless the subscription contains a purchase option that the City has determined is reasonably certain of being exercised. In this case, the subscription asset is amortized over the useful life of the underlying IT asset.

Key estimates and judgments related to SBITA include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for SBITA.
- The subscription term includes the noncancellable period of the SBITA. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

N. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave (compensated absences). All vacation pay and eligible sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. Compensated absences are reported in governmental funds only if they matured (i.e. unused reimbursable leave still outstanding following an employee's termination from employment). Typically, the General Fund has been used to liquidate the liability for compensated absences.

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

O. Pensions

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

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

O. Pensions (Continued)

The following timeframes are used for pension reporting:

CalPERS

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

PARS

Valuation Date	June 30, 2021
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

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 inflows of sources related to pensions and are to be recognized in further pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized over five years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

P. Other Postemployment Benefits (“OPEB”) Plan

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

The following timeframes are used for OPEB reporting:

Valuation Date	July 1, 2021
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

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

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

Q. Long-Term Debt

Government-Wide Financial Statements

Long-term debt and other financial obligations are reported as liabilities in the statement of net position.

Bond premiums and discounts, as well as gains and losses on refunding, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable premium or discount. Issuance costs are expensed in the year of issuance.

Fund Financial Statements

The fund financial statements do not present long-term debt but are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

R. Claims and Judgments

When it is probable that a claim liability has been incurred at year-end and the amount of the loss can be reasonably estimated, the City records the estimated loss, net of any insurance coverage under its self-insurance program. Small dollar claims and judgments are recorded as expenditures when paid.

The City's self-insurance program is administered through California Joint Powers Insurance Authority (the "Authority"), which is described in Note 14 to the financial statements. The Authority is a public entity risk pool. Claims losses recorded in the Authority include both current claims and incurred but not reported claims (IBNR). Deposits to the Authority are recorded by the City as insurance expenditures in the General Fund when paid. These deposits are subject to retrospective adjustment. Favorable claims experience in prior years results in a refund of deposits from the Authority and such refunds, if any, are recorded as prepaid items in the General Fund since they will be used to offset future deposit requirements. Adverse claims experience in prior years results in the payment of additional deposits and such deposits, if any, are recorded as insurance expenditures when incurred.

S. Deferred Outflows of Resources and Deferred Inflows of Resources

The Statement and 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 a consumption of net assets that applies to future periods.

Deferred Inflows of Resources represent an acquisition of net assets that applies to future periods.

T. Net Position

In governmental-wide and proprietary fund financial statements, net positions are categorized as follows:

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

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

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

T. Net Position (Continued)

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

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

U. Fund Balances

In governmental fund financial statements, fund balances are categorized as follows:

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

Restricted – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation. The use of proceeds from Housing Admin and Program Capital projects notes receivable is restricted; therefore, it is reported in the restricted fund balance classification.

Committed – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making, normally the governing body, and that remain binding unless removed in the same manner. The City Council is considered the highest authority for the City. Adoption of a resolution by the City Council is required to commit resources or to rescind the commitment. The amount for economic uncertainties is computed as 20% of the General Fund's annual operating expenditures. Economic uncertainties are held to offset major or unexpected reductions in revenue. Reduction in revenue equal to or greater than 10% would trigger the use of these funds to support core city services.

Assigned – Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The City Council has by resolution authorized the City Manager to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriation in the subsequent year's appropriated budget.

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

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

U. Fund Balances (Continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the City's policy is to apply restricted fund balance first. Further, when the components of unrestricted fund balance can be used for the same purpose, the City uses the unrestricted resources in the following order: committed, assigned, and unassigned. The description of each fund balance category is listed in the City's adopted Governmental Fund Balance Policy.

V. Property Taxes

Property taxes are levied on March 1 and are payable in two installments: November 1 and February 1 of each year. Property taxes become delinquent on December 10 and April 10, for the first and second installments, respectively. The lien date is January 1. The County of Los Angeles, California (County) bills and collects property taxes and remits them to the City according to a payment schedule established by the County.

The County is permitted by State law to levy taxes at 1% of full market value (at time of purchase) and can increase the property tax rate no more than 2% per year or the current CPI, whichever is less. The City receives a share of this basic tax levy proportionate to what it received during the years 1980-1981.

Property tax revenue is recognized in the fiscal year for which the taxes have been levied, provided the taxes are received within 60 days after the end of the fiscal year. Property taxes received after this date are not considered available as a resource that can be used to finance the current year operations of the City and, therefore, are not recorded as revenue until collected.

No allowance for doubtful accounts was considered necessary.

W. Use of Estimates

The preparation of basic financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from these estimates and assumptions.

X. Implementation of New GASB Pronouncements

GASB Statement No. 91 In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations* (GASB Statement No. 91), to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Implementation of this Statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2023.

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

X. Implementation of New GASB Pronouncements (Continued)

GASB Statement No. 94 In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB Statement No. 94) to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). Implementation of this Statement did not have a significant effect on the City’s financial statements for the fiscal year ended June 30, 2023.

GASB Statement No. 96 In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB Statement No. 96), to provide guidance on the accounting and financial reporting for subscription based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset- -an intangible asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Implementation of this Statement had a significant effect on the City’s financial statements for the fiscal year ended June 30, 2023.

GASB Statement No. 99 - In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The Statement is effective immediately for the requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63. The Statement is effective for fiscal year years beginning after June 15, 2022 for requirements related to leases, PPPs, and SBITAs. Implementation of this Statement did not have a significant effect on the City’s financial statements for the fiscal year ended June 30, 2023.

Note 3 – Cash and Investments

At June 30, 2023, cash and cash investments are classified in the accompanying financial statements as follows:

	Government- Wide Statement of Net Position	Fiduciary Fund Statement of Net Position	Total
Unrestricted assets:			
Cash and investments	\$ 128,289,043	\$ 1,083,802	\$ 129,372,845
Restricted assets:			
Cash in escrow	608,026	-	608,026
Cash held by City	40,205	-	40,205
Total cash and investments	\$ 128,937,274	\$ 1,083,802	\$ 130,021,076

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 3 – Cash and Investments (Continued)

At June 30, 2023, cash and investments consisted of the following:

Deposits with financial institution	\$ 5,112,974
Petty cash	2,700
Investments	124,905,402
Total cash and investments	\$ 130,021,076

A. Demand Deposits

The carrying amount of the City’s cash deposits were \$5,112,974 at June 30, 2023. Bank balances before reconciling items were \$6,670,246 at that date, the total amount of which was insured or collateralized with securities held by the pledging financial institutions in the City’s name as discussed below.

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

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

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

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investments in One Issuer
United States Treasury Bills, Bonds and Notes	5 Years	None	None
United States Government Sponsored Enterprise Securities	5 Years	None	None
Municipal Obligations	5 Years	None	None
Negotiable Certificates of Deposit	5 Years	30%	None
Placement Service Deposits	N/A	30%	None
Money Market Funds	N/A	20%	10%
Government Pools	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Los Angeles County Pooled Fund	N/A	None	None
Commercial paper	270 days	25%	None
Corporate Notes	5 Years	30%	None
Supranationals	5 Years	30%	None
Asset-Backed Securities	5 Years	20%	None

N/A - Not Applicable

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 3 – Cash and Investments (Continued)

C. Investments Authorized by Debt Agreement

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. Investments authorized for funds held by bond trustee include, United States Treasury Obligations, United States Government Sponsored Agency Securities, Certificates of Deposits, Commercial Paper, Local Agency Bonds, Banker's Acceptance, Money Market Mutual Funds, Investment Agreements, Repurchase Agreements, Local Agency Investment Fund of the State of California and any other investments permitted in writing by bond insurer. There were no limitations on the maximum amount that can be invested in one issuer, maximum percentage allowed or the maximum maturity of an investment.

D. Risk Disclosures

Disclosures Relating to Interest Rate Risk

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

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

Investment Type	Remaining Maturity (In Months)					Total
	12 Months or Less	13-24 Months	25-36 Months	37-48 Months	49-60 Months	
Local Agency Investment Fund	\$ 5,337,266	\$ -	\$ -	\$ -	\$ -	\$ 5,337,266
United States treasury notes	234,259	2,462,390	4,939,389	4,611,662	5,063,355	17,311,055
United States government-sponsored agency securities	-	1,909,176	744,768	1,679,693	-	4,333,637
Municipal bonds	-	863,271	376,438	102,925	89,411	1,432,045
Supra-national agency notes	548,890	362,728	-	-	-	911,618
CAMP cash reserve portfolio	81,800,072	-	-	-	-	81,800,072
Corporate medium-term notes	1,597,310	4,106,269	1,884,879	2,978,570	3,212,681	13,779,709
Total	\$ 89,517,797	\$ 9,703,834	\$ 7,945,474	\$ 9,372,850	\$ 8,365,447	\$ 124,905,402

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 3 – Cash and Investments (Continued)

D. Risk Disclosures (Continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating, by Standard and Poor's, as of June 30, 2023 for each investment type:

Investment Type	Fair Value as of June 30, 2023	Minimum Legal Rating	AAA	AA	A	Not Rated
Local Agency Investment Fund	\$ 5,337,266	N/A	\$ -	\$ -	\$ -	\$ 5,337,266
United States treasury notes	17,311,055	N/A	17,311,055	-	-	-
United States government-sponsored agency securities	4,333,637	N/A	-	4,333,637	-	-
Municipal bonds	1,432,045	AA	544,939	887,106	-	-
Supra-national agency notes	911,618	AA	911,618	-	-	-
CAMP cash reserve portfolio	81,800,072	A	81,800,072	-	-	-
Corporate medium-term notes	13,779,709	A or A-*	3,547,428	3,007,255	7,225,026	-
Total	\$ 124,905,402		\$ 104,115,112	\$ 8,227,998	\$ 7,225,026	\$ 5,337,266

N/A - Not Applicable

*Purchases are limited to securities rated in a rating category of "A" for long-term or "A-" for short term.

Disclosures Relating to Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

No investments in any one issuer represents 5% or more of total City's investments at June 30, 2023.

Disclosures Relating to Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counter party, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All securities, with the exception of LAIF and other pooled investments, are held by a third-party custodian.

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 3 – Cash and Investments (Continued)

E. Fair Value Measurement Disclosure

At June 30, 2023, investments are reported at fair value. The following table presents the fair value measurement of investments on a recurring basis and the levels within GASB 72 fair value hierarchy in which the fair value measurements fall at June 30, 2023:

Investment Type	Measurement Input			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Uncategorized	
Local Agency Investment Fund	\$ -	\$ -	\$ 5,337,266	\$ 5,337,266
United States treasury notes	17,311,055	-	-	17,311,055
United States government-sponsored agency securities	-	4,333,637 ⁽¹⁾	-	4,333,637
Municipal bonds	-	1,432,045 ⁽¹⁾	-	1,432,045
Supra-national agency notes	-	911,618 ⁽¹⁾	-	911,618
CAMP cash reserve portfolio	-	-	81,800,072	81,800,072
Corporate medium-term notes	-	13,779,709 ⁽¹⁾	-	13,779,709
Total	\$ 17,311,055	\$ 20,457,009	\$ 87,137,338	\$ 124,905,402

⁽¹⁾ Institutional Bond Quotes - evaluations based on various market and industry inputs

F. Investment in Local Agency Investment Fund (LAIF)

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments in LAIF at June 30, 2023 included a portion of pool funds invested in Structure Notes and Asset-Backed Securities:

Structured Notes are 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, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2023, the City had \$5,337,266 invested in LAIF, which had invested 2.78% of the pool investment funds in Structured Notes and Asset-Back Securities. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. LAIF is reported at amortized cost, which approximates fair value.

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 3 – Cash and Investments (Continued)

G. Investment in California Asset Management Program

The City is a voluntary participant in the California Asset Management Program (“CAMP”), a California joint powers authority established in 1989 by the treasurers and finance directors of several California local agencies. CAMP offers its shareholders a California Asset Management Trust (“Trust”) Cash Reserve Portfolio, a short-term money market portfolio. The Trust's activities are directed by a board of trustees, all of whom are employees of California public agencies which are participants in the Trust. The Trust's investments are limited to investments permitted by subdivisions (a) to (o), inclusive, of Section 53601 of the California Government Code. The City's investment in the CAMP cash reserve portfolio is reported at amounts based upon the City's pro-rata share of the portfolio's amortized cost (which approximates fair value) as provided by CAMP. The balance available for withdrawal is based on the accounting records maintained by CAMP, which are recorded on an amortized cost basis. As of June 30, 2023, the City had \$81,800,072 invested in CAMP.

Note 4 – Notes Receivable

At June 30, 2023, notes receivable consisted of the following:

	Governmental Activities
Home Improvement Loan Program	\$ 2,423,622
Total notes receivable	\$ 2,423,622

The former Redevelopment Agency made deferred loans to senior citizens, the physically handicapped, and low- and moderate-income residents which are not repaid until the title to the property changes. In Fiscal year 1996-97, the former Redevelopment Agency began to use Redevelopment Agency low and moderate housing 20% set-aside funds to provide housing rehabilitation loans to eligible applicants. The rehabilitation loans were made from the former Redevelopment Agency's low and moderate housing 20% set-aside funds. The loans were transferred to the Housing Admin and Program Capital Projects Fund on February 1, 2012, the effective date of the former Redevelopment Agency dissolution, since the City had accepted the role of being the Successor Housing Agency. The balance of these loans totaled \$1,920,068 at June 30, 2023.

The City makes deferred loans to senior citizens, the physically handicapped, and low- and moderate-income residents which are not repaid until the title to the property changes. Through fiscal year 1997-98 and 2012-13, the City also used Housing and Community Development Block Grant (CDBG) funds to provide these loans. The rehabilitation loans made from CDBG funds and all HUD cash held for rehabilitation loans are reflected in the CDBG nonmajor special revenue fund. Since Department of Housing and Urban Development has a claim to any funds remaining when the program is terminated, these funds are reported as notes receivable and classified as restricted fund balance. The principal balance outstanding at June 30, 2023 was \$503,554.

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 5 – Leases Receivable and Lease-Related Deferred Inflows of Resources

The City leases various types of property including land and buildings. Leases receivable consist of agreements with other entities for the “right-to-use” the underlying assets at various locations owned by the City. The remaining terms of the agreements range from 1 to 35 years. The interest rates used calculated the net present value of the lease receivable ranged from 1% to 2.445%.

For the fiscal year ended June 30, 2023, the City recognized \$225,125 in lease revenue and \$41,218 in interest revenue, and the outstanding net present value of the lease receivable amount is \$2,483,720.

A. Governmental Activities

A summary of changes in lease receivable for the governmental activities for the year ended June 30, 2023 is as follows:

Balance July 1, 2022	Addition	Reductions	Balance June 30, 2023	Amounts due within one year	Amounts due in more than one year
\$ 1,679,281	\$ -	\$ (184,516)	\$ 1,494,765	\$ 351,858	\$ 1,142,907

At June 30, 2023, the required payments for these leases, including interest, are:

	NPV leases receivables	Interest	Total lease payments
2024	\$ 351,858	\$ 15,447	\$ 367,305
2025	205,739	12,218	217,957
2026	218,529	9,145	227,674
2027	131,843	6,583	138,426
2028	133,167	5,259	138,426
2029-2033	453,629	7,791	461,420
Total	<u>\$ 1,494,765</u>	<u>\$ 56,443</u>	<u>\$ 1,551,208</u>

At June 30, 2023, the amounts reported as deferred inflows of resources related to leases will be recognized as lease revenue as follows:

Year Ending June 30,	Amount
2024	\$ 358,480
2025	208,506
2026	186,438
2027	131,247
2028	131,247
2029-2033	437,491
Total	<u>\$ 1,453,409</u>

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 5 – Leases Receivable and Lease-Related Deferred Inflows of Resources (Continued)

B. Business-Type Activities

A summary of changes in lease receivable for the business-type activities for the year ended June 30, 2023 is as follows:

Balance July 1, 2022	Addition	Reductions	Balance June 30, 2023	Amounts due within one year	Amounts due in more than one year
\$ 1,029,564	\$ -	\$ (40,609)	\$ 988,955	\$ 45,104	\$ 943,851

At June 30, 2023, the required payments for these leases, including interest, are:

	NPV leases receivables	Interest	Total lease payments
2024	\$ 45,104	\$ 14,525	\$ 59,629
2025	45,785	13,844	59,629
2026	46,477	13,152	59,629
2027	47,179	12,450	59,629
2028	47,891	11,738	59,629
2029 - 2033	233,064	47,705	280,769
2034 - 2038	115,920	34,440	150,360
2039 - 2043	91,170	27,246	118,416
2044 - 2048	98,266	20,150	118,416
2049 - 2053	105,915	12,501	118,416
2054 - 2058	112,184	4,258	116,442
Total	<u>\$ 988,955</u>	<u>\$ 212,009</u>	<u>\$ 1,200,964</u>

At June 30, 2023, the amounts reported as deferred inflows of resources related to leases will be recognized as lease revenue as follows:

Year Ending June 30,	Amount
2024	\$ 51,147
2025	51,147
2026	51,147
2027	51,147
2028	51,147
2029 - 2033	239,167
2034 - 2038	119,503
2039 - 2043	91,199
2044 - 2048	91,199
2049 - 2053	91,199
2054 - 2058	88,210
Total	<u>\$ 976,212</u>

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 6 – Interfund Transactions

A. Due From and To Other Funds

At June 30, 2023, the City has the following due from and to other funds:

	Due To Other Funds	
	Nonmajor	
Due From Other Funds		Governmental Funds
Governmental Funds:		
General Fund	\$	800,668

These interfund balances represent routine short-term cash flow assistance.

B. Transfers In and Out

During the year ended June 30, 2023, the City had the following transfers in and transfers out:

	Transfers In		Total
	Governmental Funds	Proprietary Funds	
	General Fund	Internal Service Funds	
Governmental Funds:			
General Fund	\$ -	\$ 1,188,268	1,188,268
Lakewood Capital Improvements Capital Projects Fund	200,000	-	200,000
Nonmajor Governmental Funds	2,307,083	-	2,307,083
Enterprise Fund:			
Water	1,795,700	-	1,795,700
Total	\$ 4,302,783	\$ 1,188,268	\$ 5,491,051

Transfers provided funding for capital projects, capital acquisitions, and debt service.

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 7 – Land Held for Resale

At June 30, 2023, land held for resale consisted of the following:

Location/Address	Amount	Use of Property
20529 Pioneer Boulevard	\$ 129,557	Vacant. Future affordable housing development site
20525 Pioneer Boulevard	375,445	Vacant. Future affordable housing development site
11643 207th St	413,650	Affordable Housing
11647 207th St	413,650	Affordable Housing
11644 206th St	526,000	Affordable Housing
20920 Roseton Ave	257,000	Affordable Housing
11649 207th St	320,000	Affordable Housing
11610 207th St	262,500	Vacant Land
11618 207th St	262,500	Vacant Land
Total	\$ 2,960,302	

Note 8 – Receivable from Successor Agency

At June 30, 2023, the receivables from Successor Agency are as follows:

	Housing Admin and Program Capital		
	General Fund	Projects Fund	Total
Inter-Agency Loan	\$ 10,790,530	\$ 2,697,632	\$ 13,488,162
10-Year Interfund Loan	-	90,491	90,491
5-Year Loan	-	1,441,570	1,441,570
Housing Set-Aside Fund	-	1,085,310	1,085,310
	\$ 10,790,530	\$ 5,315,003	\$ 16,105,533

Upon dissolution of former Lakewood Redevelopment Agency, the amount due by the former Lakewood Redevelopment Agency to the City was \$30,950,525. Under AB 1X26, the Successor Agency was only able to list as enforceable obligation the amount of the *initial* City Loan for the plan area, which was \$382,000. This obligation is payable in 10 annual payments of \$38,200. The *initial* City Loan was paid off during the year ended June 30, 2022. Subsequent legislation, AB1484, allowed interest for the City loans to be recalculated at the LAIF rate over the life of the loan. The outstanding interest on the City loan using the LAIF interest rate calculation is \$2,612,099, of which, 80% are allocated to General Fund and 20% are allocated to the City's Housing Admin & Program Capital Projects Fund. Due to the Due Diligence Review called for under AB 1X26, the City reduced the amount receivable to the amount allowable, which resulted in the Successor Agency recognizing an extraordinary gain of \$27,956,419 in the statement of changes in fiduciary net position. Pursuant Health and Safety (HSC) Section 34179.7, the Oversight Board approves the Successor Agency's Finding of Completion on December 10, 2016; therefore, the City's General Fund loaned to the Successor Agency an additional \$9,400,000 to make its payment under Protest for Department of Finance Determination of Other Funds and Accounts Due Diligence Review. Pursuant to HSC Section 34191.6 (2), the Last and Final Recognized Obligation Payment Schedule shall include an interest rate of 4 percent. The City performed interest rate adjustment based on four percent interest rate and reallocated to General Fund and the City's Housing Admin & Program Capital Projects Fund.

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Receivable from Successor Agency (Continued)

At June 30, 2023, the total principal and interest due to the City General Fund and Housing Admin & Program Capital Projects Fund were in the amount of \$10,790,530 and \$2,697,632, respectively.

On April 14, 2005, the Agency Board approved a 10-year interfund loan from the Capital Projects Fund to the Debt Service Fund to provide partial funding for the required payment to the County of Los Angeles' Educational Revenue Augmentation Fund for the year ended June 30, 2005. No interest accrues on this loan and annual installments of \$22,623 commenced May 10, 2006. The loan balance at June 30, 2023 was \$90,491. The loan was transferred to the Successor Agency and the asset side was transferred to the Housing Admin & Program Capital Projects Fund as of the date of the dissolution of the Agency in accordance with Assembly Bill 1X26.

On February 9, 2011, the Agency Board approved a 5-year loan from the Capital Projects Fund to the Debt Service Fund to provide funding for the required payment to the County of Los Angeles' Supplemental Educational Revenue Augmentation Fund. On January 25, 2012, the Agency Board approved a second 5-year loan from the Capital Projects Fund to the Debt Service Fund for similar purposes. No interest accrues on these loans. The total loan balance at June 30, 2023 was \$1,441,570. The liability side of this loan was transferred to the Successor Agency and the asset side was transferred to the Housing Admin & Program Capital Projects Fund as of the date of the dissolution of the Agency in accordance with Assembly Bill 1X26.

California Health and Safety Code Section 33334.6 requires that Redevelopment Agencies set aside 20% of the annual tax increment proceeds for the benefit of low- and moderate-income housing. However, an Agency may defer the set-aside of 20% if it determines that the tax increment required to be deposited is necessary for the orderly and timely completion of programs approved by the Agency prior to January 1, 1986. The Agency made such a determination to defer the deposit of \$1,383,310 of tax increment into the Housing Set-Aside Fund. The Agency has adopted a plan for repayment of this Housing Set-Aside Fund deficit. The Agency did not make a payment towards this deficit since the year ended June 30, 2015, as this deficit was not considered an enforceable obligation under Assembly Bill 1X26, the deficit total remains at \$1,085,310; however, under subsequent legislation, AB1484, this deficit is now considered an enforceable obligation and payments from the Successor Agency are allowed to commence in fiscal year 2013-14 to the City's Housing Admin & Program Capital Projects Fund.

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Capital Assets

A. Governmental Activities

A summary of changes in capital assets of the governmental activities for the year ended June 30, 2023 is as follows:

	Balance July 1, 2022 (As Restated)	Additions	Deletions	Reclassification	Balance June 30, 2023
Capital assets, not being depreciated:					
Land	\$ 17,041,023	\$ -	\$ -	\$ -	\$ 17,041,023
Construction in progress	43,089,201	6,576,872	(272,851)	(6,206,191)	43,187,031
Total capital assets, not being depreciated	60,130,224	6,576,872	(272,851)	(6,206,191)	60,228,054
Capital assets, being depreciated:					
Structures/buildings, and improvements	51,463,631	-	-	-	51,463,631
Equipment	9,417,201	1,520,097	(228,773)	-	10,708,525
Infrastructure/street	155,647,685	-	-	6,206,191	161,853,876
Total capital assets, being depreciated	216,528,517	1,520,097	(228,773)	6,206,191	224,026,032
Less accumulated depreciation for:					
Structures/buildings, and improvements	(29,179,467)	(1,109,806)	-	-	(30,289,273)
Equipment	(8,278,610)	(471,962)	228,773	-	(8,521,799)
Infrastructure/street	(120,044,135)	(2,853,732)	-	-	(122,897,867)
Total accumulated depreciation	(157,502,212)	(4,435,500)	228,773	-	(161,708,939)
Total capital assets, being depreciated, net	59,026,305	(2,915,403)	-	6,206,191	62,317,093
Intangible assets, being amortized:					
Lease assets	196,967	8,215	-	-	205,182
Subscription assets	115,020	110,255	-	-	225,275
Total lease assets	311,987	118,470	-	-	430,457
Less accumulated amortization for:					
Lease assets	(39,960)	(46,153)	-	-	(86,113)
Subscription assets	-	(64,223)	-	-	(64,223)
Total accumulated amortization	(39,960)	(110,376)	-	-	(150,336)
Total intangible assets, being amortized, net	272,027	8,094	-	-	280,121
Governmental activities capital assets, net	\$ 119,428,556	\$ 3,669,563	\$ (272,851)	\$ -	\$ 122,825,268

Depreciation and amortization expenses were charged to City functions/programs as follows:

General government	\$ 232,828
Public safety	58,396
Transportation	157,941
Community development	69,316
Culture and leisure	1,035,633
Unallocated depreciation for infrastructure	2,853,732
Internal service funds depreciation charged to programs	27,654
Lease assets amortization	46,153
Subscription assets amortization	64,223
Total depreciation/amortization expense - governmental activities	\$ 4,545,876

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Capital Assets (Continued)

B. Business-Type Activities

A summary of changes in capital assets of the business-type activities for the year ended June 30, 2023 is as follows:

	Balance July 1, 2022 (As Restated)	Additions	Deletions	Reclassification	Balance June 30, 2023
Capital assets, not being depreciated:					
Land	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000
Water rights	1,834,586	-	-	-	1,834,586
Construction in progress	3,499,642	1,273,397	(23,200)	-	4,749,839
Total capital assets, not being depreciated	5,434,228	1,273,397	(23,200)	-	6,684,425
Capital assets, being depreciated:					
Source of supply	6,878,096	-	-	-	6,878,096
Pumping plant	996,284	-	-	-	996,284
Water treatment	4,852,172	-	-	-	4,852,172
Transmission/distribution	34,548,038	-	-	-	34,548,038
General plant and equipment	21,471,809	68,226	-	-	21,540,035
Total capital assets, being depreciated	68,746,399	68,226	-	-	68,814,625
Less accumulated depreciation for:					
Source of supply	(3,845,668)	(149,345)	-	-	(3,995,013)
Pumping plant	(665,650)	(22,475)	-	-	(688,125)
Water treatment	(3,956,287)	(228,571)	-	-	(4,184,858)
Transmission/distribution	(22,834,595)	(659,818)	-	-	(23,494,413)
General plant and equipment	(8,140,199)	(757,497)	-	-	(8,897,696)
Total accumulated depreciation	(39,442,399)	(1,817,706)	-	-	(41,260,105)
Total capital assets, being depreciated, net	29,304,000	(1,749,480)	-	-	27,554,520
Intangible assets, being amortized:					
Subscription assets	561,570	-	-	-	561,570
Total lease assets	561,570	-	-	-	561,570
Less accumulated amortization for:					
Subscription assets	-	(160,448)	-	-	(160,448)
Total accumulated amortization	-	(160,448)	-	-	(160,448)
Total intangible assets, being amortized, net	561,570	(160,448)	-	-	401,122
Business-type activities capital assets, net	\$ 35,299,798	\$ (636,531)	\$ (23,200)	\$ -	\$ 34,640,067

Depreciation and amortization expenses was charged to the Water Enterprise Fund in the amount of \$1,978,154 for the year ended June 30, 2023.

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 10 – Long-Term Liabilities

A. Governmental Activities

A summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2023 is as follows:

	Balance July 1, 2022 (As Restated)	Additions	Deletions	Balance June 30, 2023	Due within One Year	Due in More Than One Year
Governmental Activities:						
Direct Borrowing:						
ADA financing program	\$ 309,075	\$ -	\$ (154,952)	\$ 154,123	\$ 154,123	\$ -
Lease payable	151,390	8,125	(49,172)	110,343	49,868	60,475
Subscription liabilities	115,020	110,255	(66,023)	159,252	67,915	91,337
Compensated absences	1,861,298	864,152	(831,200)	1,894,250	947,125	947,125
Total governmental activities	\$ 2,436,783	\$ 982,532	\$ (1,101,347)	\$ 2,317,968	\$ 1,219,031	\$ 1,098,937

ADA Financing Program

In April 2019, the City entered into a lease financing agreement with the California Joint Powers Insurance Authority (the “CJPIA”). Pursuant to the agreement, CJPIA leased the City \$750,000 for its participation in the ADA Financing Program which involves a lease and lease-back of certain real property and improvements thereon owned by the City with a value that is not less than the amount of funds to be advanced by CJPIA to the City to finance costs of the ADA Improvements under the ADA Financing Program. The lease is unsecured and bear an interest of 2.69% per annum. The term of the lease is five years from the initial lease disbursement date which occurred on April 1, 2019. Principal payments are due annually commencing April 1, 2020.

The debt service requirements to maturity are as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$ 154,123	\$ 4,278	\$ 158,401
Total	\$ 154,123	\$ 4,278	\$ 158,401

Lease Payable

The City has entered leases for the right of way leases. The terms of the agreements are 60 months. The calculated interest rate used was 1% at June 30, 2023, the outstanding balance of the leases is \$110,343.

Principal and interest payments to maturity at June 30, 2023 are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 49,868	\$ 1,051	\$ 50,919
2025	51,890	571	52,461
2026	8,585	68	8,653
Total	\$ 110,343	\$ 1,690	\$ 112,033

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 10 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Subscription Liabilities

The City entered into subscription agreements with various vendors for software. The terms of the agreements are ranging from 36 months to 42 months. The calculated interest rates range from 2.445% to 2.796% .

The future subscription payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 67,915	\$ 3,800	\$ 71,715
2025	73,260	197	73,457
2026	18,077	129	18,206
Total	<u>\$ 159,252</u>	<u>\$ 4,126</u>	<u>\$ 163,378</u>

Compensated Absences

There is no fixed payment schedule for earned but unpaid compensated absences.

B. Business-Type Activities

Summary of changes in long-term liabilities for business-type activities for the year ended June 30, 2023 is as follows:

	Balance July 1, 2022 (As Restated)	Additions	Deletions	Balance June 30, 2023	Due within One Year	Due in More Than One Year
Business-type Activities:						
Direct Borrowing:						
2015 Photovoltaic system lease and sublease agreements	\$ 271,127	\$ -	\$ (271,127)	\$ -	\$ -	\$ -
2017 Master equipment lease/ purchase agreement	6,688,530	-	(582,022)	6,106,508	599,792	5,506,716
Subscription liabilities	561,570	-	(146,959)	414,611	157,178	257,433
Compensated absences	203,261	759,278	(93,184)	186,004	93,002	93,002
Total business-type activities	<u>\$ 7,724,488</u>	<u>\$ 759,278</u>	<u>\$ (1,093,292)</u>	<u>\$ 6,707,123</u>	<u>\$ 849,972</u>	<u>\$ 5,857,151</u>

2015 Photovoltaic System Lease and Sublease Agreements

On May 25, 2015, the City entered into the \$1,990,000 Photovoltaic System Lease and Sublease Agreements with CLP Holdings Inc. to refund the 2008 Water Revenue Bonds. The current refunding resulted in an economic gain in the amount of \$194,632 and saving in debt service payments in the amount of \$520,579. The current refunding resulted in no deferred gains or losses as the bond proceeds were sufficient to cover repayment of 2008 Water Revenue Bonds, the interest due, and issuance cost in the 2015 Photovoltaic System Lease and Sublease Agreements.

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 10 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

2015 Photovoltaic System Lease and Sublease Agreements (Continued)

Principal payments on the capital lease are due annually each April 1, commencing April 1, 2011. The bonds were sold through a negotiated sale and bears interest at a rate of 2.54%. Interest payments are payable semi-annually on April 1 and October 1. The City paid off the 2015 Photovoltaic System Lease and Sublease Agreements during the year ended June 30, 2023.

2017 Master Equipment Lease/Purchase Agreement

On May 23, 2017, the City entered the \$8,965,667 Master Lease/Purchase Agreement with Fathom Water Management, Inc. for the City’s water operation and replacement of water meter throughout out the City. The contract rate for the lease is 3.030% and the taxable rate is 4.7456%.

Principal and interest payments on the capital lease are due annually each June 13 and December 13, commencing June 13, 2018.

The future annual required lease payments at June 30, 2023, are as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$ 599,792	\$ 198,286	\$ 798,078
2025	618,103	162,207	780,310
2026	636,973	143,336	780,309
2027	656,420	123,890	780,310
2028-2032	3,595,220	306,326	3,901,546
Total	<u>\$ 6,106,508</u>	<u>\$ 934,045</u>	<u>\$ 7,040,553</u>

Subscription Liabilities

The City entered into subscription agreements with various vendors for software. The term of the agreement is 42 months. The calculated interest rate was 2.445%.

The future subscription payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 157,178	\$ 8,407	\$ 165,585
2025	169,170	4,432	173,602
2026	88,263	631	88,894
Total	<u>\$ 414,611</u>	<u>\$ 13,470</u>	<u>\$ 428,081</u>

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 11 – Defined Contribution Plan

The City provides a tax qualified retirement savings plan under Section 401(a) of the Internal Revenue Code to classic employees hired before December 31, 2012. The plan is a defined contribution plan and benefits depend solely on amounts contributed to the plan and investment earnings. The plan is administered by the Public Agency Retirement System (“PARS”) and the City Council has the authority for establishing and amending the plan provisions. There were 85 employees covered by the plan for the year ended June 30, 2023. Employer lump sum contributions are based on an employee's tier of eligibility. Depending on the limits and requirements of the eligible tier, the City will contribute certain amounts equivalent to an employee's eligible unused accrued vacation time, compensatory time, floating holidays, sick leave and administrative leave. Employee contributions are mandatory and are also based on an employee's tier of eligibility. The amount of the mandatory employee contribution will depend on the limits and requirements of the tier which take into consideration an employee's longevity, merit adjustments and prescribed plan percentages. For the year ended June 30, 2023, there were 69 employees covered by the plan and the employer contributions totaled \$35,741.

The City also provides a tax qualified retirement savings plan under Section 401(a) of the Internal Revenue Code to all full-time employees. This plan is administered by VOYA. Employer contributions are for pay-offs for administrative leave, compensation pay, gatekeeper pay, and sick leave. Bonus pay (if any) will be contributed into the plan as well. Longevity pay are contributed into the plan based on the employees’ tier and year of service with the City. The last contribution is the vacation conversion which is the amount of vacation above the employees’ maximum hours. For the year ended June 30, 2023, there were 173 employees covered by the plan and the employer contributions totaled \$40,164.

Note 12 – Defined Benefit Pension Plan

Summary of deferred outflows of resources related to pension, net pension liabilities, and deferred inflows of resources related to pension for both governmental activities and business-type activities for the year ended June 30, 2023 are as follows:

<u>Governmental Activities</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Deferred outflows of resources:			
Pension contributions after measurement date			
CalPERS	\$ 4,249,841	\$ 472,205	\$ 4,722,046
Change in assumptions:			
CalPERS	3,059,233	339,915	3,399,148
PARS	10,820	1,202	12,022
Total change in assumptions	<u>3,070,053</u>	<u>341,117</u>	<u>3,411,170</u>
Difference between expected and actual experience			
CalPERS	63,606	7,067	70,673
Difference in projected and actual earnings on pension investments:			
CalPERS	5,497,050	610,783	6,107,833
PARS	827,537	91,949	919,486
Total difference in projected and actual earnings on pension investments	<u>6,324,587</u>	<u>702,732</u>	<u>7,027,319</u>
Total deferred outflows of resources	<u><u>\$ 13,708,087</u></u>	<u><u>\$ 1,523,121</u></u>	<u><u>\$ 15,231,208</u></u>

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 12 – Defined Benefit Pension Plan (Continued)

<u>Governmental Activities</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net pension liabilities:			
CalPERS	\$ 34,686,034	\$ 3,854,004	\$ 38,540,038
PARS	3,253,146	361,461	3,614,607
Total net pension liabilities	\$ 37,939,180	\$ 4,215,465	\$ 42,154,645
Deferred inflows of resources:			
Difference between expected and actual experience			
CalPERS	\$ 1,306,678	\$ 145,187	\$ 1,451,865
PARS	876,631	97,403	974,034
Total difference between expected and actual experience	2,183,309	242,590	2,425,899
Total deferred inflows of resources	\$ 2,183,309	\$ 242,590	\$ 2,425,899
Pension Expense:			
CalPERS	\$ 4,613,562	\$ 512,619	\$ 5,126,181
PARS	270,958	30,106	301,064
Total pension expense	\$ 4,884,520	\$ 542,725	\$ 5,427,245

A. CalPERS Plan

General Information about the Pension Plan

Plan Description

The City contributes to the California Public Employees' Retirement System ("CalPERS"), an agent multiple-employer public employee defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and City ordinance. A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the 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.

Benefit Provided

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. A classic CalPERS member becomes eligible for service retirement upon attainment of age 55 with at least 5 years of credited service. During the year ended June 30, 2013, the California's Public Employees' Pension Reform Act ("PEPRA") went into effect. Employees hired after January 1, 2013 who are new to the CalPERS system are part of the PEPRA plan. PEPRA members become eligible for service retirement upon attainment of age 62 with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the highest 36 or 12 consecutive months' full-time equivalent monthly pay. Retirement benefits for classic employees are calculated as 2% of the average final 12 months compensation. Retirement benefit for PEPRA employees are calculated as 2% of the average final 36 months compensation.

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 12 – Defined Benefit Pension Plan (Continued)

A. CalPERS Plan (Continued)

General Information about the Pension Plan (Continued)

Benefit Provided (Continued)

Participant is eligible for non-industrial disability retirement if becomes disabled and has at least 5 years of credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8 percent of final compensation, multiplied by service. Industrial disability benefits are not offered.

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 7.5 percent per year, plus a lump sum in the amount of one-month 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.

Employees Covered by Benefit Terms

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

Active employees	275
Transferred and terminated employees	385
Retired employees and beneficiaries	279
Total	939

Contributions

Section 20814(c) of the California Public Employees' Retirement Law ("PERL") requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the reporting period ended June 30, 2023, the classic active employee contribution rates was 7% of annual pay, the PEPRA active employee contribution rate was 6.75% of annual pay, and the required employer contribution rates were 8.85% of the annual payroll.

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 12 – Defined Benefit Pension Plan (Continued)

A. CalPERS Plan (Continued)

Net Pension Liability

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2021 valuation was rolled forward to determine the June 30, 2022 total pension liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ¹	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

¹ The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 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 November 2021 that can be found on the CalPERS website.

Change of Assumptions

Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial 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. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 12 – Defined Benefit Pension Plan (Continued)

A. CalPERS Plan (Continued)

Net Pension Liability (Continued)

Long-term Expected Rate of Return (Continued)

Asset Class ¹	Assumed Asset Allocation	Real Return ^{2,3}
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
	<u>100.00%</u>	

¹ In the CalPERS' Basic Financial Statements, 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 2.30% used

³ Figures are based on the 2021 Asset Liability Management study.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. 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.

Other Disclosures Related to CalPERS Pension Plans

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 were reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 12 – Defined Benefit Pension Plan (Continued)

A. CalPERS Plan (Continued)

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, 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. Five year straight-line amortization is used for net difference between projected and actual earnings on pension plan investments and straight-line amortization over the expected average remaining service lifetime (“EARSL”) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period is used for all other amounts.

Changes in the Net Pension Liability

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(c) = (a) - (b)
Balance at June 30, 2021 (Valuation Date)	\$152,268,034	\$135,089,620	\$ 17,178,414
Changes Recognized for the Measurement Period:			
Service Cost	2,973,011	-	2,973,011
Interest on the total pension liability	10,555,722	-	10,555,722
Changes of Assumptions	4,758,807	-	4,758,807
Difference between expected and actual experience	(1,508,930)	-	(1,508,930)
Contributions from the employer	-	4,405,183	(4,405,183)
Contributions from employees	-	1,227,185	(1,227,185)
Net investment income	-	(10,131,229)	10,131,229
Benefit payments, including refunds of employee contributions	(8,045,870)	(8,045,870)	-
Administrative expense	-	(84,153)	84,153
Net changes during July 1, 2021 to June 30, 2022	8,732,740	(12,628,884)	21,361,624
Balance at June 30, 2022 (Measurement Date)	\$ 161,000,774	\$ 122,460,736	\$ 38,540,038

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 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 12 – Defined Benefit Pension Plan (Continued)

A. CalPERS Plan (Continued)

Changes in the Net Pension Liability (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (Continued)

Plan's Net Pension Liability/(Asset)		
Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
\$ 59,467,220	\$ 38,540,038	\$ 21,220,624

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

For the measurement period ended June 30, 2022, the City incurred a pension expense of \$5,126,181.

As of measurement date of June 30, 2022, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred outflows of Resources	Deferred inflows of Resources
Contributions made after the measurement date	\$ 4,722,046	\$ -
Change in assumptions	3,399,148	-
Difference between expected and actual experience	70,673	(1,451,865)
Net difference between projected and actual earnings on pension plan investments	6,107,833	-
Total	\$ 14,299,700	\$ (1,451,865)

The amounts above are net of outflows and inflows recognized in the 2021-2022 measurement period expense.

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 plan for the measurement period ending June 30, 2022 is 3.3 years, which was obtained by dividing the total service years of 3,021 (the sum of remaining service lifetimes of the active employees) by 939 (the total number of participants: active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

The \$4,722,046 reported as deferred outflows of resources related to pension resulting from the City's contributions subsequent to the measurement date during the year ended June 30, 2023 will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 12 – Defined Benefit Pension Plan (Continued)

A. CalPERS Plan (Continued)

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Continued)

Year Ending June 30	Deferred Outflows/(Inflows) of Resources Miscellaneous Plan
2024	\$ 1,689,435
2025	1,704,370
2026	861,999
2027	3,869,985
2028	-
Thereafter	-
Total	\$ 8,125,789

B. Retirement Enhancement Plan

General Information about the Pension Plan

Plan Description

The City provides a 401(a) defined benefit retirement enhancement plan under the terms of a Memorandum of Understanding (MOU) between the City and its employees. The Plan is part of an agent multiple employer plan administered by the Public Agency Retirement Service (PARS). A separate audited GAAP-basis post-employment benefit plan report is not available for this Plan. Due to PEPRRA legislation the Plan is closed to employees hired by the City after December 31, 2012.

Benefit Provided

The benefit is equal to 0.5% of final average compensation for all future years of City service (on or after July 1, 2005) and for 75% of past years of City service (before July 1, 2005). Eligibility for an immediate benefit is defined as reaching age 60, completing two years of full-time continuous Lakewood service, and retiring concurrently from both the City and CalPERS after leaving City employment on or after July 1, 2006. Employees terminating from the City with two years of service and concurrent retirement with CalPERS but prior to age 60 may choose to receive either a deferred retirement benefit to begin at age 60 or a refund of their employee contributions with 3% interest compounded annually. All other terminating employees will receive a refund of their employee contributions with 3% interest.

Final average compensation is equal to the highest year of compensation with the City, including CalPERS employer paid member contributions (salary plus 3.75%), subject to IRC 401(a)(17) limitations. Salary includes longevity pay.

There is no disability benefit or death benefit under this plan.

The normal form of benefit is a life-only annuity. In lieu of a life-only annuity, a participant may elect an actuarial equivalent optional form of payment. The optional form is a joint and survivor annuity.

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 12 – Defined Benefit Pension Plan (Continued)

B. Retirement Enhancement Plan (Continued)

Any benefit in payment status will increase by 2% per annum on each participant’s anniversary date of retirement.

Employees Covered by Benefit Terms

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

Active employees	85
Terminated employees	26
Retired employees and beneficiaries	83
Total	194

Contributions

Employees contribute 3.00% of compensation of which the City picks-up 0.13%. The employer contributed \$924,177 during the year ended June 30, 2023.

Net Pension Liability

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2021 valuation was rolled forward to determine the June 30, 2023 total pension liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Return	5.50%
Inflation	2.50%
Payroll Growth	2.75%
Cost of Living Adjustment	2.00% compounded annually
Withdrawal/Disability	Consistent with the Non-Industrial Rates used to value the CalPERS Miscellaneous Public Agency Pension Plans after June 30, 2017.
Mortality	Pre-retirement: Consistent with the Non-Industrial rates used to value the CalPERS Miscellaneous Public Agency Pension Plans after June 30, 2017. Post-retirement: Consistent with the Non-Industrial rates used to value the CalPERS Miscellaneous Public Agency Pension Plans after June 30, 2017.
Retirement	Ranges from 3.65% to 100% at age 75+.
Maximum Benefits and Salary	Salary used in the calculation of final average compensation is subject to the limitations of IRC 401(a)(17). The limit is assumed to increase 2.50% per annum.
Form of payment	Single Life Annuity

Change of Assumptions

There were no changes in actuarial assumptions and methods July 1, 2019 valuation to July 1, 2021 valuation.

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 12 – Defined Benefit Pension Plan (Continued)

B. Retirement Enhancement Plan (Continued)

Net Pension Liability (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.50 percent. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Long - Term Expected Rate of Return

The assumption for the long-term expected rate of return was selected by the City. Below is a projector of the 30-year average return derived by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation on the Plan's current asset allocation.

The table below reflects long-term expected real return adjusted for inflation by asset classes:

Asset Class	Index	Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
US Cash	BAML 3-Mon Tbill	5.05%	0.51%	0.49%
US Core Fixed Income	Bloomberg Barclays Aggregate	46.61%	2.07%	1.93%
US Equity Market	Russell 3000	37.09%	5.56%	3.90%
Foreign Developed Equity	MSCI EAFE NR	5.95%	6.89%	5.07%
Emerging Market Equities	MSCI EM NR	3.71%	9.58%	6.18%
US REITs	FTSE NAREIT Equity REIT	1.59%	6.96%	4.74%
		<u>100.00%</u>		
Assumed Inflation - Mean			2.32%	2.32%
Assumed Inflation - Standard Deviation			1.42%	1.42%
Portfolio Real Mean Return			3.93%	3.48%
Portfolio Nominal Mean Return			6.25%	5.89%
Portfolio Standard Deviation				8.90%
Long-Term Expected Rate of Return				5.50%

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 12 – Defined Benefit Pension Plan (Continued)

B. Retirement Enhancement Plan (Continued)

Changes in Net Pension Liability

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(c) = (a) - (b)
Balance at June 30, 2022	\$ 23,052,106	\$ 18,585,607	\$ 4,466,499
Changes Recognized for the Measurement Period:			
Service cost	374,578	-	374,578
Interest on the total pension liability	1,263,556	-	1,263,556
Effect of economic/demographic gains or losses	-	-	-
Effect of assumptions changes or inputs	-	-	-
Benefit payments	(918,195)	(918,195)	-
Employer contributions	-	924,177	(924,177)
Member contributions	-	198,880	(198,880)
Net investment income	-	1,439,405	(1,439,405)
Administrative expense	-	(72,436)	72,436
Net changes during July 1, 2022 to June 30, 2023	719,939	1,571,831	(851,892)
Balance at June 30, 2023 (Measurement Date)	\$ 23,772,045	\$ 20,157,438	\$ 3,614,607

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 5.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (4.50%) or 1 percentage-point higher (6.50%) than the current rate:

	1% Decrease (4.50%)	Discount Rate (5.50%)	1% Increase (6.50%)
Plan's Net Pension Liability	\$ 6,675,513	\$ 3,614,607	\$ 1,053,685

Pension Plan Fiduciary Net Position

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

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

For the measurement period ended June 30, 2023, the City incurred a pension expense of \$301,064.

As of measurement date of June 30, 2023, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 12 – Defined Benefit Pension Plan (Continued)

B. Retirement Enhancement Plan (Continued)

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Continued)

	<u>Deferred outflows of Resources</u>	<u>Deferred inflows of Resources</u>
Changes of assumptions	\$ 12,022	\$ -
Difference between expected and actual experience	-	(974,034)
Net difference between projected and actual earnings on pension plan investments	919,486	-
Total	<u>\$ 931,508</u>	<u>\$ (974,034)</u>

The amounts above are net of outflows and inflows recognized in the 2022-2023 measurement period expense.

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

Year Ending June 30	<u>Deferred Outflows/(Inflows) of Resources</u>
2024	\$ (261,967)
2025	(314,070)
2026	616,231
2027	(82,720)
2028	-
Thereafter	-
Total	<u>\$ (42,526)</u>

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 13 – Other Postemployment Benefits (“OPEB”)

At June 30, 2023, net OPEB liability and related deferred inflows of resources are as follows:

<u>Governmental Activities</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Deferred outflows of resources:			
Change in assumptions	\$ 426,342	\$ 42,166	\$ 468,508
Difference between expected and actual experience	225,970	22,349	248,319
Net difference between projected and actual earnings on OPEB plan investment	1,367,745	135,272	1,503,017
Total deferred outflows of resources	\$ 2,020,057	\$ 199,787	\$ 2,219,844
Net OPEB liabilities:	\$ 774,097	\$ 76,559	\$ 850,656
Deferred inflows of resources:			
Difference between expected and actual experience	1,047,620	103,611	1,151,231
Net difference between projected and actual earnings on OPEB plan investment	681,352	67,387	748,739
Total deferred inflows of resources	\$ 1,728,972	\$ 170,998	\$ 1,899,970
OPEB Expense (Credit)	\$ 604,691	\$ 59,805	\$ 664,496

Plan Description

Plan Administration

The City sponsors healthcare coverage under the California Public Employees Medical and Hospital Care Act ("PEMHCA"), commonly referred to as PERS Health. PEMHCA provides health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options.

Benefit Provided

The City offers PEMHCA coverage to its retirees. The City makes the required statutory PEMHCA contribution (\$151 and \$149 per month in calendar year 2023 and 2022, respectively). Furthermore, the City will make additional contributions towards certain eligible retirees' premiums for a given number of months after retirement equal to the employees' months of service with the City before retirement. This program is known as the "Career Employees Medical Retirement Benefit", and is also available to non-PEMHCA retirees in the form of monthly reimbursements upon proper verification of authorized healthcare costs.

In order to be eligible for the Career Medical Benefit, retirees must have satisfied either of the following age and service requirements:

- (1) Later of age 55 and 20 years of service which are immediately prior to retirement with the City of Lakewood as a regular full-time employee; or
- (2) Later of age 60 and 15 years of service, at least 10 years of which are immediately prior to retirement with the City of Lakewood as a regular full-time employee.

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 13 – Other Postemployment Benefits (“OPEB”) (Continued)

Plan Description (Continued)

Benefit Provided (Continued)

For eligible individuals who retired prior to July 1, 2006, the grandfathered maximum City contribution is \$434 per month until age 65 (now obsolete) and \$347 per month beginning at age 65. For those retiring between July 1, 2007 and January 1, 2013, the 2019 limits are \$504 and \$306. For those retiring between January 1, 2014 and January 1, 2015, the 2019 limits are \$564 and \$306. For those retiring between January 1, 2015 and January 1, 2016, the 2019 pre-65 limit is \$542 per month. For those retiring between January 1, 2016 and January 1, 2017, the 2019 pre-65 limit is \$555 per month. For those retiring between January 1, 2017 and January 1, 2018, the 2019 pre-65 limit is \$574 per month. For those retiring between January 1, 2018 and January 1, 2019, the 2019 pre-65 limit is \$643. For retirements during 2019, the limits are \$619 and \$324, respectively (the retiree-only premiums under PEMHCA for Kaiser - Los Angeles Area).

Beginning January 1, 2013, benefits in pay status are indexed (increased) by the lesser of 2% per year or the increase in the Kaiser PEMHCA premium for the Los Angeles Area. Retirees who retire prior to age 65 have as a base year for post-65 payments the PEMHCA Kaiser Senior Advantage premium for the year in which they reach age 65 (rather than the year of retirement).

Dental, vision, spousal and dependent child coverage may be provided if the retiree pays the required additional premium(s) over and above the applicable City maximum contribution. In addition, the City pays a 0.27%-of-premium administrative fee to PEMHCA for each retiree.

Employees Covered by Benefit Terms

At July 1, 2021, the date of the latest actuarial valuation, membership in the plan consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	89
Active plan members	178
Total	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; width: 100px;"></div> 267

Contributions

The City’s required contribution is based on projected pay-as-you-go financing requirements. The City has an irrevocable OPEB trust with the Public Agency Retirement Services (PARS). Contributions to the benefits paid outside of trust and implicit benefits paid were \$ 470,349 and \$192,592, respectively.

Net OPEB Liability

The City’s net OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 13 – Other Postemployment Benefits (“OPEB”) (Continued)

Net OPEB Liability (Continued)

Actuarial Assumptions

The total OPEB liability in the July 1, 2021 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	2.50%
Salary increases	3.00%
Discount rate	6.00%
Investment rate of return	6.00%, net of OPEB plan investment expense
Healthcare cost trend rate	5.20 percent for 2022 through 2034; 5.00 percent for 2035 through 2049; 4.50 percent for 2050 through 2064; 4.00 percent for 2065 and later years

Mortality rates were based on the most recent CalPERS experience study. The actuarial assumptions used in the July 1, 2022 valuation were based on an actuarial experience study and a review of plan experience during the period July 1, 2021 to June 30, 2022.

Discount Rate

GASB 75 requires the use of a discount rate that considers the availability of the OPEB plan’s fiduciary net position associated with the OPEB of current active and inactive employees and the investment horizon of those resources.

OPEB plans with irrevocable trust accounts can utilize a discount rate equal to the long-term expected rate of return to the extent that the OPEB plan’s fiduciary net position is projected to be sufficient to make projected benefit payments and the OPEB plan assets are expected to be invested using a strategy to achieve that return.

To determine if the OPEB plan assets are sufficient, a calculation of the projected fiduciary net position and the amount of projected benefit payments is compared in each period. When OPEB plan assets are determined to not be sufficient, a blended rate is calculated.

For OPEB plans that do not have irrevocable trust accounts, GASB 75 requires a discount rate equal to the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The City has an irrevocable trust account for prefunding OPEB liabilities. Plan assets are expected to be sufficient. The discount rate used to measure the total OPEB liability is equal to the long-term expected rate of return.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The table below provides the long-term expected real rates of return by asset class:

Asset Class	Assumed Asset Allocation	Real Rate of Return
Board U.S. Equity	50.00%	4.40%
U.S. Fixed	50.00%	1.50%

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 13 – Other Postemployment Benefits (“OPEB”) (Continued)

Net OPEB Liability (Continued)

Investment Rate of Return

The City’s policy regarding the allocation of the plan’s invested assets is established and may be amended by City management. The current investment selection is the PARS Moderate HighMark PLUS. The dual goals of the Moderate Strategy are growth of principal and income. The asset allocation ranges for this objective are listed below:

Asset Class	Stated Range
Cash	0 - 20%
Fixed Income	40% - 60%
Equity	40% - 60%

For the year ended on the measurement date, the annual money-weighted rate of return on investments, net of investment expense, was 7.62 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

Change in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
	Balance at July 1, 2022	\$ 11,949,311	\$ 10,802,274
Changes Recognized for the Measurement Period:			
Service cost	407,536	-	407,536
Interest on the total OPEB liability	721,812	-	721,812
Changes of benefit terms	-	-	-
Changes of assumptions	-	-	-
Difference between expected and actual experience	-	-	-
Contributions from the employer	-	662,941	(662,941)
Contributions from employees	-	820,756	(820,756)
Net investment income	-	-	-
Benefit payments, including refunds of employee contributions	(662,941)	(662,941)	-
Administrative expense	-	(57,968)	57,968
Net Changes during July 1, 2022 to June 30, 2023	466,407	762,788	(296,381)
Balance at June 30, 2023 (Measurement Date)	\$ 12,415,718	\$ 11,565,062	\$ 850,656

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 13 – Other Postemployment Benefits (“OPEB”) (Continued)

Change in the Net OPEB Liability (Continued)

Sensitivity of the Net 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 that is 1-percentage point lower or 1-percentage-point higher than the current discount rate:

Plan's Net OPEB Liability/(Asset)		
Discount Rate - 1% (5.00%)	Current Discount Rate (6.00%)	Discount Rate + 1% (7.00%)
\$ 2,509,074	\$ 850,656	\$ (538,524)

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

The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentagepoint higher than the current healthcare cost trend rates:

Plan's Net OPEB Liability/(Asset)		
Healthcare Cost		
1% Decrease (4.20% current, 3.00% ultimate)	Trend Rates (5.20% current, 4.00% ultimate)	Trend Rate + 1% (6.20 current, 5.00% ultimate)
\$ (619,247)	\$ 850,656	\$ 2,634,635

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

For the year ended June 30, 2023, the City' recognized OPEB expense of \$664,496. At June 30, 2023, 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
Changes of assumptions	\$ 468,508	\$ -
Difference between expected and actual experience	248,319	(1,151,231)
Net difference between projected and actual earnings on pension plan investments	1,503,017	(748,739)
Total	\$ 2,219,844	\$ (1,899,970)

The difference between projected OPEB plan investment earnings and actual earnings is amortized over a five-year period. The remaining gains and losses are amortized over the expected average service life.

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 13 – Other Postemployment Benefits (“OPEB”) (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred inflows of resources related to OPEB will be recognized as future OPEB expense as follows:

Year Ending June 30	Deferred Outflows/(Inflows) of Resources OPEB Plan
2024	\$ 192,615
2025	141,434
2026	469,940
2027	(84,212)
2028	(108,082)
Thereafter	(291,821)
Total	\$ 319,874

Note 14 – Deferred Compensation Plan

The City has made available to its employees two deferred compensation plans, whereby employees authorize the City to withhold funds from salary to be invested in the Voya Financial RetireFlex-MF Deferred Compensation Plan. Funds may be withdrawn by participants upon termination of employment or retirement. The City makes no contributions under the plans. The City withholds employee contributions from employee's payroll checks and transmits these monies to the plan providers on a bi-weekly basis. The City makes distributions from the plans based solely upon authorizations from the plan administrator.

Pursuant to changes in Internal Revenue Code (“IRC”) Section 457 on November 26, 1997, the City formally established a plan-level trust in which all assets and income of the 457 plan were placed. The assets, all property and rights purchased with such amount, and all income attributable to such amounts, property, or rights are held in trust for the exclusive benefit of the participants and their beneficiaries. These assets are no longer the property of the City and, as such, are no longer subject to the claims of the City's general creditors. As a result, the assets of the 457 plan are no longer reflected in the financial statements. The City had minimal involvement in the administration of the 457 plan and, therefore, lacks the fiduciary accountability that would have required the 457 plan to be recorded.

Plan assets are held in trust for the exclusive benefit of the participants and their beneficiaries; and therefore, are not included in the accompanying financial statements.

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 15 – Liabilities, Property, and Workers’ Compensation Protection

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

The City of Lakewood, California is a member of the California Joint Powers Insurance Authority (“Authority”). The Authority is composed of 124 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

B. Primary Self-Insurance Programs of the Authority

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

Primary Liability Program

Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$100,000 for each occurrence and is evaluated as a percentage of the pool’s total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool’s total incurred costs within the second layer. (4) Incurred costs from \$500,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses also have a \$50 million per occurrence limit. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information concerning the coverage structure is available on the Authority’s website: <https://cjpia.org/coverage/risk-sharing-pools/>.

Primary Workers’ Compensation Program

Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$75,000 for each occurrence and is evaluated as a percentage of the pool’s total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool’s total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 15 – Liabilities, Property, and Workers’ Compensation Protection (Continued)

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

Primary Workers’ Compensation Program (Continued)

For 2022-23 the Authority’s pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers’ Compensation Law. Employer’s Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, and Employer’s Liability losses from \$5 million to \$10 million are pooled among members.

C. Purchased Insurance

Pollution Legal Liability Insurance

The City of Lakewood participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Lakewood. Coverage is on a claims-made basis. There is a \$250,000 deductible. The Authority has an aggregate limit of \$20 million.

Property Insurance

The City of Lakewood participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Lakewood property is currently insured according to a schedule of covered property submitted by the City of Lakewood to the Authority. City of Lakewood property currently has all-risk property insurance protection in the amount of \$102,560,319. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

Crime Insurance

The City of Lakewood purchases crime insurance coverage in the amount of \$3,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority.

Contract with Los Angeles County Sheriff’s Department

The City contracts for policing services through the Los Angeles County Sheriff’s Department. As part of the agreement for services, the City is required to pay an additional 4% premium over the contract price to the Sheriff’s Department for liability insurance. The term of this agreement is from July 1, 2019 through June 30, 2024 and agreement may be renewed or extended for successive years. The total premium paid during the fiscal year ended June 30, 2023 was \$1,033,557.

D. Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2022-2023.

Complete financial statements for the Authority may be obtained at their administrative office located at 8081 Moody Street, La Palma, California 90623.

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 16 – Commitments and Contingencies

A. Lawsuits

Numerous claims and suits have been filed against the City in the normal course of business. Based upon information received from the City Attorney and the self-insurance administrator, the estimated liability under such claims would be adequately covered by self-insurance designations and insurance coverage.

B. Lighting Maintenance Contract with City Light and Power Lakewood, Inc.

In November 1997, the City entered into a lighting maintenance contract with City Light and Power Lakewood, Inc. The contract requires the City to pay a basic annual rent of \$544,250, with a portion of the basic rent adjusted annually using the current consumer price index. During the year ended June 30, 2023, the City paid \$63,688 per month for the maintenance contract. The contract expires in April 2023.

C. Agreement for Allocation of Tax Increment Revenue

On June 13, 1989, the former Lakewood Redevelopment Agency (the “Agency”) entered into an agreement for the allocation of tax increment revenue generated from Project Area No. 2. As part of the agreement, the Agency is required to reimburse the Consolidated Fire Protection District of Los Angeles County 17.26% of tax increment revenues and Los Angeles County 54.59% of tax increment revenue. The Los Angeles County portion may be deferred in any year under certain terms of the agreement until total tax increment of the Agency reaches a cumulative total of \$60,000,000. After the total reaches \$60,000,000, the Agency is required to reimburse Los Angeles County 100% of tax increment revenue (net of the allocation to the Consolidated Fire Protection District of Los Angeles County) until the deferred sums have been repaid. Interest on any deferral amounts was prepaid in a lump sum of \$842,000 in fiscal year 1990-91. At June 30, 2023, the Agency's outstanding deferral balance is \$756,943.

D. Construction Commitments

The City had outstanding construction commitments in the amount of \$3,807,232 as of June 30, 2023 as follows:

Governmental Funds:	
General Fund	\$ 1,780,579
Lakewood Capital Improvements Capital Projects Fund	666,058
Nonmajor Governmental Fund	728,895
Proprietary Fund:	
Water Enterprise Fund	631,700
Total	\$ 3,807,232

City of Lakewood
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 17 – Individual Fund Disclosures

Funds with a deficit fund balance/net position at June 30, 2023, are as follows:

Governmental Funds:	
Prop A Recreation Special Revenue Fund	\$ (99,064)
SB2 Housing Grant Special Revenue Fund	(28,483)
CA Natural Resources Agency Grant Special Revenue Fund	(49,539)
Open Space	(7,605)
Fiduciary Fund:	
Successor Agency Private Purpose Trust Fund	(15,021,731)

The Governmental Funds’ deficits are primarily the result of the unavailability of certain revenues at June 30, 2023 and will be eliminated upon receipts of the grant reimbursements in the following fiscal year. The Successor Agency deficit is due to the Advance from the City and will be recovered by future by Recognized Obligation Payment Schedule.

Note 18 – Net Investment in Capital Assets

The following is the calculation of net investment in capital assets at June 30, 2023:

	Governmental Activities	Business-Type Activities
Capital assets, net of accumulated depreciation/amortization	\$ 122,825,268	\$ 34,640,067
Less: outstanding principal on capital related debts	(423,718)	(6,521,119)
Less: retention payable	(579,560)	(44,281)
Less: capital assets related accounts payable	(745,964)	(604,260)
Net investment in capital assets	\$ 121,076,026	\$ 27,470,407

Note 19 – Agreement with Paramount Petroleum

In 1992 the City and Paramount Petroleum Corporation entered into an agreement that allowed Paramount Petroleum to maintain their existing petroleum storage facility (tank farm) on a 4.24-acre site located at 2920 56th Way in Lakewood. The tank farm consists of two 55,000-barrel storage tanks and two 5,000 barrel water tanks and a petroleum pumping station. The agreement established a 15-year amortization period after which time the tanks were to be removed from the site.

Because of changes in the oil industry and the nature of development surrounding the tank farm, Ordinance No. 2005-14 amended the provisions of the Lakewood Municipal Code 9392.B.1 (g) allowing Paramount Petroleum to operate an additional 10 years, ending in January 2017. The agreement also allowed for automatic two-year extensions, with the current extension valid through December 2024.



**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**



City of Lakewood
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes	\$ 42,195,000	\$ 44,419,000	\$ 45,154,227	\$ 735,227
Licenses and permits	1,326,000	2,053,600	2,214,773	161,173
Fines and forfeitures	757,100	662,100	682,411	20,311
Investment income, rents and concession	619,350	1,473,165	3,054,219	1,581,054
Intergovernmental revenues	11,074,000	11,390,800	11,498,072	107,272
Current service charges	8,234,990	8,914,267	9,658,905	744,638
Other	1,088,500	3,183,712	3,153,184	(30,528)
Total revenues	<u>65,294,940</u>	<u>72,096,644</u>	<u>75,415,791</u>	<u>3,319,147</u>
EXPENDITURES:				
Current:				
General government	11,517,467	11,837,175	11,216,593	620,582
Public safety	18,023,582	18,798,276	17,717,031	1,081,245
Transportation	3,791,925	4,053,773	3,774,297	279,476
Community development	6,642,526	6,850,725	6,138,038	712,687
Health and sanitation	6,577,835	6,550,640	6,442,584	108,056
Culture and leisure	15,037,475	14,588,590	13,715,968	872,622
Capital outlay:				
General government	140,000	726,439	443,096	283,343
Public safety	112,000	347,870	217,398	130,472
Transportation	125,000	803,371	177,240	626,131
Community development	60,000	100	18,710	(18,610)
Culture and leisure	286,250	7,340,372	1,482,332	5,858,040
Debt service:				
Principal retirement	151,068	151,068	270,147	(119,079)
Interest and fiscal charges	12,333	12,333	12,333	-
Total expenditures	<u>62,477,461</u>	<u>72,060,732</u>	<u>61,625,767</u>	<u>10,434,965</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,817,479</u>	<u>35,912</u>	<u>13,790,024</u>	<u>13,754,112</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	4,320,800	4,320,800	4,302,783	(18,017)
Transfers out	-	-	(1,188,268)	(1,188,268)
Issuance of debt	-	-	118,380	118,380
Proceeds from sale of properties	1,000	25,000	20,910	(4,090)
Total other financing sources (use)	<u>4,321,800</u>	<u>4,345,800</u>	<u>3,253,805</u>	<u>(1,091,995)</u>
NET CHANGES IN FUND BALANCE	<u>\$ 7,139,279</u>	<u>\$ 4,381,712</u>	<u>17,043,829</u>	<u>\$ 12,662,117</u>
FUND BALANCE:				
Beginning of Year			<u>64,368,818</u>	
End of Year			<u>\$ 81,412,647</u>	

City of Lakewood
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - American Rescue Plan Act Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Intergovernmental revenues	\$ 9,656,429	\$ 9,656,429	\$ 1,527,254	\$ (8,129,175)
Total revenues	<u>9,656,429</u>	<u>9,656,429</u>	<u>1,527,254</u>	<u>(8,129,175)</u>
EXPENDITURES:				
Current:				
General government	157,295	233,195	202,802	30,393
Public safety	-	158,023	725,174	(567,151)
Transportation	-	62,316	62,316	-
Community development	1,000,000	1,035,495	133,688	901,807
Culture and leisure	28,296	318,658	318,375	283
Capital outlay:				
General government	6,662,783	5,789,472	-	5,789,472
Public safety	55,010	133,448	75,685	57,763
Transportation	-	79,527	-	79,527
Community development	1,885,000	1,686,133	-	1,686,133
Culture and leisure	8,704	9,214	9,214	-
Total expenditures	<u>9,797,088</u>	<u>9,505,481</u>	<u>1,527,254</u>	<u>7,978,227</u>
NET CHANGES IN FUND BALANCE	<u>\$ (140,659)</u>	<u>\$ 150,948</u>	-	<u>\$ (150,948)</u>
FUND BALANCE:				
Beginning of Year			-	
End of Year			<u>\$ -</u>	

City of Lakewood
Required Supplementary Information (Unaudited)
Notes to the Budgetary Comparison Schedule
For the Year Ended June 30, 2023

Budget and Budgetary Accounting

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

1. The annual budget adopted by the City Council provides for the general operation of the City. It includes proposed expenditures and the means of financing them.
2. The City Council approves total budgeted appropriations and any amendments to appropriations throughout the year. This "appropriated budget" covers substantially all City expenditures, with the exception of debt service on bond issues and capital improvement projects, which expenditures constitute legally-authorized "non-appropriated budget". There were no significant non-budgeted financial activities. Actual expenditures may not exceed budgeted appropriations at the fund level. The City Manager is authorized to make transfers of budget appropriations between classifications and activities within a fund.
3. Formal budgetary integration 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. Appropriations, which are encumbered at year end, are added to the following year's budgeted appropriations. However, encumbrances at year end are reported as assigned fund balance.
4. Budgets for the General and Special Revenue Funds are adopted on a basis substantially consistent with accounting principles generally accepted in the United States of America. Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items. No budgetary comparisons are presented for Proprietary Funds as the City is not legally required to adopt a budget for these types of funds.
5. Capital project budgets are long term in nature and, accordingly, no budgetary comparisons are reflected in the accompanying financial statements.
6. Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fee schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2023, based on calculations by City Management, proceeds of taxes did not exceed related appropriations. Further, Section 5 of Article XIII B allows the City to designate a portion of fund balance for general contingencies, to be used in future years without limitation. In fiscal year 2010, the City Council passed a resolution setting aside all unappropriated fund balances in the General Fund as contingency funds.

City of Lakewood
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended June 30, 2023

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Benefit Plan

Measurement period	2013-14	2014-15	2015-16	2016-17	2017-18
Total pension liability					
Service cost	\$ 2,144,455	\$ 2,028,208	\$ 2,109,082	\$ 2,355,437	\$ 2,527,432
Interest	8,019,215	8,236,636	8,472,508	8,766,071	9,163,433
Changes of benefit terms	-	-	-	-	-
Changes of assumptions	-	(1,943,097)	-	7,049,669	(603,969)
Differences between expected and actual experience	-	(2,731,071)	(2,102,094)	(581,254)	738,883
Benefit payments, including refunds of employee contributions	(4,389,897)	(4,981,710)	(5,258,099)	(5,386,901)	(6,182,947)
Net change in total pension liability	5,773,773	608,966	3,221,397	12,203,022	5,642,832
Total pension liability - beginning	108,045,583	113,819,356	114,428,322	117,649,719	129,852,741
Total pension liability - ending (a)	<u>\$ 113,819,356</u>	<u>\$ 114,428,322</u>	<u>\$ 117,649,719</u>	<u>\$ 129,852,741</u>	<u>\$ 135,495,573</u>
Pension fiduciary net position					
Contributions - employer	\$ 1,873,372	\$ 1,871,751	\$ 2,717,060	\$ 2,344,596	\$ 2,573,441
Contributions - employee	1,012,408	939,852	1,051,966	1,098,583	1,161,949
Net investment income	14,100,175	2,111,030	554,532	10,269,191	8,596,094
Benefit payments, including refunds of employee contributions	(4,389,897)	(4,981,710)	(5,258,099)	(5,386,901)	(6,182,947)
Net plan to plan resource movement	-	-	-	-	(248)
Administrative expense	-	(105,557)	(57,099)	(136,863)	(157,210)
Other Miscellaneous Income/(Expense) ²	-	-	-	-	(298,545)
Net change in plan fiduciary net position	12,596,058	(164,634)	(991,640)	8,188,606	5,692,534
Plan fiduciary net position - beginning	81,258,902	93,854,960	93,690,326	92,698,686	100,887,292
Plan fiduciary net position - ending (b)³	<u>\$ 93,854,960</u>	<u>\$ 93,690,326</u>	<u>\$ 92,698,686</u>	<u>\$ 100,887,292</u>	<u>\$ 106,579,826</u>
Plan net pension liability - ending (a) - (b)	<u>\$ 19,964,396</u>	<u>\$ 20,737,996</u>	<u>\$ 24,951,033</u>	<u>\$ 28,965,449</u>	<u>\$ 28,915,747</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>82.46%</u>	<u>81.88%</u>	<u>78.79%</u>	<u>77.69%</u>	<u>78.66%</u>
Covered payroll⁴	<u>\$ 15,265,197</u>	<u>\$ 15,213,079</u>	<u>\$ 16,033,770</u>	<u>\$ 16,036,475</u>	<u>\$ 16,673,912</u>
Plan net pension liability as a percentage of covered payroll	<u>130.78%</u>	<u>136.32%</u>	<u>155.62%</u>	<u>180.62%</u>	<u>173.42%</u>

¹ Historical information is presented only for measurement periods after GASB 68 implementation in 2013-14. Additional years of information will be displayed as it becomes available.

² During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75. Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

³ Includes any beginning of year adjustment.

⁴ Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal year ended June 30, 2022; 2.75% payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00% payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule:

Changes of Benefit Terms: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

City of Lakewood
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2023

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Benefit Plan (Continued)

Measurement period	2018-19	2019-20	2020-21	2021-22 ¹
Total pension liability				
Service cost	\$ 2,573,466	\$ 2,616,888	\$ 2,546,101	\$ 2,973,011
Interest	9,686,135	10,069,685	10,347,723	10,555,722
Changes of benefit terms	-	-	-	-
Changes of assumptions	-	-	-	4,758,807
Differences between expected and actual experience	2,203,972	335,690	(949,532)	(1,508,930)
Benefit payments, including refunds of employee contributions	(7,031,685)	(7,473,686)	(8,152,296)	(8,045,870)
Net change in total pension liability	7,431,888	5,548,577	3,791,996	8,732,740
Total pension liability - beginning	135,495,573	142,927,461	148,476,038	152,268,034
Total pension liability - ending (a)	\$ 142,927,461	\$ 148,476,038	\$ 152,268,034	\$ 161,000,774
Pension fiduciary net position				
Contributions - employer	\$ 2,938,083	\$ 3,476,806	\$ 3,879,340	\$ 4,405,183
Contributions - employee	1,045,867	1,304,659	1,183,929	1,227,185
Net investment income	6,920,916	5,455,014	25,307,127	(10,131,229)
Benefit payments, including refunds of employee contributions	(7,031,685)	(7,473,686)	(8,152,296)	(8,045,870)
Net plan to plan resource movement	-	-	-	-
Administrative expense	(76,058)	(155,605)	(112,865)	(84,153)
Other Miscellaneous Income/(Expense) ²	248	-	-	-
Net change in plan fiduciary net position	3,797,371	2,607,188	22,105,235	(12,628,884)
Plan fiduciary net position - beginning	106,579,826	110,377,197	112,984,385	135,089,620
Plan fiduciary net position - ending (b)³	\$ 110,377,197	\$ 112,984,385	\$ 135,089,620	\$ 122,460,736
Plan net pension liability - ending (a) - (b)	\$ 32,550,264	\$ 35,491,653	\$ 17,178,414	\$ 38,540,038
Plan fiduciary net position as a percentage of the total pension liability	77.23%	76.10%	88.72%	76.06%
Covered payroll⁴	\$ 16,911,782	\$ 17,025,948	\$ 16,695,742	\$ 17,813,128
Plan net pension liability as a percentage of covered payroll	192.47%	208.46%	102.89%	216.36%

Changes of Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

City of Lakewood
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2023

Last Ten Fiscal Years

Public Agency Retirement System Defined Benefit Plan

Measurement period	2014-15 ¹	2015-16	2016-17	2017-18	2018-19
Total pension liability					
Service cost	\$ 501,866	\$ 522,429	\$ 538,102	\$ 447,262	\$ 513,290
Interest	972,653	898,895	1,102,003	1,161,853	1,184,779
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	(345,830)	-	(127,926)	-
Changes of assumptions	-	2,749,085	-	1,311,695	-
Benefit payments, including refunds of employee contributions	(398,794)	(417,601)	(493,769)	(611,458)	(753,088)
Net change in total pension liability	1,075,725	3,406,978	1,146,336	2,181,426	944,981
Total pension liability - beginning	13,589,197	14,664,922	18,071,900	19,218,236	21,399,662
Total pension liability - ending (a)	<u>\$ 14,664,922</u>	<u>\$ 18,071,900</u>	<u>\$ 19,218,236</u>	<u>\$ 21,399,662</u>	<u>\$ 22,344,643</u>
Pension fiduciary net position					
Contributions - employer	\$ 3,884,844	\$ 54,800	\$ 597,130	\$ 568,494	\$ 644,970
Contributions - employee	293,815	281,187	272,183	243,461	224,569
Net investment income, net of investment expenses	212,179	(8,365)	1,290,294	878,414	954,443
Benefit payments, including refunds of employee contributions	(398,794)	(417,601)	(493,769)	(611,458)	(753,088)
Administrative expenses	(19,517)	(25,243)	(23,483)	(32,057)	(25,249)
Net change in plan fiduciary net position	3,972,527	(115,222)	1,642,355	1,046,854	1,045,645
Plan fiduciary net position - beginning	8,796,523	12,769,050	12,653,828	14,296,183	15,343,037
Plan fiduciary net position - ending (b)	<u>\$ 12,769,050</u>	<u>\$ 12,653,828</u>	<u>\$ 14,296,183</u>	<u>\$ 15,343,037</u>	<u>\$ 16,388,682</u>
Plan net pension liability - ending (a) - (b)	<u>\$ 1,895,872</u>	<u>\$ 5,418,072</u>	<u>\$ 4,922,053</u>	<u>\$ 6,056,625</u>	<u>\$ 5,955,961</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>87.07%</u>	<u>70.02%</u>	<u>74.39%</u>	<u>71.70%</u>	<u>73.35%</u>
Covered payroll	<u>\$ 10,819,843</u>	<u>\$ 11,643,566</u>	<u>\$ 11,992,873</u>	<u>\$ 9,975,323</u>	<u>\$ 8,214,154</u>
Net pension liability as a percentage of covered payroll	<u>17.52%</u>	<u>46.53%</u>	<u>41.04%</u>	<u>60.72%</u>	<u>72.51%</u>

¹ Historical information is presented only for measurement periods after GASB 68 implementation in 2014-15. Additional years of information will be displayed as it becomes available.

City of Lakewood
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2023

Last Ten Fiscal Years

Public Agency Retirement System Defined Benefit Plan (Continued)

Measurement period	2019-20	2020-21	2021-22	2022-23
Total pension liability				
Service cost	\$ 410,916	\$ 422,216	\$ 364,553	\$ 374,578
Interest	1,231,314	1,275,638	1,319,474	1,263,556
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(134,572)	-	(1,804,110)	-
Changes of assumptions	55,742	-	-	-
Benefit payments, including refunds of employee contributions	(746,009)	(792,274)	(895,425)	(918,195)
Net change in total pension liability	817,391	905,580	(1,015,508)	719,939
Total pension liability - beginning	22,344,643	23,162,034	24,067,614	23,052,106
Total pension liability - ending (a)	<u>\$ 23,162,034</u>	<u>\$ 24,067,614</u>	<u>\$ 23,052,106</u>	<u>\$ 23,772,045</u>
Pension fiduciary net position				
Contributions - employer	\$ 708,372	\$ 828,452	\$ 925,173	\$ 924,177
Contributions - employee	221,930	214,864	221,400	198,880
Net investment income, net of investment expenses	575,483	3,871,904	(2,755,385)	1,439,405
Benefit payments, including refunds of employee contributions	(746,009)	(792,274)	(895,425)	(918,195)
Administrative expenses	(30,561)	(72,882)	(78,117)	(72,436)
Net change in plan fiduciary net position	729,215	4,050,064	(2,582,354)	1,571,831
Plan fiduciary net position - beginning	16,388,682	17,117,897	21,167,961	18,585,607
Plan fiduciary net position - ending (b)	<u>\$ 17,117,897</u>	<u>\$ 21,167,961</u>	<u>\$ 18,585,607</u>	<u>\$ 20,157,438</u>
Plan net pension liability - ending (a) - (b)	<u>\$ 6,044,137</u>	<u>\$ 2,899,653</u>	<u>\$ 4,466,499</u>	<u>\$ 3,614,607</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>73.90%</u>	<u>87.95%</u>	<u>80.62%</u>	<u>84.79%</u>
Covered payroll	<u>\$ 8,440,043</u>	<u>\$ 7,789,532</u>	<u>\$ 7,789,532</u>	<u>\$6,783,311</u>
Net pension liability as a percentage of covered payroll	<u>71.61%</u>	<u>37.22%</u>	<u>57.34%</u>	<u>53.29%</u>

City of Lakewood
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions
For the Year Ended June 30, 2023

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Benefit Plan

	2013-14 ¹	2014-15	2015-16	2016-17	2017-18
Actuarially determined contribution	\$ 1,873,372	\$ 1,871,751	\$ 2,136,551	\$ 2,344,596	\$ 2,573,441
Contributions in relation to the actuarially determined contribution ²	(1,873,372)	(1,871,751)	(2,717,060)	(2,344,596)	(2,573,441)
Contribution deficiency (excess)	\$ -	\$ -	\$ (580,509)	\$ -	\$ -
Covered payroll ³	\$ 15,265,197	\$ 15,213,079	\$ 16,033,770	\$ 16,036,475	\$ 16,673,112
Contributions as a percentage of covered payroll ³	12.27%	12.30%	16.95%	14.62%	15.43%

¹ Historical information is presented only for measurement periods after GASB 68 implementation in 2013-14. Additional years of information will be displayed as it becomes available.

² Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

³ Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal year ended June 30, 2022; 2.75% payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00% payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2022-23 were derived from the June 30, 2020 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Fair Value of Assets.
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; includes Inflation.
Retirement age	The probabilities of retirement are based on the 2014 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 Lakewood
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions (Continued)
For the Year Ended June 30, 2023

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Benefit Plan (Continued)

	2018-19	2019-20	2020-21	2021-22	2022-23
Actuarially determined contribution	\$ 2,938,083	\$ 3,476,806	\$ 3,879,340	\$ 4,405,183	\$ 4,722,046
Contributions in relation to the actuarially determined contribution ²	(2,938,083)	(3,476,806)	(3,879,340)	(4,405,183)	(4,722,046)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll ³	\$ 16,911,782	\$ 17,025,948	\$ 16,695,742	\$ 17,813,128	\$ 18,311,896
Contributions as a percentage of covered payroll ³	17.37%	20.42%	23.24%	24.73%	25.79%

City of Lakewood
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions (Continued)
For the Year Ended June 30, 2023

Last Ten Fiscal Years

Public Agency Retirement System Defined Benefit Plan

	2013-14 ¹	2014-15	2015-16	2016-17	2017-18
Actuarially determined contribution	\$ 799,971	\$ 871,044	\$ 874,736	\$ 594,125	\$ 493,923
Contributions in relation to the actuarially determined contribution	(723,539)	(3,884,844)	(54,800)	(54,800)	(568,494)
Contribution deficiency (excess)	<u>\$ 76,432</u>	<u>\$ (3,013,800)</u>	<u>\$ 819,936</u>	<u>\$ 539,325</u>	<u>\$ (74,571)</u>
Covered payroll	\$ 13,496,727	\$ 10,819,843	\$ 11,643,566	\$ 11,992,873	\$ 9,975,323
Contributions as a percentage of covered payroll	5.36%	35.90%	0.47%	0.46%	5.70%

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

Notes to Schedule:

Valuation date: June 30, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, Closed
Remaining amortization period	15 Years
Inflation	2.50%
Payroll growth	2.75%
Investment rate of return	5.50%
Salary increases	Consistent with the rates used to value the CalPERS Miscellaneous Public Agency pension plans (Entry Age 20). Annual increase from 11.3% to 3.6% at 22+ year of service.
Cost of Living Adjustment	2.00%
Withdraw/Disability	Consistent with the Non-Industrial Rates used to value the CalPERS Miscellaneous Public Agency Pension Plans after June 30, 2017.
Mortality	Pre-retirement: Consistent with the Non-Industrial rates used to value the CalPERS Miscellaneous Public Agency Pension Plans after June 30, 2017. Post-retirement: Consistent with the Non-Industrial rates used to value the CalPERS Miscellaneous Public Agency Pension Plans after June 30, 2017.
Retirement age	Rates are based on CalPERS rates for 20 years of service retirement for Miscellaneous Public Agency "2.5% at 55" Pension Plans, with increased rates of 30% at ages 60 and 62 and 50% at age 65. Rates are one-half the CalPERS rates for ages 55-59 for the deferred retirement benefit. Ranges from 3.65% at age 55 to 100% at age 75+.
Maximum Benefits and Salary	Salary used in the calculation of final average compensation is subject to the limitations of IRC 401(a)(17). The limit is assumed to increase 2.50% per annum.
Form of Payment	Single Life Annuity

City of Lakewood
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions (Continued)
For the Year Ended June 30, 2023

Last Ten Fiscal Years

Public Agency Retirement System Defined Benefit Plan (Continued)

	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
Actuarially determined contribution	\$ 814,859	\$ 660,417	\$ 816,996	\$ 754,027	\$ 338,440
Contributions in relation to the actuarially determined contribution	(644,970)	(708,372)	(828,452)	(925,173)	(924,177)
Contribution deficiency (excess)	<u>\$ 169,889</u>	<u>\$ (47,955)</u>	<u>\$ (11,456)</u>	<u>\$ (171,146)</u>	<u>\$ (585,737)</u>
Covered payroll	\$ 8,214,154	\$ 8,440,043	\$ 7,789,532	\$ 8,003,744	\$ 6,783,311
Contributions as a percentage of covered payroll	7.85%	8.39%	10.64%	11.56%	13.62%

City of Lakewood
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios
For the Year Ended June 30, 2023

Last Ten Fiscal Years

Other Postemployment Benefits Plan

Measurement period	2017-18 ¹	2018-19	2019-20	2020-21	2021-22
Total OPEB liability					
Service cost	\$ 320,972	\$ 330,601	\$ 299,960	\$ 308,959	\$ 395,666
Interest	573,684	599,131	693,671	722,666	693,385
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	-	540,463	-	(1,450,251)
Changes of assumptions	-	-	325,404	-	401,856
Benefit payments, including refunds of employee contributions	(417,410)	(525,242)	(514,369)	(524,546)	(592,348)
Net change in total OPEB liability	477,246	404,490	1,345,129	507,079	(551,692)
Total OPEB liability - beginning	9,767,059	10,244,305	10,648,795	11,993,924	12,501,003
Total OPEB liability - ending (a)	<u>\$ 10,244,305</u>	<u>\$ 10,648,795</u>	<u>\$ 11,993,924</u>	<u>\$ 12,501,003</u>	<u>\$ 11,949,311</u>
Plan fiduciary net position					
Contributions - employer	\$ 417,410	\$ 525,242	\$ 514,369	\$ 524,546	\$ 592,348
Net investment income	575,333	652,234	390,793	2,315,064	(1,607,601)
Benefit payments, including refunds of employee contributions	(417,410)	(525,242)	(514,369)	(524,546)	(592,348)
Administrative expense	(48,048)	(48,909)	(53,841)	(59,444)	(63,710)
Net change in plan fiduciary net position	527,285	603,325	336,952	2,255,620	(1,671,311)
Plan fiduciary net position - beginning	8,750,403	9,277,688	9,881,013	10,217,965	12,473,585
Plan fiduciary net position - ending (b)	<u>\$ 9,277,688</u>	<u>\$ 9,881,013</u>	<u>\$ 10,217,965</u>	<u>\$ 12,473,585</u>	<u>\$ 10,802,274</u>
Plan net OPEB liability - ending (a) - (b)	<u>\$ 966,617</u>	<u>\$ 767,782</u>	<u>\$ 1,775,959</u>	<u>\$ 27,418</u>	<u>\$ 1,147,037</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>90.56%</u>	<u>92.79%</u>	<u>85.19%</u>	<u>99.78%</u>	<u>90.40%</u>
Covered payroll	<u>\$ 12,097,503</u>	<u>\$ 13,157,503</u>	<u>\$ 12,916,288</u>	<u>\$ 14,121,769</u>	<u>\$ 13,948,556</u>
Plan net OPEB liability as a percentage of covered payroll	<u>7.99%</u>	<u>5.84%</u>	<u>13.75%</u>	<u>0.19%</u>	<u>8.22%</u>

¹ Historical information is presented only for measurement periods after GASB 75 implementation in 2017-18. Additional years of information will be displayed as it becomes available.

City of Lakewood
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios (Continued)
For the Year Ended June 30, 2023

Last Ten Fiscal Years

Other Postemployment Benefits Plan (Continued)

	2022-23
Measurement period	
Total OPEB liability	
Service cost	\$ 407,536
Interest	721,812
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments, including refunds of employee contributions	(662,941)
Net change in total OPEB liability	466,407
Total OPEB liability - beginning	11,949,311
Total OPEB liability - ending (a)	\$ 12,415,718
Plan fiduciary net position	
Contributions - employer	\$ 662,941
Net investment income	820,756
Benefit payments, including refunds of employee contributions	(662,941)
Administrative expense	(57,968)
Net change in plan fiduciary net position	762,788
Plan fiduciary net position - beginning	10,802,274
Plan fiduciary net position - ending (b)	\$ 11,565,062
Plan net OPEB liability - ending (a) - (b)	\$ 850,656
Plan fiduciary net position as a percentage of the total OPEB liability	93.15%
Covered payroll	\$ 13,194,612
Plan net OPEB liability as a percentage of covered payroll	6.45%

City of Lakewood
Required Supplementary Information (Unaudited)
Schedule of Contributions - Other Postemployment Benefits
For the Year Ended June 30, 2023

Last Ten Fiscal Years

Other Postemployment Benefits Plan

Fiscal year	2017-18 ¹	2018-19	2019-20	2020-21	2021-22
Actuarially determined contribution	\$ 373,794	\$ 385,009	\$ 402,839	\$ 414,924	\$ 364,789
Contributions in relation to the actuarially determined contribution	(417,410)	(525,242)	(514,369)	(524,546)	(592,348)
Contribution deficiency (excess)	\$ (43,616)	\$ (140,233)	\$ (111,530)	\$ (109,622)	\$ (227,559)
Covered payroll	\$ 12,097,503	\$ 13,157,503	\$ 12,916,288	\$ 14,121,769	\$ 13,948,556
Contributions as a percentage of covered payroll	3.45%	3.99%	3.98%	3.71%	4.25%

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

Notes to Schedule:

Valuation date	July 1, 2021
Reporting period	July 1, 2022 to June 30, 2023
Measurement period	July 1, 2022 to June 30, 2023
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Amortization period	30 years
Asset valuation method	Market value
Inflation	2.50%
Salary increases	3.00%
Investment rate of return	6.00 %, net of OPEB plan investment expense
Healthcare cost trend rates	5.20 percent for 2023 through 2034; 5.00 percent for 2035 through 2049; 4.50 percent for 2050 through 2064; and 4.00 percent for 2065 and later years
Mortality	CalPERS Public Agency Miscellaneous Mortality, with fully generational mortality improvement using 80% of MP-2020 (most recent CalPERS Experience Study).

City of Lakewood
Required Supplementary Information (Unaudited)
Schedule of Contributions - Other Postemployment Benefits (Continued)
For the Year Ended June 30, 2023

Last Ten Fiscal Years

Other Postemployment Benefits Plan (Continued)

Fiscal year	2022-23
Actuarially determined contribution	\$ 375,733
Contributions in relation to the actuarially determined contribution	(662,941)
Contribution deficiency (excess)	\$ (287,208)
Covered payroll	\$ 13,194,612
Contributions as a percentage of covered payroll	5.02%



SUPPLEMENTARY INFORMATION



City of Lakewood
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Housing Admin and Program Capital Projects Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment income	\$ 150	\$ 150	\$ 76,613	\$ 76,463
Other income	180,000	180,000	162,000	(18,000)
Total revenues	<u>180,150</u>	<u>180,150</u>	<u>238,613</u>	<u>58,463</u>
EXPENDITURES:				
Current:				
Community development	209,800	209,800	209,210	590
Total expenditures	<u>209,800</u>	<u>209,800</u>	<u>209,210</u>	<u>590</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(29,650)</u>	<u>(29,650)</u>	<u>29,403</u>	<u>57,873</u>
OTHER FINANCING USES:				
Transfers out	(200,000)	(200,000)	(200,000)	-
Total other financing uses	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
NET CHANGES IN FUND BALANCE	<u>\$ (229,650)</u>	<u>\$ (229,650)</u>	<u>(170,597)</u>	<u>\$ 57,873</u>
FUND BALANCE:				
Beginning of year			12,451,001	
End of year			<u>\$ 12,280,404</u>	

City of Lakewood
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Lakewood Capital Improvements Capital Projects Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental revenues	\$ -	\$ 865,985	\$ 877,153	\$ 11,168
Total revenues	<u>-</u>	<u>865,985</u>	<u>877,153</u>	<u>11,168</u>
EXPENDITURES:				
Capital outlay:				
Transportation	-	3,375,533	486,195	2,889,338
Total expenditures	<u>-</u>	<u>3,375,533</u>	<u>486,195</u>	<u>2,889,338</u>
NET CHANGES IN FUND BALANCE	<u>\$ -</u>	<u>\$ (2,509,548)</u>	390,958	<u>\$ 2,900,506</u>
FUND BALANCE:				
Beginning of year			<u>1,445,497</u>	
End of year			<u>\$ 1,836,455</u>	

NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds:

Special Revenue Funds are used to account for taxes and other revenues set aside in accordance with the law or administrative regulations for a specific purpose.

AB 2766 Fund - To account for motor vehicle registration fees authorized by Assembly Bill 2766. These funds are to be used solely to reduce air pollution from mobile sources.

Beverage Container Recycle Grant Fund - To account for the Department of Resources Recycling and Recovery (CalRecycle) beverage container recycling program to reach and maintain an eighty percent recycling rate for all California refund value beverage containers - aluminum, glass, plastic and bi-metal.

Community Development Block Grant ("CDBG") Fund - To account for funds received from the U.S. Department of Housing and Urban Development for use in community development projects.

JAG Grant Fund - To account for receipts and expenditures of federal grants to support a broad range of activities to prevent and control crime and to improve the criminal justice systems.

LA County Measure M Fund - To account for Los Angeles County special 1/2 cent sales tax approved pursuant to SB767 which was approved by the METRO Board of Directors on June 23, 2016 and approved by the voters of Los Angeles County on November 8, 2016. These funds may be used to improve transportation and transit service and ease traffic congestion consistent with the Measure M Ordinance #16-01.

Measure R Fund - To account for Los Angeles County special 1/2 cent transportation sales tax which became effectively July 1, 2009. These funds may be used only for certain transportation purposes.

Measure W Fund - To account for funding from Los Angeles County Flood Control District to increase stormwater and urban runoff capture and reduce stormwater and urban runoff pollution.

Park Dedication Fund - To account for business taxes collected on the construction of dwelling units. These funds are used only for park and recreation land and facilities.

Prop A Recreation Fund - To account for expenditures and reimbursements of park maintenance and servicing of Prop A funded projects.

Prop A Transit Fund - To account for Los Angeles County special 1/2 cent transportation sales tax which became effective July 1, 1982. These funds may be used only for certain transportation purposes.

Prop C Transportation Fund - To account for Los Angeles County additional special 1/2 cent transportation sales tax which became effective July 1, 1992. These funds may be only used for certain transportation purposes.

Road Maintenance and Rehab Account Fund - To account for transportation taxes from the Road Repair and Accountability Act of 2017 (SB1 Beall) to be used for local streets and roads and other transportation uses. The source of the revenue are: (1) an additional 12 cent per gallon to the gas excise tax, (2) an additional 10 cent per gallon to the diesel fuel excise tax, and (3) an additional vehicle registration tax.

NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds (Continued):

Sewer Reconstruction Fund - To account for charges collected on construction permits to be used for the reconstruction of sanitary sewers.

State COPS Grant Fund - To account for state funding under the Citizens Option for Public Safety program to supplement City's current funding for front-line law enforcement services.

State Gasoline Tax Fund - To account for state gasoline taxes received by the City. These funds are restricted for street maintenance, right-of-way acquisition, and street construction.

TDA Article Grant Fund - To account for proceeds received from LACMTA under the Transportation Development Act for use on pedestrians, bikeways and handicapped accessibility projects.

Used Oil Grant Fund - To account for funding received from California Integrated Waste Management for permanent and sustainable used oil recycling programs.

Local Early Action Planning (LEAP) Grant Fund - To account for LEAP grant fund to assist the preparation and adoption of planning documents, and process improvements that accelerate housing production and facilitate compliance to implement the sixth-cycle Regional Housing Needs Assessment.

SB2 Housing Grant Fund - To account for the Building Homes and Jobs Act funds to be used for updating planning documents and zoning ordinances in order to streamline and encouraging housing production, and to fund HCD to provide technical assistance in updating planning documents.

CA Natural Resources Agency Grant Fund – To account for the San Martin Park Improvement Project for a new Tot Lot Playground and two new picnic shelters.

Open Space Fund – To account for funding received from the Los Angeles Regional Park and Open Space District for the West San Gabriel River Parkway Improvement Project – Phase III.

City of Lakewood
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds				
		Beverage Container Recycle			LA County Measure M
	AB 2766	Grant	CDBG	JAG Grant	
ASSETS					
Cash and investments	\$ 279,682	\$ 137,708	\$ 209,897	\$ -	\$ 5,482,899
Accounts receivables	26,973	-	95,177	18,608	-
Notes receivable	-	-	503,554	-	-
Total assets	\$ 306,655	\$ 137,708	\$ 808,628	\$ 18,608	\$ 5,482,899
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 1,050	\$ 15,795	\$ 18,608	\$ 303,424
Retention payable	-	-	-	-	-
Due to other funds	-	-	440,381	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	-	1,050	456,176	18,608	303,424
Deferred Inflows of Resources:					
Unavailable revenues	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances (Deficit):					
Restricted for:					
Public safety	-	-	-	-	-
Transportation	306,655	-	-	-	5,179,475
Community development	-	-	352,452	-	-
Health and sanitation	-	136,658	-	-	-
Culture and leisure	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficit)	306,655	136,658	352,452	-	5,179,475
Total liabilities, deferred inflows of resources and fund balances	\$ 306,655	\$ 137,708	\$ 808,628	\$ 18,608	\$ 5,482,899

(Continued)

City of Lakewood
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds				
	Measure R	Measure W	Park Dedication	Prop A Recreation	Prop A Transit
ASSETS					
Cash and investments	\$ 4,608,483	\$ 3,214,538	\$ 182,281	\$ -	\$ 1,997,149
Accounts receivables	-	-	-	108,358	-
Notes receivable	-	-	-	-	-
Total assets	\$ 4,608,483	\$ 3,214,538	\$ 182,281	\$ 108,358	\$ 1,997,149
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 121,998	\$ 60,939	\$ -	\$ -	\$ 21,774
Retention payable	-	-	-	-	-
Due to other funds	-	-	-	99,064	-
Unearned revenue	-	-	-	-	-
Total liabilities	121,998	60,939	-	99,064	21,774
Deferred Inflows of Resources:					
Unavailable revenues	-	-	-	108,358	-
Total deferred inflows of resources	-	-	-	108,358	-
Fund Balances (Deficit):					
Restricted for:					
Public safety	-	-	-	-	-
Transportation	4,486,485	-	-	-	1,975,375
Community development	-	-	-	-	-
Health and sanitation	-	-	-	-	-
Culture and leisure	-	3,153,599	182,281	-	-
Unassigned (deficit)	-	-	-	(99,064)	-
Total fund balances (deficit)	4,486,485	3,153,599	182,281	(99,064)	1,975,375
Total liabilities, deferred inflows of resources and fund balances	\$ 4,608,483	\$ 3,214,538	\$ 182,281	\$ 108,358	\$ 1,997,149

(Continued)

City of Lakewood
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds				
	Prop C Transportation	Road Maintenance and Rehab Account	Sewer Reconstruction	State COPS Grant	State Gasoline Tax
ASSETS					
Cash and investments	\$ 4,663,280	\$ 5,373,747	\$ 111,932	\$ 64,291	\$ -
Accounts receivables	112,880	321,917	-	-	180,465
Notes receivable	-	-	-	-	-
Total assets	\$ 4,776,160	\$ 5,695,664	\$ 111,932	\$ 64,291	\$ 180,465
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 7,742	\$ -	\$ -	\$ 33,333	\$ -
Retention payable	-	-	-	-	-
Due to other funds	-	-	-	-	180,465
Unearned revenue	-	-	-	-	-
Total liabilities	7,742	-	-	33,333	180,465
Deferred Inflows of Resources:					
Unavailable revenues	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances (Deficit):					
Restricted for:					
Public safety	-	-	-	30,958	-
Transportation	4,768,418	5,695,664	-	-	-
Community development	-	-	-	-	-
Health and sanitation	-	-	111,932	-	-
Culture and leisure	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficit)	4,768,418	5,695,664	111,932	30,958	-
Total liabilities, deferred inflows of resources and fund balances	\$ 4,776,160	\$ 5,695,664	\$ 111,932	\$ 64,291	\$ 180,465

(Continued)

City of Lakewood
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds				
	TDA Article Grant	Used Oil Grant	LEAP Grant	SB2 Housing Grant	CA Natural Resources Agency Grant
ASSETS					
Cash and investments	\$ -	\$ 41,159	\$ 116,753	\$ -	\$ -
Accounts receivables	6,288	-	29,178	281,687	49,000
Notes receivable	-	-	-	-	-
Total assets	\$ 6,288	\$ 41,159	\$ 145,931	\$ 281,687	\$ 49,000
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 2,829	\$ 9,000	\$ 3,150	\$ -
Retention payable	-	-	-	-	-
Due to other funds	5,886	-	-	25,333	49,539
Unearned revenue	-	12,525	-	-	-
Total liabilities	5,886	15,354	9,000	28,483	49,539
Deferred Inflows of Resources:					
Unavailable revenues	-	-	20,178	281,687	49,000
Total deferred inflows of resources	-	-	20,178	281,687	49,000
Fund Balances (Deficit):					
Restricted for:					
Public safety	-	-	-	-	-
Transportation	402	-	116,753	-	-
Community development	-	-	-	-	-
Health and sanitation	-	25,805	-	-	-
Culture and leisure	-	-	-	-	-
Unassigned (deficit)	-	-	-	(28,483)	(49,539)
Total fund balances (deficit)	402	25,805	116,753	(28,483)	(49,539)
Total liabilities, deferred inflows of resources and fund balances	\$ 6,288	\$ 41,159	\$ 145,931	\$ 281,687	\$ 49,000

City of Lakewood
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds	
	Open Space	Total
ASSETS		
Cash and investments	\$ -	\$ 26,483,799
Accounts receivables	-	1,230,531
Notes receivable	-	503,554
Total assets	\$ -	\$ 28,217,884
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 7,605	\$ 607,247
Retention payable	-	-
Due to other funds	-	800,668
Unearned revenue	-	12,525
Total liabilities	7,605	1,420,440
Deferred Inflows of Resources:		
Unavailable revenues	-	459,223
Total deferred inflows of resources	-	459,223
Fund Balances (Deficit):		
Restricted for:		
Public safety	-	30,958
Transportation	-	22,529,227
Community development	-	352,452
Health and sanitation	-	274,395
Culture and leisure	-	3,335,880
Unassigned (deficit)	(7,605)	(184,691)
Total fund balances (deficit)	(7,605)	26,338,221
Total liabilities, deferred inflows of resources and fund balances	\$ -	\$ 28,217,884

(Concluded)

City of Lakewood
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds				
	AB2766	Beverage Container Recycle Grant	CDBG	JAG Grants	LA County Measure M
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Investment income, rents and concession	8,826	4,297	2,410	-	167,748
Intergovernmental revenues	133,144	20,433	521,111	18,608	1,483,396
Other	-	-	-	-	-
Total revenues	<u>141,970</u>	<u>24,730</u>	<u>523,521</u>	<u>18,608</u>	<u>1,651,144</u>
EXPENDITURES:					
Current:					
General government	-	-	729	-	-
Public safety	-	-	-	18,608	-
Transportation	10,000	-	-	-	65,381
Community development	-	-	152,210	-	-
Health and sanitation	-	17,534	-	-	-
Culture and leisure	-	-	112,402	-	-
Capital outlay:					
General government	214,725	-	-	-	-
Transportation	-	-	-	-	1,056,753
Community development	-	-	290,095	-	-
Culture and leisure	-	-	-	-	-
Total expenditures	<u>224,725</u>	<u>17,534</u>	<u>555,436</u>	<u>18,608</u>	<u>1,122,134</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(82,755)</u>	<u>7,196</u>	<u>(31,915)</u>	<u>-</u>	<u>529,010</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Proceed from sale of property	12,740	-	-	-	-
Total other financing sources (uses)	<u>12,740</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	<u>(70,015)</u>	<u>7,196</u>	<u>(31,915)</u>	<u>-</u>	<u>529,010</u>
FUND BALANCES (DEFICIT):					
Beginning of year	376,670	129,462	384,367	-	4,650,465
End of year	<u>\$ 306,655</u>	<u>\$ 136,658</u>	<u>\$ 352,452</u>	<u>\$ -</u>	<u>\$ 5,179,475</u>

(Continued)

City of Lakewood
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds				
	Measure R	Measure W	Park Dedication	Prop A Recreation	Prop A Transit
REVENUES:					
Taxes	\$ -	\$ -	\$ 42,900	\$ -	\$ 2,108,506
Licenses and permits	-	-	-	-	-
Investment income, rents and concession	141,402	82,640	-	-	57,068
Intergovernmental revenues	1,311,330	1,547,538	-	-	-
Other	-	-	-	-	-
Total revenues	<u>1,452,732</u>	<u>1,630,178</u>	<u>42,900</u>	<u>-</u>	<u>2,165,574</u>
EXPENDITURES:					
Current:					
General government	-	-	-	-	23,015
Public safety	-	-	-	-	-
Transportation	449,816	480,981	-	-	1,269,485
Community development	-	-	-	-	912
Health and sanitation	-	-	-	-	-
Culture and leisure	-	26,582	-	41,822	-
Capital outlay:					
General government	-	-	-	-	-
Transportation	638,731	-	-	-	441,702
Community development	-	-	-	-	-
Culture and leisure	-	24,794	-	-	-
Total expenditures	<u>1,088,547</u>	<u>532,357</u>	<u>-</u>	<u>41,822</u>	<u>1,735,114</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>364,185</u>	<u>1,097,821</u>	<u>42,900</u>	<u>(41,822)</u>	<u>430,460</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Proceed from sale of property	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(41,822)</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	<u>364,185</u>	<u>1,097,821</u>	<u>42,900</u>	<u>-</u>	<u>430,460</u>
FUND BALANCES (DEFICIT):					
Beginning of year	4,122,300	2,055,778	139,381	(57,242)	1,544,915
End of year	<u>\$ 4,486,485</u>	<u>\$ 3,153,599</u>	<u>\$ 182,281</u>	<u>\$ (99,064)</u>	<u>\$ 1,975,375</u>

(Continued)

City of Lakewood
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds				
	Prop C Transportation	Road Maintenance and Rehab Account	Sewer Reconstruction	State COPS Grants	State Gasoline Tax
REVENUES:					
Taxes	\$ 1,748,947	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	262	-	-
Investment income, rents and concession	140,400	158,274	-	2,417	51,284
Intergovernmental revenues	-	1,837,110	-	205,124	2,059,365
Other	-	-	-	-	-
Total revenues	<u>1,889,347</u>	<u>1,995,384</u>	<u>262</u>	<u>207,541</u>	<u>2,110,649</u>
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	200,000	-
Transportation	572,868	300,000	-	-	-
Community development	-	-	34,782	-	-
Health and sanitation	-	-	-	-	-
Culture and leisure	-	-	-	-	-
Capital outlay:					
General government	-	-	-	-	-
Transportation	1,096,616	1,587,747	-	-	-
Community development	-	-	-	-	-
Culture and leisure	-	-	-	-	-
Total expenditures	<u>1,669,484</u>	<u>1,887,747</u>	<u>34,782</u>	<u>200,000</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>219,863</u>	<u>107,637</u>	<u>(34,520)</u>	<u>7,541</u>	<u>2,110,649</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(2,307,083)
Proceed from sale of property	112,880	-	-	-	-
Total other financing sources (uses)	<u>112,880</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,307,083)</u>
NET CHANGES IN FUND BALANCES	332,743	107,637	(34,520)	7,541	(196,434)
FUND BALANCES (DEFICIT):					
Beginning of year	4,435,675	5,588,027	146,452	23,417	196,434
End of year	<u>\$ 4,768,418</u>	<u>\$ 5,695,664</u>	<u>\$ 111,932</u>	<u>\$ 30,958</u>	<u>\$ -</u>

(Continued)

City of Lakewood
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds				
	TDA Article Grant	Used Oil Grant	LEAP Grant	SB2 Housing Grant	CA Natural Resources Agency Grant
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Investment income, rents and concession	380	-	-	-	-
Intergovernmental revenues	75,522	8,602	316,544	-	129,449
Other	-	-	-	-	-
Total revenues	<u>75,902</u>	<u>8,602</u>	<u>316,544</u>	<u>-</u>	<u>129,449</u>
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	70,777	-	-
Transportation	-	-	-	-	-
Community development	-	-	17,775	-	-
Health and sanitation	-	8,602	-	-	-
Culture and leisure	-	-	-	-	-
Capital outlay:					
General government	-	-	-	-	-
Transportation	75,500	-	-	-	-
Community development	-	-	-	7,140	-
Culture and leisure	-	-	-	-	4,953
Total expenditures	<u>75,500</u>	<u>8,602</u>	<u>88,552</u>	<u>7,140</u>	<u>4,953</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>402</u>	<u>-</u>	<u>227,992</u>	<u>(7,140)</u>	<u>124,496</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Proceed from sale of property	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	402	-	227,992	(7,140)	124,496
FUND BALANCES (DEFICIT):					
Beginning of year	-	25,805	(111,239)	(21,343)	(174,035)
End of year	<u>\$ 402</u>	<u>\$ 25,805</u>	<u>\$ 116,753</u>	<u>\$ (28,483)</u>	<u>\$ (49,539)</u>

City of Lakewood
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds	
	Open Space	Total
REVENUES:		
Taxes	\$ -	\$ 3,900,353
Licenses and permits	-	262
Investment income, rents and concession	-	817,146
Intergovernmental revenues	-	9,667,276
Other	-	-
Total revenues	-	14,385,037
EXPENDITURES:		
Current:		
General government	-	23,744
Public safety	-	289,385
Transportation	-	3,148,531
Community development	-	205,679
Health and sanitation	-	26,136
Culture and leisure	-	180,806
Capital outlay:		
General government	-	214,725
Transportation	-	4,897,049
Community development	-	297,235
Culture and leisure	7,605	37,352
Total expenditures	7,605	9,320,642
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(7,605)	5,064,395
OTHER FINANCING SOURCES (USES):		
Transfers in	-	-
Transfers out	-	(2,307,083)
Proceed from sale of property	-	125,620
Total other financing sources (uses)	-	(2,181,463)
NET CHANGES IN FUND BALANCES	(7,605)	2,882,932
FUND BALANCES (DEFICIT):		
Beginning of year	-	23,455,289
End of year	\$ (7,605)	\$ 26,338,221

(Concluded)

City of Lakewood
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
AB2766 Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment income	\$ 3,000	\$ 5,000	\$ 8,826	\$ 3,826
Intergovernmental revenues	100,000	100,000	133,144	33,144
Other	1,000	3,000	-	(3,000)
Total revenues	<u>104,000</u>	<u>108,000</u>	<u>141,970</u>	<u>33,970</u>
EXPENDITURES:				
Current:				
Transportation	10,000	10,000	10,000	-
Capital outlay:				
General government	140,000	218,767	214,725	4,042
Total expenditures	<u>150,000</u>	<u>228,767</u>	<u>224,725</u>	<u>4,042</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(46,000)</u>	<u>(120,767)</u>	<u>(82,755)</u>	<u>38,012</u>
OTHER FINANCING SOURCES (USES):				
Proceed from sale of property	-	15,000	12,740	(2,260)
Total other financing sources (use)	<u>-</u>	<u>15,000</u>	<u>12,740</u>	<u>(2,260)</u>
NET CHANGES IN FUND BALANCE	<u>\$ (46,000)</u>	<u>\$ (105,767)</u>	<u>(70,015)</u>	<u>\$ 35,752</u>
FUND BALANCE:				
Beginning of year			<u>376,670</u>	
End of year			<u>\$ 306,655</u>	

City of Lakewood
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Beverage Container Recycle Grant Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment income	\$ 1,500	\$ 2,000	\$ 4,297	\$ 2,297
Intergovernmental revenues	17,000	17,000	20,433	3,433
Total revenues	<u>18,500</u>	<u>19,000</u>	<u>24,730</u>	<u>5,730</u>
EXPENDITURES:				
Current:				
Health and sanitation	18,500	19,299	17,534	1,765
Total expenditures	<u>18,500</u>	<u>19,299</u>	<u>17,534</u>	<u>1,765</u>
NET CHANGES IN FUND BALANCE	<u>\$ -</u>	<u>\$ (299)</u>	7,196	<u>\$ 7,495</u>
FUND BALANCE:				
Beginning of year			<u>129,462</u>	
End of year			<u>\$ 136,658</u>	

City of Lakewood
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Community Development Block Grant Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Investment income	\$ 5,000	\$ 5,000	\$ 2,410	\$ (2,590)
Intergovernmental revenues	492,232	600,000	521,111	(78,889)
Total revenues	<u>497,232</u>	<u>605,000</u>	<u>523,521</u>	<u>(81,479)</u>
EXPENDITURES:				
Current:				
General government	6,286	5,772	729	5,043
Community development	248,219	215,346	152,210	63,136
Culture and leisure	115,237	114,389	112,402	1,987
Capital outlay:				
Community development	-	1,396,347	290,095	1,106,252
Total expenditures	<u>369,742</u>	<u>1,731,854</u>	<u>555,436</u>	<u>1,176,418</u>
NET CHANGES IN FUND BALANCE	<u>\$ 127,490</u>	<u>\$ (1,126,854)</u>	<u>(31,915)</u>	<u>\$ 1,094,939</u>
FUND BALANCE:				
Beginning of year			<u>384,367</u>	
End of year			<u>\$ 352,452</u>	

City of Lakewood
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
JAG Grant Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental revenues	\$ -	\$ 18,608	\$ 18,608	\$ -
Total revenues	<u>-</u>	<u>18,608</u>	<u>18,608</u>	<u>-</u>
EXPENDITURES:				
Current:				
Public safety	-	18,608	18,608	-
Total expenditures	<u>-</u>	<u>18,608</u>	<u>18,608</u>	<u>-</u>
NET CHANGES IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE:				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

City of Lakewood
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
LA County Measure M Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment income	\$ 30,000	\$ 70,000	\$ 167,748	\$ 97,748
Intergovernmental revenues	1,379,850	1,379,850	1,483,396	103,546
Total revenues	<u>1,409,850</u>	<u>1,449,850</u>	<u>1,651,144</u>	<u>201,294</u>
EXPENDITURES:				
Current:				
Transportation	210,000	210,000	65,381	144,619
Capital outlay:				
Transportation	-	1,492,603	1,056,753	435,850
Total expenditures	<u>210,000</u>	<u>1,702,603</u>	<u>1,122,134</u>	<u>580,469</u>
NET CHANGES IN FUND BALANCE	<u>\$ 1,199,850</u>	<u>\$ (252,753)</u>	529,010	<u>\$ 781,763</u>
FUND BALANCE:				
Beginning of year			<u>4,650,465</u>	
End of year			<u>\$ 5,179,475</u>	

City of Lakewood
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Measure R Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment income	\$ 30,000	\$ 50,000	\$ 141,402	\$ 91,402
Intergovernmental revenues	1,217,500	1,217,500	1,311,330	93,830
Total revenues	<u>1,247,500</u>	<u>1,267,500</u>	<u>1,452,732</u>	<u>185,232</u>
EXPENDITURES:				
Current:				
Transportation	394,142	632,964	449,816	183,148
Capital outlay:				
Transportation	-	1,213,518	638,731	574,787
Total expenditures	<u>394,142</u>	<u>1,846,482</u>	<u>1,088,547</u>	<u>757,935</u>
NET CHANGES IN FUND BALANCE	<u>\$ 853,358</u>	<u>\$ (578,982)</u>	364,185	<u>\$ 943,167</u>
FUND BALANCE:				
Beginning of year			<u>4,122,300</u>	
End of year			<u>\$ 4,486,485</u>	

City of Lakewood
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Measure W Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment income	\$ 5,000	\$ 23,000	\$ 82,640	\$ 59,640
Intergovernmental revenues	-	1,096,088	1,547,538	451,450
Total revenues	<u>5,000</u>	<u>1,119,088</u>	<u>1,630,178</u>	<u>511,090</u>
EXPENDITURES:				
Current:				
Transportation	596,900	575,053	480,981	94,072
Culture and leisure	38,812	31,050	26,582	4,468
Capital outlay:				
Culture and leisure	-	300,000	24,794	275,206
Total expenditures	<u>635,712</u>	<u>906,103</u>	<u>532,357</u>	<u>373,746</u>
NET CHANGES IN FUND BALANCE	<u>\$ (630,712)</u>	<u>\$ 212,985</u>	1,097,821	<u>\$ 884,836</u>
FUND BALANCE:				
Beginning of year			<u>2,055,778</u>	
End of year			<u>\$ 3,153,599</u>	

City of Lakewood
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Park Dedication Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes	\$ 13,200	\$ 35,000	\$ 42,900	\$ 7,900
Total revenues	<u>13,200</u>	<u>35,000</u>	<u>42,900</u>	<u>7,900</u>
NET CHANGES IN FUND BALANCE				
	<u>\$ 13,200</u>	<u>\$ 35,000</u>	42,900	<u>\$ 7,900</u>
FUND BALANCE:				
Beginning of year			<u>139,381</u>	
End of year			<u>\$ 182,281</u>	

City of Lakewood
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Prop A Recreation Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental revenues	\$ 38,440	\$ 38,440	\$ -	\$ (38,440)
Total revenues	<u>38,440</u>	<u>38,440</u>	<u>-</u>	<u>(38,440)</u>
EXPENDITURES:				
Current:				
Culture and leisure	36,012	37,512	41,822	(4,310)
Total expenditures	<u>36,012</u>	<u>37,512</u>	<u>41,822</u>	<u>(4,310)</u>
NET CHANGES IN FUND BALANCE	<u>\$ 2,428</u>	<u>\$ 928</u>	(41,822)	<u>\$ (42,750)</u>
FUND BALANCE (DEFICIT):				
Beginning of year			<u>(57,242)</u>	
End of year			<u>\$ (99,064)</u>	

City of Lakewood
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Prop A Transit Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes	\$ 1,957,100	\$ 1,957,100	\$ 2,108,506	\$ 151,406
Investment income	12,000	24,000	57,068	33,068
Total revenues	<u>1,969,100</u>	<u>1,981,100</u>	<u>2,165,574</u>	<u>184,474</u>
EXPENDITURES:				
Current:				
General government	13,666	22,415	23,015	(600)
Transportation	1,248,092	1,268,092	1,269,485	(1,393)
Community development	10,551	3,192	912	2,280
Capital outlay:				
General government	225,000	-	-	-
Transportation	-	441,703	441,702	1
Total expenditures	<u>1,497,309</u>	<u>1,735,402</u>	<u>1,735,114</u>	<u>288</u>
NET CHANGES IN FUND BALANCE	<u>\$ 471,791</u>	<u>\$ 245,698</u>	430,460	<u>\$ 184,762</u>
FUND BALANCE:				
Beginning of year			<u>1,544,915</u>	
End of year			<u>\$ 1,975,375</u>	

City of Lakewood
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Prop C Transportation Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Taxes	\$ 1,623,350	\$ 1,623,350	\$ 1,748,947	\$ 125,597
Investment income	25,000	65,000	140,400	75,400
Total revenues	<u>1,648,350</u>	<u>1,688,350</u>	<u>1,889,347</u>	<u>200,997</u>
EXPENDITURES:				
Current:				
Transportation	866,368	654,322	572,868	81,454
Capital outlay:				
Transportation	-	750,000	1,096,616	(346,616)
Total expenditures	<u>866,368</u>	<u>1,404,322</u>	<u>1,669,484</u>	<u>(265,162)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>781,982</u>	<u>284,028</u>	<u>219,863</u>	<u>(64,165)</u>
OTHER FINANCING SOURCES (USES):				
Proceed from sale of property	-	-	112,880	112,880
Total other financing sources (use)	<u>-</u>	<u>-</u>	<u>112,880</u>	<u>112,880</u>
NET CHANGES IN FUND BALANCE	<u>\$ 781,982</u>	<u>\$ 284,028</u>	<u>332,743</u>	<u>\$ 48,715</u>
FUND BALANCE:				
Beginning of year			<u>4,435,675</u>	
End of year			<u>\$ 4,768,418</u>	

City of Lakewood
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Road Maintenance and Rehab Account Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment income	\$ 30,000	\$ 70,000	\$ 158,274	\$ 88,274
Intergovernmental revenues	1,828,550	1,828,550	1,837,110	8,560
Total revenues	<u>1,858,550</u>	<u>1,898,550</u>	<u>1,995,384</u>	<u>96,834</u>
EXPENDITURES:				
Current:				
Transportation	300,000	300,000	300,000	-
Capital outlay:				
Transportation	-	2,125,537	1,587,747	537,790
Total expenditures	<u>300,000</u>	<u>2,425,537</u>	<u>1,887,747</u>	<u>537,790</u>
NET CHANGES IN FUND BALANCE	<u>\$ 1,558,550</u>	<u>\$ (526,987)</u>	107,637	<u>\$ 634,624</u>
FUND BALANCE:				
Beginning of year			<u>5,588,027</u>	
End of year			<u>\$ 5,695,664</u>	

City of Lakewood
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Sewer Reconstruction Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
License and permits	\$ 3,000	\$ 300	\$ 262	\$ (38)
Total revenues	<u>3,000</u>	<u>300</u>	<u>262</u>	<u>(38)</u>
EXPENDITURES:				
Current:				
Community development	-	35,140	34,782	358
Total expenditures	<u>-</u>	<u>35,140</u>	<u>34,782</u>	<u>358</u>
NET CHANGES IN FUND BALANCE	<u>\$ 3,000</u>	<u>\$ (34,840)</u>	<u>(34,520)</u>	<u>\$ 320</u>
FUND BALANCE:				
Beginning of year			<u>146,452</u>	
End of year			<u>\$ 111,932</u>	

City of Lakewood
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
State COPS Grant Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment income	\$ 1,000	\$ 1,000	\$ 2,417	\$ 1,417
Intergovernmental revenues	200,000	200,000	205,124	5,124
Total revenues	<u>201,000</u>	<u>201,000</u>	<u>207,541</u>	<u>6,541</u>
EXPENDITURES:				
Current:				
Public safety	200,000	200,000	200,000	-
Total expenditures	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
NET CHANGES IN FUND BALANCE	<u>\$ 1,000</u>	<u>\$ 1,000</u>	7,541	<u>\$ 6,541</u>
FUND BALANCE:				
Beginning of year			<u>23,417</u>	
End of year			<u>\$ 30,958</u>	

City of Lakewood
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
State Gasoline Tax Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment income	\$ 10,000	\$ 10,000	\$ 51,284	\$ 41,284
Intergovernmental revenues	2,315,100	2,315,100	2,059,365	(255,735)
Total revenues	<u>2,325,100</u>	<u>2,325,100</u>	<u>2,110,649</u>	<u>(214,451)</u>
OTHER FINANCING USES:				
Transfers out	(2,325,100)	(2,325,100)	(2,307,083)	18,017
Total other financing uses	<u>(2,325,100)</u>	<u>(2,325,100)</u>	<u>(2,307,083)</u>	<u>18,017</u>
NET CHANGES IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	(196,434)	<u>\$ (196,434)</u>
FUND BALANCE:				
Beginning of year			196,434	
End of year			<u>\$ -</u>	

City of Lakewood
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
TDA Article Grant Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment income (loss), rents and concession	\$ -	\$ -	\$ 380	\$ 380
Intergovernmental revenues	75,522	75,522	75,522	-
Total revenues	<u>75,522</u>	<u>75,522</u>	<u>75,902</u>	<u>380</u>
EXPENDITURES:				
Capital outlay:				
Transportation	-	75,522	75,500	22
Total expenditures	<u>-</u>	<u>75,522</u>	<u>75,500</u>	<u>22</u>
NET CHANGES IN FUND BALANCE	<u>\$ 75,522</u>	<u>\$ -</u>	402	<u>\$ 402</u>
FUND BALANCE:				
Beginning of year			-	
End of year			<u>\$ 402</u>	

City of Lakewood
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Used Oil Grant Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental revenues	\$ 20,000	\$ 20,000	\$ 8,602	\$ (11,398)
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>8,602</u>	<u>(11,398)</u>
EXPENDITURES:				
Current:				
Health and sanitation	20,000	11,098	8,602	2,496
Total expenditures	<u>20,000</u>	<u>11,098</u>	<u>8,602</u>	<u>2,496</u>
NET CHANGES IN FUND BALANCE	<u>\$ -</u>	<u>\$ 8,902</u>	-	<u>\$ (8,902)</u>
FUND BALANCE:				
Beginning of year			<u>25,805</u>	
End of year			<u>\$ 25,805</u>	

City of Lakewood
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
LEAP Grant Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental revenues	\$ 52,400	\$ 336,480	\$ 316,544	\$ (19,936)
Total revenues	<u>52,400</u>	<u>336,480</u>	<u>316,544</u>	<u>(19,936)</u>
EXPENDITURES:				
Current:				
Public safety	-	150,000	70,777	79,223
Community development	56,750	110,116	17,775	92,341
Total expenditures	<u>56,750</u>	<u>260,116</u>	<u>88,552</u>	<u>171,564</u>
NET CHANGES IN FUND BALANCE	<u>\$ (4,350)</u>	<u>\$ 76,364</u>	227,992	<u>\$ 151,628</u>
FUND BALANCE (DEFICIT):				
Beginning of year			<u>(111,239)</u>	
End of year			<u>\$ 116,753</u>	

City of Lakewood
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
SB2 Housing Grant Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
EXPENDITURES:				
Capital outlay:				
Community development	-	285,573	7,140	278,433
Total expenditures	-	285,573	7,140	278,433
NET CHANGES IN FUND BALANCE	\$ -	\$ (285,573)	(7,140)	\$ 278,433
FUND BALANCE (DEFICIT):				
Beginning of year			(21,343)	
End of year			\$ (28,483)	

City of Lakewood
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
CA Natural Resources Agency Grant Special Revenue Fund
For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Intergovernmental revenues	\$ -	\$ 2,114,260	\$ 129,449	\$ (1,984,811)
Total revenues	<u>-</u>	<u>2,114,260</u>	<u>129,449</u>	<u>(1,984,811)</u>
EXPENDITURES:				
Capital outlay:				
Culture and leisure	-	2,004,414	4,953	1,999,461
Total expenditures	<u>-</u>	<u>2,004,414</u>	<u>4,953</u>	<u>1,999,461</u>
NET CHANGES IN FUND BALANCE	<u>\$ -</u>	<u>\$ 109,846</u>	124,496	<u>\$ 14,650</u>
FUND BALANCE (DEFICIT):				
Beginning of year			<u>(174,035)</u>	
End of year			<u>\$ (49,539)</u>	

City of Lakewood
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Open Space Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental revenues	\$ -	\$ 1,035,886	\$ -	\$ (1,035,886)
Total revenues	<u>-</u>	<u>1,035,886</u>	<u>-</u>	<u>(1,035,886)</u>
EXPENDITURES:				
Capital outlay:				
Culture and leisure	-	1,035,886	7,605	1,028,281
Total expenditures	<u>-</u>	<u>1,035,886</u>	<u>7,605</u>	<u>1,028,281</u>
NET CHANGES IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	(7,605)	<u>\$ (7,605)</u>
FUND BALANCE (DEFICIT):				
Beginning of year			<u>-</u>	
End of year			<u>\$ (7,605)</u>	



Internal Service Funds

Central Garage - To account for maintenance and repair of vehicle and equipment used by various departments of the City. Costs are billed to the various departments as the work is completed.

Print Shop Fund - To account for the printing services provided to the various departments of the City. Costs of materials, supplies and services are billed as the work is completed.



City of Lakewood
Combining Statement of Net Position
Internal Service Funds
June 30, 2023

	Central Garage	Print Shop	Total
ASSETS			
Current Assets:			
Inventories	\$ 58,056	\$ 6,414	\$ 64,470
Prepaid items	1,647	-	1,647
Total current assets	<u>59,703</u>	<u>6,414</u>	<u>66,117</u>
Noncurrent assets:			
Capital assets:			
Capital assets, being depreciated:			
Equipment	1,403,604	-	1,403,604
Less: accumulated depreciation	(1,298,705)	-	(1,298,705)
Total capital assets, net	<u>104,899</u>	<u>-</u>	<u>104,899</u>
Total noncurrent assets	<u>104,899</u>	<u>-</u>	<u>104,899</u>
Total assets	<u>164,602</u>	<u>6,414</u>	<u>171,016</u>
LIABILITIES			
Current liabilities:			
Accounts payable	30,977	1,010	31,987
Accrued liabilities	11,045	4,738	15,783
Total current liabilities	<u>42,022</u>	<u>5,748</u>	<u>47,770</u>
Total liabilities	<u>42,022</u>	<u>5,748</u>	<u>47,770</u>
NET POSITION			
Investment in capital assets	104,899	-	104,899
Unrestricted	17,681	666	18,347
Total net position	<u>\$ 122,580</u>	<u>\$ 666</u>	<u>\$ 123,246</u>

City of Lakewood
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2023

	Central Garage	Print Shop	Total
OPERATING REVENUES:			
Billing to departments	\$ 122,532	\$ 894	\$ 123,426
Total operating revenues	<u>122,532</u>	<u>894</u>	<u>123,426</u>
OPERATING EXPENSES:			
Operating expenses	1,092,976	268,760	1,361,736
Depreciation	27,654	-	27,654
Total operating expenses	<u>1,120,630</u>	<u>268,760</u>	<u>1,389,390</u>
OPERATING INCOME (LOSS)	<u>(998,098)</u>	<u>(267,866)</u>	<u>(1,265,964)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	915,411	272,857	1,188,268
Total other financing sources (uses)	<u>915,411</u>	<u>272,857</u>	<u>1,188,268</u>
CHANGE IN NET POSITION	(82,687)	4,991	(77,696)
NET POSITION (DEFICIT):			
Beginning of the year	205,267	(4,325)	200,942
End of the year	<u>\$ 122,580</u>	<u>\$ 666</u>	<u>\$ 123,246</u>

City of Lakewood
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2023

	Central Garage	Print Shop	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from interfund services provided	\$ 122,532	\$ 894	\$ 123,426
Payments to suppliers for goods and services	(1,021,839)	(273,751)	(1,295,590)
Net cash (used in) operating activities	(899,307)	(272,857)	(1,172,164)
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:			
Transfers in	915,411	272,857	1,188,268
Net cash provided by capital and related financing activities	915,411	272,857	1,188,268
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	(16,104)	-	(16,104)
Net cash (used in) capital and related financing activities	(16,104)	-	(16,104)
Changes in cash and cash equivalents	-	-	-
CASH AND CASH EQUIVALENTS:			
Beginning of year	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH (USED IN) OPERATING ACTIVITIES:			
Operating (loss)	\$ (998,098)	\$ (267,866)	\$ (1,265,964)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:			
Depreciation	27,654	-	27,654
Change in assets and liabilities:			
(Increase) decrease in inventories	109,229	1,594	110,823
(Increase) decrease in prepaid	(58,056)	-	(58,056)
Increase (decrease) in accounts payable	16,113	(7,723)	8,390
Increase (decrease) in accrued liabilities	3,851	1,138	4,989
Total adjustment	98,791	(4,991)	93,800
Net cash (used in) operating activities	\$ (899,307)	\$ (272,857)	\$ (1,172,164)



STATISTICAL SECTION



City of Lakewood
Description of Statistical Section Contents
June 30, 2023

This part of the City of Lakewood'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 say about the government's overall financial health.

Contents:	Pages
Financial Trends - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	166-175
Revenue Capacity - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	177-185
Debt Capacity - These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	186-193
Demographic and Economic Information - These schedules offer demographics and economic indicators to help the reader understand the environment within which the City's financial activities take place.	194
Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report related to the services the City provides and activities it performs.	195-199

City of Lakewood
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2014*	2015	2016	2017**	2018
Government activities:					
Net investment in capital assets	\$ 89,075,037	\$ 88,511,175	\$ 90,100,125	\$ 94,918,550	\$ 100,416,548
Restricted	3,994,605	15,464,118	10,805,986	15,160,381	21,751,112
Unrestricted	39,712,067	26,918,679	31,932,235	25,186,231	17,346,009
Total governmental activities net position	<u>\$ 132,781,709</u>	<u>\$ 130,893,972</u>	<u>\$ 132,838,346</u>	<u>\$ 135,265,162</u>	<u>\$ 139,513,669</u>
Business-type activities:					
Net investment in capital assets	\$ 24,587,382	\$ 27,408,545	\$ 28,527,530	\$ 27,587,388	\$ 26,543,189
Restricted	-	-	-	-	-
Unrestricted	7,988,528	6,004,051	6,287,737	9,848,943	11,954,770
Total business-type activities net position	<u>\$ 32,575,910</u>	<u>\$ 33,412,596</u>	<u>\$ 34,815,267</u>	<u>\$ 37,436,331</u>	<u>\$ 38,497,959</u>
Primary government:					
Net investment in capital assets	\$ 113,662,419	\$ 115,919,720	\$ 118,627,655	\$ 122,505,938	\$ 126,959,737
Restricted	3,994,605	15,464,118	10,805,986	15,160,381	21,751,112
Unrestricted	47,700,595	32,922,730	38,219,972	35,035,174	29,300,779
Total primary government net position	<u>\$ 165,357,619</u>	<u>\$ 164,306,568</u>	<u>\$ 167,653,613</u>	<u>\$ 172,701,493</u>	<u>\$ 178,011,628</u>

* 2014 unrestricted net positions are restated as result of implementation of GASB Statements No. 68 and 71.

** 2017 unrestricted net positions are restated as result of implementation of GASB Statement No. 75.

City of Lakewood
Net Position by Component (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2019	2020	2021	2022	2023
Government activities:					
Net investment in capital assets	\$ 108,108,047	\$ 111,479,193	\$ 115,207,736	\$ 118,073,852	\$ 121,076,026
Restricted	24,069,839	27,088,588	36,051,636	38,566,384	41,623,987
Unrestricted	16,446,872	13,077,407	21,717,181	37,163,986	55,003,027
Total governmental activities net position	<u>\$ 148,624,758</u>	<u>\$ 151,645,188</u>	<u>\$ 172,976,553</u>	<u>\$ 193,804,222</u>	<u>\$ 217,703,040</u>
Business-type activities:					
Net investment in capital assets	\$ 26,327,391	\$ 27,211,808	\$ 27,173,204	\$ 27,686,379	\$ 27,470,407
Restricted	-	-	-	-	-
Unrestricted	13,057,126	12,982,718	14,792,197	14,779,213	15,583,527
Total business-type activities net position	<u>\$ 39,384,517</u>	<u>\$ 40,194,526</u>	<u>\$ 41,965,401</u>	<u>\$ 42,465,592</u>	<u>\$ 43,053,934</u>
Primary government:					
Net investment in capital assets	\$ 134,435,438	\$ 138,691,001	\$ 142,380,940	\$ 145,760,231	\$ 148,546,433
Restricted	24,069,839	27,088,588	36,051,636	38,566,384	41,623,987
Unrestricted	29,503,998	26,060,125	36,509,378	51,943,199	70,586,554
Total primary government net position	<u>\$ 188,009,275</u>	<u>\$ 191,839,714</u>	<u>\$ 214,941,954</u>	<u>\$ 236,269,814</u>	<u>\$ 260,756,974</u>

City of Lakewood
Changes in Net Position - Expenses and Program Revenues
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2014	2015	2016	2017	2018
Expenses:					
Governmental Activities:					
General government	\$ 7,412,703	\$ 10,354,630	\$ 7,187,053	\$ 7,618,899	\$ 8,414,207
Public Safety	12,983,054	13,525,219	14,271,008	14,266,703	14,934,025
Transportation	4,587,061	4,772,202	4,740,336	4,915,779	5,319,350
Community development	4,967,510	4,622,036	4,759,414	5,216,400	5,602,768
Health and sanitation	4,925,697	4,888,091	4,901,125	5,066,047	5,173,751
Culture and leisure	11,386,411	12,090,213	11,770,595	12,757,229	13,919,102
Unallocated infrastructure depreciation	2,676,442	2,695,986	2,721,461	2,732,259	2,680,800
Interest on long-term debt	-	-	15,143	14,308	12,246
Total governmental activities expenses	<u>48,938,878</u>	<u>52,948,377</u>	<u>50,366,135</u>	<u>52,587,624</u>	<u>56,056,249</u>
Business-type activities:					
Water	<u>9,990,086</u>	<u>9,554,985</u>	<u>9,628,369</u>	<u>9,316,642</u>	<u>12,124,940</u>
Total primary government expenses	<u>\$ 58,928,964</u>	<u>\$ 62,503,362</u>	<u>\$ 59,994,504</u>	<u>\$ 61,904,266</u>	<u>\$ 68,181,189</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	\$ 1,753,540	\$ 1,679,199	\$ 1,790,751	\$ 1,961,794	\$ 1,701,064
Public safety	863,286	866,028	912,841	828,408	799,898
Community development	1,199,667	1,647,432	1,754,359	1,687,297	1,644,380
Health and sanitation	5,111,702	5,242,204	5,309,601	5,430,005	5,493,200
Culture and leisure	1,562,310	1,577,319	1,543,688	1,591,984	1,505,685
Operating grants and contributions	4,810,026	4,176,696	3,585,692	6,100,046	8,633,736
Capital grants and contributions	866,959	1,726,390	3,365,208	8,542,663	6,315,712
Total governmental activities program revenues	<u>16,167,490</u>	<u>16,915,268</u>	<u>18,262,140</u>	<u>26,142,197</u>	<u>26,093,675</u>
Business-type activities:					
Charges for services:					
Water	<u>11,711,839</u>	<u>10,311,109</u>	<u>10,930,852</u>	<u>10,873,311</u>	<u>13,003,840</u>
Total primary government program revenues	<u>\$ 27,879,329</u>	<u>\$ 27,226,377</u>	<u>\$ 29,192,992</u>	<u>\$ 37,015,508</u>	<u>\$ 39,097,515</u>
Net revenues (expenses):					
Governmental activities	\$ (32,771,388)	\$ (36,033,109)	\$ (32,103,995)	\$ (26,445,427)	\$ (29,962,574)
Business-type activities	<u>1,721,753</u>	<u>756,124</u>	<u>1,302,483</u>	<u>1,556,669</u>	<u>878,900</u>
Total net revenues (expenses)	<u>\$ (31,049,635)</u>	<u>\$ (35,276,985)</u>	<u>\$ (30,801,512)</u>	<u>\$ (24,888,758)</u>	<u>\$ (29,083,674)</u>

City of Lakewood
Changes in Net Position - Expenses and Program Revenues (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2019	2020	2021	2022	2023
Expenses:					
Governmental Activities:					
General government	\$ 8,623,397	\$ 9,633,988	\$ 11,542,121	\$ 9,982,626	\$ 11,937,554
Public Safety	15,587,612	15,847,990	16,955,187	17,505,002	19,143,257
Transportation	5,618,743	6,191,543	6,551,094	6,503,537	7,344,923
Community development	5,755,708	5,965,959	6,018,023	5,291,189	6,852,859
Health and sanitation	5,440,069	5,488,139	5,705,506	6,083,718	6,601,028
Culture and leisure	14,023,325	14,317,749	14,449,389	13,651,705	15,790,357
Unallocated infrastructure depreciation	2,610,286	2,472,242	2,772,636	2,723,750	2,853,732
Interest on long-term debt	10,065	24,865	25,131	6,525	11,291
Total governmental activities expenses	<u>57,669,205</u>	<u>59,942,475</u>	<u>64,019,087</u>	<u>61,748,052</u>	<u>70,535,001</u>
Business-type activities:					
Water	12,722,577	12,340,848	10,534,148	11,481,342	11,752,016
Total primary government expenses	<u>\$ 70,391,782</u>	<u>\$ 72,283,323</u>	<u>\$ 74,553,235</u>	<u>\$ 73,229,394</u>	<u>\$ 82,287,017</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	\$ 1,842,865	\$ 1,723,330	\$ 1,549,999	\$ 1,450,370	\$ 2,701,247
Public safety	824,844	739,734	721,881	838,925	413,873
Community development	1,831,695	1,647,529	1,890,846	1,962,283	3,164,754
Health and sanitation	5,736,770	6,017,870	6,332,537	6,483,492	7,145,242
Culture and leisure	1,627,965	1,050,990	578,668	1,232,960	1,738,400
Operating grants and contributions	9,751,629	8,862,665	13,234,375	13,575,994	16,264,335
Capital grants and contributions	8,315,163	6,378,745	10,424,134	2,957,680	2,532,217
Total governmental activities program revenues	<u>29,930,931</u>	<u>26,420,863</u>	<u>34,732,440</u>	<u>28,501,704</u>	<u>33,960,068</u>
Business-type activities:					
Charges for services:					
Water	13,354,770	12,869,000	13,965,629	13,787,798	13,497,514
Total primary government program revenues	<u>\$ 43,285,701</u>	<u>\$ 39,289,863</u>	<u>\$ 48,698,069</u>	<u>\$ 42,289,502</u>	<u>\$ 47,457,582</u>
Net revenues (expenses):					
Governmental activities	\$ (27,738,274)	\$ (33,521,612)	\$ (29,286,647)	\$ (33,246,348)	\$ (36,574,933)
Business-type activities	632,193	528,152	3,431,481	2,306,456	1,745,498
Total net revenues (expenses)	<u>\$ (27,106,081)</u>	<u>\$ (32,993,460)</u>	<u>\$ (25,855,166)</u>	<u>\$ (30,939,892)</u>	<u>\$ (34,829,435)</u>

City of Lakewood
Changes in Net Position - Expenses and Program Revenues (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2014	2015	2016	2017	2018
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Sales taxes	\$ 15,792,115	\$ 15,890,678	\$ 15,961,352	\$ 14,133,828	\$ 14,303,519
Property taxes	11,310,210	11,831,561	12,747,876	13,039,739	13,795,722
Franchise taxes	1,697,405	1,757,264	1,699,343	1,430,601	1,598,487
Business operation taxes	542,110	565,441	1,016,140	674,880	650,728
Utility user taxes	3,520,414	3,464,047	3,398,962	3,314,095	3,163,738
Other taxes	322,834	372,276	378,213	442,393	424,144
Unrestricted, motor vehicle in lieu	35,499	-	-	-	-
Grants and contributions not restricted to specific programs	-	-	-	-	-
Gain on sale of property	-	-	-	114,000	-
Transfers in					
Investment income (loss)	377,099	264,105	482,676	459,477	274,743
Total governmental activities	<u>33,597,686</u>	<u>34,145,372</u>	<u>35,684,562</u>	<u>33,609,013</u>	<u>34,211,081</u>
Business-type activities:					
Gain on sale of capital assets	-	-	-	1,035,021	-
Transfers out					
Investment income	60,664	80,562	100,188	131,040	182,728
Total business-type activities	<u>60,664</u>	<u>80,562</u>	<u>100,188</u>	<u>1,166,061</u>	<u>182,728</u>
Total primary government	<u>\$ 33,658,350</u>	<u>\$ 34,225,934</u>	<u>\$ 35,784,750</u>	<u>\$ 34,775,074</u>	<u>\$ 34,393,809</u>
Changes in net position, before special and extraordinary item					
Governmental activities	\$ 808,298	\$ 1,373,984	\$ (348,547)	\$ 1,505,018	\$ 7,765,654
Business-type activities	<u>1,782,417</u>	<u>1,802,315</u>	<u>856,312</u>	<u>2,468,544</u>	<u>1,739,397</u>
Special item	-	-	(1,636,193)	-	-
Extraordinary item	-	-	-	-	-
Changes in net position					
Governmental activities	\$ 808,298	\$ 1,373,984	\$ (1,984,740)	\$ 1,505,018	\$ 7,765,654
Business-type activities	<u>1,782,417</u>	<u>1,802,315</u>	<u>856,312</u>	<u>2,468,544</u>	<u>1,739,397</u>
Total primary government	<u>\$ 2,590,715</u>	<u>\$ 3,176,299</u>	<u>\$ (1,128,428)</u>	<u>\$ 3,973,562</u>	<u>\$ 9,505,051</u>

City of Lakewood
Changes in Net Position - Expenses and Program Revenues (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2019	2020	2021	2022	2023
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Sales taxes	\$ 14,635,987	\$ 13,555,147	\$ 26,182,543	\$ 31,256,373	\$ 31,642,524
Property taxes	14,637,510	15,657,307	16,600,433	16,945,351	18,058,390
Franchise taxes	1,543,020	1,519,485	1,535,167	1,582,709	1,706,982
Business operation taxes	651,364	462,677	560,252	578,867	645,799
Utility user taxes	3,061,021	2,650,026	3,034,416	3,361,075	3,851,673
Other taxes	409,432	469,328	541,524	582,151	404,168
Unrestricted, motor vehicle in lieu	-	-	-	-	-
Grants and contributions not restricted to specific programs	-	-	-	-	-
Gain on sale of property	77,715	-	-	-	146,530
Transfers in	-	-	1,795,700	1,795,700	1,795,700
Investment income (loss)	1,833,314	2,228,072	182,662	(2,028,209)	2,221,985
Total governmental activities	<u>36,849,363</u>	<u>36,542,042</u>	<u>50,432,697</u>	<u>54,074,017</u>	<u>60,473,751</u>
Business-type activities:					
Gain on sale of capital assets	-	-	-	-	-
Transfers out	-	-	(1,795,700)	(1,795,700)	(1,795,700)
Investment income	254,365	281,857	135,094	(10,565)	638,544
Total business-type activities	<u>254,365</u>	<u>281,857</u>	<u>(1,660,606)</u>	<u>(1,806,265)</u>	<u>(1,157,156)</u>
Total primary government	<u>\$ 37,103,728</u>	<u>\$ 36,823,899</u>	<u>\$ 48,772,091</u>	<u>\$ 52,267,752</u>	<u>\$ 59,316,595</u>
Changes in net position, before special and extraordinary item					
Governmental activities	\$ 6,886,789	\$ 8,803,768	\$ 16,911,085	\$ 20,827,669	\$ 23,898,818
Business-type activities	<u>1,133,265</u>	<u>914,050</u>	<u>(1,132,454)</u>	<u>500,191</u>	<u>588,342</u>
Special item	-	-	-	-	-
Extraordinary item	-	-	-	-	-
Changes in net position					
Governmental activities	\$ 6,886,789	\$ 8,803,768	\$ 16,911,085	\$ 20,827,669	\$ 23,898,818
Business-type activities	<u>1,133,265</u>	<u>914,050</u>	<u>(1,132,454)</u>	<u>500,191</u>	<u>588,342</u>
Total primary government	<u>\$ 8,020,054</u>	<u>\$ 9,717,818</u>	<u>\$ 15,778,631</u>	<u>\$ 21,327,860</u>	<u>\$ 24,487,160</u>

City of Lakewood
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2014	2015	2016	2017	2018
General fund:					
Nonspendable	\$ 2,670,747	\$ 3,334,102	\$ 9,007,179	\$ 9,242,133	\$ 9,614,693
Restricted	-	-	-	-	-
Committed	32,456,408	28,993,127	22,470,125	24,641,778	25,016,682
Assigned	8,738,457	8,784,875	9,060,489	7,941,985	4,573,815
Unassigned	<u>3,640,285</u>	<u>4,737,497</u>	<u>2,545,033</u>	<u>1,388,222</u>	<u>1,721,244</u>
Total general fund	<u>\$ 47,505,897</u>	<u>\$ 45,849,601</u>	<u>\$ 43,082,826</u>	<u>\$ 43,214,118</u>	<u>\$ 40,926,434</u>
All other governmental funds:					
Nonspendable	\$ 8,537,919	\$ 10,614,864	\$ 7,216,652	\$ 7,293,057	\$ -
Restricted	4,256,020	4,807,418	10,304,699	11,811,420	21,385,895
Unassigned	<u>(1,408,079)</u>	<u>(834,768)</u>	<u>(657,720)</u>	<u>(3,223,534)</u>	<u>(2,000,042)</u>
Total all other governmental funds	<u>\$ 11,385,860</u>	<u>\$ 14,587,514</u>	<u>\$ 16,863,631</u>	<u>\$ 15,880,943</u>	<u>\$ 19,385,853</u>

City of Lakewood
Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2019	2020	2021	2022	2023
General fund:					
Nonspendable	\$ 9,887,493	\$ 10,088,435	\$ 10,333,944	\$ 10,562,095	\$ 10,869,234
Restricted	617,122	62,478	-	-	-
Committed	24,952,465	26,389,437	27,296,545	30,913,516	32,671,856
Assigned	4,941,360	4,905,102	4,905,102	20,357,986	33,777,497
Unassigned	2,182,964	1,306,735	10,327,717	2,535,221	4,094,060
Total general fund	<u>\$ 42,581,404</u>	<u>\$ 42,752,187</u>	<u>\$ 52,863,308</u>	<u>\$ 64,368,818</u>	<u>\$ 81,412,647</u>
All other governmental funds:					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted/Committed	23,637,463	27,025,084	32,367,386	37,715,646	40,639,771
Unassigned	(2,813,850)	(2,942,067)	2,228,398	(363,859)	(184,691)
Total all other governmental funds	<u>\$ 20,823,613</u>	<u>\$ 24,083,017</u>	<u>\$ 34,595,784</u>	<u>\$ 37,351,787</u>	<u>\$ 40,455,080</u>

City of Lakewood
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2014	2015	2016	2017	2018
Revenues:					
Taxes	\$ 26,076,260	\$ 26,285,474	\$ 28,512,153	\$ 27,428,381	\$ 27,840,342
Licenses and permits	860,267	1,236,029	1,305,394	1,271,711	1,213,898
Fines and forfeitures	794,905	800,988	792,042	726,158	803,671
Investment income, rents and concessions	1,229,344	1,348,984	1,579,999	1,628,636	1,549,043
From other agencies	11,732,076	12,262,584	13,040,289	16,801,522	21,529,691
Current service charges	7,354,833	7,603,770	7,820,247	7,676,870	7,727,896
Other	1,209,438	3,883,093	1,319,267	1,332,492	1,296,960
Total revenues	<u>49,257,123</u>	<u>53,420,922</u>	<u>54,369,391</u>	<u>56,865,770</u>	<u>61,961,501</u>
Expenditures:					
Current:					
General government	7,198,445	10,121,711	7,469,038	7,598,738	7,775,703
Public safety	12,622,353	13,279,510	14,035,382	13,957,135	14,643,744
Transportation	4,454,458	4,529,295	4,848,633	4,794,659	4,938,424
Community Development	4,822,302	4,550,855	4,877,917	5,266,588	5,448,344
Health and sanitation	4,789,347	4,884,931	4,908,103	5,064,902	5,173,879
Culture and leisure	11,057,389	11,029,303	11,356,886	11,845,756	12,296,334
Capital outlay:					
General government	-	43,032	60,392	71,163	125,383
Public safety	-	-	894,527	-	-
Transportation	1,412,843	605,487	2,474,885	7,838,438	6,122,168
Community Development	-	55,238	85,996	30,256	7,116
Culture and leisure	1,194,657	2,776,202	2,443,762	1,313,659	4,163,308
Debt service:					
Owner participation agreement payments	-	-	-	-	-
Principal retirement	-	-	31,313	35,564	37,626
Interest and fiscal charges	-	-	15,143	14,308	12,246
Total expenditures	<u>47,551,794</u>	<u>51,875,564</u>	<u>53,501,977</u>	<u>57,831,166</u>	<u>60,744,275</u>
Excess of revenues over (under) expenditures	<u>1,705,329</u>	<u>1,545,358</u>	<u>867,414</u>	<u>(965,396)</u>	<u>1,217,226</u>
Other financing sources (uses):					
Issuance of lease payable	-	-	278,121	-	-
Transfers in	2,597,281	2,107,215	1,771,504	1,564,966	1,808,209
Transfers out	(2,597,281)	(2,107,215)	(1,771,504)	(1,564,966)	(1,808,209)
Sale of capital assets	-	-	-	114,000	-
Proceeds from lease issuance	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>278,121</u>	<u>114,000</u>	<u>-</u>
SPECIAL ITEMS:					
Transfer to HACoLA	-	-	-	-	-
Gain(loss) on interest adjustment on the loans to the Successor Agency	-	-	(1,636,193)	-	-
Net change in fund balances	<u>\$ 1,705,329</u>	<u>\$ 1,545,358</u>	<u>\$ (490,658)</u>	<u>\$ (851,396)</u>	<u>\$ 1,217,226</u>
Debt service as a percentage of noncapital expenditures					
	0.00%	0.00%	0.10%	0.10%	0.10%

City of Lakewood
Changes in Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2019	2020	2021	2022	2023
Revenues:					
Taxes	\$ 28,653,388	\$ 27,684,978	\$ 41,098,863	\$ 47,537,386	\$ 49,054,580
Licenses and permits	1,356,208	1,311,229	1,451,338	1,454,830	2,215,035
Fines and forfeitures	877,832	734,643	748,656	743,167	682,411
Investment income, rents and concessions	3,172,061	3,392,410	924,009	(1,204,812)	3,947,978
From other agencies	22,305,483	21,703,390	31,019,031	21,443,120	23,569,755
Current service charges	8,102,123	7,789,524	8,076,990	8,686,921	9,658,905
Other	1,369,123	1,066,017	1,096,083	2,661,610	3,315,184
Total revenues	65,836,218	63,682,191	84,414,970	81,322,222	92,443,848
Expenditures:					
Current:					
General government	7,928,367	8,241,505	10,841,466	10,940,429	11,443,139
Public safety	15,297,771	15,583,762	16,673,133	17,740,952	18,731,590
Transportation	4,994,979	5,279,004	6,008,396	7,155,428	6,985,144
Community Development	5,576,834	5,544,163	5,772,175	5,583,986	6,686,615
Health and sanitation	5,406,156	5,477,528	5,706,406	6,099,067	6,468,720
Culture and leisure	12,275,314	11,886,225	12,511,815	14,249,773	14,215,149
Capital outlay:					
General government	201,076	-	146,425	503,288	657,821
Public safety	-	-	103,239	14,400	293,083
Transportation	9,821,988	7,137,458	6,675,851	3,868,435	5,560,484
Community Development	24,532	7,414	22,048	205,203	315,945
Culture and leisure	1,994,314	881,672	1,097,870	2,266,698	1,528,898
Debt service:					
Owner participation agreement payments	-	-	-	-	-
Principal retirement	39,807	185,206	191,498	243,609	270,147
Interest and fiscal charges	10,065	28,067	21,775	16,757	12,333
Total expenditures	63,571,203	60,252,004	65,772,097	68,888,025	73,169,068
Excess of revenues over (under) expenditures	2,265,015	3,430,187	18,642,873	12,434,197	19,274,780
Other financing sources (uses):					
Issuance of lease payable	750,000	-	-	-	-
Transfers in	1,571,741	2,213,002	3,593,665	3,854,822	4,302,783
Transfers out	(1,571,741)	(2,213,002)	(1,797,965)	(2,059,122)	(3,695,351)
Sale of capital assets	77,715	-	-	-	146,530
Proceeds from lease issuance	-	-	-	31,616	118,380
Total other financing sources (uses)	827,715	-	1,795,700	1,827,316	872,342
SPECIAL ITEMS:					
Transfer to HACoLA	-	-	-	-	-
Gain(loss) on interest adjustment on the loans to the Successor Agency	-	-	-	-	-
Net change in fund balances	\$ 3,092,730	\$ 3,430,187	\$ 20,438,573	\$ 14,261,513	\$ 20,147,122
Debt service as a percentage of noncapital expenditures	0.10%	0.41%	0.37%	0.42%	0.44%



City of Lakewood
Major Tax Revenue By Sources
Last Ten Fiscal Years

Fiscal Year Ended June 30	Sales Taxes	Property Taxes	Franchise Taxes	Business Operation Taxes	Utility User Taxes	Other Taxes	Total
2014	\$ 15,792,115	\$ 11,310,210	\$ 1,697,405	\$ 542,110	\$ 3,520,414	\$ 322,834	\$ 33,185,088
2015	15,890,678	11,831,561	1,757,264	565,441	3,464,047	372,276	33,881,267
2016	15,961,352	12,747,876	1,699,343	1,016,140	3,398,962	378,213	35,201,886
2017	14,133,828	13,039,739	1,430,601	674,880	3,314,095	442,393	33,035,536
2018	14,303,519	13,795,722	1,598,487	650,728	3,163,738	424,144	33,936,338
2019	14,635,987	14,637,510	1,543,020	662,914	3,061,021	409,432	34,949,884
2020	13,555,147	15,657,307	1,519,485	462,677	2,650,026	469,328	34,313,970
2021	26,182,543	15,783,601	1,535,167	1,213,169	3,034,416	541,524	48,290,420
2022	31,256,373	16,945,351	1,582,709	578,867	3,361,075	582,151	54,306,526
2023	31,642,524	18,058,390	1,706,982	645,799	3,851,673	404,168	56,309,536

City of Lakewood
Taxable Sales by Category
Last Ten Calendar Years
(in thousands of dollars)

	Fiscal Years				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Apparel Stores	\$ 94,682	\$ 100,090	\$ 104,262	\$ 108,777	\$ 107,971
General Merchandise	329,626	339,237	335,292	326,877	332,043
Food Stores	44,442	46,198	47,494	47,845	46,073
Eating and Drinking Places	167,347	176,455	189,057	197,497	204,971
Building Materials	63,714	66,480	67,557	73,781	78,690
Auto Dealers and Supplies	100,940	113,843	133,160	154,323	161,696
Service Stations	128,494	123,183	100,673	86,673	93,554
Other Retail Stores	178,010	185,630	190,440	191,145	195,787
All Other Outlets	174,803	188,879	192,439	209,133	220,039
	<u>\$ 1,282,058</u>	<u>\$ 1,339,995</u>	<u>\$ 1,360,374</u>	<u>\$ 1,396,051</u>	<u>\$ 1,440,824</u>

Source: HDL

City of Lakewood
Taxable Sales by Category (Continued)
Last Ten Calendar Years
(in thousands of dollars)

	Fiscal Years				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Apparel Stores	\$ 111,925	\$ 111,451	\$ 69,217	\$ 120,346	\$ 105,673
General Merchandise	319,083	324,131	285,728	346,224	381,187
Food Stores	46,429	47,825	54,744	53,932	55,399
Eating and Drinking Places	208,381	215,395	166,013	206,461	228,794
Building Materials	91,179	75,681	79,150	79,143	91,515
Auto Dealers and Supplies	130,424	129,173	128,152	176,857	268,377
Service Stations	107,480	102,185	67,688	98,487	135,060
Other Retail Stores	196,820	194,360	162,233	209,987	202,119
All Other Outlets	<u>221,375</u>	<u>244,317</u>	<u>313,924</u>	<u>335,951</u>	<u>366,192</u>
	<u>\$ 1,433,096</u>	<u>\$ 1,444,518</u>	<u>\$ 1,326,849</u>	<u>\$ 1,627,388</u>	<u>\$ 1,834,316</u>

Source: HDL

City of Lakewood
City Sales Tax Rates
Last Ten Fiscal Years
(Rate at June 30th of Fiscal Year)

	Fiscal Years									
	<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>	<u>2023</u>
City Sales Tax rate	9.000%	9.000%	9.000%	8.750%	9.500%	9.500%	9.500%	10.250%	10.250%	10.250%

City of Lakewood
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year Ended June 30	Secured	Nonunitary	Unsecured	Taxable Assessed Value	Total Direct Tax Rate
2014	7,335,693	258	138,341	7,474,292	0.061%
2015	7,750,838	258	148,398	7,899,494	0.061%
2016	8,155,338	258	142,831	8,298,427	0.060%
2017	8,561,782	258	136,052	8,698,092	0.060%
2018	9,028,557	225	136,546	9,165,328	0.060%
2019	9,513,618	225	141,465	9,655,308	0.060%
2020	9,983,645	226	145,044	10,128,915	0.060%
2021	10,474,857	226	143,457	10,618,540	0.060%
2022	10,913,386	1	129,486	11,042,873	0.060%
2023	11,574,142	1	140,919	11,715,062	0.060%

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

City of Lakewood
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rate per \$100 of assessed value)

	<u>Fiscal Years</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>	<u>2023</u>
City Direct Rates:										
City basic rate	\$ 0.0607	\$ 0.0606	\$ 0.0604	\$ 0.0603	\$ 0.0602	\$ 0.0602	\$ 0.0601	\$ 0.0600	\$ 0.0600	\$ 0.0599
Overlapping Rates:										
Los Angeles County	-	-	-	-	-	-	-	-	-	-
School Districts	0.3074	0.3716	0.3101	0.4015	0.5274	0.5233	0.6309	0.5320	0.5346	0.5425
Sanitation and Water	-	-	-	-	-	-	-	-	-	-
Water Districts	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035
Other	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Total Direct Rate	\$ 1.3681	\$ 1.4357	\$ 1.3706	\$ 1.4619	\$ 1.5876	\$ 1.5870	\$ 1.6944	\$ 1.5955	\$ 1.5981	\$ 1.6059

Note: In 1978, California voters passed Proposition 13 which sets 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 the School District bonds.

City of Lakewood
Principal Property Taxpayers
Current Year and Nine Fiscal Years Ago

<u>Taxpayer</u>	<u>2022</u>		<u>2013</u>	
	<u>Taxable Assessed Value</u>	<u>Percent of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Percent of Total City Taxable Assessed Value</u>
Macerich Lakewood LLC	\$ 401,046,611	3.42%	\$ 312,706,060	4.18%
B9 MF 12350 DEL AMO LLC	142,228,464	1.21%	N/A	N/A
Lakewood Manor Apartments LLC	100,072,415	0.85%	\$ 85,075,614	1.14%
Lakewood Regional Medical Center	65,453,677	0.56%	\$ 50,237,428	0.67%
IRIS19 LP	61,599,053	0.53%	N/A	N/A
Lakewood Marketplace LLC	43,417,714	0.37%	\$ 37,177,904	0.50%
May Company Department Stores	37,876,674	0.32%	\$ 30,815,497	0.41%
Douglas Park Associates IV LLC	37,536,000	0.32%	N/A	N/A
Carwood Center LLC	35,833,553	0.31%	N/A	N/A
The 5800 Apartment Homes LLC	34,480,566	0.29%	N/A	N/A
Total	<u><u>\$ 959,544,727</u></u>	<u><u>8.18%</u></u>	<u><u>\$ 516,012,503</u></u>	<u><u>6.9%</u></u>

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



City of Lakewood
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	4,109,676	4,017,643	97.76%	92,033	4,109,676	100.00%
2015	4,251,103	4,158,507	97.82%	92,596	4,251,103	100.00%
2016	4,553,569	4,452,399	97.78%	101,169	4,553,568	100.00%
2017	4,613,693	4,456,610	96.60%	157,083	4,613,693	100.00%
2018	4,960,161	4,808,236	96.94%	151,925	4,960,161	100.00%
2019	5,235,071	5,104,779	97.51%	130,292	5,235,071	100.00%
2020	5,406,685	5,286,360	97.77%	120,325	5,406,685	100.00%
2021	5,716,914	5,557,978	97.22%	158,936	5,716,914	100.00%
2022	5,943,809	5,615,340	94.47%	328,469	5,943,809	100.00%
2023	6,496,145	6,158,370	94.80%	337,775	6,496,145	100.00%

City of Lakewood
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Governmental Activities

Fiscal Year Ended June 30	General Obligation Bonds	Tax Allocation Bonds	Lease Payable and Subscription Liabilities	Total Governmental Activities
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	246,808	246,808
2017	-	-	211,244	211,244
2018	-	-	173,617	173,617
2019	-	-	883,811	883,811
2020	-	-	698,605	698,605
2021	-	-	507,107	507,107
2022	-	-	460,465	460,465
2023	-	-	423,718	423,718

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

City of Lakewood
Ratios of Outstanding Debt by Type (Continued)
Last Ten Fiscal Years

Business-type Activities

Water Revenue Bonds	Loan Payable to Water Replacement District	Lease Payable and Subscription Liabilities	Total Business-type Activities	Total Primary Government	Percentage of Personal Income ¹	Debt Per Capita ¹
3,385,206	1,184,881	-	4,570,087	4,570,087	0.19%	56
2,456,517	987,401	-	3,443,918	3,443,918	0.15%	42
-	789,921	1,762,532	2,552,453	2,799,261	0.12%	36
-	592,441	10,494,954	11,087,395	11,298,639	0.47%	143
-	394,961	10,139,347	10,534,308	10,707,925	0.43%	132
-	197,480	9,378,045	9,575,525	10,459,336	0.41%	129
-	-	8,594,758	8,594,758	9,293,363	0.34%	116
-	-	7,788,848	7,788,848	8,295,955	0.29%	103
-	-	6,959,657	6,959,657	7,420,122	0.26%	92
-	-	6,521,119	6,521,119	6,944,837	0.22%	87

¹ These ratios are calculated using personal income and population for the prior calendar year.



City of Lakewood
Direct and Overlapping Debt
As of June 30, 2023

Total Assessed Valuation		<u>\$11,715,062,925</u>	
	<u>Percentage Applicable</u> ¹	<u>Outstanding Debt</u> <u>06/30/23</u>	<u>Estimated Share of</u> <u>Overlapping Debt</u>
Overlapping Debt:			
Metropolitan Water District	0.322	\$ 19,215,000	\$ 61,872
Cerritos Community College District	7.201	445,232,887	32,061,220
Compton Community College District	2.612	104,371,964	2,726,196
Long Beach Community College District	8.422	589,058,855	49,610,537
ABC Unified School District	10.361	124,137,739	12,861,911
Bellflower Unified School District	28.088	74,495,000	20,924,156
Long Beach Unified School District	8.420	1,779,754,702	149,855,346
Paramount Unified School District	9.306	180,935,682	16,837,875
Total overlapping debt		\$ 3,317,201,829	\$ 284,939,113
City Direct Debt:			
Lease payable	100.000%	423,718	423,718
Total Direct and Overlapping Debt			<u>\$ 285,362,831</u>

¹ For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property 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 **Notes:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Statistical. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident—and therefore responsible for repaying the debt—of each overlapping government.

City of Lakewood
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Years				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Assessed valuation (In thousands)	\$ 7,474,292	\$ 7,899,494	\$ 8,298,427	\$ 8,698,092	\$ 9,165,328
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit (In thousands)	1,121,144	1,184,924	1,244,764	1,304,714	1,374,799
Total net debt applicable to the limit:					
General obligation bonds (In thousands)	-	-	-	-	-
Legal debt margin (In thousands)	<u>\$ 1,121,144</u>	<u>\$ 1,184,924</u>	<u>\$ 1,244,764</u>	<u>\$ 1,304,714</u>	<u>\$ 1,374,799</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%

Note: Section 43605 of the Government Code of the State of California limits the amount of indebtedness for public improvements to 15% of the assessed valuation of all real and personal property of the City.

The City of Lakewood has no general bonded indebtedness.

City of Lakewood
Legal Debt Margin Information (Continued)
Last Ten Fiscal Years

	Fiscal Years				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Assessed valuation (In thousands)	\$ 9,655,309	\$ 10,128,915	\$ 10,618,540	\$ 140,919	\$ 11,715,062
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit (In thousands)	1,448,296	1,448,296	1,592,781	-	1,757,259
Total net debt applicable to the limit:					
General obligation bonds (In thousands)	-	-	-	-	-
Legal debt margin (In thousands)	<u>\$ 1,448,296</u>	<u>\$ 1,448,296</u>	<u>\$ 1,592,781</u>	<u>\$ -</u>	<u>\$ 1,757,259</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%

Note: Section 43605 of the Government Code of the State of California limits the amount of indebtedness for public improvements to 15% of the assessed valuation of all real and personal property of the City.

The City of Lakewood has no general bonded indebtedness.

City of Lakewood
Pledged-Revenue Coverage
Last Ten Fiscal Years
(In thousands)

Fiscal Year Ended June 30	Water Revenue Bonds						Coverage
	Water Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
2014	11,712	6,927	4,785	645	172	5.86	
2015	10,311	7,826	2,485	670	148	3.04	
2016	10,931	7,849	3,082	687	67	4.09	
2017	10,873	7,280	3,593	233	45	12.92	
2018	13,004	9,589	3,415	233	38	12.60	
2019	13,355	10,473	2,882	245	32	10.40	
2020	12,869	10,112	2,757	251	27	9.92	
2021	13,965	8,313	5,652	257	20	20.40	
2022	13,787	9,286	4,501	271	7	16.19	
2023	13,497	9,479	4,018	-	-	100.00	

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expenses.

City of Lakewood
Pledged-Revenue Coverage (Continued)
Last Ten Fiscal Years
(In thousands)

Fiscal Year Ended June 30	Tax Allocation Bonds				Coverage
	Tax Increment	Debt Service		Coverage	
		Principal	Interest		
2014	1,436	1,155	281	1.00	
2015	1,435	1,210	225	1.00	
2016	1,430	1,265	165	1.00	
2017	1,432	1,330	102	1.00	
2018	1,425	1,390	35	1.00	
2019	-	-	-	-	
2020	-	-	-	-	
2021	-	-	-	-	
2022	-	-	-	-	
2023	-	-	-	-	

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expenses.

City of Lakewood
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population (1)	Personal Income (thousands of dollars) (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
2013	81,224	2,388,960	29,412	4.9%
2014	81,261	2,363,232	29,082	6.4%
2015	78,471	2,426,233	30,918	5.2%
2016	79,272	2,406,040	30,351	4.0%
2017	81,179	2,490,791	30,682	3.3%
2018	81,352	2,579,207	31,704	4.4%
2019	79,919	2,743,438	34,327	4.1%
2020	80,218	2,836,725	35,362	12.2%
2021	80,876	2,909,229	35,971	8.3%
2022	80,154	3,184,601	39,731	4.3%

City of Lakewood
Full-Time City Employees by Function
Last Ten Fiscal Years

Division	Fiscal Years									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
City Administration	31	30	30	30	29	29	29	13	13	16
Communications								12	11	7
City Clerk	2	2	2	2	2	2	2	2	2	5
Administrative Services	21	20	21	21	20	20	20	23	22	21
Community Development	15	14	14	14	14	14	13	14	14	15
Public Safety								7	7	7
Public Works	31	31	32	32	32	32	32	33	30	33
Recreation and Community Services	60	62	62	62	61	61	58	59	58	60
Water Resources	<u>19</u>	<u>19</u>	<u>19</u>	<u>19</u>	<u>17</u>	<u>17</u>	<u>17</u>	<u>17</u>	<u>15</u>	<u>17</u>
Total	<u>179</u>	<u>178</u>	<u>180</u>	<u>180</u>	<u>175</u>	<u>175</u>	<u>171</u>	<u>180</u>	<u>172</u>	<u>181</u>

Note: Communications and Public Safety are new departments in FY 20/21. They split from the Administration department.

City of Lakewood
Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Years				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Public works:					
Street resurfacing (miles)	1	-	1	-	-
Recreation and community services:					
Number of recreation classes	1,812	1,615	1,931	1,711	1,924
Number of facility rentals	7,473	8,259	7,919	5,838	1,577**
Water					
New connections	11	6	2	7	4
Number of consumers	20,469	20,489	20,481	20,180	20,196
Average daily consumption (thousands of gallons)	7,549	6,857	5,887	6,262	6,050
Community development					
Number of building permits issued *	3,107	3,457	4,408	4,051	3,986

*Includes both residential and commercial permits.

City of Lakewood
Operating Indicators by Function (Continued)
Last Ten Fiscal Years

	Fiscal Years				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Public works:					
Street resurfacing (miles)	3	-	0.4	9.4	9.0
Recreation and community services:					
Number of recreation classes	1,888	1,355	3,608	1,365	1,397
Number of facility rentals	1,715**	1,446**	539***	1,356	1,402
Water					
New connections	9	7	8	14	34
Number of consumers	20,148	20,255	20,159	20,123	20,178
Average daily consumption (thousands of gallons)	5,954	6,014	5,988	5,986	5,667
Community development					
Number of building permits issued *	3,765	3,396	3,960	4,111	4,953

*Includes both residential and commercial permits.

**In November 2016 the RCS Department initiated a transition from CLASS facility booking software to the ActiveNet online system. For the duration of 2017 to date, inclusive of the 2017/18 fiscal year, the ActiveNet system has represented blocks of facility reservations for multiple dates as one event. The CLASS system previously represented a block of facility reservations for multiple dates as many events- i.e. one date equals one event. This is the reason for the significant decline in faculty rentals from FY 2017 to FY 2018.

*** Went significantly down due to COVID-19 pandemic.

City of Lakewood
Capital Assets Statistics by Function
Last Ten Fiscal Years

	Fiscal Years				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Public works:					
Streets (miles)	196	196	196	196	196
Streetlights	6,654	6,654	6,654	6,654	6,654
Recreation and community services:					
Number of recreation facilities	13	13	13	13	13
Acreage of facilities	189.0	189.0	189.0	189.0	189.0
Number of pools	2	2	2	2	2
Water					
Water mains (miles)	195.00	195.00	195.00	195.00	195.00
Wastewater					
Sewers (miles)	167.00	167.00	167.00	167.00	167.00

City of Lakewood
Capital Assets Statistics by Function (Continued)
Last Ten Fiscal Years

	Fiscal Years				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Public works:					
Streets (miles)	196	196	196	196	196
Streetlights	6,654	6,654	6,654	6,654	6,654
Recreation and community services:					
Number of recreation facilities	13	13	13	13	13
Acreage of facilities	189.0	189.0	189.0	189.0	189.0
Number of pools	2	2	2	2	2
Water					
Water mains (miles)	195.00	195.00	195.00	195.00	195.00
Wastewater					
Sewers (miles)	167.00	167.00	167.00	167.00	167.00



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TO: The Honorable Mayor and City Council

SUBJECT: Approval of Expense Reimbursement Agreement with Central Basin Municipal Water District

INTRODUCTION

California’s Proposition 84 (Prop 84), the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Act of 2006, was passed by California voters in the November 2006 general election. Central Basin Municipal Water District (the District) is permitted to grant Prop 84 funding in their service area to purchase and install weather-based irrigation controllers and irrigation flow regulators to enhance water efficiency on city parks.

STATEMENT OF FACT


The District notified the cities in its service area, which includes Lakewood, of an available grant opportunity for water efficiency projects. In a grant submission to the District, staff proposed an irrigation project to purchase and install smart irrigation systems for San Martin, Boyar and Del Valle parks. The District approved Lakewood’s grant submission and has prepared an agreement indicating that the District will reimburse the city up to \$110,000 for the proposed water efficiency project at three city parks.

Environmental Resources Division staff will coordinate the project, which will include project management and the purchase and installation of irrigation controllers and corresponding irrigation components. Per the District’s agreement, the project must be completed by March 15, 2024, and staff is able to schedule and complete the work by the provided due date.

RECOMMENDATION

It is the recommendation of staff that the City Council approve and authorize the mayor to sign the Expense Reimbursement Agreement with Central Basin Municipal Water District for an amount up to \$110,000 to complete water efficiency projects at San Martin, Boyar and Del Valle parks.

Valarie Frost, Director **VF**
Recreation and Community Services


Thaddeus McCormack
City Manager

PROPOSITION 84

Expense Reimbursement Agreement

This Expense Reimbursement Agreement (this "Agreement"), dated as of November 16, 2023, is made by Central Basin Municipal Water District (the District) and agreed upon by the District and the City of Lakewood (the City).

Prop 84 allows the District to complete water efficiency projects throughout its service area which include devices such as high-efficiency toilets (tanks and flushometers), zero water and ultra-low water urinals, laminar flow restrictors, large rotary nozzles, rotating nozzles for spray heads, weather-based irrigation controllers, central computer irrigation controllers, and flow regulators.

Agreement:

The City will be reimbursed up to \$110,000 for their water efficiency projects that will be funded through Prop 84 for labor and their choice of weather-based irrigation controllers, central computer irrigation controllers, and flow regulators.

Requirements for reimbursement include:

1. Participation in a water audit,
2. Completion of the project scope listed below,
3. Provide comprehensive reporting,
4. Provide a justification letter for not participating in a request for proposal process, and
5. Project completion by March 15, 2024.

1. Water Audit

The District will conduct a water audit among all of its purveyors and the City will submit information on its water efficiency project to participate.

2. Project Scope

The City's Irrigation Project includes a total water-efficient overhaul by installing Cal Sense smart irrigation systems at the following three parks to reduce future water use:

1. **San Martin Park**
2. **Boyar Park**
3. **Del Valle Park**

Irrigation Installation

The irrigation improvements of the project propose City staff installing nine irrigation controllers, 37 irrigation components, including master valves, flow meters, antennas,

and trench an estimated 1,500 linear feet for the installation of irrigation wire. The work is estimated to take 8 working days (overtime) totaling 134 hours excluding lead time for materials purchase. The 134 hours of overtime allows a small three-person team to work during trenching and installing master valves. The connection and installation of irrigation components will be completed by the City's Irrigation Repair Technician and Park Maintenance Lead Worker.

City staff received pricing for the irrigation parts from Site One Landscape Supply. All material is available. Staff also requested pricing from JHM Landscape and Sprinkler Supply and Imperial Sprinkler Supply.

Schedule

The project will begin shortly after funding is awarded and will be completed by March 15, 2024.

Budget

The project cost is estimated at **\$99,095.40**, with a 5% contingency of **\$4,954.77** for a total project cost of **\$104,050.17**. Additionally, City staff recommends completing this overtime work to ensure that the project does not affect current projects and daily work schedules.

3. Reporting

City staff will provide documentation which includes invoices, staff timesheets, plans, photos, updates, materials used, a budget breakdown, and all other information related to the project. The District and the City will have meetings on an as-needed basis.

To comply with quarterly reporting requirements, formal updates will be provided on or before December 18, 2023, and March 15, 2024.

The City will also provide the District with an estimate of the yearly water savings in acre-feet for each park.

4. Justification Letter

To bypass the request for proposal process required by the Prop 84 grant, the City must write a justification letter for the reasoning for their Sole Source Agreement and reason why they should be able to bypass the request for proposal process.

5. Project Completion

Installation and reporting must be complete and submitted by March 15th, 2024.

Reimbursement:

The City will be reimbursed for all project costs within 6 months of the project completion date. This time frame allows for the reporting submittals to get to the Department of Water Resources which is funding Prop 84, to reimburse Gateway Management Authority which usually takes 2-3 months, and pass through the District which may take 4-8 weeks.

By signing below, the City understands that it is obligated to pay any funding amounts if any portion of the project goes unfulfilled at the time of the projection completion date.

This agreement is effective once signed by the District and the City and continues through June 30, 2024, or until a replacement agreement is approved and implemented by the District and signed by the City, whichever comes first. Funding may not be applied retroactively. This funding authorization is effective only for the designated period or until a new authorization is received and approved by the District.

By signing, the District and the City agree to these terms.

Central Basin Municipal Water District



Authorizing Signature General Manager/Designee **November 16th, 2023**
Date

PARTICIPANT AGENCY: City of Lakewood

Authorizing Signature General Manager/Designee _____
Date

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COUNCIL AGENDA

December 12, 2023

TO: The Honorable Mayor and City Council

SUBJECT: Extension of Agreement between the City of Lakewood and Care Solace, Inc.

INTRODUCTION

At its June 27, 2023 meeting, the City Council approved a pilot program with Care Solace, Inc. to provide mental health care coordination services to all City of Lakewood residents. The six-month pilot program commenced on August 1, 2023 and is set to expire on January 31, 2024. This report evaluates the program's effectiveness, and if the City Council desires, the agreement can be extended until June 30, 2024.

STATEMENT OF FACT

Care Solace is an online resource with a live 24/7 concierge meant to assist individuals in finding local mental health related programs, substance use treatment providers and counseling services. They serve as the central hub of mental health care by helping people navigate through the confusing and bureaucratic maze involved with both public and private mental health providers.


In implementing the program, city staff worked with Care Solace to train front line staff and promoting the free program to community members. Residents can access the program multiple ways. First is via a custom Care Solace city website, where community members can access the network anonymously and initiate the care. There is also a way to call for people who do not have Internet access. As mentioned above, community members can also access the program through our city employees. All of these contact methods lead to what is called a "Warm Handoff," where once the person in need of help is put in the system, Care Solace takes over. Their team, based on the request, will coordinate with their service providers in their network to match the person with the provider. They will also be the ones to set up appointments, follow-ups and other care as necessary. This happens whether or not the person has insurance. This service removes one of the largest barriers to getting effective mental health care by eliminating the research and guesswork on the part of the requester.

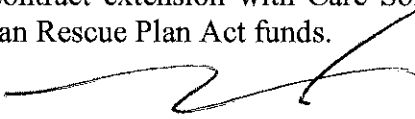
To promote the service, the city has been spreading the message through different channels, including the Care Solace Lakewood website that was mentioned above. Staff also posts regular social media and Lakewood Connect e-Magazine articles. The resource is also promoted and mentioned at city events and presentations were made to community partners and stakeholders.

Since the service's implementation, the community's reaction to the service has been positive. Key performance indicators, including inbound interactions, outbound communications and resident-initiated cases have been trending upwards. Most importantly, since August 2023, the service has resulted in 20 appointments into care. These are 20 people that likely would otherwise not have had the ability to secure those appointments on their own. For the first five months of the pilot program, the service has proved to be an important resource for the Lakewood community and should be continued until June 30, 2024.

RECOMMENDATION

That the City Council approve the five-month contract extension with Care Solace, Inc. until June 30, 2024 and appropriate \$28,125 of American Rescue Plan Act funds.

Paolo Beltran 
Deputy City Manager


Thaddeus McCormack
City Manager

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*Successor
Agency*

SUCCESSOR AGENCY AGENDA

December 12, 2023

TO: The Honorable Successor Agency to the former Redevelopment Agency to the City of Lakewood

SUBJECT: Recognized Obligation Payment Schedule (ROPS) for July 1, 2024 through June 30, 2025 – ROPS 24-25 and Administrative Budget FY 24-25

INTRODUCTION

The Successor Agency is required to submit an annual ROPS pursuant to California Health and Safety Code Section 34177(o)(1) to the county auditor controller and Department of Finance (DOF) no later than February 1st, with an annual amendment process as stated in Section 34177(o)(1)(E).

STATEMENT OF FACT

The ROPS 24-25 includes the following updates:

- As adopted by Oversight Board Resolution No. OB-2016-3 and as allowed by H&S Section 34191.4(b), the loan agreements between the redevelopment agency and the low and moderate income housing fund are available for repayment starting in FY 19-20. This includes the Educational Revenue Augmentation Fund (ERAF) loan outstanding in the amount of \$90,492, the Supplemental Educational Revenue Augmentation Fund (SERAF) loans totaling \$685,864, and the \$1,085,310 deferred housing funds. Repayment is subject to the calculation set forth by H&S Section 34191.4(b)(3)(A). Repayment of housing loans has priority over repayment of any other loans to the city.
- Per H&S Code 34191.4(b) upon issue of finding of completion by the DOF and approval of the oversight board, loan agreements entered into between the redevelopment agency and the city shall be deemed to be enforceable and shall be recalculated at three percent. Twenty percent of repayment is to be set-aside for The Housing Successor Agency. Loans will be re-assessed at four percent after DOF approval of the Last and Final ROPS.
- Per DOF's letter dated December 17, 2015, they approved the unfunded pension obligations but asked that the liabilities calculation be based on the fixed amount from 2012 and not the one updated in 2013, as originally requested by the Agency. CalPERS recalculates liabilities annually to reflect new factors. The Agency's stance is that although the Successor Agency ceased to exist in January 2012, the liabilities continue to change therefore the calculation should be updated accordingly.

RECOMMENDATION

It is recommended that the City Council approve the Recognized Obligations Payment Schedule for July 1, 2024 Through June 30, 2025 – ROPS 24-25 and the Administrative Budget for FY 24-25.



Jose Gomez
Director of Finance & Administrative Services



Thaddeus McCormack
City Manager

Successor Agency to the former Lakewood Redevelopment Agency
Administrative Budget
Fiscal Year 2024-2025

Expense Category	Annual Cost to the Successor Agency	Requested Admin Allowance	ROPS 24-25 A JUL- DEC 2024	ROPS 24-25 B JAN- JUN 2025	Description
<i>Personnel Expenses</i>					
City Manager	35,183				Overall administration of the Successor Agency (SA), reviews SA agendas and reports, reviews SA budget, provides legal guidance to the SA, and maintains SA online documents. Compiles and reviews SA agendas and reports, gathers and retains SA documents, and monitors SA records.
Deputy City Manager	26,998				
City Attorney	20,702				
City Clerk	18,258				
Assistant City Clerk	12,823				
Director of Finance and Administrative Services	63,007				Prepares the Recognized Obligation Payment Schedule (ROPS), Prior Period Adjustment (PPA), Meet & Confer forms as required by the H&S Code. Prepares the staff reports and resolutions for the SA and Oversight Board (OB). Coordinates and answer questions for the OB, LA County Board of Supervisor Executive Office, LA County Auditor-Controller, DOF, and other agencies; monitors and reconciles incoming and outgoing cash flow. Processes the disbursements of obligations,
Asst. Director of Finance and Administrative Services	36,516				
Senior Accountant	14,945				
Accountant	11,070				
Accounting Technician	9,959				
Personnel Subtotal	249,463	225,500	112,750	112,750	
<i>Services and Contractual Expenses</i>					
Accounting and Auditing	5,000				Audits, accounting services, and other financial-related services Financial systems used to track and account for successor agency activities Supplies, office overhead, and other related expenses
Professional Services	5,000				
Overhead and Departmental Supplies	14,500				
Services and Contractual Subtotal	24,500	24,500	12,250	12,250	
Total Expenses	273,963	250,000	125,000	125,000	

Recognized Obligation Payment Schedule (ROPS 24-25) - Summary
Filed for the July 1, 2024 through June 30, 2025 Period

Successor Agency: Lakewood
County: Los Angeles

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	24-25A Total (July - December)	24-25B Total (January - June)	ROPS 24-25 Total
A Enforceable Obligations Funded as Follows (B+C+D)	\$ -	\$ -	\$ -
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	\$ 1,864,832	\$ 2,173,786	\$ 4,038,618
F RPTTF	1,739,832	2,048,786	3,788,618
G Administrative RPTTF	125,000	125,000	250,000
H Current Period Enforceable Obligations (A+E)	\$ 1,864,832	\$ 2,173,786	\$ 4,038,618

Certification of Oversight Board Chairman:

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

Name Title

/s/ _____
Signature Date

Lakewood
Recognized Obligation Payment Schedule (ROPS 24-25) - ROPS Detail
July 1, 2024 through June 30, 2025

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 24-25 Total	ROPS 24-25A (Jul - Dec)					24-25A Total	ROPS 24-25B (Jan - Jun)					24-25B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								\$18,665,752		\$4,038,618	\$-	\$-	\$-	\$1,739,832	\$125,000	\$1,864,832	\$-	\$-	\$-	\$2,048,786	\$125,000	\$2,173,786
7	County Deferral	Unfunded Liabilities	06/27/1989	06/30/2042	County of Los Angeles	County Deferral Loan	Project Area 2	756,943	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
9	Housing Fund Deficit	Unfunded Liabilities	06/30/1999	06/30/2022	Low and Moderate Income Housing Fund	Housing fund deficit repayments (HSC section 3334.6(d))	Project Area 1	1,085,310	N	\$1,085,310	-	-	-	-	-	\$-	-	-	-	1,085,310	-	\$1,085,310
17	Administrative Costs	Admin Costs	07/01/2020	06/30/2022	City of Lakewood	Administrative costs including staff, audit, payroll, legal, and other administrative costs.	All Project Areas	250,000	N	\$250,000	-	-	-	-	125,000	\$125,000	-	-	-	-	125,000	\$125,000
18	LMIHF Loan (SERAF)	SERAF/ ERAF	05/10/2010	06/30/2042	Low and Moderate Income Housing Fund	Loan for SERAF payment to County for FY 09/10 (HSC section 33690 (c)(1))	All Project Areas	23,756	N	\$23,756	-	-	-	23,756	-	\$23,756	-	-	-	-	-	\$-
19	LMIHF Loan (SERAF)	SERAF/ ERAF	05/04/2011	06/30/2042	Low and Moderate Income Housing Fund	Loan for SERAF payment to County for FY 10/11 (HSC section 33690 (c)(1))	All Project Areas	662,108	N	\$662,108	-	-	-	662,108	-	\$662,108	-	-	-	-	-	\$-
20	LMIHF Loan (ERAF)	SERAF/ ERAF	05/10/2005	06/30/2042	Low and Moderate Income Housing Fund	Loan for ERAF payment to County for FY 04/05 (HSC section 33681.12 (b))	All Project Areas	90,492	N	\$90,492	-	-	-	90,492	-	\$90,492	-	-	-	-	-	\$-
21	City Loans and Advances to Agency	City/ County Loan (Prior 06/	12/17/1985	06/30/2042	City of Lakewood	Loans for development and financial assistance of	All Project Areas	11,096,153	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 24-25 Total	ROPS 24-25A (Jul - Dec)					24-25A Total	ROPS 24-25B (Jan - Jun)					24-25B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
		28/11), Cash exchange				Project Areas 1, 2, and 3 (80%)																
22	City Loans and Advances to Agency	City/ County Loan (Prior 06/28/11), Cash exchange	12/17/1985	06/30/2042	Lakewood Housing Successor	Loans for development and financial assistance of Project Areas 1, 2, and 3 (20%)	All Project Areas	2,774,038	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
30	Proportional Share of Unfunded Pension Liabilities	Unfunded Liabilities	01/01/2020	06/30/2022	City of Lakewood	Obligation to Share in Payment of Unfunded Liabilities	All Project Areas	1,926,952	N	\$1,926,952	-	-	-	963,476	-	\$963,476	-	-	-	963,476	-	\$963,476

Lakewood
Recognized Obligation Payment Schedule (ROPS 24-25) - Report of Cash Balances
July 1, 2021 through June 30, 2022
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (I), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.							
A	B	C	D	E	F	G	H
	ROPS 21-22 Cash Balances (07/01/21 - 06/30/22)	Fund Sources					Comments
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF	
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	
1	Beginning Available Cash Balance (Actual 07/01/21) RPTTF amount should exclude "A" period distribution amount.				542,924	787,935	
2	Revenue/Income (Actual 06/30/22) RPTTF amount should tie to the ROPS 21-22 total distribution from the County Auditor-Controller					963,049	
3	Expenditures for ROPS 21-22 Enforceable Obligations (Actual 06/30/22)					963,049	
4	Retention of Available Cash Balance (Actual 06/30/22) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)				542,924	787,935	Retained for ROPS 22/23
5	ROPS 21-22 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 21-22 PPA form submitted to the CAC		No entry required				
6	Ending Actual Available Cash Balance (06/30/22) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$-	\$-	\$-	\$-	\$-	

Lakewood
Recognized Obligation Payment Schedule (ROPS 24-25) - Notes
July 1, 2024 through June 30, 2025

Item #	Notes/Comments
7	
9	
17	
18	Per H&S Code 34191.4(b)(3)(A) the maximum repayment amount authorized each fiscal year for repayments shall be equal to one-half of the increase between the amount distributed to the taxing entities and the amount distributed to taxing entities 2012-13 base year. Listed is the estimated maximum RPTTF available for distribution to Lakewood Successor Agency to repay approved ERAF/ SERAF loans.
19	Per H&S Code 34191.4(b)(3)(A) the maximum repayment amount authorized each fiscal year for repayments shall be equal to one-half of the increase between the amount distributed to the taxing entities and the amount distributed to taxing entities 2012-13 base year. Listed is the estimated maximum RPTTF available for distribution to Lakewood Successor Agency to repay approved ERAF/ SERAF loans.
20	Per H&S Code 34191.4(b)(3)(A) the maximum repayment amount authorized each fiscal year for repayments shall be equal to one-half of the increase between the amount distributed to the taxing entities and the amount distributed to taxing entities 2012-13 base year. Listed is the estimated maximum RPTTF available for distribution to Lakewood Successor Agency to repay approved ERAF/ SERAF loans.
21	
22	
30	Per DOF letter dated December 17, 2015, the DOF approved the unfunded pension obligation but stated that liabilities calculation be based on the dissolution year 2012 and not 2013 as originally requested by the Agency. CalPERS recalculated pension liabilities in 2013 to reflect new factors such as mortality rate. The Agency's stance is that although the Successor Agency ceased to exist in January 2012, the liabilities continue to exist, therefore, calculation should be updated accordingly.