



AGENDA
CITY COUNCIL/SUCCESSOR AGENCY/STANTON HOUSING AUTHORITY
JOINT REGULAR MEETING
STANTON CITY HALL, 7800 KATELLA AVENUE, STANTON, CA
TUESDAY, MARCH 14, 2023 - 6:30 P.M.

SAFETY ALERT – NOTICE REGARDING COVID-19

The President, Governor, and the City of Stanton have declared a State of Emergency as a result of the threat of COVID-19. On September 17, 2021, Governor Newsom signed AB 361 related to the Brown Act and remote meetings during the state of emergency. AB 361 allows local agencies to continue to conduct remote or “Zoom” meetings during a declared State of Emergency. Pursuant to AB 361, please be advised that some or all of the Stanton City Council members may participate in meetings via teleconference (*electronically/telephonically*). The health and well-being of our residents is the top priority for the City of Stanton, and you are urged to take all appropriate health safety precautions given the health risks associated with COVID-19.

PUBLIC ACCESS IN-PERSON AND VIA TELECONFERENCE
(Electronically / Telephonically)

Attendance by the members of the public may view the meeting live in one of the following ways:

- Attend in person - City Council Chambers: 7800 Katella Avenue, California 90680.
- Via Teleconference (electronically / telephonically) - Zoom:

In order to join the meeting via telephone please follow the steps below:

1. Dial the following phone number +1 (669) 444-9171 (US).
2. Dial in the following **Meeting ID: (825 3129 2336)** to be connected to the meeting.

In order to join the meeting via electronic device please utilize the Zoom URL link below:

- <https://us02web.zoom.us/j/82531292336?pwd=eUNXcE1GMGpWaGlnMDJvdjJzTWNwUT09>

ANY MEMBER OF THE PUBLIC WISHING TO PROVIDE PUBLIC COMMENT FOR ANY ITEM ON THE AGENDA MAY DO SO AS FOLLOWS:

- Attend in person and complete and submit a request to speak card to the City Clerk.
- E-Mail your comments to Pvazquez@StantonCA.gov with the subject line “PUBLIC COMMENT ITEM #” (*insert the item number relevant to your comment*). Comments received no later than 5:00 p.m. before the scheduled meeting will be compiled, provided to the City Council, and made available to the public before the start of the meeting. Staff will not read e-mailed comments at the meeting. However, the official record will include all e-mailed comments received until the close of the meeting.

Should you have any questions related to participation in the City Council Meeting, please contact the City Clerk’s Office at (714) 890-4245 or via e-mail at Pvazquez@StantonCA.gov.

In compliance with the Americans With Disabilities Act, if you need special assistance to participate in this meeting, please contact the Office of the City Clerk at (714) 890-4245. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to this meeting.

The City Council agenda and supporting documentation is made available for public review and inspection during normal business hours in the Office of the City Clerk, 7800 Katella Avenue, Stanton California 90680 immediately following distribution of the agenda packet to a majority of the City Council. Packet delivery typically takes place on Thursday afternoons prior to the regularly scheduled meeting on Tuesday. The agenda packet is also available for review and inspection on the city's website at www.ci.stanton.ca.us.

- 1. CLOSED SESSION None.**

- 2. CALL TO ORDER STANTON CITY COUNCIL / SUCCESSOR AGENCY / HOUSING AUTHORITY JOINT REGULAR MEETING (6:30 PM)**

- 3. PLEDGE OF ALLEGIANCE**

- 4. ROLL CALL** Council / Agency / Authority Member Taylor
Council / Agency / Authority Member Torres
Council / Agency / Authority Member Warren
Mayor Pro Tem / Vice Chairperson Van
Mayor / Chairman Shawver

- 5. SPECIAL PRESENTATIONS AND AWARDS**

Presentation by the Orange County Fire Authority regarding lithium-ion batteries.

- 6. CONSENT CALENDAR**

All items on the Consent Calendar may be acted on simultaneously, unless a Council/Board Member requests separate discussion and/or action.

CONSENT CALENDAR

- 6A. MOTION TO APPROVE THE READING BY TITLE OF ALL ORDINANCES AND RESOLUTIONS. SAID ORDINANCES AND RESOLUTIONS THAT APPEAR ON THE PUBLIC AGENDA SHALL BE READ BY TITLE ONLY AND FURTHER READING WAIVED**

RECOMMENDED ACTION:

City Council/Agency Board/Authority Board waive reading of Ordinances and Resolutions.

6B. APPROVAL OF WARRANTS

City Council approve demand warrants dated February 10, 2023 – February 23, 2023, in the amount of \$560,730.50.

6C. APPROVAL OF MINUTES

1. City Council/Successor Agency/Housing Authority approve Minutes of Joint Regular Meeting – February 28, 2023; and
2. City Council approve Minutes of Special Meeting – March 7, 2023.

6D. JANUARY 2023 INVESTMENT REPORT

The Investment Report as of January 31, 2023, has been prepared in accordance with the City’s Investment Policy and California Government Code Section 53646.

RECOMMENDED ACTION:

1. City Council find that this item is not subject to California Environmental Quality Act (“CEQA”) pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Receive and file the Investment Report for the month of January 2023.

6E. JANUARY 2023 INVESTMENT REPORT (SUCCESSOR AGENCY)

The Investment Report as of January 31, 2023, has been prepared in accordance with the City’s Investment Policy and California Government Code Section 53646.

RECOMMENDED ACTION:

1. Successor Agency find that this item is not subject to California Environmental Quality Act (“CEQA”) pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Receive and file the Investment Report for the month of January 2023.

6F. JANUARY 2023 GENERAL FUND REVENUE AND EXPENDITURE REPORT; HOUSING AUTHORITY REVENUE AND EXPENDITURE REPORT; AND STATUS OF CAPITAL IMPROVEMENT PROGRAM

The Revenue and Expenditure Report for the month ended January 31, 2023, has been provided to the City Manager in accordance with Stanton Municipal Code Section 2.20.080 (D) and is being provided to City Council. This report includes information for both the City's General Fund and the Housing Authority Fund. In addition, staff has provided a status of the City's Capital Improvement Projects (CIP) as of January 31, 2023.

RECOMMENDED ACTION:

1. City Council find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Receive and file the General Fund and Housing Authority Fund's January 2023 Revenue and Expenditure Report and Status of Capital Improvement Projects for the month ended January 31, 2023.

6G. ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR 2021-22 AND RELATED AUDIT REPORTS

Each year the City issues an Annual Comprehensive Financial Report (ACFR), which summarizes the financial activity of a local government for a given fiscal year in accordance with financial statement presentation requirements prescribed by government accounting standards (Attachment A). The ACFR is accompanied by an opinion from the City's audit firm. The audit firm's opinion on the City's 2021-22 ACFR is a clean opinion, with no exceptions, modifications, or qualifications. (The audit firm also issued a separate report for the Housing Authority's 2021-22 audited financial statements. The report included in Attachment B also includes a clean opinion with no exceptions, modifications, or qualifications from the audit firm.) In addition, the City's auditors issue other reports in relation to the City's audit. These reports are provided in Attachments C through E. (Attachment D, page 2 includes one recommendation that the City corrected during the Fiscal Year 2021-22 audit.)

RECOMMENDED ACTION:

1. City Council find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Receive and file the Annual Comprehensive Financial Report (ACFR), and related audit reports.

6H. AWARD OF CONSTRUCTION CONTRACT FOR THE STANTON CITY HALL FIRE ALARM UPGRADE PROJECT

The existing fire alarm system at Stanton City Hall is due for an upgrade as the system is no longer compliant with the current Fire Code and long past its life expectancy. City staff is recommending award of contract to Climatec, LLC to provide design and construction services to upgrade City Hall's Fire Alarm System.

RECOMMENDED ACTION:

1. City Council find that the project is categorically exempt under the California Environmental Quality Act ("CEQA"), Class 1, Section 15301(a) as alteration of existing public facilities; and
2. Waive the competitive bidding requirements in the City's purchasing policy for this procurement; and
3. Award a construction contract to Climatec, LLC to provide professional engineering and construction services to upgrade the fire alarm system for the amount of \$182,376; and
4. Authorize the City Manager to bind the City of Stanton and Climatec, LLC in a contract for the project; and
5. Authorize the City Manager to approve contract change orders, not to exceed \$17,500.

END OF CONSENT CALENDAR

- 7. PUBLIC HEARINGS None.**

8. UNFINISHED BUSINESS

8A. HOLD THE SECOND READING OF AN ORDINANCE TO AMEND THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM CONTRACT WITH THE CITY OF STANTON - APPROVAL OF ORDINANCE NO. 1129

This Ordinance was introduced at the regular City Council meeting of February 14, 2023. The City Council will hold the second reading of Ordinance No. 1129 to amend the California Public Employees' Retirement System Contract with the City of Stanton to remove the exclusion language for persons compensated on an hourly basis and to provide for the exclusions of the Intern, Park Ranger, Recreation Leader, and Senior Recreation Leader positions.

RECOMMENDED ACTION:

1. City Clerk read the title of Ordinance No. 1129, entitled:

“AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY COUNCIL OF THE CITY OF STANTON AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM TO REMOVE THE CONTRACT PROVISION EXCLUDING FROM CALPERS MEMBERSHIP “PERSONS COMPENSATED ON AN HOURLY BASIS” PROSPECTIVELY, PURSUANT TO GOVERNMENT CODE SECTIONS 20305 AND 20503”;
and

2. City Council adopt Ordinance No. 1129.

9. NEW BUSINESS

9A. SCHEDULING A BUDGET WORKSHOP

The City Council will consider dates for its budget workshop covering Fiscal Year (FY) 2023-24.

RECOMMENDED ACTION:

1. City Council find that this item is not subject to California Environmental Quality Act (“CEQA”) pursuant to Sections 15378(b)(5)(Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Select a date for the annual budget workshop.

9B. PROPOSED RESOLUTION TERMINATING THE LOCAL EMERGENCY DECLARED BY THE CITY AS A RESULT OF THE COVID-19 PANDEMIC AND RESCINDING COVID-19 RELATED EMERGENCY MEASURES ADOPTED BY THE CITY

Pursuant to state law and the City of Stanton’s (“City”) Municipal Code, the City proclaimed a local emergency in response to the COVID-19 pandemic. The City Council will consider adopting a resolution terminating its COVID-19 local emergency and clarify existing emergency measures issued by the City in response to the COVID-19 pandemic that shall automatically expire following the termination of the local emergency.

RECOMMENDED ACTION:

1. City Council in accordance with the requirements of California Environmental Quality Act (“CEQA”), declare that the project is exempt pursuant to Sections 15378 and Section 15061(b)(3) of the State CEQA Guidelines (Title 14 of the California Code of Regulations); and
2. Declare an end to the City’s COVID-19 local emergency by adopting Resolution No. 2023-05, titled:

“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, TERMINATING THE CITY’S LOCAL EMERGENCY DECLARED BY THE CITY AS A RESULT OF THE COVID-19 PANDEMIC AND RESCINDING COVID-19 RELATED EMERGENCY MEASURES ADOPTED BY THE CITY”.

10. ORAL COMMUNICATIONS - PUBLIC

At this time members of the public may address the City Council/Successor Agency/Stanton Housing Authority regarding any items within the subject matter jurisdiction of the City Council/Successor Agency/Stanton Housing Authority, provided that NO action may be taken on non-agenda items.

- Members of the public wishing to address the Council/Agency/Authority during Oral Communications-Public or on a particular item are requested to fill out a REQUEST TO SPEAK form and submit it to the City Clerk. Request to speak forms must be turned in prior to Oral Communications-Public.
- When the Mayor/Chairman calls you to the microphone, please state your Name, slowly and clearly, for the record. A speaker’s comments shall be limited to a three (3) minute aggregate time period on Oral Communications and Agenda Items. Speakers are then to return to their seats and no further comments will be permitted.
- Remarks from those seated or standing in the back of chambers will not be permitted. All those wishing to speak including Council/Agency/Authority and Staff need to be recognized by the Mayor/Chairman before speaking.

11. WRITTEN COMMUNICATIONS **None.**

12. MAYOR/CHAIRMAN COUNCIL/AGENCY/AUTHORITY INITIATED BUSINESS

12A. COMMITTEE REPORTS/ COUNCIL/AGENCY/AUTHORITY ANNOUNCEMENTS

At this time Council/Agency/Authority Members may report on items not specifically described on the agenda which are of interest to the community provided no discussion or action may be taken except to provide staff direction to report back or to place the item on a future agenda.

12B. COUNCIL/AGENCY/AUTHORITY INITIATED ITEMS FOR A FUTURE MEETING

At this time Council/Agency/Authority Members may place an item on a future agenda.

12C. COUNCIL/AGENCY/AUTHORITY INITIATED ITEMS FOR A FUTURE STUDY SESSION

At this time Council/Agency/Authority Members may place an item on a future study session agenda.

12D. CITY COUNCIL INITIATED ITEM — DISCUSSION REGARDING OBTAINING A LAND LEASE WITH SOUTHERN CALIFORNIA EDISON

At the February 28, 2023, City Council meeting, Council Member Warren requested that this item be agendaized for discussion. Council Member Warren is requesting to discuss the possibility of obtaining a land lease with Southern California Edison for public use of vacant land.

RECOMMENDED ACTION:

City Council provide direction to staff.

12E. CITY COUNCIL INITIATED ITEM — DISCUSSION REGARDING CONSIDERATION FOR A RESOLUTION OF SUPPORT OF THE IRANIAN AMERICAN COMMUNITY

At the February 28, 2023, City Council meeting, Council Member Torres requested that this item be agendaized for discussion. Council Member Torres is requesting to discuss City Council consideration for a resolution of support of the Iranian American community, condemning the violence perpetrated by the government of Iran against its people.

RECOMMENDED ACTION:

City Council provide direction to staff.

12F. CITY COUNCIL INITIATED ITEM — DISCUSSION REGARDING THE CITY’S PERMIT PARKING PROGRAM

At the February 28, 2023, City Council meeting, Council Member Torres requested that this item be agendaized for discussion. Council Member Torres is requesting to hold a discussion regarding revisiting the City’s permit parking program.

RECOMMENDED ACTION:

City Council provide direction to staff.

13. ITEMS FROM CITY ATTORNEY/AGENCY COUNSEL/AUTHORITY COUNSEL

14. ITEMS FROM CITY MANAGER/EXECUTIVE DIRECTOR

14A. ORANGE COUNTY FIRE AUTHORITY

At this time the Orange County Fire Authority will provide the City Council with an update on their current operations.

15. ADJOURNMENT

I hereby certify under penalty of perjury under the laws of the State of California, the foregoing agenda was posted at the Post Office, Stanton Community Services Center and City Hall, not less than 72 hours prior to the meeting. Dated this 9th day of March, 2023.

s/ Patricia A. Vazquez, City Clerk/Secretary

Item: 6B

[Click here to return to the agenda.](#)

CITY OF STANTON ACCOUNTS PAYABLE REGISTER

February 10-February 23, 2023

Electronic Transaction Nos.	2401-2421	\$	300,734.20
Check Nos.	136202-136266	\$	259,996.30

TOTAL	\$	560,730.50
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Demands listed on the attached registers conform to the City of Stanton Annual Budget as approved by the City Council.

/s/ Hannah Shin-Heydorn

City Manager

Demands listed on the attached registers are accurate and funds are available for payment thereof.

/s/ Michelle Bannigan

Finance Director

Accounts Payable

Checks by Date - Detail by Check Number

User: JRodriguez
Printed: 2/27/2023 2:30 PM



Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
2401	JEN14424 PPE 01/28/23	ANA JENSEN Wage Garnishment PPE 01/28/23	02/10/2023	400.00
Total for Check Number 2401:				400.00
2402	PUB15477 PPE 01/28/2023	PUBLIC AGENCY RISK SHARING AUT PARS - PPE 01/28/2023	02/10/2023	1,231.00
Total for Check Number 2402:				1,231.00
2403	GOL1321 January 19	GOLDEN STATE WATER COMPANY Water Services Park Dec 06 - Jan 06	02/10/2023	745.59
Total for Check Number 2403:				745.59
2404	BES12575 953147 956150 956151 956152 956154 956154 956154 956155 956156	BEST BEST & KRIEGER LLP General Fees thru 12-31-2022 SHA Fees thru 12-31-2022 (Riviera) Labor & Unemployment thru 12-31-2022 General Fees thru 12-31-2022 (Litigation) Tina / Pacific Development Fees thru 12-31-2022 Tina / Pacific Development Fees thru 12-31-2022 Tina / Pacific Development Fees thru 12-31-2022 General Fees thru 12-31-2022 DFN 19-0121 Fees thru 12-31-2022 (Tina/ Pacif	02/10/2023	16,694.70 61.20 2,264.40 91.80 1,192.88 1,192.89 1,192.88 336.60 232.95
Total for Check Number 2404:				23,260.30
2405	BEN15755 B07WHR B07WHR	BENEFIT COORDINATORS CORPORAT February Delta Dental - City Share February 2023 Delta Dental - Employee Share	02/10/2023	1,829.42 255.68
Total for Check Number 2405:				2,085.10
2406	OCA2137 SC13749 SC13749 STTM0000633	COUNTY OF ORANGE TREASURER- T 800Mhz 3rd Quarter ST0 Jan-Mar FY 22/23 800Mhz 3rd Quarter ST0 Jan-Mar FY 22/23 800Mhz (ST1) September 2022	02/13/2023	8,801.00 1,129.00 1,002.91
Total for Check Number 2406:				10,932.91
2407	VSP13387 817014164 817014164	VISION SERVICE PLAN - (CA) February 2023 Health Ins- Employer VSP February 2023 Health Ins- Employee VSP	02/10/2023	473.67 55.16
Total for Check Number 2407:				528.83
2408	MET12565 Feb-23 Feb-23	METLIFE SBC January 23 Metlife Dental - City Share January 23 Metlife Dental - Employee Share	02/10/2023	131.78 30.76

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
			Total for Check Number 2408:	162.54
2409	USB3019	US BANK	02/13/2023	
	76 Gas Station	OCS D Motor Officer/Motorcycle Gas		17.56
	7-Eleven	OCS D Motor Officer/Motorcycle Gas		19.55
	Ace Hardware	Asphalt patch		712.63
	Ace Hardware	Asphalt patch		777.87
	Ace Hardware	Roof repair facilities public work yard		78.23
	Amazon	Flash drives/post it notes		36.07
	Amazon	Computer Hardware/Transceiver Fiber Module		49.06
	Amazon	Shredder for office		68.65
	Amazon	Karaoke Machine for Seniors		163.11
	Amazon	Computer Hardware/Computer/(4) Mini PCs		2,009.28
	Amazon	Citywide AED replacement batteries		2,338.15
	Amazon	Computer Hardware/Security Equipment/Camer		717.74
	Amazon	Computer Hardware/Monitors		922.15
	Amazon	Computer Hardware/Computer/Mini PC		506.23
	Amazon	Computer Hardware/(2) Network Switch		954.72
	Amazon	Computer Hardware/(2) Surface Keyboards		217.48
	Amazon	Dusters for computer equipment		62.18
	Amazon	Shade cord for blinds		10.24
	Amazon	Computer Hardware/(4) Monitors		511.52
	Amazon	Computer Hardware/Computer/(3) Mini PCs		2,544.42
	Amazon	Computer Hardware/Computer/(3) Mini PCs		2,544.42
	Amazon	Computer Hardware/Security Equipment/Camer		1,522.50
	Amazon	sharpie pens		5.30
	Amazon	Public Safety Clothing/Raincoat		49.26
	Amazon	Small Electronic Accessories/Adapters		436.10
	Amazon	OST Supplies:Glue Sticks, Pencil Sharpener		25.05
	Amazon	Computer Hardware/(4) Power Adapter Chargers		100.00
	Amazon	Replacement BBQ for Premier Park		343.45
	Amazon	Computer Hardware/Computer/(3) Mini PCs		2,544.42
	Amazon	Binders, divider tabs and cord condensers for off		41.65
	Amazon	Stapler for office		7.93
	Amazon	Computer Hardware/Computer/Mini PC		2,024.92
	Amazon	Small Electronic Accessories/Splitter Power Plug		212.00
	Amazon	Public Safety Supplies/Air purifier filters		27.18
	Amazon	OST Supplies:Pencil Lead		8.61
	Amazon	(1) Yonisee Desk Chair/Senior Acct Tech/Carla		130.48
	Amazon	Computer Hardware/Dual-Band Access Point		302.31
	Amazon	Computer Hardware/Computer/Mini PC		902.61
	Amazon	Surface Cover		21.11
	Angels Baseball	Angels Baseball tickets for Teen Night Out		518.00
	Arco am/pm	OCS D Motor Officer/Motorcycle Gas		24.30
	Arco am/pm	OCS D Motor Officer/Motorcycle Gas		22.38
	Azadero Mexican	OCS D/Christmas Holiday Expense		300.00
	Azadero Mexican	OCS D/Christmas Holiday Expense		100.00
	Big Lots	Supplies/OCS D Sub-station		60.07
	Buccaneer Pizza	Refreshements/OCS D Meeting		193.11
	Canva	Monthly Subscription: Graphic Design		12.99
	CEAOC	CEAOC meeting for February		50.00
	Certifix Live S	Dec-2022/Fingerprint Rolling Fees		75.00
	Chevron	OCS D Motor Officer/Motorcycle Gas		23.28
	Chevron	OCS D Motor Officer/Motorcycle Gas		27.09
	Chevron	OCS D Motor Officer/Motorcycle Gas		25.58
	Chevron	OCS D Motor Officer/Motorcycle Gas		24.03
	CMRTA	CMRTA/Membership Dues/F.Ruiz		150.00
	Command Link	Interent Coverage for City/JAN 2023		3,616.69
	Constant Contac	Monthly Subscription: CM Newsletter		35.00

ATTACHMENT A
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Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	Dave & Busters	CSMFO Meeting Expenses (wil be reimbursed b		1,235.51
	Digital Space	JAN-2023/City Website Hosting Service		22.00
	Donut King Wate	Maintenance Worker Interview Panel Supplies		19.29
	Donut King Wate	OCSD Incident Activation/Refreshments		65.40
	El Torito	Maintenance Worker Interview Panel Lunch		70.85
	Facebook/Meta	Social Media Marketing		49.97
	FinalWire	Audit Software Tool/One-time Purchase		219.90
	First Choice Co	Coffee for Yard		246.33
	Food 4 Less	EA for QS Family: \$500 GC & Convenience Fee		505.95
	Garden Grove In	Emergency Hotel Assistance		270.00
	Goldenwest Lawn	Parts for City Repairs		16.30
	Google	200 GB Cloud Space Storage/Sub Renewal/1/12,		29.99
	Google AppSheet	Work Order Program Usage Fee 1/5/23 - 2/5/23		450.00
	Harbor Freight	Water pump to drain streets		1,142.09
	Harbor Freight	Utility Cart for maintenance crew		191.85
	Hilton	Hotel/New Council Member Conf/D.Torres		978.72
	Home Depot	rain gear		64.34
	Home Depot	Supplies for the guys		72.90
	Home Depot	parts for park repair		91.37
	Home Depot	parts for plumbing repair at City Hall		177.06
	Hyatt Regency	NOC Public Safety Task Force Meeting/Sacrame		17.43
	In-N-Out	OCSD Incident Activation/Refreshments		79.93
	Minuteman Press	Reimbursed from CSMFO/Meeting Expenses/SC		260.98
	Mitel	JAN-2022/Mitel Phone System		2,418.18
	National Notary	Notary Commission Renewal: P.Vazquez		779.45
	Office Depot	Yellow Cardstock for Building - Notices		33.48
	Olive Garden	Lunch Mtg/Savanna School Dist/Duperintendent		37.29
	Public Treasury	Credit from Cashier Training Course/Y.Bermude		-25.00
	Public Treasury	Cashier Training Course/Y.Bermudez/1/17/2023		120.00
	Shell Oil	OCSD Motor Officer/Motorcycle Gas		5.13
	Sheraton	CSMFO Conference-Hotel (Bannigan)		243.07
	SiteOne	sand bags for flooding		329.38
	Smart & Final	OCSD Meeting/Refreshments		56.52
	Smart & Final	Supplies for Senior Services		92.92
	Solv	W-2's/1099 Forms		43.40
	Southwest	CSMFO Conference/Sacramento/1/31/23-2/3/23		48.98
	Southwest	CSMFO Conference/Sacramento/1/31/23-2/3/23		88.98
	Southwest	CSMFO Conference-Airfare (Bannigan)		153.98
	Spotify	Monthly Spotify Subscription		9.99
	Staples	Office Supplies		155.95
	Staples	New Staff Office Supplies		224.34
	Starbucks	Maintenance Worker Interview Panel Supplies		20.00
	Starbucks	OCSD Incident Activation/Refreshments		80.00
	Stater Bros	Emergency Meal Assistance		50.00
	Stater Bros	OCSD Meeting/Refreshments		185.02
	Target	Supplies/Disinfectant Spray		20.12
	Target	Emergency Meal Assistance		200.00
	The Grand	Holiday Lunch Catering Remaining balance		2,998.38
	The Toll Road	Motor Deputy/Travel on Toll Road		3.89
	The Toll Roads	Motor Deputy/Travel on Toll Road		11.09
	Travel Inn Mote	Emergency Hotel Assistance		375.00
	Uline	Trash Bags for Yard		998.89
	United Rentals	Rental of hose for flooding on Katella		317.56
	United Rentals	Rental of hose for flooding on Katella		328.43
	VCN New Jersey	New Jersey Records/Birth Certificate/Vital Chec		50.00
	Walters Wholesa	Parts to repair tennis court lights at SCP		53.92
	White Cap	Hose for emergency street flooding		1,026.57
			Total for Check Number 2409:	47,036.73

ATTACHMENT A
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Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
2410	REC16138	RECTRAC REFUNDS	02/13/2023	
	28949	Refund Receipt# 28949 SCP Multi Purpose Room		300.00
	29269	Refund Receipt# 26269 SCP Multi Purpose Room		300.00
	29357	Refund Receipt# 29357 SCP Picnic Shelter/02/0-		150.00
	29446	Refund Receipt# 29446 SCP Picnic Shelter 02/0:		150.00
	29454	Refund Receipt# 29454 SCP Picnic Shelter 02/1:		100.00
	29456	Refund Receipt# 29456 SCP Picnic Shelter 02/0:		100.00
	29470	Refund Receipt# 29470 Cancelled Class		10.00
	29553	Refund Receipt# 29553 SCP Picnic Shelter 02/1:		150.00
	29592	Refund Receipt# 29592 SCP Multi Purpose Room		300.00
	29619	Refund Receipt# 29619 SCP Picnic Shelter 02/1:		100.00
	29648	Refund Receipt# 29648 No longer enrolled		150.00
Total for Check Number 2410:				1,810.00
2411	HOP16467 2023-0001	HOPE CENTER OF ORANGE COUNTY North OC Regional Outreach & Engagement Ser	02/14/2023	82,226.27
Total for Check Number 2411:				82,226.27
2412	INT1569 2/16/2023 2/16/2023 2/16/2023	INTERNAL REVENUE SERVICE (ME) Medicare - Employee Share (FD) Federal Tax Withholding (ME) Medicare - City Share	02/16/2023	2,623.28 21,389.46 2,623.28
Total for Check Number 2412:				26,636.02
2413	EDD1067 2/16/2023 2/16/2023	EDD State Tax Withholding State Unemployment	02/16/2023	8,109.29 411.48
Total for Check Number 2413:				8,520.77
2414	MIS16496 PPE 02/11/2023	MISSIONSQUARE PPE 02/11/2023 - #302393	02/17/2023	3,165.00
Total for Check Number 2414:				3,165.00
2415	CAR15676 2/3/2023	CARL WARREN & COMPANY General Liability Account Fund Replenishment	02/17/2023	385.62
Total for Check Number 2415:				385.62
2416	BES12575 956148 956149	BEST BEST & KRIEGER LLP Code Enforcement Fees thru 12/31/2022 OCS D/Police Fees thru 12/31/2022	02/17/2023	4,154.56 20,991.85
Total for Check Number 2416:				25,146.41
2417	GOL1321 January 27	GOLDEN STATE WATER COMPANY Nov 22 - Jan 04 Water Services Median	02/21/2023	424.97
Total for Check Number 2417:				424.97
2418	AFL187 683832 683832 683832	AFLAC-FLEX ONE February 23 Employee (Life Ins & Disability Ins February 23 Employee (Aflac) - Adjustment L.M February 23 Employee (Aflac)	02/22/2023	149.40 25.90 132.46
Total for Check Number 2418:				307.76
2419	CAS680	CA ST PERS 103	02/22/2023	

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Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	PPE 02/11/23	PERS - Employee's Share T1		1,711.45
	PPE 02/11/23	PERS - Survivor (Employee) T1		7.44
	PPE 02/11/23	PERS - City's Share New T3		5,793.51
	PPE 02/11/23	PERS - Survivor Classic T2		7.44
	PPE 02/11/23	PERS - Employee Classic T2		3,164.61
	PPE 02/11/23	PERS - City's Share Classic T2		3,901.50
	PPE 02/11/23	PERS - City's Share T1		2,657.61
	PPE 02/11/23	PERS - Employee New T3		5,235.07
	PPE 02/11/23	PERS - Survivor New T3		26.04
			Total for Check Number 2419:	22,504.67
2420	CAS683	CA ST PERS-HEALTH BENEFIT	02/22/2023	
	FEB-23	March 23 Health Ins-Retiree Insurance		3,225.00
	FEB-23	March 23 Adm Services Health Ins		158.32
	FEB-23	March 23 Health Ins-City Share		34,703.92
	FEB-23	March 23 Health Ins-Employee		4,978.72
			Total for Check Number 2420:	43,065.96
2421	SOC2734	SO CAL EDISON	02/23/2023	
	02/14/2023	Electric Svc/TinaPacific		123.66
	02/14/2023	Electric Service - Parks Feb		34.09
			Total for Check Number 2421:	157.75
136202	BRU16318	ALAN MATTHEW BRUNI	02/15/2023	
	1720	Entertainment for Family Night Out on 2/17/202		350.00
			Total for Check Number 136202:	350.00
136203	ACE13161	ACE LASER PRINTER SERVICE	02/23/2023	
	10188	Toner/ IT		256.45
	10188	Toner/ P&R		102.36
			Total for Check Number 136203:	358.81
136204	AGU16571	JENNIFER AGUILAR	02/23/2023	
	29220	Refund Receipt# 29751 SCP Picnic Shelter/02/0-		100.00
			Total for Check Number 136204:	100.00
136205	ALL228	ALL CITY MANAGEMENT SVCS, INC.	02/23/2023	
	83109	School Crossing Guard Services - 1/22/23 - 2/4/2		2,527.20
			Total for Check Number 136205:	2,527.20
136206	All11857	ALLIANT INSURANCE SERVICES INC	02/23/2023	
	03.31.2022	Payment for January-March 2022 Insurance		1,751.00
			Total for Check Number 136206:	1,751.00
136207	ATT377	AT&T	02/23/2023	
	19504359	Corporate Yard Feb		446.87
	2/14/2023	Cerritos/ Knott - Jan		24.70
	2/14/2023	Cerritos/ Dale - Jan		24.70
			Total for Check Number 136207:	496.27
136208	ATL16020	ATLAS PLANNING SOLUTIONS	02/23/2023	
	1471	JAN-23/ Local Hazard Mitigation Plan Prep		2,695.00

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Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
			Total for Check Number 136208:	2,695.00
136209	AUT12223 4072743302	AUTOZONE INC. Parts to repair fleet vehicles	02/23/2023	44.57
			Total for Check Number 136209:	44.57
136210	BEA14942 17962 18044	BEAR ELECTRICAL SOLUTIONS, INC Maintenance Service - Jan Response Service - Jan	02/23/2023	1,045.00 3,366.00
			Total for Check Number 136210:	4,411.00
136211	BGB16246 104201	BGB DESIGN GROUP, INC Design services for Orangewood Parkette	02/23/2023	3,750.00
			Total for Check Number 136211:	3,750.00
136212	BLA16248 22-2964-5	BLACK O'DOWD AND ASSOCIATES, IN Design Services for Family Resource Center Rer	02/23/2023	3,370.00
			Total for Check Number 136212:	3,370.00
136213	BOY13501 2023M	BOYS & GIRLS CLUBS OF GARDEN GI Contractual Services (FaCT) Boys & Girls Club	02/23/2023	4,747.01
			Total for Check Number 136213:	4,747.01
136214	BUC16516 384-01.02	BUCKNAM INFRASTRUCTURE GROU Pavement Management Plan Update	02/23/2023	4,320.00
			Total for Check Number 136214:	4,320.00
136215	C3O13388 INV157131 INV157131	C3 TECHNOLOGY SERVICES Sharp Copiers/ All Facilities/ Rental Equipment Sharp Copiers/ Maintenance 1/9/23 to 2/8/23	02/23/2023	1,679.00 1,879.80
			Total for Check Number 136215:	3,558.80
136216	CAA556 31683	CA AUTO & BRAKE INC Oil change to pool car	02/23/2023	84.38
			Total for Check Number 136216:	84.38
136217	CAS662 635038	CA ST DEPT OF JUSTICE JAN2023/ FINGERPRINTS	02/23/2023	147.00
			Total for Check Number 136217:	147.00
136218	CAS685 SL230475	CA ST TRANSPORTATION DEPT City of Stanton's portion of Signals & Lighting u	02/23/2023	9,224.95
			Total for Check Number 136218:	9,224.95
136219	CAL16221 14732 14732 14733 14733 14734 14734	CALIFORNIA WATERS Splash Pad Maintenance-Harry Dotson Park-DE Splash Pad Maintenance-Stanton Central Park-D Splash Pad Maintenance-Harry Dotson Park-JA Splash Pad Maintenance-Stanton Central Park-J Splash Pad Maintenance-Stanton Central Park-F Splash Pad Maintenance-Harry Dotson Park-FEI	02/23/2023	622.50 622.50 622.50 622.50 622.50 622.50

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Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
			Total for Check Number 136219:	3,735.00
136220	CAR630 2022-264512	CARE AMBULANCE SERVICE INC Ambulance Service/ Dorothy Burg/ Svc Date: 9/	02/23/2023	100.00
			Total for Check Number 136220:	100.00
136221	CLA13716 100006533	CLASSICS FLOWERS & CONFECTION Holiday Luncheon Centerpieces	02/23/2023	218.95
			Total for Check Number 136221:	218.95
136222	CLI14334 957008909	CLIMATEC, LLC Repair gate at City Yard	02/23/2023	615.00
			Total for Check Number 136222:	615.00
136223	FIR1181 82161692	CORELOGIC SOLUTIONS, LLC JAN-2023/ Geographic Package - Realquest	02/23/2023	315.00
			Total for Check Number 136223:	315.00
136224	CYP926 03/11/2023	CYPRESS COLLEGE FOUNDATION Americana Awards/ Benefactor Sponsor/ Reg for	02/23/2023	3,500.00
			Total for Check Number 136224:	3,500.00
136225	CYP925 72711	CYPRESS ENGRAVING (2) Nameplates/name badge/C. Landavazo	02/23/2023	73.95
			Total for Check Number 136225:	73.95
136226	DAV15696 13701	DAVIS FARR LLP Temporary Accounting Services - December	02/23/2023	6,615.00
			Total for Check Number 136226:	6,615.00
136227	DEN15594 3700	DE NOVO PLANNING GROUP Identification of Zoning Code Amend / Through	02/23/2023	3,020.00
			Total for Check Number 136227:	3,020.00
136228	EMP1089 Payment #5	EMPIRE PIPE CLEANING AND EQUIP Catch Basin Cleaning and Hotspot Cleaning	02/23/2023	29,439.69
			Total for Check Number 136228:	29,439.69
136229	FED1155 7-944-05131 8-027-59341	FEDEX FedEx overnight/ catalyst correspondence To be reimbursed from CSMFO/ Delivery Exper	02/23/2023	72.47 42.15
			Total for Check Number 136229:	114.62
136230	FER14172 41	FERNWOOD MOBILE HOME PARK Spur Rental for Stanton Central Park (Novt 2022	02/23/2023	2,575.00
			Total for Check Number 136230:	2,575.00
136231	FRI13695 FY2223-07	FRIENDLY CENTER, INC Contractual Services (FaCT) Friendly Center - J	02/23/2023	6,959.34

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Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
			Total for Check Number 136231:	6,959.34
136232	FUE13027 66771	FUEL PROS, INC Fuel station maintenance and AQMD testing	02/23/2023	1,002.00
			Total for Check Number 136232:	1,002.00
136233	GRA1350 9602687684	GRAINGER, INC. light bulbs	02/23/2023	70.47
			Total for Check Number 136233:	70.47
136234	GRE1360 121757 121757	GREAT SCOTT TREE SERVICE, INC Tree Trimming FY 22/23 (90%) - Jan Tree Trimming FY 22/23 (10%) - Jan	02/23/2023	2,025.00 225.00
			Total for Check Number 136234:	2,250.00
136235	HAR1416 23-0085	HARTZOG & CRABILL INC On-Call Traffic Signal Services Ops. for Jan	02/23/2023	2,018.70
			Total for Check Number 136235:	2,018.70
136236	HOM1491 3534136 FCH-007872110 WE13515436 WP56990859	HOME DEPOT CREDIT SERVICES Locks Late fee charge Dishwasher Supplies for plumbing repairs	02/23/2023	85.29 20.00 592.08 187.71
			Total for Check Number 136236:	885.08
136237	INT1579 FY2223-07STN	INTERVAL HOUSE Contractual Services (FaCT) Interval House - Jan	02/23/2023	1,433.25
			Total for Check Number 136237:	1,433.25
136238	INF1555 2023010013	IRC, INC Background checks from 01/01/23 to 02/01/23	02/23/2023	535.20
			Total for Check Number 136238:	535.20
136239	HUN12150 STA1FOG12212 STA1MS412212	JOHN L. HUNTER & ASSOCIATES, INC FOG - Dec 22 NPDES - Dec 22	02/23/2023	1,367.50 4,641.25
			Total for Check Number 136239:	6,008.75
136240	KUS1699 1694	KUSUNOKI GARY I Citation Hearings 02/01/23 / 3-IP / 0-W	02/23/2023	100.00
			Total for Check Number 136240:	100.00
136241	LIF16289 28980 28980 29379 29379 29379	LIFE CHRISTIAN CHURCH OF ORANGE Refund Receipt# 28980 Civic Banquet Hall 02/1 Deposit Refund for Life Christian Church 2/5/20 Refund Receipt# 29379 Cancelled 2/14/23 Refund Receipt# 29379 Cancelled 2/14/23 Refund Receipt# 29379 Civic Banquet Hall 01/3	02/23/2023	400.00 400.00 80.00 300.00 600.00
			Total for Check Number 136241:	1,780.00
136242	LON15449	LONG BEACH BMW MOTORCYCLES	02/23/2023	

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	45755	Repairs to sheriff motorcycle		750.38
			Total for Check Number 136242:	750.38
136243	MCA15302 2023014	MCA DIRECT City Council Ord. / Reso./ Min. Archive Books	02/23/2023	885.87
			Total for Check Number 136243:	885.87
136244	MIN15024 36846 36846 36958 36958	MINUTEMAN PRESS (250) Business Cards / ComDev/ C. Landavazo HOC Business Cards / (250) D. Valtierra/ (250) I (250) Business Cards/D.Pelt/Permit Tech (250) Business Cards/C.Castellanos/Plng Tech	02/23/2023	53.81 107.61 53.81 53.80
			Total for Check Number 136244:	269.03
136245	NOO16570 29598	SHAFIQULLAH NOORZAD Refund Receipt# 29598 SCP Multi Purpose Rooi	02/23/2023	300.00
			Total for Check Number 136245:	300.00
136246	ONW16569 6760	ONWARD ENGINEERING Inspection services for permit 22-204 (Western a	02/23/2023	960.00
			Total for Check Number 136246:	960.00
136247	PBK16444 4	PBK ARCHITECTS INC Design Services for Norm Ross Sports Park	02/23/2023	15,200.00
			Total for Check Number 136247:	15,200.00
136248	PER11879 INV31	PERMA PERMA Liability Account Replenishment	02/23/2023	32,100.00
			Total for Check Number 136248:	32,100.00
136249	PET14941 33558270	PETS BEST Pet Insurance February 2023	02/23/2023	171.73
			Total for Check Number 136249:	171.73
136250	PSI11874 37899	PSI Tagnators Graffiti remover	02/23/2023	328.64
			Total for Check Number 136250:	328.64
136251	QUA15782 2023-02 2023-02-PR	QUALITY MANAGEMENT GROUP, INC Property Management Svcs for Tina Pacific Dev CM & Maintenance Salaries for Tina Pacific Dev	02/23/2023	6,250.00 8,016.66
			Total for Check Number 136251:	14,266.66
136252	RAN16475 2/9/2023	CESAR RANGEL Tuition Reimbursement / Cesar Rangel	02/23/2023	180.00
			Total for Check Number 136252:	180.00
136253	RJM2515 35529 35542	RJM DESIGN GROUP INC Design for Premier Park Renovation Project Stanton Parks Master Plan Project #789.05- Serv	02/23/2023	16,030.80 8,306.60

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
			Total for Check Number 136253:	24,337.40
136254	SOC12606 614186 614187 615112 615113	SO CAL INDUSTRIES Fence Rental for 10652 Bell Street - Feb Fence Rental for Magnolia Ave./Tina Way - Feb Fence Rental-8910-8920 Pacific-FEB Fence Rental-8910-8920 Pacific-FEB	02/23/2023	59.11 603.27 231.21 208.58
			Total for Check Number 136254:	1,102.17
136255	WAT13601 28765	SOUTHLAND AUTOMOTIVE WORKS Replace 4 tires on 2018 Ford F-550	02/23/2023	1,137.00
			Total for Check Number 136255:	1,137.00
136256	SPE14381 12363020123	SPECTRUM Cable Services / Feb 2023	02/23/2023	102.34
			Total for Check Number 136256:	102.34
136257	STA2817 1646719134 1646719134 1646719134 1646719134	STAPLES BUSINESS CREDIT Council Supplies/ Coffee Supplies Office Supplies/ Facilities CREDIT / Office Supplies/ Parks & Rec Supplies/ Building Maintenance	02/23/2023	95.67 131.52 -8.41 336.67
			Total for Check Number 136257:	555.45
136258	TAI14271 154061 155681	TAIT & ASSOCIATES INC Site Plan for Stanton Park Adult Fitness Equipm Prepare Site Plan Needed for Stanton Park Licen	02/23/2023	1,202.50 938.75
			Total for Check Number 136258:	2,141.25
136259	THA13154 3143	THALES CONSULTING INC FY 2022/2023 Annual State Controllers Report	02/23/2023	2,550.00
			Total for Check Number 136259:	2,550.00
136260	THO13835 43060913 43446191 43661487	THOMSON INC Repair mini split at Sheriff Station - leak test Inspected Daikin VRV System at City Yard Diagnosed Daikin VRV System at City Yard	02/23/2023	259.00 265.00 530.00
			Total for Check Number 136260:	1,054.00
136261	TRU16548 2203	TRUELINE CONSTRUCTION & SURFA Resurfacing Basketball Courts @ Stanton Centra	02/23/2023	19,218.60
			Total for Check Number 136261:	19,218.60
136262	TRU13167 650197709	TRULY NOLEN OF AMERICA INC Month pest sprating for Feb 23	02/23/2023	175.00
			Total for Check Number 136262:	175.00
136263	TUS12124 52638	TUSTIN AWARDS INC Plaque/ Plate for Outgoing Mayor Pro Tem R. R.	02/23/2023	186.05
			Total for Check Number 136263:	186.05
136264	TPX16519	U.S. TELEPACIFIC CORP	02/23/2023	

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Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	166925161-0	FY 2022/23 Telecommunications Services-JAN		1,591.30
			Total for Check Number 136264:	1,591.30
136265	VEN13764	VENCO WESTERN INC	02/23/2023	
	0156529-IN	FY 2022/23 Landscaping Services (Streets/Media		3,991.00
	0156529-IN	FY 2022/23 Landscaping Services (Streets/Media		2,046.20
	0156529-IN	FY 2022/23 Landscaping Services (Facilities)-FEI		1,446.90
	0156529-IN	FY 2022/23 Landscaping Services (Parks)-FEB		4,875.00
	0156529-IN	FY 2022/23 Landscaping Services (SCP)-FEB		4,592.00
	0156529-IN	FY 2022/23 Landscaping Services (Parkways/Me		7,911.90
			Total for Check Number 136265:	24,863.00
136266	VIS3077	VISTA PAINT CORP	02/23/2023	
	2023-881184-00	gloves		156.30
	2023-881951-00	graffiti supplies		34.25
	2023-889190-00	Paint supplies		78.89
			Total for Check Number 136266:	269.44
			Report Total (86 checks):	560,730.50

MINUTES OF THE CITY COUNCIL / SUCCESSOR AGENCY / HOUSING AUTHORITY
OF THE CITY OF STANTON
JOINT REGULAR MEETING FEBRUARY 28, 2023

1. **CLOSED SESSION** None.

2. **CALL TO ORDER STANTON CITY COUNCIL / SUCCESSOR AGENCY / HOUSING AUTHORITY JOINT REGULAR MEETING**

The City Council / Successor Agency / Housing Authority meeting was called to order at 6:30 p.m. by Mayor Shawver.

3. **PLEDGE OF ALLEGIANCE**

Led by Ms. Ann Nguyen.

4. **ROLL CALL**

Present: Council/Agency/Authority Member Taylor, Council/Agency/Authority Member Torres, Council/Agency/Authority Member Warren, Mayor Pro Tem/Vice Chairperson Van, and Mayor/Chairman Shawver.

Absent: None.

Excused: None.

5. **SPECIAL PRESENTATIONS AND AWARDS**

A. Presentation by Ms. Ann Nguyen and Ms. Pam Schoonover providing the City Council with a sponsorship update regarding the 2022 Santa's Siren Express event.

~~B. Townsend Public Affairs State and Federal Legislative report and update.~~

Item 5B was tabled for reporting at the March 28, 2023, regularly scheduled City Council meeting.

6. **CONSENT CALENDAR**

Motion/Second: Taylor/Van

ROLL CALL VOTE:	Council/Agency/Authority Member Taylor	AYE
	Council/Agency/Authority Member Torres	AYE
	Council/Agency/Authority Member Warren	AYE
	Mayor Pro Tem/Vice Chairperson Van	AYE
	Mayor/Chairman Shawver	AYE

Motion unanimously carried:

DRAFT

CONSENT CALENDAR

6A. MOTION TO APPROVE THE READING BY TITLE OF ALL ORDINANCES AND RESOLUTIONS. SAID ORDINANCES AND RESOLUTIONS THAT APPEAR ON THE PUBLIC AGENDA SHALL BE READ BY TITLE ONLY AND FURTHER READING WAIVED

The City Council/Agency Board/Authority Board waived reading of Ordinances and Resolutions.

6B. APPROVAL OF WARRANTS

The City Council approved demand warrants dated January 27, 2023 – February 9, 2023, in the amount of \$1,553,054.86.

6C. APPROVAL OF MINUTES

The City Council/Successor Agency/Housing Authority approved Minutes of Joint Regular Meeting – February 14, 2023.

6D. RENEWAL OF AUTHORIZATION FOR VIRTUAL PUBLIC MEETINGS PURSUANT TO AB 361

Consideration of the circumstances of the state of emergency related to the COVID-19 pandemic to determine whether remote teleconference meetings of the City Council, Committees, and Commissions can continue to be held under the provisions of AB 361.

1. The City Council declared that this item is not subject to the California Environmental Quality Act (“CEQA”) pursuant to Sections 15060(c)(2) and 15060(c)(3); and
2. Reconsidered the circumstances of the state of emergency; and
3. Finds that state or local officials have continued to impose or recommend measures to promote social distancing; and
4. Directed staff, no later than 30 days after the City Council approves the recommended action, to report back on the state-proclaimed state of emergency so that City Council may reconsider the circumstances of the emergency, and, if appropriate, make findings to continue to hold virtual meetings of City legislative bodies pursuant to AB 361.

DRAFT

6E. PURCHASE ORDER APPROVAL FOR A GENERATOR FOR THE STANTON COMMUNITY CENTER IMPROVEMENT PROJECT (TASK CODE 2023-603)

The Public Works Department is proposing to purchase a generator for the Stanton Community Center Improvement Project in the amount of \$130,387.74. The generator is an essential piece of equipment that provides a secondary source of power when there is an electric failure and will support the City's ability to deliver essential services to the public during emergencies, including pandemics such as COVID-19.

1. The City Council declared that this action to be categorically exempt under the California Environmental Quality Act ("CEQA"), since the action herein does not constitute a "project" as defined by Section 15378 of the CEQA guidelines; and
2. Declared that the Generac Power Systems, Inc. quote using a Sourcewell purchasing contract is in accordance with the Purchasing and Contracting Guidelines Section 4.13; and
3. Authorized a purchase order for a generator from Generac Power Systems, Inc. in the amount of \$130,387.74.

6F. LICENSE AGREEMENT WITH SOUTHERN CALIFORNIA EDISON FOR STANTON PARK

In order to continue the License Agreement for Stanton Park (Assessor's Parcel Numbers 131-091-19 and 131-091-29) between Southern California Edison (SCE) and the City of Stanton, it is necessary to approve the proposed agreement for a term of five (5) years commencing July 1, 2023 and ending on June 30, 2028. The City will pay SCE the sum of \$6,713.74 for the term of the contract.

1. The City Council declared this action to be categorically exempt under the California Environmental Quality Act, Section 15061(b)(3) as the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment; and
2. Approved Southern California Edison License Agreement No. 9.1976 to continue leasing Assessor's Parcel Numbers 131-091-19 and 131-091-29 for Stanton Park for a five-year period commencing July 1, 2023 to June 30, 2028; and
3. Authorized the City Manager to execute said agreement.

END OF CONSENT CALENDAR

7. PUBLIC HEARINGS None.

DRAFT

8. UNFINISHED BUSINESS

8A. APPROVAL OF ORDINANCE NO. 1127

This Ordinance was introduced at the regular City Council meeting of February 14, 2023.

Staff report by Ms. Patricia A. Vazquez, City Clerk.

Motion/Second: Torres/Van

ROLL CALL VOTE:	Council Member Taylor	AYE
	Council Member Torres	AYE
	Council Member Warren	AYE
	Mayor Pro Tem Van	AYE
	Mayor Shawver	AYE

Motion unanimously carried:

1. The City Clerk read the title of Ordinance No. 1127, entitled:

“AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, AMENDING SECTION 20.400.330 OF THE STANTON MUNICIPAL CODE REGARDING ACCESSORY DWELLING UNITS AND JUNIOR ACCESSORY DWELLING UNITS TO ENSURE CONSISTENCY WITH STATE REGULATIONS”; and

2. The City Council adopted Ordinance No. 1127.

9. NEW BUSINESS

9A. AUTHORIZATION FOR COUNCIL MEMBERS TO ATTEND UPCOMING MEETINGS AND EVENTS

Pursuant to the City of Stanton Travel and Reimbursement policy, a Council Member must receive City Council approval prior to a trip if the trip will exceed \$500. Council will consider the following requests for travel:

- Mayor David J. Shawver
 - Event: Public-Private Partnership Conference & Expo
 - Location: Dallas, TX
 - Dates: March 6 – 8, 2023
- Mayor David J. Shawver
 - Event: League of California Cities 2023 City Leaders Summit
 - Location: Sacramento, CA
 - Dates: April 12 – 14, 2023

DRAFT

- Mayor Pro Tem Hong Alyce Van
 - Event: League of California Cities 2023 City Leaders Summit
 - Location: Sacramento, CA
 - Dates: April 12 – 14, 2023
- Council Member Donald Torres
 - Event: League of California Cities 2023 City Leaders Summit
 - Location: Sacramento, CA
 - Dates: April 12 – 14, 2023.

Presentation by Ms. Hannah Shin-Heydorn, City Manager.

Mayor Shawver rescinded his request to attend the Public-Private Partnership Conference & Expo.

Motion/Second: Warren/Taylor
Motion carried by the following vote:

AYES: 5 (Shawver, Taylor, Torres, Van, and Warren)
NOES: None
ABSTAIN: None
ABSENT: None

Motion unanimously carried:

1. The City Council finds that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5)(Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Authorized Mayor Shawver, Mayor Pro Tem Van, and Council Member Torres to attend the proposed League of California Cities 2023 City Leaders Summit and authorized staff to make a budget adjustment as needed to cover registration and travel costs.

9B. APPROVE THE BUDGET ADJUSTMENTS PROPOSED FOR THE MID-YEAR BUDGET UPDATE FOR FISCAL YEAR 2022/23; AND RATIFY PURCHASE FROM CONTINENTAL COMPUTERS

During the course of the fiscal year, it is often necessary to adjust estimated revenues and expenditure appropriations in various program areas, projects, and funds. All of the proposed changes to the Fiscal Year 2022/23 Adopted Operating Budget, including detailed explanations, are presented in Attachment A.

Overall, General Fund revenue is increasing by \$549,190 and expenditures are increasing by \$348,054 resulting in a net increase of \$201,136, which will increase the General Fund's available fund balance to a revised projected amount of \$26.2 million by June 30, 2023.

DRAFT

In addition to approving the proposed budget adjustments, staff is recommending City Council ratify the payment of \$41,274.46 made to Continental Computers for the Blue Light Camera Program (Attachment F).

Presentation by Ms. Michelle Bannigan, Finance Director.

Motion/Second: Taylor/Warren
Motion carried by the following vote:

AYES: 5 (Shawver, Taylor, Torres, Van, and Warren)
NOES: None
ABSTAIN: None
ABSENT: None

Motion unanimously carried:

1. The City Council finds that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. The City Council approved the budget adjustments summarized in Attachment A; and
3. Ratified the payment of \$41,274.46 to Continental Computers/WLAN Mall for the Blue Light Camera Program.

10. ORAL COMMUNICATION None.

11. WRITTEN COMMUNICATIONS None.

12. MAYOR/CHAIRMAN/COUNCIL/AGENCY/AUTHORITY INITIATED BUSINESS

12A. COMMITTEE REPORTS/COUNCIL/AGENCY/AUTHORITY ANNOUNCEMENTS

- Mayor Pro Tem Van reported on the City's attendance at the grand opening and ribbon cutting ceremony on February 22, 2023 for The Spoon a new Stanton business which features contemporary desserts that combine visual design with unique textures and flavors.
- Mayor Shawver reported on a drive thru food distribution event, which is scheduled to be held on March 18, 2023, at Stanton Park.

DRAFT

12B. COUNCIL/AGENCY/AUTHORITY INITIATED ITEMS FOR A FUTURE COUNCIL MEETING

- Council Member Warren requested to agenda discussion regarding the possibility of obtaining a land lease with Southern California Edison for public use of vacant land.
- Council Member Torres requested to agenda discussion regarding City Council consideration for a resolution of support of the Iranian American community, condemning the violence perpetrated by the government of Iran against its people.

12C. COUNCIL/AGENCY/AUTHORITY INITIATED ITEMS FOR A FUTURE STUDY SESSION

Council Member Torres requested to agenda discussion regarding revisiting the City's permit parking program.

~~12D. CITY COUNCIL INITIATED ITEM — DISCUSSION REGARDING THE CREATION OF A SAFE ZONE FOR VENDING~~

~~At the February 14, 2023, City Council meeting, Mayor Shawver requested that this item be agenda for discussion. Mayor Shawver is requesting to discuss the creation of a safe zone for vending.~~

~~RECOMMENDED ACTION:~~

~~City Council provide direction to staff.~~

Mayor Shawver rescinded his request for Item 12D to be discussed by the City Council and stated that he is currently conducting additional research and prioritizing in depth discussions with various City partners.

13. ITEMS FROM CITY ATTORNEY/AGENCY COUNSEL/AUTHORITY COUNSEL

None.

14. ITEMS FROM CITY MANAGER/EXECUTIVE DIRECTOR

- Ms. Hannah Shin-Heydorn, City Manager reported on the City's upcoming Talk on the Block meeting, which is scheduled to be held on March 22, 2023, at 3:00 PM at the La Lampara Mobile Home Park (Club).
- Ms. Hannah Shin-Heydorn, City Manager, introduced the City's new Community & Economic Development Director Ms. Crystal Landavazo to the City Council and Community.

DRAFT

14A. ORANGE COUNTY SHERIFF'S DEPARTMENT

At this time the Orange County Sheriff's Department will provide the City Council with an update on their current operations.

Captain Charles L. Walters provided the City Council with an update on their current operations.

Ms. Hannah Shin-Heydorn, City Manager expressed her gratitude to all agencies, City partners, and City staff for their efforts and support in response to a three-alarm fire in the 8300 block of Chapman Avenue, Stanton.

15. **ADJOURNMENT** Motion/Second: Shawver/
Motion carried at 7:52 p.m.

MAYOR/CHAIRMAN

ATTEST:

CITY CLERK/SECRETARY

DRAFT

MINUTES OF THE CITY COUNCIL OF THE CITY OF STANTON SPECIAL MEETING MARCH 7, 2023

1. **CLOSED SESSION** None.

2. **CALL TO ORDER**

The meeting was called to order at 6:03 p.m. by Mayor Shawver.

3. **PLEDGE OF ALLEGIANCE**

Led by Council Member Torres.

4. **ROLL CALL**

Present: Council Member Taylor, Council Member Torres, Council Member Warren, Mayor Pro Tem Van, and Mayor Shawver.

Absent: None.

Excused: None.

SPECIAL ORDERS OF THE DAY

5. **NEW BUSINESS**

5A. **CITY COUNCIL CONSIDERATION FOR APPOINTMENT TO FILL FIVE (5) VACANCIES ON THE STANTON PARKS, RECREATION AND COMMUNITY SERVICES COMMISSION, THREE (3) VACANCIES ON THE STANTON PLANNING COMMISSION, AND THREE (3) VACANCIES ON THE STANTON PUBLIC SAFETY COMMITTEE FOR APPOINTMENTS FOLLOWING THE NOVEMBER 2022 GENERAL MUNICIPAL ELECTION**

Consideration for appointment to fill five (5) vacancies on the Stanton Parks, Recreation and Community Services Commission, three (3) vacancies on the Stanton Planning Commission, and three (3) vacancies on the Stanton Public Safety Committee. There is currently a combined total of eleven (11) vacancies within the respective Commissions/Committee due to terms expired due to the November 2022 General Municipal Election. The Council Member holding the seat number corresponding to that numbered seat on the Commissions/Committee shall be responsible for appointment of one Commissioner/Committee Member, with majority approval of the City Council. The terms of office shall coincide with the term of office of the Council Member or Mayor who made the appointment.

Staff report by Ms. Patricia A. Vazquez, City Clerk.

DRAFT

1. The City Council finds that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5)(Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. The City Council conducted interviews with the following applicants; and
3. Made appointments to fill seats #1-Taylor, #2-Shawver, #3-Torres, #6-Mayor's Appointment, and #7-Mayor's Appointment on the Stanton Parks, Recreation and Community Services Commission; and

Parks, Recreation and Community Services Commission:

- Mr. Greg Himes
 - In-person interview
- Ms. Hanni Hoang Phan
 - In- person interview
- Mr. Hong Tien Tran
 - In-person interview
- Ms. Loreen Berlin

Motion carried by the following vote:

AYES: 5 (Shawver, Taylor, Torres, Van, and Warren)
NOES: None
ABSTAIN: None
ABSENT: None

Motion unanimously carried:

By majority vote the City Council waived the requirement to interview Ms. Loreen Berlin who was previously appointed by the City Council and who is requesting re-appointment to another term.

- Mr. Otniel Pavia
 - In-person interview
- Mr. Rex dela Rosa
 - In-person interview

During this portion of the interview Council Member Warren citing a conflict of interest recused herself from the dais and council chambers.

- Mr. John Warren
 - In- person interview

DRAFT

Seat #1 (Taylor):

Council Member Taylor selected Mr. John Warren to fill the vacancy within Seat #1 on the Stanton Parks, Recreation and Community Services Commission.

Motion/Second: Taylor/Van

Motion carried by the following vote:

AYES: 5 (Shawver, Taylor, Torres, Van, and Warren)

NOES: None

ABSTAIN: None

ABSENT: None

Motion unanimously carried:

Mr. John Warren was appointed to fill Seat #1 (Taylor) on the Stanton Parks, Recreation and Community Services Commission.

During this portion of the appointment process Council Member Warren returned to the council chambers and dais.

Seat #2 (Shawver):

Mayor Shawver selected Mr. Greg Himes to fill the vacancy within Seat #2 on the Stanton Parks, Recreation and Community Services Commission.

Motion/Second: Shawver/Torres

Motion carried by the following vote:

AYES: 5 (Shawver, Taylor, Torres, Van, and Warren)

NOES: None

ABSTAIN: None

ABSENT: None

Motion unanimously carried:

Mr. Greg Himes was appointed to fill Seat #2 (Shawver) on the Stanton Parks, Recreation and Community Services Commission.

Seat #3 (Torres):

Council Member Torres selected Mr. Otniel L. Pavia to fill the vacancy within Seat #3 on the Stanton Parks, Recreation and Community Services Commission.

Motion/Second: Torres/Taylor

Motion carried by the following vote:

DRAFT

AYES: 5 (Shawver, Taylor, Torres, Van, and Warren)
NOES: None
ABSTAIN: None
ABSENT: None

Motion unanimously carried:

Mr. Otniel L. Pavia was appointed to fill Seat #3 (Torres) on the Stanton Parks, Recreation and Community Services Commission.

Seat #6 (Mayor's Appointment):

Mayor Shawver selected Ms. Hanni Hoang Phan to fill the vacancy within Seat #6 on the Stanton Parks, Recreation and Community Services Commission.

Motion/Second: Shawver/Van
Motion carried by the following vote:

AYES: 5 (Shawver, Taylor, Torres, Van, and Warren)
NOES: None
ABSTAIN: None
ABSENT: None

Motion unanimously carried:

Ms. Hanni Hoang Phan was appointed to fill Seat #6 (Mayor's Appointment) on the Stanton Parks, Recreation and Community Services Commission.

Seat #7 (Mayor's Appointment):

Mayor Shawver selected Ms. Loreen Berlin to fill the vacancy within Seat #7 on the Stanton Parks, Recreation and Community Services Commission.

Motion/Second: Shawver/Taylor
Motion carried by the following vote:

AYES: 5 (Shawver, Taylor, Torres, Van, and Warren)
NOES: None
ABSTAIN: None
ABSENT: None

Motion unanimously carried:

Ms. Loreen Berlin was appointed to fill Seat #7 (Mayor's Appointment) on the Stanton Parks, Recreation and Community Services Commission.

DRAFT

4. Made appointments to fill seats #1-Taylor, #2-Shawver, and #3-Torres on the Stanton Planning Commission; and

Planning Commission:

- Ms. Elizabeth Ash
 - In-person interview
- Mr. Hong Tien Tran
 - In-person interview
- Mr. Jeffrey Jones
 - Via submitted letter in lieu of in-person interview.
- Mr. Mike Pierce
 - In-person interview
- Mr. Sophak Ok
 - In-person interview
- Mr. Thomas Adams
 - Via submitted letter in leu of in-person interview due to teleconference technical difficulties.

Motion carried by the following vote:

AYES: 5 (Shawver, Taylor, Torres, Van, and Warren)
NOES: None
ABSTAIN: None
ABSENT: None

Motion unanimously carried:

By majority vote the City Council waived the requirement to interview Mr. Thomas Adams who was previously appointed by the City Council and who is requesting re-appointment to another term.

Seat #1 (Taylor):

Council Member Taylor selected Ms. Elizabeth Ash to fill the vacancy within Seat #1 on the Stanton Planning Commission.

Motion/Second: Taylor/Van

Motion carried by the following vote:

AYES: 5 (Shawver, Taylor, Torres, Van, and Warren)
NOES: None
ABSTAIN: None
ABSENT: None

Motion unanimously carried:

DRAFT

Ms. Elizabeth Ash was appointed to fill Seat #1 (Taylor) on the Stanton Planning Commission.

Seat #2 (Shawver):

Mayor Shawver selected Mr. Thomas Adams to fill the vacancy within Seat #2 on the Stanton Planning Commission.

Motion/Second: Shawver/Taylor

Motion carried by the following vote:

AYES: 5 (Shawver, Taylor, Torres, Van, and Warren)

NOES: None

ABSTAIN: None

ABSENT: None

Motion unanimously carried:

Mr. Thomas Adams was appointed to fill Seat #2 (Shawver) on the Stanton Planning Commission.

Seat #3 (Torres):

Council Member Torres selected Mr. Hong Tien Tran to fill the vacancy within Seat #3 on the Stanton Planning Commission.

Motion/Second: Torres/Van

Motion carried by the following vote:

AYES: 5 (Shawver, Taylor, Torres, Van, and Warren)

NOES: None

ABSTAIN: None

ABSENT: None

Motion unanimously carried:

Mr. Hong Tien Tran was appointed to fill Seat #3 (Torres) on the Stanton Planning Commission.

5. Made appointments to fill seats #1-Taylor, #2-Shawver, and #3-Torres on the Stanton Public Safety Committee.

Public Safety Committee:

- Mr. Daniel Park
 - In-person interview
- Mr. Jeffrey Jones
 - Via submitted letter in lieu of in-person interview.

Special Meeting – March 7, 2023 - Page 6 of 8

THESE MINUTES ARE ISSUED FOR INFORMATION ONLY AND ARE SUBJECT TO AMENDMENT AND APPROVAL AT NEXT MEETING

DRAFT

Motion carried by the following vote:

AYES: 5 (Shawver, Taylor, Torres, Van, and Warren)
NOES: None
ABSTAIN: None
ABSENT: None

Motion unanimously carried:

By majority vote the City Council waived the requirement to interview Mr. Jeffrey Jones who was previously appointed by the City Council and who is requesting re-appointment to another term.

- Mr. Kenneth Bloom
 - In-person interview

Seat #1 (Taylor):

Council Member Taylor selected Mr. Daniel Park to fill the vacancy within Seat #1 on the Stanton Public Safety Committee.

Motion/Second: Taylor/Torres

Motion carried by the following vote:

AYES: 5 (Shawver, Taylor, Torres, Van, and Warren)
NOES: None
ABSTAIN: None
ABSENT: None

Motion unanimously carried:

Mr. Daniel Park was appointed to fill Seat #1 (Taylor) on the Stanton Public Safety Committee.

Seat #2 (Shawver):

Mayor Shawver selected Mr. Kenneth Bloom to fill the vacancy within Seat #2 on the Stanton Public Safety Committee.

Motion/Second: Shawver/Torres

Motion carried by the following vote:

AYES: 5 (Shawver, Taylor, Torres, Van, and Warren)
NOES: None
ABSTAIN: None
ABSENT: None

DRAFT

Motion unanimously carried:

Mr. Kenneth Bloom was appointed to fill Seat #2 (Shawver) on the Stanton Public Safety Committee.

Seat #3 (Torres):

Council Member Torres requested that the City Council consider re-opening the vacancy to fill one (1) seat on the Stanton Public Safety Committee and to address any residency concerns at the time of application submittal.

Motion/Second: Torres/Van
Motion carried by the following vote:

AYES: 5 (Shawver, Taylor, Torres, Van, and Warren)
NOES: None
ABSTAIN: None
ABSENT: None

Motion unanimously carried:

The City Council directed staff to re-open the recruitment process to fill one (1) vacancy on the Stanton Public Safety Committee and to address any residency concerns at the time of application submittal.

6. **ADJOURNMENT** Motion/Second: Shawver/
Motion carried at 8:40 p.m.

MAYOR

ATTEST:

CITY CLERK

CITY OF STANTON

REPORT TO THE CITY COUNCIL

TO: Honorable Mayor and Members of the City Council

DATE: March 14, 2023

SUBJECT: JANUARY 2023 INVESTMENT REPORT

REPORT IN BRIEF:

The Investment Report as of January 31, 2023, has been prepared in accordance with the City’s Investment Policy and California Government Code Section 53646.

RECOMMENDED ACTIONS:

1. City Council find that this item is not subject to California Environmental Quality Act (“CEQA”) pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Receive and file the Investment Report for the month of January 2023.

BACKGROUND:

Changes in the City’s cash and investment balances during the month of January are summarized below:

	<u>Beginning Balance</u>	<u>Net Change</u>	<u>Ending Balance</u>
Cash and Investment Accounts (Pooled-All Funds)	\$ 58,986,942.33	\$ 2,467,305.56	\$ 61,454,247.89
Cash (Non-Pooled)	4,013,947.31	249,709.25	4,263,656.56
Total Cash and Investments	<u>\$ 63,000,889.64</u>	<u>\$ 2,717,014.81</u>	<u>\$ 65,717,904.45</u>

Between December 31, 2022, and January 31, 2023, the City’s total cash and investments increased by \$2.4 million, primarily due to the receipt of property tax in lieu of vehicle license fees from the State of California in January. (The City receives these funds semi-annually in January and July.)

The City’s cash and investment balances by fund type are presented in Attachment A. A summary of the City’s investment portfolio is included as Attachment B. The detail of the City’s investments by type that are managed by City staff are shown in Attachment C. The detail of investments by type that are managed by Chandler Asset Management, LLC

(“Chandler”), of which we determined provide a net advantage to the City, are shown in Attachment D.

ANALYSIS:

The monthly cash and investment report provides a summary of the cash and investment accounts held by the City as of the end of that month. In order to manage its cash and investments, the City combines cash resources from all funds into a single pool consisting of a variety of accounts and securities. The balance in the pooled cash account includes cash and certain liquid investments that are available to meet the City’s current cash needs. Cash in excess of the City’s current cash needs is invested in interest-bearing investments with various maturities.

As of January 31, 2023, the market value of the City’s total investment portfolio was \$53.4 million, of which \$28.3 million (53%) is managed by City staff and \$25.1 million (47%) is managed by Chandler (Attachment B). Detailed information regarding the securities contained in the City’s investment portfolio is provided in Attachments C and D. As of January 31, 2023, City investments consisted of the following:

	Market Value as of January 31, 2023	Percentage of Portfolio Invested by Type	Maximum Percentage of Portfolio Permitted by Investment Policy	In Compliance?
Local Agency Investment Fund (LAIF)	\$ 22,498,193.04	42.11%	100.00%	Yes
U.S. Treasury Notes	9,155,574.50	17.14%	100.00%	Yes
Corporate Notes	6,143,975.95	11.50%	30.00%	Yes
Federal Agency Securities	4,910,981.80	9.19%	100.00%	Yes
Negotiable Certificates of Deposit	4,862,528.68	9.10%	30.00%	Yes
Asset Backed Securities	2,504,012.32	4.69%	20.00%	Yes
Collateralized Mortgage Obligations	2,341,111.90	4.38%	20.00%	Yes
Municipal Bonds	962,465.60	1.80%	100.00%	Yes
Money Market Funds	49,970.43	0.09%	20.00%	Yes
Total Investments	\$ 53,428,814.22	100.00%		

The City’s investment portfolio is well-diversified with investments spread across nine different security types. Likewise, the average maturity of the City’s portfolio (except for LAIF) is approximately 2 years, which is within the 3.5 years target in the City’s investment policy.

FISCAL IMPACT:

All deposits and investments have been made in accordance with the City's Fiscal Year 2022-23 Investment Policy. The portfolio will allow the City to meet its expenditure requirements for the next six months. Staff remains confident that the investment portfolio is currently positioned to remain secure and sufficiently liquid.

ENVIRONMENTAL IMPACT:

None.

LEGAL REVIEW:

None.

PUBLIC NOTIFICATION:

Through the normal agenda posting process.

STRATEGIC PLAN OBJECTIVE ADDRESSED:

Obj. No. 4: Ensure fiscal stability and efficiency in governance.

Prepared by: Michelle Bannigan, Finance Director

Approved by: Hannah Shin-Heydorn, City Manager

Attachments:

- A. Cash and Investment Balances by Fund
- B. Investments Portfolio Summary
- C. Investment Portfolio Detail (Managed by City Staff)
- D. Investment Portfolio Detail (Managed by Chandler)

**CITY OF STANTON
CASH AND INVESTMENTS REPORT
MONTH ENDED JANUARY 31, 2023**

Fund/ Account No.	Fund/Account Name	Beginning Balance	Increases	Decreases	Ending Balance
101-various	General Fund	\$ 22,689,690.59	\$ 4,426,845.45	\$ (1,605,350.78)	\$ 25,511,185.26
102-111101	General Fund (Transactions & Use Tax)	(405,781.95)	391,157.22	(320,725.00)	(335,349.73)
210-111101	Certified Access Specialists (CASP) Program Fund	57,790.33	-	-	57,790.33
211-111101	Gas Tax Fund	1,632,986.72	168,578.88	(64,765.58)	1,736,800.02
215-111101	Road Maintenance and Rehabilitation act (RMRA) Fund	387,560.05	73,957.80	-	461,517.85
220-111101	Measure M Fund	605,798.75	109,631.07	-	715,429.82
222-111101	Community Development Block Grant Fund	212,171.46	-	-	212,171.46
223-111101	Protective Services Fund	-	21,525.06	(21,525.06)	-
224-111101	Lighting Maintenance 1919 Act Fund	1,044,529.74	15,389.31	(23,243.97)	1,036,675.08
225-111101	Lighting/Median Maintenance 1972 Act Fund	992,570.40	20,176.39	(17,275.62)	995,471.17
226-111101	Air Quality Improvement Fund	205,041.72	-	(4,752.33)	200,289.39
227-111101	Other Grants Fund	319,942.17	-	(70,915.00)	249,027.17
242-111101	Supplemental Law Enforcement Grant Fund	423,195.60	20,805.38	(12,500.00)	431,500.98
245-111101	Justice Assistance Grant (JAG) Grant Fund	(8,937.13)	8,937.13	(451,701.72)	(451,701.72)
250-111101	Families and Communities Together (FaCT) Grant Fund	(39,225.65)	30,333.21	(18,258.32)	(27,150.76)
251-111101	Senior Transportation Fund	61,891.42	8,123.87	(2,831.06)	67,184.23
257-111101	America Rescue Act Plan (ARPA) Fund	7,086,008.26	-	(120,220.70)	6,965,787.56
261-111101	Street Impact Fees Fund	102,274.56	-	-	102,274.56
263-111101	Community Center Impact Fees Fund	170,054.81	-	-	170,054.81
264-111101	Police Services Impact Fees Fund	153,648.66	-	-	153,648.66
271-111101	Public Safety Task Force Fund (City Funds)	83,000.27	-	-	83,000.27
280-111101	Stanton Central Park Maintenance Fund	(23,204.23)	54,933.33	7,167.00	24,562.10
285-various	Stanton Housing Authority Fund	9,703,414.80	126,520.17	(56,954.18)	9,772,980.79
305-111101	Capital Projects Fund	307,330.43	78,811.60	(78,811.60)	307,330.43
310-111101	Park and Recreation Facilities Fund	3,825,940.50	-	(6,968.24)	3,818,972.26
501-111101	Sewer Maintenance Fund	6,271,777.38	53,385.33	(10,349.88)	6,314,812.83
502-111101	Sewer Capital Improvement Fund	2,960.78	-	-	2,960.78
602-111101	Workers' Compensation Fund	775,462.56	6,357.02	(997.29)	780,822.29
603-111101	Liability Risk Management Fund	108,126.27	-	(5,663.00)	102,463.27
604-111101	Employee Benefits Fund	(56,578.86)	137,870.35	(74,329.80)	6,961.69
605-111101	Fleet Maintenance Fund	457,661.92	13,998.87	(13,524.98)	458,135.81
801-111101	Expendable Deposits Fund	(25,771.87)	4,069.00	-	(21,702.87)
901-111101	North Orange County Public Safety Collaborative (NOC) Fund	1,865,611.87	-	(315,269.77)	1,550,342.10
Total Pooled Cash and Investments⁽¹⁾		\$ 58,986,942.33	\$ 5,771,406.44	\$ (3,289,766.88)	\$ 61,454,247.89
Less: Investments⁽¹⁾		\$ (52,921,407.52)	\$ (509,698.080)	\$ 2,291.38	\$ (53,428,814.22)
Cash - Bank of the West General Checking Account		\$ 6,065,534.81	\$ 5,261,708.36	\$ (3,287,475.50)	\$ 8,025,433.67

**CITY OF STANTON
CASH AND INVESTMENTS REPORT
MONTH ENDED JANUARY 31, 2023**

Fund/ Account No.	Fund/Account Name	Beginning Balance	Increases	Decreases	Ending Balance
<u>CASH-NON-POOLED</u>					
xxx-111103	Payroll Account	\$ -	\$ 267,059.81	\$ (267,059.81)	\$ -
101-111109	Flexible Spending/AFLAC	8,652.32	-	(3,915.25)	4,737.07
101-111505	Petty Cash	600.00	-	-	600.00
285-111403	Cash with Property Management Company (QMG)	38,672.43	87,058.77	(40,078.71)	85,652.49
604-111404	Cash with Fiscal Agent (PARS) ⁽²⁾	3,966,022.56	208,601.61	(1,957.17)	4,172,667.00
	Total Cash-Non-Pooled	\$ 4,013,947.31	\$ 562,720.19	\$ (313,010.94)	\$ 4,263,656.56
<u>INVESTMENTS</u>					
	POOLED ALL FUNDS	\$ 52,921,407.52	\$ 509,698.08	\$ (2,291.38)	\$ 53,428,814.22
	Total Investments ⁽³⁾	\$ 52,921,407.52	\$ 509,698.08	\$ (2,291.38)	\$ 53,428,814.22
	TOTAL CASH AND INVESTMENTS	\$ 63,000,889.64	\$ 6,334,126.63	\$ (3,602,777.82)	\$ 65,717,904.45

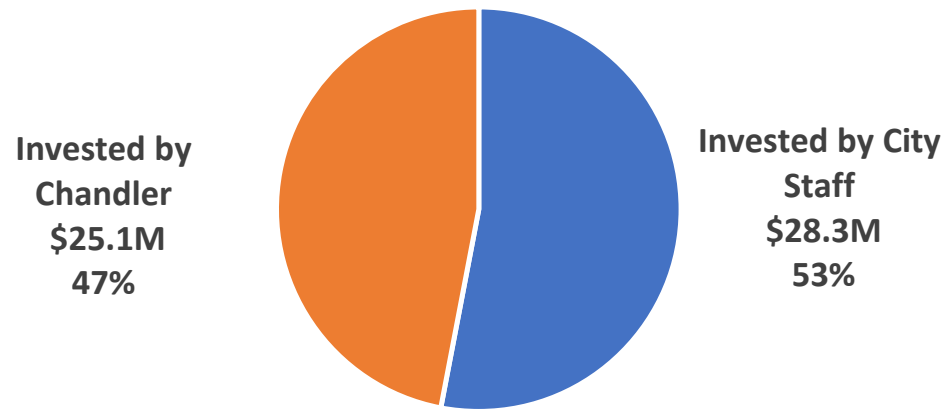
Notes:

⁽¹⁾ - Pooled cash includes: City's Bank of the West general checking, investment sweep, and safekeeping accounts, the City's Local Agency Investment Fund (LAIF) account, the Housing Authority's LAIF account, and the Public Agency Retirement Services (PARS) account.

⁽²⁾ - The Public Agency Retirement Services (PARS) account is an irrevocable trust that can be used for pension and other post employment benefits only. This fund is excluded from the compliance requirements set forth in the City's investment policy.

⁽³⁾ - The Portfolio Summary Report and Holdings by Security Type are included in Attachments B and C, respectively.

**Portfolio Summary
as of January 31, 2023
TOTAL = \$53.4M**



■ ATTACHMENT C ■ ATTACHMENT D

City of Stanton
 Portfolio Holdings
 Investment Portfolio | by Security Sector
 Report Format: By Transaction
 Group By: Security Sector
 Average By: Face Amount / Shares
 Portfolio / Report Group: All Portfolios
 As of 1/31/2023

Description	CUSIP/Ticker	Settlement Date	YTM @ Cost	Face Amount/Shares	Cost Value	Book Value	Market Value	Maturity Date	Days To Maturity	Accrued Interest	% of Portfolio
Certificate Of Deposit											
Allegiance Bank TX 2.65 2/14/2023	01748DBB1	4/11/2019	2.650	249,000.00	249,000.00	249,000.00	248,853.09	2/14/2023	14	307.33	0.87
Bank Hapoalim NY 2.9 3/25/2024	06251AW48	4/24/2019	2.900	250,000.00	250,000.00	250,000.00	244,912.50	3/25/2024	419	2,542.47	0.87
Bank of New England NH 2.65 5/23/2024	06426KBE7	5/23/2019	2.650	249,000.00	249,000.00	249,000.00	242,416.44	5/23/2024	478	144.62	0.87
Cornerstone Community Bank CA 2.6 5/17/2024	219240BY3	5/17/2019	2.600	249,000.00	249,000.00	249,000.00	242,339.25	5/17/2024	472	248.32	0.87
EagleBank MD 2.65 4/28/2023	27002YEL6	4/30/2019	2.650	249,000.00	249,000.00	249,000.00	247,852.11	4/28/2023	87	18.08	0.87
Evansville Teachers FCU IN 2.25 7/22/2024	299547AV1	7/22/2019	2.250	249,000.00	249,000.00	249,000.00	240,242.67	7/22/2024	538	138.14	0.87
First Technology FCU CA 3.35 9/27/2023	33715LCJ7	9/27/2018	3.350	240,000.00	240,000.00	240,000.00	237,945.60	9/27/2023	239	88.11	0.84
First Tier Bank NE 1.95 8/23/2024	33766LAJ7	8/23/2019	1.950	249,000.00	249,000.00	249,000.00	238,649.07	8/23/2024	570	106.42	0.87
Greenstate FCU IA 1.95 2/28/2023	39573LAF5	8/28/2019	1.950	249,000.00	249,000.00	249,000.00	248,571.72	2/28/2023	28	39.91	0.87
Healthcare Systems FCU VA 2.65 4/25/2024	42228LAD3	4/25/2019	2.650	246,000.00	246,000.00	246,000.00	239,916.42	4/25/2024	450	1,750.31	0.86
Horizon Bank NE 1.7 8/29/2023	44042TBQ6	7/29/2019	2.101	249,000.00	245,090.70	248,449.76	245,459.22	8/29/2023	210	23.19	0.87
Main Street Bank VA 2.6 4/26/2024	56065GAG3	4/26/2019	2.600	249,000.00	249,000.00	249,000.00	242,618.13	4/26/2024	451	88.68	0.87
McGregor TX 2.3 6/28/2024	32112UDA6	7/12/2019	2.200	249,000.00	250,170.30	249,331.79	241,619.64	6/28/2024	514	47.07	0.87
Merrick Bank UT 2.6 8/23/2023	59013J7P8	4/23/2019	2.600	249,000.00	249,000.00	249,000.00	246,168.87	8/23/2023	204	141.90	0.87
Morgan Stanley NY 3.1 2/7/2024	61760AVJ5	2/7/2019	3.100	246,000.00	246,000.00	246,000.00	242,007.42	2/7/2024	372	3,698.09	0.86
Morgan Stanley UT 3.1 2/7/2024	61690UDW7	2/7/2019	3.100	246,000.00	246,000.00	246,000.00	242,007.42	2/7/2024	372	3,698.09	0.86
Mountain America CU UT 3 3/27/2023	62384RAF3	4/9/2019	2.840	249,000.00	250,494.00	249,056.75	248,479.59	3/27/2023	55	81.86	0.87
Raymond James Bank FL 2 8/23/2024	75472RAE1	8/23/2019	2.000	247,000.00	247,000.00	247,000.00	237,008.85	8/23/2024	570	2,179.01	0.86
University of Iowa CU IA 3.05 5/15/2023	91435LAG2	4/25/2019	2.919	248,000.00	249,240.00	248,087.08	246,931.12	5/15/2023	104	621.70	0.86
Washington Federal Bank WA 1.95 8/28/2024	938828BN9	8/28/2019	1.950	249,000.00	249,000.00	249,000.00	238,529.55	8/28/2024	575	39.91	0.87
Sub Total / Average Certificate Of Deposit			2.549	4,960,000.00	4,959,995.00	4,959,925.38	4,862,528.68		336	16,003.21	17.27
Local Government Investment Pool											
LAIF City LGIP	LAIFCITY0895	2/29/2020	2.425	15,975,824.17	15,975,824.17	15,975,824.17	15,776,557.52	N/A	1		55.62
LAIF Housing Authority LGIP	LAIFHA0004	2/29/2020	2.425	6,806,533.49	6,806,533.49	6,806,533.49	6,721,635.52	N/A	1		23.70
Sub Total / Average Local Government Investment Pool			2.425	22,782,357.66	22,782,357.66	22,782,357.66	22,498,193.04		1	0.00	79.32
Municipal											
Arvin Community CA 2.5 3/1/2023	043288AK5	8/8/2019	2.350	275,000.00	276,399.75	275,031.20	274,496.75	3/1/2023	29	2,864.58	0.96
Fort Bragg CA 1.871 8/1/2024	347028JZ6	9/18/2019	1.750	205,000.00	206,150.05	205,354.26	197,408.85	8/1/2024	548	1,917.78	0.71
Riverside Pension CA 2.75 6/1/2024	769036BD5	8/28/2019	2.030	250,000.00	258,120.00	252,273.97	243,792.50	6/1/2024	487	1,145.83	0.87
Stockton CA 2.5 9/1/2023	861403AU7	5/1/2019	2.600	250,000.00	248,975.00	249,862.17	246,767.50	9/1/2023	213	2,604.17	0.87
Sub Total / Average Municipal			2.207	980,000.00	989,644.80	982,521.60	962,465.60		301	8,532.36	3.41
Total / Average			2.439	28,722,357.66	28,731,997.46	28,724,804.64	28,323,187.32		69	24,535.57	100



City of Stanton - Account #10991

MONTHLY ACCOUNT STATEMENT

JANUARY 1, 2023 THROUGH JANUARY 31, 2023

Chandler Team:

For questions about your account, please call (800) 317-4747,
or contact operations@chandlerasset.com

Custodian

US Bank
Alexander Bazan
(503) 402-5305

CHANDLER ASSET MANAGEMENT

chandlerasset.com

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Please see Important Disclosures.



PORTFOLIO CHARACTERISTICS

Average Modified Duration	2.34
Average Coupon	3.02%
Average Purchase YTM	4.14%
Average Market YTM	4.35%
Average S&P/Moody Rating	AA/Aa2
Average Final Maturity	2.78 yrs
Average Life	2.48 yrs

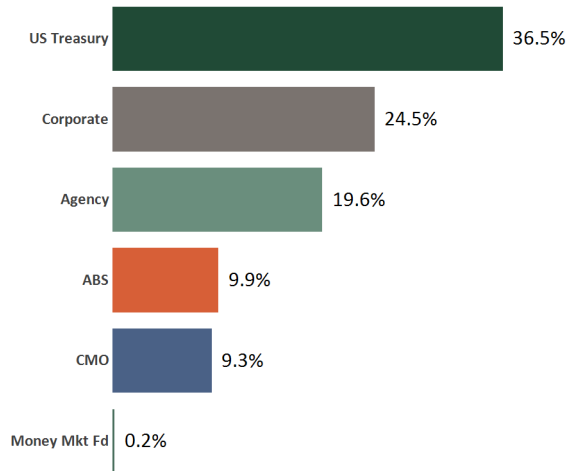
ACCOUNT SUMMARY

	Beg. Values as of 12/31/22	End Values as of 1/31/23
Market Value	24,879,277	25,105,627
Accrued Interest	168,096	199,117
Total Market Value	25,047,373	25,304,744
Income Earned	64,727	65,100
Cont/WD		-2,291
Par	25,785,650	25,810,273
Book Value	25,057,905	25,089,182
Cost Value	25,057,905	25,089,182

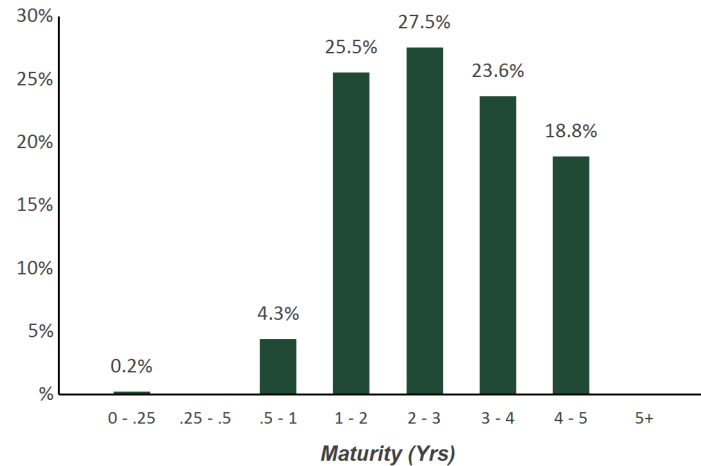
TOP ISSUERS

Government of United States	36.5%
Federal Home Loan Bank	9.4%
Federal Home Loan Mortgage Corp	9.3%
Federal Farm Credit Bank	7.8%
Federal National Mortgage Assoc	2.4%
JP Morgan Chase & Co	1.7%
Bank of America Corp	1.7%
Morgan Stanley	1.7%
Total	70.4%

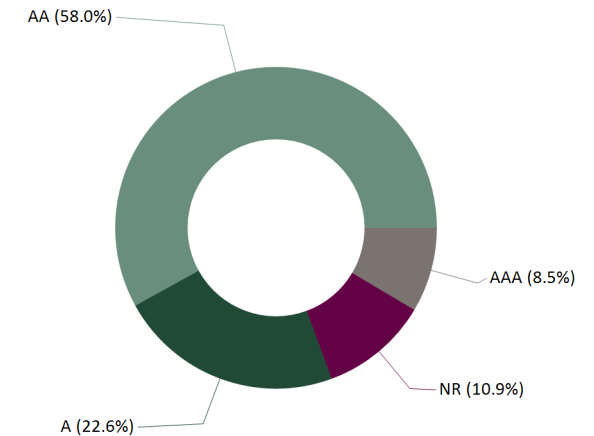
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	Annualized									
	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	11/30/2022	
City of Stanton	1.04%	N/A	1.04%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
ICE BofA 1-5 Yr US Treasury & Agency Index	1.04%	N/A	1.04%	N/A	N/A	N/A	N/A	N/A	N/A	N/A



Statement of Compliance

As of January 31, 2023

City of Stanton Consolidated

'This portfolio is a consolidation of assets managed by Chandler Asset Management and assets managed internally by Client. Chandler relies on Client to provide accurate information for reporting assets and producing this compliance statement.

Category	Standard	Comment
U.S. Treasuries	No limit; 5 years max maturity	Complies
Federal Agencies	25% max per Agency/GSE issuer; 20% max agency callable securities; 5 years max maturity	Complies
Supranational Obligations	"AA" rated or higher by a NRSRO; 30% max; 10% max per issuer; 5 years max maturity; USD denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by IBRD, IFC, or IADB	Complies
Municipal Securities (CA, Other States)	"A" rated or higher by a NRSRO; 5% max per issuer; 5 years max maturity	Complies
Corporate Medium Term Notes	"A" rated or higher by a NRSRO; 30% max; 5% max per issuer; 5 years max maturity; Issuer is a corporation organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state and operating within the U.S.	Complies
Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, and Collateralized Mortgage Obligations	"AA" rated or higher by a NRSRO; "A" long-term issuer rated or higher by a NRSRO; 20% max (combined ABS/MBS/CMO); 5% max per Asset-Backed or Commercial Mortgage security issuer; There is no issuer limitation on any Mortgage security where the issuer is the U.S. Treasury or Federal Agency/GSE; 5 years max maturity	Complies
Negotiable Certificates of Deposit (NCD)	The amount of NCD insured up to the FDIC/NCUA limit does not require any credit ratings; Any amount above FDIC/NCUA insured limit must be issued by institutions with "A-1" short-term debt rated or higher by a NRSRO; or "A" long-term rated or higher by a NRSRO; 30% max (combined with CDARS); 5% max per issuer; 5 years max maturity	Complies
Certificate of Deposit Placement Service (CDARS)	30% max (combination of Certificates of Deposit, including CDARS)	Complies
Time Deposits (Non-negotiable CD/TD)	20% max combined FDIC & Collateralized CD/TD; 5 years max maturity	Complies
Collateralized Bank Deposits	5 years max maturity	Complies
Banker's Acceptances	A-1 short-term debt rated or higher by a NRSRO; or "A" long-term debt rated or higher by a NRSRO; 40% max; 5% max per issuer; 180 days max maturity	Complies
Commercial Paper	"A-1" rated or higher by a NRSRO; "A" long-term debt rated issuer or higher by a NRSRO; 25% max; 5% max per issuer; 270 days maturity; Issuer is a corporation organized and operating within the U.S. with assets > \$500 million	Complies
Money Market Mutual Funds	20% max in Money Market Mutual Funds; Attained highest rating by two NRSROs; or Retained an investment adviser registered or exempt from SEC registration with > 5 years experience investing in securities authorized by CGC, and with AUM >\$500 million	Complies
Local Agency Investment Fund (LAIF)	Maximum amount permitted by LAIF; Not used by investment adviser	Complies
Local Government Investment Pools	Other LGIPS permitted by client; Not used by investment adviser	Complies
Max Per Issuer	5% max per issuer, except 1) Where the issuer is U.S. Government, its Agencies, and GSEs, 2) Supranational securities, 3) Money Market Mutual Funds, 4) Local Government Investment Pools	Complies
Liquidity Funds	20% minimum of the total portfolio for liquidity funds, defined as active bank deposits, LAIF and CAMP balances and Money Market securities with maturity of < 6 months	Complies
Weighted Maturity	3.5 years max weighted maturity	Complies
Maximum Maturity	5 years max maturity; Exception: Reserve or Capital Improvement Project monies may be invested in securities exceeding 5 years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of funds	Complies

Holdings Report

As of January 31, 2023



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
ABS									
58769KAD6	Mercedes-Benz Auto Lease Trust 2021-B A3 0.4% Due 11/15/2024	365,000.00	Various 4.62%	352,692.58 352,692.58	97.49 5.15%	355,841.35 64.89	1.41% 3,148.77	NR / AAA AAA	1.79 0.53
09690AAC7	BMW Vehicle Lease Trust 2021-2 A3 0.33% Due 12/26/2024	309,799.12	09/14/2022 4.00%	300,783.48 300,783.48	97.89 5.17%	303,249.16 17.04	1.20% 2,465.68	Aaa / NR AAA	1.90 0.44
43815PAC3	Honda Auto Receivables 2022-2 A3 3.73% Due 7/20/2026	350,000.00	09/21/2022 4.36%	345,625.00 345,625.00	98.32 4.65%	344,114.02 471.43	1.36% (1,510.98)	NR / AAA AAA	3.47 1.89
89238FAD5	Toyota Auto Receivables OT 2022-B A3 2.93% Due 9/15/2026	350,000.00	09/13/2022 4.13%	342,207.03 342,207.03	97.08 4.80%	339,772.86 455.78	1.34% (2,434.17)	Aaa / AAA NR	3.62 1.59
05522RDD7	Bank of America Credit Card Tr 2021-A1 A1 0.44% Due 9/15/2026	400,000.00	09/22/2022 4.45%	376,187.50 376,187.50	94.91 4.85%	379,648.08 78.22	1.50% 3,460.58	NR / AAA AAA	3.62 1.17
92348KAL7	Verizon Master Trust 2022-1 A 1.04% Due 1/20/2027	350,000.00	09/14/2022 3.03%	340,607.42 340,607.42	98.12 2.92%	343,406.50 111.22	1.36% 2,799.08	Aaa / AAA NR	3.97 1.01
02582JIT8	American Express Credit Trust 2022-2 A 3.39% Due 5/17/2027	350,000.00	09/13/2022 4.18%	343,382.81 343,382.81	97.69 4.50%	341,922.14 527.33	1.35% (1,460.67)	NR / AAA AAA	4.29 2.15
47800BAC2	John Deere Owner Trust 2022-C A3 5.09% Due 6/15/2027	95,000.00	10/12/2022 5.15%	94,992.63 94,992.63	101.11 4.69%	96,058.21 214.91	0.38% 1,065.58	Aaa / NR AAA	4.37 2.46
Total ABS		2,569,799.12	4.16%	2,496,478.45	4.58%	2,504,012.32 1,940.82	9.90% 7,533.87	Aaa / AAA AAA	3.30 1.31

AGENCY									
3130AT5B9	FHLB Note 3.375% Due 9/1/2023	650,000.00	09/15/2022 4.02%	646,087.00 646,087.00	98.94 5.24%	643,098.95 9,140.63	2.58% (2,988.05)	Aaa / AA+ NR	0.58 0.56
3130A0F70	FHLB Note 3.375% Due 12/8/2023	450,000.00	09/13/2022 3.90%	447,183.00 447,183.00	98.79 4.83%	444,575.70 2,235.94	1.77% (2,607.30)	Aaa / AA+ AAA	0.85 0.82
3130A0XE5	FHLB Note 3.25% Due 3/8/2024	650,000.00	09/13/2022 3.89%	644,066.70 644,066.70	98.36 4.79%	639,350.40 8,391.32	2.56% (4,716.30)	Aaa / AA+ NR	1.10 1.05
3130ASHK8	FHLB Note 3.125% Due 6/14/2024	650,000.00	09/13/2022 3.85%	642,128.50 642,128.50	97.75 4.84%	635,365.25 2,651.91	2.52% (6,763.25)	Aaa / AA+ NR	1.37 1.31
3133ENJ84	FFCB Note 3.375% Due 8/26/2024	650,000.00	09/13/2022 3.83%	644,540.00 644,540.00	98.28 4.52%	638,805.05 9,445.31	2.56% (5,734.95)	Aaa / AA+ AAA	1.57 1.49

Holdings Report

As of January 31, 2023



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3133ENP79	FFCB Note 4.25% Due 9/26/2024	650,000.00	09/22/2022 4.25%	649,948.00 649,948.00	99.76 4.40%	648,449.75 9,592.01	2.60% (1,498.25)	Aaa / AA+ NR	1.65 1.56
3133ENP95	FFCB Note 4.25% Due 9/30/2025	650,000.00	09/23/2022 4.31%	648,875.50 648,875.50	100.50 4.05%	653,263.65 9,285.07	2.62% 4,388.15	Aaa / AA+ NR	2.67 2.47
3135G0Q22	FNMA Note 1.875% Due 9/24/2026	650,000.00	09/14/2022 3.73%	605,208.50 605,208.50	93.55 3.78%	608,073.05 4,299.48	2.42% 2,864.55	Aaa / AA+ AAA	3.65 3.45
Total Agency		5,000,000.00	3.98%	4,928,037.20 4,928,037.20	4.55%	4,910,981.80 55,041.67	19.62% (17,055.40)	Aaa / AA+ AAA	1.70 1.61
CMO									
3137BHXJ1	FHLMC K045 A2 3.023% Due 1/25/2025	455,503.92	09/16/2022 5.07%	443,796.05 443,796.05	97.13 4.53%	442,428.32 1,147.49	1.75% (1,367.73)	NR / NR AAA	1.99 1.81
3137BMTX4	FHLMC K052 A2 3.151% Due 11/25/2025	250,000.00	09/26/2022 4.89%	238,818.36 238,818.36	97.04 4.30%	242,599.40 656.46	0.96% 3,781.04	NR / NR AAA	2.82 2.48
3137BN6G4	FHLMC K053 2.995% Due 12/25/2025	350,000.00	09/16/2022 4.23%	338,064.45 338,064.45	96.63 4.27%	338,192.51 873.54	1.34% 128.06	NR / NR AAA	2.90 2.57
3137BTUM1	FHLMC K061 A2 3.347% Due 11/25/2026	350,000.00	09/22/2022 4.37%	337,435.55 337,435.55	97.02 4.20%	339,561.88 976.21	1.35% 2,126.33	NR / NR AAA	3.82 3.35
3137BVZ82	FHLMC K063 3.43% Due 1/25/2027	350,000.00	09/13/2022 3.97%	342,412.11 342,412.11	97.54 4.10%	341,392.24 1,000.42	1.35% (1,019.87)	NR / NR AAA	3.99 3.52
3137F2LJ3	FHLMC K066 A2 3.117% Due 6/25/2027	350,000.00	09/13/2022 3.97%	337,640.63 337,640.63	96.45 4.01%	337,561.28 909.13	1.34% (79.35)	NR / NR AAA	4.40 3.90
3137FAWS3	FHLMC K067 A2 3.194% Due 7/25/2027	310,000.00	09/22/2022 4.28%	295,856.25 295,856.25	96.57 4.02%	299,376.27 825.12	1.19% 3,520.02	Aaa / NR NR	4.48 4.04
Total CMO		2,415,503.92	4.41%	2,334,023.40 2,334,023.40	4.22%	2,341,111.90 6,388.37	9.28% 7,088.50	Aaa / NR AAA	3.43 3.05
CORPORATE									
89115A2J0	Toronto-Dominion Bank Note 4.285% Due 9/13/2024	200,000.00	09/15/2022 4.57%	198,938.00 198,938.00	99.18 4.81%	198,362.40 3,237.56	0.80% (575.60)	A1 / A AA-	1.62 1.52
12572QAG0	CME Group Inc. Callable Note Cont 12/15/2024 3% Due 3/15/2025	250,000.00	09/16/2022 4.26%	242,670.00 242,670.00	97.35 4.32%	243,383.75 2,833.33	0.97% 713.75	Aa3 / AA- AA-	2.12 2.00

Holdings Report

As of January 31, 2023



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
CORPORATE									
808513BB0	Charles Schwab Corp Callable Note Cont 2/24/2025 4.2% Due 3/24/2025	250,000.00	09/16/2022 4.36%	249,015.00 249,015.00	99.58 4.40%	248,943.00 3,791.67	1.00% (72.00)	A2 / A A	2.15 2.03
78016EZ59	Royal Bank of Canada Note 3.375% Due 4/14/2025	200,000.00	09/16/2022 4.49%	194,656.00 194,656.00	97.49 4.58%	194,982.80 2,006.25	0.78% 326.80	A1 / A AA-	2.20 2.07
756109AV6	Realty Income Corp Callable Not Cont 2/15/2025 3.875% Due 4/15/2025	250,000.00	09/13/2022 4.47%	246,425.00 246,425.00	98.13 4.78%	245,325.25 2,852.43	0.98% (1,099.75)	A3 / A- NR	2.21 2.06
14913R2V8	Caterpillar Financial Service Note 3.4% Due 5/13/2025	125,000.00	09/21/2022 4.39%	121,940.00 121,940.00	97.64 4.50%	122,044.75 920.83	0.49% 104.75	A2 / A A	2.28 2.15
06368D3S1	Bank of Montreal Note 3.7% Due 6/7/2025	350,000.00	09/13/2022 4.50%	342,912.50 342,912.50	97.64 4.77%	341,736.50 1,942.50	1.36% (1,176.00)	A2 / A- AA-	2.35 2.21
63743HFE7	National Rural Utilities Note 3.45% Due 6/15/2025	250,000.00	09/19/2022 4.42%	243,805.00 243,805.00	97.02 4.79%	242,557.50 1,102.08	0.96% (1,247.50)	A2 / A- A	2.37 2.23
91324PCP5	United Health Group Inc Note 3.75% Due 7/15/2025	125,000.00	09/21/2022 4.36%	122,981.25 122,981.25	98.63 4.34%	123,285.00 208.33	0.49% 303.75	A3 / A+ A	2.45 2.31
89236TKF1	Toyota Motor Credit Corp Note 3.65% Due 8/18/2025	350,000.00	09/13/2022 4.23%	344,498.00 344,498.00	97.79 4.58%	342,278.65 5,784.24	1.38% (2,219.35)	A1 / A+ A+	2.55 2.36
24422EWJ4	John Deere Capital Corp Note 4.05% Due 9/8/2025	125,000.00	09/21/2022 4.36%	123,933.75 123,933.75	99.09 4.42%	123,866.25 2,010.94	0.50% (67.50)	A2 / A A	2.61 2.40
69371RS23	Paccar Financial Corp Note 4.95% Due 10/3/2025	250,000.00	09/27/2022 4.95%	250,020.00 250,020.00	101.26 4.44%	253,148.25 4,056.25	1.02% 3,128.25	A1 / A+ NR	2.67 2.44
46647PCZ7	JP Morgan Chase & Co Callable Note Cont 4/26/2025 4.08% Due 4/26/2026	200,000.00	09/13/2022 5.13%	195,980.00 195,980.00	98.23 4.92%	196,456.80 2,153.33	0.78% 476.80	A1 / A- AA-	3.24 2.09
61747YET8	Morgan Stanley Callable Note Cont 7/17/2025 4.679% Due 7/17/2026	200,000.00	09/13/2022 5.12%	199,302.00 199,302.00	99.16 5.04%	198,328.40 363.92	0.79% (973.60)	A1 / A- A+	3.46 2.29
06051GLA5	Bank of America Corp Callable Note Cont 7/22/2025 4.827% Due 7/22/2026	200,000.00	09/13/2022 5.25%	199,336.00 199,336.00	99.75 4.93%	199,496.40 241.35	0.79% 160.40	A2 / A- AA-	3.47 2.31
06406RBJ5	Bank of NY Mellon Corp Callable Note 1X 7/24/2025 4.414% Due 7/24/2026	350,000.00	Various 4.86%	348,501.00 348,501.00	99.31 4.71%	347,581.50 300.40	1.37% (919.50)	A1 / A AA-	3.48 2.32

Holdings Report

As of January 31, 2023



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
CORPORATE									
74340XBK6	Prologis LP Callable Note Cont 7/1/2026 3.25% Due 10/1/2026	250,000.00	09/14/2022 4.30%	240,397.50 240,397.50	96.02 4.44%	240,053.00 2,708.33	0.96% (344.50)	A3 / A NR	3.67 3.37
26442CAS3	Duke Energy Carolinas Callable Note Cont 9/1/2026 2.95% Due 12/1/2026	250,000.00	09/16/2022 4.31%	237,035.00 237,035.00	95.48 4.24%	238,687.50 1,229.17	0.95% 1,652.50	Aa3 / A NR	3.84 3.55
46647PCB0	JP Morgan Chase & Co Callable Note Cont 4/22/2026 1.578% Due 4/22/2027	250,000.00	09/15/2022 5.15%	221,377.50 221,377.50	89.87 5.01%	224,685.25 1,084.88	0.89% 3,307.75	A1 / A- AA-	4.22 3.06
91324PEG3	United Health Group Inc Callable Note Cont 4/15/2027 3.7% Due 5/15/2027	250,000.00	09/13/2022 4.21%	244,607.50 244,607.50	98.33 4.13%	245,832.25 1,952.78	0.98% 1,224.75	A3 / A+ A	4.29 3.89
89115A2C5	Toronto-Dominion Bank Note 4.108% Due 6/8/2027	200,000.00	09/13/2022 4.73%	194,794.00 194,794.00	98.37 4.52%	196,737.20 1,209.58	0.78% 1,943.20	A1 / A NR	4.35 3.92
61747YEC5	Morgan Stanley Callable Note Cont 7/20/2026 1.512% Due 7/20/2027	250,000.00	09/15/2022 5.11%	219,305.00 219,305.00	89.22 4.93%	223,057.25 115.50	0.88% 3,752.25	A1 / A- A+	4.47 3.31
06051GJS9	Bank of America Corp Callable Note Cont 6/21/2027 1.734% Due 7/22/2027	250,000.00	09/15/2022 5.28%	219,722.50 219,722.50	89.60 5.03%	224,003.25 108.38	0.89% 4,280.75	A2 / A- AA-	4.47 3.30
78016FZS6	Royal Bank of Canada Note 4.24% Due 8/3/2027	200,000.00	09/13/2022 4.73%	195,794.00 195,794.00	98.61 4.59%	197,216.80 4,310.67	0.80% 1,422.80	A1 / A AA-	4.51 3.97
14913R3A3	Caterpillar Financial Service Note 3.6% Due 8/12/2027	250,000.00	09/13/2022 4.27%	242,635.00 242,635.00	97.54 4.20%	243,849.75 4,225.00	0.98% 1,214.75	A2 / A A	4.53 4.06
023135BC9	Amazon.com Inc Callable Note Cont 5/22/2027 3.15% Due 8/22/2027	250,000.00	09/14/2022 4.17%	238,730.00 238,730.00	95.61 4.22%	239,021.50 3,478.13	0.96% 291.50	A1 / AA AA-	4.56 4.13
24422EWK1	John Deere Capital Corp Note 4.15% Due 9/15/2027	250,000.00	09/13/2022 4.29%	248,480.00 248,480.00	99.62 4.24%	249,055.00 4,121.18	1.00% 575.00	A2 / A A	4.62 4.10
Total Corporate		6,325,000.00	4.59%	6,127,791.50 6,127,791.50	4.59%	6,143,975.95 58,349.01	24.51% 16,184.45	A1 / A A+	3.30 2.81

Holdings Report

As of January 31, 2023



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
MONEY MARKET FUND									
31846V203	First American Govt Obligation Fund Class Y	49,970.43	Various 3.83%	49,970.43 49,970.43	1.00 3.83%	49,970.43 0.00	0.20% 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund		49,970.43	3.83%	49,970.43	3.83%	49,970.43 0.00	0.20% 0.00	Aaa / AAA AAA	0.00 0.00
US TREASURY									
912828B66	US Treasury Note 2.75% Due 2/15/2024	650,000.00	09/26/2022 4.31%	636,517.58 636,517.58	97.97 4.77%	636,822.55 8,257.47	2.55% 304.97	Aaa / AA+ AAA	1.04 1.00
91282CEX5	US Treasury Note 3% Due 6/30/2024	650,000.00	09/15/2022 3.91%	639,818.36 639,818.36	97.88 4.56%	636,238.20 1,723.76	2.52% (3,580.16)	Aaa / AA+ AAA	1.41 1.36
91282CFG1	US Treasury Note 3.25% Due 8/31/2024	650,000.00	09/21/2022 4.00%	640,935.55 640,935.55	98.20 4.44%	638,294.80 8,986.88	2.56% (2,640.75)	Aaa / AA+ AAA	1.58 1.50
9128283P3	US Treasury Note 2.25% Due 12/31/2024	650,000.00	09/15/2022 3.85%	627,351.56 627,351.56	96.35 4.26%	626,260.05 1,292.82	2.48% (1,091.51)	Aaa / AA+ AAA	1.92 1.84
9128284F4	US Treasury Note 2.625% Due 3/31/2025	650,000.00	09/14/2022 3.80%	631,667.97 631,667.97	96.98 4.10%	630,347.90 5,812.50	2.51% (1,320.07)	Aaa / AA+ AAA	2.16 2.05
9128284M9	US Treasury Note 2.875% Due 4/30/2025	650,000.00	09/22/2022 4.15%	629,789.06 629,789.06	97.38 4.11%	632,962.85 4,800.93	2.52% 3,173.79	Aaa / AA+ AAA	2.25 2.13
91282CEU1	US Treasury Note 2.875% Due 6/15/2025	650,000.00	09/15/2022 3.89%	632,962.89 632,962.89	97.41 4.03%	633,140.30 2,464.29	2.51% 177.41	Aaa / AA+ AAA	2.37 2.25
91282CFE6	US Treasury Note 3.125% Due 8/15/2025	650,000.00	09/13/2022 3.75%	638,802.74 638,802.74	97.93 3.99%	636,517.70 9,383.49	2.55% (2,285.04)	Aaa / AA+ AAA	2.54 2.38
91282CFK2	US Treasury Note 3.5% Due 9/15/2025	650,000.00	09/19/2022 3.90%	642,712.89 642,712.89	98.88 3.95%	642,712.85 8,735.50	2.57% (0.04)	Aaa / AA+ AAA	2.62 2.44
9128286L9	US Treasury Note 2.25% Due 3/31/2026	650,000.00	09/14/2022 3.75%	617,880.86 617,880.86	95.37 3.82%	619,912.15 4,982.14	2.47% 2,031.29	Aaa / AA+ AAA	3.16 2.99
9128287B0	US Treasury Note 1.875% Due 6/30/2026	650,000.00	09/15/2022 3.78%	606,632.81 606,632.81	94.00 3.76%	611,000.00 1,077.35	2.42% 4,367.19	Aaa / AA+ AAA	3.41 3.25
9128282A7	US Treasury Note 1.5% Due 8/15/2026	650,000.00	09/13/2022 3.72%	597,923.83 597,923.83	92.51 3.78%	601,300.70 4,504.08	2.39% 3,376.87	Aaa / AA+ AAA	3.54 3.37

Holdings Report

As of January 31, 2023



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration	
US TREASURY										
91282CEF4	US Treasury Note 2.5% Due 3/31/2027	650,000.00	09/14/2022 3.66%	618,591.80 618,591.80	95.41 3.70%	620,166.30 5,535.71	2.47% 1,574.50	Aaa / AA+ AAA	4.16 3.87	
91282CFH9	US Treasury Note 3.125% Due 8/31/2027	650,000.00	09/13/2022 3.57%	636,822.26 636,822.26	97.84 3.64%	635,933.35 8,641.23	2.55% (888.91)	Aaa / AA+ AAA	4.58 4.16	
91282CGC9	US Treasury Note 3.875% Due 12/31/2027	350,000.00	01/24/2023 3.59%	354,470.70 354,470.70	101.13 3.62%	353,964.80 1,198.90	1.40% (505.90)	Aaa / AA+ AAA	4.92 4.43	
Total US Treasury		9,450,000.00	3.85%	9,152,880.86 9,152,880.86	4.05%	9,155,574.50 77,397.05	36.49% 2,693.64	Aaa / AA+ AAA	2.71 2.54	
TOTAL PORTFOLIO				25,810,273.47	4.14%	25,089,181.84 25,089,181.84	4.35%	100.00% 16,445.06	Aa2 / AA AAA	2.78 2.34
TOTAL MARKET VALUE PLUS ACCRUED						25,304,743.82				

CITY OF STANTON

REPORT TO THE SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY

TO: Honorable Chairman and Members of the Successor Agency

DATE: March 14, 2023

SUBJECT: JANUARY 2023 INVESTMENT REPORT (SUCCESSOR AGENCY)

REPORT IN BRIEF:

The Investment Report as of January 31, 2023, has been prepared in accordance with the City's Investment Policy and California Government Code Section 53646.

RECOMMENDED ACTIONS:

1. Successor Agency find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Receive and file the Investment Report for the month of January 2023.

BACKGROUND:

The attached reports summarize the Successor Agency's investment and deposit balances as of January 2023. During the month of January, the Successor Agency's cash and investments in total did not change. However, \$1.9 million was transferred from the Bank of the West checking account to the U.S. Bank fiscal agent accounts to be held for future debt service payments for the Successor Agency's outstanding bonds. The Successor Agency's cash and investment balances by fund are presented in Attachment A. The Successor Agency's investments and deposits by financial institution are included as Attachment B.

ANALYSIS:

The Successor Agency's share of the City's investment in the State Treasurer's Local Agency Investment Fund (LAIF) continues to be available on demand. The effective yield on LAIF for the month of January 2023 was 2.43%.

The Successor Agency's investments are shown on Attachment B and have a weighted investment yield of 2.43%, which is equal to the benchmark LAIF return of 2.43%, as the entire portfolio (excluding funds held with the bond fiscal agents) represents the Successor Agency's portion of LAIF and Bank of the West funds invested by the City. With a completely liquid portfolio, the weighted average maturity of the Successor Agency's investments on January 31, 2023, was 1 day. LAIF's average maturity on January 31, 2023, was approximately 273 days.

FISCAL IMPACT:

All deposits and investments have been made in accordance with the City's Fiscal Year 2022-23 Investment Policy.

The portfolio will allow the Successor Agency to meet its expenditure requirements for the next six months.

ENVIRONMENTAL IMPACT:

None.

LEGAL REVIEW:

None.

PUBLIC NOTIFICATION:

Through the agenda posting process.

Prepared by: Michelle Bannigan, Finance Director
Approved by: Hannah Shin-Heydorn, City Manager

Attachments:

- A. Cash and Investment Balances by Fund
- B. Investments and Deposits

**SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY
 CASH AND INVESTMENTS REPORT
 MONTH ENDED JANUARY 31, 2023**

Fund/ Account No.	Fund/Account Name	Beginning Balance	Increases	Decreases	Ending Balance
<u>CASH-POOLED</u>					
712-111101	Redevelopment Obligation Retirement Fund	\$ 5,262,108.71	\$ -	\$ (1,948,442.82)	\$ 3,313,665.89
	Total Cash-Pooled ⁽¹⁾	\$ 5,262,108.71	\$ -	\$ (1,948,442.82)	\$ 3,313,665.89
<u>CASH-RESTRICTED (with Fiscal Agent)</u>					
712-111423	2016 Tax Allocation Bonds, Series A and B	\$ 29.90	\$ 713,920.10	\$ -	\$ 713,950.00
712-111425	2016 Tax Allocation Bonds, Series C and D	39.78	1,234,522.72	-	1,234,562.50
712-111426	2020 Tax Allocation Refunding Bonds, Series A	25.84	-	-	25.84
	Total Cash-Restricted (with Fiscal Agent)	\$ 95.52	\$ 1,948,442.82	\$ -	\$ 1,948,538.34
	TOTAL CASH AND INVESTMENTS	\$ 5,262,204.23	\$ 1,948,442.82	\$ (1,948,442.82)	\$ 5,262,204.23

Note:

⁽¹⁾ - Includes the Successor Agency's share of the City's Bank of the West checking account and Local Agency Investment Fund (LAIF).

**SUCCESSOR AGENCY TO THE STANTON REDEVELOPMENT AGENCY
INVESTMENTS AND DEPOSITS
MONTH ENDED JANUARY 31, 2023**

Investment Type	Institution	Issuer/ Broker	Date of Maturity	Interest Rate	Cost	Market Value	MV Source
LAIF and BOW General Acct	State of California/ BOW	State of California	On Demand	2.43% N/A	\$ 3,313,666	\$ 3,313,666	LAIF

Total Cash Investments and Deposits

1	2.43%	\$ 3,313,666	\$ 3,313,666
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Weighted Average/eighted Average

Bond Funds Held by Trustees:

Maturity (days) Yield

Investment Type	Institution	Issuer/ Broker	CUSIP Number	Date of Maturity	Interest Rate	Par Value	Cost	Market Value	MV Source
2016 Series A and B									
Debt Service:									
Cash Equivalents	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$ 713,949	\$ 713,949	\$ 713,949	US Bank
Principal:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	1	1	1	US Bank

Total 2016 Series A and B

\$ 713,950 \$ 713,950

Investment Type	Institution	Issuer/ Broker	CUSIP Number	Date of Maturity	Interest Rate	Par Value	Cost	Market Value	MV Source
2016 Series C and D									
Debt Service:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	\$ 1,234,560	\$ 1,234,560	\$ 1,234,560	US Bank
Interest:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	1	1	1	US Bank
Principal:									
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand	0.02%	1	1	1	US Bank

Total 2016 Series C and D

\$ 1,234,562 \$ 1,234,562

Investment Type	Institution	Issuer/ Broker	CUSIP Number	Date of Maturity		Interest Rate	Par Value	Cost	Market Value	MV Source
2020 Tax Allocation Refunding Bonds										
Special Fund:										
Cash Equivalent	US Bank Money Market	US Bank	9AMMF05B2	On Demand		0.02%	\$ 26	\$ 26	\$ 26	US Bank

Total 2020 Tax Allocation Bonds (Tax-Exempt)

\$ 26 \$ 26

Total Bond Fund Investments and Deposits (3)

\$ 1,948,538 \$ 1,948,538

TOTAL - ALL CASH AND INVESTMENTS

\$5,262,204 \$5,262,204

Notes:

- (1) - There have been no exceptions to the Investment Policy.
- (2) - The Successor Agency is able to meet its expenditure requirements for the next six months.
- (3) - Restricted Bond Funds are held by the fiscal agent.

CITY OF STANTON

REPORT TO THE CITY COUNCIL

TO: Honorable Mayor and Members of the City Council

DATE: March 14, 2023

SUBJECT: JANUARY 2023 GENERAL FUND REVENUE AND EXPENDITURE REPORT; HOUSING AUTHORITY REVENUE AND EXPENDITURE REPORT; AND STATUS OF CAPITAL IMPROVEMENT PROGRAM

REPORT IN BRIEF:

The Revenue and Expenditure Report for the month ended January 31, 2023, has been provided to the City Manager in accordance with Stanton Municipal Code Section 2.20.080 (D) and is being provided to City Council. This report includes information for both the City's General Fund and the Housing Authority Fund. In addition, staff has provided a status of the City's Capital Improvement Projects (CIP) as of January 31, 2023.

RECOMMENDED ACTIONS:

1. City Council find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Receive and file the General Fund and Housing Authority Fund's January 2023 Revenue and Expenditure Report and Status of Capital Improvement Projects for the month ended January 31, 2023.

ANALYSIS:

General Fund Revenue and Expenditure Reports

Attachments A and B summarize the General Fund's revenue and expenditure activity through January 31, 2023. The reports include information for the month of January, on a year-to-date basis through January, the current fiscal year's budgeted balance and the year-to-date as a percentage of the budget. In addition, for comparison purposes, the year-to-date amount, final amount, and a percentage of final for the previous fiscal year (through January) is included as well.

As of January 31, total General Fund revenues received to date are approximately \$13.9 million, which represents 48% of the Fiscal Year 2022/23 budgeted amount and is approximately \$48,910 (less than 1%) lower than the revenues recognized for the same period last year (Attachment A, page 2).

Total General Fund expenditures are approximately \$15.1 million through January 31, which represents 52% of the 2022/23 projected expenditures and is approximately \$968,394 (6%) higher than the expenditures incurred for the same period last year (Attachment B, page 2). The two divisions with the largest increases in costs compared to the same period for the previous fiscal year were: the Law Enforcement Division (#2100) and the Public Facilities Division (#3200). The Law Enforcement Division’s expenditures are \$478,838 (7%) higher through January 2023 compared to actual costs through January 2022, which is consistent with the City’s 7% increase in law enforcement contract costs for the current fiscal year. Public Facilities Division expenditures are \$264,802 (114%) higher than the same period in Fiscal Year 2021/22 due to the purchase of a new skip loader during Fiscal Year 2022/23.

Per Attachment C, the City’s General Fund reserves and available fund balance (“discretionary fund balance”) is expected to be \$26.2 million by June 30, 2023 as shown in the table below:

	Estimated Balance at 6/30/2023
Reserves set aside per City Resolution No. 2022-34	\$ 13,900,000
Committed Developer Contributions	1,476,296
Undesignated Fund Balance	<u>10,806,254</u>
Total Discretionary Fund Balance	<u>\$ 26,182,550</u>

Housing Authority Revenue and Expenditure Reports

Attachment D summarizes the Housing Authority Fund’s revenue and expenditure activity through January 31, 2023. The report includes information for the activity during the month of January, information on a year-to-date basis through January, the current fiscal year’s budgeted balance and the year-to-date as a percentage of the budget. In addition, for comparison purposes, the year-to-date amount, final amount, and a percentage of final for the previous fiscal year (through January) is included as well.

As of January 31, total Housing Authority Fund revenues received to date was \$571,179, which represents 97% of the Fiscal Year 2022/23 budgeted amount and is \$322,086 (36%) less than the revenue collected through the same period last year. During Fiscal Year 2021/22, the Housing Authority received \$606,902 for the sale of the property located at 7455 Katella Avenue. Total Housing Authority Fund expenditures were \$3.1 million through January 31, which represents 81% of the 2022/23 estimated expenditures and is \$1.6 million (106%) higher than the expenditures incurred for the

same period last year, due to the \$2.5 million paid to assist Jamboree Housing with the acquisition of the Riviera Motel for a permanent supportive housing project.

Per Attachment E, the City's Housing Authority Fund's available fund balance is expected to be \$9.2 million by June 30, 2023.

Status of Capital Improvement Projects (CIP) (Attachment F)

The Fiscal Year 2022/23 CIP budget includes \$4.5 million from the Fiscal Year 2022/23 Adopted Budget; \$11.3 million in carryover funding from Fiscal Year 2021/22, and \$1.2 million in additional appropriations approved by City Council since July 1, 2022, for a total amended budget of \$17.1 million as of January 31, 2023. As of January 31, capital project expenditures totaled \$2.3 million (14% of the amended budget) with an additional \$1.4 million (8% of the amended budget) under contract (encumbered) for work currently underway, for a total amount spent or encumbered to date of \$3.8 million (22% of the amended budget) as of January 31, 2023.

FISCAL IMPACT:

None.

ENVIRONMENTAL IMPACT:

None.

LEGAL REVIEW:

None.

PUBLIC NOTIFICATION:

Through the normal agenda posting process.

STRATEGIC PLAN OBJECTIVE ADDRESSED:

Obj. No. 4: Ensure fiscal stability and efficiency in governance.

Prepared by: Michelle Bannigan, Finance Director
Approved by: Hannah Shin-Heydorn, City Manager

Attachments:

- A. January 2023 General Fund Revenues
- B. January 2023 General Fund Expenditures
- C. General Fund Reserve Balances
- D. January 2023 Housing Authority Revenue and Expenditures
- E. Housing Authority Reserve Balance
- F. Status of Capital Improvement Projects as of January 31, 2023

CITY OF STANTON
January 2023 General Fund Revenues (58% of year)

	FY 2022/23 Adopted Budget	FY 2022/23 Amended Budget	FY 2022/23			FY 2021/22 Actual*	% Change From Prior Year
			Activity During January	Year To Date Actual *	Percent of Budget		
TAXES							
Property Tax	\$ 7,983,200	\$ 7,983,200	\$ 2,736,547	\$ 4,210,883	52.75%	\$ 4,043,497	4.14%
Sales and Use Tax	5,232,000	5,232,000	340,945	2,197,563	42.00%	2,151,712	2.13%
Transactions and Use Tax	5,805,000	5,805,000	391,157	2,461,279	42.40%	2,335,588	5.38%
Transient Occupancy Tax	610,000	610,000	54,513	358,330	58.74%	334,790	7.03%
Franchise Fees	1,177,000	1,177,000	88,047	392,789	33.37%	285,629	37.52%
Business Licenses	158,000	158,000	46,662	124,818	79.00%	109,952	13.52%
Utility Users Tax	1,961,000	1,961,000	193,870	1,233,698	62.91%	1,055,182	16.92%
Cannabis Tax	620,000	620,000	-	-	0.00%	-	**
Tax Increment Pass-thru Payment	429,450	429,450	-	307,496	71.60%	270,516	13.67%
TAXES-TOTAL	23,975,650	23,975,650	3,851,741	11,286,856	47.08%	10,586,866	6.61%
INTERGOVERNMENTAL							
County WDA Shared Revenue	100,000	100,000	-	-	0.00%	101,376	-100.00%
Mandated Cost Reimbursement	30,000	30,000	-	-	0.00%	-	**
Motor Vehicle In Lieu	30,000	30,000	-	-	0.00%	45,717	-100.00%
Public Safety Augmentation Tax	193,000	193,000	16,157	92,409	47.88%	85,698	7.83%
Planning Grants	-	-	-	-	0.00%	152,434	-100.00%
Federal Grants	-	-	-	8,708	**	-	100.00%
Other Grants	4,200	4,200	139	3,111	74.07%	84,407	-96.31%
INTERGOVERNMENTAL-TOTAL	357,200	357,200	16,296	104,228	29.18%	469,632	-77.81%
CHARGES FOR SERVICES							
Charges for Services	256,425	256,425	9,962	100,706	39.27%	47,957	109.99%
Information Technology Charges	37,605	37,605	3,134	21,936	58.33%	17,701	23.93%
CHARGES FOR SERVICES-TOTAL	294,030	294,030	13,096	122,642	41.71%	65,658	86.79%
FEES AND PERMITS							
Solid Waste Impact Fees	1,175,000	1,175,000	179,794	565,421	48.12%	468,433	20.70%
Building Permits and Fees	1,205,000	1,205,000	27,504	336,117	27.89%	511,222	-34.25%
Planning Permits and Fees	104,250	104,250	3,225	41,377	39.69%	48,905	-15.39%
Engineering Permits and Fees	91,000	91,000	4,735	69,208	76.05%	76,571	-9.62%
Recycling Fees	90,500	90,500	-	20,205	22.33%	19,525	3.48%

CITY OF STANTON
January 2023 General Fund Revenues (58% of year)

	FY 2022/23 Adopted Budget	FY 2022/23 Amended Budget	FY 2022/23			FY 2021/22 Actual*	% Change From Prior Year
			Activity During January	Year To Date Actual *	Percent of Budget		
Other Permits and Fees	225,900	236,400	40,884	158,807	67.18%	165,577	-4.09%
Community Services Fees	45,700	45,700	7,043	43,095	94.30%	46,870	-8.05%
FEES AND PERMITS -TOTAL	2,937,350	2,947,850	263,185	1,234,230	41.87%	1,337,103	-7.69%
FINES AND FORFEITURES							
General Fines	700	700	-	369	52.71%	18,170	-97.97%
Motor Vehicle Fines	45,000	45,000	6,100	19,764	43.92%	20,777	-4.88%
Parking Citations	225,000	225,000	17,645	100,937	44.86%	148,321	-31.95%
DMV Parking Collections	71,000	71,000	6,475	36,228	51.03%	32,721	10.72%
Administrative Citation	10,000	10,000	-	4,589	45.89%	3,700	24.03%
FINES AND FORFEITURES-TOTAL	351,700	351,700	30,220	161,887	46.03%	223,689	-27.63%
USE OF MONEY AND PROPERTY							
Investment Earnings	217,000	217,000	-	295,448	136.15%	71,192	315.00%
Unrealized Gains (Losses)	-	-	265,518	93,881	**	(250,345)	-137.50%
Interest on Loan to Landscape District Fund	11,020	11,020	-	5,760	52.27%	10,882	-47.07%
Rental Income	93,335	93,335	13,429	119,569	128.11%	43,611	174.17%
USE OF MONEY AND PROPERTY-TOTAL	321,355	321,355	278,947	514,658	160.15%	(124,660)	-512.85%
MISCELLANEOUS REVENUE							
Miscellaneous Revenue	163,935	166,935	4,017	13,175	7.89%	47,778	-72.42%
MISCELLANEOUS REVENUE-TOTAL	163,935	166,935	4,017	13,175	7.89%	47,778	-72.42%
TRANSFERS IN							
From Gas Tax Fund	205,000	205,000	17,083	119,583	58.33%	119,583	0.00%
From Protective Services Fund	382,000	382,000	21,525	227,177	59.47%	217,697	4.35%
From Supplemental Law Enforcement Grants Fund	150,000	150,000	12,500	87,500	58.33%	87,500	0.00%
From Housing Authority Fund	-	-	-	-	**	890,000	-100.00%
TRANSFERS IN-TOTAL	737,000	737,000	51,108	434,260	58.92%	1,314,780	-66.97%
TOTAL REVENUES AND TRANSFERS IN	\$ 29,138,220	\$ 29,151,720	\$ 4,508,610	\$ 13,871,936	47.59%	\$ 13,920,846	-0.35%

* = Actual data is reported through January.

TAXES
January 2023 General Fund Revenues (58% of year)

Acct. No.	Description	FY 2022/23	FY 2022/23	FY 2022/23		% of Budget	FY 2021/22	% Change
		Adopted Budget	Amended Budget	Activity During January	Year To Date Actual *		Actual*	From Prior Year
101	General Fund							
430100	Current Year-Secured	\$ 1,178,100	\$ 1,178,100	\$ 60,172	\$ 631,710	53.62%	\$ 633,555	-0.29%
430105	Current Year-Unsecured	30,000	30,000	10,736	26,734	89.11%	18,532	44.26%
430115	Property Tax-Supplemental	20,000	20,000	8,048	22,820	114.10%	9,217	147.59%
430120	Residual Redevelopment Property Tax	1,356,600	1,356,600	-	823,340	60.69%	791,483	4.02%
430121	In-Lieu Vehicle License Fee	5,258,500	5,258,500	2,649,865	2,649,865	50.39%	2,504,005	5.83%
430135	Homeowners Tax Relief	1,000	1,000	1,680	2,400	240.00%	2,480	-3.23%
430140	Property Transfer Tax	139,000	139,000	5,481	53,449	38.45%	84,113	-36.46%
430200	Sales And Use Tax	5,232,000	5,232,000	340,945	2,197,563	42.00%	2,151,712	2.13%
430300	Transient Occupancy Tax	610,000	610,000	54,513	358,330	58.74%	334,790	7.03%
430405	Franchise Tax/Cable TV	200,000	200,000	-	90,430	45.22%	51,718	74.85%
430410	Franchise Tax/Electric	244,000	244,000	-	-	0.00%	-	**
430415	Franchise Tax/Gas	75,000	75,000	-	-	0.00%	-	**
430420	Franchise Tax/Refuse	570,000	570,000	88,047	302,359	53.05%	233,911	29.26%
430425	Franchise Tax/Water	88,000	88,000	-	-	0.00%	-	**
430500	Business License Tax	158,000	158,000	46,662	124,818	79.00%	109,952	13.52%
430600	Util User Tax/Electricity	970,000	970,000	105,771	775,887	79.99%	617,587	25.63%
430605	Util User Tax/Telephone	271,000	271,000	32,949	102,678	37.89%	103,572	-0.86%
430610	Util User Tax/Gas	295,000	295,000	26,327	133,842	45.37%	105,256	27.16%
430615	Util User Tax/Water	425,000	425,000	28,823	221,291	52.07%	228,767	-3.27%
430700	Cannabis Tax	620,000	620,000	-	-	0.00%	-	**
440100	AB 1389 Pass Through from RDA	429,450	429,450	-	307,496	71.60%	270,516	13.67%
101	General Fund	18,170,650	18,170,650	3,460,584	8,825,577	48.57%	8,251,278	6.96%
102	General Fund (Transactions & Use Tax)							
430250	Transactions & Use Tax	5,805,000	5,805,000	391,157	2,461,279	42.40%	2,335,588	5.38%
102	General Fund (Transactions & Use Tax)	5,805,000	5,805,000	391,157	2,461,279	42.40%	2,335,588	5.38%
TAXES - TOTAL		\$ 23,975,650	\$ 23,975,650	\$ 3,851,741	\$ 11,286,856	47.08%	\$ 10,586,866	6.61%

* = Actual data is reported through January.

INTERGOVERNMENTAL
January 2023 General Fund Revenues (58% of year)

Acct. No.	Description	FY 2022/23	FY 2022/23	FY 2022/23			FY 2021/22	% Change From Prior Year
		Adopted Budget	Amended Budget	Activity During January	Year To Date Actual *	% of Budget	Actual*	
101	General Fund							
432121	County WDA Shared Revenue	\$ 100,000	\$ 100,000	\$ -	\$ -	0.00%	\$ 101,376	-100.00%
432135	Mandated Cost Reimbursement	30,000	30,000	-	-	0.00%	-	**
432150	Motor Vehicle In Lieu	30,000	30,000	-	-	0.00%	45,717	-100.00%
432180	Public Safety Augmentation Tax	193,000	193,000	16,157	92,409	47.88%	85,698	7.83%
432245	Planning Grants	-	-	-	-	**	152,434	-100.00%
432256	Other Grants	4,200	4,200	139	3,111	74.07%	84,407	-96.31%
432270	Federal Grants	-	-	-	8,708	**	-	100.00%
INTERGOVERNMENTAL - TOTAL		\$ 357,200	\$ 357,200	\$ 16,296	\$ 104,228	29.18%	\$ 469,632	-77.81%

* = Actual data is reported through January.

CHARGES FOR SERVICES
January 2023 General Fund Revenues (58% of year)

Acct. No.	Description	FY 2022/23	FY 2022/23	FY 2022/23		% of Budget	FY 2021/22	% Change From Prior Year
		Adopted Budget	Amended Budget	Activity During January	Year To Date Actual *		Actual*	
101	General Fund							
433100	Charges For Services	\$ 256,425	\$ 256,425	\$ 9,962	\$ 100,706	39.27%	\$ 47,957	109.99%
433136	Information Technology Charges	37,605	37,605	3,134	21,936	58.33%	17,701	23.93%
	CHARGES FOR SERVICES - TOTAL	\$ 294,030	\$ 294,030	\$ 13,096	\$ 122,642	41.71%	\$ 65,658	86.79%

* = Actual data is reported through January.

FEES AND PERMITS
January 2023 General Fund Revenues (58% of year)

Acct. No.	Description	FY 2022/23	FY 2022/23	FY 2022/23			FY 2021/22	% Change
		Adopted Budget	Amended Budget	Activity During January	Year To Date Actual *	% of Budget	Actual*	From Prior Year
101	General Fund							
431100	Building Plan Check Fees	\$ 175,000	\$ 175,000	\$ 5,110	\$ 68,318	39.04%	\$ 154,840	-55.88%
431105	Mechanical Permits	100,000	100,000	870	27,633	27.63%	39,260	-29.62%
431110	Building Permits	750,000	750,000	14,864	148,425	19.79%	242,483	-38.79%
431115	Plumbing Permits	80,000	80,000	1,120	25,545	31.93%	20,355	25.50%
431120	Electrical Permits	100,000	100,000	5,540	66,196	66.20%	54,284	21.94%
431130	Engineering Plan Check Fees	51,000	51,000	-	13,185	25.85%	43,445	-69.65%
431135	Public Works Permits	40,000	40,000	4,735	56,023	140.06%	33,126	69.12%
431140	S M I P - Commercial Fees	400	400	-	9	2.25%	7	28.57%
431145	S M I P-Residential Permits	500	500	-	48	9.60%	41	17.07%
431146	SB 1473 Fee	2,500	2,500	35	387	15.48%	439	-11.85%
431160	Solid Waste Impact Fees	1,175,000	1,175,000	179,794	565,421	48.12%	468,433	20.70%
431180	P/W Inspections	-	10,000	6,584	16,575	165.75%	-	100.00%
431185	Parking Permits	10,000	10,000	675	5,566	55.66%	25,557	-78.22%
431190	Towing Franchise Fee	25,000	25,000	360	12,780	51.12%	12,960	-1.39%
431195	Other Fees & Permits	15,000	15,500	2,038	13,751	88.72%	14,120	-2.61%
431201	Cannabis Business Renewal Permit Fee	10,000	10,000	-	-	0.00%	-	**
433200	Conditional Use Permit	7,000	7,000	-	4,645	66.36%	12,425	-62.62%
433205	Precise Plan Of Design	15,000	15,000	-	16,380	109.20%	2,100	680.00%
433220	Preliminary Plan Review	8,000	8,000	-	-	0.00%	9,375	-100.00%
433225	Environmental Services	4,400	4,400	-	675	15.34%	505	33.66%
433227	Foreclosure Registration	10,850	10,850	2,645	4,897	45.13%	5,419	-9.63%
433230	Zoning Entitlements	5,000	5,000	-	-	0.00%	-	**
433235	Land Divisions	10,000	10,000	-	1,535	15.35%	2,500	-38.60%
433240	Special Event Permits	500	500	360	1,080	216.00%	180	500.00%
433245	Sign/Ban'R/Gar Sa/Temp Use Per	6,000	6,000	90	1,805	30.08%	3,780	-52.25%
433250	Ministerial Services	12,000	12,000	70	5,930	49.42%	9,605	-38.26%
433260	Landscape Plan Check	1,000	1,000	-	1,625	162.50%	1,300	25.00%
433270	General Plan Maint Surcharge	15,000	15,000	420	3,885	25.90%	1,507	157.80%

FEES AND PERMITS
January 2023 General Fund Revenues (58% of year)

Acct. No.	Description	FY 2022/23	FY 2022/23	FY 2022/23		% of Budget	FY 2021/22	% Change
		Adopted Budget	Amended Budget	Activity During January	Year To Date Actual *		Actual*	From Prior Year
101	General Fund							
433285	Other Developmental Fees	5,000	5,000	-	-	0.00%	389	-100.00%
433305	General Recreation Programs	24,000	24,000	4,320	28,872	120.30%	26,122	10.53%
433315	Sports Fields	21,700	21,700	2,723	14,223	65.54%	20,748	-31.45%
437115	Recycling Fees	90,500	90,500	-	20,205	22.33%	19,525	3.48%
430505	New/Moved Bus Lic Appl Rev	37,000	37,000	2,290	17,370	46.95%	18,730	-7.26%
430510	Business Tax Renewal Process	128,000	128,000	26,550	88,470	69.12%	90,972	-2.75%
430515	SB 1186	2,000	2,000	1,992	2,771	138.55%	2,571	7.78%
FEES AND PERMITS - TOTAL		\$ 2,937,350	\$ 2,947,850	\$ 263,185	\$ 1,234,230	41.87%	\$ 1,337,103	-7.69%

* = Actual data is reported through January.

FINES AND FORFEITURES
January 2023 General Fund Revenues (58% of year)

Acct. No.	Description	FY 2022/23	FY 2022/23	FY 2022/23			FY 2021/22	% Change
		Adopted Budget	Amended Budget	Activity During January	Year To Date Actual *	% of Budget		
101	General Fund							
434100	General Fines	\$ 700	\$ 700	\$ -	\$ 369	52.71%	\$ 18,170	-97.97%
434105	Motor Vehicle Fines	45,000	45,000	6,100	19,764	43.92%	20,777	-4.88%
434110	Parking Citations	225,000	225,000	17,645	100,937	44.86%	148,321	-31.95%
434115	DMV Parking Collections	71,000	71,000	6,475	36,228	51.03%	32,721	10.72%
434120	Administrative Citations	10,000	10,000	-	4,589	45.89%	3,700	24.03%
	FINES AND FORFEITURES - TOTAL	\$ 351,700	\$ 351,700	\$ 30,220	\$ 161,887	46.03%	\$ 223,689	-27.63%

* = Actual data is reported through January.

USE OF MONEY AND PROPERTY
January 2023 General Fund Revenues (58% of year)

Acct. No.	Description	FY 2022/23	FY 2022/23	FY 2022/23		% of Budget	FY 2021/22	% Change From Prior Year
		Adopted Budget	Amended Budget	Activity During January	Year To Date Actual *		Actual*	
101	General Fund							
435100	Interest Earned	\$ 217,000	\$ 217,000	\$ -	\$ 295,448	136.15%	\$ 71,192	-315.00%
435110	Unrealized Gains (Losses)	-	-	265,518	93,881	**	(250,345)	137.50%
435200	Interest on Loan to Landscape District Fund	11,020	11,020	-	5,760	52.27%	10,882	47.07%
436125	Indoor Facility Rental	55,000	55,000	6,410	87,467	159.03%	18,569	-371.04%
436127	Picnic Shelters	16,450	16,450	2,055	16,128	98.04%	12,745	-26.54%
436135	Pac Bell Mobile Svcs-Rent	21,885	21,885	3,764	14,774	67.51%	12,297	-20.14%
USE OF MONEY AND PROPERTY - TOTAL		\$ 321,355	\$ 321,355	\$ 278,947	\$ 514,658	160.15%	\$ (124,660)	512.85%

* = Actual data is reported through January.

MISCELLANEOUS REVENUE
January 2023 General Fund Revenues (58% of year)

Acct. No.	Description	FY 2022/23	FY 2022/23	FY 2022/23		% of Budget	FY 2021/22	% Change From Prior Year
		Adopted Budget	Amended Budget	Activity During January	Year To Date Actual *		Actual*	
101	General Fund							
437100	Sale Of Publications	\$ -	\$ -	\$ 80	\$ 23	**	\$ 121	-80.99%
437105	Firework Services	475	475	-	-	0.00%	-	**
437110	Candidate Statements	-	-	-	1,508	**	-	100.00%
437125	Donations	-	3,000	-	3,000	100.00%	800	275.00%
437135	Expense Reimbursement	-	-	3,885	3,954	**	39,292	-89.94%
437137	Loan Repayment from Landscape Maintenance District	133,460	133,460	-	-	0.00%	-	**
437195	Other Revenue	30,000	30,000	52	4,690	15.63%	7,565	-38.00%
MISCELLANEOUS REVENUE - TOTAL		\$ 163,935	\$ 166,935	\$ 4,017	\$ 13,175	7.89%	\$ 47,778	-72.42%

* = Actual data is reported through January.

TRANSFERS IN
January 2023 General Fund Revenues (58% of year)

Acct. No.	Description	FY 2022/23	FY 2022/23	FY 2022/23			FY 2021/22	% Change From Prior Year
		Adopted Budget	Amended Budget	Activity During January	Year To Date Actual *	% of Budget	Actual*	
101	General Fund			November				
439211	Transfer From Gas Tax Fund	\$ 205,000	\$ 205,000	\$ 17,083	\$ 119,583	58.33%	\$ 119,583	0.00%
439223	Transfer From Protective Services Fund	382,000	382,000	21,525	227,177	59.47%	217,697	4.35%
439242	Transfer Fr Supp Law Enf Grant	150,000	150,000	12,500	87,500	58.33%	87,500	0.00%
439285	Transfer From Housing Authority	-	-	-	-	**	890,000	-100.00%
TRANSFERS IN - TOTAL		\$ 737,000	\$ 737,000	\$ 51,108	\$ 434,260	58.92%	\$ 1,314,780	-66.97%

* = Actual data is reported through January.

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City of Stanton
January 2023 General Fund Expenditures (58% of year)

Division No.	Description	FY 2022/23		FY 2022/23		Percent of Budget	FY 2021/22 Actual*	% Change from Prior Year
		Adopted Budget	Amended Budget	Activity During January	Year to Date Actual *			
1100	City Council	\$ 137,875	\$ 136,015	\$ 10,593	\$ 69,098	50.80%	\$ 73,478	-5.96%
1200	City Attorney	275,000	275,000	4,069	207,338	75.40%	138,534	49.67%
1300	City Manager	603,900	618,200	31,203	230,627	37.31%	274,691	-16.04%
1400	City Clerk	241,880	241,880	15,124	98,693	40.80%	101,926	-3.17%
1410	Personnel/Risk Management	207,435	208,535	16,444	110,036	52.77%	88,298	24.62%
1510	Information Technology	683,135	690,210	39,101	369,267	53.50%	304,643	21.21%
	Administration	2,149,225	2,169,840	116,534	1,085,059	50.01%	981,570	10.54%
1500	Finance	977,075	980,750	72,558	490,857	50.05%	458,100	7.15%
1600	Non-Dept (excludes Transfers)	315,000	317,000	-	69,285	21.86%	446	15434.75%
	Finance	1,292,075	1,297,750	72,558	560,142	43.16%	458,546	22.16%
1520	Emergency Preparedness	5,000	9,175	-	1,480	16.13%	29,163	-94.93%
2100	Law Enforcement	13,071,380	13,071,380	1,086,740	7,609,582	58.22%	7,130,744	6.72%
2200	Fire Protection	5,306,190	5,306,190	22,523	2,654,101	50.02%	2,587,332	2.58%
2230	Contractual Ambulance Svcs	2,500	2,500	-	630	25.20%	200	215.00%
2300	Homeless Prevention	-	43,935	-	-	0.00%	-	**
2400	Animal Control Services	200,965	200,965	-	64,827	32.26%	94,925	-31.71%
2500	Public Safety-Other	117,310	117,310	6,413	69,346	59.11%	72,963	-4.96%
4300	Parking Control	246,585	246,585	25,527	128,383	52.06%	145,215	-11.59%
6200	Code Enforcement	637,030	637,030	49,101	333,215	52.31%	273,387	21.88%
	Public Safety	19,586,960	19,635,070	1,190,304	10,861,564	55.32%	10,333,929	5.11%
3000	Public Works Administration	560,850	560,850	40,621	310,670	55.39%	267,900	15.96%
3100	Engineering	258,665	272,550	32,947	140,407	51.52%	43,437	223.24%
3200	Public Facilities	816,040	812,840	47,958	496,379	61.07%	231,577	114.35%
3300	Crossing Guard	45,165	45,165	8,298	21,744	48.14%	18,534	17.32%
3400	Parks Maintenance	466,110	466,110	31,437	212,416	45.57%	211,039	0.65%
3500	Street Maintenance	508,135	508,135	61,909	219,629	43.22%	191,793	14.51%

* = Actual data is reported through January.

City of Stanton
January 2023 General Fund Expenditures (58% of year)

Division No.	Description	FY 2022/23 Adopted Budget	FY 2022/23 Amended Budget	FY 2022/23			FY 2021/22 Actual*	% Change from Prior Year
				Activity During January	Year to Date Actual *	Percent of Budget		
3600	Storm Drains	129,860	130,360	58,248	75,382	57.83%	70,899	6.32%
6300	Graffiti Abatement	110,370	110,370	7,323	45,528	41.25%	22,950	98.38%
	Public Works	2,895,195	2,906,380	288,741	1,522,155	52.37%	1,058,129	43.85%
4000	Community Development Administration	308,915	308,915	2,148	170,036	55.04%	168,495	0.91%
4100	Planning	511,660	594,575	24,446	170,108	28.61%	276,104	-38.39%
4200	Building Regulation	524,990	524,990	1,150	25,303	4.82%	218,581	-88.42%
4400	Economic Development	37,800	37,800	-	707	1.87%	570	24.04%
	Community Development	1,383,365	1,466,280	27,744	366,154	24.97%	663,750	-44.84%
5000	Public Information Office	143,875	133,660	9,370	60,097	44.96%	63,224	-4.95%
5100	Community Services Administration	583,020	594,220	41,938	332,695	55.99%	349,763	-4.88%
5200	Community Center Operations	202,300	202,300	10,424	56,507	27.93%	45,838	23.28%
5300	Park Operations	238,925	238,925	18,134	143,650	60.12%	118,203	21.53%
5400	Senior Citizen Programs	67,360	67,360	7,003	36,482	54.16%	29,335	24.36%
5500	Recreation Programs	54,310	54,310	6,987	43,345	79.81%	32,725	32.45%
	Community Services	1,289,790	1,290,775	93,856	672,776	52.12%	639,088	5.27%
	Transfer to FACT Grant	46,470	46,470	-	31,825	68.49%	7,125	346.67%
	Transfer to Senior Transportation Fund	11,045	11,045	566	4,596	41.61%	4,275	7.51%
	Transfer to SCP Maintenance	59,200	59,200	4,933	34,533	58.33%	23,998	43.90%
	Transfer to Capital Projects Fund	180,000	209,000	-	-	0.00%	-	**
	Transfers to Other Funds	296,715	325,715	5,499	70,954	21.78%	35,398	100.45%
	TOTAL EXPENDITURES	\$ 28,893,325	\$ 29,091,810	\$ 1,795,236	\$ 15,138,804	52.04%	\$ 14,170,410	6.83%

* = Actual data is reported through January.

Administration - Vazquez
January 2023 General Fund Expenditures (58% of year)

Acct. No.	Description	FY 2022/23					FY 2021/22 Actual*	% Change From Prior Year
		FY 2022/23 Adopted Budget	FY 2022/23 Amended Budget	Activity During January	Year to Date Actual *	% of Budget		
101	General Fund							
1100	City Council							
501105	Salaries-Elected	\$ 52,200	\$ 52,200	\$ 4,023	\$ 30,586	58.59%	\$ 30,123	1.54%
502115	Unemployment Insurance	805	805	-	-	0.00%	-	**
502120	Medicare/Fica	760	760	58	442	58.16%	437	1.14%
502130	Other Benefit Charges	750	750	61	371	49.47%	515	-27.96%
602100	Special Dept Expense	10,000	10,000	862	4,377	43.77%	6,372	-31.31%
602110	Office Expense	2,000	2,000	132	631	31.55%	303	108.25%
602115	Postage	-	-	-	-	**	3	-100.00%
607100	Membership/Dues	37,695	37,695	4,682	27,017	71.67%	27,732	-2.58%
607110	Travel/Conference/Meetings	11,000	11,000	775	3,285	29.86%	5,073	-35.25%
612115	Liability Insurance Charge	2,665	2,665	-	2,389	89.64%	2,920	-18.18%
702100	Furniture-Office	20,000	18,140	-	-	0.00%	-	**
1100	City Council Total	137,875	136,015	10,593	69,098	50.80%	73,478	-5.96%
1200	City Attorney							
608105	Professional Services	275,000	275,000	4,069	207,338	75.40%	138,534	49.67%
1200	City Attorney Total	275,000	275,000	4,069	207,338	75.40%	138,534	49.67%
1300	City Manager							
501110	Salaries-Regular	373,615	383,750	18,316	126,127	32.87%	155,985	-19.14%
501115	Salaries-Overtime	-	-	-	9	**	141	-93.62%
502100	Retirement	85,485	90,235	4,967	34,162	37.86%	38,767	-11.88%
502105	Workers Comp Insurance	5,215	5,600	337	2,321	41.45%	3,089	-24.86%
502110	Health/Life Insurance	42,460	42,460	2,049	12,147	28.61%	19,321	-37.13%
502111	Medical In-Lieu Pay	-	-	4	157	**	425	-63.06%
502115	Unemployment Insurance	360	360	187	324	90.00%	352	-7.95%
502120	Medicare/Fica	4,945	5,075	257	1,764	34.76%	2,244	-21.39%

* = Actual data is reported through January.

Administration - Vazquez
January 2023 General Fund Expenditures (58% of year)

Acct. No.	Description	FY 2022/23 Adopted Budget	FY 2022/23 Amended Budget	FY 2022/23			FY 2021/22 Actual*	% Change From Prior Year
				Activity During January	Year to Date Actual *	% of Budget		
1300	City Manager, Continued							
502130	Other Benefit Charges	2,245	2,245	161	1,110	49.44%	1,373	-19.16%
602110	Office Expense	10,700	10,700	102	1,898	17.74%	2,308	-17.76%
602115	Postage	250	250	26	55	22.00%	2	2650.00%
602120	Books/Periodicals	150	150	-	-	0.00%	-	**
607100	Membership/Dues	1,000	1,000	-	432	43.20%	926	-53.35%
607110	Travel/Conference/Meetings	5,600	4,500	625	1,361	30.24%	1,865	-27.02%
608105	Professional Services	48,000	48,000	4,000	28,000	58.33%	24,000	16.67%
612105	Vehicle Replacement Charge	2,060	2,060	172	1,202	58.35%	408	194.61%
612115	Liability Insurance Charge	21,815	21,815	-	19,558	89.65%	23,485	-16.72%
1300	City Manager Total	603,900	618,200	31,203	230,627	37.31%	274,691	-16.04%
1400	City Clerk							
501110	Salaries-Regular	119,885	119,885	8,881	65,256	54.43%	58,101	12.31%
501115	Salaries-Overtime	-	-	-	45	**	211	-78.67%
502100	Retirement	38,960	38,960	3,119	22,366	57.41%	19,557	14.36%
502105	Workers Comp Insurance	1,780	1,780	163	1,201	67.47%	1,150	4.43%
502110	Health/Life Insurance	18,610	18,610	1,667	10,422	56.00%	9,988	4.35%
502111	Medical In-Lieu Pay	-	-	5	11	**	-	100.00%
502115	Unemployment Insurance	175	175	150	150	85.71%	161	-6.83%
502120	Medicare/Fica	1,670	1,670	124	915	54.79%	813	12.55%
502130	Other Benefit Charges	985	985	78	574	58.27%	511	12.33%
602110	Office Expense	2,250	2,250	451	1,052	46.76%	1,515	-30.56%
602115	Postage	500	500	45	249	49.80%	268	-7.09%
602120	Books/Periodicals	100	100	72	72	72.00%	-	100.00%
607100	Membership/Dues	1,130	1,130	-	415	36.73%	415	0.00%
607110	Travel/Conference/Meetings	750	750	-	-	0.00%	-	**

* = Actual data is reported through January.

Administration - Vazquez
January 2023 General Fund Expenditures (58% of year)

Acct. No.	Description	FY 2022/23 Adopted Budget	FY 2022/23 Amended Budget	FY 2022/23			FY 2021/22 Actual*	% Change From Prior Year
				Activity During January	Year to Date Actual *	% of Budget		
1400	City Clerk, Continued							
607115	Training	2,500	2,500	-	16	0.64%	70	-77.14%
608105	Professional Services	6,000	6,000	325	(9,788)	-163.13%	1,981	-594.09%
608140	Elections	40,000	40,000	-	-	0.00%	820	-100.00%
612105	Vehicle Replacement Charge	530	530	44	309	58.30%	338	-8.58%
612115	Liability Insurance Charge	6,055	6,055	-	5,428	89.64%	6,027	-9.94%
1400	City Clerk Total	241,880	241,880	15,124	98,693	40.80%	101,926	-3.17%
1510	Information Technology							
501110	Salaries-Regular	87,950	87,950	6,921	49,264	56.01%	44,843	9.86%
501115	Salaries-Overtime	10,000	10,000	2,117	10,056	100.56%	3,034	231.44%
502100	Retirement Charges	28,020	28,020	2,431	16,951	60.50%	14,330	18.29%
502105	Workers Comp Insurance	1,250	1,250	127	931	74.48%	888	4.84%
502110	Health/Life Insurance	15,740	15,740	1,413	8,804	55.93%	8,400	4.81%
502115	Unemployment Insurance	160	160	150	150	93.75%	140	7.14%
502120	Medicare/Fica	1,230	1,230	120	800	65.04%	637	25.59%
502130	Other Benefit Charges	805	805	61	445	55.28%	395	12.66%
602140	Materials & Supplies	30,000	13,000	457	4,198	32.29%	5,112	-17.88%
603105	Equipment Maintenance	50,000	92,342	10,659	39,897	43.21%	11,340	251.83%
604100	Communications	125,900	125,900	9,340	55,012	43.69%	42,909	28.21%
608100	Contractual Services	284,750	286,610	4,842	158,330	55.24%	167,081	-5.24%
612105	Vehicle Replacement Charge	5,555	5,555	463	3,240	58.33%	-	100.00%
612115	Liability Insurance Charge	4,435	4,435	-	3,976	89.65%	4,416	-9.96%
701050	Computer Software	37,340	17,213	-	17,213	100.00%	1,118	1439.62%
1510	Information Technology Total	683,135	690,210	39,101	369,267	53.50%	304,643	21.21%
TOTAL ADMINISTRATION-VAZQUEZ		\$ 1,941,790	\$ 1,961,305	\$ 100,090	\$ 975,023	49.71%	\$ 893,272	9.15%

* = Actual data is reported through January.

Administration - Guzman
January 2023 General Fund Expenditures (58% of year)

Acct. No.	Description	FY 2022/23					FY 2021/22 Actual*	% Change From Prior Year
		FY 2022/23 Adopted Budget	FY 2022/23 Amended Budget	Activity During January	Year to Date Actual *	% of Budget		
101	General Fund							
1410	Personnel/Risk Management							
501110	Salaries-Regular	\$ 112,130	\$ 112,130	\$ 8,044	\$ 59,788	53.32%	\$ 47,205	26.66%
501115	Salaries-Overtime	-	-	-	-	**	244	-100.00%
502100	Retirement	24,615	24,615	1,989	14,483	58.84%	11,032	31.28%
502105	Workers Comp Insurance	1,600	1,600	148	1,100	68.75%	935	17.65%
502110	Health/Life Insurance	15,740	15,740	1,426	8,846	56.20%	7,571	16.84%
502111	Medical In-Lieu Pay	-	-	-	-	**	500	-100.00%
502115	Unemployment Insurance	160	160	146	146	91.25%	159	-8.18%
502120	Medicare/FICA	1,550	1,550	112	839	54.13%	685	22.48%
502130	Other Benefit Charges	965	965	71	526	54.51%	415	26.75%
602110	Office Expense	1,400	1,400	105	768	54.86%	33	2227.27%
602115	Postage	200	200	6	90	45.00%	86	4.65%
607100	Membership/Dues	725	725	-	400	55.17%	425	-5.88%
607110	Travel/Conference/Meetings	2,000	2,000	-	-	0.00%	-	**
607115	Training	6,000	4,760	-	308	6.47%	(140)	-320.00%
607120	Education Reimbursement Program	10,000	10,000	1,875	3,125	31.25%	625	400.00%
608105	Professional Services	10,000	10,000	560	7,077	70.77%	5,854	20.89%
608125	Advertising/ Business Dev't	2,200	2,200	75	725	32.95%	2,117	-65.75%
609125	Employee/Volunteer Recognition	12,000	12,000	1,846	6,456	53.80%	5,203	24.08%
612105	Vehicle Replacement Charge	495	495	41	289	58.38%	356	-18.82%
612115	Liability Insurance Charge	5,655	5,655	-	5,070	89.66%	4,993	1.54%
701105	Equipment-General	-	2,340	-	-	0.00%	-	**
	TOTAL ADMINISTRATION-GUZMAN	\$ 207,435	\$ 208,535	\$ 16,444	\$ 110,036	52.77%	\$ 88,298	24.62%

* = Actual data is reported through January.

Finance-Bannigan
January 2023 General Fund Expenditures (58% of year)

Acct. No.	Description	FY 2022/23					FY 2021/22 Actual*	% Change From Prior Year
		FY 2022/23 Adopted Budget	FY 2022/23 Amended Budget	Activity During January	Year to Date Actual *	% of Budget		
101	General Fund							
1500	Finance							
501110	Salaries-Regular	\$ 510,195	\$ 495,195	\$ 35,190	\$ 252,809	51.05%	\$ 244,440	3.42%
501115	Salaries-Overtime	500	500	-	385	77.00%	116	231.90%
501120	Salaries-Part Time	69,350	64,350	4,068	26,002	40.41%	25,477	2.06%
502100	Retirement	130,660	130,660	9,398	68,197	52.19%	65,373	4.32%
502105	Workers Comp Insurance	8,470	8,470	722	5,131	60.58%	5,344	-3.99%
502110	Health/Life Insurance	49,700	49,700	4,406	27,194	54.72%	26,122	4.10%
502111	Medical In-Lieu Pay	4,350	4,350	454	2,183	50.18%	3,535	-38.25%
502115	Unemployment Insurance	1,200	1,200	660	959	79.92%	774	23.90%
502120	Medicare/FICA	8,040	8,040	485	3,438	42.76%	3,371	1.99%
502130	Other Benefit Charges	4,875	4,875	312	2,238	45.91%	2,164	3.42%
602110	Office Expense	8,000	5,925	5	906	15.29%	568	59.51%
602115	Postage	5,000	5,000	650	1,379	27.58%	2,263	-39.06%
602120	Books/Periodicals	450	150	-	65	43.33%	38	71.05%
607100	Membership/Dues	795	845	250	845	100.00%	302	179.80%
607110	Travel/Conference/Meetings	4,500	4,500	8,977	1,245	27.67%	1,953	-36.25%
607115	Training	1,700	2,025	-	1,824	90.07%	410	344.88%
608105	Professional Services	107,500	113,175	3,971	43,277	38.24%	41,092	5.32%
608107	Financial Services	17,600	17,600	2,264	10,103	57.40%	5,802	74.13%
608130	Temporary Help	-	20,000	-	10,547	52.74%	-	100.00%
611116	Payment to Other Agencies	1,900	1,900	487	537	28.26%	587	-8.52%
612105	Vehicle Replacement Charge	3,105	3,105	259	1,811	58.33%	712	154.35%
612115	Liability Insurance Charge	32,885	32,885	-	29,482	89.65%	27,657	6.60%
1500	Finance Total	970,775	974,450	72,558	490,557	50.34%	458,100	7.09%

* = Actual data is reported through January.

Finance-Bannigan
January 2023 General Fund Expenditures (58% of year)

Acct. No.	Description	FY 2022/23 Adopted Budget	FY 2022/23 Amended Budget	FY 2022/23			FY 2021/22 Actual*	% Change From Prior Year
				Activity During January	Year to Date Actual *	% of Budget		
1600	Non-Departmental							
602100	Special Dept Expense	-	2,000	-	1,105	55.25%	446	147.76%
610235	Economic Development Loan Repayment	125,000	125,000	-	68,180	54.54%	-	100.00%
611105	Revenue Sharing-City of Anaheim	40,000	40,000	-	-	0.00%	-	**
1600	Non-Departmental Total	165,000	167,000	-	69,285	41.49%	446	15434.75%
101	GENERAL FUND TOTAL	\$ 1,135,775	\$ 1,141,450	\$ 72,558	\$ 559,842	49.05%	\$ 458,546	22.09%
102	General Fund (Transactions & Use Tax)							
1500	Finance							
608105	Professional Services	6,300	6,300	-	300	4.76%	-	100.00%
1500	Finance Total	6,300	6,300	-	300	4.76%	-	100.00%
1600	Non-Departmental							
610235	Economic Development Loan Repayment	150,000	150,000	-	-	0.00%	-	**
1600	Non-Departmental Total	150,000	150,000	-	-	0.00%	-	**
102	TRANSACTIONS AND USE TAX TOTAL	\$ 156,300	\$ 156,300	\$ -	\$ 300	0.19%	\$ -	100.00%
	TOTAL FINANCE	\$ 1,292,075	\$ 1,297,750	\$ 72,558	\$ 560,142	43.16%	\$ 458,546	22.16%

* = Actual data is reported through January.

**Public Safety-Wren
January 2023 General Fund Expenditures (58% of year)**

Acct. No.	Description	FY 2022/23					FY 2021/22 Actual*	% Change From Prior Year
		FY 2022/23 Adopted Budget	FY 2022/23 Amended Budget	Activity During January	Year to Date Actual *	% of Budget		
101	General Fund							
1520	Emergency Services							
602140	Materials & Supplies	\$ 5,000	\$ 5,000	\$ -	\$ -	0.00%	\$ 55	-100.00%
608105	Professional Services	-	4,175	-	1,480	35.45%	29,108	-94.92%
1520	Emergency Services	5,000	9,175	-	1,480	16.13%	29,163	-94.93%
2100	Law Enforcement							
602100	Special Dept Expense	1,500	3,000	876	2,875	95.83%	-	100.00%
602110	Office Expense	4,000	4,000	269	1,993	49.83%	1,170	70.34%
602145	Gas/Oil/Lube	3,000	1,500	210	591	39.40%	323	82.97%
604100	Communications	39,100	39,100	70	17,908	45.80%	14,716	21.69%
608100	Contractual Services	18,155	18,155	1,513	10,591	58.34%	10,703	-1.05%
608160	O.C.S.D. Contract	9,151,370	9,151,370	762,614	5,327,309	58.21%	5,001,518	6.51%
612105	Vehicle Replacement Charge	5,555	5,555	463	3,240	58.33%	5,075	-36.16%
2100	Law Enforcement Total	9,222,680	9,222,680	766,015	5,364,507	58.17%	5,033,505	6.58%
2200	Fire Protection							
602100	Special Department Expense	43,000	43,000	22,523	22,523	52.38%	20,557	9.56%
608185	O.C.F.A. Contract	3,463,190	3,463,190	-	1,725,141	49.81%	1,855,286	-7.01%
2200	Fire Protection Total	3,506,190	3,506,190	22,523	1,747,664	49.85%	1,875,843	-6.83%
2230	Ambulance Services							
608190	Contractual Ambulance Svcs	2,500	2,500	-	630	25.20%	200	215.00%
2230	Ambulance Services Total	2,500	2,500	-	630	25.20%	200	215.00%
2300	Homeless Prevention							
610230	North SPA Navigation Center Cost Share	-	43,935	-	-	0.00%	-	**
2300	Homeless Total	-	43,935	-	-	0.00%	-	**
2400	Animal Control Services							
608170	Animal Control Services	200,965	200,965	-	64,827	32.26%	94,925	-31.71%
2400	Animal Control Services Total	200,965	200,965	-	64,827	32.26%	94,925	-31.71%

* = Actual data is reported through January.

**Public Safety-Wren
January 2023 General Fund Expenditures (58% of year)**

Acct. No.	Description	FY 2022/23					FY 2021/22 Actual*	% Change From Prior Year
		FY 2022/23 Adopted Budget	FY 2022/23 Amended Budget	Activity During January	Year to Date Actual *	% of Budget		
2500	Public Safety-Other							
501110	Salaries-Regular	66,015	66,015	4,584	32,017	48.50%	33,209	-3.59%
502100	Retirement Charges	14,530	14,530	1,174	8,208	56.49%	6,906	18.85%
502105	Workers Comp Insurance	895	895	84	589	65.81%	566	4.06%
502110	Health/Life Insurance	45	45	35	229	508.89%	227	0.88%
502111	Medical In-Lieu Pay	2,100	2,100	175	1,138	54.19%	1,138	0.00%
502115	Unemployment Insurance	55	55	56	56	101.82%	56	0.00%
502120	Medicare/FICA	890	890	69	481	54.04%	431	11.60%
502130	Other Benefit Charges	385	385	40	282	73.25%	251	12.35%
602100	Special Department Expense	-	-	-	37	**	100	-63.00%
602110	Office Expense	1,200	1,200	54	629	52.42%	372	69.09%
602115	Postage	250	250	-	-	0.00%	1	-100.00%
602130	Clothing	4,500	4,500	142	2,117	47.04%	-	100.00%
602135	Safety Equipment	-	-	-	-	**	876	-100.00%
602140	Materials & Supplies	-	-	-	-	**	64	-100.00%
607115	Training	700	700	-	-	0.00%	-	**
608100	Contractual Services	4,680	4,680	-	4,678	99.96%	4,678	0.00%
612115	Liability Insurance Charge	21,065	21,065	-	18,885	89.65%	24,088	-21.60%
2500	Public Safety-Other Total	117,310	117,310	6,413	69,346	59.11%	72,963	-4.96%
4300	Parking Control							
501110	Salaries-Regular	131,575	131,575	15,932	73,004	55.48%	75,394	-3.17%
502115	Salaries-Overtime	100	100	-	50	50.00%	33	51.52%
501120	Salaries-Part Time	14,250	14,250	1,123	7,747	54.36%	7,474	3.65%
502100	Retirement	40,415	40,415	4,264	23,003	56.92%	22,609	1.74%
502105	Workers Comp Insurance	2,135	2,135	314	1,509	70.68%	1,641	-8.04%
502110	Health/Life Insurance	7,980	7,980	728	4,527	56.73%	7,176	-36.91%
502111	Medical In-Lieu Pay	4,140	4,140	343	2,241	54.13%	2,378	-5.76%

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**Public Safety-Wren
January 2023 General Fund Expenditures (58% of year)**

Acct. No.	Description	FY 2022/23					FY 2021/22 Actual*	% Change From Prior Year
		FY 2022/23 Adopted Budget	FY 2022/23 Amended Budget	Activity During January	Year to Date Actual *	% of Budget		
4300	Parking Control, Continued							
502115	Unemployment Insurance	300	300	218	218	72.67%	258	-15.50%
502120	Medicare/FICA	2,075	2,075	250	1,192	57.45%	1,224	-2.61%
502130	Other Benefit Charges	1,290	1,290	141	647	50.16%	667	-3.00%
602110	Office Expense	4,500	4,500	-	7	0.16%	5,302	-99.87%
602115	Postage	500	500	8	100	20.00%	130	-23.08%
602130	Clothing	-	-	-	-	**	129	-100.00%
604100	Communications	660	660	111	256	38.79%	255	0.39%
608105	Professional Services	30,000	30,000	1,540	9,994	33.31%	16,403	-39.07%
612105	Vehicle Replacement Charge	6,665	6,665	555	3,888	58.33%	4,142	-6.13%
4300	Parking Control Total	246,585	246,585	25,527	128,383	52.06%	145,215	-11.59%
6200	Code Enforcement							
501110	Salaries-Regular	406,370	406,370	31,151	211,436	52.03%	173,292	22.01%
502115	Salaries-Overtime	100	100	-	478	478.00%	14	3314.29%
501120	Salaries-Part Time	14,250	14,250	1,123	7,747	54.36%	7,474	3.65%
502100	Retirement	107,805	107,805	8,804	60,060	55.71%	48,735	23.24%
502105	Workers Comp Insurance	6,150	6,150	594	4,033	65.58%	3,579	12.69%
502110	Health/Life Insurance	46,385	46,385	3,380	22,841	49.24%	22,895	-0.24%
502111	Medical In-Lieu Pay	4,560	4,560	381	2,474	54.25%	2,535	-2.41%
502115	Unemployment Insurance	775	775	553	553	71.35%	537,000	2.98%
502120	Medicare/FICA	5,865	5,865	471	3,183	54.27%	2,605	22.19%
502130	Other Benefit Charges	3,590	3,590	275	1,865	51.95%	1,529	21.98%
602110	Office Expense	1,500	1,500	-	1,761	117.40%	-	100.00%
602115	Postage	1,000	1,000	145	313	31.30%	336	-6.85%
602160	Code Enforcement Equipment	6,000	6,000	-	-	0.00%	108	-100.00%
603105	Equipment Maintenance	1,000	1,000	-	-	0.00%	-	**
607100	Membership/Dues	570	570	-	500	87.72%	380	31.58%

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Public Safety-Wren
January 2023 General Fund Expenditures (58% of year)

Acct. No.	Description	FY 2022/23					FY 2021/22 Actual*	% Change From Prior Year
		FY 2022/23 Adopted Budget	FY 2022/23 Amended Budget	Activity During January	Year to Date Actual *	% of Budget		
6200	Code Enforcement, Continued							
607115	Training	1,000	1,000	-	425	42.50%	250	70.00%
608100	Contractual Services	4,000	4,000	315	1,890	47.25%	1,890	0.00%
608105	Professional Services	5,000	5,000	150	1,342	26.84%	1,943	-30.93%
612105	Vehicle Replacement Charge	21,110	21,110	1,759	12,314	58.33%	5,285	133.00%
6200	Code Enforcement Total	637,030	637,030	49,101	333,215	52.31%	273,387	21.88%
101	GENERAL FUND TOTAL	\$ 13,938,260	\$ 13,986,370	\$ 869,579	\$ 7,710,052	55.13%	\$ 7,525,201	2.46%
102	General Fund (Transactions & Use Tax)							
2100	Law Enforcement							
608160	O.C.S.D. Contract	3,848,700	3,848,700	320,725	2,245,075	58.33%	2,097,239	7.05%
2100	Law Enforcement Total	3,848,700	3,848,700	320,725	2,245,075	58.33%	2,097,239	7.05%
2200	Fire Protection							
608185	O.C.F.A. Contract	1,800,000	1,800,000	-	906,437	50.36%	711,489	27.40%
2200	Fire Protection Total	1,800,000	1,800,000	-	906,437	50.36%	711,489	27.40%
102	TRANSACTIONS AND USE TAX TOTAL	\$ 5,648,700	\$ 5,648,700	\$ 320,725	\$ 3,151,512	55.79%	\$ 2,808,728	12.20%
	TOTAL PUBLIC SAFETY	\$ 19,586,960	\$ 19,635,070	\$ 1,190,304	\$ 10,861,564	55.32%	\$ 10,333,929	5.11%

* = Actual data is reported through January.

**Public Works-Rangel
January 2023 General Fund Expenditures (58% of year)**

Acct. No.	Description	FY 2022/23					FY 2021/22 Actual*	% Change From Prior Year
		FY 2022/23 Adopted Budget	FY 2022/23 Amended Budget	Activity During January	Year to Date Actual *	% of Budget		
101	General Fund							
3000	Public Works Administration							
501110	Salaries-Regular	\$ 362,485	\$ 362,485	\$ 26,112	\$ 186,926	51.57%	\$ 148,156	26.17%
501120	Salaries-Part Time	20,430	20,430	1,238	8,198	40.13%	8,716	-5.94%
502100	Retirement Charges	82,100	82,100	6,682	46,317	56.42%	35,814	29.33%
502105	Workers Comp Insurance	5,455	5,455	503	3,536	64.82%	3,106	13.84%
502110	Health/Life Insurance	30,250	30,250	4,312	24,288	80.29%	15,858	53.16%
502111	Medical In-Lieu Pay	6,000	6,000	-	875	14.58%	2,850	-69.30%
502115	Unemployment Insurance	645	645	423	744	115.35%	667	11.54%
502120	Medicare/FICA	5,260	5,260	386	2,781	52.87%	2,273	22.35%
502130	Other Benefit Charges	2,945	2,945	230	1,648	55.96%	1,308	25.99%
602110	Office Expense	2,000	2,000	220	472	23.60%	-	100.00%
602115	Postage	100	100	2	121	121.00%	1	12000.00%
602120	Books/Periodicals	200	200	-	-	0.00%	-	**
607100	Membership/Dues	750	1,135	50	50	4.41%	-	**
607110	Travel/Conference/Meetings	1,300	1,300	-	656	50.46%	-	100.00%
607115	Training	1,000	615	-	-	0.00%	-	**
608130	Temporary Staffing	-	-	-	-	**	16,480	-100.00%
612105	Vehicle Replacement Charge	5,555	5,555	463	3,240	58.33%	-	100.00%
612115	Liability Insurance Charge	34,375	34,375	-	30,818	89.65%	32,671	-5.67%
3000	Public Works Administration Total	560,850	560,850	40,621	310,670	55.39%	267,900	15.96%
3100	Engineering							
501110	Salaries-Regular	58,380	58,380	5,255	34,517	59.12%	17,764	94.31%
501115	Salaries-Overtime	300	10,300	768	10,253	99.54%	-	100.00%
502100	Retirement	13,730	13,730	1,316	8,777	63.93%	3,557	146.75%
502105	Workers Comp Insurance	885	885	97	651	73.56%	352	84.94%

* = Actual data is reported through January.

**Public Works-Rangel
January 2023 General Fund Expenditures (58% of year)**

Acct. No.	Description	FY 2022/23					FY 2021/22 Actual*	% Change From Prior Year
		FY 2022/23 Adopted Budget	FY 2022/23 Amended Budget	Activity During January	Year to Date Actual *	% of Budget		
3100	Engineering, Continued							
502110	Health/Life Insurance	8,240	8,240	725	4,367	53.00%	1,640	166.28%
502111	Medical In-Lieu Pay	-	-	11	113	**	-	100.00%
502115	Unemployment Insurance	105	105	112	112	106.67%	138	-18.84%
502120	Medicare/FICA	835	835	87	649	77.72%	253	156.52%
502130	Other Benefit Charges	535	535	46	311	58.13%	156	99.36%
602110	Office Expense	-	-	-	-	**	76	-100.00%
602115	Postage	-	-	-	-	**	14	-100.00%
602120	Books/Periodicals	-	-	-	159	**	-	100.00%
602130	Clothing	-	-	-	54	**	-	100.00%
602140	Materials & Supplies	2,500	2,500	-	-	0.00%	634	-100.00%
607100	Membership/Dues	950	950	-	-	0.00%	900	-100.00%
607110	Travel/Conference/Meetings	-	-	-	-	**	21	-100.00%
608110	Engineering Services	129,240	133,125	23,975	76,556	57.51%	15,987	378.86%
608115	Inspection Services	-	15,000	-	-	0.00%	-	**
608120	Plan Checking Services	33,300	18,300	-	-	0.00%	1,548	-100.00%
608135	Microfilming	3,000	3,000	-	-	0.00%	-	**
612105	Vehicle Replacement Charge	6,665	6,665	555	3,888	58.33%	397	879.35%
3100	Engineering Total	258,665	272,550	32,947	140,407	51.52%	43,437	223.24%
3200	Public Facilities							
501110	Salaries-Regular	23,510	23,510	3,183	39,361	167.42%	34,353	14.58%
501115	Salaries-Overtime	2,000	2,000	232	947	47.35%	491	92.87%
502100	Retirement	5,310	5,310	786	9,751	183.63%	8,015	21.66%
502105	Workers Comp Insurance	345	345	59	727	210.72%	680	6.91%
502110	Health/Life Insurance	4,790	4,790	530	5,015	104.70%	4,556	10.07%
502115	Unemployment Insurance	80	80	70	70	87.50%	150	-53.33%

* = Actual data is reported through January.

**Public Works-Rangel
January 2023 General Fund Expenditures (58% of year)**

Acct. No.	Description	FY 2022/23					FY 2021/22 Actual*	% Change From Prior Year
		FY 2022/23 Adopted Budget	FY 2022/23 Amended Budget	Activity During January	Year to Date Actual *	% of Budget		
3200	Public Facilities, Continued							
502120	Medicare/FICA	330	330	50	584	176.97%	505	15.64%
502130	Other Benefit Charges	220	220	28	348	158.18%	302	15.23%
602100	Special Dept Expense	7,885	7,885	-	1,113	14.12%	651	70.97%
602110	Office Expense	1,100	1,100	-	138	12.55%	-	100.00%
602130	Clothing	5,625	5,625	549	2,430	43.20%	1,775	36.90%
602135	Safety Equipment	500	500	-	129	25.80%	-	100.00%
602140	Materials & Supplies	8,000	8,000	1,269	3,996	49.95%	2,094	90.83%
603105	Equipment Maintenance	-	18,870	-	18,868	99.99%	-	100.00%
603110	Building Maintenance	129,740	126,945	11,959	55,984	44.10%	38,410	45.75%
604100	Communications	40,000	40,000	603	3,460	8.65%	2,817	22.83%
604105	Utilities	170,000	170,000	13,182	102,354	60.21%	85,152	20.20%
608100	Contractual Services	165,800	162,600	12,449	82,323	50.63%	35,506	131.86%
611110	O.C. Sanitation District User Fee	14,700	14,700	-	13,801	93.88%	13,985	-1.32%
612105	Vehicle Replacement Charge	36,105	36,105	3,009	21,061	58.33%	2,135	886.46%
701105	Equipment-General	200,000	169,060	-	119,057	70.42%	-	100.00%
704100	Equipment-General	-	14,865	-	14,862	99.98%	-	100.00%
3200	Public Facilities Total	816,040	812,840	47,958	496,379	61.07%	231,577	114.35%
3300	Crossing Guard							
608175	Crossing Guard Services	45,165	45,165	8,298	21,744	48.14%	18,534	17.32%
3300	Crossing Guard Total	45,165	45,165	8,298	21,744	48.14%	18,534	17.32%
3400	Parks Maintenance							
501110	Salaries-Regular	85,165	85,165	5,053	41,505	48.73%	39,887	4.06%
501115	Salaries-Overtime	3,000	3,000	237	1,265	42.17%	1,882	-32.78%
502100	Retirement	18,700	18,700	1,245	10,269	54.91%	9,274	10.73%
502105	Workers Comp Insurance	1,220	1,220	93	769	63.03%	790	-2.66%

* = Actual data is reported through January.

**Public Works-Rangel
January 2023 General Fund Expenditures (58% of year)**

Acct. No.	Description	FY 2022/23					FY 2021/22 Actual*	% Change From Prior Year
		FY 2022/23 Adopted Budget	FY 2022/23 Amended Budget	Activity During January	Year to Date Actual *	% of Budget		
3400	Parks Maintenance, Continued							
502110	Health/Life Insurance	11,055	11,055	850	6,251	56.54%	6,511	-3.99%
502111	Medical In-Lieu Pay	840	840	70	455	54.17%	472	-3.60%
502115	Unemployment Insurance	220	220	112	112	50.91%	156	-28.21%
502120	Medicare/Fica	1,160	1,160	78	627	54.05%	612	2.45%
502130	Other Benefit Charges	760	760	44	368	48.42%	351	4.84%
602100	Special Dept Expense	7,000	7,000	162	2,687	38.39%	595	351.60%
603105	Equipment Maintenance	17,000	17,000	780	5,981	35.18%	8,180	-26.88%
604105	Utilities	180,000	180,000	16,239	96,273	53.49%	90,799	6.03%
605100	Land Lease	5,000	5,000	-	2,661	53.22%	3,259	-18.35%
608100	Contractual Services	126,100	126,100	5,733	38,007	30.14%	45,672	-16.78%
612105	Vehicle Replacement Charge	8,890	8,890	741	5,186	58.34%	2,599	99.54%
3400	Parks Maintenance Total	466,110	466,110	31,437	212,416	45.57%	211,039	0.65%
3500	Street Maintenance							
501110	Salaries-Regular	114,550	114,550	5,935	40,098	35.00%	49,577	-19.12%
501115	Salaries-Overtime	6,000	6,000	678	1,963	32.72%	2,697	-27.22%
502100	Retirement	26,235	26,235	1,460	9,938	37.88%	11,437	-13.11%
502105	Workers Comp Insurance	1,705	1,705	109	746	43.75%	982	-24.03%
502110	Health/Life Insurance	14,455	14,455	875	5,907	40.86%	8,306	-28.88%
502111	Medical In-Lieu Pay	2,310	2,310	193	1,251	54.16%	1,299	-3.70%
502115	Unemployment Insurance	330	330	137	137	41.52%	209	-34.45%
502120	Medicare/FICA	1,650	1,650	99	628	38.06%	776	-19.07%
502130	Other Benefit Charges	1,070	1,070	52	357	33.36%	436	-18.12%
602100	Special Dept Expense	3,000	3,000	-	-	0.00%	-	**
602125	Small Tools	4,000	4,000	-	60	1.50%	-	100.00%
602140	Materials & Supplies	65,000	65,000	6,199	20,522	31.57%	9,836	108.64%

* = Actual data is reported through January.

**Public Works-Rangel
January 2023 General Fund Expenditures (58% of year)**

Acct. No.	Description	FY 2022/23					FY 2021/22 Actual*	% Change From Prior Year
		FY 2022/23 Adopted Budget	FY 2022/23 Amended Budget	Activity During January	Year to Date Actual *	% of Budget		
3500	Street Maintenance, Continued							
603105	Equipment Maintenance	2,000	2,000	-	137	6.85%	999	-86.29%
608100	Contractual Services	195,000	195,000	14,099	100,397	51.49%	94,092	6.70%
612105	Vehicle Replacement Charge	10,830	10,830	903	6,318	58.34%	10,634	-40.59%
710190	Pavement Maintenance	60,000	60,000	31,170	31,170	51.95%	513	5976.02%
3500	Street Maintenance Total	508,135	508,135	61,909	219,629	43.22%	191,793	14.51%
3600	Storm Drain Maintenance							
603100	Emergency Maintenance Services	10,000	10,000	491	491	4.91%	-	100.00%
608100	Contractual Services	-	500	-	-	0.00%	-	**
608155	Storm Water Monitor Program	119,860	119,860	57,757	74,891	62.48%	70,899	5.63%
3600	Storm Drain Maintenance Total	129,860	130,360	58,248	75,382	57.83%	70,899	6.32%
6300	Graffiti Abatement							
501110	Salaries-Regular	41,815	41,815	2,567	15,896	38.02%	4,215	277.13%
501115	Salaries-Overtime	8,000	8,000	633	4,853	60.66%	869	458.46%
502100	Retirement Charges	9,410	9,410	632	4,038	42.91%	962	319.75%
502105	Workers Comp Insurance	615	615	47	305	49.59%	83	267.47%
502110	Health/Life Insurance	8,145	8,145	317	3,005	36.89%	1,041	188.66%
502115	Unemployment Insurance	135	135	66	66	48.89%	37	78.38%
502120	Medicare/FICA	585	585	46	301	51.45%	74	306.76%
502130	Other Benefit Charges	390	390	23	146	37.44%	37	294.59%
602140	Materials & Supplies	25,000	25,000	2,136	10,924	43.70%	7,138	53.04%
603105	Equipment Maintenance	6,000	6,000	-	-	0.00%	444	-100.00%
612105	Vehicle Replacement Charge	10,275	10,275	856	5,994	58.34%	8,050	-25.54%
6300	Graffiti Abatement Total	110,370	110,370	7,323	45,528	41.25%	22,950	98.38%
TOTAL PUBLIC WORKS		\$ 2,895,195	\$ 2,906,380	\$ 288,741	\$ 1,522,155	52.37%	\$ 1,058,129	43.85%

* = Actual data is reported through January.

**Community Development-Shin-Heydorn
January 2023 General Fund Expenditures (58% of year)**

Acct. No.	Description	FY 2022/23					% of Budget	FY 2021/22 Actual*	% Change From Prior Year
		FY 2022/23 Adopted Budget	FY 2022/23 Amended Budget	Activity During January	Year to Date Actual *				
101	General Fund								
4000	Community Development Administration								
501110	Salaries-Regular	\$ 189,955	\$ 189,955	\$ 1,264	\$ 89,728	47.24%	\$ 89,296	0.48%	
501115	Salaries-Overtime	-	-	-	12	**	176	-93.18%	
502100	Retirement Charges	43,370	43,370	444	22,144	51.06%	21,214	4.38%	
502105	Workers Comp Insurance	2,845	2,845	23	1,651	58.03%	1,768	-6.62%	
502110	Health/Life Insurance	8,680	8,680	213	4,685	53.97%	7,264	-35.50%	
502111	Medical In-Lieu Pay	-	-	4	9	**	-	100.00%	
502115	Unemployment Insurance	225	225	26	26	11.56%	172,000	-84.88%	
502120	Medicare/FICA	2,675	2,675	18	1,273	47.59%	1,272	0.08%	
502130	Other Benefit Charges	1,260	1,260	11	790	62.70%	786	0.51%	
602110	Office Expense	1,000	1,000	51	566	56.60%	777	-27.16%	
602120	Books/Periodicals	1,200	1,200	14	14	1.17%	178	-92.13%	
607100	Membership/Dues	1,600	1,600	-	-	0.00%	-	**	
607110	Travel/Conference/Meetings	-	-	-	-	**	22	-100.00%	
607115	Training	1,200	1,200	-	-	0.00%	289	-100.00%	
612105	Vehicle Replacement Charge	965	965	80	563	58.34%	-	100.00%	
612115	Liability Insurance Charge	53,940	53,940	-	48,358	89.65%	45,281	6.80%	
702100	Office Furniture	-	-	-	217	**	-	100.00%	
4000	Community Development Administration Total	308,915	308,915	2,148	170,036	55.04%	168,495	0.91%	
4100	Planning								
501110	Salaries-Regular	302,790	289,170	16,214	100,097	34.62%	115,871	-13.61%	
501115	Salaries-Overtime	1,200	1,200	-	160	13.33%	695	-76.98%	
501125	Salaries-Appointed	9,000	9,000	692	4,638	51.53%	5,192	-10.67%	
502100	Retirement	72,645	69,380	4,008	24,756	35.68%	26,616	-6.99%	
502105	Workers Comp Insurance	4,630	4,630	298	1,843	39.81%	2,294	-19.66%	
502110	Health/Life Insurance	61,270	58,515	2,372	13,545	23.15%	13,603	-0.43%	

* = Actual data is reported through January.

**Community Development-Shin-Heydorn
January 2023 General Fund Expenditures (58% of year)**

Acct. No.	Description	FY 2022/23		FY 2022/23			FY 2021/22 Actual*	% Change From Prior Year
		Adopted Budget	Amended Budget	Activity During January	Year to Date Actual *	% of Budget		
4100	Planning, Continued							
502111	Medical In-Lieu Pay	-	-	-	450	**	-	100.00%
502115	Unemployment Insurance	770	770	318	455	59.09%	345	31.88%
502120	Medicare/FICA	4,475	4,275	245	1,516	35.46%	1,763	-14.01%
502130	Other Benefit Charges	3,510	3,350	143	881	26.30%	1,020	-13.63%
602110	Office Expense	-	-	-	31	**	49	-36.73%
602115	Postage	750	750	-	(151)	-20.13%	195	-177.44%
602140	Materials & Supplies	1,000	1,000	-	115	11.50%	-	100.00%
607100	Membership/Dues	2,500	2,500	-	-	0.00%	721	-100.00%
607110	Travel/Conference/Meetings	8,200	8,200	-	1,028	12.54%	114	801.75%
607115	Training	3,050	3,050	-	-	0.00%	-	**
608100	Contractual Services	4,000	4,000	-	-	0.00%	1,706	-100.00%
608105	Professional Services	25,000	127,915	-	19,653	15.36%	105,564	-81.38%
608135	Microfilming	5,000	5,000	-	-	0.00%	-	**
612105	Vehicle Replacement Charge	1,870	1,870	156	1,091	58.34%	356	206.46%
4100	Planning Total	511,660	594,575	24,446	170,108	28.61%	276,104	-38.39%
4200	Building Regulation							
501110	Salaries-Regular	260,695	139,830	-	12,958	9.27%	26,070	-50.30%
502100	Retirement	62,630	33,170	-	3,008	9.07%	6,093	-50.63%
502105	Workers Comp Insurance	3,970	2,120	-	238	11.23%	516	-53.88%
502110	Health/Life Insurance	48,910	29,280	-	1,852	6.33%	4,841	-61.74%
502111	Medical In-Lieu Pay	-	-	-	66	**	198	-66.67%
502115	Unemployment Insurance	485	325	-	-	0.00%	195	-100.00%
502120	Medicare/FICA	3,730	1,995	-	189	9.47%	381	-50.39%
502130	Other Benefit Charges	2,310	1,270	-	114	8.98%	229	-50.22%
602110	Office Expense	500	500	-	8	1.60%	45	-82.22%
602115	Postage	700	700	-	72	10.29%	13	453.85%

* = Actual data is reported through January.

Community Development-Shin-Heydorn
January 2023 General Fund Expenditures (58% of year)

Acct. No.	Description	FY 2022/23		FY 2022/23			FY 2021/22 Actual*	% Change From Prior Year
		Adopted Budget	Amended Budget	Activity During January	Year to Date Actual *	% of Budget		
4200	Building Regulation, Continued							
602120	Books/Periodicals	1,000	1,000	-	-	0.00%	-	**
607100	Membership/Dues	1,200	1,200	-	-	0.00%	-	**
607110	Travel/Conference/Meetings	500	500	-	-	0.00%	-	**
607115	Training	1,000	1,000	-	-	0.00%	-	**
608115	Inspection Services	50,000	224,740	-	-	0.00%	179,638	-100.00%
608120	Plan Checking Services	70,000	70,000	-	-	0.00%	-	**
608135	Microfilming	4,000	4,000	-	-	0.00%	-	**
611116	Payment to Other Agencies	2,250	2,250	224	317	14.09%	362	-12.43%
612105	Vehicle Replacement Charge	11,110	11,110	926	6,481	58.33%	-	100.00%
4200	Building Regulation Total	524,990	524,990	1,150	25,303	4.82%	218,581	-88.42%
4400	Economic Development							
607100	Membership/Dues	2,000	2,000	-	570	28.50%	570	0.00%
607110	Travel/Conference/Meetings	-	-	-	137	**	-	100.00%
607115	Training	2,500	2,500	-	-	0.00%	-	**
608100	Contractual Services	2,250	2,250	-	-	0.00%	-	**
608145	Information Technology	18,750	18,750	-	-	0.00%	-	**
609100	Special Events	12,300	12,300	-	-	0.00%	-	**
4400	Economic Development	37,800	37,800	-	707	1.87%	570	24.04%
TOTAL COMMUNITY DEVELOPMENT		\$ 1,383,365	\$ 1,466,280	\$ 27,744	\$ 366,154	24.97%	\$ 663,750	-44.84%

* = Actual data is reported through January.

Community Service - Bobadilla
January 2023 General Fund Expenditures (58% of year)

Acct. No.	Description	FY 2022/23					FY 2021/22 Actual*	% Change From Prior Year
		FY 2022/23 Adopted Budget	FY 2022/23 Amended Budget	Activity During January	Year to Date Actual *	% of Budget		
101	General Fund							
5000	Public Information Office							
501110	Salaries-Regular	\$ 93,255	\$ 86,465	\$ 6,061	\$ 41,333	47.80%	\$ 43,768	-5.56%
502100	Retirement Charges	22,025	20,400	1,498	10,218	50.09%	10,119	0.98%
502105	Workers Comp Insurance	1,400	1,400	112	761	54.36%	867	-12.23%
502110	Health/Life Insurance	22,065	20,440	277	1,729	8.46%	6,382	-72.91%
502111	Medical In-Lieu Pay	-	-	350	2,275	**	-	100.00%
502115	Unemployment Insurance	200	200	127	243	121.50%	172	41.28%
502120	Medicare/FICA	1,320	1,225	93	632	51.59%	634	-0.32%
502130	Other Benefit Charges	860	780	53	364	46.67%	385	-5.45%
602113	Social Media	2,750	2,750	799	2,542	92.44%	645	294.11%
607100	Membership/Dues	-	-	-	-	**	252	-100.00%
5000	Public Information Office	143,875	133,660	9,370	60,097	44.96%	63,224	-4.95%
5100	Community Services Administration							
501110	Salaries-Regular	323,640	323,640	23,981	154,906	47.86%	143,505	7.94%
501120	Salaries-Part Time	-	-	199	2,180	**	2,171	0.41%
502100	Retirement	78,065	78,065	6,561	42,376	54.28%	37,488	13.04%
502105	Workers Comp Insurance	4,510	4,510	445	2,922	64.79%	2,884	1.32%
502110	Health/Life Insurance	26,980	26,980	2,507	14,797	54.84%	15,040	-1.62%
502111	Medical In-Lieu Pay	6,000	6,000	500	3,063	51.05%	3,625	-15.50%
502115	Unemployment Insurance	445	445	377	377	84.72%	388	-2.84%
502120	Medicare/FICA	4,420	4,420	345	2,228	50.41%	2,063	8.00%
502130	Other Benefit Charges	2,430	2,430	211	1,365	56.17%	1,264	7.99%
602100	Special Dept Expense	9,700	12,900	1,198	6,125	47.48%	71,909	-91.48%
602110	Office Expense	3,185	3,185	431	2,386	74.91%	1,544	54.53%
602115	Postage	400	400	-	489	122.25%	362	35.08%
603110	Building Maintenance	10,485	15,485	3,250	5,500	35.52%	1,125	388.89%

* = Actual data is reported through January.

Community Service - Bobadilla
January 2023 General Fund Expenditures (58% of year)

Acct. No.	Description	FY 2022/23					FY 2021/22 Actual*	% Change From Prior Year
		FY 2022/23 Adopted Budget	FY 2022/23 Amended Budget	Activity During January	Year to Date Actual *	% of Budget		
5100	Community Services Administration, Continued							
607100	Membership/Dues	550	550	-	55	10.00%	892	-93.83%
607115	Training	6,150	6,150	-	4,409	71.69%	295	1394.58%
609100	Special Events	17,900	20,900	854	14,534	69.54%	9,939	46.23%
612105	Vehicle Replacement Charge	12,945	12,945	1,079	7,551	58.33%	4,576	65.01%
612115	Liability Insurance Charge	75,215	75,215	-	67,432	89.65%	50,693	33.02%
5100	Community Services Administration Total	583,020	594,220	41,938	332,695	55.99%	349,763	-4.88%
5200	Community Center Operations							
501110	Salaries-Regular	36,385	36,385	2,627	14,506	39.87%	14,371	0.94%
501115	Salaries-Overtime	-	-	-	-	**	164	-100.00%
501120	Salaries-Part Time	115,220	115,220	4,264	25,664	22.27%	17,024	50.75%
502100	Retirement	17,560	17,560	948	5,431	30.93%	3,841	41.40%
502105	Workers Comp Insurance	2,200	2,200	127	739	33.59%	622	18.81%
502110	Health/Life Insurance	4,785	4,785	436	2,418	50.53%	2,221	8.87%
502111	Medical In-Lieu Pay	2,700	2,700	185	1,474	54.59%	1,625	-9.29%
502115	Unemployment Insurance	805	805	147	147	18.26%	145	1.38%
502120	Medicare/FICA	2,130	2,130	103	603	28.31%	481	25.36%
502130	Other Benefit Charges	1,925	1,925	25	140	7.27%	135	3.70%
602100	Special Dept Expense	4,000	4,000	286	2,642	66.05%	2,081	26.96%
602110	Office Expense	1,000	1,000	293	634	63.40%	451	40.58%
603110	Building Maintenance	6,695	6,695	950	1,879	28.07%	2,447	-23.21%
612105	Vehicle Replacement Charge	395	395	33	230	58.23%	230	0.00%
702100	Furniture-Office	6,500	6,500	-	-	0.00%	-	**
5200	Community Center Operations	202,300	202,300	10,424	56,507	27.93%	45,838	23.28%
5300	Park Operations							
501110	Salaries-Regular	77,735	77,735	5,757	40,230	51.75%	37,584	7.04%
501115	Salaries-Overtime	-	-	54	1,142	**	1,741	-34.41%

* = Actual data is reported through January.

Community Service - Bobadilla
January 2023 General Fund Expenditures (58% of year)

Acct. No.	Description	FY 2022/23 Adopted Budget	FY 2022/23 Amended Budget	FY 2022/23			FY 2021/22 Actual*	% Change From Prior Year
				Activity During January	Year to Date Actual *	% of Budget		
5300	Park Operations, Continued							
501120	Salaries-Part Time	116,440	116,440	8,725	80,016	68.72%	58,264	37.33%
502100	Retirement	17,635	17,635	1,423	9,953	56.44%	8,783	13.32%
502105	Workers Comp Insurance	2,840	2,840	266	2,213	77.92%	1,898	16.60%
502110	Health/Life Insurance	9,575	9,575	876	5,479	57.22%	5,249	4.38%
502111	Medical In-Lieu Pay	1,200	1,200	255	1,384	115.33%	850	62.82%
502115	Unemployment Insurance	1,125	1,125	312	558	49.60%	970	-42.47%
502120	Medicare/FICA	2,720	2,720	215	1,779	65.40%	1,427	24.67%
502130	Other Benefit Charges	2,655	2,655	55	394	14.84%	360	9.44%
602100	Special Dept Expense	4,000	4,000	59	188	4.70%	992	-81.05%
602110	Office Expense	3,000	3,000	137	314	10.47%	85	269.41%
5300	Park Operations	238,925	238,925	18,134	143,650	60.12%	118,203	21.53%
5400	Senior Citizens Programs							
501110	Salaries-Regular	18,195	18,195	1,314	8,418	46.27%	9,754	-13.70%
501115	Salaries-Overtime	-	-	-	-	**	74	-100.00%
501120	Salaries-Part Time	38,645	38,645	4,678	22,186	57.41%	13,423	65.28%
502100	Retirement	4,225	4,225	325	2,081	49.25%	2,280	-8.73%
502105	Workers Comp Insurance	830	830	110	563	67.83%	459	22.66%
502110	Health/Life Insurance	2,395	2,395	218	1,363	56.91%	1,453	-6.19%
502111	Medical In-Lieu Pay	-	-	116	754	**	700	7.71%
502115	Unemployment Insurance	320	320	126	126	39.38%	65	93.85%
502120	Medicare/FICA	780	780	89	455	58.33%	347	31.12%
502130	Other Benefit Charges	770	770	14	85	11.04%	93	-8.60%
609200	Senior Citizen Program	1,200	1,200	13	451	37.58%	687	-34.35%
5400	Senior Citizens Programs	67,360	67,360	7,003	36,482	54.16%	29,335	24.36%

* = Actual data is reported through January.

Community Service - Bobadilla
January 2023 General Fund Expenditures (58% of year)

Acct. No.	Description	FY 2022/23 Adopted Budget	FY 2022/23 Amended Budget	FY 2022/23			FY 2021/22 Actual*	% Change From Prior Year
				Activity During January	Year to Date Actual *	% of Budget		
5500	Recreation Programs							
602115	Postage	9,510	9,510	-	6,758	71.06%	6,216	8.72%
602150	Recreation Brochure Mailing	28,000	28,000	6,987	19,629	70.10%	10,671	83.95%
608150	Contractual Recreation Program	16,800	16,800	-	16,958	100.94%	15,838	7.07%
5500	Recreation Programs	54,310	54,310	6,987	43,345	79.81%	32,725	32.45%
TOTAL COMMUNITY SERVICES		\$ 1,289,790	\$ 1,290,775	\$ 93,856	\$ 672,776	52.12%	\$ 639,088	5.27%

* = Actual data is reported through January.

**Transfers to Other Funds-Bannigan
January 2023 General Fund Expenditures (58% of year)**

Acct. No.	Description	FY 2022/23 Adopted Budget	FY 2022/23 Amended Budget	FY 2022/23			FY 2021/22 Actual*	% Change From Prior Year
				Activity During January	Year to Date Actual *	% of Budget		
101	General Fund							
1600	Non-Departmental							
800250	Transfer to FACT Grant	\$ 46,470	\$ 46,470	\$ -	\$ 31,825	68.49%	\$ 7,125	346.67%
800251	Transfer to Senior Transportation Fund	11,045	11,045	566	4,596	41.61%	4,275	7.51%
800280	Transfer to SCP Maintenance Fund	59,200	59,200	4,933	34,533	58.33%	23,998	43.90%
800305	Transfer to Capital Projects Fund	180,000	209,000	-	-	0.00%	-	**
	TOTAL TRANSFERS OUT	\$ 296,715	\$ 325,715	\$ 5,499	\$ 70,954	21.78%	\$ 35,398	100.45%

* = Actual data is reported through January.

ATTACHMENT C

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General Fund - Fund Balance Status

	General Fund (101)	Measure GG Transaction & Use Tax Fund (102)	Total
<i>Reserves as of June 30, 2022 (per City Reserve Policy):</i>			
Capital Improvement (A)	\$ 5,000,000		\$ 5,000,000
Economic Uncertainty (B)	5,700,000		5,700,000
Emergency Disaster Continuity (C)	2,900,000		2,900,000
Equipment and Maintenance (A)	150,000		150,000
Technology Equipment (A)	150,000		150,000
Subtotal	13,900,000	-	13,900,000
<i>Other Fund Balance Commitments:</i>			
Developer Contributions from Public Benefit Fees	1,377,796		1,377,796
Developer Contributions from Beautification Fees	190,000		190,000
Developer Contributions from Neighborhood Preservation Fees	88,500		88,500
Subtotal	1,656,296	-	1,656,296
Available Fund Balance (unreserved)	9,975,608	389,600	10,365,208
Total Discretionary Fund Balance as of June 30, 2022	25,531,904	389,600	25,921,504
Estimated increase (decrease) of fund balance during Fiscal Year 2022-23	650,646	(389,600)	261,046
Total Projected Discretionary Fund Balance as of June 30, 2023	\$ 26,182,550	\$ -	\$ 26,182,550

Notes:

(A) - Flat amounts per Reserve Policy adopted on June 14, 2022 (City Resolution No. 2022-34).

(B) - Amount is equal to 20% of Fiscal Year 2022/23 operating expenditures budgeted in General Fund per Reserve Policy adopted on June 14, 2022 (City Resolution No. 2022-34).

(C) - Amount is equal to 10% of Fiscal Year 2022/23 operating expenditures budgeted in General Fund per Reserve Policy adopted on June 14, 2022 (City Resolution No. 2022-34).

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**HOUSING AUTHORITY FUND (#285)
January 2023 Revenues and Expenditures (58% of year)**

Account No.	Description	FY 2022/23					FY 2021/22 Actual *	% Change From Prior Year
		FY 2022/23 Adopted Budget	FY 2022/23 Amended Budget	Activity During January	Year to Date Actual *	% of Budget		
REVENUES								
435100	Interest	\$ 25,000	\$ 25,000	\$ -	\$ 106,944	427.78%	\$ 15,616	584.84%
435110	Unrealized Gains/Losses	-	-	40,982	68,723	**	(69,998)	-198.18%
436140	Tina Way/Pacific Ave. Property Rent	560,000	560,000	55,066	395,512	70.63%	265,745	48.83%
437135	Expense Reimbursement	1,000	1,000	-	-	0.00%	-	**
437145	Sale Of Assets	-	-	-	-	**	681,902	-100.00%
TOTAL REVENUES		\$ 586,000	\$ 586,000	\$ 96,048	\$ 571,179	97.47%	\$ 893,265	-36.06%
ESTIMATED EXPENDITURES AND OTHER USES								
Salaries and Benefits								
501110	Salaries-Regular	145,820	145,820	9,437	74,110	50.82%	69,981	5.90%
501115	Salaries-Overtime	-	-	-	28	**	270	-89.63%
501120	Salaries-Part-Time	2,575	2,575	161	972	37.75%	1,340	-27.46%
502100	Retirement	35,325	35,325	2,567	19,903	56.34%	18,121	9.83%
502105	Workers' Compensation	2,205	2,205	177	1,382	62.68%	1,412	-2.12%
502110	Health/Life Insurance	15,290	15,290	1,196	7,619	49.83%	7,481	1.84%
502111	Medical in Lieu	450	450	47	235	52.22%	390	-39.74%
502115	Unemployment Insurance	195	195	149	208	106.67%	177	14.90%
502120	Medicare/FICA	2,035	2,035	128	1,005	49.39%	972	3.40%
502130	Other Benefits	1,055	1,055	83	653	61.90%	616	6.01%
Total-Salaries and Benefits		204,950	204,950	13,945	106,115	51.78%	100,760	5.31%
Maintenance and Operations								
602110	Office Expense	1,000	1,000	-	-	0.00%	147	-100.00%
602115	Postage	500	500	-	51	10.20%	14	264.29%
602130	Clothing	-	2,940	2,937	2,937	99.90%	-	100.00%
602140	Materials and Supplies	5,000	2,060	36	909	44.13%	546	66.48%
602145	Gas/Oil/Lube	-	-	-	-	**	20	-100.00%
603120	Minor Repairs	15,000	15,000	-	-	0.00%	-	**
604105	Utilities	50,000	50,000	1,536	25,996	51.99%	25,553	1.73%

HOUSING AUTHORITY FUND (#285)
January 2023 Revenues and Expenditures (58% of year)

Account No.	Description	FY 2022/23 Adopted Budget	FY 2022/23 Amended Budget	FY 2022/23			FY 2021/22 Actual *	% Change From Prior Year
				Activity During January	Year to Date Actual *	% of Budget		
Maintenance and Operations , Continued								
607100	Membership Dues	4,800	4,800	-	-	0.00%	-	**
607110	Travel/Conference/Meetings	1,000	1,000	-	-	0.00%	-	**
607115	Training	2,500	2,500	-	-	0.00%	-	**
608100	Contractual Services	24,000	24,000	3,208	12,097	50.40%	313,370	-96.14%
608105	Professional Services	530,500	530,500	28,533	165,988	31.29%	107,109	54.97%
610130	Tina Pacific Operating Expense (QMG)	-	-	(42,978)	119,129	**	-	100.00%
610131	Bad Debt Expense (QMG)	-	-	5,575	37,645	**	-	100.00%
610135	Relocation Assistance	40,000	40,000	3,036	16,079	40.20%	17,388	-7.53%
610230	Navigation Center (North SPA)	50,000	50,000	-	-	0.00%	-	**
611110	O.C. Sanitation User Fee	21,500	21,500	-	19,484	90.62%	20,837	-6.49%
612135	Building Maintenance	75,000	75,000	-	-	0.00%	-	**
Total-Maintenance and Operations		820,800	820,800	1,883	400,315	48.77%	484,984	-17.46%
Allocated Charges								
612105	Vehicle Replacement Charge	5,805	5,805	484	3,386	58.33%	5,877	-42.39%
612115	Liability Insurance Charge	7,295	7,295	-	6,540	89.65%	13,841	-52.75%
612140	Information Technology Charge	18,215	18,215	1,518	10,625	58.33%	14,044	-24.34%
614205	Admin Overhead	21,580	21,580	1,722	14,579	67.56%	11,111	31.21%
Total-Allocated Charges		52,895	52,895	3,724	35,130	66.41%	44,873	-21.71%
Capital Outlay								
760100	Demolition/Condemnation	200,000	293,800	-	93,800	31.93%	-	100.00%
790100	Land Acquisition	-	2,500,000	-	2,500,000	100.00%	-	100.00%
Total-Capital Outlay		200,000	2,793,800	-	2,593,800	92.84%	-	100.00%
Transfers to Other Funds								
800101	Transfer to General Fund	-	-	-	-	**	890,000	-100.00%
Total-Transfers to Other Funds		-	-	-	-	**	890,000	-100.00%
TOTAL EXPENDITURES		\$ 1,278,645	\$ 3,872,445	\$ 19,552	\$ 3,135,360	80.97%	\$ 1,520,617	106.19%
REVENUES OVER (UNDER) EXPENDITURES		\$ (692,645)	\$ (3,286,445)	\$ 76,496	\$ (2,564,181)		\$ (627,352)	

* = Actual data is reported through January.

ATTACHMENT E

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Housing Authority Fund (Fund 285) - Fund Balance Status

Available Fund Balance as of June 30, 2022	\$ 12,414,239
Estimated increase (decrease) of fund balance during Fiscal Year 2022-23	<u>(3,236,445)</u>
Projected Available Fund Balance as of June 30, 2023	<u><u>\$ 9,177,794</u></u>

CITY OF STANTON
 FY 2022/23
 STATUS OF CAPITAL IMPROVEMENT PROJECTS (CIP)
 JULY 1, 2022 THROUGH JANUARY 31, 2023

Task Code	Description	Adopted Budget 2022/23	FY 2021/22 Budget Carryover	Other Budget Adjustments	Amended Budget 2022/23	YTD Actual 2022/23	Encumbrances	% Spent (Includes Encumbrances)	Remaining Budget
Street Projects									
2022-101	Citywide Street Rehabilitation (FY 2021/22)	\$ -	\$ 1,846,245	\$ 81,330	\$ 1,927,575	\$ 1,885,817	\$ 40,769	99.9%	\$ 989
2022-102	Citywide Street Sign Replacement	-	149,490	-	149,490	-	-	0.0%	149,490
2023-101	Citywide Street Rehabilitation (FY 2022/23)	2,090,000	109,050	(81,330)	2,117,720	50,278	59,030	5.2%	2,008,412
2023-102	Greening Stanton Catch Basin Connector Pipe Screen	180,000	-	-	180,000	-	-	0.0%	180,000
2023-103	Installations (FY 2022/23)	70,000	-	-	70,000	66	-	0.1%	69,934
2023-104	Pavement Management Plan Update	-	-	26,196	26,196	810	25,386	100.0%	-
Total Street Projects		\$ 2,340,000	\$ 2,104,785	\$ 26,196	\$ 4,470,981	\$ 1,936,971	\$ 125,185	46.1%	\$ 2,408,825
Parks Projects									
2021-201	Park Master Plan	\$ -	\$ 174,620	\$ -	\$ 174,620	\$ 87,186	\$ 76,399	93.7%	\$ 11,035
2021-205	Dog Park	-	154,555	-	154,555	56,247	78,395	87.1%	19,913
2022-201	Family Resource Center Improvements (Phase 1)	182,600	391,140	-	573,740	9,712	20,370	5.2%	543,658
2022-203	Orangewood Parkette	850,000	78,885	-	928,885	12,006	47,226	6.4%	869,653
2022-204	Norm Ross Sports Park	-	7,691,060	-	7,691,060	92,612	548,800	8.3%	7,049,648
2022-205	Replace Shade Structure at Stanton Central Park	-	60,000	-	60,000	1,642	-	2.7%	58,358
2022-206	Premier Park Renovation	500,000	150,000	200,000	850,000	25,508	63,667	10.5%	760,825
2022-820	Stanton Park Adult Fitness Equipment	84,090	3,885	-	87,975	1,515	2,370	4.4%	84,090
2022-833	Stanton Park Refresh	-	-	410,000	410,000	-	-	0.0%	410,000
Total Parks Projects		\$ 1,616,690	\$ 8,704,145	\$ 610,000	\$ 10,930,835	\$ 286,428	\$ 837,227	10.3%	\$ 9,807,180
Sewer									
2022-301	Sewer Master Plan Update	\$ -	\$ 531,225	\$ -	\$ 531,225	\$ 112,221	\$ 368,999	90.6%	\$ 50,005
2023-301	Annual Sewer Rehabilitation (FY 2022/23)	550,000	-	-	550,000	-	-	0.0%	550,000
Total Sewer		\$ 550,000	\$ 531,225	\$ -	\$ 1,081,225	\$ 112,221	\$ 368,999	44.5%	\$ 600,005
Facilities									
2022-839	ADA Transition Plan	\$ -	\$ -	\$ 110,000	\$ 110,000	\$ -	\$ 109,300	99.4%	\$ 700
2023-603	Stanton Community Center Improvements	-	-	500,000	500,000	-	-	0.0%	500,000
Total Facilities		\$ -	\$ -	\$ 610,000	\$ 610,000	\$ -	\$ 109,300	17.9%	\$ 500,700
GRAND TOTAL		\$ 4,506,690	\$ 11,340,155	\$ 1,246,196	\$ 17,093,041	\$ 2,335,620	\$ 1,440,711	22.1%	\$ 13,316,710

CITY OF STANTON
FY 2022/23
STATUS OF CAPITAL IMPROVEMENT PROJECTS (CIP)
JULY 1, 2022 THROUGH JANUARY 31, 2023

Task Code	Description	Adopted Budget 2022/23	FY 2021/22 Budget Carryover	Other Budget Adjustments	Amended Budget 2022/23	YTD Actual 2022/23	Encumbrances	% Spent (Includes Encumbrances)	Remaining Budget
Funding Source									
101	General Fund	\$ 180,000	\$ 32,885	\$ -	\$ 212,885	\$ 1,515	\$ 31,370	15.4%	\$ 180,000
211	Gas Tax Fund	27,763	276,920	46,196	350,879	6,498	56,455	17.9%	287,926
215	RMRA Fund	1,011,998	1,109,895	-	2,121,893	1,109,895	-	52.3%	1,011,998
220	Measure M Turnback Fund	1,064,239	656,040	-	1,720,279	787,648	59,030	49.2%	873,601
221	CDBG-CV Grant Fund	-	-	500,000	500,000	-	-	0.0%	500,000
222	CDBG Grant Fund	-	350,000	-	350,000	-	-	0.0%	350,000
227	Other Grants Fund	1,107,976	7,691,060	-	8,799,036	92,612	548,800	7.3%	8,157,624
257	ARPA Fund	-	174,620	700,000	874,620	87,186	166,399	29.0%	621,035
305	Capital Projects Fund (Reserves)	31,000	92,930	-	123,930	34,572	-	27.9%	89,358
310	Park In-Lieu Fund	533,714	424,580	-	958,294	103,473	209,658	32.7%	645,163
501	Sewer Maintenance Fund	405,000	531,225	-	936,225	112,221	368,999	51.4%	455,005
502	Sewer Capital Improvement Fund	145,000	-	-	145,000	-	-	0.0%	145,000
GRAND TOTAL		\$ 4,506,690	\$ 11,340,155	\$ 1,246,196	\$ 17,093,041	\$ 2,335,620	\$ 1,440,711	22.1%	\$ 13,316,710

CITY OF STANTON

REPORT TO THE CITY COUNCIL

TO: Honorable Mayor and Members of the City Council

DATE: March 14, 2023

SUBJECT: ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR 2021-22 AND RELATED AUDIT REPORTS

REPORT IN BRIEF:

Each year the City issues an Annual Comprehensive Financial Report (ACFR), which summarizes the financial activity of a local government for a given fiscal year in accordance with financial statement presentation requirements prescribed by government accounting standards (Attachment A). The ACFR is accompanied by an opinion from the City's audit firm. The audit firm's opinion on the City's 2021-22 ACFR is a clean opinion, with no exceptions, modifications, or qualifications. (The audit firm also issued a separate report for the Housing Authority's 2021-22 audited financial statements. The report included in Attachment B also includes a clean opinion with no exceptions, modifications, or qualifications from the audit firm.) In addition, the City's auditors issue other reports in relation to the City's audit. These reports are provided in Attachments C through E. (Attachment D, page 2 includes one recommendation that the City corrected during the Fiscal Year 2021-22 audit.)

RECOMMENDED ACTIONS:

1. City Council find that this item is not subject to California Environmental Quality Act ("CEQA") pursuant to Sections 15378(b)(5) (Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Receive and file the Annual Comprehensive Financial Report (ACFR), and related audit reports.

ANALYSIS/JUSTIFICATION:

An ACFR is organized into three sections: the introductory section, the financial section, and the statistical section. The introductory section includes a letter of transmittal that provides an overview of the City. The financial section includes the audit opinion, management's discussion and analysis, government-wide financial statements, notes to the financial statements, and supplementary schedules. Management's discussion and analysis provides narrative information as well as an overview and analysis of the City's

financial statements. The statistical section provides operational and demographic statistics and ten years of selected financial data.

Government-wide Financial Statements

The government-wide financial statements that are included in the ACFR provide the reader with an opportunity to ascertain the financial status of all funds and activities of the City in a single consolidated presentation. As of June 30, 2022, the City held \$164.7 million in assets (Attachment A, page 44). Those assets consisted of cash and investments (\$62.8 million), capital assets (\$94.8 million), and receivables and prepaid expenses (\$7.1 million).

The government-wide financial statements also display the obligations of the City that represent claims against those assets. As of June 30, 2022, the City owed \$7.8 million consisting of short-term obligations (\$5.6 million), long-term obligations (\$0.3 million), and the City's unfunded pension liability for employee service rendered to date (\$1.9 million) (Attachment A, page 44).

The government-wide financial statements also report a consolidation of all revenues and expenses of the City. On a consolidated basis, City revenues exceeded expenses by \$6.5 million (Attachment A, page 46).

Fiduciary funds are funds held on behalf of other parties. These funds (North Orange County Public Safety Collaborative Fund and the Successor Agency to the Stanton Redevelopment Agency Fund) are excluded from the government-wide financial statements.

Fund Financial Statements

Local governments typically receive funding from multiple sources, some of which is restricted to specific uses and some of which is unrestricted. As a result, local governments establish separate funds to segregate the resources that are restricted for specific programs and activities. The fund financial statements that are contained in the ACFR display the financial activity of major funds in separate columns so that the reader can ascertain the revenues, expenditures, and remaining unspent fund balance of each of those major funds.

One of the City's major funds is the General Fund. The General Fund is the primary operating fund of the City that pays for much of the City's day to day operating expenditures. The General Fund (Funds 101, 102, and 801) accounts for the unrestricted resources of the City, the spending of which can be directed by City Council toward any lawful public use. (Fund 801, the City's Developer Deposits Fund, is not included in the City's General Fund revenue and an expenditure report is provided to the City Council monthly. The City's auditors include this fund with the General Fund for ACFR reporting purposes in accordance with government accounting standards.)

As of June 30, 2022, the General Fund's spendable fund balance was \$25.8 million. Of this amount, \$169,585 was set aside for expenditures that were budgeted in Fiscal Year 2021-22 that were delayed and will be spent in Fiscal Year 2022-23 and \$13.9 million represents reserves set aside by the City Council with the adoption of Resolution No. 2021-23 for certain contingencies such as: economic uncertainty, emergency equipment and maintenance, emergency disaster, and capital improvements. In addition, \$1.7 million was set aside for future appropriations in accordance with the provisions contained in various developer agreements. After accounting for those amounts, there was \$10.1 million in the General Fund's fund balance available for appropriation (Attachment A, page 105).

Housing Authority Audited Financial Statements (Attachment B)

Staff transmitted this report to the City Council via email on December 21, 2022, in compliance with Senate Bill 341. The Housing Authority's audited financial statements report that the Housing Authority's net position (the amount that assets exceed liabilities) was \$34.4 million as of June 30, 2022 (Attachment B, page 16). Most of the Housing Authority's assets are in the form of cash and investments (\$13.1 million) and capital assets (consisting of land and buildings and improvements) associated with the Tina-Pacific properties (\$21.1 million). In Fiscal Year 2021-22, the Housing Authority's expenses exceeded revenues by \$248,312 (Attachment B, page 17), primarily due to \$307,500 paid to The Related Companies of California, LLC to terminate their developer agreement for the Tina-Pacific Development Project.

Other Related Audit Reports

In addition to the audit firm's opinion on the fair presentation of the City's financial statements, audit firms are required to provide certain related audit communications whenever they perform an audit of local government financial statements. Those related audit communications are included as Attachments C through E to this agenda report. The content of these required audit communications is described below:

- Report on Those Charged With Governance (Attachment C) – This report communicates the inherent limitations of the audit process, assumptions that underlie the financial reporting process for all local governments and identifies any material misstatements or difficulties that were detected in the performance of the audit. For Fiscal Year 2021-22, this report is a clean report with no such matters noted. During the course of the audit, the City's auditors identified two areas of improvement. These were verbal recommendations provided to City staff; however, the auditors included these items in their report to the City Council to inform the City Council of these verbal communications. (Refer to Attachment C, page 6.) Finance staff will be taking steps to address these matters before the Fiscal Year 2022-23 audit begins.

- Article XIII B Limit on Appropriations (Gann Limit) (Attachment D) – This report communicates the audit firm’s testing of the City’s computation of the statutory appropriation limit (Gann Limit). No findings are identified in this report.
- Government Auditing Standards Report and Alternative Compliance Examination Engagement Report (Attachment E) – Attachment E, pages 3 and 4 communicates to City Council any significant deficiencies in internal control over financial reporting or material instances of noncompliance with laws and regulations that were noted during the course of the audit. No such matters are identified in the report.
- Attachment E, pages 5 through 8 represents the auditor’s *Report on Compliance for the U.S. Department of Treasury Coronavirus State and Local Fiscal Recovery Funds Program (CSLFRF) Requirements for an Alternative CSLFRF Compliance Examination Engagement*. The scope of this examination included a review of the City’s American Rescue Plan Act (ARPA) expenditures. This report is a clean report with no findings identified. This examination was completed in lieu of a single audit. Generally, a local government entity that spends more than \$750,000 in federal expenditures is required to have a single audit performed in accordance with Office of Management and Budget (OMB) Circular A-133. However, in April 2022, the OMB issued an addendum to their single audit requirements allowing entities who satisfy two criteria to undergo a limited scope examination in lieu of the single audit. To qualify for the limited scope examination, an entity must have received less than \$10 million in ARPA funding and federal expenditures during the fiscal year, excluding the CSLFRF expenditures must be less than \$750,000. The City’s total federal expenditures during fiscal year 2021-22 were \$1.5 million. The CSLFRF expenditures (i.e. ARPA program) made up \$1.3 million; therefore, the remaining federal award expenditures were only \$223,057. Consequently, the City met the requirements for a limited scope examination for Fiscal Year 2021-22.

FISCAL IMPACT:

Not applicable.

ENVIRONMENTAL IMPACT:

This action is not a project per the California Environmental Quality Act.

LEGAL REVIEW:

Not applicable.

PUBLIC NOTIFICATION:

Through the regular agenda posting process.

STRATEGIC PLAN OBJECTIVE ADDRESSED:

Obj. No. 4: Ensure fiscal stability and efficiency in governance.

Prepared by: Michelle Bannigan, Finance Director

Approved by: Hannah Shin-Heydorn, City Manager

Attachments:

- A. Annual Comprehensive Financial Report
- B. Housing Authority Financial Statements
- C. Report on Communication With Those Charged with Governance
- D. Internal Control and Compliance
- E. Article XIIIB Limit on Appropriations (Gann Limit)

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2022

CITY OF STANTON, CALIFORNIA



CITY OF STANTON, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL STATEMENT REPORT
YEAR ENDED JUNE 30, 2022

Prepared by
Finance Department

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INTRODUCTORY SECTION

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February 17, 2023

To the Honorable Mayor, Members of the City Council, and Citizens of Stanton:

It is a pleasure to present the Fiscal Year 2021-22 Annual Comprehensive Financial Report (ACFR) for the City of Stanton. These financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards. Responsibility for the accuracy of the data, the completeness and reliability of the presentation, including all disclosures, rests with City management.

To provide sufficient reliable information for the preparation of the City's financial statements, City staff has established a comprehensive internal control framework designed to minimize the risk of error or misstatement and the risk of loss, theft, or misuse of City assets. Because the cost of internal controls should not exceed their benefits, the City's internal controls have been designed to provide reasonable, rather than an absolute, assurance that the financial statements will be free from material misstatement.

The City's financial statements have been audited by Gruber and Lopez, Inc., certified public accountants. The independent audit firm concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion ("clean opinion") on the City's financial statements for the fiscal year ended June 30, 2022. This means, in the auditors' opinion, the City's financial statements fairly present the City's financial position in accordance with generally accepted accounting principles.

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

Profile of Stanton

Stanton is a general law City incorporated in 1956. It occupies a land area of 3.1 square miles and serves a population of approximately 39,275. The City is located in the northwestern portion of Orange County, approximately 23 miles southeast of the City of Los Angeles. It has easy freeway access and is within 12 miles of: Disneyland, Anaheim Stadium, Knotts Berry Farm, Huntington Beach and the John Wayne and Long Beach airports. State Highway 39, Beach Boulevard, runs through the center of the City.



7800 Katella Avenue
Stanton, CA 90680



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stanton@stantonca.gov
www.stantonca.gov

The City is governed under the Council-Manager form of government, with a five-member City Council. The City Council is elected on a non-partisan basis with staggered four-year terms. Elections are held in November on even-numbered years. The Mayor is elected at-large and the four City Council members are elected by voters in their districts. The Mayor Pro Tem position is selected annually by a majority vote of the City Council members. The City Council appoints the City Manager to carry out the policies and direction of the City Council, oversee the day-to-day operations of the City, and appoint the heads of the various City departments.

The City provides a range of municipal services that includes public works, planning, zoning, building, sewer services, parks and recreation, code enforcement, and parking control. Stanton is a “contract city”, and contracts with other governmental entities, private firms, and individuals to provide some of these services. Police services are provided by the Orange County Sheriff’s Department. Fire services are provided by the Orange County Fire Authority. Water services are provided by Golden State Water Company.

The City is financially accountable for the Stanton Housing Authority (Housing Authority). Therefore, the Housing Authority’s activities are included in these financial statements. Additional information on the Housing Authority can be found in Note 1 to the basic financial statements. The former Stanton Redevelopment Agency (Redevelopment Agency) was dissolved on February 1, 2012. Upon the dissolution of the Redevelopment Agency, its assets and liabilities were transferred to the Successor Agency to the Stanton Redevelopment Agency (Successor Agency). The City is obligated to report the resources and activities of the Successor Agency in a separate private purpose trust fund, which is also included in these financial statements. All uses of the resources of the Successor Agency must be approved by an independent Oversight Board comprised of members appointed by various taxing entities, and the California Department of Finance (“DOF”). Additional information for the Successor Agency can be found in Note 14 to the basic financial statements.

The City uses an annual budget, which the City Council adopts prior to the beginning of every fiscal year, to manage its finances. The budget is organized by fund (e.g., General Fund), department (e.g., public safety), and division (e.g., law enforcement services). The City Manager can authorize appropriation transfers in the operating and capital budget within the same fund without limitation. Any revisions between funds and revisions that change a fund’s total approved appropriations must be approved by the City Council. The Successor Agency does not adopt a budget because its expenses are restricted to enforceable obligations approved by the DOF. Payments associated with these enforceable obligations are approved annually by the DOF through the submission of a Recognized Obligation Payment Schedule (ROPS), unless DOF has approved a Last and Final ROPS. The DOF approved the Successor Agency’s most recent Amended Last and Final ROPS on December 17, 2020. Therefore, the Successor Agency’s annual expenses are limited to the amounts identified on the Amended Last and Final ROPS.

State law mandates that Stanton can only raise local tax rates with voter approval. Use and regulatory fees must also follow procedures set forth in State law and must not exceed the estimated reasonable cost of providing services. Fees require approval by the City Council; and fees in excess of reasonable cost require voter approval.

Local Economy

Over the last ten years, property values and personal income levels within the City have steadily increased in order to support the level of municipal services and facilities that are needed by the community. The

assessed valuation of property in the City has grown 79.1% since fiscal year 2012-13 (ten years ago). The City's assessed valuation has been consistently increasing at an average rate of 6.0% annually over the last ten years. In fiscal year 2021-22, the City's assessed valuation increased 9.8%, and in fiscal year 2022-23, it increased 5.9%.

Stanton is home to approximately 3,000 businesses. Major industries include restaurants, and general retail businesses. Stanton's unemployment rate has traditionally been below State and national levels. The three largest employers in the City are: Rowntree Gardens, Home Depot and Super King Market. The City's largest employer with 327 employees, Rowntree Gardens, is a non-profit senior living community that provides a full range of services to its members, such as: memory care, assisted living, independent living, skilled nursing, therapy services, and home care. The Home Depot, the City's second largest employer with 181 employees, is the world's largest home improvement retailer with nearly 400,000 associates working in its more than 2,200 stores located through the United States of America and Mexico. Super King Market, the City's third largest employer with approximately 150 employees, is a full-service supermarket with seven stores located throughout Southern California.

The City's diverse sales tax base is comprised of a number of companies. The City's Top 100 sales tax producers include various industries such as: gasoline service stations, restaurants, and general retail businesses. These top sales tax producers generate approximately 86.2% of the City's total annual sales tax revenue. Additionally, in November 2014, the City's voters approved a one-cent transaction and use tax (the Stanton 9-1-1 Public Safety and Essential City Services Protective Measure). The City's Top 100 sales tax producers also generate approximately 66.4% of the City's total annual transaction and use tax revenue.

The City's tax base is well diversified, with total tax revenue representing 79.7% of the City's total General Fund revenues. Property tax revenue (which includes property tax received in-lieu of motor vehicle fees) represents 35.3% of total tax revenues. Sales tax and transaction and use tax revenues represent 47.3% of total tax revenues. The remainder of the tax base (franchise taxes, transient occupancy taxes, utility user taxes, and business license taxes) contributes another 17.4% of tax revenues to the General Fund. Total tax revenue increased 13.7% from fiscal year 2020-21.

Other Relevant Financial Information

The City Council initially established a General Fund reserve policy in 2011 and has updated the policy annually since that time. On June 22, 2021, the City Council adopted Resolution No. 2021-23 to approve the City's reserve policy for Fiscal Year 2021-22. The risk-based policy sets aside the following funds in the City's General Fund to ensure the City's continued financial stability:

- Economic uncertainty – \$5,700,000 (target level is 20% of the General Fund's operating expenditures);
- Capital improvement – \$5,000,000;
- Emergency disaster contingency - \$2,900,000 (target level is 10% of the General Fund's operating expenditures);
- Emergency equipment and maintenance - \$150,000; and,

- Technology equipment - \$150,000.

With the exception of the economic uncertainty reserve (which is included in unassigned fund balance in accordance with governmental accounting standards), these reserves are reported in the General Fund's committed fund balance in the accompanying financial statements.

City Resolution No. 2021-23 also established the following reserves in other City Funds:

- Capital Improvement reserve set aside in the Sewer Enterprise Fund - \$1,000,000;
- Vehicle Replacement reserve set aside in the Fleet Maintenance Internal Service Fund - \$100,000; and,
- Pension and Other Post Employment Benefits Stabilization reserve set aside in the Employee Benefits Internal Service Fund with a target level of 50% of the City's unfunded actuarial liability.

As of June 30, 2022, the City held \$4.0 million in an irrevocable trust account held by Public Agency Retirement Services as of June 30, 2022. These funds are restricted for pension and other post-employment benefit (OPEB) expenses only and are included with unrestricted net position in the Employee Benefits Internal Service Fund (to offset pension and other post-employment liabilities reported at year end). The amount held in the trust was 98% of the City's unfunded actuarial liability balance for its pension plans as of June 30, 2021 (the most recent report issued by California Public Employees' Retirement System) as of the date of this letter. (The City did not report an outstanding liability for its other post-employment benefits as of June 30, 2022.)

Summary of Current Year Accomplishments

Major projects completed during fiscal year 2021-22 include:

- Allocated the City's \$9.1 million in America Rescue Plan Act (ARPA) funds;
- Completed 2021 Housing and Safety Element Update;
- Replaced flooring in Police Services building.
- Completed implementation of an online recruiting solution (NeoGov);
- Implemented public fraud hotline;
- Approved an exclusive negotiation agreement for the sale of the Tina Pacific Neighborhood.
- Began design for Norm Ross Sports Park Improvement Project;
- Began design for Family Resource Center Improvements project;
- Began design for Dog Park project; and

- Completed transition of public works inspection services from contracted to in-house.

Future Work Plan Initiatives

City work plan goals for fiscal year 2022-23 include the following:

- Complete \$2.5 million funding commitment for the State's Homekey permanent supportive housing program (for the Riviera Motel);
- Complete construction of Fiscal Year 2021-22 Annual Street Rehabilitation Project;
- Complete construction of Family Resource Center Improvements Project (Phase I) (funded by Community Development Block Grant funds from the County of Orange) and begin Family Resource Center Improvements Project (Phase II) (funded by ARPA funds from the County of Orange);
- Complete update of cannabis ordinance;
- Complete the update of the Sewer Master Plan;
- Complete 2020 Town Center Specific Plan;
- Complete competitive bidding process for procurement of City's contracted building inspection and building plan check services and transition of certain building inspection services from contracted to in-house; and
- Complete update of City's purchasing ordinance;
- Complete Local Hazard Mitigation Plan;
- Implement Homelessness and Public Safety Pilot Program (funded by ARPA grant funds);
- Begin Stanton Community Center Improvement Project funded by Community Development Block Grant-Coronavirus Aid, Relief, and Economic Security (CARES) (CDBG-CV3) grant from the County of Orange;
- Complete work on City-wide user fee study;
- Continue to enforce City's anti-camping regulations; and,
- Continue work on sale of Tina Pacific Neighborhood.

Acknowledgements

We would like to thank the members of the City Council for their leadership and the City's Senior Staff for their commitment to maintaining the highest standards of professionalism in managing the City's operations and finances. Also, the preparation of this report would not have been possible without the

dedicated services of the entire staff of the City's Finance Department, as well as the City's independent auditors, Gruber and Lopez, Inc.

Respectfully submitted,



Hannah Shin-Heydorn
City Manager



Michelle Bannigan, CPA
Finance Director/City Treasurer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Stanton
California**

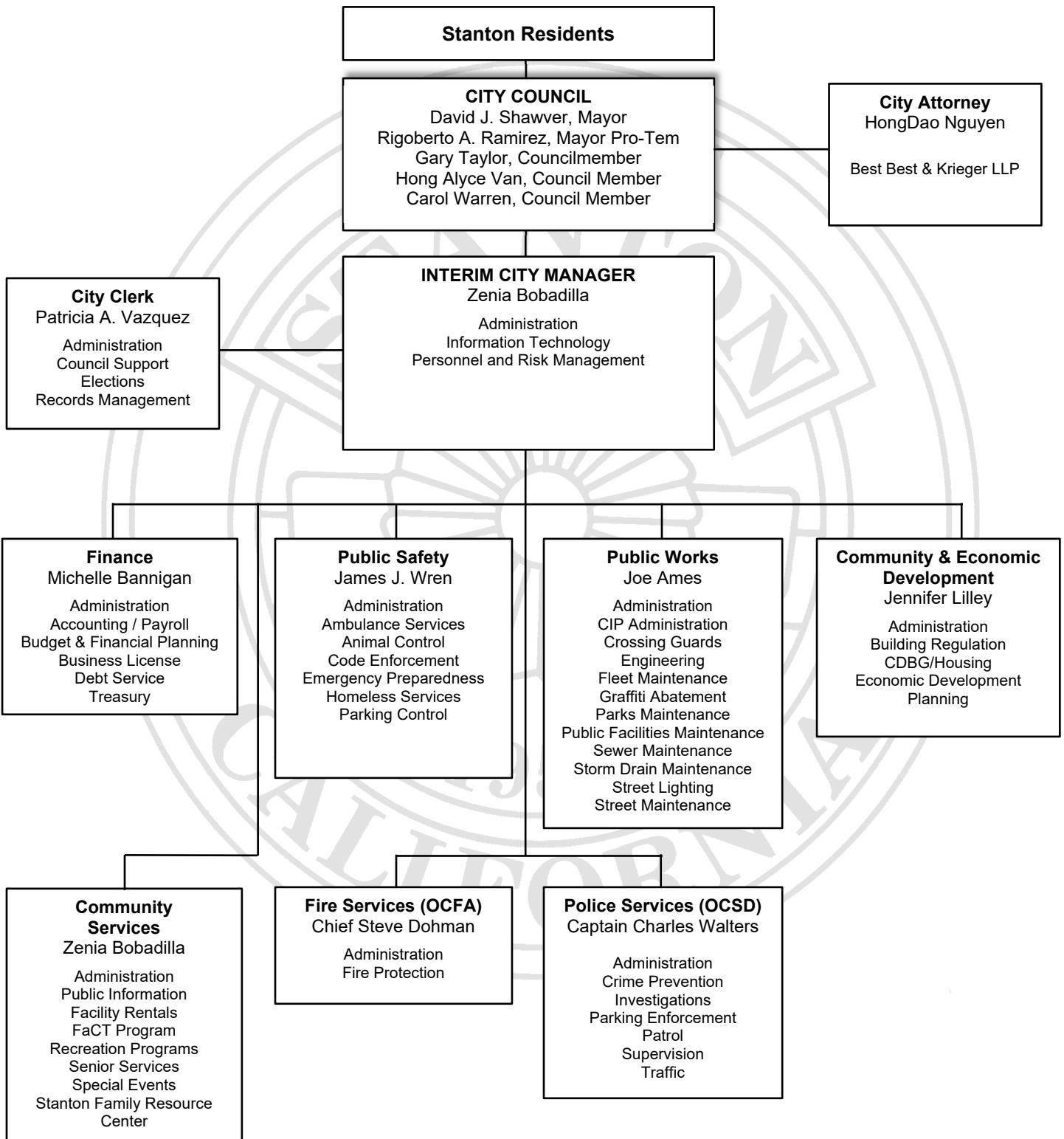
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

CITY OF STANTON
Organizational Structure
as of June 30, 2022



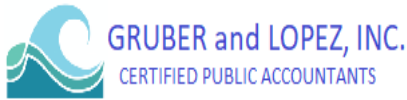
**CITY OF STANTON, CALIFORNIA
LIST OF PRINCIPAL OFFICIALS
AS OF JUNE 30, 2022**

Interim City Manager.....Zenía Bobadilla
City Clerk.....Patricia A. Vazquez
Community & Economic Development Director.....Jennifer Lilley
Community Services Director Zenía Bobadilla
Finance Director/City TreasurerMichelle Bannigan
Public Safety Services Director James J. Wren
Public Works Director/City Engineer Joe Ames
City Attorney (Best, Best & Krieger LLP)..... HongDao Nguyen
Chief of Police Services (O.C. Sheriff Department).....Captain Charles Walters
Orange County Fire Authority Division Chief..... Steve Dohman

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FINANCIAL SECTION

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The Honorable Mayor and
Members of the City Council
of the City of Stanton, California
Stanton, California

INDEPENDENT AUDITORS' REPORT

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Stanton, California, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Stanton, California'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 activity, each major fund, and the aggregate remaining fund information of the City of Stanton, California, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 to the basic financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 87, 89, 90, 93, and 97. Our opinion is not modified with respect to this matter.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Stanton, California, 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.

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 of Stanton, California's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 generally accepted 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.

The Honorable Mayor and
Members of the City Council
of the City of Stanton, California

In performing an audit in accordance with generally accepted 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 of Stanton, California'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 of Stanton, California'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 schedules of proportionate share of the net pension liability and the schedules of contributions for the CalPERS miscellaneous and safety pension plans, the schedule of changes in the net other postemployment benefit (OPEB) liability (asset) and related ratios, and the budgetary comparison schedules for the General Fund and Major Special Revenue Funds, identified as Required Supplementary Information (RSI) in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI 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 RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Stanton's basic financial statements. The introductory section, the combining and individual fund financial statements and schedules, and statistical section, as listed in the table of contents, 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.

The Honorable Mayor and
Members of the City Council
of the City of Stanton, California

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 auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2023, on our consideration of the City of Stanton'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 of Stanton's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Stanton's internal control over financial reporting and compliance.

Gruber and Lopez, Inc.

Gruber and Lopez, Inc.

Newport Beach, California
February 16, 2023

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Stanton (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2022. Please read it in conjunction with the accompanying transmittal letter at the front of this report, and the basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources on June 30, 2022, by \$155.4 million. This amount is referred to as the net position of the City. Of this amount, \$30.4 million is unrestricted net position and may be used to meet the City's ongoing obligations to citizens and creditors.
- During fiscal year 2021-22, the City's overall net position increased by \$6.5 million primarily as the result of a reduction in pension and public works expenses during the year.
- The City's total long-term liabilities, which includes net pension liability, decreased by \$5.0 million, or 68.6% during the fiscal year ended June 30, 2022, to a total outstanding amount of \$2.3 million, primarily due to a \$4.7 million reduction in the City's net pension liability.
- As of June 30, 2022, the City's governmental funds (the General Fund, Special Revenue, and Capital Projects funds) reported combined ending fund balances of \$52.2 million. Governmental fund expenditures and other financing uses exceeded revenues and other financing sources by \$644,348 during fiscal year 2021-22. Of the \$52.2 million combined ending fund balances on June 30, 2022, \$15.8 million is categorized as unassigned, \$0.4 million is categorized as assigned, \$9.9 million is categorized as committed, \$23.5 million is categorized as restricted, and \$2.6 million is categorized as non-spendable. More detailed information regarding these amounts can be found in Note 13 in the Notes to Basic Financial Statements.
- The combined \$16.0 million of assigned and unassigned fund balance of the General Fund represented 52.9% of total General Fund revenues including transfers in.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to

the basic financial statements. This report also consists of supplementary information in addition to the basic financial statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. There are two government-wide financial statements: the Statement of Net Position and the Statement of Activities. They present information for the government as a whole and present a longer-term view of the City's finances. These two statements help to answer the question: "Is the City as a whole better off or worse off as a result of this year's activities?"

The *Statement of Net Position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying events giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from 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 include general government, public safety, community development, public works and culture and recreation. The business-type activities of the City include sewer activities.

Government-wide financial statements. The government-wide financial statements include not only the City itself (known as the *primary government*), but also the Stanton Housing Authority ("Housing Authority"), a legally separate entity. The Housing Authority functions for all practical purposes as an integral part of the City, and therefore, is included in the accompanying financial statements as a part of the primary government as a blended component unit.

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, 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 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 on *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 fund 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 governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains various individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the: General Fund, Housing Authority Special Revenue Fund, and Lighting and Median Maintenance Special Revenue Fund, all of which are considered major funds. Data from other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these other governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual budget for its governmental and proprietary funds. Annual appropriations are approved prior to the beginning of the year. A budgetary comparison schedule has been provided for each of the governmental funds for which a budget was adopted to demonstrate compliance with this budget. The definition of the General Fund for purposes of these audited financial statements is different than for budgetary purposes. For budgeting purposes, the Transaction and Use Tax Fund and the Expendable Deposits Fund are separated from the General Fund. However, these funds have been combined into the General Fund for these financial statements. Individual fund data for these funds is provided in the form of *combining statements* in the supplementary information section of this report.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its sewer operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its workers' compensation insurance activities, liability/risk management activities, employee benefits activities, and fleet maintenance activities.

Proprietary funds provide the same type of informational data as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sewer operations, which is considered to be a major fund of the City. Conversely, all 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* in the supplementary information section 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 statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City utilizes two private-purpose trust funds to account for the assets, liabilities, and activities of the Successor Agency to the dissolved Stanton Redevelopment Agency and the North Orange County Public Safety Collaborative.

Notes to 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.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's budgetary policies and supplementary information on the City's defined benefit plans.

The combining statements referred to earlier in connection with General Funds, other governmental funds and internal service funds are presented immediately following the required supplementary information as supplementary information. The City's supplementary information section also presents budgetary schedules for individual governmental funds and combining statements for the fiduciary funds.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities by \$155.4 million as of June 30, 2022. In comparison, net position was \$148.9 million as of June 30, 2021.

The largest portion of the City's net position on June 30, 2022, (\$94.8 million or 61.0% of total net position), reflects its investment in capital assets (e.g., land, infrastructure, buildings, improvements, and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional \$23.5 million of the City's net position is restricted net position, representing resources that are subject to external restrictions or enabling legislation on how they may be used. The breakdown of restricted net positions by functions is as follows: 1) low- and moderate-income housing projects (\$13.4 million); 2) public safety for restricted grants and fees (\$0.6 million); 3) community development for restricted grants and fees (\$0.3 million); 4) public works for restricted grants and fees (\$5.0 million); and 5) culture and recreation for restricted grants and fees (\$5.1 million).

The remaining \$37.1 million is unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors. Unrestricted net position increased \$6.7 million, or 22.0%, from June 30, 2021.

A summary of the government-wide *Statement of Net Position* follows:

CITY OF STANTON NET POSITION AT YEAR END							
	Governmental Activities		Business-type Activities		Totals		
	2022	2021	2022	2021	2022	2021	Change
Current and other assets	\$ 63,800,679	\$ 54,611,859	\$ 6,065,859	\$ 5,348,470	\$ 69,866,538	\$ 59,960,329	16.5%
Capital assets, net	89,960,892	92,106,906	4,827,134	4,970,607	94,788,026	97,077,513	-2.4%
Total assets	153,761,571	146,718,765	10,892,993	10,319,077	164,654,564	157,037,842	4.9%
Deferred outflows of resources	4,329,558	1,846,023	-	4,503	4,329,558	1,850,526	134.0%
Long-term liabilities	2,265,143	7,252,446	768	25,622	2,265,911	7,278,068	-68.9%
Other liabilities	5,426,647	1,864,105	144,805	133,376	5,571,452	1,997,481	178.9%
Total liabilities	7,691,790	9,116,551	145,573	158,998	7,837,363	9,275,549	-15.5%
Deferred inflows of resources	5,754,674	750,212	-	618	5,754,674	750,830	666.4%
Net position:							
Net investment in capital assets	89,960,892	92,106,906	4,827,134	4,970,607	94,788,026	97,077,513	-2.4%
Restricted	23,551,709	21,411,322	-	-	23,551,709	21,411,322	10.0%
Unrestricted	31,132,064	25,179,797	5,920,286	5,193,357	37,052,350	30,373,154	22.0%
Total net position	\$ 144,644,665	\$ 138,698,025	\$ 10,747,420	\$ 10,163,964	\$ 155,392,085	\$ 148,861,989	4.4%

At the end of the current fiscal year, the City's overall net position increased by \$6.5 million. The fiscal year 2021-22 governmental activities resulted in an increase in net position of \$5.9 million. The fiscal year 2021-22 business type activities resulted in an increase in net position of \$0.6 million. Additional information has been provided below for a more detailed discussion of the City's governmental activities and business-type activities.

A summary of the government-wide *Statement of Activities* follows:

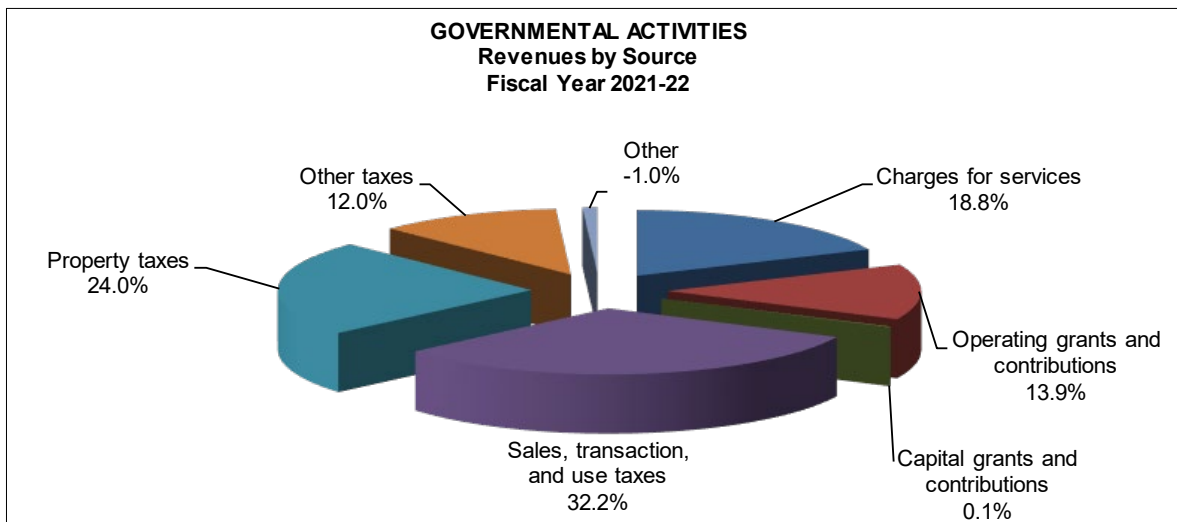
CITY OF STANTON CHANGE IN NET POSITION							
	Governmental Activities		Business-type Activities		Totals		
	2022	2021	2022	2021	2022	2021	% Change
Revenues:							
Program Revenues:							
Charges for services	\$ 6,658,243	\$ 8,915,668	\$ 1,312,065	\$ 2,235,352	\$ 7,970,308	\$ 11,151,020	-28.5%
Operating grants and contributions	4,919,300	5,697,844	-	-	4,919,300	5,697,844	-13.7%
Capital grants and contributions	43,328	35,081	-	-	43,328	35,081	23.5%
General revenues:							
Taxes:							
Property taxes	8,512,488	7,561,831	188,097	165,692	8,700,585	7,727,523	12.6%
Sales taxes	5,414,556	4,682,029	-	-	5,414,556	4,682,029	15.6%
Transaction and use taxes	5,993,735	4,991,100	-	-	5,993,735	4,991,100	20.1%
Transient occupancy taxes	670,954	569,293	-	-	670,954	569,293	17.9%
Franchise taxes	1,090,057	1,105,276	-	-	1,090,057	1,105,276	-1.4%
Utility user taxes	2,122,661	1,990,690	-	-	2,122,661	1,990,690	6.6%
Other taxes	361,335	345,315	-	-	361,335	345,315	4.6%
Investment earnings, unrestricted	(953,228)	959,781	(58,122)	12,343	(1,011,350)	972,124	-204.0%
Miscellaneous	608,362	95,045	-	-	608,362	95,045	540.1%
Total revenues	35,441,791	36,948,953	1,442,040	2,413,387	36,883,831	39,362,340	-6.3%
Expenses:							
General government	3,767,048	4,848,332	-	-	3,767,048	4,848,332	-22.3%
Public safety	18,643,242	21,046,456	-	-	18,643,242	21,046,456	-11.4%
Community development	2,574,453	3,696,528	-	-	2,574,453	3,696,528	-30.4%
Public works	2,208,440	4,652,371	-	-	2,208,440	4,652,371	-52.5%
Culture and recreation	2,307,801	2,301,778	-	-	2,307,801	2,301,778	0.3%
Interest on long-term debt	12,943	25,823	-	-	12,943	25,823	-49.9%
Sewer enterprise	-	-	839,808	1,531,447	839,808	1,531,447	-45.2%
Total expenses	29,513,927	36,571,288	839,808	1,531,447	30,353,735	38,102,735	-20.3%
Increase (decrease) in net position before transfers	5,927,864	377,665	602,232	881,940	6,530,096	1,259,605	418.4%
Transfers	18,776	81,616	(18,776)	(81,616)	-	-	0.0%
Change in Net Position	5,946,640	459,281	583,456	800,324	6,530,096	1,259,605	418.4%
Net position, beginning of year	138,698,025	138,238,744	10,163,964	9,363,640	148,861,989	147,602,384	0.9%
Net position, end of year	\$ 144,644,665	\$ 138,698,025	\$ 10,747,420	\$10,163,964	\$ 155,392,085	\$ 148,861,989	4.4%

Governmental activities

During the current fiscal year, the City's net position for governmental activities increased by \$5.9 million from the prior fiscal year. The following table summarizes and presents governmental activities revenue by source and percentages for the fiscal year ended June 30, 2022, along with the percentage changes from the prior year:

**GOVERNMENTAL ACTIVITIES
Revenues by Source**

FUNCTION	Fiscal Year 2021-22	Percent of Total	Increase (Decrease) From 2020-21	Percent Increase (Decrease)
Charges for services	\$ 6,658,243	18.8%	\$ (2,257,425)	-25.3%
Operating grants and contributions	4,919,300	13.9%	(778,544)	-13.7%
Capital grants and contributions	43,328	0.1%	8,247	23.5%
Sales, transaction, and use taxes	11,408,291	32.2%	1,735,162	17.9%
Property taxes	8,512,488	24.0%	950,657	12.6%
Other taxes	4,245,007	12.0%	234,433	5.8%
Other	(344,866)	-1.0%	(1,399,692)	-132.7%
TOTAL REVENUES	\$ 35,441,791	100.0%	\$ (1,507,162)	-4.1%



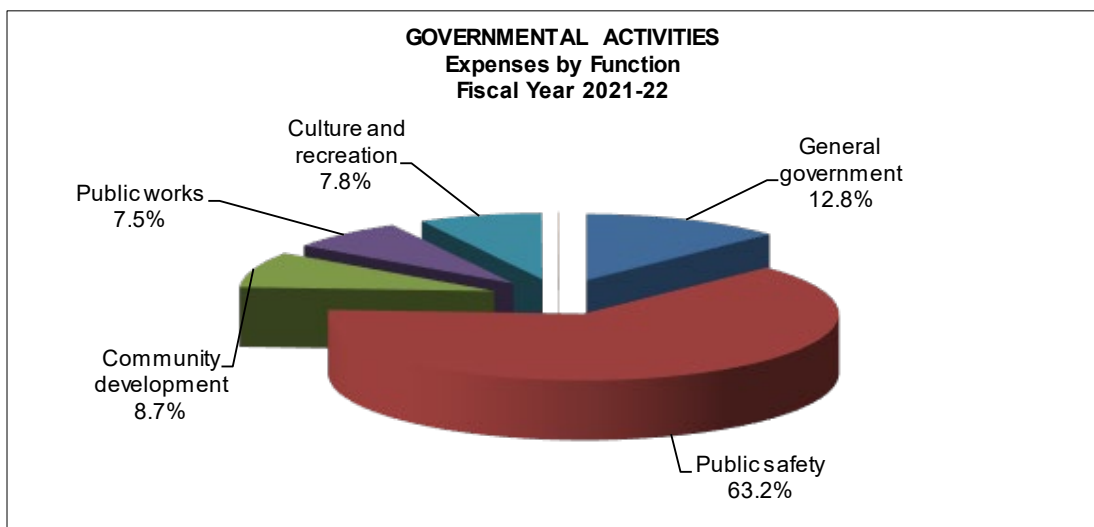
Revenues decreased by \$1.5 million, or 4.1%, from the prior year. Charges for services decreased by \$2.3 million, or 25.3%, in fiscal year 2021-22 due to one-time public benefit fees collected for the Brookfield and KB Homes residential development projects during fiscal year 2020-21 and less building permit revenue collected due to an overall reduction in development activity in fiscal year 2021-22. The City issued 757 permits with a valuation of \$59.7 million during fiscal year 2021-22, compared to 806 permits with a valuation of \$82.8 million that were issued during the previous fiscal year. Operating grants and contributions decreased by \$0.8 million, or 13.7%. The City received \$382,152 less in funding from the North Orange County Public Safety Collaborative during fiscal year 2021-22 compared to the previous fiscal year. In addition, the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 grant program was completed during fiscal year 2020-21. Sales and transaction and use taxes increased \$1.7 million, or 17.9%, due to increased retail sales in quick service restaurants, significantly higher fuel prices, and increased online sales activity. Property taxes increased \$0.9 million, or 12.6%, due to increases in the City's assessed valuation. Other taxes increased \$0.2 million, or 5.8%, primarily due to increased transient occupancy tax and utility user tax revenue collected during the current fiscal year. Transient occupancy taxes increased by

\$0.1 million during fiscal year 2021-22, primarily due to increased occupancy. Utility user taxes increased by \$0.1 million during fiscal year 2021-22, primarily due to increased revenue from electricity and water customers. Other revenue sources decreased by \$1.4 million, or 132.7%, primarily due to reduced investment earnings realized during fiscal year 2021-22. The average yield on the City’s investment portfolio was 0.7% during fiscal year 2021-22 compared to an average yield of 1.1% in fiscal year 2020-21.

The cost of all governmental activities during fiscal year 2021-22 was \$29.5 million, a reduction of \$7.1 million, or 19.3%, from the previous fiscal year. The following table summarizes and presents governmental activities expenses by function and percentages for the fiscal year ended June 30, 2022, along with the percentage changes from the prior year.

**GOVERNMENTAL ACTIVITIES
Expenses by Function**

FUNCTION	Fiscal Year 2021-22	Percent of Total	Increase (Decrease) From 2020-21	Percent Increase (Decrease)
General government	\$ 3,767,048	12.8%	\$ (1,081,284)	-22.3%
Public safety	18,643,242	63.2%	(2,403,214)	-11.4%
Community development	2,574,453	8.7%	(1,122,075)	-30.4%
Public works	2,208,440	7.5%	(2,443,931)	-52.5%
Culture and recreation	2,307,801	7.8%	6,023	0.3%
Interest on long-term debt	12,943	0.0%	(12,880)	-49.9%
TOTAL EXPENSES	\$ 29,513,927	100.0%	\$ (7,057,361)	-19.3%



General government expenses decreased by \$1.1 million, or 22.3%. During fiscal year 2020-21, the City provided over 170 small business loans, totaling \$1.1 million, to Stanton businesses that were negatively impacted by Coronavirus pandemic (COVID-19). The

small business loans were funded by CARES Act grant funds and the County of Orange's General Fund. Public safety expenses decreased by \$2.4 million, or 11.4%, from last year. On September 20, 2020, the City approved a \$5 million funding commitment for permanent supportive housing projects located in Stanton (part of the State's Project Homekey Program). During fiscal year 2020-21, the City paid \$2.6 million of this funding commitment. Community development expenses decreased by \$1.1 million, or 30.4%, primarily due to reduced contracted building inspection and building plan check services (which is consistent with the reduction of charges for services revenues during fiscal year 2021-22 as well). Public works expenses decreased by \$2.4 million, or 52.5%, primarily due to the disposition of capital assets in fiscal year 2020-21 that resulted in a total loss of \$1.4 million. The City sold two parcels to Habitat for Humanity for \$210,100, resulting in a loss of \$1.0 million. In addition, the City demolished the buildings located at 8881 Pacific Avenue and 8931 Pacific Avenue, which resulted in an additional loss on disposal of the \$.4 million (the net book value of the assets) in the previous fiscal year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental funds:

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spending* resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary spending as this category of fund balance represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City Council.

As of June 30, 2022, the City's governmental funds reported combined fund balances of \$52.2 million. Approximately, \$15.8 million consists of unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is either nonspendable, restricted, committed or assigned to indicate that it is: 1) not in spendable form (\$2.6 million), 2) legally required to be spent on specific uses or maintained intact through a federal, state, or local law or contractual obligation (\$23.5 million), 3) committed for a specific purpose by City Council resolution (\$9.9 million), or 4) assigned for a particular purpose (\$0.4 million). Refer to Note 13 in the Notes to Basic Financial Statements for more detailed information regarding nonspendable, restricted, committed, assigned, and unassigned fund balances.

General Fund. The General Fund is the City's chief operating fund. As of June 30, 2022, the total fund balance of the General Fund was \$28.5 million, an increase of \$4.3 million, or 17.7%.

	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>% Change</u>
Nonspendable	\$ 2,634,436	\$ 2,488,780	\$ 145,656	5.9%
Committed	9,856,296	8,661,735	1,194,561	-100.0%
Assigned	169,585	356,687.000	(187,102)	100.0%
Unassigned - contingency reserve	15,826,042	12,691,577	3,134,465	24.7%
Total	<u>\$ 28,486,359</u>	<u>\$ 24,198,779</u>	<u>\$ 4,287,580</u>	<u>17.7%</u>

The City's nonspendable fund balance includes prepaid items, advances to other funds, and the current portion of outstanding notes and loans receivable. On March 23, 2021, the City Council authorized a loan from the General Fund to the Lighting and Median Maintenance Special Revenue Fund in a principal amount not to exceed \$959,440, to pay off the City's capital lease agreement with Bank of the West. Additional information regarding the interfund advance can be found in Note 5 in the Notes to the Basic Financial Statements. Also, in April 2021, the City provided Rodeo 39 Public Marketplace, LLC with a forgivable loan of \$2.3 million. Refer to Note 6 in the Notes to Basic Financial Statements for additional information.

The City's committed fund balance includes reserves for: emergency equipment and maintenance (\$150,000); technology equipment (\$150,000); emergency disaster contingency (\$2.9 million); and capital improvement (\$5.0 million). In addition, \$1.7 million the City Council committed certain developer contributions through resolution for beautification, neighborhood preservation, and public benefit projects.

The City's discretionary fund balance (assigned and unassigned amounts) includes a \$5.7 million reserve for economic uncertainty. The City's discretionary fund balance on June 30, 2022, was \$16.0 million, or 56.2% of total General Fund balance.

Additional information on the City's General Fund balance can be found in Note 13 in the Notes to the Basic Financial Statements.

Housing Authority Special Revenue Fund. As of June 30, 2022, the Housing Authority Special Revenue Fund reported a restricted fund balance of \$13.4 million, which represents a decrease of \$0.6 million, or 4.6%, from the prior fiscal year. The reduction is due to unrealized loss on investments due to the change in market value of the Housing Authority's portfolio during fiscal year 2021-22 as well as \$890,000 reimbursed to the General Fund for the acquisition of 11870 Beach Boulevard.

Lighting and Median Maintenance Special Revenue Fund. As of June 30, 2022, the Lighting and Median Maintenance Special Revenue Fund reported a restricted fund balance of \$0.9 million, which represents an increase of \$0.4 million, or 91.8%, from the prior fiscal year, primarily due to the payoff of the capital lease agreement with Bank of the West during fiscal year 2020-21. The total principal retirement paid was \$1.1 million.

American Rescue Plan Act (ARPA) Special Revenue Fund. As of June 30, 2022, the ARPA Special Revenue Fund did not report a fund balance because revenue is being recognized as expenditures are incurred. The City received \$4.6 million in ARPA revenue

during fiscal year 2021-22. As of June 30, 2022, \$3.1 million is classified as unearned revenue until the funds are spent on eligible expenditures in subsequent fiscal years.

Proprietary Funds:

The proprietary funds provide the same type of information found in the government-wide financial statements, but in greater detail. The City operates one business-type activity for sewer operations.

Sewer Enterprise Fund. The Sewer Enterprise Fund's unrestricted net position at the end of fiscal year 2021-22 was \$5.9 million June 30, 2022, an increase of \$0.7 million, or 14.06%, from the previous year. The Sewer Enterprise Fund's total revenues decreased by \$1.0 million, or 40.3% from the prior fiscal year due to less sewer connection fees collected on behalf of the Orange County Sanitation District (OC San) as a result of increased development activity within the City. All of these revenues were passed through to OC San. Total expenses in the Sewer Enterprise Fund decreased by \$0.7 million, or 45.2%. However, after excluding the fees that were passed through to OC San, total expenses increased by \$0.2 million, or 85.0%, due to increased contract costs for sewer maintenance services at the partial funding for a new Senior Public Works Inspector position in fiscal year 2021-22.

Internal Service Funds. As of June 30, 2022, the Internal Service Funds reported total unrestricted net position of \$2.2 million, an increase of \$2.1 million or 3551.9%, from the previous year. The City's net pension liability decreased from \$6.6 million to \$1.9 million during fiscal year 2021-22 based on the plan information provided by California Public Employees' Retirement System (CalPERS) as of June 30, 2021 (the most recent measurement date available).

GENERAL FUND BUDGETARY HIGHLIGHTS

In preparing the budget, the City attempts to estimate its revenues using realistic, but conservative, methods so as to budget its expenditure appropriations and activities in a prudent manner. As a result, the City Council adopts budget adjustments during the course of the fiscal year to reflect both changed priorities and availability of revenues to allow for the expansion of existing programs, if required.

For the year ended June 30, 2022, the General Fund reported a net increase in fund balance of \$4.3 million. Actual revenues exceeded final budgeted amounts by \$1.3 million, or 4.8% primarily due to the City collecting more revenue than expected, especially in taxes and assessments and charges for services. Taxes and assessments exceeded the final budget by \$1.6 million, or 7.2%, primarily due to: property taxes, sales taxes, transaction and use taxes, and utility user taxes exceeding final budgeted amounts. Property tax revenue exceeded the final budget because the actual residual redevelopment property tax revenue received from the State of California was higher than anticipated by \$0.4 million. Sales taxes and transaction and use taxes exceeded the final budget by \$0.8 million as significantly high fuel prices continued through most of fiscal

year 2021-22. Utility user tax (UUT) revenue exceeded the final budget by \$0.2 million. The City's fiscal year 2021-22 budget anticipated that total utility tax revenue would be 3% less than the previous fiscal year based on flat revenue receipts from the City's largest UUT revenue generators and lower overall UUT revenue received from telephone companies in recent years. However, overall UUT revenue exceeded the fiscal year 2020-21 budget by 9% due to increased rates from gas, electricity, and water providers. Expenditures were less than final budgeted amounts by \$1.1 million, or 4.2%. The budget savings can be attributed to the following: 1) \$0.2 million was carried over to the fiscal year 2022-23 budget for projects that were started, but not completed during fiscal year 2021-22; 2) \$0.2 million was from savings in the law enforcement contract with the County of Orange due to vacancy credits; and 3) \$0.6 million consists of savings resulting from actual costs for professional services being less than the amount budgeted.

CAPITAL ASSET AND LONG-TERM LIABILITIES

Capital Assets

	CAPITAL ASSETS (Net of Depreciation)						
	Governmental Activities		Business-type Activities		Totals		
	2022	2021	2022	2021	2022	2021	Change
Land	\$ 38,406,365	\$ 38,732,365	\$ -	\$ -	\$ 38,406,365	\$ 38,732,365	-0.8%
Construction in progress	426,706	-	-	-	426,706	-	100.0%
Buildings and improvements	34,588,473	35,716,932	-	-	34,588,473	35,716,932	-3.2%
Equipment	58,932	79,483	-	-	58,932	79,483	-25.9%
Vehicles	281,767	278,868	-	-	281,767	278,868	1.0%
Sanitary plant	-	-	4,381,841	4,512,218	4,381,841	4,512,218	-2.9%
General plant	-	-	445,293	458,389	445,293	458,389	-2.9%
Infrastructure	16,198,649	17,299,258	-	-	16,198,649	17,299,258	-6.4%
Totals	\$ 89,960,892	\$ 92,106,906	\$ 4,827,134	\$ 4,970,607	\$ 94,788,026	\$ 97,077,513	-2.4%

Total capital assets decreased by \$2.3 million, or 2.4% from the prior fiscal year. Capital assets for business-type activities decreased by \$0.1 million, or 2.9%, from the previous fiscal year, due to current year depreciation of capital assets. Capital assets for governmental activities decreased by \$2.2 million, or 2.3%, from the previous fiscal year.

Significant changes in governmental activities capital asserts include:

- Land decreased by \$0.3 million, or 0.8% due to the sale of the property at 7455 Katella to KB Home Coastal, Inc..
- Construction in progress increased by \$0.4 million, or 100%, from the prior year because the City had a number of capital projects in design as of the end of fiscal year 2021-22.
- The remainder of the change in governmental activities capital assets is attributed to current year depreciation.

Additional information on the City's capital assets can be found in Note 4 in the Notes to the Basic Financial Statements.

Long-Term Liabilities

As of June 30, 2022, the City had total long-term liabilities outstanding of \$2.3 million. Total long-term liabilities decreased by \$5.0 million, or 68.6% during fiscal year 2021-22. The City's net pension liability decreased by \$4.7 million, or 70.6%. It is important to note that some of this change in liability was reclassified to "deferred outflows" (asset) and "deferred inflows" (liability) in accordance with accounting requirements of Government Accounting Standards Board (GASB) Statement No. 68. Additional information on the City's long-term liabilities can be found in Note 7 in the Notes to the Basic Financial Statements.

LONG-TERM LIABILITIES							
	Governmental Activities		Business-type Activities		Totals		%
	2022	2021	2022	2021	2022	2021	
Net pension liability	\$ 1,931,124	\$ 6,631,148	\$ 22,918	\$ 22,918	\$ 1,954,042	\$ 6,654,066	-70.6%
Other post-employment benefits	-	135,831	-	-	-	135,831	-100.0%
Compensated absences	320,149	282,253	768	2,704	320,917	284,957	12.6%
Claims payable	13,870	203,214	-	-	13,870	203,214	-93.2%
Totals	\$ 2,265,143	\$ 7,252,446	\$ 23,686	\$ 25,622	\$ 2,288,829	\$ 7,278,068	-68.6%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Local governments throughout the State of California are challenged with funding increasing costs of operations with constrained resources. The City maintains a conservative approach to budgeting revenues and expenditures. Management takes an active role in monitoring the application of the budget during the fiscal year to apply any necessary changes to projected revenues as well as appropriated expenditures. The budget for fiscal year 2023-23 was projected with a modest revenue growth of 1.6% and expenditure growth of 6.0%. The General Fund budget was balanced with revenues exceeding appropriations by \$0.2 million, after funding one-time expenditures of \$0.4 million.

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 information should be addressed to: Michelle Bannigan, Finance Director 7800 Katella Avenue, Stanton, California 90680.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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CITY OF STANTON
Statement of Net Position
June 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activity	Total
ASSETS AND DEFERRED			
OUTFLOWS OF RESOURCES			
Cash and investments (Note 3)	\$ 52,761,220	\$ 6,035,051	\$ 58,796,271
Restricted cash and investments held in pension trust (Note 3)	3,980,189	-	3,980,189
Receivables	2,984,028	30,808	3,014,836
Due from other governments	1,081,583	-	1,081,583
Prepaid items	148,665	-	148,665
Notes and loans receivable (Note 6)	2,810,342	-	2,810,342
Net OPEB Asset (Note 12)	34,652	-	34,652
Capital assets: (Note 4)			
Non-depreciable	38,833,071	-	38,833,071
Depreciable, net	51,127,821	4,827,134	55,954,955
Total assets	<u>153,761,571</u>	<u>10,892,993</u>	<u>164,654,564</u>
Deferred pension related items (Note 11)	3,900,975	-	3,900,975
Deferred OPEB related items (Note 12)	428,583	-	428,583
Total deferred outflows of resources	<u>4,329,558</u>	<u>-</u>	<u>4,329,558</u>
LIABILITIES AND DEFERRED			
INFLOWS OF RESOURCES			
Accounts payable	1,750,881	144,805	1,895,686
Accrued liabilities	491,531	-	491,531
Deposits payable	12,700	-	12,700
Unearned revenue	3,171,535	-	3,171,535
Long-term liabilities:			
Due within one year (Note 7)	177,339	768	178,107
Due within more than one year (Note 7)	156,680	-	156,680
Net pension liability (Note 11)	1,931,124	-	1,931,124
Total liabilities	<u>7,691,790</u>	<u>145,573</u>	<u>7,837,363</u>
Deferred Pension related items (Note 11)	5,540,607	-	5,540,607
Deferred OPEB related items (Note 12)	214,067	-	214,067
Total deferred inflows of resources	<u>5,754,674</u>	<u>-</u>	<u>5,754,674</u>
NET POSITION			
Net investment in capital assets	89,960,892	4,827,134	94,788,026
Restricted for:			
Low and moderate income housing	13,432,239	-	13,432,239
Public safety	645,192	-	645,192
Community development	264,538	-	264,538
Public works	5,071,454	-	5,071,454
Culture and recreation	4,138,286	-	4,138,286
Unrestricted	31,132,064	5,920,286	37,052,350
Total net position	<u>\$ 144,644,665</u>	<u>\$ 10,747,420</u>	<u>\$ 155,392,085</u>

See accompanying notes to the basic financial statements.

CITY OF STANTON
Statement of Activities
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 3,767,048	\$ 87,045	\$ 1,093,199	\$ -
Public safety	18,643,242	2,024,026	543,444	-
Community development	2,574,453	3,878,142	58,760	-
Public works	2,208,440	21,500	2,444,679	43,328
Culture and recreation	2,307,801	647,530	779,218	-
Interest and fiscal charges	<u>12,943</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	29,513,927	6,658,243	4,919,300	43,328
Business-type activities:				
Sewer enterprise	<u>839,808</u>	<u>1,312,065</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 30,353,735</u>	<u>\$ 7,970,308</u>	<u>\$ 4,919,300</u>	<u>\$ 43,328</u>

See accompanying notes to the basic financial statements.

CITY OF STANTON
Statement of Activities (Continued)
For the Year Ended June 30, 2022

Functions/Programs	Net (Expenses) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activity	Total
Governmental activities:			
General government	\$ (2,586,804)	\$ -	\$ (2,586,804)
Public safety	(16,075,772)	-	(16,075,772)
Community development	1,362,449	-	1,362,449
Public works	301,067	-	301,067
Culture and recreation	(881,053)	-	(881,053)
Interest and fiscal charges	(12,943)	-	(12,943)
Total governmental activities	(17,893,056)	-	(17,893,056)
Business-type activities:			
Sewer enterprise	-	472,257	472,257
Total	(17,893,056)	472,257	(17,420,799)
General revenues:			
Taxes:			
Property taxes	8,512,488	188,097	8,700,585
Sales taxes	5,414,556	-	5,414,556
Transactions and use taxes	5,993,735	-	5,993,735
Transient occupancy taxes	670,954	-	670,954
Franchise taxes	1,090,057	-	1,090,057
Utility user taxes	2,122,661	-	2,122,661
Other taxes	361,335	-	361,335
Investment earnings (loss)	(953,228)	(58,122)	(1,011,350)
Gain on gain of sale of capital assets	430,902	-	430,902
Miscellaneous	177,460	-	177,460
Transfers	18,776	(18,776)	-
Total general revenues and transfers	23,839,696	111,199	23,950,895
Change in net position	5,946,640	583,456	6,530,096
Net position - beginning of year	138,698,025	10,163,964	148,861,989
Net position - end of year	\$ 144,644,665	\$ 10,747,420	\$ 155,392,085

See accompanying notes to the basic financial statements.

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GOVERNMENTAL FUNDS

CITY OF STANTON
Balance Sheet
Governmental Funds
June 30, 2022

	Special Revenue Funds					Total Governmental Funds
	General	Housing Authority	Lighting and Median Maintenance	American Rescue Plan Act	Nonmajor Governmental Funds	
ASSETS						
Cash and investments	\$ 24,644,942	\$ 12,433,996	\$ 1,747,665	\$ 3,157,707	\$ 9,313,784	\$ 51,298,094
Receivables:						
Accounts	534,339	23,273	-	-	-	557,612
Interest	60,575	24,722	-	-	6,469	91,766
Taxes	2,315,575	-	9,623	-	7,730	2,332,928
Prepaid costs	46,681	780	-	-	-	47,461
Due from other funds (Note 5)	18,827	-	-	-	-	18,827
Due from other governments	256,404	-	22,614	-	530,772	809,790
Notes and loans receivable	1,792,342	1,018,000	-	-	-	2,810,342
Advance to other funds (note 5)	795,413	-	-	-	-	795,413
Total assets	\$ 30,465,098	\$ 13,500,771	\$ 1,779,902	\$ 3,157,707	\$ 9,858,755	\$ 58,762,233
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 1,204,724	\$ 54,962	\$ 54,079	\$ 20,571	\$ 406,625	\$ 1,740,961
Accrued liabilities	491,531	-	-	-	-	491,531
Deposits payable	-	12,700	-	-	-	12,700
Due to other funds (Note 5)	-	-	-	-	18,827	18,827
Advances from other funds (Note 5)	-	-	795,413	-	-	795,413
Unearned revenues	33,529	870	-	3,137,136	-	3,171,535
Total liabilities	1,729,784	68,532	849,492	3,157,707	425,452	6,230,967
Deferred Inflows of Resources:						
Unavailable revenue	248,955	-	22,614	-	98,757	370,326
Total deferred inflows of resources	248,955	-	22,614	-	98,757	370,326
Fund Balances: (Note 13)						
Nonspendable	2,634,436	-	-	-	-	2,634,436
Restricted	-	13,432,239	907,796	-	9,151,713	23,491,748
Committed	9,856,296	-	-	-	-	9,856,296
Assigned	169,585	-	-	-	244,243	413,828
Unassigned	15,826,042	-	-	-	(61,410)	15,764,632
Total fund balances	28,486,359	13,432,239	907,796	-	9,334,546	52,160,940
Total liabilities, deferred inflows of resources and fund balances	\$ 30,465,098	\$ 13,500,771	\$ 1,779,902	\$ 3,157,707	\$ 9,858,755	\$ 58,762,233

See accompanying notes to the basic financial statements.

CITY OF STANTON

Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position

June 30, 2022

Total Fund Balances - Total Governmental Funds \$ 52,160,940

Amounts reported for governmental activities in the Statement of Net Position were reported differently because:

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet.

Nondepreciable	38,833,071
Depreciable, net of Internal Service Fund of \$281,767	<u>50,846,054</u>
Total capital assets	89,679,125

The net OPEB liability applicable to the City's governmental activities is not due and payable in the current period and accordingly is not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to OPEB are only reported in the Statement of Net Position as the changes in these amounts effects only the government-wide statements for governmental activities.

Deferred Outflows of Resources - OPEB Related	428,583
Deferred Inflows of Resources - OPEB Related	(214,067)
Net OPEB Asset	34,652

Internal service funds are used by management to charge the costs of activities involved in rendering services to departments within the City. The assets and liabilities of the internal service funds are included in the statement of net position. 2,185,106

Certain revenues in the governmental funds are deferred inflows of resources because they are not collected within the prescribed time period after year-end. However, these revenues are included in the government-wide statements. 370,326

Net position of governmental activities \$ 144,644,665

CITY OF STANTON
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue Funds					Total Governmental Funds
	General	Housing Authority	Lighting and Median Maintenance	American Rescue Plan Act	Nonmajor Governmental Funds	
REVENUES:						
Taxes and assessments	\$ 24,105,459	\$ -	\$ 741,992	\$ -	\$ 624,019	\$ 25,471,470
Licenses and permits	1,037,171	-	-	-	-	1,037,171
Intergovernmental	751,106	-	1,016	1,246,918	2,812,564	4,811,604
Charges for services	2,494,435	-	203,789	-	1,039,768	3,737,992
Fines and forfeitures	468,222	-	-	-	-	468,222
Investment income (loss)	(354,337)	(120,362)	-	-	(41,981)	(516,680)
Rental income	84,033	616,454	-	-	-	700,487
Miscellaneous	22,423	14,006	-	-	65,358	101,787
Total revenues	28,608,512	510,098	946,797	1,246,918	4,499,728	35,812,053
EXPENDITURES:						
Current:						
General government	3,731,606	172,135	-	434,348	-	4,338,089
Public safety	17,480,621	111,593	499,391	406,925	233,652	18,732,182
Community development	1,877,724	756,657	-	154,562	49,583	2,838,526
Public works	1,075,440	-	-	23,330	150,504	1,249,274
Culture and recreation	1,372,825	-	-	172,686	779,408	2,324,919
Capital outlay	77,031	-	-	10,448	402,294	489,773
Debt service:						
Interest and fiscal charges	-	-	12,943	-	-	12,943
Total expenditures	25,615,247	1,040,385	512,334	1,202,299	1,615,441	29,985,706
REVENUES OVER (UNDER)						
EXPENDITURES	2,993,265	(530,287)	434,463	44,619	2,884,287	5,826,347
OTHER FINANCING						
SOURCES (USES):						
Sale of capital assets	-	756,902	-	-	-	756,902
Transfers in (Note 5)	1,620,672	19,843	-	11,360	684,892	2,336,767
Transfers out (Note 5)	(326,357)	(890,000)	-	(55,979)	(1,176,985)	(2,449,321)
Total other financing sources (uses)	1,294,315	(113,255)	-	(44,619)	(492,093)	644,348
NET CHANGE IN FUND BALANCE	4,287,580	(643,542)	434,463	-	2,392,194	6,470,695
Fund balances, beginning of year	24,198,779	14,075,781	473,333	-	6,942,352	45,690,245
Fund balances, end of year	\$ 28,486,359	\$ 13,432,239	\$ 907,796	\$ -	\$ 9,334,546	\$ 52,160,940

See accompanying notes to the basic financial statements.

CITY OF STANTON

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balance to the Governmental-wide Statement of Activities

For the Year Ended June 30, 2022

Net Change in Fund Balances - Total Governmental Funds \$ 6,470,695

Governmental activities in the Statement of Activities were reported differently 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 outlays exceed depreciation and retirements in the current period.

Capital asset purchases	(314,026)
Depreciation expenses, less \$96,494 of depreciation in internal service funds	(2,265,789)
Gain on disposition of capital assets	<u>430,902</u>
Total capital assets	(2,148,913)

OPEB expenditures reported in the governmental funds includes the actuarial determined contributions. In the statement of activities, OPEB expense includes the change in the net OPEB liability (asset) and related change in OPEB amounts for deferred outflows of resources and deferred inflows of resources.

(17,820)

Internal service funds are used by management to charge the costs of activities involved in rendering services to departments within the City. The net income is reported with governmental activities. The assets and liabilities of the internal service funds are included in the statement of net position.

1,846,403

Certain revenues in the governmental funds are unavailable revenues because they are not collected within the prescribed time period after year-end. However, the revenues are included in the government-wide statements.

(203,725)

Change in net position of governmental activities \$ 5,946,640

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PROPRIETARY FUNDS

CITY OF STANTON
Combining Statement of Net Position
Proprietary Funds
June 30, 2022

	Business-Type Activity	Governmental Activities
	Sewer Enterprise Funds	Internal Service Funds
ASSETS		
Current assets:		
Cash and investments	\$ 6,035,051	\$ 1,463,126
Restricted cash and investments held in pension trust	-	3,980,189
Receivables:		
Accounts	5,120	-
Interest	9,308	1,722
Taxes	16,380	-
Prepays	-	101,204
Due from other governments	-	271,793
Total current assets	<u>6,065,859</u>	<u>5,818,034</u>
Noncurrent assets:		
Capital assets - net of accumulated depreciation	<u>4,827,134</u>	<u>281,767</u>
Total noncurrent assets	<u>4,827,134</u>	<u>281,767</u>
Total assets	<u>10,892,993</u>	<u>6,099,801</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount from pension plan	-	3,900,975
Total deferred outflows of resources	<u>-</u>	<u>3,900,975</u>
LIABILITIES		
Current liabilities:		
Accounts payable	144,805	9,920
Claims and judgements payable	-	13,870
Compensated absences payable	768	163,470
Total current liabilities	<u>145,573</u>	<u>187,260</u>
Noncurrent liabilities:		
Compensated absences payable	-	156,679
Net pension liability	-	1,931,124
Total noncurrent liabilities	<u>-</u>	<u>2,087,803</u>
Total liabilities	<u>145,573</u>	<u>2,275,063</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred amount from pension plan	-	5,540,607
Total deferred inflows of resources	<u>-</u>	<u>5,540,607</u>
NET POSITION		
Net investment in capital assets	4,827,134	281,767
Unrestricted	<u>5,920,286</u>	<u>1,903,339</u>
Total net position	<u>\$ 10,747,420</u>	<u>\$ 2,185,106</u>

See accompanying notes to the basic financial statements.

CITY OF STANTON
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2022

	Business-Type Activity	Governmental Activities
	Sewer Enterprise Funds	Internal Service Funds
OPERATING REVENUES:		
Charges for services	\$ 1,312,065	\$ 1,872,456
Miscellaneous	-	2,399,974
Total operating revenues	1,312,065	4,272,430
OPERATING EXPENSES:		
Equipment maintenance and operation	83,024	75,097
Depreciation	143,474	96,494
Administrative and personnel services	-	1,474,585
Insurance premiums and claims	-	286,757
Contractual services	613,310	26,985
Total operating expenses	839,808	1,959,918
OPERATING INCOME	472,257	2,312,512
NON-OPERATING REVENUES (EXPENSES):		
Property taxes	188,097	-
Investment income (loss)	(58,122)	(598,891)
Gain on sale of capital assets	-	1,452
Total non-operating revenues (expenses)	129,975	(597,439)
INCOME BEFORE TRANSFERS	602,232	1,715,073
Transfers in	-	131,330
Transfers out	(18,776)	-
Total transfers	(18,776)	131,330
Change in net position	583,456	1,846,403
Net position (deficit), beginning of year	10,163,964	338,703
Net position, end of year	\$ 10,747,420	\$ 2,185,106

See accompanying notes to the basic financial statements.

CITY OF STANTON
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2022

	Business-Type Activity	Governmental Activities
	Sewer Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 1,312,935	\$ 1,936,391
Cash paid to other suppliers of goods or services	(701,209)	(703,788)
Cash paid to employees for salaries, wages, and benefits	(28,003)	(1,436,690)
Net cash provided (used by) operating activities	<u>583,723</u>	<u>(204,087)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Cash received from other funds	-	131,330
Cash received from property taxes	188,097	-
Net cash provided (used by) non-capital financing activities	<u>188,097</u>	<u>131,330</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	-	(99,393)
Proceeds from sale of capital assets	-	1,452
Net cash provided (used by) capital and related financing activities	<u>-</u>	<u>(97,941)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment income (loss)	(63,487)	(600,136)
Net cash provided (used by) investing activities	<u>(63,487)</u>	<u>(600,136)</u>
Net increase (decrease) in cash and cash equivalents	708,333	(770,834)
Cash and equivalents, beginning of year	5,326,718	6,214,149
Cash and equivalents, end of year	<u>\$ 6,035,051</u>	<u>\$ 5,443,315</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH (USED BY) OPERATING ACTIVITIES:		
Operating income (loss)	\$ 472,257	\$ 2,312,512
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	143,474	96,494
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	870	5,788
(Increase) decrease in taxes receivable	(4,562)	-
(Increase) decrease in due from other governments	-	26,133
(Increase) decrease in prepaid expense	-	(98,954)
(Increase) decrease in deferred outflows of resources	4,503	(1,278,470)
Increase (decrease) in accounts payable	(7,347)	(26,651)
Increase (decrease) in unearned revenue	-	(561)
Increase (decrease) in claims and judgements	-	(189,344)
Increase (decrease) in compensated absences	(1,936)	37,896
Increase (decrease) in net pension liability	(22,918)	(4,700,024)
Increase (decrease) in deferred inflows of resources	(618)	3,611,094
Total adjustments	<u>111,466</u>	<u>(2,516,599)</u>
Net cash provided (used) by operating activities	<u>\$ 583,723</u>	<u>\$ (204,087)</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION		
Cash and investments	\$ 6,035,051	\$ 1,463,126
Restricted cash and investments held in pension trust	-	3,980,189
Total cash and cash equivalents	<u>\$ 6,035,051</u>	<u>\$ 5,443,315</u>

See accompanying notes to the basic financial statements.

FIDUCIARY FUNDS

CITY OF STANTON
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

	<u>Private- Purpose Trust Funds</u>
ASSETS	
Current assets:	
Cash and investments	\$ 7,167,498
Prepaid items	66,381
Restricted assets:	
Cash held by fiscal agent	<u>1,650,953</u>
Total assets	<u>8,884,832</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred amount on refunding	<u>7,581,525</u>
Total deferred outflow of resources	<u>7,581,525</u>
 LIABILITIES	
Current liabilities:	
Accounts payable	513,623
Interest payable	170,239
Bonds payable - current portion	<u>2,635,000</u>
Total current liabilities	<u>3,318,862</u>
Long-term liabilities:	
Bonds payable	<u>52,725,952</u>
Total long-term liabilities	<u>52,725,952</u>
Total liabilities	<u>56,044,814</u>
 NET POSITION	
Restricted for private purpose	<u>(39,578,457)</u>
Total net position	<u>\$ (39,578,457)</u>

See accompanying notes to the basic financial statements.

CITY OF STANTON
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2022

	<u>Private- Purpose Trust Funds</u>
ADDITIONS:	
Taxes	\$ 4,577,090
Intergovernmental	7,548,820
Investment income	<u>121</u>
Total additions	<u>12,126,031</u>
DEDUCTIONS:	
Contractual services	66,500
Public safety	4,387,048
Interest and fiscal charges	<u>2,499,373</u>
Total deductions	<u>6,952,921</u>
CHANGE IN NET POSITION	5,173,110
Net position, beginning of year	<u>(44,751,567)</u>
Net position, end of year	<u>\$ (39,578,457)</u>

See accompanying notes to the basic financial statements.

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NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Stanton, California (the City), have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant City accounting policies are described below.

A. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information about the reporting government as a whole, except for its fiduciary activities. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from discretely presented component units for which the primary government is financially accountable. The City has no discretely presented component units.

B. Description of Reporting Entity

The City was incorporated under the general laws of the State of California and enjoys all rights and privileges pertaining to such "general law" cities.

The Housing Authority of the City of Stanton (Housing Authority), a blended component unit, was formed on March 22, 2011, to facilitate the retention and use of transferred properties from the former Redevelopment Agency consistent with the redevelopment plan and for the purposes of ongoing maintenance of completed development projects.

Although the Housing Authority is legally separate from the City, its financial operations are the responsibility of the City. In addition, the City Council has a continuing accountability for fiscal matters of the Housing Authority. Since the City Council acts as the Board of Directors and is able to impose its will on the Housing Authority, the City is considered the primary government and the Housing Authority is a component unit of the City. Additionally, since the governing bodies of the City and the Housing Authority are the same, the financial statements of the City and the component unit are blended. For presentation within the financial statements of the governmental reporting entity, the transactions between the Housing Authority and the City are reported as interfund transactions. The Housing Authority's financial data and activity are presented as a Special Revenue Fund. The Housing Authority issues separate financial statements that can be by sending a request to City Hall at 7800 Katella Avenue, Stanton, CA 90680.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation

Government-Wide Financial Statements

While separate government-wide financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental funds and internal service funds, while the business-type activity incorporates data from the government's enterprise fund. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are charges between the government's sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

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

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate financial statements for the government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds. Fiduciary statements even though excluded from the government-wide financial statements, represent private-purpose trust funds.

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law, or contractual agreement to some other fund, are accounted for in this fund. General operating expenses not paid through other funds are paid from this fund.

Housing Authority Special Revenue Fund – To account for the accumulated resources received from the former Redevelopment Agency's Low- and Moderate-Income Housing Special Revenue Fund, rental income, and expenses related to low- and moderate-income housing.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Lighting and Median Maintenance Special Revenue Fund – To account for benefit assessments levied under the 1919 Act Stanton Municipal Lighting District and the Stanton Lighting and Landscaping District No. 1 (Landscaping and Lighting Act of 1972) for street lighting and landscaping maintenance within the City.

American Rescue Plan Act Special Revenue Fund – To account for revenues and expenditures related to funding received by the American Rescue Plan Act of 2021 approved by the federal government on March 11, 2021. These funds can be used to respond to the COVID-19 pandemic response needs, fill revenue shortfalls, and support the communities and populations hardest hit by the COVID-19 crisis.

The City reports the following major enterprise fund:

The Sewer Enterprise Fund is used to account for the operations of the City's sewer system.

Additionally, the City reports the following fund types:

Governmental Funds

The Special Revenue Funds are used to account for the revenues derived from specific revenue sources, which are usually required by law or administrative regulation to be accounted for in separate funds.

The Capital Projects Funds are used to account for financial resources segregated for the development, construction, and improvement of City facilities.

Proprietary Funds

The Internal Service Funds are used to account for the financing of services provided by the following departments to other departments of the City on a cost-reimbursement basis:

- Workers' Compensation
- Liability/Risk Management
- Employee Benefits
- Fleet Maintenance

Fiduciary Funds

The Private-Purpose Trust Funds are used to account for the activities of the Successor Agency to the Stanton Redevelopment Agency and North Orange County Public Safety Collaborative Fund.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

Interfund Transactions

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/due to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between funds included in the governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between funds included in business-type activities are eliminated so that only the net amount is included in internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in the governmental activities column are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and private-purpose trust fund financial statements. Under the economic resources measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their activity are included on their statement of net position. Operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenue from property taxes is recognized in the fiscal year that the taxes are levied and collected within 60 days from the end of the fiscal year. Grants and similar items are recognized as revenues as soon as the eligibility requirements imposed by the provider have been satisfied. Unbilled receivables are recorded as revenues when services are provided.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, only current assets, current liabilities, and deferred inflows of resources are generally included on their balance sheets. The reported fund balance is considered to be a measure of available spendable resources.

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period. Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus.

Revenues are recognized as soon as they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, except for principal and interest on general long-term liabilities, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisition of capital leases are reported as other financing sources.

Property taxes, sales tax, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue (within 60 days of year-end). Amounts owed to the City, which are not available, are recorded as receivables and deferred inflows of resources. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City's fiduciary funds consist of private-purpose trust funds, which are reported using the economic resources measurement focus and the accrual basis of accounting.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. New Accounting Pronouncements

The City adopted Statement on Governmental Accounting Standards (GASB Statements) No. 87-*Leases*; No 89-*Accounting for Interest Cost Incurred Before the End of a Construction period*; No. 90- *Majority Equity Interest*; No. 93- *Replacement of Interbank Offered Rates*; and No. 97- *Certain Component Unit Criteria for Internal Revenue Code 457 Deferred Compensation Plans*. The City implemented GASB No. 87 during fiscal year June 30, 2022. The adoption of the GASB Nos. 89, 90, 93, and 97 did not significantly impact the City.

F. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense) until that time. The City has the following items that qualify for reporting in this category:

- Deferred outflows related to pensions equal to employer contributions made after the measurement date of the net pension liability.
- Deferred outflows from OPEB resulting from differences between actual and expected experience and changes in assumptions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with retiree healthcare benefits through the plan.
- Deferred outflows from pensions resulting from differences between actual and expected experience and changes in proportion and differences between the employer's contributions and the employer's proportionate share of contributions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.

**CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Deferred Outflows/Inflows of Resources (Continued)

- Deferred outflows related to pensions and OPEB resulting from the net differences in projected and actual earnings on investments of the pension and OPEB plans' fiduciary net position. These amounts are amortized over five years.

In addition to liabilities, the statement of net position and governmental funds balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

- Deferred inflows related to OPEB for differences between actual and expected experiences. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with retiree healthcare benefits through the plans.
- Deferred inflows from pensions resulting from changes in assumptions and changes in proportion and differences between the employer's contributions and the employer's proportionate share of contributions. These amounts are amortized over a closed period equal to the average expecting remaining service lives of all employees that are provided with pensions through the plans.
- Deferred inflows related to leases. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

G. Assets, Liabilities, Fund Balance and Net Position

Cash and Investments

The City considers all highly liquid investments, with a maturity of three months or less when purchased, to be cash equivalents. In addition, cash invested in the City's cash management pool is considered to be cash equivalents. For purposes of the statement of cash flows of the proprietary fund types, cash and cash equivalents include all investments, as the City operates an internal cash management pool that maintains the general characteristics of a demand deposit account.

Investments are reported in the accompanying financial statements at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments that are not traded on a market, such as investments in external pools, are valued based on the stated fair value represented by the external pool (in relation to the amortized cost of that portfolio).

**CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities, Fund Balance and Net Position (Continued)

Receivables and Payables

Property, sales, use, and utility user taxes related to the current fiscal year are accrued as revenue and accounts receivable and are considered available if received within 60 days of year-end. Federal and state grants are considered receivable and accrued as revenue when reimbursable costs are incurred under the accrual basis of accounting in the government-wide statement of net position. The amount recognized as revenue, under the modified accrual basis of accounting, is limited to the amount that is deemed measurable and collectible. Loans extended from other funds are recorded as loans receivable.

Activity between funds, which is representative of lending/borrowing arrangements outstanding at the end of the fiscal year, is referred to as either due to/from other funds or advances to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Acquired assets are recorded at historical cost or estimated historical cost. Donated assets are valued at the acquisition value of the assets on the date on which they were contributed. The costs of normal maintenance and repairs that do not add value to the assets or materially extend the life are not capitalized. Capital assets are defined as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year with the exception of land, structures and improvements, and infrastructure, which have a threshold of \$50,000.

Depreciation is charged to operations using the straight-line method of depreciation over the estimated useful lives of the assets as follows:

Buildings and Improvements	20 - 50 Years
Equipment and Vehicles	5 - 20 Years
Infrastructure	20 - 50 Years

Compensated Absences Payable

Employees can carry forward up to 360 hours of earned, but unused, vacation leave. Upon termination, the City is obligated to compensate employees the earned, but unused, vacation time. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities, Fund Balance and Net Position (Continued)

Claims and Judgments

The City records a liability for claims, judgments, and litigation when it is probable that a liability has been incurred at year-end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated. City management believes that the aggregate accrual is adequate to cover such losses, including amounts for incurred but not reported claims. Estimated claims payables are recorded in the Workers' Compensation and Liability/Risk Management Internal Service Funds as appropriate.

Property Taxes

The assessment, levy, and collection of property taxes are the responsibility of the County of Orange (the County). The City receives property taxes pursuant to an arrangement with the County known as the Teeter Plan, whereby the County assumes responsibility for the collection of delinquent taxes and pays the full allocation to the City. The City records property taxes as revenue when received from the County, except at year-end, when property taxes received within 60 days are accrued as revenue.

Property taxes are assessed and collected according to the following property tax calendar:

Lien Date:	January 1
Levy Date:	July 1 to June 30
Due Dates:	November 1 – First Installment March 1 – Second Installment
Collection Dates:	December 10 – First Installment April 10 – Second Installment

Net Position

The governmental and business-type activities in the government-wide financial statements and proprietary funds utilize a net position presentation. Net position is classified in the following categories:

Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and would be reduced by outstanding debt and capital-related payables that are attributed to the acquisition, construction, or improvement of the assets; however, the City did not have any such debt or liabilities.

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

Unrestricted Net Position – This amount is all net position that does not meet the definition of net investment in capital assets or restricted net position.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities, Fund Balance and Net Position (Continued)

Net Position Flow Assumptions

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

It is the City's practice to consider restricted - net position to have been depleted before unrestricted - net position is applied.

Fund Balances

The fund balances reported on the fund statements consist of the following categories:

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted – This classification includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed – This classification includes amounts for which the use of such amounts 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, and the adoption of a formal resolution prior to the end of the fiscal year is required to establish a fund balance commitment. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of resolution) to remove or revise the limitation.

An emergency equipment and maintenance reserve has been established through a resolution approved by the City Council. The reserve may be used to provide funding for nonscheduled capital asset repair and replacement. If used, this reserve will be replenished with future year-end operating surpluses. This emergency equipment and maintenance reserve has a balance of \$150,000 as of June 30, 2022.

A technology equipment reserve has been established through a resolution approved by the City Council. The reserve may be used to provide funding for the timely replacement of technology equipment. If used, this reserve will be replenished with future year-end operating surplus. This technology equipment reserve has a balance of \$150,000 as of June 30, 2022.

An emergency disaster contingency reserve has been established through a resolution approved by the City Council. The reserve is calculated at 10% of General Fund operating expenditures (rounded to the next \$100,000). The reserve may be used to mitigate costs of unforeseeable emergencies, such as natural disasters, catastrophic events, or any situation requiring the declaration of an emergency as

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities, Fund Balance and Net Position (Continued)

Fund Balances (Continued)

defined by Stanton Municipal Code Section 2.56.050.C. If used, this reserve will be replenished with future year-end operating surpluses. This emergency disaster contingency reserve has a balance of \$2,900,000 as of June 30, 2022.

A capital improvement reserve has been established through a resolution approved by the City Council. This reserve may be used for key infrastructure and capital improvement projects and to provide capital repair and replacement funding. This capital improvement reserve has a balance of \$5,000,000 as of June 30, 2022.

Assigned – This classification includes amounts to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed.

Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The City Council has authorized the Administrative Services Director for that purpose. The Administrative Services Director determines the assigned amount based on encumbrances and any future budget deficits.

Unassigned – This classification includes the residual balance for the government's general fund and includes all spendable amounts not contained in other classifications. In other funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted.

An economic uncertainty reserve has been established through a resolution approved by the City Council. This reserve is calculated as 20% (rounded to the next \$100,000) of the general fund operating expenditures. The reserve may be used to mitigate annual budget revenue shortfalls as a protection from a fluctuating economy, including financial hardship or downturns in the economy. If used or if the City's annual operating budget grows, this reserve will be replenished with future year-end operating surpluses. This economic emergency reserve has a balance of \$5,700,000 as of June 30, 2022.

Spending Policy

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

- Restricted
- Committed
- Assigned
- Unassigned

**CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Program Revenues

Amounts reported as program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

I. Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

J. Pensions

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

K. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability and deferred outflows/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 City's OPEB plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Leases

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities, deferred inflows of resources and disclosure of contingent assets and liabilities at the statement of net position date and reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Lessee: The City is a lessee for a noncancellable lease of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$50,000 or more.

At the commencement of a lease, the City initially measures the lease liability 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. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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 noncancellable period of the lease. 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 its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

Lessor: The City is a lessor for a noncancellable leases of a portion of real property, as well as, building and roof space. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable 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 the lease payments received. The deferred inflow of resources is 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 inflow of resources is recognized as revenue over the life of the lease term.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Leases (continued)

Key elements and judgement 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 its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes 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.

M. Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities, deferred inflows of resources and disclosure of contingent assets and liabilities at the statement of net position date and reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Balances

The following funds had deficit fund balances at June 30, 2022:

Nonmajor Governmental Fund:	
Other Grants	\$ (61,410)

The Other Grants Special Revenue Fund has a deficit due to intergovernmental revenues not being collected within the City's period of availability.

B. Excess of Expenditures over Appropriations

The following funds reported expenditures exceeding appropriations at June 30, 2022:

	Final Budget	Actual	Variance with Final Budget
Nonmajor Governmental Funds:			
FaCT Grant Special Revenue Fund	\$ 330,603	\$ 344,345	\$ (13,742)

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 CASH AND INVESTMENTS

Cash and Investments

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

	Government-Wide Statement of Net Position	Fiduciary Statement of Net Position	Total
Unrestricted Assets:			
Cash and Investments:			
City	\$ 58,796,271	\$ -	\$ 58,796,271
Private-Purpose Trust Funds	-	7,167,498	7,167,498
Restricted Assets:			
Cash and Investments Held in Pension Trust:			
City	3,980,189	-	3,980,189
Cash and Investments With Fiscal Agents:			
Private-Purpose Trust Funds	-	1,650,953	1,650,953
Total Cash and Investments	<u>\$ 62,776,460</u>	<u>\$ 8,818,451</u>	<u>\$ 71,594,911</u>

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

Cash in Hand	\$ 600
Deposits With Financial Institutions	11,838,293
Investments	<u>59,756,018</u>
Total Cash and Investments	<u>\$ 71,594,911</u>

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by the City's Investment Policy

The City's Investment Policy is reviewed and adopted by the City Council each year. Regarding allowable investment types, the investment policy is more conservative and restrictive than the investment vehicles authorized by Section 53600.5 of the California Government Code. Investment vehicles not specifically mentioned in the City's investment policy are not authorized unless the policy is amended by the City Council or is approved as part of the provisions of the bond indentures. This table does not address investments of debt proceeds held by bond trustees that are governed by provisions of the debt agreements. This table also does not address investments of the pension trust through Public Agency Retirement Services' (PARS) pooled trust, that are governed by the agreement between the City and the trustee. Investments are limited to the following:

<u>Investment Types Authorized by State Law or the City's Investment Policy</u>	<u>Maximum Maturity*</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
United States Treasury Notes	5 Years	100%	None
United States Government-Sponsored Agency Securities:			
Federal Home Loan Banks (FHLB)	5 Years	100%	25%
Fannie Mae (FNMA)	5 Years	100%	25%
Federal Home Loan Mortgage Corp. (FHLMC)	5 Years	100%	25%
Federal Farm Credit Banks (FFCB)	5 Years	100%	25%
All Other	5 Years	100%	25%
Local Agency Securities	5 Years	100%	5%
Collateralized Time Deposits (Nonnegotiable Certificates of Deposit)	5 Years	20%	None
Banker's Acceptances	180 Days	40%	5%
Commercial Paper	270 Days	25%	5%
Medium-Term Corporate Notes	5 Years	30%	5%
Local Agency Investment Fund (LAIF)	N/A	100%	None
Certificate of Deposit Placement Service (CDARS) and Negotiable Certificates of Deposit	5 Years	30%	5%
Money Market Mutual Funds	N/A	20%	None
Asset-Backed and Mortgage-Backed Securities	5 Years	20%	5%
Supranational	5 Years	30%	10%
Local Government Investment Pools	N/A	100%	None

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

N/A - Not Applicable

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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. The City manages its exposure to interest rate risk 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 trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity as of June 30, 2022:

<u>Investment Type</u>	<u>Remaining Investment Maturities</u>				<u>Total</u>
	<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25 to 36 Months</u>	<u>37 to 48 Months</u>	
Local Agency Investment Fund (LAIF)	\$43,390,842	\$ -	\$ -	\$ -	\$43,390,842
California Asset Management Program (CAMP)	5,264,607	-	-	-	5,264,607
Negotiable Certificates of Deposit	2,482,790	2,704,106	967,961	-	6,154,857
Municipal Bonds Held by Fiscal Agents	273,963	493,520	198,040	-	965,523
Pension Trust – Public Agency Retirement Services	<u>3,980,189</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,980,189</u>
Total	<u>\$55,392,391</u>	<u>\$3,197,626</u>	<u>\$1,166,001</u>	<u>\$ -</u>	<u>\$59,756,018</u>

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 CASH AND INVESTMENTS (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 & Poor's and Moody's as of year-end for each investment type:

Investment Type	Total as of June 30, 2022	Minimum Legal Rating	S&P Rating	Moody's Rating
Local Agency Investment Fund (LAIF)	\$ 43,390,842	None	Not Rated	Not Rated
California Asset Management Program (CAMP)	5,264,607	None	AAAm	Not Rated
Negotiable Certificates of Deposit	6,154,857	A/A2	Not Rated	Not Rated
Municipal Bonds	273,963	A	A	Not Rated
Municipal Bonds	198,040	A	A	Not Rated
Municipal Bonds	246,622	A	AA	Not Rated
Municipal Bonds	246,898	A	A-	Not Rated
Held by Fiscal Agents:				
Pension Trust-Public Agency				
Retirement Services	3,980,189	None	Not Rated	Not Rated
Total Investments	<u>\$ 59,756,018</u>			

Concentration of Credit Risk

The investment policy of the City contains limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one nongovernment sponsored issuer (other than external investment pools) that represent 5 % or more of total City investments.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

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

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio multiplied by a fair value factor provided by LAIF). The balance available for withdrawal is based on the accounting records maintained by LAIF.

Investment in California Asset Management Program (CAMP)

The City is a voluntary participant in the California Asset Management Program (CAMP) that is regulated by the California Government Code. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro rata share of the fair value provided by CAMP for the entire CAMP portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by CAMP, which are recorded on an amortized cost basis.

**CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Cash and Investments - Pension Trust

The City established a trust account with the Public Agency Retirement Services (PARS) to hold assets that are legally restricted for use in funding future contributions to the City's pension plan. The pension trust's specific cash and investments are managed by a third-party portfolio manager under guidelines approved by the City.

Those guidelines are as follows:

Risk Tolerance: Moderate

Risk Management: The portfolio is constructed to control risk through four layers of diversification - asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value growth), managers, and securities. Disciplined mutual fund selection and monitoring process help to drive return potential while reducing portfolio risk.

Investment Objective: To provide current income and moderate capital appreciation. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important.

Strategic Ranges: 0% - 20% Cash
40% - 60% Fixed income
40% - 60% Equity

Fair Value Measurements

The City categorizes its fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted price of similar assets in active markets, and Level 3 inputs are significant unobservable inputs.

Negotiable certificates of deposit, United States Government-Sponsored Agency Securities, and Municipal Bonds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

The City has the following recurring fair value measurements as of June 30, 2022:

	Quoted Prices <u>Level 1</u>	Observable Inputs <u>Level 2</u>	Unobservable Inputs <u>Level 3</u>	<u>Total</u>
Negotiable Certificates of Deposits	\$ -	\$6,154,857	\$ -	\$ 6,154,857
Municipal Bonds	-	<u>965,523</u>	-	<u>965,523</u>
Total Leveled Investments	<u>\$ -</u>	<u>\$7,120,380</u>	<u>\$ -</u>	<u>7,120,380</u>
Investments Not Subject to Fair Value Hierarchy:				
Local Agency Investment Fund (LAIF)				43,390,842
California Asset Management Program (CAMP)				5,264,607
Held by Fiscal Agent:				
Pension Trust – Public Agency Retirement Services				<u>3,980,189</u>
Total				<u>\$59,756,018</u>

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 CAPITAL ASSETS

Governmental Activities

A summary of changes in governmental activities - capital assets at June 30, 2022, is as follows:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Non-depreciable:				
Land	\$ 38,732,365	\$ -	\$ (326,000)	\$38,406,365
Construction in process	<u>-</u>	<u>426,706</u>	<u>-</u>	<u>426,706</u>
Total non-depreciable	<u>38,732,365</u>	<u>426,706</u>	<u>(326,000)</u>	<u>38,833,071</u>
Depreciable:				
Buildings and improvements	47,970,032	-	-	47,970,032
Equipment	888,244	16,270	(11,358)	893,156
Vehicles	910,798	99,393	(50,350)	959,841
Infrastructure	<u>43,773,464</u>	<u>-</u>	<u>-</u>	<u>43,773,464</u>
Total depreciable capital assets	<u>93,542,538</u>	<u>115,663</u>	<u>(61,708)</u>	<u>93,596,493</u>
Less accumulated depreciation for:				
Buildings and improvements	(12,253,100)	(1,128,459)	-	(13,381,559)
Equipment	(808,761)	(36,821)	11,358	(834,224)
Vehicles	(631,930)	(96,494)	50,350	(678,074)
Infrastructure	<u>(26,474,206)</u>	<u>(1,100,609)</u>	<u>-</u>	<u>(27,574,815)</u>
Total accumulated depreciation	<u>(40,167,997)</u>	<u>(2,362,383)</u>	<u>61,708</u>	<u>(42,468,672)</u>
Total depreciable capital assets, net	<u>53,374,541</u>	<u>(2,246,720)</u>	<u>-</u>	<u>51,127,821</u>
Total capital assets, net	<u>\$ 92,106,906</u>	<u>\$(1,820,014)</u>	<u>\$(326,000)</u>	<u>\$89,960,892</u>

Depreciation expense was charged in the following functions in the Statement of Activities:

General Government	\$ 159,646
Public Safety	184,786
Community Development	295,939
Public Works	1,303,769
Culture and Recreation	<u>418,243</u>
Total	<u>\$2,362,383</u>

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 CAPITAL ASSETS (CONTINUED)

Business-Type Activity

A summary of changes in the business-type activity - capital assets at June 30, 2022, is as follows:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Depreciable:				
Sanitary plant	\$ 6,748,710	\$ -	\$ -	\$6,748,710
General plant	<u>654,840</u>	<u>-</u>	<u>-</u>	<u>654,840</u>
Total depreciable capital assets	<u>7,403,550</u>	<u>-</u>	<u>-</u>	<u>7,403,550</u>
Less accumulated depreciation for:				
Sanitary plant	(2,236,492)	(130,377)	-	(2,366,869)
General plant	<u>(196,450)</u>	<u>(13,097)</u>	<u>-</u>	<u>(209,547)</u>
Total accumulated depreciation	<u>(2,432,942)</u>	<u>(143,474)</u>	<u>-</u>	<u>(2,576,416)</u>
Total depreciable capital assets, net	<u>4,970,608</u>	<u>(143,474)</u>	<u>-</u>	<u>4,827,134</u>
Total capital assets, net	<u>\$ 4,970,608</u>	<u>\$(143,474)</u>	<u>\$ -</u>	<u>\$4,827,134</u>

Depreciation expense of \$143,474 was charged to the sewer function/program.

NOTE 5 INTERFUND TRANSACTIONS

Due From/Due To Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Total Outstanding</u>
General Fund	Other Governmental Funds	<u>\$18,827</u>

The amounts due to the General Fund is a result of short-term cash deficit balances in grant funds that will be remedied when reimbursements are received from granting agencies during the subsequent fiscal year.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 INTERFUND TRANSACTIONS (CONTINUED)

Advances To/Advances From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Total Outstanding</u>
	Lighting and Median Maintenance Special Revenue Fund	
General Fund		<u>\$795,413</u>

On March 23, 2021, the City Council authorized a loan from the General Fund to the Lighting Maintenance District Special Revenue Fund in a principal amount not to exceed \$959,440 at an interest rate of 1.5% per year. The loan was formally acknowledged with a promissory note approved by Resolution No. 2021-09 on April 13, 2021. The loan will be repaid in semi-annual payments on June 30, and December of each year, beginning on December 31, 2021, and will mature on June 30, 2028. The proceeds of the loan were used to pay off the City's lease agreement with Bank of the West that was secured to fund the purchase of streetlights from Southern California Edison.

Interfund Transfers

The composition of interfund transfers for the year ended June 30, 2022, is as follows:

<u>Transfers In</u>	<u>Transfers Out</u>					<u>Total</u>
	<u>General Fund</u>	<u>Housing Authority</u>	<u>ARPA</u>	<u>Nonmajor Governmental Funds</u>	<u>Sewer Enterprise Fund</u>	
General Fund	\$ -	890,000	-	730,672	-	1,620,672
Housing Authority	19,843	-	-	-	-	19,843
ARPA	-	-	-	11,360	-	11,360
Nonmajor Governmental Funds	175,184	-	55,979	434,953	18,776	684,892
Internal Service Funds	<u>131,330</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>131,330</u>
Total	<u>\$ 326,357</u>	<u>890,000</u>	<u>55,979</u>	<u>1,176,985</u>	<u>18,776</u>	<u>2,468,097</u>

During the fiscal year ended June 30, 2022, interfund transfers were made for the following purposes:

- (1) \$19,843 was transferred from the General Fund to the Housing Authority Fund for the reimbursement of legal expenditures for the Tina Pacific affordable housing project.
- (2) \$100,184 was transferred from the General Fund to the Other Governmental Funds (Families and Communities Together (FaCT) Grant Special Revenue Fund, Senior Transportation Special Revenue Fund, and Stanton Central Park Maintenance Special Revenue Fund) for the difference between program expenditures and the maximum funding provided by grants or donors.
- (3) \$75,000 was transferred from the General Fund to the Other Governmental Funds (Capital Projects Fund) to provide funding for the Fiscal Year 2021/22 Citywide Street Rehabilitation project.
- (4) \$131,330 was transferred from the General Fund to the Internal Service Funds (Liability/Risk Management Fund) to provide funding for an assessment of the general liability program from Public Entity Risk Management Authority (PERMA) and property insurance premium costs from California Joint Powers Insurance Authority that exceeded the City's budgeted amount.
- (5) \$890,000 was transferred from the Housing Authority Special Revenue Fund to reimburse the General Fund for the purchase of the property located at 11870 Beach Boulevard.

**CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5 INTERFUND TRANSACTIONS (CONTINUED)

(6) \$55,997 was transferred from the ARPA Special Revenue Fund to the Other Governmental Funds (Capital Projects Fund) to provide funding for the Park Master Plan and Sheriff's Substation Flooring Replacement projects.

(7) \$730,672 was transferred from Other Governmental Funds (Gas Tax Special Revenue Fund, Protective Services Tax Special Revenue Fund, and Supplemental Law Enforcement Program Special Revenue Fund) to reimburse the General Fund for street maintenance, law enforcement, and fire protection costs.

(8) \$11,360 was transferred from the Other Governmental Funds (CDBG Fund) to reimburse the ARPA Special Revenue Fund for small business loan program expenditures.

(9) \$434,953 was transferred from various Other Governmental Funds to the Other Governmental Funds (Capital Projects Fund) to provide funding for various projects included in the City's Fiscal Year 2021/22 Capital Improvement Program.

(10) \$18,776 was transferred from the Sewer Enterprise Fund to Other Governmental Funds (Capital Projects Fund) to provide funding for the Sewer Master Plan Update project.

NOTE 6 NOTES AND LOANS RECEIVABLE

The notes and loans receivable balance at June 30, 2022, was as follows:

Rodeo 39 Marketplace LLC	\$ 1,687,195
Stanton Accessible Apartments Construction	391,184
Housing	102,565
First-Time Home Buyer	40,000
Housing Rehabilitation	978,000
Employee Computer	2,582
Allowance for Doubtful Accounts	<u>(391,184)</u>
Total	<u>\$ 2,810,342</u>

In April 2021, the City entered into a public benefit agreement with Rodeo 39 Marketplace, LLC ("Rodeo 39") to support and encourage economic and business development in the community with the purpose of generating municipal revenues to provide necessary public services and facilities. The City provided Rodeo 39 with a forgivable loan of \$2,250,000 for the Rodeo 39 Public Market and Shops. The City agreed to credit the outstanding amount due on the loan by 50% of the sales tax, including transaction and use tax, revenue payable to the City that is generated by the Rodeo 39 Public Market (and the Raising Cane's and In-N-Out restaurants located in its parking lot) from its inception in September 2019 through October 1, 2030. In exchange for providing the economic development subsidy loan, Rodeo 39 is required to operate the site as a commercial retail center for at least ten years. During the fiscal year ended June 30, 2022, the City reduced the amount due on the loan by \$261,049 to account for 50% of the sales tax and transaction and use tax revenue that was generated by the Rodeo 39 Public Market and Shops. As of June 30, 2022, the outstanding balance on the loan was \$1,687,195.

In November 2004, the former Redevelopment Agency entered into a Residual Receipts Promissory Note with Stanton Accessible Apartments Construction. Under the terms of the agreement, the former Redevelopment Agency loaned \$258,261 to Stanton Accessible Apartments Construction. The note commenced on May 5, 2005, and bears interest at 3% per year. The note was transferred to the Housing Authority on February 1, 2012. The total amount outstanding, including accrued interest at June 30, 2022, was \$391,184, with an allowance for the forgivable amount of \$391,184.

**CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6 NOTES AND LOANS RECEIVABLE (CONTINUED)

Housing loans receivable of \$102,565 consists of various low-interest home loans made to low-income families and funded from small cities housing monies.

The First Time Home Buyer Assistance Program, or HOMES, was created by the former Redevelopment Agency in order to help existing and new residents purchase their first home. The HOMES program provides up to \$40,000 in down payment assistance for eligible first-time home buyers of low to moderate income. Assistance is in the form of a 45-year loan with interest and payments deferred for the first 10 years of the loan. The HOMES loan is secured by a second trust deed in conjunction with a first mortgage offered by a participating lender. The loan was transferred to the Housing Authority on February 1, 2012. The total amount outstanding at June 30, 2022, was \$40,000.

The Housing Rehabilitation Loan Program offers loans of up to \$50,000 for newer homes and up to \$75,000 for pre-1960 homes to low- and moderate-income households. The purpose of the program is to assist Stanton's homeowners with addressing code violations and eliminating blighted, unsafe, unsanitary, and deteriorating living conditions. The loans are interest free with deferred payments until the property is sold, refinanced, or a change in title occurs. The loans were transferred to the Housing Authority on February 1, 2012. The total amount outstanding at June 30, 2022, was \$978,000.

Employees have the opportunity to purchase a personal computer with an interest-free two-year loan from the City. Full-time employees, who have completed the one-year probationary period, or part-time employees, who have been employed with the City for over one year, are eligible to participate in this program. The total amount outstanding at June 30, 2022, was \$2,582.

NOTE 7 LONG-TERM LIABILITIES

Governmental Activities

The following is a summary of long-term liability transactions as of June 30, 2022:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due within One Year
Claims payable	\$ 203,214	\$ 13,870	\$(203,214)	\$ 13,870	\$ 13,870
Compensated absences	<u>282,253</u>	<u>206,650</u>	<u>(168,754)</u>	<u>320,149</u>	<u>163,469</u>
Total	<u>\$ 485,467</u>	<u>\$220,520</u>	<u>\$(371,968)</u>	<u>\$334,019</u>	<u>\$177,339</u>

Claims Payable

The amount of claims payable for governmental activities at June 30, 2022, was \$13,870. This liability is being liquidated in the Workers' Compensation and Liability/Risk Management Internal Service Funds.

Compensated Absences

The City's liability for vested and unpaid compensated absences (accrued vacation and compensation time pay) in the governmental activities has been accrued and amounted to \$320,149 at June 30, 2022. This liability is being liquidated in the Employee Benefits Internal Service Fund.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activity

The following is a summary of long-term debt transactions of the business-type activity as of June 30, 2022:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	Ending <u>Balance</u>	Amounts Due within <u>One Year</u>
Compensated absences	\$ 2,704	\$ 1,022	\$(2,958)	\$ 768	\$ 768
Total	\$ 2,704	\$ 1,022	\$(2,958)	\$ 768	\$ 768

In proprietary funds, the liability for vested and unpaid compensated absences (accrued vacation and compensation time pay) is reported in the sewer enterprise fund as the benefits are vested and earned. The compensated absences accrued in the Sewer Enterprise Fund amounted to \$768 at June 30, 2022.

NOTE 8 RISK MANAGEMENT

Risk Pool Membership

The City 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 Authority arranges and administers programs for the pooling of self-insured losses, purchases excess insurance and reinsurance, and arranges 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 Authority's Board of Directors. The Board operates through a nine-member Executive Committee.

Excess Liability Program

Liability coverage includes auto liability, employment practices liability, public officials' errors and omissions, bodily injury, personal injury, third-party property damage, advertising injury, and employee benefit administration liability. The City has a retained limit of \$100,000 per occurrence. The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. 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/>.

Excess Workers' Compensation Program

The City has a retained limit of \$100,000 per occurrence for workers' compensation claims. 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.

**CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8 RISK MANAGEMENT (CONTINUED)

Purchased Insurance

The City also participates in the following coverage programs provided by the Authority:

(A) All-Risk Property Protection Program. This insurance protection is underwritten by several insurance companies. The City's property is currently insured according to a schedule of covered property submitted by the City to the Authority. The total insured value of scheduled City property is \$42,832,636. There is a \$10,000 deductible per occurrence except for nonemergency vehicle insurance which has a \$2,500 deductible.

(B) Earthquake and Flood Insurance. This coverage is part of the Property Protection Program. The City has total insured values of \$19,599,700 scheduled for coverage under this program. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.

(C) Pollution Legal Liability Insurance Program. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City. Coverage is on a claims-made basis. There is a \$250,000 deductible. The Authority has an aggregate limit of \$20 million.

(D) Crime Insurance Program. Formerly called Blanket Fidelity Bond, this policy covers faithful performance, depositor's forgery, theft of money and securities, and computer fraud related to the transfer of money. The policy limit is \$3,000,000, and the deductible is \$2,500.

(E) Special Event Tenant User Liability Insurance. This coverage protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on City property. The insurance premium is paid by the tenant user and is paid to the City according to a schedule. The City then pays the insurance broker and/or carrier. The insurance is facilitated by the Authority.

Claims Activity and Adequacy of Protection

Claim expenditures and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. As of June 30, 2022, the amount of these liabilities was \$13,870. This liability is the City's best estimate based on available information.

During the past three fiscal (claims) years, none of the above programs for protection have experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2021-2022.

A summary of the changes in claims liabilities for the past two fiscal years is as follows:

Year Ended June 30.	Claims Payable July 1	Fiscal Year Claims and Changes in Estimates	Claims Payments	Claims Payable June 30
2021	\$ 66,551	\$ 176,625	\$ (39,962)	\$ 203,214
2022	203,214	13,870	(203,214)	13,870

**CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 COMMITMENTS

On September 15, 1994, the former Redevelopment Agency entered into a Revenue Sharing Agreement with the City of Anaheim related to the development and operation of an automobile recycling facility by Pick Your Part. The location of the project is equally split between the cities of Stanton and Anaheim. All sales tax revenue for the project is collected in Stanton. Additionally, the City receives a recycling fee equal to \$5 per automobile recycled by Pick Your Part at the project site. Under the terms of the agreement, the City of Anaheim will be compensated so as to mitigate the environmental impacts under CEQA associated with the project. Sales tax revenue generated by the project has been determined to be an appropriate measure of the impacts associated with the project. The City will pay to the City of Anaheim a portion of the recycling fee revenue equal to one-half of the sales tax revenue received by the City for the project on a calendar-year basis. In accordance with the agreement, the City has made payments totaling \$38,440 to the City of Anaheim for the fiscal year ended June 30, 2022.

NOTE 10 ORANGE COUNTY FIRE AUTHORITY – JOINT VENTURE

In January 1995, the City entered into a joint powers agreement with 18 other cities and the County to create the Orange County Fire Authority (Fire Authority). The purpose of the Fire Authority is to provide for mutual fire protection, prevention and suppression services, and related and incidental services including, but not limited to, emergency medical and transport services, as well as providing facilities and personnel for such services. The Fire Authority's governing board consists of one representative from each member city and two from the County. The operations of the Fire Authority are funded with structural fire fees collected by the County through the property tax roll or with cash contributions based on the Fire Authority's annual budget. The City pays a cash contribution each year to the Fire Authority. The County pays all structural fire fees it collects to the Fire Authority. During the fiscal year ended June 30, 2022, the City paid \$5,133,548 to the Fire Authority.

No determination has been made as to each participant's proportionate share of fund equity as of June 30, 2022. Upon dissolution of the Fire Authority, all surplus money and property of the Fire Authority will be conveyed or distributed to each member in proportion to all funds provided to the Fire Authority by that member or by the County on behalf of that member during its membership. Complete financial statements may be obtained from the Orange County Fire Authority, 1 Fire Authority Road, Irvine, CA 92602.

**CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11 RETIREMENT PLANS

A. General Information about the Pension Plans

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the City's separate Safety and Miscellaneous (all other) Employee Pension Plans which are cost-sharing multiple-employer defined benefit pension plans administered by CalPERS. Benefit provisions under the plans are established by state statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website at <https://www.calpers.ca.gov/page/employers/actuarial-resources/gasb>.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. For employees hired into a plan with the 1.5% at 65 formula, eligibility for service retirement is age 55 with at least five years of services. PEPRA miscellaneous members become eligible for service retirement upon attainment of age 52 with at least five years of service. All members are eligible for nonduty disability benefits after five years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. Safety members can receive a special death benefit if the member dies while actively employed and the death is job related. Fire members may receive the alternate death benefit in lieu of the Basic Death Benefit or the 1957 Survivor Benefit if the member dies while actively employed and has at least 20 years of total CalPERS service. The cost-of-living adjustments for each plan are applied as specified by the California Public Employees' Retirement Law.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 RETIREMENT PLANS (CONTINUED)

A. General Information about the Pension Plans (Continued)

Benefits Provided (Continued)

The plans' provisions and benefits in effect at the measurement date ended June 30, 2021, are summarized as follows:

	Miscellaneous		
	Tier I On or Prior to August 27, 2011	Tier II After August 27, 2011	Tier III - PEPRA On or After January 1, 2013
Hire Date			
Benefit Formula	2%@55	2%@60	2%@62
Benefit Vesting Schedule	5 Years of Service	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement age	50 - 67	50 - 67	52 - 67
Monthly Benefits, as a % of Eligible Compensation	1.426% to 2.418%	1.092% to 2.418%	1.0% to 2.5%
Required Employee Contribution Rates	7.000%	7.000%	6.750%
Required Employer Contribution Rates:			
Normal Cost Rate	10.880%	8.650%	7.590%
Payment of Unfunded Liability and Extra Payments	\$ 531,359	\$ 1,924	\$ 5,388

	Safety
	Closed
Hire Date	
Benefit Formula	1/2%@55
Benefit Vesting Schedule	5 Years of Service
Benefit Payments	Monthly for Life
Retirement Age	50 - 65
Monthly Benefits, As A % Of Eligible Compensation	1.783% to 2.5%
Required Employee Contribution Rates (1)	0%
Required Employer Contribution	\$ 103,850

(1) The City currently outsources the safety function to the County. There are no members of the safety plan that are active employees of the city. Therefore, there are no required employee contribution rates. Instead, the required employer contribution is a dollar amount provided by CalPERS.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 RETIREMENT PLANS (CONTINUED)

A. General Information about the Pension Plans (Continued)

Contributions (Continued)

The total plan contributions are determined through CalPERS's annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. City contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions. The City made contributions of \$740,035 and \$103,850 to the Miscellaneous and Safety Plans, respectively, in the current fiscal year.

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

The City's balances for the miscellaneous and safety plans are shown in the statement of net position as follows:

	<u>Governmental Activities</u>
Deferred Outflows of Resources:	
Miscellaneous Plan	\$1,232,109
Safety Plan	<u>2,668,866</u>
Total Deferred Outflows of Resources	<u>\$3,900,975</u>
Deferred Inflows of Resources:	
Miscellaneous Plan	\$3,304,222
Safety Plan	<u>2,236,385</u>
Total Deferred Inflows of Resources	<u>\$5,540,607</u>
Net Pension Liability (Asset):	
Miscellaneous Plan	\$3,483,253
Safety Plan	<u>(1,552,129)</u>
Total Net Pension Liability (Asset)	<u>\$1,931,124</u>
Pension Expense (Credit):	
Miscellaneous Plan	\$1,286,772
Safety Plan	<u>(2,829,323)</u>
Total Pension Expense (Credit)	<u>\$(1,542,551)</u>

**CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11 RETIREMENT PLANS (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

As of June 30, 2022, the City reported net pension liabilities for its proportionate shares of the net pension liability of each plan as follows:

	Proportionate Share of Net Pension <u>Liability (Asset)</u>
Miscellaneous	\$ 3,483,253
Safety	<u>(1,552,129)</u>
Total Net Pension Liability	<u>\$ 1,931,124</u>

The City's net pension liability for each plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the plans is measured as of June 30, 2021, and the total pension liability for each plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021, using standard update procedures. The City's proportionate share of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the net pension liability for each plan as of the measurement date ended June 30, 2020 and 2021, was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Proportion - June 30, 2020	0.14298%	0.00935%
Proportion - June 30, 2021	0.18344%	(0.04423)%
Change - Increase (Decrease)	0.04046%	(0.05358)%

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 RETIREMENT PLANS (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 740,035	\$ -
Change in proportion	101,465	(10,350)
Difference in actual contributions vs. proportionate share of contributions	-	(253,176)
Difference between expected and actual experience	390,609	-
Differences between projected and actual earnings on plan investments	-	(3,040,696)
Change in assumptions	-	-
Total	\$1,232,109	\$ (3,304,222)

	Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 103,850	\$ -
Change in proportion	633,221	(958,706)
Difference in actual contributions vs. proportionate share of contributions	1,007,980	(1,012,500)
Difference between expected and actual experience	-	(265,179)
Differences between projected and actual earnings on plan investments	923,815	-
Change in assumptions	-	-
Total	\$ 2,668,866	\$ (2,236,385)

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 RETIREMENT PLANS (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

The amount of \$740,035 and \$103,850 in the miscellaneous and safety plans, respectively, which is reported as deferred outflows of resources related to contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Miscellaneous	Safety
2023	\$ (627,082)	\$ (65,119)
2024	(644,237)	(41,021)
2025	(700,536)	180,548
2026	(840,293)	254,223
	<u>\$(2,812,148)</u>	<u>\$ 328,631</u>

Actuarial Assumptions

The total pension liability was based on the following assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2020	June 30, 2020
Measurement Date	June 30, 2021	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Salary Increase	(1)	(1)
Mortality Rate Table	(2)	(2)
Postretirement Benefit Increase	(3)	(3)

- (1) Varies by entry age and service.
- (2) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and postretirement mortality rates includes: 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017, that can be found on the CalPERS website.
- (3) The less of contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.50% thereafter.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 RETIREMENT PLANS (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Long-Term Expected Rate of Return

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

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

The expected real rates of return by asset class are as follows:

Asset Class (a)	Assumed Asset Allocation	Real Return Years 1 - 10 (b)	Real Return Years 11+ (c)
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

(a) In the CalPERS ACFR, fixed income is included in global debt securities; liquidity is included in short-term investments; and inflation assets are included in both global equity securities and global debt securities.

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

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

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 RETIREMENT PLANS (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Discount Rate

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

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

The following presents the City's proportionate share of the net pension liability for each plan, calculated using the discount rate for each plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	6.15%	6.15%
Net Pension Liability	\$ 6,746,287	\$ 598,272
Current Discount Rate	7.15%	7.15%
Net Pension Liability (Asset)	\$ 3,483,253	\$ (1,552,129)
1% Increase	8.15%	8.15%
Net Pension Liability (Asset)	\$ 785,749	\$ (3,318,417)

Pension Plans Fiduciary Net Position

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

C. Payable to the Pension Plans

The City had no outstanding amount of contributions to the pension plans required for the year ended June 30, 2022.

**CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN

A. General Information about the OPEB Plan

The City provides postretirement medical benefits to retirees under CalPERS and the California Public Employees Medical and Hospital Care Act (PEMHCA). The City has entered into an agreement with California Employers' Retiree Benefit Trust (CERBT) to prefund the City's net OPEB liability. The program is an agent multiple-employer defined benefit health-care plan that provides health-care insurance for eligible retirees. To be eligible for postretirement benefits, employees must complete at least five years of continuous service and be a minimum of 50 years of age. The plan issues a publicly available financial report that includes financial statements and required supplementary information for the plan. Those reports may be obtained by writing or calling the plans at the following address or telephone number: CalPERS Member Services Division; P.O. Box 942704, Sacramento, CA 94229-2704; 1-888-225-7377.

Employees Covered

As of the measurement date of June 30, 2021, the following current and former employees were covered by the benefit terms under the plan:

Active employees	41
Inactive employees or beneficiaries currently receiving benefits	<u>19</u>
Total	<u>60</u>

Benefits

The City pays the greater of \$215 per month or the PEMHCA minimum. The PEMHCA minimum was \$143 and \$149 for 2021 and 2022, respectively.

Contributions

Contribution requirements are established by City policy and may be amended by the City Council through negotiations with the respective unions. For the fiscal year ended June 30, 2022, the City made contributions of \$26,356, which represents the implicit subsidy. The fiduciary net position of the plan was utilized to meet the remaining contribution requirements.

B. Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021, rolled forward to June 30, 2022, using standard update procedures. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

B. Net OPEB Liability (Continued)

Actuarial Assumptions (Continued)

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method, Level Percent of Pay
Actuarial Assumptions:	
Discount Rate	6.25%
Inflation	2.50%
Projected Salary Increase	2.75% Per Year
Expected Long-Term Investment Rate of Return	6.25%
Health-Care Cost Trend Rates	4.00% Per Year
Pre-Retirement Turnover	Derived from 2017 CalPERS turnover for miscellaneous employees
Mortality	Derived from 2017 CalPERS active mortality for miscellaneous employees and 2017 CalPERS mortality for retired safety employees

The actuarial assumptions used in the June 30, 2021 valuation were based on a standard set of assumptions the actuary has used for similar valuations, modified as appropriate for the City.

Long-Term Expected Rate of Return

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

Asset Class	Percentage of Portfolio	Long-Term Expected Real Rate of Return
All Equities	40.00%	7.545%
All Fixed Income	43.00%	4.250%
Real Estate Investment Trusts	8.00%	7.250%
All Commodities	4.00%	7.545%
Treasury Inflation Protected Securities	5.00%	3.000%
Total	100.00%	

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

B. Net OPEB Liability (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 6.25%. This is the expected long-term rate of return on City assets using investment strategy 2 within CERBT. The rate used for a funded plan is the real rate of return expected for plan assets plus long-term inflation assumption. This method was used to determine the discount rate assuming that the City's contributions will be made on an ad hoc basis, but in an amount sufficient to fully fund the obligation over a period not to exceed 33 years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on the plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

C. Changes in the Net OPEB Liability

The changes in the net OPEB liability (asset) are as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/ (Asset) (c)=(a)-(b)
Balance at Fiscal Year Ending 6/30/20 <i>Measurement Date 6/30/20</i>	\$1,020,285	\$ 884,454	\$ 135,831
Changes During the Period:			
Service Cost	20,853	-	20,853
Interest Cost	64,483	-	64,483
Expected Investment Income	-	56,040	(56,040)
Employer Contributions	-	26,356	(26,356)
Changes of Benefit Terms	-	-	-
Administrative Expenses	-	(322)	322
Actual minus expected benefit payments	(6,685)	-	(6,685)
Benefit Payments	(70,646)	(70,646)	-
Assumption Changes	61,360	-	61,360
Plan Experience	(110,610)	-	(110,610)
Investment Experience	-	117,810	(117,810)
Recognized Deferred Resources	-	-	-
Employer Contributions Subsequent to Measurement Date	-	-	-
Net Changes in Fiscal Year 2020-21	(41,245)	129,238	(170,483)
Balance at Fiscal Year Ending 6/30/21 <i>Measurement Date 6/30/21</i>	\$ 979,040	\$1,013,692	\$ (34,652)

**CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

C. Changes 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 one percentage point lower or one percentage point higher than the current discount rate:

1% Decrease Net OPEB Liability	5.25% \$ 73,739
Current Discount Rate Net OPEB Liability (Asset)	6.25% \$ (34,652)
1% Increase Net OPEB Liability (Asset)	7.25% \$(124,794)

Sensitivity of the Net OPEB Liability to Changes in Health-Care 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 health-care cost trend rates that are one percentage point lower or one percentage point higher than the current health-care cost trend rates:

1% Decrease Net OPEB Liability	5.25% \$ (98,720)
Current Trend Net OPEB Liability (Asset)	6.25% \$ (34,652)
1% Increase Net OPEB Liability (Asset)	7.25% \$ 42,930

D. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the City recognized OPEB expense of \$44,177. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 103,455	\$ (117,918)
Change of assumptions	320,047	-
Net difference between projected and actual earnings on investments	5,081	(96,149)
Total	\$ 428,583	\$ (214,067)

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

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

Amounts reported as deferred outflows and deferred inflows of resources will be recognized as OPEB expense as follows:

Year Ended June 30	
2023	\$ 14,559
2024	14,360
2025	15,307
2026	13,682
2027	37,244
Thereafter	<u>119,364</u>
	<u>\$214,516</u>

E. Payable to the OPEB Plan

The City had no outstanding amount of contributions to the OPEB plan as required for the year ended June 30, 2022.

NOTE 13 CLASSIFICATION OF FUND BALANCES

The City has adopted the provisions of GASB Statement No. 54, *Fund Balance and Governmental Fund Type Definitions*. GASB 54 establishes fund balance classifications based largely upon the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The governmental funds statements conform to this classification. The various fund balance classifications established as of June 30, 2022, were as follows:

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 13 CLASSIFICATION OF FUND BALANCES (CONTINUED)

	General Fund	Housing Authority Special Revenue Fund	Lighting and Median Maint Special Revenue Fund	Nonmajor Governmental Funds	Total
Nonspendable:					
Prepaid items	\$ 46,681	\$ -	\$ -	\$ -	\$ 46,681
Notes and loans receivable	1,792,342	-	-	-	1,792,342
Advances to other funds	795,413	-	-	-	795,413
Total nonspendable	<u>2,634,436</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,634,436</u>
Restricted for:					
Low-and moderate income housing	-	13,432,239	-	-	13,432,239
Park projects	-	-	-	3,907,572	3,907,572
Street lighting and median maintenance	-	-	907,796	-	907,797
Streets and roads Maintenance and capital projects	-	-	-	3,925,640	3,925,640
Public safety programs	-	-	-	484,415	484,415
Housing rehabilitation projects for low and moderate income persons	-	-	-	211,341	211,341
Pollution remediation	-	-	-	178,056	178,056
New community center	-	-	-	169,388	169,388
New police services facility	-	-	-	153,047	153,047
Fire protection	-	-	-	7,730	7,730
Senior mobility program	-	-	-	61,326	61,326
Disability access program	-	-	-	53,197	53,197
Total restricted	<u>-</u>	<u>13,432,239</u>	<u>907,796</u>	<u>9,151,713</u>	<u>23,491,748</u>
Committed for:					
Emergency equipment and maintenance	150,000	-	-	-	150,000
Technology equipment	150,000	-	-	-	150,000
Emergency disaster contingency	2,900,000	-	-	-	2,900,000
Capital improvement	5,000,000	-	-	-	5,000,000
Beautification projects	190,000	-	-	-	190,000
Neighborhood preservation projects	88,500	-	-	-	88,500
Other public benefit projects	1,377,796	-	-	-	1,377,796
Total committed	<u>9,856,296</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,856,296</u>
Assigned for:					
Capital improvement projects	-	-	-	244,243	244,243
2020 Town Center Specific plan	79,865	-	-	-	79,865
North SPA Navigation Center Agreement	43,935	-	-	-	43,935
Local Hazard Mitigation Plan	4,175	-	-	-	4,175
Housing and Safety Element Plan Update	3,050	-	-	-	3,050
Stanton Park Adult Fitness Equipment Site Plan	3,885	-	-	-	3,885
Overhead Cost Allocation Plan and User Fee Study	5,675	-	-	-	5,675
Other purposes	29,000	-	-	-	29,000
Total assigned	<u>169,585</u>	<u>-</u>	<u>-</u>	<u>244,243</u>	<u>413,827</u>
Unassigned for:					
Economic uncertainty	5,700,000	-	-	-	5,700,000
Unassigned	10,126,042	-	-	(61,410)	10,064,632
Total unassigned	<u>15,826,042</u>	<u>-</u>	<u>-</u>	<u>(61,410)</u>	<u>15,764,632</u>
	<u>\$28,486,359</u>	<u>\$13,432,239</u>	<u>\$ 907,796</u>	<u>\$ 9,334,546</u>	<u>\$52,160,940</u>

**CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 14 SUCCESSOR AGENCY DISCLOSURES

The assets and liabilities of the former Redevelopment Agency (Agency) were transferred to the Successor Agency to the City of Stanton Redevelopment Agency on February 1, 2012, as a result of the dissolution of the Agency. The City is acting in a fiduciary capacity for the assets and liabilities. Disclosures related to notes receivable and long-term liabilities are stated below:

Long-Term Liabilities

Long-term liability transactions for the year ended June 30, 2022, were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Bonds Payable					
Tax Allocation Bonds					
(TAB) 2016 Series A \$	5,805,000	\$ -	\$ (365,000)	\$ 5,440,000	\$ 380,000
Add Bond Premium	397,316	-	(30,563)	366,753	-
TAB, 2016 Series B	10,735,000	-	(680,000)	10,055,000	690,000
Less Issuance					
Discounts	(68,095)	-	5,238	(62,857)	-
TAB, 2016 Series C	9,695,000	-	-	9,695,000	-
Add Bond Premium	680,456	-	(35,813)	644,643	-
TAB, 2016 Series D	21,720,000	-	(1,180,000)	20,540,000	1,205,000
Less Issuance					
Discounts	(427,092)	-	22,479	(404,613)	-
TAB, 2020-A Payable	7,935,000	-	(265,000)	7,670,000	360,000
Add Bond Premium	<u>1,624,911</u>	<u>-</u>	<u>(207,885)</u>	<u>1,417,026</u>	<u>-</u>
Total	<u>\$58,097,496</u>	<u>\$ -</u>	<u>\$(2,736,544)</u>	<u>\$55,360,952</u>	<u>\$2,635,000</u>

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 14 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Tax Allocation Refunding Bonds, 2016 Series A

On February 2, 2016, the Agency issued Tax Allocation Refunding Bonds, 2016 Series A, in the amount of \$7,115,000. The purpose of the bonds was to refinance certain outstanding obligations of the Agency and provide for the costs of issuing the bonds.

The bonds bear interest rates between 2.00% to 5.00%, are due June 1 and December 1 of each year, and mature December 1, 2035. The bonds maturing on or after December 1, 2027, are subject to optional redemption prior to maturity at the option of the Agency on any date on or after December 1, 2027, as a whole or in part at a redemption price equal to the principal amount of bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

Tax revenues are pledged for the payment of principal and interest on the bonds until the bonds and any parity debt have been paid or until monies have been set aside irrevocably for that purpose. With the issuance of the bonds, a municipal bond insurance policy was issued, which guarantees the scheduled payment of principal and interest on the bonds when due. This insurance policy serves as the reserve account.

The outstanding balance of the bonds was \$5,440,000 at June 30, 2022.

The annual debt service requirements on these bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 380,000	\$ 196,575	\$ 576,575
2024	300,000	185,275	485,275
2025	310,000	170,025	480,025
2026	325,000	154,150	479,150
2027	345,000	137,400	482,400
2028-2032	1,970,000	440,794	2,410,794
2033-2036	1,810,000	112,456	1,922,456
Total	<u>\$ 5,440,000</u>	<u>\$ 1,396,675</u>	<u>\$ 6,836,675</u>

Taxable Tax Allocation Refunding Bonds, 2016 Series B

On February 2, 2016, the Agency issued Taxable Tax Allocation Refunding Bonds, 2016 Series B, in the amount of \$13,220,000. The purpose of the bonds was to refinance certain outstanding obligations of the Agency and provide for the costs of issuing the bonds.

The bonds bear interest rates between 1.00% to 3.50%, are due June 1 and December 1 of each year, and mature December 1, 2035. The bonds maturing on or after December 1, 2027, are subject to optional redemption prior to maturity at the option of the Agency on any date on or after December 1, 2027, as a whole or in part at a redemption price equal to the principal amount of bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium. The bonds are subject to mandatory sinking account redemption in amounts ranging from \$655,000 to \$900,000 as outlined in the official statements.

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 14 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Taxable Tax Allocation Refunding Bonds, 2016 Series B (CONTINUED)

Tax revenues are pledged for the payment of principal and interest on the bonds until the bonds and any parity debt have been paid or until monies have been set aside irrevocably for that purpose. With the issuance of the Bonds, a municipal bond insurance policy was issued, which guarantees the scheduled payment of principal and interest on the bonds when due. This insurance policy serves as the reserve account.

The outstanding balance of the bonds was \$10,055,000 at June 30, 2022.

The annual debt service requirements on these bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 690,000	\$ 369,613	\$ 1,059,613
2024	575,000	351,500	926,500
2025	595,000	333,578	928,578
2026	615,000	314,288	929,288
2027	630,000	293,269	923,269
2028-2032	3,555,000	1,067,319	4,622,319
2033-2036	<u>3,395,000</u>	<u>286,997</u>	<u>3,681,997</u>
Total	<u>\$ 10,055,000</u>	<u>\$ 3,016,564</u>	<u>\$ 13,071,564</u>

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 14 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Tax Allocation Refunding Bonds, 2016 Series C

On December 15, 2016, the Agency issued Tax Allocation Refunding Bonds, 2016 Series C, in the amount of \$10,030,000. The purpose of the bonds was to refinance certain outstanding obligations of the Agency and provide for the costs of issuing the bonds. The 2010 Series A have been partially paid off as of June 30, 2019.

The bonds bear interest rates between 2.00% to 5.00%, are due June 1 and December 1 of each year, and mature December 1, 2040. The bonds maturing on or after December 1, 2026, are subject to optional redemption prior to maturity at the option of the Agency on any date on or after December 1, 2026, as a whole or in part at a redemption price equal to the principal amount of bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

Tax revenues are pledged for the payment of principal and interest on the bonds until the bonds and any parity debt have been paid or until monies have been set-aside irrevocably for that purpose. With the issuance of the bonds, a municipal bond insurance policy was issued, which guarantees the scheduled payment of principal and interest on the bonds when due. This insurance policy serves as the reserve account.

The outstanding balance of the bonds was \$9,695,000 at June 30, 2022.

The annual debt service requirements on these bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ -	\$ 484,750	\$ 484,750
2024	-	484,750	484,750
2025	-	484,750	484,750
2026	-	484,750	484,750
2027	-	484,750	484,750
2028-2032	-	2,423,750	2,423,750
2033-2037	1,750,000	2,380,000	4,130,000
2038-2040	<u>7,945,000</u>	<u>818,625</u>	<u>8,763,625</u>
Total	<u>\$ 9,695,000</u>	<u>\$ 8,046,125</u>	<u>\$ 17,741,125</u>

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 14 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Tax Allocation Refunding Bonds, 2016 Series D

On December 15, 2016, the Agency issued Tax Allocation Refunding Bonds, 2016 Series D, in the amount of \$26,080,000. The purpose of the bonds was to refinance certain outstanding obligations of the Agency and provide for the costs of issuing the bonds.

The bonds bear interest rates between 2.00% to 5.00%, are due June 1 and December 1 of each year, and mature December 1, 2040. The bonds maturing on or after December 1, 2026, are subject to optional redemption prior to maturity at the option of the Agency on any date on or after December 1, 2026, as a whole or in part at a redemption price equal to the principal amount of bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

Tax revenues are pledged for the payment of principal and interest on the bonds until the bonds and any parity debt have been paid or until monies have been set aside irrevocably for that purpose. With the issuance of the bonds, a municipal bond insurance policy was issued, which guarantees the scheduled payment of principal and interest on the bonds when due. This insurance policy serves as the reserve account.

The outstanding balance of the bonds was \$20,540,000 at June 30, 2022.

The annual debt service requirements on these bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,205,000	\$ 760,944	\$ 1,965,944
2024	1,240,000	725,775	1,965,775
2025	1,280,000	687,175	1,967,175
2026	1,320,000	645,725	1,965,725
2027	1,360,000	601,325	1,961,325
2028-2032	6,925,000	2,167,175	9,092,175
2033-2037	4,380,000	1,016,813	5,396,813
2038-2040	<u>2,830,000</u>	<u>242,250</u>	<u>3,072,250</u>
Total	<u>\$ 20,540,000</u>	<u>\$ 6,847,182</u>	<u>\$ 27,387,182</u>

CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 14 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Taxable Tax Allocation Refunding Bonds, 2020 Series A

In August 2020, the Agency issued 2020A Tax Allocation Refunding Bonds in the amount of \$7,935,000 to refund the 2010A Tax Allocation Bonds and provide for the costs of issuing the bonds.

The bonds bear interest at a rate of 4% that is payable on a semi-annual basis beginning June 1, 2021. Principal is payable December 1 of each year with a maturity date of December 1, 2035. The bonds maturing on or after December 1, 2030, are subject to optional redemption prior to maturity at the option of the Agency on any date on or after December 1, 2030, as a whole or in part at a redemption price equal to the principal amount of bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

Tax revenues are pledged for the payment of principal and interest on the bonds until the bonds and any parity debt have been paid or until monies have been set aside irrevocably for that purpose. With the issuance of the bonds, a municipal bond insurance policy was issued, which guarantees the scheduled payment of principal and interest on the bonds when due. This insurance policy serves as the reserve account.

The refunding resulted in cash flow difference of \$3.8 million and an economic gain (difference between the present values of the old debt and new debt service payment) of \$2.4 million.

The outstanding balance of the bonds was \$7,670,000 at June 30, 2022.

The annual debt service requirements on these bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 360,000	\$ 299,600	\$ 659,600
2024	540,000	281,600	821,600
2025	560,000	259,600	819,600
2026	580,000	236,800	816,800
2027	605,000	213,100	818,100
2028-2032	3,110,000	679,800	3,789,800
2033-2036	<u>1,915,000</u>	<u>156,900</u>	<u>2,071,900</u>
Total	<u>\$ 7,670,000</u>	<u>\$ 2,127,400</u>	<u>\$ 9,797,400</u>

**CITY OF STANTON
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 15 CONTINGENT LIABILITIES

Lawsuits

The City is a defendant in certain legal actions arising in the normal course of operations. In the opinion of management and legal counsel, any liability resulting from these actions will not result in a material adverse effect on the City's financial position.

Federal and State Grant Programs

The City has received federal grants for specific purposes that are subject to review and audit by the federal government. Although such audits could result in expenditure disallowance under grant terms, any required reimbursements are not expected to be material.

NOTE 16 SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 16, 2023 which is the date the financial statements were available to be issued, and has determined that there are no transactions that will have a significant impact on the City.

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**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

CITY OF STANTON
Schedule of Proportionate Share of the Net Pension Liability - CalPERS Miscellaneous Pension Plan
**Last 10 Fiscal Years *
Year Ended June 30, 2022**

Fiscal year ended June 30	2022	2021	2020	2019	2018
Measurement period June 30	2021	2020	2019	2018	2017
Proportion of the net pension liability	0.18344%	0.14298%	0.13918%	0.13424%	0.13038%
Proportionate share of the net pension liability	\$ 3,483,253	\$ 6,031,096	\$ 5,573,525	\$ 5,059,084	\$ 5,139,562
Covered payroll	\$ 3,145,319	\$ 2,740,004	\$ 2,544,215	\$ 2,644,646	\$ 2,188,343
Proportionate Share of the net pension liability as percentage of covered payroll	110.74%	220.11%	219.07%	191.30%	234.86%
Proportionate Share of the Fiduciary Net Position as a percentage of the Total Pension Liability	85.91%	74.82%	76.17%	75.26%	73.31%

Notes to schedule:

Benefit changes:

There were no changes in benefits.

Changes in assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses.

The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2021:

There were no significant changes in assumptions.

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

CITY OF STANTON
Schedule of Proportionate Share of the Net Pension Liability - CalPERS Miscellaneous Pension Plan
Last 10 Fiscal Years * (Continued)
Year Ended June 30, 2022

Fiscal year ended June 30	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement period June 30	2016	2015	2014
Proportion of the net pension liability	0.12626%	0.11916%	0.14740%
Proportionate share of the net pension liability	\$ 4,386,167	\$ 3,269,137	\$ 3,642,924
Covered payroll	\$ 2,097,117	\$ 1,968,200	\$ 1,884,740
Proportionate Share of the net pension liability as percentage of covered payroll	209.15%	166.10%	193.29%
Proportionate Share of the Fiduciary Net Position as a percentage of the Total Pension Liability	74.06%	82.31%	80.06%

CITY OF STANTON
Schedule of Contributions - CalPERS Miscellaneous Pension Plan
Last 10 Fiscal Years *
Year Ended June 30, 2022

Fiscal year ended June 30	2022	2021	2020	2019	2018
Contractually required contribution (actuarially determined)	\$ 740,035	\$ 645,052	\$ 601,444	\$ 469,444	\$ 402,799
Contributions in relation to the actuarially determined contributions	<u>(841,240)</u>	<u>(695,052)</u>	<u>(601,444)</u>	<u>(469,444)</u>	<u>(402,799)</u>
Contribution deficiency (excess)	<u>\$ (101,205)</u>	<u>\$ (50,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,562,190	\$ 3,145,319	\$ 2,740,004	\$ 2,544,215	\$ 2,644,646
Contributions as a percentage of covered payroll	23.62%	22.10%	21.95%	18.45%	15.23%

Notes to schedule:

Valuation date	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
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Methods and assumptions used to
determine contribution rates:

Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	(1)	(1)	(1)	(1)	(1)

Asset valuation method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	0.000%	2.500%	2.625%	2.750%	2.750%
Salary increases	(2)	(2)	(2)	(2)	(2)
Investment rate of return	0.00% (3)	7.00% (3)	7.25% (3)	7.375% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed

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

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

(4) 50 for all plans with exception of 52 for Miscellaneous 2% @62

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

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

CITY OF STANTON
Schedule of Contributions - CalPERS Miscellaneous Pension Plan
Last 10 Fiscal Years * (Continued)
Year Ended June 30, 2022

Fiscal year ended June 30	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 327,584	\$ 288,043	\$ 745,208
Contributions in relation to the actuarially determined contributions	<u>(327,584)</u>	<u>(288,043)</u>	<u>(745,208)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,188,343	\$ 2,097,117	\$ 1,968,200
Contributions as a percentage of covered payroll	14.97%	13.74%	37.86%

Notes to schedule:

Valuation date	6/30/2014	6/30/2013	6/30/2012
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Methods and assumptions used to
determine contribution rates:

Actuarial cost method	Entry Age	Entry Age	Entry Age
Amortization method	(1)	(1)	(1)
			15 Year Smoothed Market Method
Asset valuation method	Fair Value	Fair Value	Fair Value
Inflation	2.750%	2.750%	2.750%
Salary increases	(2)	(2)	(2)
Investment rate of return	7.50% (3)	7.50% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)
Mortality	(5)	(5)	(5)

CITY OF STANTON
Schedule of Proportionate Share of the Net Pension Liability - CalPERS Safety Pension Plan
**Last 10 Fiscal Years *
Year Ended June 30, 2022**

Fiscal year ended June 30	2022	2021	2020	2019	2018
Measurement period June 30	2021	2020	2019	2018	2017
Proportion of the net pension liability	-0.04423%	0.00935%	0.00763%	0.09504%	0.09231%
Proportionate share of the net pension liability (asset)	\$ (1,552,129)	\$ 622,970	\$ 476,073	\$ 5,576,370	\$ 5,515,903
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Proportionate Share of the net pension liability as percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Proportionate Share of the Fiduciary Net Position as a percentage of the Total Pension Liability (Asset)	-109.72%	96.21%	97.30%	68.32%	68.32%

Notes to schedule:

Benefit changes:

There were no changes in benefits.

Changes in assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses.

The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2021:

There were no significant changes in assumptions.

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

CITY OF STANTON
Schedule of Proportionate Share of the Net Pension Liability - CalPERS Safety Pension Plan
Last 10 Fiscal Years * (Continued)
Year Ended June 30, 2022

Fiscal year ended June 30	2017	2016	2015
Measurement period June 30	2016	2015	2014
Proportion of the net pension liability	0.09501%	0.09572%	0.08756%
Proportionate share of the net pension liability	\$ 4,920,618	\$ 3,944,111	\$ 3,284,432
Covered payroll	\$ -	\$ -	\$ -
Proportionate Share of the net pension liability as percentage of covered payroll	0.00%	0.00%	0.00%
Proportionate Share of the Fiduciary Net Position as a percentage of the Total Pension Liability	71.79%	77.44%	81.42%

CITY OF STANTON
Schedule of Contributions - CalPERS Safety Pension Plan
Last 10 Fiscal Years *
Year Ended June 30, 2022

Fiscal year ended June 30	2022	2021	2020	2019	2018
Contractually required contribution (actuarially determined)	\$ 103,850	\$ 80,284	\$ -	\$ 559,861	\$ 469,366
Contributions in relation to the actuarially determined contributions	<u>(103,850)</u>	<u>(80,284)</u>	<u>-</u>	<u>(5,540,542)</u>	<u>(469,366)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,980,681)</u>	<u>\$ -</u>
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to schedule:

Valuation date	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
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Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	(1)	(1)	(1)	(1)	(1)

Asset valuation method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	0.000%	2.500%	2.625%	2.750%	2.750%
Salary increases	(2)	(2)	(2)	(2)	(2)
Investment rate of return	0.00% (3)	7.00% (3)	7.25% (3)	7.375% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

- (1) Level percentage of payroll, closed
- (2) Depending on age, service, and type of employment
- (3) Net of pension plan investment expense, including inflation
- (4) 50 for all plans with exception of 52 for Miscellaneous 2% @62
- (5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

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

CITY OF STANTON
Schedule of Contributions - CalPERS Safety Pension Plan
Last 10 Fiscal Years * (Continued)
Year Ended June 30, 2022

Fiscal year ended June 30	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 226,818	\$ 188,537	\$ 157,551
Contributions in relation to the actuarially determined contributions	<u>(226,818)</u>	<u>(188,537)</u>	<u>(157,551)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%

Notes to schedule:

Valuation date	6/30/2014	6/30/2013	6/30/2012
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Methods and assumptions used to
determine contribution rates:

Actuarial cost method	Entry Age	Entry Age	Entry Age
Amortization method	(1)	(1)	(1)
			15 Year Smoothed Market
Asset valuation method	Fair Value	Fair Value	Method
Inflation	2.750%	2.750%	2.750%
Salary increases	(2)	(2)	(2)
Investment rate of return	7.50% (3)	7.50% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)
Mortality	(5)	(5)	(5)

CITY OF STANTON
Schedule of Changes in the Net OPEB Liability (Asset) and Related Ratios
Last 10 Fiscal Years *
Year Ended June 30, 2022

Fiscal Year End	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Measurement Date	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Total OPEB Liability					
Service cost	\$ 20,853	\$ 20,295	\$ 11,308	\$ 11,005	\$ 10,710
Interest on the total OPEB Liability	64,483	64,039	33,517	33,513	33,968
Actual and expected experience difference	(110,610)	-	124,860	-	-
Changes in assumptions	61,360	-	353,544	-	-
Actual minus expected benefit payment	(6,685)	(659)	14,271	-	-
Benefit payments	<u>(70,646)</u>	<u>(77,577)</u>	<u>(52,347)</u>	<u>(51,136)</u>	<u>(52,812)</u>
Net change in total OPEB liability	(41,245)	6,098	485,153	(6,618)	(8,134)
Total OPEB liability - beginning	<u>1,020,285</u>	<u>1,014,187</u>	<u>529,034</u>	<u>535,652</u>	<u>543,786</u>
Total OPEB liability - ending (a)	<u>\$ 979,040</u>	<u>\$ 1,020,285</u>	<u>\$ 1,014,187</u>	<u>\$ 529,034</u>	<u>\$ 535,652</u>
Plan Fiduciary Net Position					
Contribution - employer	\$ 26,356	\$ 25,640	\$ -	\$ -	\$ 52,812
Net investment income	173,850	47,942	60,321	54,438	59,303
Benefit payments	(70,646)	(77,577)	(52,347)	(51,136)	(52,812)
Administrative expense	<u>(322)</u>	<u>(437)</u>	<u>(189)</u>	<u>(1,623)</u>	<u>(432)</u>
Net change in plan fiduciary net position	129,238	(4,432)	7,785	1,679	58,871
Plan fiduciary net position - beginning	<u>884,454</u>	<u>888,886</u>	<u>881,101</u>	<u>879,422</u>	<u>820,551</u>
Plan fiduciary net position - ending (b)	<u>\$ 1,013,692</u>	<u>\$ 884,454</u>	<u>\$ 888,886</u>	<u>\$ 881,101</u>	<u>\$ 879,422</u>
Net OPEB liability (asset) - ending (a)-(b)	<u>\$ (34,652)</u>	<u>\$ 135,831</u>	<u>\$ 125,301</u>	<u>\$ (352,067)</u>	<u>\$ (343,770)</u>
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	103.54%	86.69%	87.65%	166.55%	164.18%
Employee payroll	\$ 3,145,319	\$ 2,740,004	\$ 2,544,215	\$ 2,664,646	\$ 2,188,343
Net OPEB liability (asset) as a percentage of employee payroll	-1.10%	4.96%	4.92%	-13.21%	-15.71%

Notes to Schedule

Changes in assumptions:

There were no significant changes in assumptions for the measurement dates June 30, 2017 and 2018.

The following were the significant changes in assumptions for the measurement date June 30, 2019:

The implicit rate subsidy that includes using the claims or age-adjusted premiums approximating claims costs to determine that plan's liability was utilized for the measurement date June 30, 2019, and was not included.

* - Fiscal year 2017-18 was the 1st year of implementation, therefore only five years are shown.

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes and assessments	\$ 21,162,000	\$ 22,492,500	\$ 24,105,459	\$ 1,612,959
Licenses and permits	1,311,500	1,311,500	1,037,171	(274,329)
Intergovernmental	376,275	665,515	751,106	85,591
Charges for services	1,954,320	2,026,752	2,494,435	467,683
Fines and forfeitures	411,570	356,800	468,222	111,422
Investment income (loss)	201,570	161,570	(354,337)	(515,907)
Rental income	28,305	82,855	84,033	1,178
Miscellaneous	194,025	194,825	22,423	(172,402)
	<u>25,639,565</u>	<u>27,292,317</u>	<u>28,608,512</u>	<u>1,316,195</u>
EXPENDITURES				
Current:				
General government	3,360,870	3,796,590	3,731,606	64,984
Public safety	17,919,665	17,703,719	17,480,621	223,098
Community development	2,367,110	2,537,702	1,877,724	659,978
Public works	1,208,155	1,198,340	1,075,440	122,900
Culture and recreation	1,365,595	1,497,260	1,372,825	124,435
Capital outlay	60,600	17,670	77,031	(59,361)
	<u>26,281,995</u>	<u>26,751,281</u>	<u>25,615,247</u>	<u>1,136,034</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(642,430)</u>	<u>541,036</u>	<u>2,993,265</u>	<u>2,452,229</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	730,000	1,621,951	1,620,672	(1,279)
Transfer out	(68,805)	(320,535)	(326,357)	(5,822)
	<u>661,195</u>	<u>1,301,416</u>	<u>1,294,315</u>	<u>(7,101)</u>
Net change in fund balance	<u>\$ 18,765</u>	<u>\$ 1,842,452</u>	4,287,580	<u>\$ 2,445,128</u>
Fund balance, beginning of year			<u>24,198,779</u>	
Fund balance, end of year			<u>\$ 28,486,359</u>	

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Housing Authority Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Investment income (loss)	\$ 150,000	\$ 50,000	\$ (120,362)	\$ (170,362)
Rental income	500,000	500,000	616,454	116,454
Miscellaneous	2,000	2,000	14,006	12,006
	<u>652,000</u>	<u>552,000</u>	<u>510,098</u>	<u>(41,902)</u>
EXPENDITURES				
Current:				
General government	279,565	279,565	172,135	107,430
Public safety	297,960	2,437,790	111,593	2,326,197
Community development	508,075	815,575	756,657	58,918
Capital outlay	-	2,600,000	-	2,600,000
	<u>1,085,600</u>	<u>6,132,930</u>	<u>1,040,385</u>	<u>5,092,545</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(433,600)</u>	<u>(5,580,930)</u>	<u>(530,287)</u>	<u>5,050,643</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	682,000	756,902	74,902
Transfer in	-	-	19,843	19,843
Transfer out	-	(890,000)	(890,000)	-
	<u>-</u>	<u>(208,000)</u>	<u>(113,255)</u>	<u>94,745</u>
Net change in fund balance	<u>\$ (433,600)</u>	<u>\$ (5,788,930)</u>	<u>(643,542)</u>	<u>\$ 5,145,388</u>
Fund balance, beginning of year			<u>14,075,781</u>	
Fund balance, end of year			<u>\$ 13,432,239</u>	

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Lighting and Median Maintenance Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes and assessments	\$ 577,055	\$ 641,550	\$ 741,992	\$ 100,442
Intergovernmental	500	500	1,016	516
Charges for services	200,000	200,000	203,789	3,789
Investment income	8,000	8,000	-	(8,000)
	<u>785,555</u>	<u>850,050</u>	<u>946,797</u>	<u>96,747</u>
EXPENDITURES				
Current:				
Public safety	807,500	820,925	499,391	321,534
Debt service:				
Principal retirement	164,025	164,025	-	164,025
Interest and fiscal charges	16,570	16,570	12,943	3,627
	<u>988,095</u>	<u>1,001,520</u>	<u>512,334</u>	<u>489,186</u>
Net change in fund balance	<u>\$ (202,540)</u>	<u>\$ (151,470)</u>	434,463	<u>\$ 585,933</u>
Fund balance, beginning of year			<u>473,333</u>	
Fund balance, end of year			<u>\$ 907,796</u>	

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
American Rescue Plan Act (ARPA) Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental	\$ 100,850	\$ 4,283,205	\$ 1,246,918	\$ (3,036,287)
Total revenues	<u>100,850</u>	<u>4,283,205</u>	<u>1,246,918</u>	<u>(3,036,287)</u>
EXPENDITURES				
Current:				
General government	100,850	494,547	434,348	60,199
Public safety	-	503,105	406,925	96,180
Community development	-	104,648	154,562	(49,914)
Public works	-	21,181	23,330	(2,149)
Culture and recreation	-	167,479	172,686	(5,207)
Capital outlay	-	2,800,000	10,448	2,789,552
Total expenditures	<u>100,850</u>	<u>4,090,960</u>	<u>1,202,299</u>	<u>2,888,661</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>192,245</u>	<u>44,619</u>	<u>(147,626)</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	11,360	11,360
Transfer out	-	(240,000)	(55,979)	184,021
Total other financing sources (uses)	<u>-</u>	<u>(240,000)</u>	<u>(44,619)</u>	<u>195,381</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (47,755)</u>	<u>-</u>	<u>\$ 47,755</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u>\$ -</u>	

**CITY OF STANTON
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022**

NOTE 1 BUDGET AND BUDGETARY ACCOUNTING

The City adopts an annual budget prepared on the modified accrual basis for all of its governmental funds. The City Manager is required, under City Code Section 2.08.050, to prepare and submit to the City Council the annual budget of the City and administer it after adoption. Legally, expenditures may not exceed total appropriations at the fund level. The City Manager is authorized to transfer budgeted amounts within the accounts of any fund; however, any revisions between funds must be approved by the City Council. Prior-year appropriations lapse, unless they are encumbered at year-end, and reappropriated through the formal budget process.

The budgetary information shown for revenues and expenditures represent the original adopted budget adjusted for any changes made by the City Council or City Manager.

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SUPPLEMENTARY INFORMATION

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GENERAL FUND

**CITY OF STANTON
DESCRIPTION OF GENERAL FUNDS
JUNE 30, 2022**

General – The main operating fund of the City and is used to account for all financial resources except those required to be accounted for in another fund.

Transaction and Use Tax – To account for sales taxes provided by Measure GG, which imposes an additional 1% sales tax available for general purposes.

Expendable Deposits Fund – To account for refundable deposits collected from developers to fund developer funded activities.

CITY OF STANTON
Combining Balance Sheet
General Fund
June 30, 2022

	General	Transaction and Use Tax	Expendable Deposits	Total General Fund
ASSETS				
Cash and investments	\$ 25,027,111	\$ (367,616)	\$ (14,553)	\$ 24,644,942
Receivables:				
Accounts	422,334	-	112,005	534,339
Interest	60,575	-	-	60,575
Taxes	1,246,368	1,069,207	-	2,315,575
Prepaid costs	46,681	-	-	46,681
Due from other funds	18,827	-	-	18,827
Due from other governments	256,404	-	-	256,404
Notes and loans receivable	1,792,342	-	-	1,792,342
Advances to other funds	795,413	-	-	795,413
Total assets	<u>\$ 29,666,055</u>	<u>\$ 701,591</u>	<u>\$ 97,452</u>	<u>\$ 30,465,098</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,015,522	\$ 180,856	\$ 8,346	\$ 1,204,724
Accrued liabilities	491,531	-	-	491,531
Unearned revenue	33,529	-	-	33,529
Total liabilities	<u>1,540,582</u>	<u>180,856</u>	<u>8,346</u>	<u>1,729,784</u>
Deferred inflows of resources:				
Unavailable revenue	136,950	-	112,005	248,955
Total deferred inflows of resources	<u>136,950</u>	<u>-</u>	<u>112,005</u>	<u>248,955</u>
Fund Balances (Deficits):				
Nonspendable	2,634,436	-	-	2,634,436
Committed	9,856,296	-	-	9,856,296
Assigned	169,585	-	-	169,585
Unassigned	15,328,206	520,735	(22,899)	15,826,042
Total fund balances	<u>27,988,523</u>	<u>520,735</u>	<u>(22,899)</u>	<u>28,486,359</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 29,666,055</u>	<u>\$ 701,591</u>	<u>\$ 97,452</u>	<u>\$ 30,465,098</u>

CITY OF STANTON
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
General Fund
For the Year Ended June 30, 2022

	General	Transaction and Use Tax	Expendable Deposits	Total General Fund
REVENUES				
Taxes and assessments	\$ 18,111,724	\$ 5,993,735	\$ -	\$ 24,105,459
Licenses and permits	1,037,171	-	-	1,037,171
Intergovernmental	751,106	-	-	751,106
Charges for services	2,408,235	-	86,200	2,494,435
Fines and forfeitures	468,222	-	-	468,222
Investment income (loss)	(354,337)	-	-	(354,337)
Rental income	84,033	-	-	84,033
Miscellaneous	22,423	-	-	22,423
	<u>22,528,577</u>	<u>5,993,735</u>	<u>86,200</u>	<u>28,608,512</u>
Total revenues				
EXPENDITURES				
Current:				
General government	3,662,739	-	68,867	3,731,606
Public safety	11,775,161	5,705,460	-	17,480,621
Community development	1,861,462	5,310	10,952	1,877,724
Public works	1,075,440	-	-	1,075,440
Culture and recreation	1,372,825	-	-	1,372,825
Capital outlay	77,031	-	-	77,031
	<u>19,824,658</u>	<u>5,710,770</u>	<u>79,819</u>	<u>25,615,247</u>
Total expenditures				
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,703,919</u>	<u>282,965</u>	<u>6,381</u>	<u>2,993,265</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	1,620,672	-	-	1,620,672
Transfer out	(175,184)	(131,330)	(19,843)	(326,357)
	<u>1,445,488</u>	<u>(131,330)</u>	<u>(19,843)</u>	<u>1,294,315</u>
Total other financing sources (uses)				
Net change in fund balance	4,149,407	151,635	(13,462)	4,287,580
Fund balance (deficit), beginning of year	<u>23,839,116</u>	<u>369,100</u>	<u>(9,437)</u>	<u>24,198,779</u>
Fund balance (deficit), end of year	<u>\$ 27,988,523</u>	<u>\$ 520,735</u>	<u>\$ (22,899)</u>	<u>\$ 28,486,359</u>

OTHER GOVERNMENTAL FUNDS

CITY OF STANTON
DESCRIPTION OF OTHER GOVERNMENTAL FUNDS
JUNE 30, 2022

SPECIAL REVENUE FUNDS

Gas Tax – To account for the receipts and expenditures of money apportioned under the Streets and Highways Code Sections 2103, 2105, 2106, 2017, and 2017.5 of the State of California. These funds are earmarked for maintenance, rehabilitation or improvement of public streets.

Protective Services – To account for a special tax approved by the voters in August 1985 for fire protection and prevention services.

Supplemental Law Enforcement Program – To account for revenues and expenditures related to funding received under the State Citizens Option for Public Safety (COPS) program.

Air Quality Improvement Program – To account for the City's share of additional motor vehicle registration fees, imposed by the South Coast Air Quality Management District, to finance the implementation of mobile source emission reduction programs and the provisions of the California Clean Air Act.

Families and Communities Together (FaCT) Grant – To account for revenues and expenditures related to funding received by the County of Orange, through the federal government, for the Family Preservation and Support Program.

Other Grants – To account for revenues and expenditures associated with project-specific grants. The use of the revenues is restricted according to the terms of the grant agreement and/or program.

Senior Transportation – To account for the City's share of funds identified as 1% of Renewed Measure M (M2) net sales tax revenue to be allocated to all local jurisdictions based upon the City's respective percentage of senior population for the entire County of Orange.

Measure M – To account for funds received by the City as a result of the voter-approved ballot measure in 1990 and extended by voter approval in 2006 to increase sales tax by ½ percent in Orange County to fund transportation projects.

Public Safety Task Force (PSTF) – To account for funds used for the purpose of violence prevention and intervention activities.

Development Impact Fees – To account for street, traffic signal, community center, and police services impact fees.

Road Maintenance and Rehabilitation Account (RMRA) – To account for the receipts and expenditures of Road Maintenance and Rehabilitation Account (RMRA) funds resulting from the Road Repair and Accountability Act of 2017 (SB1). Funds are restricted for maintenance, rehabilitation or improvement of streets, freeways, bridges and other transit related improvements.

CITY OF STANTON
DESCRIPTION OF OTHER GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022

SPECIAL REVENUE FUNDS (CONTINUED)

Stanton Central Park Maintenance – To account for donations received for maintenance of the central park.

Community Development Block Grant (CDBG) – To account for grants requiring segregated fund accounting, such as the Community Development Block Grant program.

Certified Access Specialist Program (CASP) – To account for the state-mandated \$4 fee that is required by Senate Bill 1186 to be collected with each business license issued by the City in order to fund certified access specialist programs.

CAPITAL PROJECTS FUNDS

Capital Improvements – To account for financial resources segregated for the acquisition of major general City capital facilities, other than those financed by Proprietary or Special Revenue Funds.

Park in Lieu Fees – To account for the financial resources segregated for park or recreational purposes, pursuant to Stanton Municipal Code Section 19.42.090.

CITY OF STANTON
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

Special Revenue Funds

	Gas Tax	Protective Services	Supplemental Law Enforcement Program	Air Quality Improvement Program	FaCT Grant
ASSETS					
Cash and investments	\$ 1,348,974	\$ -	\$ 368,508	\$ 195,094	\$ 32,719
Receivables:					
Interest	-	-	-	-	-
Taxes	-	7,730	-	-	-
Due from other governments	167,855	-	-	13,015	6,512
Total assets	<u>\$ 1,516,829</u>	<u>\$ 7,730</u>	<u>\$ 368,508</u>	<u>\$ 208,109</u>	<u>\$ 39,231</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 40,402	\$ -	\$ -	\$ 17,037	\$ 39,231
Due to other funds	-	-	-	-	-
Total liabilities	<u>40,402</u>	<u>-</u>	<u>-</u>	<u>17,037</u>	<u>39,231</u>
Deferred inflows of resources:					
Unavailable revenue	-	-	-	13,015	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,015</u>	<u>-</u>
Fund Balances (Deficits):					
Restricted	1,476,427	7,730	368,508	178,057	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>1,476,427</u>	<u>7,730</u>	<u>368,508</u>	<u>178,057</u>	<u>-</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 1,516,829</u>	<u>\$ 7,730</u>	<u>\$ 368,508</u>	<u>\$ 208,109</u>	<u>\$ 39,231</u>

CITY OF STANTON
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2022

Special Revenue Funds

	Other Grants	Senior Transportation	Measure M	PSTF	Development Impact Fees
ASSETS					
Cash and investments	\$ -	\$ 53,763	\$ 1,024,222	\$ 121,171	\$ 423,683
Receivables:					
Interest	-	-	-	-	624
Taxes	-	-	-	-	-
Due from other governments	<u>85,742</u>	<u>7,563</u>	<u>116,856</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 85,742</u>	<u>\$ 61,326</u>	<u>\$ 1,141,078</u>	<u>\$ 121,171</u>	<u>\$ 424,307</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 42,583	\$ -	\$ -	\$ 5,264	\$ -
Due to other funds	<u>18,827</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>61,410</u>	<u>-</u>	<u>-</u>	<u>5,264</u>	<u>-</u>
Deferred inflows of resources:					
Unavailable revenue	<u>85,742</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>85,742</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits):					
Restricted	-	61,326	1,141,078	115,907	424,307
Assigned	-	-	-	-	-
Unassigned	<u>(61,410)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>(61,410)</u>	<u>61,326</u>	<u>1,141,078</u>	<u>115,907</u>	<u>424,307</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 85,742</u>	<u>\$ 61,326</u>	<u>\$ 1,141,078</u>	<u>\$ 121,171</u>	<u>\$ 424,307</u>

CITY OF STANTON
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds			
	RMRA	Stanton Central Park Maintenance	CDBG	CASP
ASSETS				
Cash and investments	\$ 1,073,034	\$ 6,689	\$ 211,341	\$ 53,197
Receivables:				
Interest	-	-	-	-
Taxes	-	-	-	-
Due from other governments	<u>133,229</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u><u>\$ 1,206,263</u></u>	<u><u>\$ 6,689</u></u>	<u><u>\$ 211,341</u></u>	<u><u>\$ 53,197</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 6,689	\$ -	\$ -
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>6,689</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits):				
Restricted	1,206,263	-	211,341	53,197
Assigned	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>1,206,263</u>	<u>-</u>	<u>211,341</u>	<u>53,197</u>
Total liabilities, deferred inflows and fund balances	<u><u>\$ 1,206,263</u></u>	<u><u>\$ 6,689</u></u>	<u><u>\$ 211,341</u></u>	<u><u>\$ 53,197</u></u>

CITY OF STANTON
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2022

	<u>Capital Projects Fund</u>		
	Capital Improvements	Park in Lieu Fees	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments	\$ 499,662	\$ 3,901,727	\$ 9,313,784
Receivables:			
Interest	-	5,845	6,469
Taxes	-	-	7,730
Due from other governments	-	-	530,772
Total assets	<u>\$ 499,662</u>	<u>\$ 3,907,572</u>	<u>\$ 9,858,755</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 255,419	\$ -	\$ 406,625
Due to other funds	-	-	18,827
Total liabilities	<u>255,419</u>	<u>-</u>	<u>425,452</u>
Deferred inflows of resources:			
Unavailable revenue	-	-	98,757
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>98,757</u>
Fund Balances (Deficits):			
Restricted	-	3,907,572	9,151,713
Assigned	244,243	-	244,243
Unassigned	-	-	(61,410)
Total fund balances	<u>244,243</u>	<u>3,907,572</u>	<u>9,334,546</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 499,662</u>	<u>\$ 3,907,572</u>	<u>\$ 9,858,755</u>

CITY OF STANTON
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue Funds				
	Gas Tax	Protective Services	Supplemental Law Enforcement Program	Air Quality Improvement Program	FaCT Grant
REVENUES:					
Taxes and assessments	\$ 624,019	\$ -	\$ -	\$ -	\$ -
Intergovernmental	306,000	-	161,286	37,828	299,943
Charges for services	-	382,531	-	-	-
Investment income (loss)	-	-	-	-	-
Miscellaneous	5,358	-	-	-	-
Total revenues	<u>935,377</u>	<u>382,531</u>	<u>161,286</u>	<u>37,828</u>	<u>299,943</u>
EXPENDITURES:					
Current:					
Public safety	-	3,705	82,185	-	-
Community development	-	-	-	-	-
Public works	104,376	-	-	3,545	-
Culture and recreation	-	-	-	-	344,345
Capital outlay	16,891	-	-	33,307	-
Total expenditures	<u>121,267</u>	<u>3,705</u>	<u>82,185</u>	<u>36,852</u>	<u>344,345</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>814,110</u>	<u>378,826</u>	<u>79,101</u>	<u>976</u>	<u>(44,402)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	41,445
Transfers out	(226,948)	(375,672)	(150,000)	-	-
Total other financing sources (uses)	<u>(226,948)</u>	<u>(375,672)</u>	<u>(150,000)</u>	<u>-</u>	<u>41,445</u>
NET CHANGE IN FUND BALANCES	587,162	3,154	(70,899)	976	(2,957)
Fund balances, beginning of year	<u>889,265</u>	<u>4,576</u>	<u>439,407</u>	<u>177,081</u>	<u>2,957</u>
Fund balances (deficits), end of year	<u>\$ 1,476,427</u>	<u>\$ 7,730</u>	<u>\$ 368,508</u>	<u>\$ 178,057</u>	<u>\$ -</u>

CITY OF STANTON
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

Special Revenue Funds

	Other Grants	Senior Transportation	Measure M	PSTF	Development Impact Fees
REVENUES:					
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	66,915	43,328	669,471	251,181	-
Charges for services	-	-	-	-	56,094
Investment income (loss)	-	-	-	-	(4,377)
Miscellaneous	-	-	-	-	-
Total revenues	<u>66,915</u>	<u>43,328</u>	<u>669,471</u>	<u>251,181</u>	<u>51,717</u>
EXPENDITURES:					
Current:					
Public safety	-	-	-	147,762	-
Community development	-	-	-	-	-
Public works	42,583	-	-	-	-
Culture and recreation	-	44,568	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>42,583</u>	<u>44,568</u>	<u>-</u>	<u>147,762</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>24,332</u>	<u>(1,240)</u>	<u>669,471</u>	<u>103,419</u>	<u>51,717</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	8,914	-	-	-
Transfers out	(85,742)	-	(149,673)	-	(54,068)
Total other financing sources (uses)	<u>(85,742)</u>	<u>8,914</u>	<u>(149,673)</u>	<u>-</u>	<u>(54,068)</u>
NET CHANGE IN FUND BALANCES	(61,410)	7,674	519,798	103,419	(2,351)
Fund balances, beginning of year	-	53,652	621,280	12,488	426,658
Fund balances (deficits), end of year	<u>\$ (61,410)</u>	<u>\$ 61,326</u>	<u>\$ 1,141,078</u>	<u>\$ 115,907</u>	<u>\$ 424,307</u>

CITY OF STANTON
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue Funds			
	Stanton Central Park			
	RMRA	Maintenance	CDBG	CASP
REVENUES:				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	790,352	-	186,260	-
Charges for services	-	-	-	8,974
Investment income (loss)	-	-	-	-
Miscellaneous	10,000	50,000	-	-
Total revenues	<u>800,352</u>	<u>50,000</u>	<u>186,260</u>	<u>8,974</u>
EXPENDITURES:				
Current:				
Public safety	-	-	-	-
Community development	-	-	49,583	-
Public works	-	-	-	-
Culture and recreation	-	99,825	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>99,825</u>	<u>49,583</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>800,352</u>	<u>(49,825)</u>	<u>136,677</u>	<u>8,974</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	49,825	-	-
Transfers out	-	-	(11,360)	-
Total other financing sources (uses)	<u>-</u>	<u>49,825</u>	<u>(11,360)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	800,352	-	125,317	8,974
Fund balances, beginning of year	<u>405,911</u>	<u>-</u>	<u>86,024</u>	<u>44,223</u>
Fund balances (deficits), end of year	<u>\$ 1,206,263</u>	<u>\$ -</u>	<u>\$ 211,341</u>	<u>\$ 53,197</u>

CITY OF STANTON
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Capital Projects Fund		
	Capital	Park in	Total
	Improvements	Lieu	Nonmajor
		Fees	Governmental
			Funds
REVENUES:			
Taxes and assessments	\$ -	\$ -	\$ 624,019
Intergovernmental	-	-	2,812,564
Charges for services	-	592,169	1,039,768
Investment income (loss)	-	(37,604)	(41,981)
Miscellaneous	-	-	65,358
Total revenues	-	554,565	4,499,728
EXPENDITURES:			
Current:			
Public safety	-	-	233,652
Community development	-	-	49,583
Public works	-	-	150,504
Culture and recreation	267,298	23,372	779,408
Capital outlay	352,096	-	402,294
Total expenditures	619,394	23,372	1,615,441
REVENUES OVER (UNDER) EXPENDITURES	(619,394)	531,193	2,884,287
OTHER FINANCING SOURCES (USES):			
Transfers in	584,708	-	684,892
Transfers out	-	(123,522)	(1,176,985)
Total other financing sources (uses)	584,708	(123,522)	(492,093)
NET CHANGE IN FUND BALANCES	(34,686)	407,671	2,392,194
Fund balances, beginning of year	278,929	3,499,901	6,942,352
Fund balances (deficits), end of year	\$ 244,243	\$ 3,907,572	\$ 9,334,546

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Gas Tax Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes and assessments	\$ 661,415	\$ 705,070	\$ 624,019	\$ (81,051)
Intergovernmental	347,235	335,580	306,000	(29,580)
Investment income	5,000	5,000	-	(5,000)
Miscellaneous	-	3,000	5,358	2,358
	<u>1,013,650</u>	<u>1,048,650</u>	<u>935,377</u>	<u>(113,273)</u>
EXPENDITURES				
Current:				
Public works	194,035	252,385	104,376	148,009
Capital outlay	-	12,000	16,891	(4,891)
	<u>194,035</u>	<u>264,385</u>	<u>121,267</u>	<u>143,118</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>819,615</u>	<u>784,265</u>	<u>814,110</u>	<u>29,845</u>
OTHER FINANCING SOURCES (USES)				
Transfer out	(586,431)	(507,876)	(226,948)	280,928
Total other financing sources (uses)	<u>(586,431)</u>	<u>(507,876)</u>	<u>(226,948)</u>	<u>280,928</u>
Net change in fund balance	<u>\$ 233,184</u>	<u>\$ 276,389</u>	587,162	<u>\$ 310,773</u>
Fund balance, beginning of year			<u>889,265</u>	
Fund balance, end of year			<u>\$ 1,476,427</u>	

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Protective Services Special Revenue Fund
For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 380,000	\$ 380,000	\$ 382,531	\$ 2,531
Total revenues	<u>380,000</u>	<u>380,000</u>	<u>382,531</u>	<u>2,531</u>
EXPENDITURES				
Current:				
Public safety	<u>5,000</u>	<u>7,625</u>	<u>3,705</u>	<u>3,920</u>
Total expenditures	<u>5,000</u>	<u>7,625</u>	<u>3,705</u>	<u>3,920</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>375,000</u>	<u>372,375</u>	<u>378,826</u>	<u>6,451</u>
OTHER FINANCING SOURCES (USES)				
Transfer out	<u>(375,000)</u>	<u>(376,951)</u>	<u>(375,672)</u>	<u>1,279</u>
Total other financing sources (uses)	<u>(375,000)</u>	<u>(376,951)</u>	<u>(375,672)</u>	<u>1,279</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (4,576)</u>	3,154	<u>\$ 7,730</u>
Fund balance, beginning of year			<u>4,576</u>	
Fund balance, end of year			<u>\$ 7,730</u>	

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Supplemental Law Enforcement Program Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental	\$ 125,000	\$ 160,000	\$ 161,286	\$ 1,286
Total revenues	<u>125,000</u>	<u>160,000</u>	<u>161,286</u>	<u>1,286</u>
EXPENDITURES				
Current:				
Public safety	<u>127,300</u>	<u>133,800</u>	<u>82,185</u>	<u>51,615</u>
Total expenditures	<u>127,300</u>	<u>133,800</u>	<u>82,185</u>	<u>51,615</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,300)</u>	<u>26,200</u>	<u>79,101</u>	<u>52,901</u>
OTHER FINANCING SOURCES (USES)				
Transfer out	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (152,300)</u>	<u>\$ (123,800)</u>	(70,899)	<u>\$ 52,901</u>
Fund balance, beginning of year			<u>439,407</u>	
Fund balance, end of year			<u>\$ 368,508</u>	

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Air Quality Improvement Program Special Revenue Fund
For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental	\$ 45,000	\$ 45,000	\$ 37,828	\$ (7,172)
Investment income	<u>4,500</u>	<u>4,500</u>	<u>-</u>	<u>(4,500)</u>
Total revenues	<u>49,500</u>	<u>49,500</u>	<u>37,828</u>	<u>(11,672)</u>
EXPENDITURES				
Current:				
Public works	1,000	4,550	3,545	1,005
Capital outlay	<u>-</u>	<u>35,865</u>	<u>33,307</u>	<u>2,558</u>
Total expenditures	<u>1,000</u>	<u>40,415</u>	<u>36,852</u>	<u>3,563</u>
Net change in fund balance	<u><u>\$ 48,500</u></u>	<u><u>\$ 9,085</u></u>	976	<u><u>\$ (8,109)</u></u>
Fund balance, beginning of year			<u>177,081</u>	
Fund balance, end of year			<u><u>\$ 178,057</u></u>	

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Families and Communities Together (FaCT) Grant Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental	\$ 300,000	\$ 310,545	\$ 299,943	\$ (10,602)
Total revenues	<u>300,000</u>	<u>310,545</u>	<u>299,943</u>	<u>(10,602)</u>
EXPENDITURES				
Current:				
Culture and recreation	<u>317,100</u>	<u>330,603</u>	<u>344,345</u>	<u>(13,742)</u>
Total expenditures	<u>317,100</u>	<u>330,603</u>	<u>344,345</u>	<u>(13,742)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(17,100)</u>	<u>(20,058)</u>	<u>(44,402)</u>	<u>(24,344)</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	<u>17,100</u>	<u>17,100</u>	<u>41,445</u>	<u>24,345</u>
Total other financing sources (uses)	<u>17,100</u>	<u>17,100</u>	<u>41,445</u>	<u>24,345</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (2,958)</u>	(2,957)	<u>\$ 1</u>
Fund balance, beginning of year			<u>2,957</u>	
Fund balance, end of year			<u>\$ -</u>	

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Grants Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental	\$ -	\$ 7,859,755	\$ 66,915	\$ (7,792,840)
Total revenues	<u>-</u>	<u>7,859,755</u>	<u>66,915</u>	<u>(7,792,840)</u>
EXPENDITURES				
Current:				
Public works	-	66,915	42,583	24,332
Total expenditures	<u>-</u>	<u>66,915</u>	<u>42,583</u>	<u>24,332</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>7,792,840</u>	<u>24,332</u>	<u>(7,768,508)</u>
OTHER FINANCING SOURCES (USES)				
Transfer out	-	(7,792,840)	(85,742)	7,707,098
Total other financing sources (uses)	<u>-</u>	<u>(7,792,840)</u>	<u>(85,742)</u>	<u>7,707,098</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(61,410)	<u>\$ (61,410)</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance (deficit), end of year			<u>\$ (61,410)</u>	

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Senior Transportation Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental	\$ 25,430	\$ 25,430	\$ 43,328	\$ 17,898
Investment income	<u>11,265</u>	<u>700</u>	<u>-</u>	<u>(700)</u>
Total revenues	<u>36,695</u>	<u>26,130</u>	<u>43,328</u>	<u>17,198</u>
EXPENDITURES				
Current:				
Culture and recreation	<u>56,165</u>	<u>56,165</u>	<u>44,568</u>	<u>11,597</u>
Total expenditures	<u>56,165</u>	<u>56,165</u>	<u>44,568</u>	<u>11,597</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(19,470)</u>	<u>(30,035)</u>	<u>(1,240)</u>	<u>28,795</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	<u>-</u>	<u>10,565</u>	<u>8,914</u>	<u>(1,651)</u>
Total other financing sources (uses)	<u>-</u>	<u>10,565</u>	<u>8,914</u>	<u>(1,651)</u>
Net change in fund balance	<u>\$ (19,470)</u>	<u>\$ (19,470)</u>	7,674	<u>\$ 27,144</u>
Fund balance, beginning of year			<u>53,652</u>	
Fund balance, end of year			<u>\$ 61,326</u>	

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Measure M Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental	\$ 533,590	\$ 653,590	\$ 669,471	\$ 15,881
Investment income	5,000	5,000	-	(5,000)
Total revenues	<u>538,590</u>	<u>658,590</u>	<u>669,471</u>	<u>10,881</u>
EXPENDITURES				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>538,590</u>	<u>658,590</u>	<u>669,471</u>	<u>10,881</u>
OTHER FINANCING SOURCES (USES)				
Transfer out	<u>(750,000)</u>	<u>(895,631)</u>	<u>(149,673)</u>	<u>745,958</u>
Total other financing sources (uses)	<u>(750,000)</u>	<u>(895,631)</u>	<u>(149,673)</u>	<u>745,958</u>
Net change in fund balance	<u>\$ (211,410)</u>	<u>\$ (237,041)</u>	519,798	<u>\$ 756,839</u>
Fund balance, beginning of year			<u>621,280</u>	
Fund balance, end of year			<u>\$ 1,141,078</u>	

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Public Safety Task Force (PSTF) Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental	\$ -	\$ 168,181	\$ 251,181	\$ 83,000
Total revenues	<u>-</u>	<u>168,181</u>	<u>251,181</u>	<u>83,000</u>
EXPENDITURES				
Current:				
Public safety	<u>-</u>	<u>180,669</u>	<u>147,762</u>	<u>32,907</u>
Total expenditures	<u>-</u>	<u>180,669</u>	<u>147,762</u>	<u>32,907</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u><u>\$ (12,488)</u></u>	103,419	<u><u>\$ 50,093</u></u>
Fund balance, beginning of year			<u>12,488</u>	
Fund balance, end of year			<u><u>\$ 115,907</u></u>	

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Development Impact Fees Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Charges for services	\$ 120,000	\$ 28,000	\$ 56,094	\$ 28,094
Investment income (loss)	4,000	4,000	(4,377)	(8,377)
Total revenues	<u>124,000</u>	<u>32,000</u>	<u>51,717</u>	<u>19,717</u>
EXPENDITURES				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>124,000</u>	<u>32,000</u>	<u>51,717</u>	<u>19,717</u>
OTHER FINANCING SOURCES (USES)				
Transfer out	<u>(141,000)</u>	<u>(55,109)</u>	<u>(54,068)</u>	<u>1,041</u>
Total other financing sources (uses)	<u>(141,000)</u>	<u>(55,109)</u>	<u>(54,068)</u>	<u>1,041</u>
Net change in fund balance	<u>\$ (17,000)</u>	<u>\$ (23,109)</u>	(2,351)	<u>\$ 20,758</u>
Fund balance, beginning of year			<u>426,658</u>	
Fund balance, end of year			<u>\$ 424,307</u>	

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Road Maintenance and Rehabilitation Account (RMRA) Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental	\$ 768,240	\$ 819,640	\$ 790,352	\$ (29,288)
Investment income	5,030	5,030	-	(5,030)
Miscellaneous	-	10,000	10,000	-
	<u>773,270</u>	<u>834,670</u>	<u>800,352</u>	<u>(34,318)</u>
Total revenues				
EXPENDITURES	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>773,270</u>	<u>834,670</u>	<u>800,352</u>	<u>(34,318)</u>
OTHER FINANCING SOURCES (USES)				
Transfer out	(1,060,640)	(1,109,893)	-	1,109,893
Total other financing sources (uses)	<u>(1,060,640)</u>	<u>(1,109,893)</u>	<u>-</u>	<u>1,109,893</u>
Net change in fund balance	<u>\$ (287,370)</u>	<u>\$ (275,223)</u>	800,352	<u>\$ 1,075,575</u>
Fund balance, beginning of year			<u>405,911</u>	
Fund balance, end of year			<u>\$ 1,206,263</u>	

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Stanton Central Park Maintenance Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Miscellaneous	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
EXPENDITURES				
Current:				
Culture and recreation	<u>91,140</u>	<u>107,540</u>	<u>99,825</u>	<u>7,715</u>
Total expenditures	<u>91,140</u>	<u>107,540</u>	<u>99,825</u>	<u>7,715</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(41,140)</u>	<u>(57,540)</u>	<u>(49,825)</u>	<u>7,715</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	<u>41,140</u>	<u>57,540</u>	<u>49,825</u>	<u>(7,715)</u>
Total other financing sources (uses)	<u>41,140</u>	<u>57,540</u>	<u>49,825</u>	<u>(7,715)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u>\$ -</u>	

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Community Development Block Grant (CDBG) Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental	\$ 350,000	\$ 628,181	\$ 186,260	\$ (441,921)
Investment income	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Total revenues	<u>355,000</u>	<u>633,181</u>	<u>186,260</u>	<u>(446,921)</u>
EXPENDITURES				
Current:				
Community development	<u>112,410</u>	<u>263,091</u>	<u>49,583</u>	<u>213,508</u>
Total expenditures	<u>112,410</u>	<u>263,091</u>	<u>49,583</u>	<u>213,508</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>242,590</u>	<u>370,090</u>	<u>136,677</u>	<u>(233,413)</u>
OTHER FINANCING SOURCES (USES)				
Transfer out	<u>(350,000)</u>	<u>(350,000)</u>	<u>(11,360)</u>	<u>338,640</u>
Total other financing sources (uses)	<u>(350,000)</u>	<u>(350,000)</u>	<u>(11,360)</u>	<u>338,640</u>
Net change in fund balance	<u><u>\$ (107,410)</u></u>	<u><u>\$ 20,090</u></u>	125,317	<u><u>\$ 105,227</u></u>
Fund balance, beginning of year			<u>86,024</u>	
Fund balance, end of year			<u><u>\$ 211,341</u></u>	

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Certified Access Specialist Program (CASP) Special Revenue Fund
For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 10,000	\$ 10,000	\$ 8,974	\$ (1,026)
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>8,974</u>	<u>(1,026)</u>
EXPENDITURES				
Current:				
Public safety	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Net change in fund balance	<u><u>\$ 5,000</u></u>	<u><u>\$ 5,000</u></u>	8,974	<u><u>\$ 3,974</u></u>
Fund balance, beginning of year			<u>44,223</u>	
Fund balance, end of year			<u><u>\$ 53,197</u></u>	

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Improvements Capital Projects Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
Culture and recreation	750,780	1,261,105	267,298	993,807
Capital outlay	<u>2,590,220</u>	<u>10,900,273</u>	<u>352,096</u>	<u>10,548,177</u>
Total expenditures	<u>3,341,000</u>	<u>12,161,378</u>	<u>619,394</u>	<u>11,541,984</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,341,000)	(12,161,378)	(619,394)	(11,541,984)
OTHER FINANCING SOURCES (USES)				
Transfer in	<u>3,308,071</u>	<u>11,948,449</u>	<u>584,708</u>	<u>(11,363,741)</u>
Total other financing sources (uses)	<u>3,308,071</u>	<u>11,948,449</u>	<u>584,708</u>	<u>(11,363,741)</u>
Net change in fund balance	<u>\$ (32,929)</u>	<u>\$ (212,929)</u>	(34,686)	<u>\$ (22,905,725)</u>
Fund balance, beginning of year			<u>278,929</u>	
Fund balance, end of year			<u>\$ 244,243</u>	

CITY OF STANTON
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Park in Lieu Fees Capital Projects Fund
For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 500,000	\$ 300,000	\$ 592,169	\$ 292,169
Investment income (loss)	<u>20,000</u>	<u>10,000</u>	<u>(37,604)</u>	<u>(47,604)</u>
Total revenues	<u>520,000</u>	<u>310,000</u>	<u>554,565</u>	<u>244,565</u>
EXPENDITURES				
Current:				
Culture and recreation	<u>-</u>	<u>22,325</u>	<u>23,372</u>	<u>(1,047)</u>
Total expenditures	<u>-</u>	<u>22,325</u>	<u>23,372</u>	<u>(1,047)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	520,000	287,675	531,193	243,518
OTHER FINANCING SOURCES (USES)				
Transfer out	<u>(125,000)</u>	<u>(548,100)</u>	<u>(123,522)</u>	<u>424,578</u>
Total other financing sources (uses)	<u>(125,000)</u>	<u>(548,100)</u>	<u>(123,522)</u>	<u>424,578</u>
Net change in fund balance	<u>\$ 395,000</u>	<u>\$ (260,425)</u>	407,671	<u>\$ 668,096</u>
Fund balance, beginning of year			<u>3,499,901</u>	
Fund balance, end of year			<u>\$ 3,907,572</u>	

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INTERNAL SERVICE FUNDS

CITY OF STANTON
DESCRIPTION OF INTERNAL REVENUE FUNDS
JUNE 30, 2022

Workers' Compensation - To account for the City's workers' compensation insurance, including claims, legal, and other expenses.

Liability/Risk Management - To account for the City's general liability insurance, including claims, legal, and other expenses.

Employee Benefits - To account for the employee benefits costs, including vacation, sick, and holiday hours.

Fleet Maintenance - To account for costs related to operations and fleet maintenance for the City's vehicles.

CITY OF STANTON
Combining Statement of Net Position
All Internal Service Funds
June 30, 2022

	Workers' Compensation	Liability/ Risk Management	Employee Benefits	Fleet Maintenance	Total
ASSETS					
Current assets:					
Cash and investments	\$ 571,856	\$ 134,930	\$ 348,067	\$ 408,273	\$ 1,463,126
Restricted cash and investments held in pension trust	-	-	3,980,189	-	3,980,189
Receivables:					
Interest	895	196	-	631	1,722
Prepays	-	-	101,204	-	101,204
Due from other governments	228,793	-	43,000	-	271,793
Total current assets	<u>801,544</u>	<u>135,126</u>	<u>4,472,460</u>	<u>408,904</u>	<u>5,818,034</u>
Noncurrent assets:					
Capital assets - net of accumulated depreciation	-	-	-	281,767	281,767
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>281,767</u>	<u>281,767</u>
Total assets	<u>801,544</u>	<u>135,126</u>	<u>4,472,460</u>	<u>690,671</u>	<u>6,099,801</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amount from pension plan	-	-	3,900,975	-	3,900,975
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>3,900,975</u>	<u>-</u>	<u>3,900,975</u>
LIABILITIES					
Current liabilities:					
Accounts payable	300	-	-	9,620	9,920
Claims and judgements payable	-	13,870	-	-	13,870
Compensated absences payable	-	-	163,154	316	163,470
Total current liabilities	<u>300</u>	<u>13,870</u>	<u>163,154</u>	<u>9,936</u>	<u>187,260</u>
Noncurrent liabilities:					
Compensated absences payable	-	-	155,441	1,238	156,679
Net pension liability	-	-	1,931,124	-	1,931,124
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>2,086,565</u>	<u>1,238</u>	<u>2,087,803</u>
Total liabilities	<u>300</u>	<u>13,870</u>	<u>2,249,719</u>	<u>11,174</u>	<u>2,275,063</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred amount from pension plan	-	-	5,540,607	-	5,540,607
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>5,540,607</u>	<u>-</u>	<u>5,540,607</u>
NET POSITION					
Net investment in capital assets	-	-	-	281,767	281,767
Unrestricted	801,244	121,256	583,109	397,730	1,903,339
Total net position	<u>\$ 801,244</u>	<u>\$ 121,256</u>	<u>\$ 583,109</u>	<u>\$ 679,497</u>	<u>\$ 2,185,106</u>

CITY OF STANTON
Combining Statement of Revenues, Expenses, and Changes in Net Position
All Internal Service Funds
For the year ended June 30, 2022

	Workers' Compensation	Liability/ Risk Management	Employee Benefits	Fleet Maintenance	Elimination	Total
OPERATING REVENUES:						
Charges for services	\$ 57,475	\$ 239,679	\$ 1,513,826	\$ 112,768	\$ (51,292)	\$ 1,872,456
Miscellaneous	-	32,575	2,367,399	-	-	2,399,974
Total operating revenues	<u>57,475</u>	<u>272,254</u>	<u>3,881,225</u>	<u>112,768</u>	<u>(51,292)</u>	<u>4,272,430</u>
OPERATING EXPENSES:						
Equipment maintenance and operation	-	-	-	75,097	-	75,097
Depreciation	-	-	-	96,494	-	96,494
Administrative and personnel services	-	-	1,511,519	14,358	(51,292)	1,474,585
Insurance premiums and claims	47,078	239,679	-	-	-	286,757
Contractual services	-	-	26,985	-	-	26,985
Total operating expenses	<u>47,078</u>	<u>239,679</u>	<u>1,538,504</u>	<u>185,949</u>	<u>(51,292)</u>	<u>1,959,918</u>
OPERATING INCOME	<u>10,397</u>	<u>32,575</u>	<u>2,342,721</u>	<u>(73,181)</u>	<u>-</u>	<u>2,312,512</u>
NON-OPERATING REVENUES (EXPENSES):						
Investment income (loss)	(5,413)	(1,266)	(587,982)	(4,230)	-	(598,891)
Gain on sale of capital assets	-	-	-	1,452	-	1,452
Total non-operating revenues (expenses)	<u>(5,413)</u>	<u>(1,266)</u>	<u>(587,982)</u>	<u>(2,778)</u>	<u>-</u>	<u>(597,439)</u>
INCOME BEFORE TRANSFERS	4,984	31,309	1,754,739	(75,959)	-	1,715,073
Transfers in	-	131,330	-	-	-	131,330
Total transfers	<u>-</u>	<u>131,330</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>131,330</u>
Change in net position	4,984	162,639	1,754,739	(75,959)	-	1,846,403
Net position (deficit), beginning of year	<u>796,260</u>	<u>(41,383)</u>	<u>(1,171,630)</u>	<u>755,456</u>	<u>-</u>	<u>338,703</u>
Net position, end of year	<u>\$ 801,244</u>	<u>\$ 121,256</u>	<u>\$ 583,109</u>	<u>\$ 679,497</u>	<u>\$ -</u>	<u>\$ 2,185,106</u>

CITY OF STANTON
Combining Statement of Cash Flows
All Internal Service Funds
For the year ended June 30, 2022

	Workers' Compensation	Liability/ Risk Management	Employee Benefits	Fleet Maintenance	Elimination	Total
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash received from customers	\$ 69,744	\$ 284,828	\$ 1,514,555	\$ 118,556	\$ (51,292)	\$ 1,936,391
Cash paid to other suppliers of goods or services	(69,823)	(424,108)	(144,370)	(65,487)	-	(703,788)
Cash paid to employees for salaries, wages, and benefits	-	-	(1,474,083)	(13,899)	51,292	(1,436,690)
Net cash provided (used by) operating activities	(79)	(139,280)	(103,898)	39,170	-	(204,087)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:						
Cash received from other funds	-	131,330	-	-	-	131,330
Net cash provided (used by) non-capital financing activities	-	131,330	-	-	-	131,330
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Acquisition and construction of capital assets	-	-	-	(99,393)	-	(99,393)
Proceeds from sale of capital assets	-	-	-	1,452	-	1,452
Net cash provided (used by) capital and related financing activities	-	-	-	(97,941)	-	(97,941)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Investment income (loss)	(6,287)	(1,377)	(587,982)	(4,490)	-	(600,136)
Net cash provided (used by) investing activities	(6,287)	(1,377)	(587,982)	(4,490)	-	(600,136)
Net increase (decrease) in cash and cash equivalents	(6,366)	(9,327)	(691,880)	(63,261)	-	(770,834)
Cash and equivalents, beginning of year	578,222	144,257	5,020,136	471,534	-	6,214,149
Cash and equivalents, end of year	<u>\$ 571,856</u>	<u>\$ 134,930</u>	<u>\$ 4,328,256</u>	<u>\$ 408,273</u>	<u>\$ -</u>	<u>\$ 5,443,315</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH (USED BY) OPERATING ACTIVITIES:						
Operating income (loss)	\$ 10,397	\$ 32,575	\$ 2,342,721	\$ (73,181)	\$ -	\$ 2,312,512
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	-	-	-	96,494	-	96,494
Changes in operating assets and liabilities:						
(Increase) decrease in accounts receivable	-	-	-	5,788	-	5,788
(Increase) decrease in due from other governments	12,269	12,574	1,290	-	-	26,133
(Increase) decrease in prepaid expense	-	2,250	(101,204)	-	-	(98,954)
(Increase) decrease in deferred outflows of resources	-	-	(1,278,470)	-	-	(1,278,470)
Increase (decrease) in accounts payable	(80)	(20,000)	(16,181)	9,610	-	(26,651)
Increase (decrease) in unearned revenue	-	-	(561)	-	-	(561)
Increase (decrease) in claims and judgements	(22,665)	(166,679)	-	-	-	(189,344)
Increase (decrease) in compensated absences	-	-	37,437	459	-	37,896
Increase (decrease) in net pension liability	-	-	(4,700,024)	-	-	(4,700,024)
Increase (decrease) in deferred inflows of resources	-	-	3,611,094	-	-	3,611,094
Total adjustments	<u>(10,476)</u>	<u>(171,855)</u>	<u>(2,446,619)</u>	<u>112,351</u>	<u>-</u>	<u>(2,516,599)</u>
Net cash provided (used) by operating activities	\$ (79)	\$ (139,280)	\$ (103,898)	\$ 39,170	\$ -	\$ (204,087)

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PRIVATE-PURPOSE TRUST FUNDS

**CITY OF STANTON
DESCRIPTION OF PRIVATE-PURPOSE TRUST FUNDS
JUNE 30, 2022**

Successor Agency to the Stanton Redevelopment Agency - To account for the receipt of property tax revenues pursuant to the Dissolution Act and the value of assets transferred from the Former Redevelopment Agency. The fund accounts for the expenses incurred during the reporting year pursuant to the Recognized Obligation Payment Schedules (ROPS) approved by the State Department of Finance under the Dissolution Act (Assembly Bill 26 - Section 34177).

North Orange County Public Safety Collaborative Fund - To account for activities with other governmental agencies related to the North Orange County Public Safety Collaborative to address youth violence prevention and intervention in K-12 schools, promote and enhance successful re-entry of offenders into the community, and address homeless outreach and intervention efforts.

CITY OF STANTON
Combining Statement of Net Position
All Private-Purpose Trust Funds
June 30, 2022

	Successor Agency to the Stanton Redevelopment Agency Private-Purpose Trust Fund	NOCPSC Private- Purpose Trust Fund	Total
ASSETS			
Current assets:			
Cash and investments	\$ 3,472,398	\$ 3,695,100	\$ 7,167,498
Prepaid items	-	66,381	66,381
Restricted assets:			
Cash held by fiscal agent	1,650,953	-	1,650,953
Total assets	<u>5,123,351</u>	<u>3,761,481</u>	<u>8,884,832</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	7,581,525	-	7,581,525
Total deferred outflow of resources	<u>7,581,525</u>	<u>-</u>	<u>7,581,525</u>
LIABILITIES			
Current liabilities:			
Accounts payable	-	513,623	513,623
Interest payable	170,239	-	170,239
Bonds payable - current portion	2,635,000	-	2,635,000
Total current liabilities	<u>2,805,239</u>	<u>513,623</u>	<u>3,318,862</u>
Long-term liabilities:			
Bonds payable	52,725,952	-	52,725,952
Total long-term liabilities	<u>52,725,952</u>	<u>-</u>	<u>52,725,952</u>
Total liabilities	<u>55,531,191</u>	<u>513,623</u>	<u>56,044,814</u>
NET POSITION			
Restricted for private purpose	<u>(42,826,315)</u>	<u>3,247,858</u>	<u>(39,578,457)</u>
Total net position	<u>\$ (42,826,315)</u>	<u>\$ 3,247,858</u>	<u>\$ (39,578,457)</u>

CITY OF STANTON
Combining Statement of Changes in Net Position
All Private-Purpose Trust Funds
For the year ended June 30, 2022

	Successor Agency to the Stanton Redevelopment Agency Private-Purpose Trust Fund	NOCPSC Private- Purpose Trust Fund	Total
	<u>Trust Fund</u>	<u>Trust Fund</u>	<u>Trust Fund</u>
ADDITIONS:			
Taxes	\$ 4,577,090	\$ -	\$ 4,577,090
Intergovernmental	-	7,548,820	7,548,820
Investment income	121	-	121
	<u>4,577,211</u>	<u>7,548,820</u>	<u>12,126,031</u>
Total additions			
DEDUCTIONS:			
Contractual services	66,500	-	66,500
Public safety	-	4,387,048	4,387,048
Interest and fiscal charges	2,499,373	-	2,499,373
	<u>2,565,873</u>	<u>4,387,048</u>	<u>6,952,921</u>
Total deductions			
CHANGE IN NET POSITION	2,011,338	3,161,772	5,173,110
Net position, beginning of year	<u>(44,837,653)</u>	<u>86,086</u>	<u>(44,751,567)</u>
Net position, end of year	<u>\$ (42,826,315)</u>	<u>\$ 3,247,858</u>	<u>\$ (39,578,457)</u>

STATISTICAL SECTION (UNAUDITED)

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CITY OF STANTON
STATISTICAL SECTION (UNAUDITED)
June 30, 2022

This section of the City of Stanton's Annual Comprehensive Financial Report (ACFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. The statistical information presented herein is un-audited.

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

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CITY OF STANTON
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2012-13	2013-14	2014-15	2015-16
Governmental activities:				
Net investment in capital assets	\$ 92,494,864	\$ 87,225,759	\$ 79,209,329	\$ 88,342,750
Restricted	20,919,037	22,114,070	20,219,980	19,166,303
Unrestricted	22,506,002	22,726,068	14,875,639	15,861,417
Total governmental activities net position	135,919,903	132,065,897	114,304,948	123,370,470
Business-type activities:				
Net investment in capital assets	5,371,857	5,238,330	5,135,853	5,003,312
Unrestricted	1,816,176	2,308,704	2,604,629	3,216,884
Total business-type activities net position	7,188,033	7,547,034	7,740,482	8,220,196
Primary government:				
Net investment in capital assets	97,866,721	92,464,089	84,345,182	93,346,062
Restricted	20,919,037	22,114,070	20,219,980	19,166,303
Unrestricted	24,322,178	25,034,772	17,480,268	19,078,301
Total primary government net position	<u>\$ 143,107,936</u>	<u>\$ 139,612,931</u>	<u>\$ 122,045,430</u>	<u>\$ 131,590,666</u>

* Certain amounts presented in the prior year financial statements have been reclassified in order to be consistent with the current year's presentation.

Source: City Finance Department

Fiscal Year					
2016-17	2017-18	2018-19	2019-20*	2020-21	2021-22
\$ 87,079,003	\$ 88,374,103	\$ 88,077,568	\$ 96,374,328	\$ 92,106,906	\$ 89,960,892
23,062,147	27,536,678	28,086,476	22,693,282	21,411,322	23,551,709
12,719,777	13,014,515	17,774,619	21,403,422	25,179,797	31,132,064
122,860,927	128,925,296	133,938,663	140,471,032	138,698,025	144,644,665
4,877,897	5,250,434	5,107,553	4,964,679	4,970,607	4,827,134
3,666,352	3,595,542	4,064,319	4,398,961	5,193,357	5,920,286
8,544,249	8,845,976	9,171,872	9,363,640	10,163,964	10,747,420
91,956,900	93,624,537	93,185,121	101,339,007	97,077,513	94,788,026
23,062,147	27,536,678	28,086,476	22,693,282	21,411,322	23,551,709
16,386,129	16,610,057	21,838,938	25,802,383	30,373,154	37,052,350
<u>\$ 131,405,176</u>	<u>\$ 137,771,272</u>	<u>\$ 143,110,535</u>	<u>\$ 149,834,672</u>	<u>\$ 148,861,989</u>	<u>\$ 155,392,085</u>

CITY OF STANTON
CHANGES IN NET POSITION-EXPENSES AND PROGRAM REVENUES
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2012-13*	2013-14*	2014-15*	2015-16*
Expenses:				
Governmental activities:				
General government	\$ 2,852,594	\$ 2,976,011	\$ 3,043,005	\$ 3,468,099
Public safety	11,425,129	12,390,690	13,460,725	15,831,683
Community development	2,032,838	1,818,001	1,709,355	1,747,416
Health and welfare	2,826	4,265	3,476	3,512
Public works	2,895,834	2,358,073	1,762,185	1,235,617
Culture and recreation	1,410,745	1,198,807	1,162,126	1,592,769
Interest and fiscal charges	-	-	-	-
Transfer of land to successor agency	-	10,192,858	-	-
Total governmental activities expenses	<u>20,619,966</u>	<u>30,938,705</u>	<u>21,140,872</u>	<u>23,879,096</u>
Business-type activities:				
Sewer	883,725	862,865	839,850	643,739
Total business-type activities expenses	<u>883,725</u>	<u>862,865</u>	<u>839,850</u>	<u>643,739</u>
Total primary government expenses	<u>21,503,691</u>	<u>31,801,570</u>	<u>21,980,722</u>	<u>24,522,835</u>
Program revenues:				
Governmental activities:				
Charges for services:				
General government	70,950	433,374	458,286	488,128
Public safety	895,826	882,480	896,383	913,203
Community development	1,009,732	1,240,666	1,254,023	1,198,820
Public works	-	14,966	11,608	10,032
Interest and fiscal charges	-	-	-	-
Culture and recreation	109,456	448,528	417,748	357,585
Operating grants and contributions	2,760,472	2,960,253	3,058,470	2,961,296
Capital grants and contributions	-	316,226	294,210	2,350,764
Total governmental activities program revenues	<u>4,846,436</u>	<u>6,296,493</u>	<u>6,390,728</u>	<u>8,279,828</u>
Business-type activities:				
Charges for services:				
Sewer	848,369	1,108,357	1,075,714	1,016,363
Total business-type activities program revenues	<u>848,369</u>	<u>1,108,357</u>	<u>1,075,714</u>	<u>1,016,363</u>
Total primary government program revenues	<u>5,694,805</u>	<u>7,404,850</u>	<u>7,466,442</u>	<u>9,296,191</u>

Note:

* Certain amounts presented in the prior year financial statements have been reclassified in order to be consistent with the current year's presentation.

Source: City Finance Department

Fiscal Year					
2016-17*	2017-18*	2018-19*	2019-20*	2020-21	2021-22
\$ 3,726,949	\$ 3,135,756	\$ 1,666,776	\$ 3,739,756	\$ 4,848,332	\$ 3,767,048
16,162,642	17,294,863	21,730,025	18,712,309	21,046,456	18,643,242
2,083,114	4,746,591	1,235,126	3,000,334	3,696,528	2,574,453
67,305	37,250	16,795	-	-	-
1,598,743	1,870,833	1,299,051	2,404,139	4,652,371	2,208,440
2,030,052	1,933,953	1,181,246	2,120,218	2,301,778	2,307,801
-	-	-	24,223	25,823	12,943
-	-	-	-	-	-
<u>25,668,805</u>	<u>29,019,246</u>	<u>27,129,019</u>	<u>30,000,979</u>	<u>36,571,288</u>	<u>29,513,927</u>
737,939	926,631	1,152,003	1,436,274	1,531,447	839,808
<u>737,939</u>	<u>926,631</u>	<u>1,152,003</u>	<u>1,436,274</u>	<u>1,531,447</u>	<u>839,808</u>
<u>26,406,744</u>	<u>29,945,877</u>	<u>28,281,022</u>	<u>31,437,253</u>	<u>38,102,735</u>	<u>30,353,735</u>
527,561	345,485	487,870	359,865	85,717	87,045
1,375,973	1,751,036	1,754,200	1,899,756	2,088,690	2,024,026
1,244,909	2,116,525	3,283,119	3,908,877	5,107,540	3,878,142
-	47,389	48,076	59,849	68,258	21,500
-	-	-	-	-	-
95,746	571,210	550,144	1,428,477	1,565,463	647,530
2,876,853	3,383,242	3,586,655	4,655,790	5,697,844	4,919,300
-	1,353,727	-	3,423,482	35,081	43,328
<u>6,121,042</u>	<u>9,568,614</u>	<u>9,710,064</u>	<u>15,736,096</u>	<u>14,648,593</u>	<u>11,620,871</u>
935,798	1,052,745	1,267,440	1,305,410	2,235,352	1,312,065
<u>935,798</u>	<u>1,052,745</u>	<u>1,267,440</u>	<u>1,305,410</u>	<u>2,235,352</u>	<u>1,312,065</u>
<u>7,056,840</u>	<u>10,621,359</u>	<u>10,977,504</u>	<u>17,041,506</u>	<u>16,883,945</u>	<u>12,932,936</u>

CITY OF STANTON
CHANGES IN NET POSITION-GENERAL REVENUES
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2012-13	2013-14	2014-15	2015-16
Net revenues (expenses)				
Governmental activities	(15,773,530)	(24,642,212)	(14,750,144)	(15,599,268)
Business activities	(35,356)	245,492	235,864	372,624
Total net revenues (expenses)	<u>(15,808,886)</u>	<u>(24,396,720)</u>	<u>(14,514,280)</u>	<u>(15,226,644)</u>
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property taxes	\$ 5,307,800	\$ 5,613,269	\$ 5,314,329	\$ 5,507,417
Sales taxes	3,683,199	3,925,839	4,012,917	4,169,215
Transactions and use taxes	-	-	792,300	3,591,594
Transient occupancy taxes	341,838	323,938	375,876	437,676
Franchise taxes	996,947	1,031,034	964,450	1,011,630
Utility users taxes	2,110,373	2,189,068	2,177,807	2,015,948
Other taxes	413,750	308,544	413,999	487,593
Investment earnings (loss), unrestricted	111,367	199,807	132,205	227,705
Miscellaneous	719,734	744,002	725,215	714,613
Gain on sale of capital assets	-	-	475,282	-
Transfers in	-	-	-	-
Extraordinary item ⁽¹⁾	(443,232)	-	-	6,501,399
Special item ⁽²⁾	-	-	(3,393,141)	-
Total governmental activities	<u>13,241,776</u>	<u>14,335,501</u>	<u>11,991,239</u>	<u>24,664,790</u>
Business-type activities:				
Taxes:				
Property taxes	148,107	105,749	90,282	90,532
Investment earnings (loss)	8,424	7,760	10,430	16,558
Miscellaneous	-	-	-	-
Transfers out	-	-	-	-
Total business-type activities	<u>156,531</u>	<u>113,509</u>	<u>100,712</u>	<u>107,090</u>
Total primary government	<u>13,398,307</u>	<u>14,449,010</u>	<u>12,091,951</u>	<u>24,771,880</u>
Changes in net position				
Governmental activities	(2,531,754)	(10,306,711)	(2,758,905)	9,065,522
Business-type activities	121,175	359,001	336,576	479,714
Total primary government	<u>\$ (2,410,579)</u>	<u>\$ (9,947,710)</u>	<u>\$ (2,422,329)</u>	<u>\$ 9,545,236</u>

Notes:

⁽¹⁾ FY 15/16 extraordinary gain relates to payment of bond proceeds to the City from the Successor Agency for building Stanton Central Park.

⁽²⁾ FY 18/19 special item relates to reinstatement of a General Fund loan to the Successor Agency; FY 14/15 special item relates to write-down of land held for resale by Housing Authority to net realizable value.

* Certain amounts presented in the prior year financial statements have been reclassified in order to be consistent with the current year's presentation.

Source: City Finance Department

Fiscal Year					
2016-17	2017-18	2018-19*	2019-20	2020-21	2021-22
(19,547,763)	(19,450,632)	(17,418,955)	(14,264,883)	(21,922,695)	(17,893,056)
197,859	126,114	115,437	(130,864)	703,905	472,257
<u>(19,349,904)</u>	<u>(19,324,518)</u>	<u>(17,303,518)</u>	<u>(14,395,747)</u>	<u>(21,218,790)</u>	<u>(17,420,799)</u>
\$ 5,435,415	\$ 6,071,733	\$ 6,433,535	\$ 6,816,387	\$ 7,561,831	\$ 8,512,488
4,152,378	4,204,519	4,327,842	4,278,141	4,682,029	5,414,556
4,105,593	4,122,756	4,057,037	4,537,734	4,991,100	5,993,735
512,550	514,102	483,233	512,492	569,293	670,954
992,798	1,088,226	1,026,619	1,055,791	1,105,276	1,090,057
1,980,854	1,986,236	1,850,880	1,791,516	1,990,690	2,122,661
461,745	524,570	433,541	364,751	345,315	361,335
119,772	135,059	1,325,735	1,167,877	959,781	(953,228)
1,277,115	649,678	413,900	272,563	95,045	177,460
-	6,000,100	-	-	-	430,902
-	-	-	-	81,616	18,776
-	-	-	-	-	-
-	-	2,080,000	-	-	-
<u>19,038,220</u>	<u>25,296,979</u>	<u>22,432,322</u>	<u>20,797,252</u>	<u>22,381,976</u>	<u>23,839,696</u>
99,852	124,950	131,641	147,159	165,692	188,097
26,342	50,663	78,818	167,573	12,343	(58,122)
-	-	-	7,900	-	-
-	-	-	-	(81,616)	(18,776)
<u>126,194</u>	<u>175,613</u>	<u>210,459</u>	<u>322,632</u>	<u>96,419</u>	<u>111,199</u>
<u>19,164,414</u>	<u>25,472,592</u>	<u>22,642,781</u>	<u>21,119,884</u>	<u>22,478,395</u>	<u>23,950,895</u>
(509,543)	5,846,347	5,013,367	6,532,369	459,281	5,946,640
324,053	301,727	325,896	191,768	800,324	583,456
<u>\$ (185,490)</u>	<u>\$ 6,148,074</u>	<u>\$ 5,339,263</u>	<u>\$ 6,724,137</u>	<u>\$ 1,259,605</u>	<u>\$ 6,530,096</u>

CITY OF STANTON
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2012-13*	2013-14*	2014-15*	2015-16*
General Fund:				
Nonspendable	\$ 8,971,880	\$ 8,379,173	\$ 6,730,051	\$ 5,398,081
Restricted	-	-	-	-
Committed	3,720,465	3,965,209	4,317,883	4,677,019
Assigned	31,772	38,751	-	7,200
Unassigned	6,313,207	8,181,723	9,391,105	11,811,587
Total General Fund	\$ 19,037,324	\$ 20,564,856	\$ 20,439,039	\$ 21,893,887
All other governmental funds:				
Nonspendable	\$ 10,065,582	\$ -	\$ -	\$ -
Restricted	10,514,621	22,118,786	20,232,644	19,166,303
Committed	-	-	-	-
Assigned	1,451,877	683,276	756,521	790,528
Unassigned	(392,307)	(51,385)	(526,651)	(790,292)
Total all other governmental funds	\$ 21,639,773	\$ 22,750,677	\$ 20,462,514	\$ 19,166,539

Note:

* Certain amounts presented in the prior year financial statements have been reclassified in order to be consistent with the current year's presentation.

Source: City Finance Department

Fiscal Year					
2016-17*	2017-18*	2018-19*	2019-20	2020-21	2021-22
\$ 3,992,852	\$ 1,387,690	\$ 1,806,958	\$ 146,069	\$ 2,488,780	\$ 2,634,436
3,065,186	3,501,556	3,735,741	-	-	-
11,150,000	12,022,695	13,261,735	10,074,410	8,661,735	9,856,296
-	-	-	123,935	356,687	169,585
4,566,919	5,895,617	3,509,177	10,277,670	12,691,577	15,826,042
<u>\$ 22,774,957</u>	<u>\$ 22,807,558</u>	<u>\$ 22,313,611</u>	<u>\$ 20,622,084</u>	<u>\$ 24,198,779</u>	<u>\$ 28,486,359</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19,996,961	24,035,122	24,350,735	22,636,555	21,212,537	23,491,748
-	-	-	-	-	-
682,470	908,996	1,117,693	320,739	278,929	244,243
(303,957)	(27,464)	(29,247)	(41,723)	-	(61,410)
<u>\$ 20,375,474</u>	<u>\$ 24,916,654</u>	<u>\$ 25,439,181</u>	<u>\$ 22,915,571</u>	<u>\$ 21,491,466</u>	<u>\$ 23,674,581</u>

CITY OF STANTON
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2012-13*	2013-14*	2014-15*	2015-16*
Revenues:				
Taxes and assessments	\$ 13,469,674	\$ 14,062,751	\$ 14,730,740	\$ 17,838,271
Licenses and permits	917,431	419,298	417,780	357,381
Intergovernmental	2,843,557	2,765,837	1,916,432	4,844,423
Charges for services*	206,303	2,363,378	2,349,520	2,361,663
Fines and forfeitures	320,222	279,542	292,505	296,607
Interest income (loss)	272,502	202,857	195,526	227,707
Rental income	700,878	700,811	706,265	619,977
Gain on sale of land held for resale	-	-	-	-
Miscellaneous	113,528	55,883	17,955	71,754
Contribution from Successor Agency	-	-	-	-
Total Revenues	18,844,095	20,850,357	20,626,723	26,617,783
Expenditures:				
Current:				
General government	2,189,685	2,461,666	2,615,927	2,900,169
Public safety	10,983,189	12,047,794	13,176,004	15,453,062
Community development	1,590,898	1,475,104	1,424,634	1,368,795
Highways and streets	2,564,379	2,098,897	1,548,644	951,650
Culture and recreation	1,079,290	921,302	948,585	1,331,178
Health and welfare	2,826	4,265	3,476	3,512
Capital outlay	918,203	475,187	1,131,626	10,951,943
Debt Service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	19,328,470	19,484,215	20,848,896	32,960,309
Excess (Deficiency) of Revenues Over (Under Expenditures)	(484,375)	1,366,142	(222,173)	(6,342,526)
Other financing sources (Uses):				
Proceeds from long-term debt	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers in	710,030	1,884,218	624,942	599,348
Transfers out	(710,030)	(611,924)	(824,942)	(599,348)
Total other financing sources (uses)	-	1,272,294	(200,000)	-
Net change in fund balance before special/extraordinary item	(484,375)	2,638,436	(422,173)	(6,342,526)
Special/Extraordinary items ⁽¹⁾	(443,232)	-	(2,082,812)	6,501,399
Net change in fund balances	\$ (927,607)	\$ 2,638,436	\$ (2,504,985)	\$ 158,873
Debt service as a percentage of noncapital expenditures	0%	0%	0%	0%

Notes:

* Certain amounts presented in the prior year financial statements have been reclassified in order to be consistent with the current year's presentation.

⁽¹⁾ Reinstatement of advance to Successor Agency

Source: City Finance Department

		Fiscal Year					
	2016-17*	2017-18*	2018-19*	2019-20*	2020-21	2021-22	
\$	18,697,469	\$ 19,821,063	\$ 20,541,371	\$ 21,167,374	\$ 23,160,509	\$ 25,471,470	
	321,935	664,964	714,474	1,132,116	2,091,517	1,037,171	
	2,772,489	2,691,518	1,815,443	3,462,782	3,992,601	4,811,604	
	2,190,769	3,182,541	3,438,846	4,444,656	5,015,265	3,737,992	
	360,662	460,794	410,443	411,644	524,705	468,222	
	119,771	116,130	2,026,619	1,565,134	151,183	(516,680)	
	605,377	589,631	624,406	637,676	579,024	700,487	
	-	6,000,100	-	-	-	-	
	684,711	70,083	286,946	211,217	96,605	101,787	
	-	-	-	3,377,369	-	-	
	<u>25,753,183</u>	<u>33,596,824</u>	<u>29,858,548</u>	<u>36,409,968</u>	<u>35,611,409</u>	<u>35,812,053</u>	
	2,879,492	2,535,059	2,605,958	2,706,193	4,367,607	4,338,089	
	15,597,673	16,894,400	22,350,545	18,023,261	20,682,528	18,732,182	
	1,518,145	4,346,128	1,855,646	2,303,811	3,168,880	2,838,526	
	1,175,017	1,570,486	1,714,628	1,477,485	1,835,882	1,249,274	
	1,606,326	1,760,921	1,646,637	1,603,432	1,721,498	2,324,919	
	67,305	37,250	16,795	-	-	-	
	819,220	1,878,799	1,719,759	11,829,522	882,099	489,773	
	-	-	-	55,754	1,069,246	-	
	-	-	-	14,906	35,140	12,943	
	<u>23,663,178</u>	<u>29,023,043</u>	<u>31,909,968</u>	<u>38,014,364</u>	<u>33,762,880</u>	<u>29,985,706</u>	
	<u>2,090,005</u>	<u>4,573,781</u>	<u>(2,051,420)</u>	<u>(1,604,396)</u>	<u>1,848,529</u>	<u>5,826,347</u>	
	-	-	-	1,125,000	-	-	
	-	-	-	-	210,100	756,902	
	633,550	828,000	757,400	604,623	1,985,777	2,336,767	
	(633,550)	(828,000)	(757,400)	(4,340,364)	(1,904,161)	(2,449,321)	
	-	-	-	(2,610,741)	291,716	644,348	
	<u>2,090,005</u>	<u>4,573,781</u>	<u>(2,051,420)</u>	<u>(4,215,137)</u>	<u>2,140,245</u>	<u>6,470,695</u>	
	-	-	2,080,000	-	-	-	
\$	<u><u>2,090,005</u></u>	<u><u>4,573,781</u></u>	<u><u>28,580</u></u>	<u><u>(4,215,137)</u></u>	<u><u>2,140,245</u></u>	<u><u>6,470,695</u></u>	
	0%	0%	0%	0.2%	3.3%	0.0%	

CITY OF STANTON
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

Fiscal Year Ended	City				Redevelopment Agency ⁽²⁾		
	Secured	Unsecured	SBE Nonunitary	Taxable Assessed Value ⁽¹⁾	Secured	Unsecured	Taxable Assessed Value
June 30							
2013	2,000,075	72,992	684	2,073,751	1,975,423	72,869	2,048,292
2014	2,071,296	74,078	684	2,146,058	2,039,488	72,219	2,111,707
2015	2,214,413	83,904	684	2,299,001	2,179,143	83,691	2,262,834
2016	2,350,787	81,734	684	2,433,205	2,309,529	82,056	2,391,585
2017	2,479,654	85,974	684	2,566,312	1,569,439	20,147	1,589,586
2018	2,602,487	75,735	684	2,678,906	1,677,650	7,246	1,684,896
2019	2,747,552	85,798	1,255	2,834,605	1,816,986	17,805	1,834,791
2020	2,921,963	91,619	1,255	3,014,837	1,988,330	23,148	2,011,478
2021	3,094,828	90,155	109,371	3,294,354	2,266,923	29,439	2,296,362
2022	3,330,318	166,399	130,955	3,627,672	2,522,570	105,282	2,627,852

Notes:

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 the property may be increased by an inflation factor (limited to a maximum of 2%). With few exceptions, property is only reassessed at the time it is sold to a new owner. At that point, the new assessed value is reassessed 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.

⁽¹⁾ City amounts include the Redevelopment Agency assessed values.

⁽²⁾ The State of California dissolved Redevelopment Agencies effective January 31, 2012.

Sources: Orange County Auditor-Controller
HdL, Coren & Cone

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**CITY OF STANTON
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(RATE PER \$100 OF ASSESSED VALUE)**

	Fiscal Year		
	2012-13	2013-14	2014-15
Basic Levy ⁽¹⁾	1.00000	1.00000	1.00000
Overlapping Rates ⁽²⁾ :			
Anaheim Union High School District	0.02858	0.02620	0.02412
Coast Community College District	0.01881	0.02899	0.03015
Garden Grove Unified School District	0.03135	0.03703	0.04148
Magnolia Elementary School District	0.02493	0.02737	0.02497
Metropolitan Water District	0.00350	0.00350	0.00350
North Orange County Community College District	0.01902	0.01704	0.01758
Savanna School District	0.05976	0.05557	0.05443
Total Direct and Overlapping Tax Rates	1.18595	1.19570	1.19623
City's Share of 1% Levy Per Prop 13 ⁽³⁾	0.10940	0.10940	0.10940
Redevelopment Rate ⁽⁴⁾	0.00000	0.00000	0.00000
Total Direct Rate ⁽⁵⁾	0.58962	0.13707	0.13703

Notes:

⁽¹⁾ In 1978, the voters of the State of California passed Proposition 13, which limited property taxes to a total maximum rate of 1% fixed amount. This 1% is shared by all taxing agencies for which the subject property resides within.

⁽²⁾ Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

⁽³⁾ The City's share of the 1% levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. The ERAF portion of the City's levy has been subtracted where known.

⁽⁴⁾ The Redevelopment Rate is based on the largest RDA tax rate area and only includes rates(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only in incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012-13 and years thereafter.

⁽⁵⁾ Total Direct Rate is the weighted average of all individual direct rates applied by the City/Agency preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013-14, the Total Direct Rate no longer includes revenues derived from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during fiscal year 2012-13. For the purposes of this report, residual revenue is assumed to be distributed to City/Agency in the same proportions as general fund revenue.

Fiscal Year						
2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
0.04948	0.04259	0.02211	0.04244	0.03968	0.03971	0.03804
0.03092	0.03116	0.03145	0.03052	0.03100	0.03181	0.03119
0.04656	0.04487	0.07454	0.06848	0.06922	0.06956	0.07408
0.02349	0.02552	0.02849	0.02859	0.02722	0.02714	0.02619
0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
0.03043	0.02885	0.02927	0.02829	0.02409	0.03198	0.02877
0.05501	0.05948	0.06115	0.06086	0.06132	0.06481	0.07355
<u>1.23939</u>	<u>1.23597</u>	<u>1.25051</u>	<u>1.26268</u>	<u>1.25603</u>	<u>1.26851</u>	<u>1.27532</u>
0.10940	0.10940	0.13645	0.13645	0.13645	0.13645	0.13645
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.13701	0.13698	0.13695	0.13994	0.13991	0.14007	0.14002

**CITY OF STANTON
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2021-22 Assessed Valuation			2012-13 Assessed Valuation		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Stanton Energy Reliability Center LLC	\$ 129,700,000	1	3.58%	\$ -	-	-
CR&R, Inc.	102,676,504	2	2.83%	43,642,357	1	2.10%
Continental Gardens LP	81,020,767	3	2.23%	16,208,632	6	0.78%
Briarwood Square LP	45,368,215	4	1.25%	-	-	-
Brookfield Village Way LLC	31,086,113	5	0.86%	-	-	-
Arrowhead Apartment Investments LLC	30,931,628	6	0.85%	20,039,766	4	0.97%
Haulaway Storage Container	25,759,046	7	0.71%	-	-	0.00%
Garden Terrace MHC LLC	21,430,625	8	0.59%	-	-	-
Stanton Capital LP	20,232,452	9	0.56%	-	-	-
Icon Owner Pool 1 LA Business Parks LLC	19,443,992	10	0.54%	-	-	-
12131 Beach Boulevard Owner LLC	-	-	-	-	-	-
CP Briarwood LLC	-	-	-	28,208,832	2	1.36%
Shapell Socal Rental Properties LLC	-	-	-	22,446,279	3	1.08%
Walton CWCA Hoover 52 LLC	-	-	-	19,078,003	5	0.92%
Faircrest, Inc.	-	-	-	12,594,032	7	0.61%
Mideb Nominees, Inc.	-	-	-	12,367,510	8	0.00%
Gilbert R. Shuman Trust Plaza on the Blvd.	-	-	-	11,318,185	9	0.55%
Katella 111 Partners LLC	-	-	-	10,291,916	10	0.50%
Total Top 10 Taxpayers	\$ 507,649,342		13.99%	\$ 196,195,512		9.46%

Note:

Excludes government and tax-exempt property owners. Changes in name or ownership of property are not considered for purposes of this schedule.

Source: HdL, Coren & Cone

**CITY OF STANTON
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Collected Amount</u>	<u>Percent of Levy⁽¹⁾</u>
2013	\$ 1,011,984	\$ 1,011,984	100%
2014	1,014,799	1,014,799	100%
2015	1,028,726	1,028,726	100%
2016	1,039,132	1,039,132	100%
2017	1,040,976	1,040,976	100%
2018	1,061,452	1,061,452	100%
2019	1,070,983	1,070,983	100%
2020	1,075,724	1,075,724	100%
2021	1,079,894	1,079,894	100%
2022	1,079,628	1,079,628	100%

Note:

⁽¹⁾ Beginning with FY 1994-95, the City of Stanton elected the Teeter Plan for property tax distribution in which the City receives the entire secured levy in the current fiscal year, whether paid or not, and the County retains the penalties and interest on delinquent taxes.

Source: Orange County Auditor-Controller

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

Fiscal Year	Tax Allocation Bonds ⁽¹⁾	Capital Lease	Total Primary Government	% of Personal Income ⁽²⁾	Per Capita ⁽²⁾
2012-13	\$ -	\$ -	\$ -	0.00%	\$ -
2013-14	-	-	-	0.00%	-
2014-15	-	-	-	0.00%	-
2015-16	-	-	-	0.00%	-
2016-17	-	-	-	0.00%	-
2017-18	-	-	-	0.00%	-
2018-19	-	-	-	0.00%	-
2019-20	-	1,069,246	1,069,246	0.00%	-
2020-21	-	-	-	0.00%	-
2021-22	-	-	-	0.00%	-

Notes:

⁽¹⁾ The Stanton Redevelopment Agency was dissolved on February 1, 2012. As a result, the tax allocation bonds are not debt of the primary government.

⁽²⁾ Refer to the Schedule of Demographic and Economic Statistics for personal income and population data.

Source: City Finance Department

CITY OF STANTON
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
YEAR ENDED JUNE 30, 2022

2021-22 Assessed Valuation	<u>\$ 3,635,925,454</u>		
	Total Debt		City's Share of
	6/30/22	% Applicable ⁽¹⁾	Debt 6/30/22
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Metropolitan Water District	\$ 20,175,000	0.106%	\$ 21,386
Coast Community College District	945,799,424	0.519%	4,908,699
North Orange County Joint Community College District	209,339,039	1.854%	3,881,146
Anaheim Union High School District	256,268,955	3.445%	8,828,465
Garden Grove Unified School District	532,420,000	5.936%	31,604,451
Magnolia School District	19,498,305	18.161%	3,541,087
Savanna School District	39,432,464	32.445%	<u>12,793,863</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			<u>\$ 65,579,097</u>
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Orange County General Fund Obligations	\$ 376,780,000	0.533%	\$ 2,008,237
Orange County Pension Obligation Bonds	521,784,000	0.533%	2,781,109
Orange County Board of Education General Fund Obligations	11,620,000	0.533%	61,935
Coast Community College District General Fund Obligations	1,865,000	0.519%	9,679
Coast Community College District Pension Obligation Bonds	1,825,000	0.519%	9,472
Anaheim Union High School District Certificates of Participation	30,670,000	3.445%	1,056,582
Magnolia School District General Fund Obligations	13,010,307	18.161%	2,362,802
North Orange County Regional Occupation Program Certificates of Participation	8,200,000	1.228%	100,696
City of Stanton	-	100.000%	<u>-</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			<u>\$ 8,390,512</u>
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency)</u>	53,400,000	100.000%	53,400,000
TOTAL DIRECT DEBT			\$ -
TOTAL OVERLAPPING DEBT			<u>127,369,609</u>
COMBINED TOTAL DEBT			<u>\$ 127,369,609</u> ⁽²⁾

Notes:

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

⁽²⁾ Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to 2021-22 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1.80%
Total Direct Debt	0.00%
Total Combined Debt	3.50%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$2,627,851,990):

Total Overlapping Tax Increment Debt	2.03%
--------------------------------------	-------

Source: California Municipal Statistics, Inc.

**CITY OF STANTON
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year			
	2012-13	2013-14	2014-15	2015-16
Assessed valuation	\$ 2,073,751,661	\$ 2,146,057,305	\$ 2,299,000,205	\$ 2,433,204,888
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	518,437,915	536,514,326	574,750,051	608,301,222
Debt limit percentage	15%	15%	15%	15%
Debt limit	77,765,687	80,477,149	86,212,508	91,245,183
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 77,765,687</u>	<u>\$ 80,477,149</u>	<u>\$ 86,212,508</u>	<u>\$ 91,245,183</u>
Total net debt applicable to limit as percentage of debt limit	0%	0%	0%	0%

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments.

Sources: City Finance Department
HdL Coren & Cone

Fiscal Year					
2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
\$ 2,566,311,820	\$ 2,678,905,775	\$ 2,834,604,233	\$ 3,014,836,696	\$ 3,294,354,368	\$ 3,627,670,751
25%	25%	25%	25%	25%	25%
641,577,955	669,726,444	708,651,058	753,709,174	823,588,592	906,917,688
15%	15%	15%	15%	15%	15%
96,236,693	100,458,967	106,297,659	113,056,376	123,538,289	136,037,653
-	-	-	-	-	-
<u>\$ 96,236,693</u>	<u>\$ 100,458,967</u>	<u>\$ 106,297,659</u>	<u>\$ 113,056,376</u>	<u>\$ 123,538,289</u>	<u>\$ 136,037,653</u>
0%	0%	0%	0%	0%	0%

**CITY OF STANTON
PLEGGED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year	Tax Increment	Tax Allocation Bonds, 2005 Series A		Tax Allocation Bonds, 2005 Series B		Tax Allocation Bonds, 2010 Series A		Tax Allocation Bonds, 2011 Series A	
		Debt Service ⁽¹⁾		Debt Service ⁽¹⁾		Debt Service ⁽¹⁾		Debt Service ⁽¹⁾	
		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2012-13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-
2016-17	-	-	-	-	-	-	-	-	-
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

Note:

⁽¹⁾ The liabilities for these outstanding bonds were transferred to the Successor Agency to the Stanton Redevelopment Agency on February 1, 2012, and are no longer debt of the primary government.

Source: City Finance Department

Tax Allocation Bonds, 2011 Series B		Tax Allocation Bonds, 2016 Series A		Tax Allocation Bonds, 2016 Series B		Tax Allocation Bonds, 2020 Series A		Coverage
Debt Service (1)		Debt Service (1)		Debt Service (1)		Debt Service (1)		
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
-	-	-	-	-	-	-	-	0%
-	-	-	-	-	-	-	-	0%
-	-	-	-	-	-	-	-	0%
-	-	-	-	-	-	-	-	0%
-	-	-	-	-	-	-	-	0%
-	-	-	-	-	-	-	-	0%
-	-	-	-	-	-	-	-	0%
-	-	-	-	-	-	-	-	0%
-	-	-	-	-	-	-	-	0%

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

Calendar Year	Population	Median Age	Median Housing Price	Total Personal Income (in thousands)	Per Capital Personal Income	Unemployment Rate
2012	38,764	32.7	\$ 270,000	\$ 784,118	\$ 20,228	9.3%
2013	38,963	33.6	345,000	779,377	20,003	8.2%
2014	38,954	33.7	383,000	757,616	19,449	7.2%
2015	39,751	34.3	430,000	725,662	18,255	5.9%
2016	39,611	33.5	412,500	729,707	18,422	5.3%
2017	39,470	34.4	450,000	747,172	18,930	4.1%
2018	39,307	34.5	432,000	781,143	19,873	3.2%
2019	39,077	34.5	445,000	825,807	21,133	3.1%
2020	39,573	34.9	470,000	900,452	22,754	10.7%
2021	39,275	35.7	550,000	1,017,211	25,900	7.1%

Source: HdL Coren & Coren

**CITY OF STANTON
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	2021-22			2012-13		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Rowntree Gardens (formerly Quaker Gardens)	327	1	1.83%	n/a	-	-
Home Depot	181	2	1.01%	144	3	0.76%
Super King Market	150	3	0.84%	n/a	-	-
Walmart Market #4134	127	4	0.71%	n/a	-	-
CR&R, Inc.	122	5	0.68%	201	1	1.06%
Adventure City	112	6	0.63%	119	5	0.63%
Custom Pipe & Fabrication Inc.	106	7	0.59%	75	6	0.39%
All Metals Processing of Orange County, LLC	91	8	0.51%	124	4	0.65%
White Bottle, Inc.	86	9	0.48%	n/a	-	-
Great Scott Tree Service, Inc.	84	10	0.47%	n/a	-	-
Food 4 Less	71	-	0.40%	68	7	0.36%
USS Cal Builders	30	-	0.17%	n/a	-	-
Sam's Club	-	-	-	149	2	0.78%
Acapulco Restaurants	-	-	-	60	8	0.32%
Primus Inc.	-	-	-	54	9	0.28%
Cameron Welding Supply	-	-	-	52	10	0.27%
Total Top 10 Employers	1,487		8.31%	1,046		5.51%
Total City Labor Force	17,900			19,000		

Notes:

Excludes employers not required to obtain a City business license (i.e. government agencies).

n/a - Information not available

Sources: City business license database

Fiscal Year 2012-13 Comprehensive Annual Financial Report

Employment Development Department (for City Labor Force data)

CITY OF STANTON
FULL-TIME EQUIVALENT CITY EMPLOYEES BY DEPARTMENT
LAST TEN FISCAL YEARS

Department	Fiscal Year			
	2012-13	2013-14	2014-15	2015-16
Administration	4.00	4.00	4.00	4.00
Community Development ⁽¹⁾	7.50	7.50	7.50	8.50
Community Services	3.00	3.00	3.00	6.00
Finance	4.00	4.00	4.00	5.00
Public Safety ⁽¹⁾	0.00	0.00	0.00	0.00
Public Works	6.50	6.50	6.50	6.00
Total	25.00	25.00	25.00	29.50

Note:

⁽¹⁾ Code Enforcement and Parking Control were transferred to the Public Safety Department in Fiscal Year 2018-19.

Source: City Finance Department

Fiscal Year					
2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
4.50	4.50	4.50	4.50	5.50	6.50
8.50	9.00	6.00	6.00	6.50	8.50
6.00	6.00	16.00	16.00	17.00	17.00
5.13	5.25	6.75	6.75	6.00	7.00
0.00	0.50	8.00	9.00	9.50	11.00
6.38	6.75	8.75	8.75	9.50	10.50
<u>30.51</u>	<u>32.00</u>	<u>50.00</u>	<u>51.00</u>	<u>54.00</u>	<u>60.50</u>

**CITY OF STANTON
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Department	Fiscal Year				
	2012-13	2013-14	2014-15	2015-16	2016-17
City Council					
Public Meetings held	27	31	39	35	37
Ordinances adopted	16	10	7	13	14
Resolutions adopted	33	51	47	46	41
City Attorney					
Ordinances prepared	11	10	7	13	15
Resolutions prepared	5	51	47	46	41
Contracts prepared	n/a	50	75	86	88
City Clerk					
Public Meetings held	27	36	39	35	37
Ordinances processed and published	16	10	7	13	14
Resolutions processed and published	33	51	47	46	41
Public Records Requests processed	189	217	301	300	278
Contracts Processed	204	50	75	86	88
City Manager					
Letters written	63	31	35	42	44
Memos written	34	30	28	61	58
City Council meetings attended	26	31	39	35	36
Finance					
Cash Receipts processed	6,356	7,001	7,572	8,961	10,260
Warrants processed	6,356	2,219	2,333	2,490	2,559
Payroll checks processed	1,106	1,365	1,141	1,613	1,769
Journal entries processed	255	252	296	247	281
Business licenses processed	1,497	1,788	1,974	2,197	2,946
Police Services					
Cases assigned to general crime investigators	1,464	1,283	1,421	835	1,582
Directed enforcement shifts deployed each week	4	1.5	3	5	5
Average response time in minutes to emergency life threatening calls	3:28	3:53	4:03	3:50	4:03
Shifts of traffic enforcement in high accident and residential areas per week	-	0.17	1	4	4
Schools receiving school programs	2	2	2	1	n/a

Note:

n/a - Information not available

Fiscal Year				
2017-18	2018-19	2019-20	2020-21	2021-22
36	34	37	55	38
12	8	14	8	10
48	39	60	45	54
12	8	14	8	10
48	39	60	45	54
90	84	90	94	98
36	34	37	55	38
12	8	14	8	10
48	39	60	45	54
280	159	170	180	182
90	84	90	94	98
30	30	38	45	32
40	36	32	40	28
35	34	37	55	37
6,854	5,512	5,690	4,109	4,102
2,462	2,405	2,182	2,057	1,809
1,819	1,800	1,804	1,806	1,001
234	287	344	1,493	694
3,304	3,126	2,649	2,577	2,481
964	737	856	1,068	1,138
5	5	5	5	5
4:05	4:21	3:50	4:17	4:14
4	4	4	4	4
n/a	n/a	n/a	n/a	2

CITY OF STANTON
OPERATING INDICATORS BY FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS

Department	Fiscal Year			
	2012-13	2013-14	2014-15	2015-16
Fire Protection				
Paramedic calls responded to	2,141	2,283	2,540	2,659
Fire calls responded to	55	38	41	54
Other calls responded to	682	558	532	699
Fire inspections made	224	485	505	602
Students receiving fire safety education programs	140	145	175	490
Adults receiving fire safety education programs	50	60	75	220
Plan checks completed	45	57	48	51
Planning				
Administrative permits	6	5	5	7
Preliminary plan review	1	0	3	3
Entitlements	8	11	13	29
Environmental	11	16	13	26
Home Occupation permits	19	27	17	50
Land divisions	1	3	1	5
Landscape plan checks	2	2	0	4
Sign permits	25	42	48	23
Plan Checks (Over-the-Counter)	38	31	74	68
Building				
Building plan reviews	61	148	108	101
Building permits	211	283	314	264
Electrical permits	114	197	229	233
Mechanical permits	70	119	132	120
Plumbing permits	112	139	134	150
Inspections for compliance	7	0	0	0
Parking Control				
Citations	6,478	6,335	6,361	6,843
Vehicles towed	217	242	220	299
Engineering				
Value of capital projects initiated	\$1.6M	\$0.9M	\$11M	\$1M
Engineering plan checks	14	15	17	7
Permits issued	106	111	95	132
Value of competitive grants obtained	\$0.4M	\$0.4M	\$0.1M	\$0.3M
Capital projects administered	7	4	7	3
Public Facilities				
Service requests	205	199	232	87
Unscheduled repairs	62	60	171	68

Fiscal Year					
2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
2,192	2,627	2,794	6,307	3,323	3,724
37	42	55	222	182	196
1042	611	494	647	205	206
524	612	674	15	0	514
370	200	250	4	61	3
240	456	250	4	132	10
72	83	87	n/a	224	187
4	7	6	5	3	4
2	6	1	5	3	6
29	32	18	35	17	13
29	21	12	1	1	0
21	117	11	26	27	10
4	6	3	6	5	1
-	3	6	3	3	3
26	32	25	27	8	19
70	147	93	103	112	109
101	138	94	82	121	672
254	368	358	450	535	495
214	242	239	307	398	151
112	145	156	219	223	50
124	194	174	275	253	52
0	0	0	0	0	0
8,039	8,049	7,937	5,765	9,073	8,269
440	574	451	347	179	236
\$1M	\$2.6M	\$3.0M	\$3.2M	\$1.47M	\$9.38M
7	10	8	15	4	10
132	135	204	102	100	165
\$0.3M	\$0.2M	\$0	\$0	\$0	\$8.13M
3	7	7	8	7	10
277	504	475	682	1,134	1,586
92	73	64	173	146	78

CITY OF STANTON
OPERATING INDICATORS BY FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS

Department	Fiscal Year			
	2012-13	2013-14	2014-15	2015-16
Buildings/Grounds Maintenance				
No. of service requests	68	70	112	57
HVAC service calls	16	14	7	4
Parks Maintenance				
Service requests	43	65	112	61
Unscheduled repairs	3	10	8	25
Street Maintenance				
Potholes repaired	10	17	15	10
Service requests	109	799	815	201
Tonnage of asphalt placed	6	6	8	6
Storm drain inlets cleaned	183	183	183	183
Service calls for drainage issues	2	6	2	1
Community Services				
Senior clients served	2,400	2,800	2,425	2,450
Commission meetings	0	0	11	10
After school program participation	150	312	210	220
Info & referral inquires answered	2,200	2,250	2,210	2,230
Sports facility usage (revenue)	\$8,000	\$7,000	\$1,500	\$3,120

Fiscal Year					
2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
64	64	120	189	1,134	1,586
3	3	13	17	8	11
72	226	229	478	2,298	1,723
17	32	68	83	103	67
43	14	35	66	87	79
227	702	698	872	2,830	1,720
6	6	3	2.5	3	3
183	183	183	183	183	183
3	3	5	16	8	4
2,600	3,600	4,000	8,271	15,613	15,882
9	9	9	7	7	8
250	133	115	318	134	154
2,500	2,051	2,216	1,945	1,097	1,156
\$13,760	\$15,080	\$12,600	\$12,417	\$23,141	\$21,540

**CITY OF STANTON
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year				
	2012-13	2013-14	2014-15	2015-16	2016-17
Public Works					
Streets (miles)	44	44	44	44	44
Alleys (square feet)	326,000	326,000	326,000	326,000	326,000
Curbs and gutters (linear feet)	439,736	439,736	439,736	441,200	441,200
Sidewalks (square feet)	2,339,372	2,339,372	2,339,372	2,341,000	2,341,000
Streetlights	1,295	1,295	1,295	1,295	1,295
Traffic signals	15	15	15	16	16
Storm drain system (linear feet)	26,889	26,889	26,889	26,889	26,889
Parks and Recreation					
Parks	8	8	8	9	9
Community Center	2	2	2	3	3
Sewer					
Sewer lines (miles)	40	40	40	40.5	40.5

Source: City Finance Department

Fiscal Year				
2017-18	2018-19	2019-20	2020-21	2021-22
44	44	44	44.1	44.1
326,000	324,185	324,185	324,185	324,185
441,200	441,200	441,445	441,445	441,445
2,341,000	2,341,000	2,343,100	2,343,100	2,343,100
1,295	1,295	1,295	1,295	1,295
16	16	16	16	16
26,889	26,889	26,889	26,889	26,889
9	9	9	9	9
3	3	3	3	3
40.5	40.5	40.5	40.5	40.5

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**STANTON HOUSING AUTHORITY
(A COMPONENT UNIT OF
THE CITY OF STANTON)**

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2022

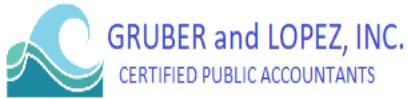
**STANTON HOUSING AUTHORITY
(A COMPONENT UNIT OF
THE CITY OF STANTON)**

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2022

STANTON HOUSING AUTHORITY
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Board of Directors
City of Stanton, California
Stanton, California

INDEPENDENT AUDITORS' REPORT

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund Stanton Housing Authority, a component unit of the City of Stanton, California, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Stanton Housing Authority'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 and major fund Stanton Housing Authority, as of June 30, 2022, and the respective changes in financial position 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Stanton Housing Authority, 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.

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 Stanton Housing Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 generally accepted 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.

Board of Directors
City of Stanton, California

In performing an audit in accordance with generally accepted 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 Stanton Housing Authority'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 Stanton Housing Authority'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 schedules of proportionate share of the net pension liability and the schedules of contributions for the CalPERS miscellaneous plan, and the budgetary comparison schedule for the Stanton Housing Authority, identified as Required Supplementary Information (RSI) in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI 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 RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2022, on our consideration of the Stanton Housing Authority'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 of Stanton's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Stanton Housing Authority's internal control over financial reporting and compliance.

Gruber and Lopez, Inc.

Gruber and Lopez, Inc.

Newport Beach, California

December 20, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Stanton Housing Authority (Housing Authority), we offer readers of the Housing Authority's financial statements this narrative overview and analysis of the financial activities of the Housing Authority for the fiscal year ended June 30, 2022. Please read it in conjunction with the accompanying transmittal letter at the front of this report, and the basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Housing Authority exceeded its liabilities and deferred inflows of resources on June 30, 2022, by \$34.4 million. This amount is referred to as the net position of the Housing Authority. Of this amount, \$13.3 million is restricted net position and may be used for the Housing Authority's affordable housing programs.
- During fiscal year 2021-22, the Housing Authority's overall net position decreased by \$248,312, million primarily due to unrealized losses on the Housing Authority's investment portfolio and the payment made to The Related Companies of California, LLC to terminate their development agreement for the Tina Pacific Affordable Housing Project.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's discussion and analysis is intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also consists of required supplementary information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Housing Authority's finances, in a manner similar to a private-sector business. There are two government-wide financial statements: the Statement of Net Position and the Statement of Activities. They present information for the government as a whole and present a longer-term view of the Housing Authority's finances. These two statements help to answer the question: "Is the Housing Authority as a whole better off or worse off as a result of this year's activities?"

The *Statement of Net Position* presents information on all of the Housing Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Housing Authority 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 position are reported as soon as the underlying events giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected rent and earned but unused vacation leave).

The governmental activities of the Housing Authority are primarily funded by rental income from the Housing Authority's Tina Pacific properties include the following functions: general government, community development, public safety, and public works.

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 Housing Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Housing Authority's activities are reported in the General Fund.

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 on *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 fund 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 governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Notes to 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.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Housing Authority's budgetary policies and supplementary information on the Housing Authority's defined benefit plans.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Housing Authority, assets and deferred outflows exceeded liabilities by \$34.4 million as of June 30, 2022. In comparison, total net position was \$34.6 million as of June 30, 2021.

The largest portion of the Housing Authority's net position at June 30, 2022, (\$21.1 million or 61.4% of total net position), reflects its investment in capital assets (e.g., land and buildings). The Housing Authority's capital assets are currently used for affordable housing programs, primarily the Tina Pacific affordable housing project.

The remaining \$13.3 million is restricted net position, representing resources that are subject to external restrictions or enabling legislation on how they may be used. The Housing Authority's restricted net position is restricted for low- and moderate-income housing programs.

A summary of the government-wide *Statement of Net Position* follows:

	<u>2022</u>	<u>2021</u>	<u>% Change</u>
Current and other assets	\$ 14,212,674	\$ 14,380,157	-1.2%
Capital assets	<u>21,081,772</u>	<u>20,795,128</u>	1.4%
Total assets	<u>35,294,446</u>	<u>35,175,285</u>	0.3%
Deferred outflows of resources	<u>36,347</u>	<u>64,465</u>	-43.6%
Long-term liabilities	102,756	328,093	-68.7%
Other liabilities	<u>780,435</u>	<u>304,376</u>	156.4%
Total liabilities	<u>883,191</u>	<u>632,469</u>	39.6%
Deferred inflows of resources	<u>97,475</u>	<u>8,842</u>	1002.4%
Net position:			
Investment in capital assets	21,081,772	20,795,128	1.4%
Restricted	<u>13,268,355</u>	<u>13,803,311</u>	-3.9%
Total net position	<u>\$ 34,350,127</u>	<u>\$ 34,598,439</u>	-0.7%

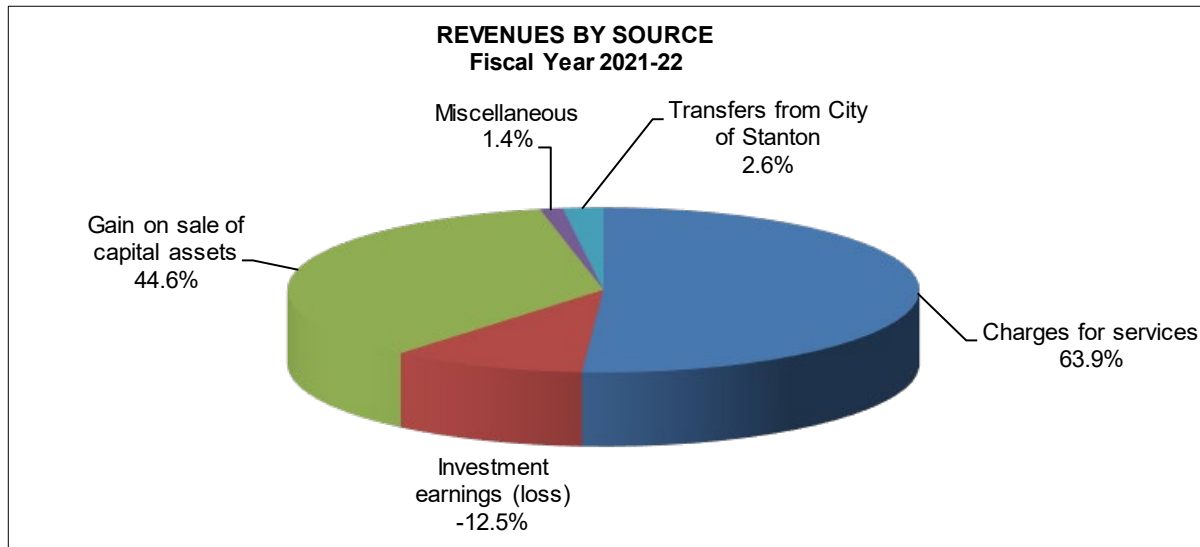
A summary of the government-wide *Statement of Activities* follows:

	<u>2022</u>	<u>2021</u>	<u>% Change</u>
Revenues:			
Program Revenue:			
Charges for services	\$ 616,454	\$ 562,993	9.5%
General revenues:			
Investment earnings (loss)	(120,362)	17,235	-798.4%
Gain on sale of capital assets	430,902	-	100.0%
Miscellaneous	14,006	1,271	1002.0%
Transfers from City of Stanton	25,093	-	100.0%
Total revenues	<u>966,093</u>	<u>581,499</u>	66.1%
Expenses:			
General government	200,927	169,255	18.7%
Community development	883,219	2,458,516	-64.1%
Public safety	130,259	2,630,896	-1919.7%
Public works	-	1,750	-100.0%
Total expenses	<u>1,214,405</u>	<u>5,260,417</u>	-76.9%
Change in Net Position	(248,312)	(4,678,918)	-94.7%
Net position, beginning of year	<u>34,598,439</u>	<u>39,277,357</u>	-11.9%
Net position, end of year	<u>\$ 34,350,127</u>	<u>\$ 34,598,439</u>	-0.7%

During the current fiscal year, the Housing Authority's net position decreased by \$248,312 from the prior fiscal year, primarily as the result of unrealized losses on the Housing Authority's investment portfolio and the payment made to The Related Companies of California, LLC to terminate their development agreement for the Tina Pacific Affordable Housing Project.

REVENUES BY SOURCE

FUNCTION	Fiscal Year 2021-22	Percent of Total	Increase (Decrease) From 2020-21	Percent Increase (Decrease)
Charges for services	\$ 616,454	63.9%	\$ 53,461	9.5%
Investment earnings (loss)	(120,362)	-12.5%	(137,597)	-798.4%
Gain on sale of capital assets	430,902	44.6%	430,902	100.0%
Miscellaneous	14,006	1.4%	12,735	1002.0%
Transfers from City of Stanton	25,093	2.6%	25,093	100.0%
TOTAL REVENUES	\$ 966,093	100.0%	\$ 384,594	66.1%



Revenues increased by \$384,594, or 66.1%, from the prior year.

Charges for services increased by \$53,461, or 9.5% from the previous fiscal year due to additional rental income received during the current fiscal year. The Housing Authority changed its accounting practice for how the revenues and expenses activity from Quality Management Group (QMG), the Housing Authority’s property management company, are recorded in the Housing Authority’s books. For Fiscal Year 2021-22, the revenues and expenses are reported “gross” whereas in Fiscal Year 2020-21, the Housing Authority netted the amounts.

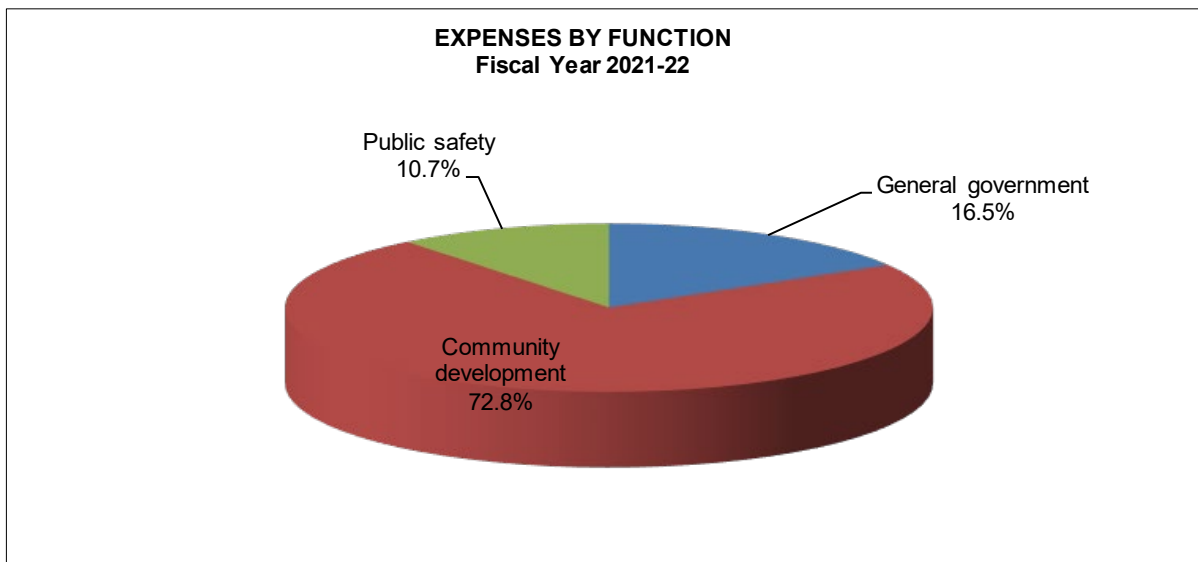
Investment earnings decreased by \$137,597, or 798.4%, in Fiscal Year 2021-22 due to the change in the investment market. The average yield of the California Local Agency Investment Fund (LAIF) was 0.37% in fiscal year 2021-22, compared to 0.50% in fiscal year 2020-21.

During Fiscal Year 2021-22, the Housing Authority sold the property located at 7455 Katella Avenue for \$756,902, which resulted in a realized gain of \$430,902 (the difference between the sales proceeds and the original cost of the property).

The cost of all governmental activities during fiscal year 2021-22 was \$1.2 million. The following table summarizes and presents expenses by function and percentages for the fiscal year ended June 30, 2022, along with the percentage changes from the prior year.

EXPENSES BY FUNCTION

FUNCTION	Fiscal Year 2021-22	Percent of Total	Increase (Decrease) From 2020-21	Percent Increase (Decrease)
General government	\$ 200,927	16.5%	\$ 31,672	18.7%
Community development	883,219	72.8%	(1,575,297)	-64.1%
Public safety	130,259	10.7%	(2,500,637)	-1919.7%
Public works	-	0.0%	(1,750)	-100.0%
TOTAL EXPENSES	\$ 1,214,405	100.0%	\$ (4,046,012)	-76.9%



Expenses decreased by \$4.0 million, or 76.9%, from the previous fiscal year. Significant changes in expense activity were:

Community development expenses decreased by \$1.6 million, or 64.1%, primarily due to losses associated with the disposition of capital assets during fiscal year 2020-21. During Fiscal Year 2020-21, the Housing Authority sold two parcels to Habitat for Humanity for \$210,100, resulting in a loss of \$971,892. In addition, the Housing Authority demolished the buildings located at 8881 Pacific Avenue and 8931 Pacific Avenue during Fiscal Year 2020-21. The cost to demolish the buildings was \$187,675 and resulted in an additional loss on disposal of the \$403,044 (the net book value of the assets).

Public safety expenses decreased by \$2.5 million, or 1919.7% from the previous year. On September 20, 2020, the Housing Authority approved a \$5 million funding commitment for permanent supportive housing projects located in Stanton (part of the State’s Project Homekey Program). During fiscal year 2020-21, the Housing Authority paid \$2.6 million of this funding commitment.

FINANCIAL ANALYSIS OF THE GENERAL FUND

As noted earlier, the Housing Authority uses fund accounting to ensure compliance with finance-related legal requirements. The focus of the Housing Authority’s *General Fund* is to provide information on near-term inflows, outflows, and balances of *spending* resources. Such information is useful in assessing the Housing Authority’s financing requirements.

As of June 30, 2022, the General Fund reported a restricted fund balance of \$13.4 million, which represents a decrease of \$643,542, or 4.6%, from the previous fiscal year, primarily due to unrealized losses on the Housing Authority’s investment portfolio and the payment made to The Related Companies of California, LLC, previously discussed.

CAPITAL ASSETS

	<u>2022</u>	<u>2021</u>	<u>% Change</u>
Land	\$ 15,243,865	\$ 14,674,615	3.9%
Buildings and improvements	<u>5,837,907</u>	<u>6,120,513</u>	-4.6%
Totals	<u>\$ 21,081,772</u>	<u>\$ 20,795,128</u>	1.4%

Total capital assets increased by \$286,644 or 1.4% from the previous fiscal year. Land increased by \$569,250 or 3.9%. During Fiscal Year 2021-22, the Housing Authority purchased the property located at 11870 Beach Boulevard from the City of Stanton for \$895,250. In addition, the Housing Authority sold the property located at 7455 Katella Avenue to KB Home Coastal, Inc. Buildings and improvements decreased by \$282,606, or 4.6% to account for current year depreciation. Additional information on the Housing Authority’s capital assets can be found in Note 3 in the Notes to the Basic Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

The Housing Authority maintains a conservative approach to budgeting revenues and expenditures. Management takes an active role in monitoring the application of the budget during the fiscal year to apply any necessary changes to projected revenues as well as appropriated expenditures. The Fiscal Year 2022-23 Adopted Budget includes a 52.5% reduction in revenues and 71.2% reduction in expenditures due to one-time revenues received and expenditures incurred during fiscal year 2021-22. The Fiscal Year 2022-23 budget was balanced after using \$689,895 in fund balance.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Housing Authority'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 information should be addressed to: Michelle Bannigan, Finance Director, City of Stanton, 7800 Katella Avenue, Stanton, California 90680.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

STANTON HOUSING AUTHORITY
Statement of Net Position
June 30, 2022

	<u>Governmental Activities</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Cash and investments (Note 2)	\$ 13,145,899
Receivables	47,995
Prepaid items	780
Notes and loans receivable (Note 4)	1,018,000
Capital assets (Note 3):	
Non-depreciable	15,243,865
Depreciable, net	<u>5,837,907</u>
Total assets	<u>35,294,446</u>
Deferred pension related items (Note 5)	<u>36,347</u>
Total deferred outflows of resources	<u>36,347</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	
Accounts payable	54,962
Due to the City of Stanton (Note 2)	711,903
Deposits payable	12,700
Unearned revenue	870
Long-term liabilities:	
Net pension liability (Note 5)	<u>102,756</u>
Total liabilities	<u>883,191</u>
Deferred pension related items (Note 5)	<u>97,475</u>
Total deferred inflows of resources	<u>97,475</u>
NET POSITION	
Net investment in capital assets	21,081,772
Restricted for:	
Low and moderate income housing	<u>13,268,355</u>
Total net position	<u>\$ 34,350,127</u>

See accompanying notes to the basic financial statements.

STANTON HOUSING AUTHORITY
Statement of Activities
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities Total
Governmental activities:					
General government	\$ 200,927	\$ -	\$ -	\$ -	\$ (200,927)
Public safety	130,259	-	-	-	(130,259)
Community development	<u>883,219</u>	<u>616,454</u>	<u>-</u>	<u>-</u>	<u>(266,765)</u>
Total governmental activities	<u>\$ 1,214,405</u>	<u>\$ 616,454</u>	<u>\$ -</u>	<u>\$ -</u>	(597,951)
		General revenues:			
					(120,362)
					430,902
					14,006
					<u>25,093</u>
				Total general revenues and transfers	<u>349,639</u>
				Change in net position	(248,312)
				Net position - beginning of year	<u>34,598,439</u>
				Net position - end of year	<u>\$ 34,350,127</u>

See accompanying notes to the basic financial statements.

FUND FINANCIAL STATEMENTS

STANTON HOUSING AUTHORITY
Balance Sheet - General Fund
June 30, 2022

ASSETS

Cash and investments	\$ 13,145,899
Receivables:	
Accounts	23,273
Interest	24,722
Prepaid costs	780
Notes and loans receivable	<u>1,018,000</u>
Total assets	<u>\$ 14,212,674</u>

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable	\$ 54,962
Due to the City of Stanton	711,903
Deposits payable	12,700
Unearned revenues	<u>870</u>
Total liabilities	<u>780,435</u>

Fund Balances:

Nonspendable	1,018,780
Restricted for Low and Moderate-Income Housing	<u>12,413,459</u>
Total fund balances	<u>13,432,239</u>

Total liabilities and fund balances	<u>\$ 14,212,674</u>
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STANTON HOUSING AUTHORITY
Reconciliation of the Balance Sheet - General Fund
to the Government-wide Statement of Net Position
June 30, 2022

Total Fund Balances - Total Governmental Funds \$ 13,432,239

Amounts reported for governmental activities in the Statement of Net Position were reported differently because:

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet.

Capital assets	23,722,030
Accumulated depreciation	<u>(2,640,258)</u>
Total capital assets	21,081,772

Pension-related debt applicable to the Authority's governmental activities is not due and payable in the current period and accordingly is not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to pensions are only reported in the statement of net position as the changes in these amounts affect only the government-wide statements for governmental activities.

Deferred Outflows of Resources - Pension Related	36,347
Deferred Inflows of Resources - Pension Related	(97,475)
Net Pension Liability	<u>(102,756)</u>

Net position of governmental activities \$ 34,350,127

STANTON HOUSING AUTHORITY
Statement of Revenues, Expenditures, and Changes in Fund Balance -
General Fund
For the Year Ended June 30, 2022

REVENUES:	
Investment income (loss)	\$ (120,362)
Rental income	616,454
Miscellaneous	<u>14,006</u>
Total revenues	<u>510,098</u>
EXPENDITURES:	
Current:	
General government	172,135
Public safety	111,593
Community development	<u>756,657</u>
Total expenditures	<u>1,040,385</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(530,287)</u>
OTHER FINANCING SOURCES (USES):	
Sale of capital assets	756,902
Transfers from City of Stanton	19,843
Transfers to City of Stanton	<u>(890,000)</u>
Total other financing sources (uses)	<u>(113,255)</u>
NET CHANGE IN FUND BALANCE	(643,542)
Fund balances, beginning of year	<u>14,075,781</u>
Fund balances, end of year	<u>\$ 13,432,239</u>

See accompanying notes to the basic financial statements.

STANTON HOUSING AUTHORITY
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balance - General Fund to the Governmental-wide Statement of Activities
For the Year Ended June 30, 2022

Net Change in Fund Balances - Total Governmental Funds \$ (643,542)

Governmental activities in the Statement of Activities were reported differently 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 outlays exceed depreciation and retirements in the current period.

Depreciation expenses	(282,606)
Acquisition of land from the City of Stanton	895,250
Loss on disposition of capital assets	<u>(326,000)</u>
Total capital assets	286,644

Pension expense reported in the governmental funds includes the annual required contributions. In the statement of activities, pension expense includes the change in the net pension liability and related change in pension amounts for deferred outflows of resources and deferred inflows of resources.

108,586

Change in net position of governmental activities \$ (248,312)

NOTES TO BASIC FINANCIAL STATEMENTS

**STANTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Stanton Housing Authority (the Authority), have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant Authority accounting policies are described below.

A. Description of Reporting Entity

The Authority was formed on March 22, 2011, by City of Stanton Council to facilitate the retention and use of transferred properties from the former Stanton Redevelopment Agency consistent with the redevelopment plan and for the purposes of ongoing maintenance of completed development projects. The Authority is an integral part of the reporting entity of the City. The funds of the Authority have been included within the scope of the basic financial statements of the City because City Council exercises oversight responsibility over the operations of the Authority and has a financial benefit/burden relationship.

B. Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the economic resources measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their activity are included on their statement of net position. The statement of activities presents the change in net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function.

**STANTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Financial Statement Presentation (Continued)

Government-Wide Financial Statements (Continued)

The types of transactions reported as program revenues for the Authority can be reported in three categories:

1. Charges for services
2. Operating grants and contributions
3. Capital grants and contributions

Charges for services include rental income for the Tina Way and Pacific Avenue properties received from lessees who use and directly benefit from the goods, services or privileges provided by a given function. Grants and contributions include revenues restricted to meeting the operational or capital requirements of a particular function.

The Authority's capital grants and contributions consist of bond proceeds received from the Stanton Successor Agency that were utilized to facilitate the capital projects for which those bonds were issued. Investment earnings and miscellaneous revenues are properly not included among program revenues and are reported instead as general revenues.

Amounts to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenses. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure. The Authority has no long-term debt.

Governmental Fund Financial Statements

Governmental fund financial statements include a balance sheet and a statement of revenue, expenditures, and changes in fund balance for the Authority. The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of available spendable resources. Noncurrent portions of long-term receivables due to the governmental fund are reported on its balance sheets in spite of its spending measurement focus. The statement of revenues, expenditures, and changes in fund balance present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Accordingly, this statement is said to present a summary of sources and uses of available spendable resources during a period.

**STANTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Financial Statement Presentation (Continued)

Governmental Fund Financial Statements (Continued)

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 in the current period. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, except for principal and interest on general long-term liabilities, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisition of capital leases are reported as other financing sources.

Rental income and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue (within 60 days of year-end). Amounts owed to the Authority, which are not available, are recorded as receivables and deferred inflows of resources. All other revenue items are considered to be measurable and available only when cash is received by the government.

C. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that time. The Authority has the following items that qualify for reporting in this category:

- Deferred outflow related to pensions equal to employer contributions made after the measurement date of the net pension liability.
- Deferred outflow from pensions resulting from differences between actual and expected experiences. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plan.
- Deferred outflow related to pensions resulting from the net differences between projected and actual earnings on plan investments. These amounts are amortized over five years.

**STANTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of net position and governmental funds balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The Authority has the following items that qualify for reporting in this category:

- Deferred inflow related to pensions for changes in assumptions and changes in proportion and differences between the employer's contributions and the employer's proportionate share of contributions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.

D. Net Position Flow Assumptions

Sometimes the Authority will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the Authority's practice to consider restricted - net position to have been depleted before unrestricted - net position is applied.

E. Assets, Liabilities, and Net Position or Equity

Cash and Investments

Investments are reported in the accompanying financial statements at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments that are not traded on a market, such as investments in external pools, are valued based on the stated fair value represented by the external pool (in relation to the amortized cost of that portfolio). Changes in fair value that occur during a fiscal year are recognized as investment income for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity or sale of investments.

Cash and investments are pooled with other City funds for investment purposes, with interest being allocated monthly to all funds legally requiring allocation and to other various funds at the direction of management based on the month-end pooled funds' cash and investment balances. Interest income for cash and investments excluded from pooled cash is credited directly to the related fund. Investment policies applicable to the Authority's funds are those of the City and are included in the notes to the City's basic financial statements.

STANTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, and Net Position or Equity (Continued)

Capital Assets

Capital assets, which include land, are reported in the government-wide financial statements. Acquired assets are recorded at historical cost or estimated historical cost. Donated assets are valued at the acquisition value of the assets on the date on which they were contributed. The costs of normal maintenance and repairs that do not add value to the assets or materially extend the life are not capitalized. Capital assets are defined as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year with the exception of land, structures and improvements, and infrastructure, which have a threshold of \$50,000. The Authority has no capital assets requiring depreciation and would follow the Authority's policy for depreciation should assets arise in the future.

Net Position

In the government-wide financial statements, net position is classified in the following applicable categories:

Investment in Capital Assets - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets. The Authority has no debt related to capital assets.

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

Unrestricted Net Position – This amount is all net position that does not meet the definition of net investment in capital assets or restricted net position.

Fund Balance

The fund balance reported on the fund statements is classified in the following applicable categories:

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted – This classification includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

STANTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, and Net Position or Equity (Continued)

Fund Balance (Continued)

Committed – This classification includes amounts for which the use of such amounts 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 Authority Council is considered the highest authority for the Authority, and the adoption of a formal resolution prior to the end of the fiscal year is required to establish a fund balance commitment. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of resolution) to remove or revise the limitation. The Authority has no committed fund balance.

Assigned – This classification includes amounts to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The Authority Board has authorized the Finance Director for that purpose. The Finance Director determines the assigned amount based on encumbrances and any future budget deficits. The Authority has no assigned fund balance.

Unassigned – This classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

Spending Policy

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

- Restricted
- Committed
- Assigned
- Unassigned

STANTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Pensions

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

G. Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the statement of net position date and reported amounts of revenues and expenses during the reporting period.

Estimates are used to determine the net pension liability and corresponding deferred outflows of resources and deferred inflows of resources, and certain liabilities. Actual results may differ from those estimates.

NOTE 2 CASH AND INVESTMENTS

Cash and Investments

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

Statement of Net Position:

Cash and Investments	<u>\$ 13,145,899</u>
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Cash and investments as of June 30, 2022, consists of the following:

Local Agency Investment Fund (LAIF)	<u>\$ 13,145,899</u>
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STANTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Equity in the Cash and Investment Pool of the City of Stanton

The Authority has no separate bank accounts or investments other than LAIF and its equity in the cash and investment pool managed by the City. The Authority is a voluntary participant in the City's pool. This pool is governed by and under the regulatory oversight of the Investment Policy adopted by the Council of the City of Stanton. The Authority has not adopted an investment policy separate from that of the City. The fair value of the Authority's investment in this pool is reported in the accompanying financial statements at amounts based upon the Authority's pro rata share of the fair value calculated by the City for the entire City portfolio. The balance available for withdrawal is based on the accounting records maintained by the City, which are recorded at the estimated fair value. Due to the negative cash position of the Authority, for the fiscal year ended June 30, 2022, the Authority has an amount due to the City of \$711,903.

Investments Authorized by the City of Stanton's Investment Policy

The table below identifies investment types that are authorized for the City of Stanton by the California Government Code and the City's investment policy. The City's Investment Policy is reviewed and adopted by the City Council each year. Regarding allowable investment types, the investment policy is more conservative and restrictive than the investment vehicles authorized by Section 53600.5 of the California Government Code. Investment vehicles not specifically mentioned in the City's investment policy are not authorized unless the policy is amended by the City Council or is approved as part of the provisions of the bond indentures. Investments are limited to the following:

Investment Types Authorized by State Law or the City's Investment Policy	Maximum Maturity*	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
United States Treasury Notes	5 Years	100%	None
United States Government-Sponsored Agency Securities	5 Years	100%	25%
Federal Home Loan Banks (FHLB)	5 Years	100%	25%
Fannie Mae (FNMA)	5 Years	100%	25%
Federal Home Loan Mortgage Corp. (FHLMC)	5 Years	100%	25%
Federal Farm Credit Banks (FFCB)	5 Years	100%	25%
All Other	5 Years	100%	25%
Local Agency Securities	5 Years	100%	5%
Collateralized Time Deposits (Nonnegotiable Certificates of Deposit)	5 Years	30%	None
Banker's Acceptances	180 Days	40%	5%
Commercial Paper	270 Days	25%	5%
Medium-Term Corporate Notes	5 Years	30%	5%
Local Agency Investment Fund (LAIF)	N/A	100%	None
Negotiable Certificates of Deposit	5 Years	30%	5%
Money Market Mutual Funds	N/A	20%	None
Asset-Backed and Mortgage-Backed Securities	5 Years	20%	5%
Supranational	5 Years	30%	10%
Local Government Investment Pools	N/A	100%	None
Certificate of Deposit Placement Service (CDARS)	5 Years	30%	None

*Excluding amounts held by bond trustees that are not subject to California Government Code restrictions.
N/A - Not Applicable

STANTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

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. The Authority manages its exposure to interest rate risk by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

The Authority's investment in both LAIF and the City's investment pool are available upon demand.

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. None of the Authority's investments are rated.

Custodial Credit Risk

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

Investment in State Investment Pool

The Authority is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the Authority's investment in this pool is reported in the accompanying financial statements at amounts based upon the Authority's pro rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF.

STANTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements

The Authority categorizes its fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted price of similar assets in active markets, and Level 3 inputs are significant unobservable inputs. The Authority's investment in LAIF and the City investment pool are not subject to the fair value hierarchy.

NOTE 3 CAPITAL ASSETS

A summary of changes in the capital assets activity for the year ended June 30, 2022, is as follows:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Non-depreciable:				
Land	\$14,674,615	895,250	(326,000)	15,243,865
Total non-depreciable	14,674,615	895,250	(326,000)	15,243,865
Depreciable:				
Buildings and improvements	8,478,165	-	-	8,478,165
Less accumulated depreciation for:				
Buildings and improvements	(2,357,652)	(282,606)	-	(2,640,258)
Total depreciable capital assets, net	6,120,513	(282,606)	-	5,837,907
Total capital assets, net	\$20,795,128	612,644	(326,000)	21,081,772

NOTE 4 NOTES AND LOANS RECEIVABLE

The notes and loans receivable balance at June 30, 2022, was as follows:

Stanton Accessible Apartments Construction	\$ 391,184
First-Time Home Buyer	40,000
Housing Rehabilitation	978,000
Allowance for Doubtful Accounts	(391,184)
Total	<u>\$ 1,018,000</u>

In November 2004, the former Redevelopment Agency entered into a Residual Receipts Promissory Note with Stanton Accessible Apartments Construction. Under the terms of the agreement, the former Redevelopment Agency loaned \$258,261 to Stanton Accessible Apartments Construction. The note commenced on May 5, 2005, and bears interest at 3% per year. The note was transferred to the Housing Authority on February 1, 2012. The total amount outstanding, including accrued interest at June 30, 2022, was \$391,184, with an allowance for the forgivable amount of \$391,184.

**STANTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 NOTES AND LOANS RECEIVABLE (CONTINUED)

The First Time Home Buyer Assistance Program, or HOMES, was created by the former Redevelopment Agency in order to help existing and new residents purchase their first home. The HOMES program provides up to \$40,000 in down payment assistance for eligible first-time home buyers of low to moderate income. Assistance is in the form of a 45-year loan with interest and payments deferred for the first 10 years of the loan. The HOMES loan is secured by a second trust deed in conjunction with a first mortgage offered by a participating lender. The loan was transferred to the Housing Authority on February 1, 2012. The total amount outstanding at June 30, 2022, was \$40,000.

The Housing Rehabilitation Loan Program offers loans of up to \$50,000 for newer homes and up to \$75,000 for pre-1960 homes to low- and moderate-income households. The purpose of the program is to assist Stanton's homeowners with addressing code violations and eliminating blighted, unsafe, unsanitary, and deteriorating living conditions. The loans are interest free with deferred payments until the property is sold, refinanced, or a change in title occurs. The loans were transferred to the Housing Authority on February 1, 2012. The total amount outstanding at June 30, 2022, was \$978,000.

NOTE 5 RETIREMENT PLANS

A. General Information about the Pension Plans

Plan Descriptions

The Authority participates in the City's Pension Plans. All qualified permanent and probationary employees are eligible to participate in the City's Miscellaneous Employee Pension Plans, which are cost-sharing multiple-employer defined benefit pension plans administered by CalPERS. Benefit provisions under the plans are established by state statute and Authority resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. For employees hired into a plan with the 1.5% at 65 formula, eligibility for service retirement is age 55 with at least five years of services. PEPRA miscellaneous members become eligible for service retirement upon attainment of age 52 with at least five years of service. All members are eligible for nonduty disability benefits after five years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. Safety members can receive a special death benefit if the member dies while actively employed and the death is job related.

STANTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 RETIREMENT PLANS (CONTINUED)

A. General Information about the Pension Plans (Continued)

Benefits Provided (Continued)

Fire members may receive the alternate death benefit in lieu of the Basic Death Benefit or the 1957 Survivor Benefit if the member dies while actively employed and has at least 20 years of total CalPERS service. The cost of living adjustments for each plan are applied as specified by the California Public Employees' Retirement Law.

The plans' provisions and benefits in effect at the measurement date ended June 30, 2021, are summarized as follows:

	Miscellaneous		
	Tier I On or Prior to August 27, 2011	Tier II After August 27, 2011	Tier III - PEPRA On or After January 1, 2013
Hire Date			
Benefit Formula	2%@55	2%@60	2%@62
Benefit Vesting Schedule	5 Years of Service	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement Age	50 - 67	50 - 67	52 - 67
Monthly Benefits, as a % of Eligible			
Compensation	1.426% to 2.418%	1.092% to 2.418%	1.0% to 2.5%
Required Employee Contribution Rates	7.000%	7.000%	6.750%
Required Employer Contribution Rates			
Normal Cost Rate	10.880%	8.650%	7.590%
Payment of Unfunded Liability	\$ 15,675	\$ 57	\$ 159

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS's 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 Authority is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Authority contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions. The Authority's portion of the pension contributions for the year ended June 30, 2022 was \$21,831.

STANTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 RETIREMENT PLANS (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2022, the Authority reported net pension liabilities for its proportionate shares of the net pension liability of each plan as follows:

	Proportionate Share of Net Pension Liability
	<u> </u>
Miscellaneous	<u>\$ 102,756</u>

The Authority's net pension liability for each plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the plans is measured as of June 30, 2021, and the total pension liability for each plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021, using standard update procedures. The Authority's proportionate share of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The Authority's proportionate share of the net pension liability for each plan as of the measurement date ended June 30, 2020 and 2021, was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2020	5.44000%
Proportion - June 30, 2021	2.95000%
Change - Increase (Decrease)	(2.49000%)

For the year ended June 30, 2022, the Authority recognized pension expense of \$37,960. At June 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Miscellaneous</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 21,831	-
Change in proportion	2,993	(305)
Difference in actual contributions vs. proportionate share of contributions	-	(7,469)
Difference between expected and actual experience	11,523	-
Differences between projected and actual earnings on plan investments	-	(89,701)
Total	<u>\$36,347</u>	<u>(97,475)</u>

STANTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 RETIREMENT PLANS (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Deferred outflows of resources related to contributions subsequent to the measurement date reported as \$21,831, will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Miscellaneous
2023	\$ (18,499)
2024	(19,005)
2025	(20,666)
2026	(24,789)
	<u>\$ (82,959)</u>

Actuarial Assumptions

The total pension liability was based on the following assumptions:

	<u>Miscellaneous</u>
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increase	(1)
Mortality Rate Table	(2)
Post-Retirement Benefit Increase	(3)

(1) Varies by entry age and service.

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

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

STANTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 RETIREMENT PLANS (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Long-Term Expected Rate of Return

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

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

The expected real rates of return by asset class are as follows:

Asset Class (a)	Assumed Asset Allocation	Real Return Years 1 - 10 (b)	Real Return Years 11+ (c)
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

(a) In the CalPERS ACFR, fixed income is included in global debt securities; liquidity is included in short-term investments; and inflation assets are included in both global equity securities and global debt securities.

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

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

STANTON HOUSING AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 RETIREMENT PLANS (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Discount Rate

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

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

The following presents the Authority's proportionate share of the net pension liability for each plan, calculated using the discount rate for each plan, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>Miscellaneous</u>
1% Decrease	6.15%
Net Pension Liability	\$ 199,015
Current Discount Rate	7.15%
Net Pension Liability	\$ 102,756
1% Increase	8.15%
Net Pension Liability (Asset)	\$ 23,180

Pension Plans Fiduciary Net Position

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

C. Payable to the Pension Plans

At June 30, 2022, the Authority had no outstanding amount of contributions to the pension plans required for the year ended June 30, 2022.

NOTE 6 SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 20, 2022 which is the date the financial statements were available to be issued, and has determined that there are no transactions that will have a significant impact on the Authority.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

STANTON HOUSING AUTHORITY
Schedule of Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years *
Year Ended June 30, 2022

Fiscal year ended June 30	2022	2021	2020	2019	2018
Measurement period June 30	2021	2020	2019	2018	2017
Proportion of the net pension liability	2.95%	5.44%	3.39%	3.39%	3.39%
Proportionate share of the net pension liability	\$ 102,756	\$ 328,093	\$ 188,943	\$ 171,503	\$ 174,231
Covered payroll	\$ 171,435	\$ 92,886	\$ 86,249	\$ 89,653	\$ 74,185
Proportionate Share of the net pension liability as percentage of covered payroll	59.94%	353.22%	219.07%	191.30%	234.86%
Proportionate Share of the Fiduciary Net Position as a percentage of the Total Pension Liability	88.29%	74.82%	75.26%	75.26%	73.31%

Notes to schedule:

Benefit changes:

There were no changes in benefits.

Changes in assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses.

The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2021:

There were no significant changes in assumptions.

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

STANTON HOUSING AUTHORITY
Schedule of Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years * (Continued)
Year Ended June 30, 2022

Fiscal year ended June 30	2017	2016	2015
Measurement period June 30	2016	2015	2014
Proportion of the net pension liability	3.39%	3.39%	3.39%
Proportionate share of the net pension liability	\$ 148,691	\$ 110,824	\$ 123,495
Covered payroll	\$ 71,092	\$ 66,722	\$ 63,893
Proportionate Share of the net pension liability as percentage of covered payroll	209.15%	166.10%	193.28%
Proportionate Share of the Fiduciary Net Position as a percentage of the Total Pension Liability	74.06%	82.31%	80.06%

STANTON HOUSING AUTHORITY
Schedule of Contributions
Last 10 Fiscal Years *
Year Ended June 30, 2022

Fiscal year ended June 30	2022	2021	2020	2019	2018
Contractually required contribution (actuarially determined), \$	37,960	37,811	20,389	15,914	13,655
Contributions in relation to the actuarially determined contributions	(37,960)	(37,811)	(20,389)	(15,914)	(13,655)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 105,085	\$ 171,435	\$ 92,886	\$ 86,249	\$ 89,653
Contributions as a percentage of covered payroll	36.12%	22.06%	21.95%	18.45%	15.23%

Notes to schedule:

Valuation date	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
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Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	(1)	(1)	(1)	(1)	(1)

Asset valuation method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	0.000%	2.500%	2.625%	2.750%	2.750%
Salary increases	(2)	(2)	(2)	(2)	(2)
Investment rate of return	0.00% (3)	7.00% (3)	7.25% (3)	7.375% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

- (1) Level percentage of payroll, closed
- (2) Depending on age, service, and type of employment
- (3) Net of pension plan investment expense, including inflation
- (4) 50 for all plans with exception of 52 for Miscellaneous 2% @ 62
- (5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

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

STANTON HOUSING AUTHORITY
Schedule of Contributions
Last 10 Fiscal Years * (Continued)
Year Ended June 30, 2022

Fiscal year ended June 30	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 11,105	\$ 9,765	\$ 25,263
Contributions in relation to the actuarially determined contributions	<u>(11,105)</u>	<u>(9,765)</u>	<u>(25,263)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 74,185	\$ 71,092	\$ 66,722
Contributions as a percentage of covered payroll	14.97%	13.74%	37.86%

Notes to schedule:

Valuation date	6/30/2014	6/30/2013	6/30/2012
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Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age	Entry Age	Entry Age
Amortization method	(1)	(1)	(1)
			15 Year Smoothed Market Method
Asset valuation method	Fair Value	Fair Value	Fair Value
Inflation	2.750%	2.750%	2.750%
Salary increases	(2)	(2)	(2)
Investment rate of return	7.50% (3)	7.50% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)
Mortality	(5)	(5)	(5)

STANTON HOUSING AUTHORITY
Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Investment income (loss)	\$ 150,000	\$ 50,000	\$ (120,362)	\$ (170,362)
Rental income	500,000	500,000	616,454	116,454
Miscellaneous	<u>2,000</u>	<u>2,000</u>	<u>14,006</u>	<u>12,006</u>
Total revenues	<u>652,000</u>	<u>552,000</u>	<u>510,098</u>	<u>(41,902)</u>
EXPENDITURES				
Current:				
General government	279,565	279,565	172,135	107,430
Public safety	297,960	2,437,790	111,593	2,326,197
Community development	508,075	815,575	756,657	58,918
Capital outlay	<u>-</u>	<u>2,600,000</u>	<u>-</u>	<u>2,600,000</u>
Total expenditures	<u>1,085,600</u>	<u>6,132,930</u>	<u>1,040,385</u>	<u>5,092,545</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(433,600)	(5,580,930)	(530,287)	(5,134,447)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	682,000	756,902	74,902
Transfer from City of Stanton	-	-	19,843	19,843
Transfer to City of Stanton	<u>-</u>	<u>(890,000)</u>	<u>(890,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(208,000)</u>	<u>(113,255)</u>	<u>94,745</u>
Net change in fund balance	<u>\$ (433,600)</u>	<u>\$ (5,788,930)</u>	(643,542)	<u>\$ (5,039,702)</u>
Fund balance, beginning of year			<u>14,075,781</u>	
Fund balance, end of year			<u>\$ 13,432,239</u>	

**STANTON HOUSING AUTHORITY
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022**

NOTE 1 BUDGET AND BUDGETARY ACCOUNTING

The Authority adopts an annual budget prepared on the modified accrual basis. The Executive Director is required, under Municipal Code Section 2.08.050, to prepare and submit to the Board of Directors the annual budget of the Authority and administer it after adoption. Legally, expenditures may not exceed total appropriations at the fund level. The Executive Director is authorized to transfer budgeted amounts within the accounts of any fund; however, any revisions between funds must be approved by the Board of Directors. Prior year appropriations lapse, unless they are encumbered at year-end, and reappropriated through the formal budget process.

The budgetary information shown for revenues and expenditures represent the original adopted budget adjusted for any changes made by the Board of Directors or Executive Director.

CITY OF STANTON
Stanton, California

Report on Communication
With Those Charged with Governance

June 30, 2022

CITY OF STANTON
Stanton, California

Report On Communication
With Those Charged With Governance

June 30, 2022

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City of Stanton
Stanton, California

To the Honorable Mayor and City Council:

We have audited the financial statements of the government activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Stanton, California (City) for the year ended June 30, 2022, and have issued our report thereon dated February 16, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the engagement contract dated July 11, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practice

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. The City adopted Statement on Governmental Accounting Standards (GASB Statements) No. 87-*Leases*; No 89-*Accounting for Interest Cost Incurred Before the End of a Construction period*; No. 90- *Majority Equity Interest*; No. 93- *Replacement of Interbank Offered Rates*; and No. 97- *Certain Component Unit Criteria for Internal Revenue Code 457 Deferred Compensation Plans*. The adoption of the GASB Nos. 87, 89, 90, 93, and 97 did not significantly impact the City. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

- Management's estimate of capitalizing certain infrastructure assets that prolong its' useful life (as opposed to classifying as routine maintenance expense) and depreciation expense on capital assets. We have evaluated the key factors and assumptions used to estimate the capitalization of infrastructure assets and useful lives on depreciation expense in determining that they are reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the net pension liability and net OPEB liability and their allocation to various funds. We have evaluated the key factors and assumptions used to estimate the net pension liability and its allocation to various funds of the City in determining that they are reasonable in relation to the financial statements taken as a whole.

City of Stanton
Honorable Mayor and City Council

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

- The disclosure of Contingencies in Note 15 to the financial statements concerning potential claims against the City for possible disallowed costs or noncompliance with certain grantor restrictions. As of the date of this letter, Management is not aware of any disallowed costs or noncompliance with grantor restrictions.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We noted no significant adjustments as a result of audit procedures. We were not aware of any significant uncorrected misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 16, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as City of Stanton's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

City of Stanton
Honorable Mayor and City Council

Other Matters

We applied certain limited procedures to City of Stanton, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information as described in the table of contents in the financial statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the supplementary information as described in the table of contents in the financial statements, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This report is intended solely for the information and use of the City Council and management, and is not intended to be and should not be used by anyone other than these specified parties.

GRUBER AND LOPEZ, INC.

Gruber and Lopez, Inc.

Newport Beach, California
February 16, 2023

EXHIBIT A- GENERAL MATTERS

2022-1 Investment Policy Requirements

Based on our review of the City's own investment policy, the policy states "Brokers must...execute a certification that the Broker's employees and supervisory personnel have read and understand the City's Investment Policy". However, the City's investment broker did not provide such certification statement for fiscal year 2021/2022.

Recommendation: We recommend that the City notify their investment broker about this requirement so the broker can provide the aforementioned statement.

Management's Response: We concur with the recommendation and will have Chandler Asset Management LLC sign a document for fiscal year 2022/2023 and then annually each investment policy thereafter.

2022-2 Bank Reconciliation

During our testwork on the City's bank reconciliation, we noted that there were 24 checks older than 180 days dating back to August 11, 2021. One check dated March 12, 2020 for \$18,550.20 is still outstanding.

Recommendation: We recommend that the City research all stale dated outstanding checks older than 90 days and either void them or re-issue them as the bank usually will reject such stale dated checks.

Management's Response: We concur with the recommendation and do review the outstanding/stale checks monthly, however, we will provide explanations for the ones that are over 180 days.



Honorable Mayor and City Council
City of Stanton
Stanton, California

Independent Accountants' Report on Applying Agreed-Upon Procedures
Appropriations Limit Worksheets

We have performed the procedures enumerated below on the appropriations limit calculation worksheets of the City of Stanton, California (City) for the year ended June 30, 2022. The City's management is responsible for the appropriations limit calculation worksheets.

The City has agreed to and acknowledged that the procedures performed are appropriate for the intended purpose of meeting the requirements of Section 1.5 of Article XIII B of the California Constitution (Constitution) and the League of California Cities as presented in the League publication entitled *Article XIII B Appropriations Limitation Uniform Guidelines* (Guidelines). This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1. We obtained the worksheets referred to above and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote.

Results: No exceptions were noted as a result of our procedures.

City Council
City of Stanton, California
Page Two

2. We recalculated the mathematical computations reflected in the City worksheets.

Results: No exceptions were noted as a result of our procedures.

3. We compared the current year information used to determine the current year limit and found that it agreed to worksheets prepared by the City and to information provided by the State Department of Finance.

Results: No exceptions were noted as a result of our procedures.

4. We compared the amount of the prior year appropriations limit presented in the worksheets to the amount adopted by the City Council for the prior year.

Results: No exceptions were noted as a result of our procedures.

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on meeting the requirements of the Constitution and Guidelines. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the City and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

Gruber and Lopez, Inc.

Gruber and Lopez, Inc.

Newport Beach, California
December 31, 2022

**City of Stanton
Government Auditing Standards Report
and
Alternative Compliance Examination Engagement Report
June 30, 2022**



CITY OF STANTON
Government Auditing Standards Report
and
Alternative Compliance Examination Engagement Report
June 30, 2022

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Honorable Mayor and City Council
City of Stanton
Stanton, California

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Stanton, California (City) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise City of Stanton's basic financial statements, and have issued our report thereon dated February 16, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Stanton's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Stanton's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Stanton's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Honorable Mayor and City Council
City of Stanton
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Stanton's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that were required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gruber and Lopez, Inc.

Gruber and Lopez, Inc.

Newport Beach, California
February 16, 2023



Honorable Mayor and City Council
City of Stanton
Stanton, California

**Independent Accountant’s Report on Compliance for the U.S. Department of Treasury
Coronavirus State and Local Fiscal Recovery Funds Program (CSLFRF) Requirements for
an Alternative CSLFRF Compliance Examination Engagement**

We have examined the City of Stanton compliance with the compliance requirements “activities allowed or unallowed” and “allowable cost/cost principles” (the specified requirements) as described in Part IV “Requirements for an Alternative Compliance Examination Engagement for Recipients That Would Otherwise be Required to Undergo a Single Audit or Program-Specific Audit as a Result of Receiving Coronavirus State and Local Fiscal Recovery Funds” of the CSLFRF section of the 2022 OMB Compliance Supplement (referred to herein as “Requirements for an Alternative CSLFRF Compliance Examination Engagement”) during the year ended June 30, 2022. Management of the City of Stanton is responsible for City of Stanton’s compliance with the specified requirements. Our responsibility is to express an opinion on City of Stanton’s compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA; the standards applicable to attestation engagements contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in the “Requirements for an Alternative CSLFRF Compliance Examination Engagement.” Those standards and requirements require that we plan and perform the examination to obtain reasonable assurance about whether City of Stanton complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether City of Stanton complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the City of Stanton’s compliance with specified requirements.

In our opinion, City of Stanton’s complied, in all material respects, with the specified requirements referenced above during the year ended June 30, 2022.

Honorable Mayor and City Council
City of Stanton
Page Two

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud, and noncompliance with provisions of laws, regulations, contracts, or grant agreements that have a material effect on the City of Stanton's compliance with the specified requirements and any other instances that warrant the attention of those charged with governance. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on the City of Stanton's compliance with the specified requirements and not for the purpose of expressing an opinion on the internal control over the specified requirements or on compliance and other matters; accordingly, we express no such opinions. The results of our tests disclosed no matters that are required to be reported under Government Auditing Standards.

Intended Purpose

The purpose of this examination report is solely to express an opinion on whether City of Stanton complied, in all material respects with the specified requirements referenced above during the year ended June 30, 2022. Accordingly, this report is not suitable for any other purpose.

Gruber and Lopez, Inc.

Gruber and Lopez, Inc.

Newport Beach, California
February 16, 2023

CITY OF STANTON
Schedule of Findings and Questioned Costs
Year ended June 30, 2022

Summary of Auditors' Results

A) Findings Related to the Financial Statements which are Required to be Reported in Accordance with GAGAS

1. An unmodified report was issued by the auditors on the financial statements of the auditee.
2. There were no material weaknesses in internal control nor were there any significant deficiencies.
3. There were no instances of noncompliance or other matters that were required to be reported under *Government Auditing Standards*.

(B) Findings and Questioned Costs for Federal Awards Required by CSLFRF

4. The audit disclosed no audit findings of federal awards required by the auditors to be reported under the requirements described in the CSLFRF.

CITY OF STANTON
Summary Schedule of Prior Year (June 30, 2021) Audit Findings
Year ended June 30, 2022

There were no prior year findings that required follow up procedures.

CITY OF STANTON

REPORT TO CITY COUNCIL

TO: Honorable Mayor and Members of the City Council

DATE: March 14, 2023

SUBJECT: AWARD OF CONSTRUCTION CONTRACT FOR THE STANTON CITY HALL FIRE ALARM UPGRADE PROJECT

REPORT IN BRIEF:

The existing fire alarm system at Stanton City Hall is due for an upgrade as the system is no longer compliant with the current Fire Code and long past its life expectancy. City staff is recommending award of contract to Climatec, LLC to provide design and construction services to upgrade City Hall's Fire Alarm System.

RECOMMENDED ACTION:

1. City Council find that the project is categorically exempt under the California Environmental Quality Act ("CEQA"), Class 1, Section 15301(a) as alteration of existing public facilities; and
2. Waive the competitive bidding requirements in the City's purchasing policy for this procurement; and
3. Award a construction contract to Climatec, LLC to provide professional engineering and construction services to upgrade the fire alarm system for the amount of \$182,376; and
4. Authorize the City Manager to bind the City of Stanton and Climatec, LLC in a contract for the project; and
5. Authorize the City Manager to approve contract change orders, not to exceed \$17,500.

BACKGROUND:

The existing fire alarm system at Stanton City Hall has not been upgraded since the 1970s. The current system is not compliant with the current Fire Code and parts/equipment are no longer available as the system is antiquated.

The Stanton City Hall Fire Alarm Upgrade project will replace the existing system and ensure that the fire alarm system is up to Code.

ANALYSIS/JUSTIFICATION:

Due to the complexity of the specifications, staff requested a “Design Build” proposal from Climatec.

The scope of work includes:

- Engineering design and plan submission
- Obtaining necessary permits
- Furnish and install hardware/equipment
- Labor for installation and programming
- Final inspection with County Fire Marshal
- Final as-built drawings and close out documents

The City currently uses Climatec’s software system to control the HVAC system at City Hall. Staff is proposing to work with Climatec to upgrade the fire alarm system to streamline and consolidate the facility infrastructure. This consolidation will also help staff work efficiently through troubleshooting issues due to familiarity of the system, improve coordination and organization, and strengthen the City’s facility infrastructure. Staff believes that Climatec, LLC is capable of providing the required service to upgrade the fire alarm system at City Hall.

Considering the national purchasing cooperative’s competitive contract pricing, staff is requesting that the City Council waive the competitive bidding requirement in the City’s purchasing policy for this procurement. Sole sourcing Climatec’s services is an efficient and effective response to meet the City’s current needs.

FISCAL IMPACT:

On September 13, 2022, the City Council allocated \$200,000 from the City’s ARPA Fund (#257) for the City Hall Security/Fire Alarm Upgrade project (Task Code 2022-834).

ENVIRONMENTAL IMPACT:

This project is categorically exempt under the California Environmental Quality Act, Class 1, and Section 15301(a) as alteration of existing public facilities.

LEGAL REVIEW:

None.

STRATEGIC PLAN OBJECTIVES:

Obj. No. 3: Provide a quality infrastructure.

Obj. No. 6: Maintain and promote a responsive, high-quality, and transparent government.

Prepared by: Han Sol Yoo, E.I.T., Associate Engineer

Reviewed by: Cesar Rangel, P.E., Public Works Director / City Engineer

Fiscal Impact Reviewed by: Michelle Bannigan, Finance Director

Approved by: Hannah Shin-Heydorn, City Manager

ATTACHMENT:

A. Construction Contract with Climatec, LLC

**CITY OF STANTON
SHORT FORM CONSTRUCTION CONTRACT
STANTON CITY HALL FIRE ALARM UPGRADE**

1. PARTIES AND DATE.

This Contract is made and entered into this 15th day of March, 2023 by and between the City of Stanton, a municipal corporation organized under the laws of the State of California with its principal place of business at 7800 Katella Avenue, Stanton, CA 90680 (“City”) and CLIMATEC, LLC a Limited Liability Company (LLC), with its principal place of business at 2851 W. Kathleen Road, Phoenix, AZ 85053 (“Contractor”). City and Contractor are sometimes individually referred to as “Party” and collectively as “Parties” in this Contract.

2. RECITALS.

2.1 City. City is a public agency organized under the laws of the State of California, with power to contract for services necessary to achieve its purpose.

2.2 Contractor. Contractor desires to perform and assume responsibility for the provision of certain construction services required by the City on the terms and conditions set forth in this Contract. Contractor represents that it is duly licensed and experienced in providing an upgrade to the fire alarm system related construction services to public clients, that it and its employees or subcontractors have all necessary licenses and permits to perform the services in the State of California, and that it is familiar with the plans of City. The following license classifications are required for this Project: C10.

2.3 Project. City desires to engage Contractor to render such services for the STANTON CITY HALL FIRE ALARM UPGRADE (“Project”) as set forth in this Contract.

2.4 Project Documents & Certifications. Contractor has obtained, and delivers concurrently herewith, performance bond, payment bond, insurance documents, and other certifications as required by the Contract.

3. TERMS**3.1 Compensation and Payment.**

3.1.1 Amount of Compensation. As consideration for performance of the Work required herein, City agrees to pay Contractor the Total Contract Price of One Hundred Eighty-Two Thousand Three Hundred Seventy-Six Dollars (\$182,376.00) (“Total Contract Price”) provided that such amount shall be subject to adjustment pursuant to the applicable terms of this Contract or written change orders approved and signed in advance by the City.

3.1.2 Payment of Compensation. If the Work is scheduled for completion in thirty (30) or less calendar days, City will arrange for payment of the Total Contract Price upon completion and approval by City of the Work. If the Work is scheduled for completion in more than thirty (30) calendar days, City will pay Contractor on a monthly basis as provided for herein. On or before the fifth (5th) day of each month, Contractor shall submit to the City an itemized application for payment in the format supplied by the City indicating the amount of Work completed since commencement of the Work or since the last progress payment. These applications shall

be supported by evidence which is required by this Contract and such other documentation as the City may require. The Contractor shall certify that the Work for which payment is requested has been done and that the materials listed are stored where indicated. Contractor may be required to furnish a detailed schedule of values upon request of the City and in such detail and form as the City shall request, showing the quantities, unit prices, overhead, profit, and all other expenses involved in order to provide a basis for determining the amount of progress payments.

3.1.3 Prompt Payment. City shall review and pay all progress payment requests in accordance with the provisions set forth in Section 20104.50 of the California Public Contract Code. However, no progress payments will be made for Work not completed in accordance with this Contract. Contractor shall comply with all applicable laws, rules and regulations relating to the proper payment of its employees, subcontractors, suppliers or others.

3.1.4 Contract Retentions. If this Contract is greater than Five Thousand dollars (\$5,000), from each approved progress estimate, five percent (5%) will be deducted and retained by the City, and the remainder will be paid to Contractor. All Contract retention shall be released and paid to Contractor and subcontractors pursuant to California Public Contract Code Section 7107.

3.1.5 Other Retentions. In addition to Contract retentions, the City may deduct from each progress payment an amount necessary to protect City from loss because of: (1) liquidated damages which have accrued as of the date of the application for payment; (2) any sums expended by the City in performing any of Contractor's obligations under the Contract which Contractor has failed to perform or has performed inadequately; (3) defective Work not remedied; (4) stop notices as allowed by state law; (5) reasonable doubt that the Work can be completed for the unpaid balance of the Total Contract Price or within the scheduled completion date; (6) unsatisfactory prosecution of the Work by Contractor; (7) unauthorized deviations from the Contract; (8) failure of Contractor to maintain or submit on a timely basis proper and sufficient documentation as required by the Contract or by City during the prosecution of the Work; (9) erroneous or false estimates by Contractor of the value of the Work performed; (10) any sums representing expenses, losses, or damages as determined by the City, incurred by the City for which Contractor is liable under the Contract; and (11) any other sums which the City is entitled to recover from Contractor under the terms of the Contract or pursuant to state law, including Section 1727 of the California Labor Code. The failure by the City to deduct any of these sums from a progress payment shall not constitute a waiver of the City's right to such sums.

3.1.6 Substitutions for Contract Retentions. Pursuant to California Public Contract Code section 22300, Contractor may substitute securities for any money withheld by the City to ensure the performance under the Contract. At the request and expense of Contractor, securities equivalent to the amount withheld shall be deposited with the City, with the State or a federally chartered bank as the escrow agent, who shall return such securities to Contractor upon satisfactory completion of the Contract. Deposit of securities with an escrow agent shall be subject to a written agreement between the escrow agent and the City, which provides that no portion of the securities shall be paid to Contractor until the City has certified to the escrow agent, in writing, that the Contract has been satisfactorily completed. The City shall certify that the Contract has been satisfactorily completed within sixty (60) days of work "completion" as defined in Section 7107(c) of the California Public Contract Code. Securities eligible for investment under this section shall be limited to those listed in Section 16430 of the Government Code, bank or savings & loan certificates of deposit, interest-bearing demand deposit accounts, stand-by letters of credit, or any other security mutually agreed to by Contractor.

3.1.7 Payment to Subcontractors. Contractor shall pay all subcontractors for and on account of work performed by such subcontractors in accordance with the terms of their respective subcontracts and as provided for in Section 7108.5 of the California Business and Professions Code. Such payments to subcontractors shall be based on the measurements and estimates made and progress payments provided to Contractor pursuant to this Contract.

3.1.8 Title to Work. As security for partial, progress, or other payments, title to Work for which such payments are made shall pass to the City at the time of payment. To the extent that title has not previously been vested in the City by reason of payments, full title shall pass to the City at delivery of the Work at the destination and time specified in this Contract. Such transferred title shall in each case be good, free and clear from any and all security interests, liens, or other encumbrances. Contractor promises and agrees that it will not pledge, hypothecate, or otherwise encumber the items in any manner that would result in any lien, security interest, charge, or claim upon or against said items. Such transfer of title shall not imply acceptance by the City, nor relieve Contractor from the responsibility to strictly comply with the Contract, and shall not relieve Contractor of responsibility for any loss of or damage to items.

3.1.9 Labor and Material Releases. Contractor shall furnish City with labor and material releases from all subcontractors performing work on, or furnishing materials for, the Work governed by this Contract prior to final payment by City.

3.2 Incorporation of Documents. This Contract includes and hereby incorporates in full by reference the following documents, including all exhibits, drawings, specifications and documents therein, and attachments and addenda thereto:

- Services/Schedule (Exhibit "A")
- Plans and Specifications (Exhibit "B")
- Special Conditions (Exhibit "C")
- Contractor's Certificate Regarding Workers' Compensation (Exhibit "D")
- Payment and Performance Bonds (Exhibit "E")
- Addenda
- Change Orders executed by the City
- Latest Edition of the Standard Specifications for Public Works Construction (The Greenbook), Excluding Sections 1-9
- Latest Edition of the California Building Code
- Notice Inviting Bids, if any
- Instructions to Bidders, if any
- Contractor's Bid

To the extent there is a conflict between any portions of this Contract, the order of precedence shall be as follows: change orders, special conditions, technical specifications, plans/construction drawings, general contract terms, scope of work, standard plans, advertisements for bid/proposals, bids/proposals or other documents submitted by Contractor.

3.3 Contractor's Basic Obligation; Scope of Work.

3.3.1 Scope of Work. Contractor promises and agrees, at its own cost and expense, to furnish to the City all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately complete the Project, including all structures and facilities necessary for the Project or described in the Contract (hereinafter sometimes

referred to as the “Work”), for a Total Contract Price as specified pursuant to this Contract. All Work shall be subject to, and performed in accordance with the above referenced documents, as well as the exhibits attached hereto and incorporated herein by reference. The plans and specifications for the Work are further described in Exhibit “B” attached hereto and incorporated herein by this reference. Special Conditions, if any, relating to the Work are described in Exhibit “C” attached hereto and incorporated herein by this reference.

3.3.2 Change in Scope of Work. Any change in the scope of the Work, method of performance, nature of materials or price thereof, or any other matter materially affecting the performance or nature of the Work shall not be paid for or accepted unless such change, addition or deletion is approved in advance and in writing by a valid change order executed by the City.

3.3.3 Change Orders. Changes to the Contract Time (as defined in Section 3.3) or Total Contract Price shall be in the form of a written Change Order, either signed by both parties or issued unilaterally by the City. No adjustment shall be made to the Contract Time unless the delay impacts the critical path to completion and the delay was not caused in whole or in part by the Contractor. The City’s liability to Contractor for delays for which the City is responsible shall be limited to only an extension of time unless such delays were unreasonable under the circumstances. Failure to timely request a Change Order shall constitute a waiver of any right to adjust the Contract Time or the Total Contract Price. All requests for Change Orders shall be accompanied by detailed supporting documentation, including but not limited to payroll records, invoices, schedules, and any other documentation requested by the City for the purpose of determining the additional costs or the impact of any delay. If the change involves Work bid at a unit price, then the Total Contract Price shall be increased at the unit price. Regardless of ownership, equipment rates shall not exceed the listed prevailing rates at local equipment rental agencies, or distributors, at the time the work is performed. Nothing herein shall prevent the Parties from agreeing to a lump sum cost.

3.3.4 Changes Ordered By City. City may at any time issue a written directive ordering additions, deletions, or changes to the Work. Contractor shall proceed with the work in accordance with the directive. To the extent the directive results in extra work or requires additional Contract Time, Contractor shall request a Change Order within seven (7) days of receiving the Work Directive. If any costs are not capable of being determined within seven (7) days, then Contractor shall request a Change Order within seven (7) days of when the costs are capable of being determined.

3.3.5 Changes Requested By Contractor. With respect to any matter that may involve or require an adjustment to the Contract Time or the Contract Price, Contractor shall provide written notice of the underlying facts and circumstances that gave rise to the potential change within seven (7) days or prior to the alteration of conditions, whichever is earlier. Failure to give notice shall constitute a waiver of Contractor’s right to a change order. If any costs are not capable of being determined within seven (7) days, then Contractor shall request a Change Order within seven (7) days of when the costs are capable of being determined.

3.4 Substitutions/“Or Equal”. Pursuant to Public Contract Code Section 3400(b), the City may make a finding that designates certain products, things, or services by specific brand or trade name. Unless specifically designated in this Contract, whenever any material, process, or article is indicated or specified by grade, patent, or proprietary name or by name of manufacturer, such Specifications shall be deemed to be used for the purpose of facilitating the

description of the material, process or article desired and shall be deemed to be followed by the words "or equal."

Contractor may, unless otherwise stated, offer for substitution any material, process or article which shall be substantially equal or better in every respect to that so indicated or specified in this Contract. However, the City may have adopted certain uniform standards for certain materials, processes and articles. Contractor shall submit requests, together with substantiating data, for substitution of any "or equal" material, process or article no later than thirty-five (35) days after award of the Contract. To facilitate the construction schedule and sequencing, some requests may need to be submitted before thirty-five (35) days after award of Contract. Provisions regarding submission of "or equal" requests shall not in any way authorize an extension of time for performance of this Contract. If a proposed "or equal" substitution request is rejected, Contractor shall be responsible for providing the specified material, process or article. The burden of proof as to the equality of any material, process or article shall rest with Contractor.

The City has the complete and sole discretion to determine if a material, process or article is an "or equal" material, process or article that may be substituted. Data required to substantiate requests for substitutions of an "or equal" material, process or article data shall include a signed affidavit from Contractor stating that, and describing how, the substituted "or equal" material, process or article is equivalent to that specified in every way except as listed on the affidavit. Substantiating data shall include any and all illustrations, specifications, and other relevant data including catalog information which describes the requested substituted "or equal" material, process or article, and substantiates that it is an "or equal" to the material, process or article. The substantiating data must also include information regarding the durability and lifecycle cost of the requested substituted "or equal" material, process or article. Failure to submit all the required substantiating data, including the signed affidavit, to the City in a timely fashion will result in the rejection of the proposed substitution.

Contractor shall bear all of the City's costs associated with the review of substitution requests. Contractor shall be responsible for all costs related to a substituted "or equal" material, process or article. Contractor is directed to the Special Conditions (if any) to review any findings made pursuant to Public Contract Code section 3400.

3.5 Period of Performance and Liquidated Damages.

3.5.1 Contractor shall perform and complete all Work under this Contract within 100 days (20 weeks), beginning the effective date of the Notice to Proceed ("Contract Time"). Contractor shall perform its Work in strict accordance with any completion schedule, construction schedule or project milestones developed by the City. Such schedules or milestones may be included as part of Exhibits "A" or "B" attached hereto, or may be provided separately in writing to Contractor. Contractor agrees that if such Work is not completed within the aforementioned Contract Time and/or pursuant to any such completion schedule, construction schedule or project milestones developed pursuant to provisions of the Contract, it is understood, acknowledged and agreed that the City will suffer damage. Pursuant to Government Code Section 53069.85, Contractor shall pay to the City as fixed and liquidated damages the sum of Two Thousand Eight Hundred Dollars (\$2,800.00 per day for each and every calendar day of delay beyond the Contract Time or beyond any completion schedule, construction schedule or Project milestones established pursuant to the Contract.

3.5.2 If Contractor is delayed in the performance or progress of the Work by a Force Majeure Event (as defined herein), then the Contractor shall be entitled to a time

extension, as provided herein, when the Work stopped is on the critical path and shall not be charged liquidated damages. Such a non-compensable adjustment shall be Contractor's sole and exclusive remedy for such delays and the Contractor will not receive an adjustment to the Total Contract Price or any other compensation. Contractor must submit a timely request in accordance with the requirements of the Contract.

3.5.3 A Force Majeure Event shall mean an event that materially affects a party's performance and is one or more of the following: (1) Acts of God or other natural disasters occurring at the project site; (2) terrorism or other acts of a public enemy; (3) orders of governmental authorities (including, without limitation, unreasonable and unforeseeable delay in the issuance of permits or approvals by governmental authorities that are required for the work); (4) pandemics, epidemics or quarantine restrictions; and (5) strikes and other organized labor action occurring at the project site and the effects thereof on the work, only to the extent such strikes and other organized labor action are beyond the control of Contractor and its subcontractors, of every tier, and to the extent the effects thereof cannot be avoided by use of replacement workers. For purposes of this section, "orders of governmental authorities," includes ordinances, emergency proclamations and orders, rules to protect the public health, welfare and safety, and other actions of the City in its capacity as a municipal authority.

3.6 Standard of Performance; Performance of Employees. Contractor shall perform all Work under this Contract in a skillful and workmanlike manner, and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Contractor represents and maintains that it is skilled in the professional calling necessary to perform the Work. Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Work assigned to them. Finally, Contractor represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Work, including a City Business License, and that such licenses and approvals shall be maintained throughout the term of this Contract. As provided for in the indemnification provisions of this Contract, Contractor shall perform, at its own cost and expense and without reimbursement from the City, any work necessary to correct errors or omissions which are caused by Contractor's failure to comply with the standard of care provided for herein. Any employee who is determined by the City to be uncooperative, incompetent, a threat to the safety of persons or the Work, or any employee who fails or refuses to perform the Work in a manner acceptable to the City, shall be promptly removed from the Project by Contractor and shall not be re-employed on the Work.

3.7 Control and Payment of Subordinates; Contractual Relationship. City retains Contractor on an independent contractor basis and Contractor is not an employee of City. Any additional personnel performing the work governed by this Contract on behalf of Contractor shall at all times be under Contractor's exclusive direction and control. Contractor shall pay all wages, salaries, and other amounts due such personnel in connection with their performance under this Contract and as required by law. Contractor shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, and workers' compensation insurance.

3.8 City's Basic Obligation. City agrees to engage and does hereby engage Contractor as an independent contractor to furnish all materials and to perform all Work according to the terms and conditions herein contained for the sum set forth above. Except as otherwise provided in the Contract, the City shall pay to Contractor, as full consideration for the satisfactory performance by Contractor of the services and obligations required by this Contract, the below-referenced compensation in accordance with compensation provisions set forth in the Contract.

3.9 Labor.

3.9.1 Prevailing Wages. Contractor is aware of the requirements of California Labor Code Section 1720 et seq., and 1770 et seq., as well as California Code of Regulations, Title 8, Section 16000 et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. Since the Work is being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws. City shall provide Contractor with a copy of the prevailing rates of per diem wages in effect at the commencement of this Contract. Contractor shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at Contractor's principal place of business and at the project site. Contractor shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. Contractor and any subcontractor shall forfeit a penalty of up to \$200 per calendar day or portion thereof for each worker paid less than the prevailing wage rates.

3.9.2 Apprenticeable Crafts. When Contractor employs workmen in an apprenticeable craft or trade, Contractor shall comply with the provisions of Section 1777.5 of the California Labor Code with respect to the employment of properly registered apprentices upon public works. The primary responsibility for compliance with said section for all apprenticeable occupations shall be with Contractor. The Contractor or any subcontractor that is determined by the Labor Commissioner to have knowingly violated Section 1777.5 shall forfeit as a civil penalty an amount not exceeding \$100 for each full calendar day of noncompliance, or such greater amount as provided by law.

3.9.3 Hours of Work. Contractor is advised that eight (8) hours labor constitutes a legal day's work. Pursuant to Section 1813 of the California Labor Code, Contractor shall forfeit a penalty of \$25.00 per worker for each day that each worker is permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week, except when payment for overtime is made at not less than one and one-half (1-1/2) times the basic rate for that worker.

3.9.4 Payroll Records. Contractor and each subcontractor shall keep an accurate payroll record, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by him or her in connection with the public work. The payroll records shall be certified and shall be available for inspection at all reasonable hours at the principal office of Contractor in the manner provided in Labor Code section 1776. In the event of noncompliance with the requirements of this section, Contractor shall have 10 days in which to comply subsequent to receipt of written notice specifying in what respects such Contractor must comply with this section. Should noncompliance still be evident after such 10-day period, Contractor shall, as a penalty to City, forfeit not more than \$100.00 for each calendar day or portion thereof, for each worker, until strict compliance is effectuated. The amount of the forfeiture is to be determined by the Labor Commissioner. A contractor who is found to have violated the provisions of law regarding wages on Public Works with the intent to defraud shall be ineligible to bid on Public Works contracts for a period of one to three years as determined by the Labor Commissioner. Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, such penalties shall be withheld from

progress payments then due. The responsibility for compliance with this section is on Contractor. In accordance with Labor Code section 1771.4, the Contractor and each subcontractor shall furnish the certified payroll records directly to the Department of Industrial Relations ("DIR") on a weekly basis and in the format prescribed by the DIR, which may include electronic submission. The requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code section 1771.4 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Section 1771.4.

3.9.5 Contractor and Subcontractor Registration. Pursuant to Labor Code sections 1725.5 and 1771.1, all contractors and subcontractors that wish to bid on, be listed in a bid proposal, or enter into a contract to perform public work must be registered with the DIR. No bid will be accepted nor any contract entered into without proof of the contractor's and subcontractors' current registration with the DIR to perform public work. Contractor is directed to review, fill out and execute the Public Works Contractor Registration Certification attached hereto as Exhibit "E" prior to contract execution. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code Sections 1725.5 and 1771.1 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1725.5 and 1771.1.

3.9.6 Labor Compliance; Stop Orders. This Project is subject to compliance monitoring and enforcement by the DIR. It shall be the Contractor's sole responsibility to evaluate and pay the cost of complying with all labor compliance requirements under this Contract and applicable law. Any stop orders issued by the DIR against Contractor or any subcontractor that affect Contractor's performance of Work, including any delay, shall be Contractor's sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Contractor caused delay subject to any applicable liquidated damages and shall not be compensable by the City. Contractor shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the DIR against Contractor or any subcontractor.

3.10 Performance of Work; Jobsite Obligations.

3.10.1 Water Quality Management and Compliance.

3.10.1.1 Water Quality Management and Compliance. Contractor shall keep itself and all subcontractors, staff, and employees fully informed of and in compliance with all local, state and federal laws, rules and regulations that may impact, or be implicated by the performance of the Work including, without limitation, all applicable provisions of the Federal Water Pollution Control Act (33 U.S.C. §§ 1300); the California Porter-Cologne Water Quality Control Act (Cal Water Code §§ 13000-14950); local ordinances regulating discharges of storm water; and any and all regulations, policies, or permits issued pursuant to any such authority regulating the discharge of pollutants, as that term is used in the Porter-Cologne Water Quality Control Act, to any ground or surface water in the State.

3.10.1.2 Compliance with the Statewide Construction General Permit. Contractor shall comply with all conditions of the most recent iteration of the National Pollutant Discharge Elimination System General Permit for Storm Water Discharges Associated with Construction Activity, issued by the California State Water Resources Control Board ("Permit"). It shall be Contractor's sole responsibility to file a Notice of Intent and procure coverage under the Permit for all construction activity which results in the disturbance of more than one acre of total land area or which is part of a larger common area of development or sale. Prior to initiating work,

Contractor shall be solely responsible for preparing and implementing a Storm Water Pollution Prevention Plan (SWPPP) as required by the Permit. Contractor shall be responsible for procuring, implementing and complying with the provisions of the Permit and the SWPPP, including the standard provisions, and monitoring and reporting requirements as required by the Permit. The Permit requires the SWPPP to be a "living document" that changes as necessary to meet the conditions and requirements of the job site as it progresses through different phases of construction and is subject to different weather conditions. It shall be Contractor's sole responsibility to update the SWPPP as necessary to address conditions at the project site.

3.10.1.3 Other Water Quality Rules Regulations and Policies. Contractor shall comply with the lawful requirements of any applicable municipality, drainage City, or local agency regarding discharges of storm water to separate storm drain systems or other watercourses under their jurisdiction, including applicable requirements in municipal storm water management programs.

3.10.1.4 Cost of Compliance. Storm, surface, nuisance, or other waters may be encountered at various times during construction of the Work. Therefore, the Contractor, hereby acknowledges that it has investigated the risk arising from such waters and assumes any and all risks and liabilities arising therefrom.

3.10.1.5 Liability for Non-Compliance. Failure to comply with laws, regulations, standards, ordinances, and permits listed in Sections 3.10.1.1, 3.10.1.2, 3.10.1.3, and 3.10.1.4 of the Contract is a violation of federal and state law. Pursuant to the indemnification provisions of this Contract, Contractor hereby agrees to defend, indemnify and hold harmless the City and its directors, officials, officers, employees, volunteers and agents for any alleged violations. In addition, City may seek damages from Contractor for any delay in completing the Work in accordance with the Contract, if such delay is caused by or related to Contractor's failure to comply with the Permit.

3.10.1.6 Reservation of Right to Defend. City reserves the right to defend any enforcement action brought against the City for Contractor's failure to comply with the Permit or any other relevant water quality law, regulation, or policy. Pursuant to the indemnification provisions of this Contract, Contractor hereby agrees to be bound by, and to reimburse the City for the costs (including the City's attorney's fees) associated with, any settlement reached between the City and the relevant enforcement entity.

3.10.1.7 Training. In addition to the standard of performance requirements set forth in this Contract, Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the work assigned to them without impacting water quality in violation of the laws, regulations and policies described in paragraph 3.10.1. Contractor further warrants that it, its employees and subcontractors will receive adequate training, as determined by City, regarding the requirements of the laws, regulations and policies described in paragraph 3.10.1 as they may relate to the Work provided under this Contract. Upon request, City will provide the Contractor with a list of training programs that meet the requirements of this paragraph.

3.10.2 Safety. Contractor shall execute and maintain its work so as to avoid injury or damage to any person or property. Contractor shall comply with the requirements of the specifications relating to safety measures applicable in particular operations or kinds of work. In carrying out its Work, Contractor shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety

of employees appropriate to the nature of the Work and the conditions under which the Work is to be performed. Safety precautions as applicable shall include, but shall not be limited to, adequate life protection and lifesaving equipment; adequate illumination for underground and night operations; instructions in accident prevention for all employees, such as machinery guards, safe walkways, scaffolds, ladders, bridges, gang planks, confined space procedures, trenching and shoring, fall protection and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and adequate facilities for the proper inspection and maintenance of all safety measures. Furthermore, Contractor shall prominently display the names and telephone numbers of at least two medical doctors practicing in the vicinity of the Project, as well as the telephone number of the local ambulance service, adjacent to all telephones at the Project site.

3.10.3 Laws and Regulations. Contractor shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Contract or the Work, including all Cal/OSHA requirements, and shall give all notices required by law. Contractor shall be liable for all violations of such laws and regulations in connection with the Work. If Contractor observes that the drawings or specifications are at variance with any law, rule or regulation, it shall promptly notify the City in writing. Any necessary changes shall be made by written change order. If Contractor performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the City, Contractor shall be solely responsible for all costs arising therefrom. City is a public entity of the State of California subject to certain provisions of the Health & Safety Code, Government Code, Public Contract Code, and Labor Code of the State. It is stipulated and agreed that all provisions of the law applicable to the public contracts of a municipality are a part of this Contract to the same extent as though set forth herein and will be complied with. Contractor shall defend, indemnify and hold City, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Contract, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.10.4 Permits and Licenses. Contractor shall be responsible for securing City permits and licenses necessary to perform the Work described herein, including, but not limited to, a City Business License. While Contractor will not be charged a fee for any City permits, Contractor shall pay the City's applicable business license fee. Any ineligible contractor or subcontractor pursuant to Labor Code Sections 1777.1 and 1777.7 may not perform work on this Project.

3.10.5 Trenching Work. If the Total Contract Price exceeds \$25,000 and if the Work governed by this Contract entails excavation of any trench or trenches five (5) feet or more in depth, Contractor shall comply with all applicable provisions of the California Labor Code, including Section 6705. To this end, Contractor shall submit for City's review and approval a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during the excavation of such trench or trenches. If such plan varies from the shoring system standards, the plan shall be prepared by a registered civil or structural engineer.

3.10.6 Hazardous Materials and Differing Conditions. As required by California Public Contract Code Section 7104, if this Contract involves digging trenches or other excavations that extend deeper than four (4) feet below the surface, Contractor shall promptly, and prior to disturbance of any conditions, notify City of: (1) any material discovered in excavation that Contractor believes to be a hazardous waste that is required to be removed to a Class I, Class II or Class III disposal site; (2) subsurface or latent physical conditions at the site differing from

those indicated by City; and (3) unknown physical conditions of an unusual nature at the site, significantly different from those ordinarily encountered in such contract work. Upon notification, City shall promptly investigate the conditions to determine whether a change order is appropriate. In the event of a dispute, Contractor shall not be excused from any scheduled completion date and shall proceed with all Work to be performed under the Contract, but shall retain all rights provided by the Contract or by law for making protests and resolving the dispute.

3.10.7 Underground Utility Facilities. To the extent required by Section 4215 of the California Government Code, City shall compensate Contractor for the costs of: (1) locating and repairing damage to underground utility facilities not caused by the failure of Contractor to exercise reasonable care; (2) removing or relocating underground utility facilities not indicated in the construction drawings; and (3) equipment necessarily idled during such work. Contractor shall not be assessed liquidated damages for delay caused by failure of City to provide for removal or relocation of such utility facilities.

3.10.8 Air Quality. Contractor must fully comply with all applicable laws, rules and regulations in furnishing or using equipment and/or providing services, including, but not limited to, emissions limits and permitting requirements imposed by the California Air Resources Board (CARB). Although CARB limits and requirements are more broad, Contractor shall specifically be aware of their application to “portable equipment”, which definition is considered by CARB to include any item of equipment with a fuel-powered engine. Contractor shall indemnify City against any fines or penalties imposed by CARB, or any other governmental or regulatory agency for violations of applicable laws, rules and/or regulations by Contractor, its subcontractors, or others for whom Contractor is responsible under its indemnity obligations provided for in this Contract.

3.10.9 State Recycling Mandates. Contractor shall comply with State Recycling Mandates. Any recyclable materials/debris collected by the contractor that can be feasibly diverted via reuse or recycling must be hauled by the appropriate handler for reuse or recycling.

3.10.10 Inspection Of Site. Contractor has visited sites where Work is to be performed and has become acquainted with all conditions affecting the Work. Contractor warrants that it has made such examinations as it deems necessary to determine the condition of the Work sites, its accessibility to materials, workmen and equipment, and to determine the Contractor’s ability to protect existing surface and subsurface improvements. No claim for allowances–time or money–will be allowed as to such matters.

3.10.11 Field Measurements. Contractor shall make field measurements, verify field conditions and shall carefully compare such field measurements and conditions and other information known to Contractor with the Contract Documents before commencing activities. Errors, inconsistencies or omissions discovered shall be reported to the City immediately and prior to performing any work or altering the condition.

3.11 Completion of Work. When Contractor determines that it has completed the Work required herein, Contractor shall so notify City in writing and shall furnish all labor and material releases required by this Contract. City shall thereupon inspect the Work. If the Work is not acceptable to the City, the City shall indicate to Contractor in writing the specific portions or items of Work which are unsatisfactory or incomplete. Once Contractor determines that it has completed the incomplete or unsatisfactory Work, Contractor may request a re-inspection by the City. Once the Work is acceptable to City, City shall pay to Contractor the Total Contract Price

remaining to be paid, less any amount which City may be authorized or directed by law to retain. Payment of retention proceeds due to Contractor shall be made in accordance with Section 7107 of the California Public Contract Code.

3.12 Claims; Government Code Claim Compliance.

3.12.1 Intent. Effective January 1, 1991, Section 20104 et seq., of the California Public Contract Code prescribes a process utilizing informal conferences, non-binding judicial supervised mediation, and judicial arbitration to resolve disputes on construction claims of \$375,000 or less. Effective January 1, 2017, Section 9204 of the Public Contract Code prescribes a process for negotiation and mediation to resolve disputes on construction claims. The intent of this Section is to implement Sections 20104 et seq. and Section 9204 of the California Public Contract Code. This Section shall be construed to be consistent with said statutes.

3.12.2 Claims. For purposes of this Section, "Claim" means a separate demand by the Contractor, after a change order duly requested in accordance with the terms of this Contract has been denied by the City, for (A) a time extension, (B) payment of money or damages arising from Work done by or on behalf of the Contractor pursuant to the Contract, or (C) an amount the payment of which is disputed by the City. A "Claim" does not include any demand for payment for which the Contractor has failed to provide notice, request a change order, or otherwise failed to follow any procedures contained in the Contract Documents.

3.12.3 Filing Claims. Claims governed by this Section may not be filed unless and until the Contractor completes all procedures for giving notice of delay or change and for the requesting of a time extension or change order, including but not necessarily limited to the change order procedures contained herein, and Contractor's request for a change has been denied in whole or in part. Claims governed by this Section must be filed no later than fourteen (14) days after a request for change has been denied in whole or in part or after any other event giving rise to the Claim. The Claim shall be submitted in writing to the City and shall include on its first page the following in 16 point capital font: "THIS IS A CLAIM." Furthermore, the claim shall include the documents necessary to substantiate the claim. Nothing in this Section is intended to extend the time limit or supersede notice requirements otherwise provided by contract for the filing of claims, including all requirements pertaining to compensation or payment for extra Work, disputed Work, and/or changed conditions. Failure to follow such contractual requirements shall bar any claims or subsequent lawsuits for compensation or payment thereon.

3.12.4 Supporting Documentation. The Contractor shall submit all claims in the following format:

3.12.4.1 Summary of claim merit and price, reference Contract Document provisions pursuant to which the claim is made

3.12.4.2 List of documents relating to claim:

- (A) Specifications
- (B) Drawings
- (C) Clarifications (Requests for Information)

(D) Schedules

(E) Other

3.12.4.3 Chronology of events and correspondence

3.12.4.4 Analysis of claim merit

3.12.4.5 Analysis of claim cost, including calculations and supporting documents

3.12.4.6 Time impact analysis in CPM format

3.12.5 City's Response. Upon receipt of a Claim pursuant to this Section, City shall conduct a reasonable review of the Claim and, within a period not to exceed 45 days of receipt of the Claim, or as extended by mutual agreement, shall provide the Contractor a written statement identifying what portion of the Claim is disputed and what portion is undisputed. Any payment due on an undisputed portion of the Claim will be processed and made within 60 days after the City issues its written statement.

3.12.5.1 If City needs approval from its governing body to provide the Contractor a written statement identifying the disputed portion and the undisputed portion of the Claim, and the governing body does not meet within the 45 days or within the mutually agreed to extension of time following receipt of a Claim sent by registered mail or certified mail, return receipt requested, City shall have up to three (3) days following the next duly publicly noticed meeting of the governing body after the 45-day period, or extension, expires to provide the Contractor a written statement identifying the disputed portion and the undisputed portion.

3.12.5.2 Within 30 days of receipt of a Claim, City may request in writing additional documentation supporting the Claim or relating to defenses or claims City may have against the Contractor. If additional information is thereafter required, it shall be requested and provided pursuant to this subdivision, upon mutual agreement of City and the Contractor. City's written response to the Claim, shall be submitted to the Contractor within 30 Days (if the Claim is less than \$50,000, within 15 Days) after receipt of the additional documentation, or within a period of time no greater than that taken by the Contractor in producing the additional information or requested documentation, whichever is greater.

3.12.6 Meet and Confer. If the Contractor disputes City's written response, or City fails to respond within the time prescribed, the Contractor may so notify City, in writing, within 15 Days of receipt of City's response or the City's failure to respond, and demand an informal conference to meet and confer for settlement of the issues in dispute. Upon receipt of a demand, City shall schedule a meet and confer conference within 30 Days for settlement of the dispute.

3.12.7 Mediation. Within 10 business days following the conclusion of the meet and confer conference, if the Claim or any portion of the Claim remains in dispute, City shall provide the Contractor a written statement identifying the portion of the Claim that remains in dispute and the portion that is undisputed. Any payment due on an undisputed portion of the Claim shall be processed and made within 60 Days after City issues its written statement. Any disputed portion of the Claim, as identified by the Contractor in writing, shall be submitted to nonbinding mediation, with City and the Contractor sharing the associated costs equally. City and Contractor

shall mutually agree to a mediator within 10 business days after the disputed portion of the Claim has been identified in writing, unless the Parties agree to select a mediator at a later time.

3.12.7.1 If the Parties cannot agree upon a mediator, each Party shall select a mediator and those mediators shall select a qualified neutral third party to mediate with regard to the disputed portion of the claim. Each Party shall bear the fees and costs charged by its respective mediator in connection with the selection of the neutral mediator.

3.12.7.2 For purposes of this section, mediation includes any nonbinding process, including, but not limited to, neutral evaluation or a dispute review board, in which an independent third party or board assists the Parties in dispute resolution through negotiation or by issuance of an evaluation. Any mediation utilized shall conform to the timeframes in this section.

3.12.7.3 Unless otherwise agreed to by City and the Contractor in writing, the mediation conducted pursuant to this section shall excuse any further obligation under Section 20104.4 to mediate after litigation has been commenced.

3.12.7.4 The mediation shall be held no earlier than the date the Contractor completes the Work or the date that the Contractor last performs Work, whichever is earlier. All unresolved Claims shall be considered jointly in a single mediation, unless a new unrelated Claim arises after mediation is completed.

3.12.8 Procedures After Mediation. If following the mediation, the Claim or any portion remains in dispute, the Contractor must file a claim pursuant to Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.6 of Title 1 of the Government Code. For purposes of those provisions, the running of the period of time within which a claim must be filed shall be tolled from the time the Contractor submits his or her written Claim pursuant to subdivision (a) until the time the Claim is denied, including any period of time utilized by the meet and confer conference or mediation.

3.12.9 Civil Actions. The following procedures are established for all civil actions filed to resolve Claims of \$375,000 or less:

3.12.9.1 Within 60 Days, but no earlier than 30 Days, following the filing or responsive pleadings, the court shall submit the matter to non-binding mediation unless waived by mutual stipulation of both Parties or unless mediation was held prior to commencement of the action in accordance with Public Contract Code section 9204 and the terms of these procedures. The mediation process shall provide for the selection within 15 Days by both Parties of a disinterested third person as mediator, shall be commenced within 30 Days of the submittal, and shall be concluded within 15 Days from the commencement of the mediation unless a time requirement is extended upon a good cause showing to the court.

3.12.9.2 If the matter remains in dispute, the case shall be submitted to judicial arbitration pursuant to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, notwithstanding Section 1114.11 of that code. The Civil Discovery Act of 1986 (Article 3 (commencing with Section 2016) of Chapter 3 of Title 3 of Part 4 of the Code of Civil Procedure) shall apply to any proceeding brought under this subdivision consistent with the rules pertaining to judicial arbitration.

3.12.9.3 In addition to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, (A) arbitrators shall, when possible, be experienced in construction law, and (B) any party appealing an arbitration award who does not obtain a more favorable judgment shall, in addition to payment of costs and fees under that chapter, also pay the attorney's fees on appeal of the other party.

3.12.10 Government Code Claim Procedures.

3.12.10.1 This section does not apply to tort claims and nothing in this section is intended nor shall be construed to change the time periods for filing tort claims or actions specified by Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.5 of Title 1 of the Government Code.

3.12.10.2 In addition to any and all Contract requirements pertaining to notices of and requests for adjustments to the Contract Time, Contract Price, or compensation or payment for extra work, disputed work, claims and/or changed conditions, Contractor must comply with the claim procedures set forth in Government Code sections 900 et seq. prior to filing any lawsuit against the City.

3.12.10.3 Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to adjustment of the Contract Time, Contract Price, or compensation or payment for extra work, disputed work, claims, and/or changed conditions have been followed by Contractor. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Contractor may not file any action against the City.

3.12.10.4 A Government Code claim must be filed no earlier than the date the work is completed or the date the Contractor last performs work on the Project, whichever occurs first. A Government Code claim shall be inclusive of all unresolved Claims known to the Contractor excepting only new unrelated Claims that arise after the Government Code claim is submitted.

3.12.11 Non-Waiver. City's failure to respond to a Claim from the Contractor within the time periods described in this section or to otherwise meet the time requirements of this section shall result in the Claim being deemed rejected in its entirety and shall not constitute a waiver of any rights under this section.

3.13 Loss and Damage. Except as may otherwise be limited by law, Contractor shall be responsible for all loss and damage which may arise out of the nature of the Work agreed to herein, or from the action of the elements, or from any unforeseen difficulties which may arise or be encountered in the prosecution of the Work until the same is fully completed and accepted by City. In the event of damage proximately caused by an Act of God, as defined by Section 7105 of the Public Contract Code, the City may terminate this Contract pursuant to the termination provisions in this Contract; provided, however, that the City needs to provide Contractor with only one (1) day advanced written notice.

3.14 Indemnification.

3.14.1 Scope of Indemnity. To the fullest extent permitted by law, Contractor shall defend, indemnify and hold the City, its officials, employees, agents and volunteers free and

harmless from any and all claims, demands, causes of action, suits, actions, proceedings, costs, expenses, liability, judgments, awards, decrees, settlements, loss, damage or injury of any kind, in law or equity, regardless of whether the allegations are false, fraudulent, or groundless, to property or persons, including wrongful death, (collectively, "Claims") in any manner arising out of, pertaining to, or incident to any acts, errors or omissions, or willful misconduct of Contractor, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Contractor's services, the Project or this Contract, including without limitation the payment of all expert witness fees, attorneys' fees and other related costs and expenses. Notwithstanding the foregoing, to the extent required by Civil Code section 2782, Contractor's indemnity obligation shall not apply to such loss or damage which is caused by the sole or active negligence or willful misconduct of the City.

3.14.2 Additional Indemnity Obligations. Contractor shall defend, with counsel of City's choosing and at Contractor's own cost, expense and risk, any and all Claims covered by this section that may be brought or instituted against City or its officials, employees, agents and authorized volunteers. In addition, Contractor shall pay and satisfy any judgment, award or decree that may be rendered against City or its officials, employees, agents and authorized volunteers as part of any such claim, suit, action or other proceeding. Contractor shall also reimburse City for the cost of any settlement paid by City or its officials, employees, agents and authorized volunteers as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for City's attorney's fees and costs, including expert witness fees. Contractor shall reimburse City and its officials, employees, agents and authorized volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Contractor's obligation to indemnify shall survive expiration or termination of this Contract, and shall not be restricted to insurance proceeds, if any, received by the City, its officials, employees, agents and authorized volunteers.

3.14.3 If Contractor's obligation to defend, indemnify, and/or hold harmless arises out of Contractor's performance as a "design professional" (as that term is defined under Civil Code section 2782.8), then, and only to the extent required by Civil Code section 2782.8, which is fully incorporated herein, Contractor's indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Contractor, and, upon Contractor obtaining a final adjudication by a court of competent jurisdiction, Contractor's liability for such claim, including the cost to defend, shall not exceed the Contractor's proportionate percentage of fault.

3.15 Insurance.

3.15.1 Time for Compliance. Contractor shall not commence Work under this Contract until it has provided evidence satisfactory to the City that it has secured all insurance required under this section. In addition, Contractor shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to the City that the subcontractor has secured all insurance required under this section. Failure to provide and maintain all required insurance shall be grounds for the City to terminate this Contract for cause.

3.15.2 Minimum Requirements. Contractor shall, at its expense, procure and maintain for the duration of the Contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Work hereunder by Contractor, its agents, representatives, employees or subcontractors. Contractor shall also require all of its subcontractors to procure and maintain the same insurance for the

duration of the Contract. Such insurance shall meet at least the following minimum levels of coverage:

3.15.2.1 Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 00 01) OR Insurance Services Office Owners and Contractors Protective Liability Coverage Form (CG 00 09 11 88) (coverage for operations of designated contractor); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage form number CA 00 01, code 1 (any auto); (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance; (4) *Builders'/All Risk*: Builders'/All Risk insurance covering for all risks of loss, including explosion, collapse, underground excavation and removal of lateral support (and including earthquakes and floods if requested by the City); and (5) *Professional Liability/Errors and Omissions*. Policies shall not contain exclusions contrary to this Contract.

3.15.2.2 Minimum Limits of Insurance. Contractor shall maintain limits no less than: (1) *General Liability*: \$2,000,000 per occurrence and \$4,000,000 general aggregate for bodily injury, personal injury and property damage; (2) *Automobile Liability*: \$1,000,000 per accident for bodily injury and property damage; (3) *Workers' Compensation and Employer's Liability*: Workers' compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of \$1,000,000 each accident, policy limit bodily injury or disease, and each employee bodily injury or disease; (4) *Builders'/All Risk*: Completed value of the project; (5) *Professional Liability/Errors and Omissions*: professional liability insurance with minimum limits of \$1,000,000. Defense costs shall be available in addition to the limits. Notwithstanding the minimum limits specified herein, any available coverage shall be provided to the parties required to be named as additional insureds pursuant to this Contract.

3.15.2.3 Notices; Cancellation or Reduction of Coverage. At least fifteen (15) days prior to the expiration of any such policy, evidence showing that such insurance coverage has been renewed or extended shall be filed with the City. If such coverage is cancelled or materially reduced, Contractor shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies. In the event any policy of insurance required under this Contract does not comply with these specifications or is canceled and not replaced, the City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by the City will be promptly reimbursed by Contractor or the City may withhold amounts sufficient to pay premium from Contractor payments. In the alternative, the City may suspend or terminate this Contract.

3.15.3 Insurance Endorsements. The insurance policies shall contain the following provisions, or Contractor shall provide endorsements (amendments) on forms supplied or approved by the City to add the following provisions to the insurance policies:

3.15.3.1 General Liability. (1) Such policy shall give the City, its officials, employees, agents and volunteers additional insured status using ISO endorsements CG20 10 10 01 plus CG20 37 10 01, or endorsements providing the exact same coverage, with respect to the Work or operations performed by or on behalf of Contractor, including materials, parts or equipment furnished in connection with such work; (2) all policies shall waive or shall permit Contractor to waive all rights of subrogation which may be obtained by the Contractor or any insurer by virtue of payment of any loss or any coverage provided to any person named as an additional insured pursuant to this Contract, and Contractor agrees to waive all such rights of

subrogation; and (3) the insurance coverage shall be primary insurance as respects the City, its officials, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of Contractor's scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its officials, employees, agents and volunteers shall be excess of Contractor's insurance and shall not be called upon to contribute with it.

3.15.3.2 Automobile Liability. (1) Such policy shall give the City, its officials, employees, agents and volunteers additional insured status with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by Contractor or for which Contractor is responsible; (2) all policies shall waive or shall permit Contractor to waive all rights of subrogation which may be obtained by the Contractor or any insurer by virtue of payment of any loss or any coverage provided to any person named as an additional insured pursuant to this Contract, and Contractor agrees to waive all such rights of subrogation; and (3) the insurance coverage shall be primary insurance as respects the City, its officials, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of Contractor's scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its officials, employees, agents and volunteers shall be excess of Contractor's insurance and shall not be called upon to contribute with it in any way.

3.15.3.3 Workers' Compensation and Employer's Liability Coverage. The insurer shall agree to waive all rights of subrogation against the City, its officials, employees, agents and volunteers for losses paid under the terms of the insurance policy which arise from work performed by Contractor.

3.15.3.4 All Coverages. Each insurance policy required by this Contract shall be endorsed to state that: (1) coverage shall not be suspended, voided, reduced or canceled except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City; and (2) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the City, its officials, employees, agents and volunteers.

3.15.4 Builders'/All Risk Policy Requirements. The builders'/all risk insurance shall provide that the City be named as loss payee. In addition, the insurer shall waive all rights of subrogation against the City.

3.15.5 Separation of Insureds; No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the City, its officials, employees, agents and volunteers.

3.15.6 Professional Liability Insurance. The Contractor shall also procure and maintain, for a period of five (5) years following completion of the Contract, errors and omissions liability insurance appropriate to its profession, in a form and with insurance companies acceptable to the City and in an amount indicated herein. This insurance shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Contractor. Covered professional services shall specifically include all work to be performed under the Contract and delete any exclusions that may potentially affect the work to be performed (for example, any exclusions relating to lead, asbestos, pollution, testing, underground storage tanks, laboratory analysis, soil work, etc.). All subconsultants shall have professional liability insurance with the same limits. Defense costs shall be paid in addition to the limits.

3.15.7 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. Contractor shall guarantee that, at the option of the City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officials, employees, agents and authorized volunteers; or (2) the Contractor shall procure a bond or other financial guarantee acceptable to the City guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

3.15.8 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VII, licensed to do business in California, and satisfactory to the City. Exception may be made for the State Compensation Insurance Fund when not specifically rated.

3.15.9 Verification of Coverage. Contractor shall furnish City with original certificates of insurance and endorsements effecting coverage required by this Contract on forms satisfactory to the City. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms supplied or approved by the City. All certificates and endorsements must be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.15.10 Subcontractors. All subcontractors shall meet the requirements of this Section before commencing Work. Contractor shall furnish separate certificates and endorsements for each subcontractor. Subcontractor policies of General Liability insurance shall name the City, its officials, employees, agents and authorized volunteers as additional insureds using form ISO 20 38 04 13 or endorsements providing the exact same coverage. All coverages for subcontractors shall be subject to all of the requirements stated herein except as otherwise agreed to by the City in writing.

3.15.11 Reporting of Claims. Contractor shall report to the City, in addition to Contractor's insurer, any and all insurance claims submitted by Contractor in connection with the Work under this Contract.

3.16 Bond Requirements.

3.16.1 Payment Bond. If required by law or otherwise specifically requested by City in Exhibit "C" attached hereto and incorporated herein by reference, Contractor shall execute and provide to City concurrently with this Contract a Payment Bond in an amount required by the City and in a form provided or approved by the City. If such bond is required, no payment will be made to Contractor until the bond has been received and approved by the City.

3.16.2 Performance Bond. If specifically requested by City in Exhibit "C" attached hereto and incorporated herein by reference, Contractor shall execute and provide to City concurrently with this Contract a Performance Bond in an amount required by the City and in a form provided or approved by the City. If such bond is required, no payment will be made to Contractor until the bond has been received and approved by the City.

3.16.3 Bond Provisions. Should, in City's sole opinion, any bond become insufficient or any surety be found to be unsatisfactory, Contractor shall renew or replace the effected bond within (ten) 10 days of receiving notice from City. In the event the surety or Contractor intends to reduce or cancel any required bond, at least thirty (30) days prior written

notice shall be given to the City, and Contractor shall post acceptable replacement bonds at least ten (10) days prior to expiration of the original bonds. No further payments shall be deemed due or will be made under this Contract until any replacement bonds required by this Section are accepted by the City. To the extent, if any, that the Total Contract Price is increased in accordance with the Contract, Contractor shall, upon request of the City, cause the amount of the bond to be increased accordingly and shall promptly deliver satisfactory evidence of such increase to the City. If Contractor fails to furnish any required bond, the City may terminate the Contract for cause.

3.16.4 Surety Qualifications. Only bonds executed by an admitted surety insurer, as defined in California Code of Civil Procedure Section 995.120, shall be accepted. If a California-admitted surety insurer issuing bonds does not meet these requirements, the insurer will be considered qualified if it is in conformance with Section 995.660 of the California Code of Civil Procedure, and proof of such is provided to the City.

3.17 Warranty. Contractor warrants all Work under the Contract (which for purposes of this Section shall be deemed to include unauthorized work which has not been removed and any non-conforming materials incorporated into the Work) to be of good quality and free from any defective or faulty material and workmanship. Contractor agrees that for a period of one year (or the period of time specified elsewhere in the Contract or in any guarantee or warranty provided by any manufacturer or supplier of equipment or materials incorporated into the Work, whichever is later) after the date of final acceptance, Contractor shall within ten (10) days after being notified in writing by the City of any defect in the Work or non-conformance of the Work to the Contract, commence and prosecute with due diligence all Work necessary to fulfill the terms of the warranty at its sole cost and expense. Contractor shall act sooner as requested by the City in response to an emergency. In addition, Contractor shall, at its sole cost and expense, repair and replace any portions of the Work (or work of other contractors) damaged by its defective Work or which becomes damaged in the course of repairing or replacing defective Work. For any Work so corrected, Contractor's obligation hereunder to correct defective Work shall be reinstated for an additional one year period, commencing with the date of acceptance of such corrected Work. Contractor shall perform such tests as the City may require to verify that any corrective actions, including, without limitation, redesign, repairs, and replacements comply with the requirements of the Contract. All costs associated with such corrective actions and testing, including the removal, replacement, and reinstatement of equipment and materials necessary to gain access, shall be the sole responsibility of Contractor. All warranties and guarantees of subcontractors, suppliers and manufacturers with respect to any portion of the Work, whether express or implied, are deemed to be obtained by Contractor for the benefit of the City, regardless of whether or not such warranties and guarantees have been transferred or assigned to the City by separate agreement and Contractor agrees to enforce such warranties and guarantees, if necessary, on behalf of the City. In the event that Contractor fails to perform its obligations under this Section, or under any other warranty or guaranty under this Contract, to the reasonable satisfaction of the City, the City shall have the right to correct and replace any defective or non-conforming Work and any work damaged by such work or the replacement or correction thereof at Contractor's sole expense. Contractor shall be obligated to fully reimburse the City for any expenses incurred hereunder upon demand.

3.18 Employee/Labor Certifications.

3.18.1 Contractor's Labor Certification. By its signature hereunder, Contractor certifies that he is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake

self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Work. A certification form for this purpose, which is attached to this Contract as Exhibit "D" and incorporated herein by reference, shall be executed simultaneously with this Contract.

3.18.2 Equal Opportunity Employment. Contractor represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

3.18.3 Verification of Employment Eligibility. By executing this Contract, Contractor verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subcontractors and sub-subcontractors to comply with the same.

3.19 Termination. This Contract may be terminated by City at any time, either with our without cause, by giving Contractor three (3) days advance written notice. In the event of termination by City for any reason other than the fault of Contractor, City shall pay Contractor for all Work performed up to that time as provided herein. In the event of breach of the Contract by Contractor, City may terminate the Contract immediately without notice, may reduce payment to Contractor in the amount necessary to offset City's resulting damages, and may pursue any other available recourse against Contractor. Contractor may not terminate this Contract except for cause. In the event this Contract is terminated in whole or in part as provided, City may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated. Further, if this Contract is terminated as provided, City may require Contractor to provide all finished or unfinished documents, data, diagrams, drawings, materials or other matter prepared or built by Contractor in connection with its performance of this Contract. Contractor shall be required to provide such document and other information within fifteen (15) days of the request.

3.20 General Provisions.

3.20.1 City's Representative. The City hereby designates the Director of Public Works, or his or her designee, to act as its representative for the performance of this Contract ("City's Representative"). City's Representative shall have the power to act on behalf of the City for all purposes under this Contract. Contractor shall not accept direction or orders from any person other than the City's Representative or his or her designee.

3.20.2 Contractor's Representative. Before starting the Work, Contractor shall submit in writing the name, qualifications and experience of its proposed representative who shall be subject to the review and approval of the City ("Contractor's Representative"). Following approval by the City, Contractor's Representative shall have full authority to represent and act on behalf of Contractor for all purposes under this Contract. Contractor's Representative shall supervise and direct the Work, using his best skill and attention, and shall be responsible for all construction means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Work under this Contract. Contractor's Representative shall devote full time to the Project and either he or his designee, who shall be acceptable to the City, shall be present at the Work site at all times that any Work is in progress and at any time that any

employee or subcontractor of Contractor is present at the Work site. Arrangements for responsible supervision, acceptable to the City, shall be made for emergency Work which may be required. Should Contractor desire to change its Contractor's Representative, Contractor shall provide the information specified above and obtain the City's written approval.

3.20.3 Contract Interpretation. Should any question arise regarding the meaning or import of any of the provisions of this Contract or written or oral instructions from City, the matter shall be referred to City's Representative, whose decision shall be binding upon Contractor.

3.20.4 Anti-Trust Claims. This provision shall be operative if this Contract is applicable to California Public Contract Code Section 7103.5. In entering into this Contract to supply goods, services or materials, Contractor hereby offers and agrees to assign to the City all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act (Chapter 2, commencing with Section 16700, of Part 2 of Division 7 of the Business and Professions Code) arising from purchases of goods, services, or materials pursuant to the Contract. This assignment shall be made and become effective at the time the City tender final payment to Contractor, without further acknowledgment by the Parties.

3.20.5 Notices. All notices hereunder and communications regarding interpretation of the terms of the Contract or changes thereto shall be provided by the mailing thereof by registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

CONTRACTOR:

CLIMATEC, LLC
2150 S. TOWNE CENTRE PL., STE. 200
ANAHEIM, CA 92806
ATTN: ROBERT PEPPE, OPERATIONS DIRECTOR

CITY:

CITY OF STANTON
7800 KATELLA AVENUE
STANTON, CA 90680
ATTN: CESAR RANGEL, DIRECTOR OF PUBLIC WORKS

Any notice so given shall be considered received by the other Party three (3) days after deposit in the U.S. Mail as stated above and addressed to the Party at the above address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.20.6 Time of Essence. Time is of the essence in the performance of this Contract.

3.20.7 Assignment Forbidden. Contractor shall not, either voluntarily or by action of law, assign or transfer this Contract or any obligation, right, title or interest assumed by Contractor herein without the prior written consent of City. If Contractor attempts an assignment or transfer of this Contract or any obligation, right, title or interest herein, City may, at its option,

terminate and revoke the Contract and shall thereupon be relieved from any and all obligations to Contractor or its assignee or transferee.

3.20.8 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.20.9 Laws; Venue. This Contract shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Contract, the action shall be brought in a state or federal court situated in the County of Orange, State of California.

3.20.10 Attorneys' Fees. If either Party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorneys' fees and all other costs of such action.

3.20.11 Counterparts. This Contract may be executed in counterparts, each of which shall constitute an original.

3.20.12 Successors. The Parties do for themselves, their heirs, executors, administrators, successors, and assigns agree to the full performance of all of the provisions contained in this Contract.

3.20.13 Solicitation. Contractor maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this Contract. Further, Contractor warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Contractor, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Contract. For breach or violation of this warranty, City shall have the right to terminate this Contract without liability.

3.20.14 Conflict of Interest. Contractor maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this Contract. Further, Contractor warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Contractor, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Contract. For breach or violation of this warranty, City shall have the right to rescind this Contract without liability. For the term of this Contract, no director, official, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Contract, or obtain any present or anticipated material benefit arising therefrom. In addition, Contractor agrees to file, or to cause its employees or subcontractors to file, a Statement of Economic Interest with the City's Filing Officer as required under state law in the performance of the Work.

3.20.15 Certification of License.

3.20.15.1 Contractor certifies that as of the date of execution of this Contract, Contractor has a current contractor's license of the classification indicated below under Contractor's signature.

3.20.15.2 Contractors are required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four (4) years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within ten (10) years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826.

3.20.16 Authority to Enter Contract. Each Party warrants that the individuals who have signed this Contract have the legal power, right and authority to make this Contract and bind each respective Party.

3.20.17 Entire Contract; Modification. This Contract contains the entire agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Contract may only be modified by a writing signed by both Parties.

3.20.18 Non-Waiver. None of the provisions of this Contract shall be considered waived by either party, unless such waiver is specifically specified in writing.

3.20.19 City's Right to Employ Other Contractors. City reserves right to employ other contractors in connection with this Project or other projects.

[Signatures on Next Page]

**SIGNATURE PAGE FOR CONSTRUCTION CONTRACT
BETWEEN THE CITY OF STANTON
AND CLIMATEC, LLC**

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first written above.

CITY OF STANTON

CLIMATEC, LLC

Approved:

By: _____
Hannah Shin-Heydorn
City Manager

By: _____

Its: _____

Printed Name: _____

ATTESTED:

By: _____
Patricia Vazquez
City Clerk

By: _____

Its: _____

Printed Name: _____

APPROVED AS TO FORM:

Best Best & Krieger LLP
City Attorney

Contractor's License Number and
Classification

DIR Registration Number

EXHIBIT "A"
SERVICES / SCHEDULE

SECURITY & LIFE SAFETY

WE MAKE BUILDINGS WORK FOR YOU



A CLIMATEC SOLUTION

Stanton City Hall FA Upgrade
01/30/2023

Presented by

Chris Ling

Business Development Manager

CLIMATEC SOLUTION PROPOSAL

Thank you for the opportunity to provide this quotation for the Stanton City Hall FA Upgrade project. Proposal is based on the building plans dated 05/11/1992, set provided by BCER Architects and is a fully sprinklered, low-rise, Group B, A, S-2, Mixed Use Occupancy. The Fire Alarm System will be Design Build, based on the California Fire Code (CFC 2019) and NFPA 72, 2019 Edition.

SCOPE OF WORK:

- Engineering Design and Plan Submission for a Design Build, Autocall Fire Alarm System. Building PDF or CAD files to be provided by Owner.
- Furnish and Install an Addressable Fire Alarm Control Unit and Remote Annunciator.
- Furnish and Install all required initiating devices (Manual Pull Stations, Smoke Detectors, Modules and Sprinkler Monitoring) for automatic detection.
- Furnish and Install all required notification devices (Horns and Strobes) for occupant notification.
- New Wire/Cable. Installation through full conduit system. Conduit & Boxes by others.
- Repair (5) existing sets of Magnetic Door Holders. Add (1) new set of Magnetic Door Holders.
- Labor for the installation of Fire Alarm equipment, wire/cable and programming by Climatec.
- IPGSM AT&T Cell Dialer included at each FACU.
- 100% System pre-test.
- Final Inspection with County Fire Marshall.
- One Year (12 mo.) warranty on parts and labor.
- Final As-Built drawings and close out documents upon completion of project.

CONDUIT CONDITIONS:

- Dedicated conduit for Fire Alarm system.
- Full conduit system by others.
- Damaged conduit and raceways replaced by Owner.
- Existing cabling, conduit, and raceways are up to code.
- Conduit and raceways (with pulls strings) are in good/workable condition with fills that are code-compliant per NEC.

GENERAL CONDITIONS:

- Work shall not be performed until contract/purchase order has been fully executed and approved.
- Project will require engineered plan check and submittals. Engineering of plans by Climatec. Fire Alarm Plan check and permit costs by Owner. No work shall be performed until approvals have been received.
- Invoicing shall be monthly, based on progress of labor and material. Climatec reserves the right to stop work when any invoice exceeds 30 days past due.
- Lead time on engineering plans is normally 3 to 4 weeks after a fully executed contract and a useable CAD format floor plan is provided.
- Lead time on equipment is normally 2 to 3 weeks once drawings are approved by the Authority Having Jurisdiction (AHJ).
- Labor costs based on standard working hours (Monday-Friday, 7am-4pm). Additional costs will be required if afterhours labor is needed.
- Any and all other work requested by either the Owner or Authority Having Jurisdiction (AHJ) beyond the agreed Scope of Work, approved plans, or above and beyond the California Fire Code (CFC) will result in a Change Order for engineering, materials and labor to Climatec.
- Fire Watch will be required for duration of project.
- Phased labor is not included. Additional costs will be required for project phasing.
- This proposal is valid for 30 days.

EXCLUSIONS

FIRE ALARM EXCLUSIONS:

- PLA AGREEMENT LABOR.
- Conduit & Boxes by others.
- Pull Strings, Raceway, Underground Conduit by others.
- Access Panels by others. Cutting or adding access panels/hatches will be provided by Owner as needed.
- All 120VAC electrical wiring by others.
- Relays or interfaces with rating above 120VAC.
- Dedicated 120V circuits for FACU to be provided by others.
- Emergency Voice Evac Fire Alarm System with Speakers and Speaker/Strobes.
- Smoke Control Panel or Passive/Active Smoke Control System.
- DAS or Firefighter phones/communication systems.
- Engineering, design, plans and permits associated with any excluded items.
- After hours, weekends, over-time and expedited work schedules are excluded.
- All third-party testing fees, PE stamps or Seismic Structural Calculations.
- Paint, Patch, Ceiling Tile Replacement or Concrete Coring provided by others as needed.
- Any removal of hazardous substances or working in a hazardous environment such as, but not limited to, asbestos, carbon monoxide or methane. No work will be performed in areas where hazardous materials are present. In any area where asbestos is present or thought to be present will require abatement before any work will be performed.
- Central Station Monitoring of FACU Life/Safety System (can be provided by Climatec in separate quote).
- CO Detection (Carbon Monoxide).
- Phased safe-off of existing Fire Alarm devices and project phasing is excluded.
- Demo, safe-off, or disposal of existing Fire Alarm equipment.
- Lift provided by others.
- Door work, including but not limited to cutting, coring, or mounting.
- Work in confined/concealed spaces.
- Troubleshooting of existing wiring for damages or ground faults.
- Sub-floor detection, above ceiling detection, or any other location not defined in scope.
- Plan check and permit fees.
- Fire Watch and associated fees.
- After-hours inspections and related fees.
- Parking fees.
- Any and all other work requested by Authority Having Jurisdiction (AHJ) beyond agreed Scope of Work and approved plans.

MATERIAL LIST

	Qty	Part No.	Description
Fire Alarm			
4007ES			
	1	A007-9201	AUTOCALL 7ES PANEL RED
	1	A007-9806	AUTOCALL 7ES SDACT MODULE
	2	A007-9803	AUTOCALL 7ES IDNET 2 LOOP MOD
	1	A2975-9218	BARRIER MOD BOX W/TRIM W/PLATE
	1	E120V-GT	E SERIES 120VAC SPD W/GAS TUBE120 VOLTS AC - PARALLEL DEVICE
	2	2081-9275	12V 18AH 7.13"LX2.99"DX6.57"H
	1	SSU00689	SRD SYSTEM RECORD DOCS 4GB MEMRED/WHT CAT30 12X13X2.25ACE 11
Remote Annunciator			
	1	A4606-9202	A007ES COLOR LCD ANNUN, RED
Dialer			
	1	TG-7FS	TG-7FS LTE Commercial Fire Alarm Communicator
	1	2081-9288	12V 12.7AH 5.95"LX3.86"DX3.7"H
Remote Power Supply			
	2	A009-9201	NAC EXTENDER 120VAC, IDNET
	4	2081-9288	12V 12.7AH 5.95"LX3.86"DX3.7"H
Smoke Detector			
	95	A4098-9714	SSD PHOTO SENSOR
	95	A4098-9792	SSD SENSOR BASE
Manual Pull Station			
	1	A4099-9021	STATION-LED, SA ADDR, NO GRIP
Monitoring Module			
	15	A4090-9001	IAM SUPERVISED IDNET
Control Module			
	22	A4090-9008	DUAL RELAY IAM, IDNET
Multi-Voltage Control Relay			
	16	MR-101/CR	Relay, SPDT, in a red metal enclosure
Horn/Strobe			
	59	A49AV-APPPLC	A/V M-C NON-ADDRESS, WHT, CEIL
WP Horn/Strobe			
	2	A59AV-APPLWW- O	WP MC AV NON-ADDR WALL MT RED
Door Holder			
	12	DH21240SPC	DOOR HOLDER 24/120V

PROPOSAL SUMMARY

Project Price (includes Sales Tax & Freight)

Fire Alarm Upgrade	\$182,376.00
--------------------	--------------

By signing below, I accept this proposal and agree to the terms and conditions contained herein.

Customer Name (Printed):

Customer Signature:

Date:

Please reach out if you have any questions:

Chris Ling

Business Development Manager | Anaheim, CA

Fire & Life Safety

C: 657-650-8940

E: cling@climatec.com

TERMS & CONDITIONS

The sale of Equipment & Services by Climatec to the Customer are subject to the following terms and conditions regardless of other terms and conditions in any purchase order, document, or other communication of Customer. This agreement may only be modified in writing signed by authorized representative of both Climatec and Customer.

1. **SCOPE OF WORK.** This proposal is valid for 60 days from date of proposal. Beyond that time Climatec reserves the right to revise any or all portions of it. This proposal is based upon the use of straight time labor only unless stated otherwise in this proposal. Unless specifically noted in the statement of the scope of the work or services undertaken by Climatec under this agreement, Climatec's obligations under this agreement expressly exclude any work or service of any nature associated or connected with the identification, abatement, clean up, control, removal or disposal of environment Hazards or dangerous substances, to include but not to be limited to asbestos, PCBs, or mold discovered in or on the premises. Proceeding with the scope of work defined in this agreement indicates acceptance of the terms & conditions of the agreement.
2. **INVOICING & PAYMENTS.** Climatec may invoice Purchaser for all materials delivered to the job site or to an off-site storage facility and for the work performed on-site and off-site. Purchaser agrees to pay Climatec amounts invoiced upon receipt of invoice. Waivers of lien will be furnished upon request, as the work progresses; to the extent payments are received. If Climatec's invoice is not paid within 30 days of its issuance, it is delinquent and Climatec shall add 1% per month interest onto delinquent amounts.
3. **WARRANTY.** Climatec is not the manufacturer of the Equipment, Products or Software. To the extend legally and contractually permitted, Warranty period shall be 12 months from the date of delivery of the Equipment, Products or Software. For Equipment or Products installed by Climatec, if Purchaser provides written notice to Climatec of any such defects within thirty (30) days after the appearance or discovery of such defect, Climatec shall, at its option, repair or replace the defective equipment and return said equipment to Purchaser. CLIMATEC MAKES NO OTHER WARRANTY, EXPRESS OR IMPLIED, SUCH AS WARRANTY OF MERCHANTABILITY, FITNESS FOR PURPOSE OR NON-INFRINGEMENT. CLIMATEC FURTHER DISCLAIMS THAT THESE WARRANTIES DO NOT EXTEND TO ANY EQUIPMENT DUE TO NORMAL WEAR AND TEAR OR TO EQUIPMENT WHICH HAS BEEN REPAIRED BY OTHERS, ABUSED, NEGLECTED, ALTERED, IMPROPERLY USED, DAMAGED (WHETHER CAUSED BY ACCIDENT OR OTHERWISE), MODIFIED, USED FOR PURPOSES OTHER THAN MANUFACTURER'S INTENTION, OR WHICH HAS NOT BEEN PROPERLY AND REASONABLY MAINTAINED. SOME JURISDICTIONS DO NOT ALLOW THE EXCLUSION OF EXPRESS OR IMPLIED WARRANTIES, SO THE ABOVE EXCLUSION MAY NOT APPLY TO CUSTOMER. IN THAT EVENT, SUCH WARRANTIES ARE LIMITED IN DURATION TO THE WARRANTY PERIOD.
4. **INDEMNIFICATION.** Customer shall indemnify, defend and hold Climatec harmless from any claims based on (i) Climatec compliance with Customer's designs, specifications, instructions, (ii) modification of any Product by anyone other than Climatec (iii) negligent act or omission by Customer, (iv) breach of this agreement. UNDER NO CIRCUMSTANCES SHALL CLIMATEC, ITS AFFILIATES OR SUPPLIERS BE LIABLE FOR ANY OF THE FOLLOWING, EVEN IF INFORMED OF THEIR POSSIBILITY; DAMAGES CLAIMS BY ANY THIRD PARTY, WHETHER OR NOT THE CLAIMS ARE BASED IN CONTRACT, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY) OR OTHERWISE; LOSS OF, DAMAGE TO, DATA; SPECIAL, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, PUNITIVE, INDIRECT DAMAGES, OR ANY ECONOMIC CONSEQUENTIAL DAMAGES; OR LOST PROFITS, BUSINESS REVENUE, GOODWILL, OR ANTICIPATED SAVINGS.
5. **LIMITATION OF LIABILITY.** Climatec's entire liability to Customer in the aggregate is limited to Customer's direct damages up to an amount not to exceed \$100,000.
6. **TAXES.** The price of this proposal does not include duties, sale, use, excise or other similar taxes unless required by federal, state or local law or unless stated otherwise in this proposal. Purchaser shall pay, in addition to the stated price, all taxes not legally required to be paid by Climatec or, alternatively, shall provide Climatec with acceptable tax exemption certificates.
7. **FORCE MAJEURE/DELAYS.** Climatec shall not be liable for any delay or failure to fulfill its obligations under this agreement due to causes beyond its reasonable control resulting from or attributed to acts of circumstances beyond Climatec's control, including but not limited to epidemics, pandemics, acts of God, man-made or natural disasters, medical crisis, criminal acts, transportation delays, Government required shut-downs, labor disputes, conditions of the premise, acts or omissions of the Purchaser, Owner or other Contractors or delays caused by an inability to obtain labor (direct or subcontracted) or materials, products, equipment or software. If any product required to complete work becomes temporarily or permanently unavailable, Climatec shall (a) be excused from furnishing said materials or equipment, or (b) be reimbursed for the difference between the cost of the materials or equipment unavailable and the cost of an agreeable substitute therefore.
8. **GENERAL:**
 1. Climatec and Customer shall comply with all applicable federal, state, and local laws and regulations. Permits required for the execution of the work shall be obtained and paid for by the Customer unless stated otherwise in this proposal.
 2. All disputes involving more than \$15,000 shall be resolved by arbitration in accordance with the rules of the American Arbitration Association. The prevailing party shall recover all legal costs and attorney's fees incurred as a result. Nothing here shall limit any rights under construction lien laws.
 3. Insurance coverage in excess of Climatec's standard limits will be furnished when requested and required and at Climatec's discretion the costs of this additional insurance may be passed on to the Purchaser. No credit will be given or premium paid by Climatec for insurance afforded by others.
 4. The Parties hereto agree to notify each other immediately upon becoming aware of an inspection under, or any alleged violation of, the Occupational Safety and Health Act (OSHA) relating in any way to the project or project site.
 5. The unenforceability of or invalidity of any of these terms or conditions will not affect the remainder of the terms & conditions.
 6. This Agreement shall be governed in accordance with the laws of the State of Arizona.
 7. Climatec and Customer agree that electronic signatures may be used and will be legally valid, effective and enforceable.

EXHIBIT "B"

PLANS AND SPECIFICATIONS

**[CONTRACTOR TO PROVIDE PLANS AND SPECS AS PART OF ENGINEERING DESIGN
AND PLAN SUBMISSION FOR A DESIGN BUILD]**

EXHIBIT "C"
SPECIAL CONDITIONS

ARTICLE 1. BONDS

Concurrently with this Contract, the Contractor shall deliver to the City four identical counterparts of the Performance Bond and Payment Bond on the forms supplied by the City and included as Exhibit "E" to the Contract. The surety supplying the bond must be an admitted surety insurer, as defined in Code of Civil Procedure Section 995.120, authorized to do business as such in the State of California and satisfactory to the City. The Performance Bond and the Payment Bond shall be for one hundred percent (100%) of the Total Contract Price.

EXHIBIT "D"
CERTIFICATION
LABOR CODE - SECTION 1861

I, the undersigned Contractor, am aware of the provisions of Section 3700, et seq., of the California Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I, the undersigned Contractor, agree to and will comply with such provisions before commencing the performance of the Work on this Contract.

CLIMATEC, LLC

By: _____
Signature

Name (Print)

Title (Print)

EXHIBIT "E"
PAYMENT AND PERFORMANCE BONDS

PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS:

THAT WHEREAS, the City of Stanton (hereinafter referred to as "City") has awarded to _____, (hereinafter referred to as the "Contractor") _____ an agreement for _____ (hereinafter referred to as the "Project").

WHEREAS, the work to be performed by the Contractor is more particularly set forth in the Contract Documents for the Project dated _____, (hereinafter referred to as "Contract Documents"), the terms and conditions of which are expressly incorporated herein by reference; and

WHEREAS, the Contractor is required by said Contract Documents to perform the terms thereof and to furnish a bond for the faithful performance of said Contract Documents.

NOW, THEREFORE, we, _____, the undersigned Contractor and _____ as Surety, a corporation organized and duly authorized to transact business under the laws of the State of California, are held and firmly bound unto the City in the sum of _____ DOLLARS, (\$_____), said sum being not less than one hundred percent (100%) of the total amount of the Contract, for which amount well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that, if the Contractor, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements in the Contract Documents and any alteration thereof made as therein provided, on its part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their intent and meaning; and shall faithfully fulfill all obligations including the one-year guarantee of all materials and workmanship; and shall indemnify and save harmless the City, its officers and agents, as stipulated in said Contract Documents, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As a condition precedent to the satisfactory completion of the Contract Documents, unless otherwise provided for in the Contract Documents, the above obligation shall hold good for a period of one (1) year after the acceptance of the work by City, during which time if Contractor shall fail to make full, complete, and satisfactory repair and replacements and totally protect the City from loss or damage resulting from or caused by defective materials or faulty workmanship, Surety shall undertake and faithfully fulfill all such obligations. The obligations of Surety hereunder shall continue so long as any obligation of Contractor remains. Nothing herein shall limit the City's rights or the Contractor or Surety's obligations under the Contract, law or equity, including, but not limited to, California Code of Civil Procedure section 337.15.

Whenever Contractor shall be, and is declared by the City to be, in default under the Contract Documents, the Surety shall remedy the default pursuant to the Contract Documents, or shall promptly, at the City's option:

- (1) Take over and complete the Project in accordance with all terms and conditions in the Contract Documents; or
- (2) Obtain a bid or bids for completing the Project in accordance with all terms and conditions in the Contract Documents and upon determination by Surety of the lowest responsive and responsible bidder, arrange for a Contract between such bidder, the Surety and the City, and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor by the City under the Contract and any modification thereto, less any amount previously paid by the City to the Contractor and any other set offs pursuant to the Contract Documents.
- (3) Permit the City to complete the Project in any manner consistent with local, California and federal law and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor by the City under the Contract and any modification thereto, less any amount previously paid by the City to the Contractor and any other set offs pursuant to the Contract Documents.

Surety expressly agrees that the City may reject any contractor or subcontractor which may be proposed by Surety in fulfillment of its obligations in the event of default by the Contractor.

Surety shall not utilize Contractor in completing the Project nor shall Surety accept a bid from Contractor for completion of the Project if the City, when declaring the Contractor in default, notifies Surety of the City's objection to Contractor's further participation in the completion of the Project.

The Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project to be performed thereunder shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project, including but not limited to the provisions of sections 2819 and 2845 of the California Civil Code.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____, 20__).

(Corporate Seal)

Contractor/ Principal

By _____

Title _____

(Corporate Seal)

Surety

By _____
Attorney-in-Fact

Signatures of those signing for the Contractor and Surety must be notarized and evidence of corporate authority attached.

(Attach Attorney-in-Fact Certificate) Title _____

The rate of premium on this bond is _____ per thousand. The total amount of premium charges, \$_____.

(The above must be filled in by corporate attorney.)

THIS IS A REQUIRED FORM

Any claims under this bond may be addressed to:

(Name and Address of Surety) _____

(Name and Address of Agent or Representative for service of process in California, if different from above) _____

(Telephone number of Surety and Agent or Representative for service of process in California) _____

NOTE: A copy of the Power-of-Attorney authorizing the person signing on behalf of the Surety to do so must be attached hereto.

Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 20____, before me, _____, Notary Public, personally

appeared _____, who proved to me on the basis of satisfactory

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document

and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- Individual
- Corporate Officer

Title(s)

Title or Type of Document

- Partner(s) Limited
- General

Number of Pages

- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other:

Date of Document

Signer is representing:
Name Of Person(s) Or Entity(ies)

Signer(s) Other Than Named Above

PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS That

THAT WHEREAS, the City of Stanton (hereinafter referred to as "City") has awarded to _____, (hereinafter referred to as the "Contractor") _____ an agreement for _____ (hereinafter referred to as the "Project").

WHEREAS, the work to be performed by the Contractor is more particularly set forth in the Contract Documents for the Project dated _____, (hereinafter referred to as "Contract Documents"), the terms and conditions of which are expressly incorporated herein by reference; and

WHEREAS, said Principal is required to furnish a bond in connection with said contract; providing that if said Principal or any of its Subcontractors shall fail to pay for any materials, provisions, provender, equipment, or other supplies used in, upon, for or about the performance of the work contracted to be done, or for any work or labor done thereon of any kind, or for amounts due under the Unemployment Insurance Code or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of said Principal and its Subcontractors with respect to such work or labor the Surety on this bond will pay for the same to the extent hereinafter set forth.

NOW THEREFORE, we, the Principal and _____ as Surety, are held and firmly bound unto the City in the penal sum of _____ Dollars (\$ _____) lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if said Principal, his or its subcontractors, heirs, executors, administrators, successors or assigns, shall fail to pay any of the persons named in Section 9100 of the Civil Code, fail to pay for any materials, provisions or other supplies, used in, upon, for or about the performance of the work contracted to be done, or for any work or labor thereon of any kind, or amounts due under the Unemployment Insurance Code with respect to work or labor performed under the contract, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department or Franchise Tax Board from the wages of employees of the contractor and his subcontractors pursuant to Section 18663 of the Revenue and Taxation Code, with respect to such work and labor the Surety or Sureties will pay for the same, in an amount not exceeding the sum herein above specified, and also, in case suit is brought upon this bond, all litigation expenses incurred by City in such suit, including reasonable attorneys' fees, court costs, expert witness fees and investigation expenses.

This bond shall inure to the benefit of any of the persons named in Section 9100 of the Civil Code so as to give a right of action to such persons or their assigns in any suit brought upon this bond.

It is further stipulated and agreed that the Surety on this bond shall not be exonerated or released from the obligation of this bond by any change, extension of time for performance, addition, alteration or modification in, to, or of any contract, plans, specifications, or agreement pertaining or relating to any scheme or work of improvement herein above described, or pertaining

or relating to the furnishing of labor, materials, or equipment therefore, nor by any change or modification of any terms of payment or extension of the time for any payment pertaining or relating to any scheme or work of improvement herein above described, nor by any rescission or attempted rescission of the contract, agreement or bond, nor by any conditions precedent or subsequent in the bond attempting to limit the right of recovery of claimants otherwise entitled to recover under any such contract or agreement or under the bond, nor by any fraud practiced by any person other than the claimant seeking to recover on the bond and that this bond be construed most strongly against the Surety and in favor of all persons for whose benefit such bond is given, and under no circumstances shall Surety be released from liability to those for whose benefit such bond has been given, by reason of any breach of contract between the owner or City and original contractor or on the part of any obligee named in such bond, but the sole conditions of recovery shall be that claimant is a person described in Section 9100 of the Civil Code, and has not been paid the full amount of his claim and that Surety does hereby waive notice of any such change, extension of time, addition, alteration or modification herein mentioned and the provisions of sections 2819 and 2845 of the California Civil Code.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____, 20__.

(Corporate Seal)_____

Contractor/ Principal

By_____

Title_____

(Corporate Seal)

Surety

By_____

Attorney-in-Fact

Title_____

Signatures of those signing for the Contractor and Surety must be notarized and evidence of corporate authority attached. A Power-of-Attorney authorizing the person signing on behalf of the Surety to do so much be attached hereto.

NOTE: A copy of the Power-of-Attorney authorizing the person signing on behalf of the Surety to do so must be attached hereto.

Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 20____, before me, _____, Notary Public, personally

appeared _____, who proved to me on the basis of satisfactory

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document

and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- Individual
- Corporate Officer

Title(s)

Title or Type of Document

- Partner(s) Limited
- General

Number of Pages

- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other:

Date of Document

Signer is representing:
Name Of Person(s) Or Entity(ies)

Signer(s) Other Than Named Above

ORDINANCE NO. 1129

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STANTON AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY COUNCIL OF THE CITY OF STANTON AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM TO REMOVE THE CONTRACT PROVISION EXCLUDING FROM CALPERS MEMBERSHIP "PERSONS COMPENSATED ON AN HOURLY BASIS" PROSPECTIVELY, PURSUANT TO GOVERNMENT CODE SECTIONS 20305 AND 20503

WHEREAS, the action of revision of a pension contract does not constitute a project as defined by California Environmental Quality Act Guidelines Section 15378, therefore, no further environmental review is required.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1: The City Council finds that all the facts, findings and conclusions set forth in this Ordinance are true and correct.

SECTION 2: That an amendment to the contract between the City Council of the City of Stanton and the Board of Administration, California Public Employees' Retirement System is hereby authorized, a copy of said amendment being attached hereto, marked Exhibit, and by such reference made a part hereof as though herein set out in full.

SECTION 3: The City Manager of the City of Stanton is hereby authorized, empowered, and directed to execute said amendment for and on behalf of said Agency.

SECTION 4: This ordinance shall take effect 30 days following its adoption.

SECTION 5: If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council of the City of Stanton hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase, or portion thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions be declared invalid or unconstitutional.

SECTION 6: The City Clerk shall certify to the adoption of this Ordinance and cause the same to be posted in the three (3) designated posting places within the City of Stanton within fifteen (15) days after its passage.

PASSED, APPROVED, AND ADOPTED this 14th day of March, 2023.

DAVID J. SHAWVER, MAYOR

ATTEST:

PATRICIA A. VAZQUEZ, CITY CLERK

APPROVED AS TO FORM

HONGDAO NGUYEN, CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF STANTON)

I, Patricia A. Vazquez, City Clerk of the City of Stanton, California, do hereby certify that the foregoing Ordinance No. 1129 was introduced at a regular meeting of the City Council of the City of Stanton, California, held on the 14th day of February, 2023 and was duly adopted at a regular meeting of the City Council held on the 14th day of March, 2023, by the following roll-call vote, to wit:

AYES: COUNCILMEMBERS: _____

NOES: COUNCILMEMBERS: _____

ABSENT: COUNCILMEMBERS: _____

ABSTAIN: COUNCILMEMBERS: _____

PATRICIA A. VAZQUEZ, CITY CLERK


**EXHIBIT**

California
Public Employees' Retirement System



AMENDMENT TO CONTRACT

**Between the
Board of Administration
California Public Employees' Retirement System
and the
City Council
City of Stanton**



The Board of Administration, California Public Employees' Retirement System, hereinafter referred to as Board, and the governing body of the above public agency, hereinafter referred to as Public Agency, having entered into a contract effective December 31, 1967, and witnessed November 27, 1967, and as amended effective July 1, 1971, July 1, 1973, November 1, 1977, October 19, 1980, June 14, 1985, June 23, 1985, October 1, 1996, August 15, 1999, July 8, 2007, and August 28, 2011, which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 14 are hereby stricken from said contract as executed effective August 28, 2011, and hereby replaced by the following paragraphs numbered 1 through 17 inclusive:
1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 55 for classic local miscellaneous members entering membership in the miscellaneous classification on or prior to August 28, 2011, age 60 for classic local miscellaneous members entering membership for the first time in the miscellaneous classification after August 28, 2011, age 62 for new local miscellaneous members, age 55 for classic local safety members, and age 57 for new local safety members.

PLEASE DO NOT SIGN "EXHIBIT ONLY"

2. Public Agency shall participate in the Public Employees' Retirement System from and after December 31, 1967, making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency.
3. Public Agency agrees to indemnify, defend and hold harmless the California Public Employees' Retirement System (CalPERS) and its trustees, agents and employees, the CalPERS Board of Administration, and the California Public Employees' Retirement Fund from any claims, demands, actions, losses, liabilities, damages, judgments, expenses and costs, including but not limited to interest, penalties and attorney fees that may arise as a result of any of the following:
 - (a) Public Agency's election to provide retirement benefits, provisions or formulas under this Contract that are different than the retirement benefits, provisions or formulas provided under the Public Agency's prior non-CalPERS retirement program.
 - (b) Any dispute, disagreement, claim, or proceeding (including without limitation arbitration, administrative hearing, or litigation) between Public Agency and its employees (or their representatives) which relates to Public Agency's election to amend this Contract to provide retirement benefits, provisions or formulas that are different than such employees' existing retirement benefits, provisions or formulas.
 - (c) Public Agency's agreement with a third party other than CalPERS to provide retirement benefits, provisions, or formulas that are different than the retirement benefits, provisions or formulas provided under this Contract and provided for under the California Public Employees' Retirement Law.
4. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:
 - a. Local Fire Fighters (herein referred to as local safety members);
 - b. Local Police Officers (herein referred to as local safety members);
 - c. Employees other than local safety members (herein referred to as local miscellaneous members).

PLEASE DO NOT SIGN "EXHIBIT ONLY"

5. In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:
 - a. **APPOINTIVE MEMBERS OF ALL COMMISSIONS AND BOARDS;**
 - b. **CITY TREASURER (HONORARY);**
 - c. **VOLUNTEER PERSONNEL;**
 - d. **RESERVE PERSONNEL;**
 - e. **ELECTED OFFICIALS (WHICH MEANS "CITY COUNCIL MEMBERS") FROM DECEMBER 31, 1967, THROUGH OCTOBER 31, 1977, AND ELECTED OFFICIALS ENTERING OFFICE ON OR AFTER JUNE 14, 1985; AND**
 - f. **INTERN, PARK RANGER, RECREATION LEADER, AND SENIOR RECREATION LEADER PROSPECTIVELY FROM THE EFFECTIVE DATE OF THIS AMENDMENT TO CONTRACT.**
6. Removal of the exclusion of "Hourly Employees," pursuant to Section 20503, is declarative of agency's previous interpretation and does not mandate any new classes of employees into membership.
7. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local miscellaneous member entering membership in the miscellaneous classification on or prior to August 28, 2011, shall be determined in accordance with Section 21354 of said Retirement Law, subject to the reduction provided therein for service prior to June 30, 1971, termination of Social Security, for members whose service has been included in Federal Social Security (2% at age 55 Full and Modified).
8. The percentage of final compensation to be provided for each year of credited current service as a classic local miscellaneous member entering membership for the first time in the miscellaneous classification after August 28, 2011, shall be determined in accordance with Section 21353 of said Retirement Law (2% at age 60 Full).
9. The percentage of final compensation to be provided for each year of credited prior and current service as a new local miscellaneous member shall be determined in accordance with Section 7522.20 of said Retirement Law (2% at age 62 Full).
10. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local safety member shall be determined in accordance with Section 21366 of said Retirement Law (One-half pay at age 55 Full).
11. The percentage of final compensation to be provided for each year of credited prior and current service as a new local safety member shall be determined in accordance with Section 7522.25(b) of said Retirement Law (2% at age 57 Full).

PLEASE DO NOT SIGN "EXHIBIT ONLY"

12. Public Agency elected and elects to be subject to the following optional provisions:
 - a. Section 21222.1 (Special 5% Increase - 1970). Legislation repealed said Section effective January 1, 1980.
 - b. Section 21572 (Increased Level of 1959 Survivor Benefits).
 - c. Section 20503 (To Remove the Exclusion of "City Attorney," prospectively from October 1, 1996).
 - d. Section 20042 (One-Year Final Compensation) for those classic local miscellaneous members entering membership on or prior to August 28, 2011.
 - e. Section 20475 (Different Level of Benefits): Section 21353 (2% @ 60 Full formula) and Section 20037 (Three-Year Final Compensation) are applicable to classic local miscellaneous members entering membership for the first time with this agency in the miscellaneous classification after August 28, 2011.
 - f. Section 20503 (To Remove the Exclusion of "Hourly Employees," prospectively from the effective date of this amendment to contract).
13. Public Agency, in accordance with Government Code Section 20790, ceased to be an "employer" for purposes of Section 20834 effective on October 19, 1980. Accumulated contributions of Public Agency shall be fixed and determined as provided in Government Code Section 20834, and accumulated contributions thereafter shall be held by the Board as provided in Government Code Section 20834.
14. Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members and local safety members of said Retirement System.
15. Public Agency shall also contribute to said Retirement System as follows:
 - a. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.
 - b. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.

16. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.
17. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

B. This amendment shall be effective on the _____ day of _____, _____.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

CITY COUNCIL
CITY OF STANTON

BY _____
MELODY BENAVIDES, CHIEF
PENSION CONTRACTS AND PREFUNDING
PROGRAMS DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
PRESIDING OFFICER

Witness Date

Attest:

Clerk

CITY OF STANTON

REPORT TO THE CITY COUNCIL

TO: Honorable Mayor and Members of the City Council

DATE: March 14, 2023

SUBJECT: SCHEDULING A BUDGET WORKSHOP

REPORT IN BRIEF:

The City Council will consider dates for its budget workshop covering Fiscal Year (FY) 2023-24.

RECOMMENDED ACTION:

1. City Council find that this item is not subject to California Environmental Quality Act (“CEQA”) pursuant to Sections 15378(b)(5)(Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment); and
2. Select a date for the annual budget workshop.

BACKGROUND AND ANALYSIS:

The City’s fiscal year begins on July 1 which requires that the annual budget adoption occur on or before this date. Each year the City Council schedules a time to conduct a budget workshop. The purpose of this workshop is to review the accomplishments of FY 2022-23 and the proposed budget and associated work plan for FY 2023-24.

Since City Council meetings are held on the 2nd and 4th Tuesdays, suggested dates include Tuesday, May 16 and Tuesday, May 30. The preliminary budget will be distributed to the City Council and made available to the public on the City’s website at least 72 hours prior to the selected date. A workshop held on one of these dates will ensure sufficient time to adopt the budget for FY 2023-24 by June 27, 2023.

FISCAL IMPACT:

There is no fiscal impact associated with the recommended action.

ENVIRONMENTAL IMPACT:

This item is not subject to California Environmental Quality Act (“CEQA”) pursuant to Sections 15378(b)(5)(Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment).

LEGAL REVIEW:

None.

PUBLIC NOTIFICATION:

Notification through the regular agenda process.

STRATEGIC PLAN OBJECTIVES ADDRESSED:

- Obj. No. 1: Provide a safe community.
- Obj. No. 5: Provide a high quality of life.
- Obj. No. 6: Maintain and promote a responsive, high quality and transparent government.

Prepared by: Michelle Bannigan, Finance Director
Approved by: Hannah Shin-Heydorn, City Manager

CITY OF STANTON

REPORT TO CITY COUNCIL

TO: Honorable Mayor and Members of the City Council

DATE: March 14, 2023

SUBJECT: PROPOSED RESOLUTION TERMINATING THE LOCAL EMERGENCY DECLARED BY THE CITY AS A RESULT OF THE COVID-19 PANDEMIC AND RESCINDING COVID-19 RELATED EMERGENCY MEASURES ADOPTED BY THE CITY

REPORT IN BRIEF:

Pursuant to state law and the City of Stanton's ("City") Municipal Code, the City proclaimed a local emergency in response to the COVID-19 pandemic. The City Council will consider adopting a resolution terminating its COVID-19 local emergency and clarify existing emergency measures issued by the City in response to the COVID-19 pandemic that shall automatically expire following the termination of the local emergency.

RECOMMENDED ACTION:

1. City Council in accordance with the requirements of California Environmental Quality Act ("CEQA"), declare that the project is exempt pursuant to Sections 15378 and Section 15061(b)(3) of the State CEQA Guidelines (Title 14 of the California Code of Regulations); and
2. Declare an end to the City's COVID-19 local emergency by adopting Resolution No. 2023-05, titled:

"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, TERMINATING THE CITY'S LOCAL EMERGENCY DECLARED BY THE CITY AS A RESULT OF THE COVID-19 PANDEMIC AND RESCINDING COVID-19 RELATED EMERGENCY MEASURES ADOPTED BY THE CITY".

BACKGROUND:

In late 2019, an acute respiratory illness caused by a novel (new) coronavirus, known as COVID-19, began to spread globally and rapidly, resulting in severe illness and death around the world. The World Health Organization (“WHO”) described COVID-19 as a global pandemic. The WHO reports that to date the disease has caused over 6 million deaths worldwide.

The California Emergency Services Act (“CESA”)(Government Code section 8550, *et seq.*), authorizes the proclamation of a local emergency when conditions of disaster or extreme peril to the safety of persons and property within the territorial limits of a City exist. Similarly, Stanton Municipal Code section 2.64.060(A)(1), empowers the City Manager acting as the Director of Emergency Services to proclaim the existence or threatened existence of a “local emergency”, if the City Council is not in session, and requires that the City Council shall take the action to ratify the proclamation within seven (7) days thereafter, or the proclamation shall have no further force or effect.

On February 26, 2020, the Board of Supervisors of Orange County and the County’s Health Officer declared a local and health emergency as a result of COVID-19. On March 4, 2020, California Governor Gavin Newsom proclaimed a state of emergency in response to COVID-19.

Pursuant to Government Code section 8630(a) and Stanton Municipal Code section 2.64.060(A)(1), the City Manager acting as the Director of Emergency Services proclaimed a local emergency as a result of COVID-19 on March 17, 2020 via Proclamation No. 2020-01. The proclamation was ratified by the City Council on March 24, 2020 via Resolution No. 2020-04.

ANALYSIS/JUSTIFICATION:

Normally, the City Council must review the need for continuing the local emergency at least once every 60 days until it terminates the local emergency. (Gov. Code, § 8630(c).) However, under Governor Newsom’s state of emergency proclamation issued on March 4, 2020, the 60-day time period in Government Code section 8630(c) was waived for the duration of the statewide emergency. As such, the City’s local emergency proclamation has remained in effect without the need to review the need for the local emergency every 60 days.

The public health community’s response to mitigating the spread of COVID-19 has changed over time in response to the fluctuating presence of the disease. Fortunately, the State and County are currently experiencing a significant decrease in confirmed cases, test positivity rates, and related hospitalizations. In fact, California’s death rate as a result of COVID-19 is the lowest amongst large states. Additionally, COVID-19 vaccines and boosters are now widely available, and vaccination rates are increasing. Most businesses are operating as normal and Orange County has reduced the number of restrictions countywide in response to current conditions.

In light of the foregoing, numerous public entities have terminated their COVID-19 emergencies. The statewide emergency declared by Governor Newsom terminated on February 28, 2023.

Although, the nature of COVID-19 continues to remain in flux, the State, County and City have successfully developed infrastructure to effectively combat the spread of the disease that has transformed a once crisis event into a manageable situation.

Pursuant to Government Code section 8630(d) which provides that the City Council shall proclaim the termination of the local emergency at the earliest possible date that conditions warrant, the proposed resolution finds and proclaims that the conditions of extreme peril to the safety of persons and property that arose as a result of COVID-19 no longer exist in the City, thereby terminating the City's COVID-19 local emergency.

Review of Existing COVID-19 Related Emergency Measures

During the City's proclaimed local emergency in response to COVID-19 and pursuant to its authority under the CESA, the City Council adopted Urgency Ordinance No. 1103 on June 9, 2020, implementing a Temporary Outdoor Seating Program authorizing existing businesses to operate on private property, parking lots, and public sidewalks. The duration of the program is tied to the existence of the City's local COVID-19 emergency. Therefore, if the proposed resolution is adopted during tonight's meeting, thereby terminating the City's local COVID-19 emergency, Ordinance No. 1103 will automatically expire. Also, upon the termination of the local emergency, active Temporary Outdoor Use Permits issued by the City pursuant to the program will expire 14 days later, on March 28, 2023. If the City Council ends the local COVID-19 emergency, then Community Development will send the appropriate notifications to all affected businesses.

FISCAL IMPACT:

There is no fiscal impact related to this item.

ENVIRONMENTAL IMPACT:

In accordance with the requirements of California Environmental Quality Act ("CEQA"), the project is exempt pursuant to Sections 15378 and Section 15061(b)(3) of the State CEQA Guidelines (Title 14 of the California Code of Regulations).

PUBLIC NOTIFICATION:

Public notice was made through the regular agenda process.

STRATEGIC PLAN OBJECTIVE:

Obj. No. 1: Provide a safe community.

Prepared by: HongDao Nguyen, City Attorney

Reviewed by: Crystal Landavazo, Director of Community Development

Approved by: Hannah Shin-Heydorn, City Manager

Attachment:

- A. Resolution No. 2023-05, "A Resolution of the City Council of the City of Stanton, California Terminating the City's Local Emergency Declared by the City as a Result of the COVID-19 Pandemic and Rescinding COVID-19 Related Emergency Measures Adopted by the City".

RESOLUTION NO. 2023-05**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, PROCLAIMING THE END OF THE CITY'S LOCAL EMERGENCY DECLARED BY THE CITY AS A RESULT OF THE COVID-19 PANDEMIC AND RESCINDING COVID-19 RELATED EMERGENCY MEASURES ADOPTED BY THE CITY****THE CITY COUNCIL OF THE CITY OF STANTON DOES HEREBY RESOLVE AS FOLLOWS:**

WHEREAS, the California Emergency Services Act ("CESA")(Government Code section 8550, *et seq.*), authorizes the proclamation of a local emergency when conditions of disaster or extreme peril to the safety of persons and property within the territorial limits of a city exist; and

WHEREAS, Government Code section 8630 and Stanton Municipal Code section 2.64.060(A)(1), empowers the City Manager acting as the Director of Emergency Services to proclaim the existence or threatened existence of a "local emergency", if the City Council is not in session, and require that the City Council shall take the action to ratify the proclamation within seven (7) days thereafter, or the proclamation shall have no further force or effect; and

WHEREAS, in late 2019, an acute respiratory illness caused by a novel (new) coronavirus, known as COVID-19, began to spread globally and rapidly, resulting in severe illness and death around the world. The World Health Organization ("WHO") described COVID-19 as a global pandemic. The WHO reports that to date the disease has caused over 6 million deaths worldwide; and

WHEREAS, in early 2020, and in response to the increased spread of COVID-19, the State of California and Orange County along with many other public entities in the state declared an emergency pursuant to CESA; and

WHEREAS, the City Manager acting as the Director of Emergency Services, proclaimed an emergency as a result of the COVID-19 virus on March 17, 2020 via Proclamation No. 2020-01. The proclamation was ratified by the City Council on March 24, 2020 via Resolution No. 2020-04; and

WHEREAS, normally, the City Council must review the need for continuing the local emergency at least once every 60 days until it terminates the local emergency. (Gov. Code, § 8630.) However, under Governor Newsom's state of emergency proclamation issued on March 4, 2020, the 60-day time period in Government Code section 8630 was waived for the duration of the statewide emergency. As such, the City's local emergency proclamation has remained in effect without the need to review the need for the local emergency every 60 days; and

WHEREAS, the public health community's response to mitigating the spread of COVID-19 has changed over time in response to the fluctuating presence of the disease. Fortunately, the State and County are currently experiencing a significant decrease in confirmed cases, test positivity rates, and related hospitalizations. Additionally, COVID-19 vaccines and boosters are now widely available, and vaccination rates are increasing. Most businesses are operating as normal and Orange County has reduced the number of restrictions countywide in response to current conditions; and

WHEREAS, in light for the foregoing, numerous public entities have terminated their COVID-19 emergencies. The statewide emergency declared by Governor Newsom terminated on February 28, 2023; and

WHEREAS, the nature of COVID-19 continues to remain in flux. However, the State, County and City have successfully developed infrastructure to effectively combat the spread of the disease that have transformed a once crisis event into a manageable situation; and

WHEREAS, pursuant to California Government Code section 8630(d), the City Council shall proclaim the termination of the local emergency at the earliest possible date that conditions warrant; and

WHEREAS, during the City's proclaimed local emergency in response to COVID-19 and pursuant to its authority under the CESA, the City Council adopted Urgency Ordinance No. 1103 on June 9, 2020, implementing a Temporary Outdoor Seating Program authorizing existing businesses to operate on private property, parking lots, and public sidewalks; and

WHEREAS, the City's Temporary Outdoor Seating Program will automatically expire upon the termination of City's local COVID-19 emergency, and active temporary use permits issued by the City pursuant to the Program will expire 14 days later; and

WHEREAS, the City Council desires to proclaim the termination the local emergency declared in the City in response to the COVID-19 pandemic.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF STANTON, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1: End of COVID-19 Local Emergency. Pursuant to California Government Code section 8630(d), the City Council finds and proclaims that the conditions of extreme peril to the safety of persons and property that arose as a result of COVID-19 in the City of Stanton no longer exist. As such, the proclamation of an existence of a local emergency declared in response to COVID-19 proclaimed by the City Manager on March 17, 2020 via Proclamation No. 2020-01 and ratified by the City Council on March 24, 2020 via Resolution No. 2020-04 no longer exists.

SECTION 2: The City's Temporary Outdoor Seating Program implemented pursuant to Urgency Ordinance No. 1103 adopted by the City Council on June 9, 2020, shall automatically expire upon the adoption of this Resolution. Active Temporary Use Permits issued by the City pursuant to the program shall expire on March 28, 2023.

SECTION 3: Clerk Certification; Recordation. The City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original resolutions.

SECTION 4: Effective Date. This Resolution shall become effective upon its adoption.

PASSED, APPROVED, ADOPTED, AND SIGNED this 14th day of March, 2023.

DAVID J. SHAWVER, MAYOR

APPROVED AS TO FORM:

HONGDAO NGUYEN, CITY ATTORNEY

ATTEST:

I, Patricia A. Vazquez, City Clerk of the City of Stanton, California DO HEREBY CERTIFY that the foregoing Resolution, being Resolution No. 2023-05 has been duly signed by the Mayor and attested by the City Clerk, all at a regular meeting of the Stanton City Council, held on March 14, 2023, and that the same was adopted, signed and approved by the following vote to wit:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

PATRICIA A. VAZQUEZ, CITY CLERK



City Council Initiated Items 12D – 12E – 12F

Item 12D:

“DISCUSSION REGARDING OBTAINING A LAND LEASE WITH SOUTHERN CALIFORNIA EDISON”

Item 12E:

“DISCUSSION REGARDING CONSIDERATION FOR A RESOLUTION OF SUPPORT OF THE IRANIAN AMERICAN COMMUNITY”

Item 12F:

“DISCUSSION REGARDING THE CITY’S PERMIT PARKING PROGRAM”

(These items do not contain a staff report)