



## San Bernardino LAFCO Fiscal Indicators

### City of Hesperia

Report Created:2/5/2020

The City of Hesperia actively provides the full range of municipal services except for law enforcement, fire protection, retail water, and wastewater collection and treatment. The City has chosen to contract with the County for law enforcement services. The Hesperia Water District (retail water and wastewater collection) is a subsidiary district of the City, the city council is the ex-officio board of directors of the district (link below). The City operates with governmental funds and reports two major business-type funds: water operations and sewer operations. The agency retirement plan is administered by CalPERS. Additional information on the City can be accessed via the link below.

[Agency Information \(map, contact information, fiscal indicators, SCAG profile\)](#)  
[Hesperia Water District](#)



## City of Hesperia

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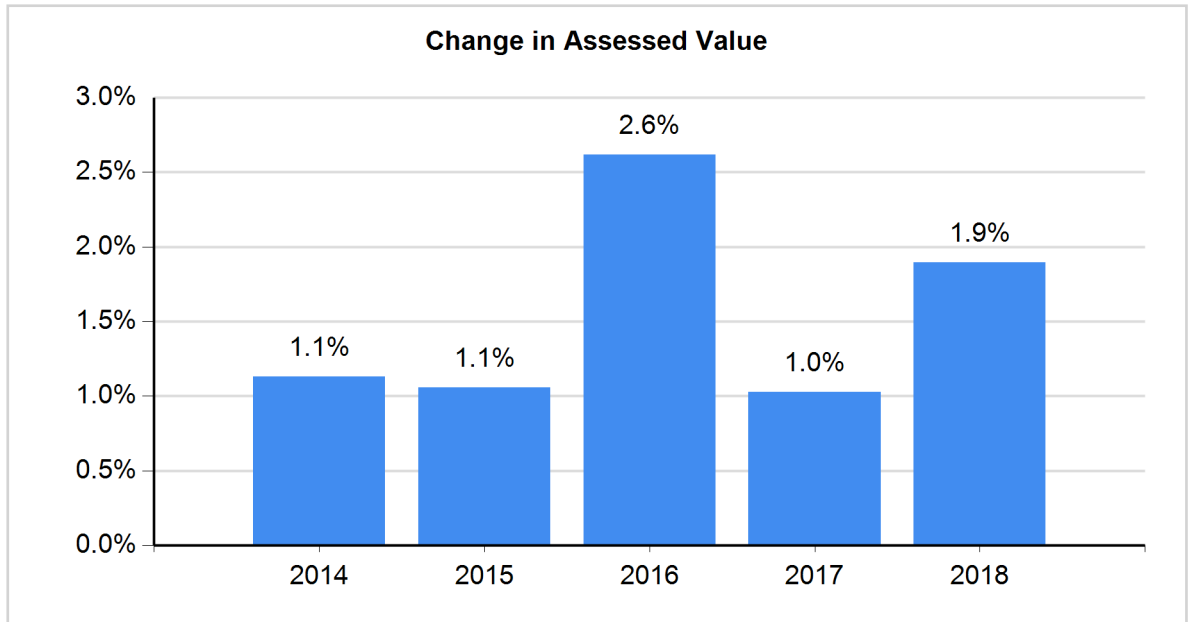
### Change in Assessed Value

#### Description

There is a correlation between assessed property value and the receipt of the general property tax levy.

**Formula:**  
change in tax roll  
value/beginning tax  
roll value

**Source:**  
County Auditor -  
Agency Net  
Valuations



	2014	2015	2016	2017	2018
	\$25,534,765	\$24,196,847	\$61,421,353	\$24,392,011	\$45,793,915
	\$2,261,744,046	\$2,285,940,893	\$2,347,362,246	\$2,371,754,257	\$2,417,548,172
	1.1%	1.1%	2.6%	1.0%	1.9%

#### Agency Response



## City of Hesperia

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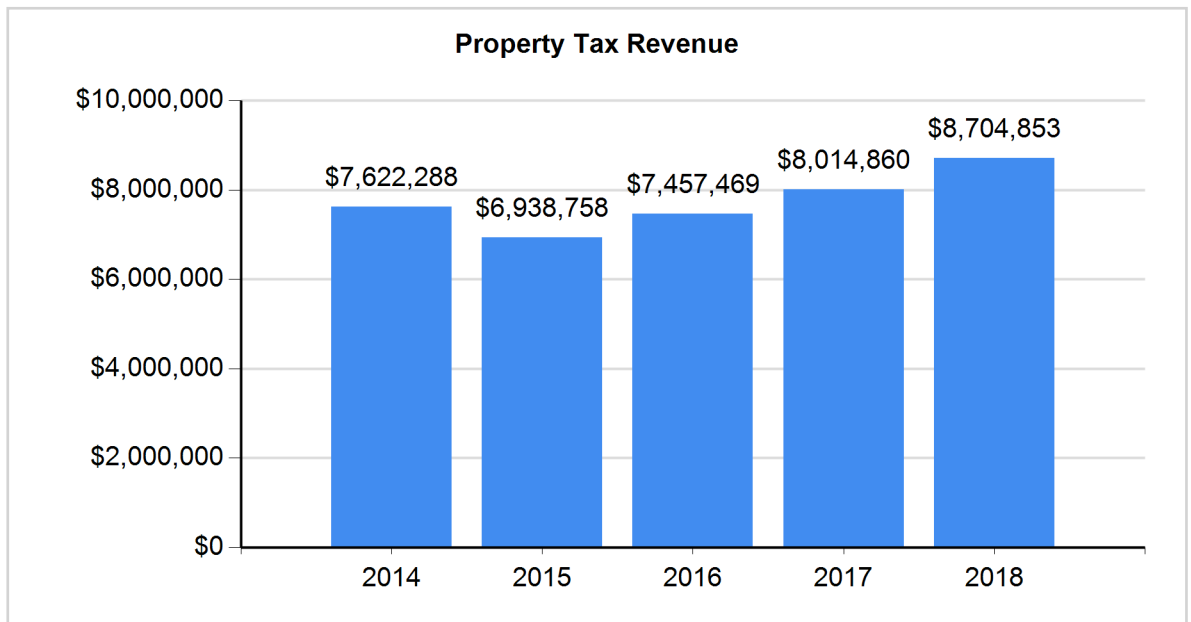
### Property Tax Revenue

#### Description

This indicator will have more importance for those agencies heavily reliant upon property tax revenues. As this revenue source is relatively stable and lags about two years behind changes in market conditions, this indicator can potentially depict the level of stability of an agency's revenue base.

**Formula:**  
property tax revenue

**Source:**  
Statement of  
Activities; Statement  
of Revenues,  
Expenditures and  
Changes in Fund  
Balance/Net Position



#### Agency Response



## City of Hesperia

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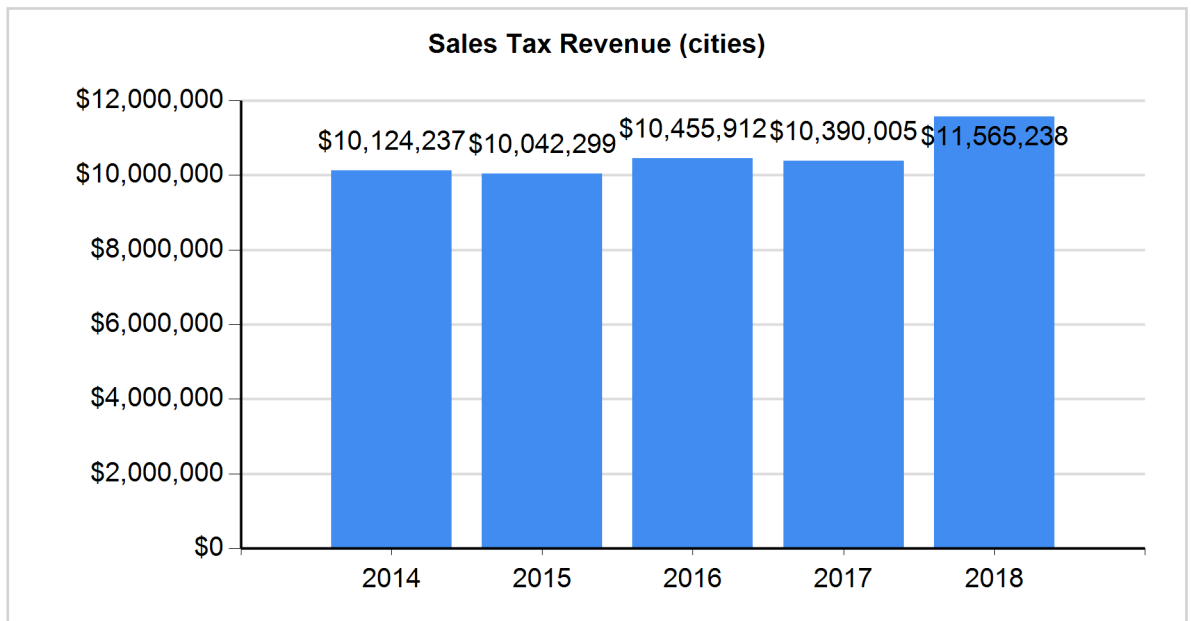
### Sales Tax Revenue (cities)

#### Description

This indicator can help agencies determine the levels of sales tax revenue that are more sensitive to changes in the economic conditions, possibly impacting their abilities to fund and provide services.

**Formula:**  
sales tax revenue

**Source:**  
Statement of  
Activities



#### Agency Response



## City of Hesperia

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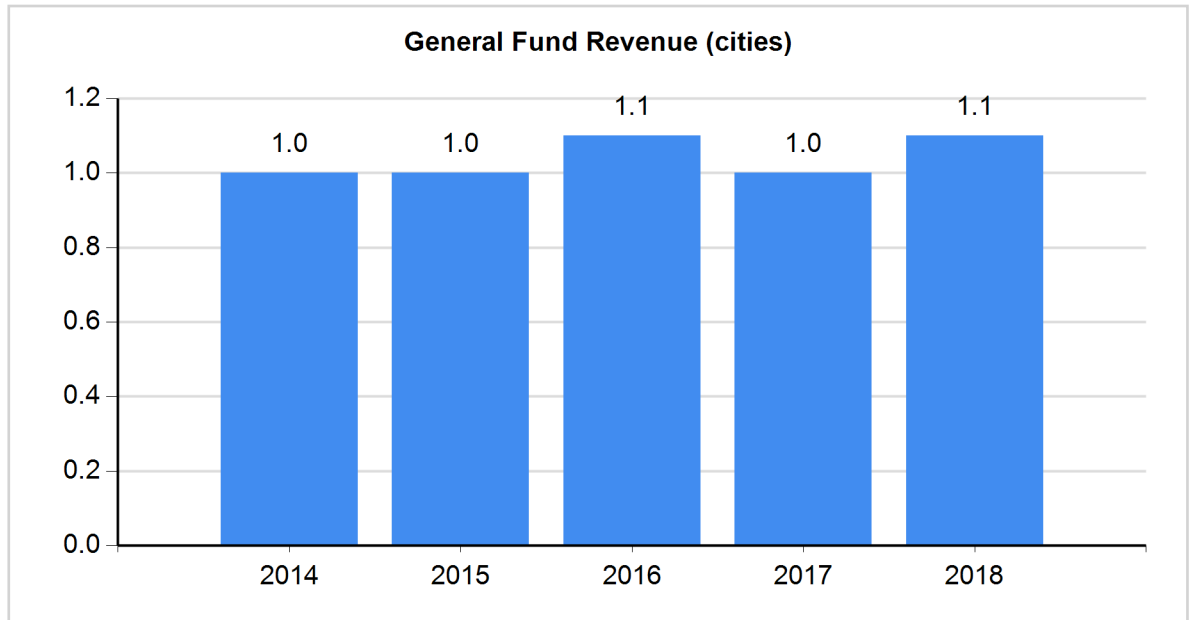
### General Fund Revenue (cities)

#### Description

In most cases, as the percentage of general revenues decreases, a local government loses its ability to respond to changing conditions and to citizens' needs and demands. Decreases in general revenue may also indicate over-dependence on external revenues which are often restricted in nature and could signal future difficulty in maintaining service levels. A ratio of one or higher indicates that the service is self-supporting.

**Formula:**  
general fund  
revenue/general fund  
expenditures

**Source:**  
Statement of  
Revenues,  
Expenditures and  
Changes in Fund  
Balance



2014	2015	2016	2017	2018
\$27,059,809	\$27,265,663	\$28,359,006	\$28,924,762	\$33,000,286
\$25,850,973	\$28,045,003	\$26,575,165	\$29,990,364	\$30,608,848
1.0	1.0	1.1	1.0	1.1

#### Agency Response



## City of Hesperia

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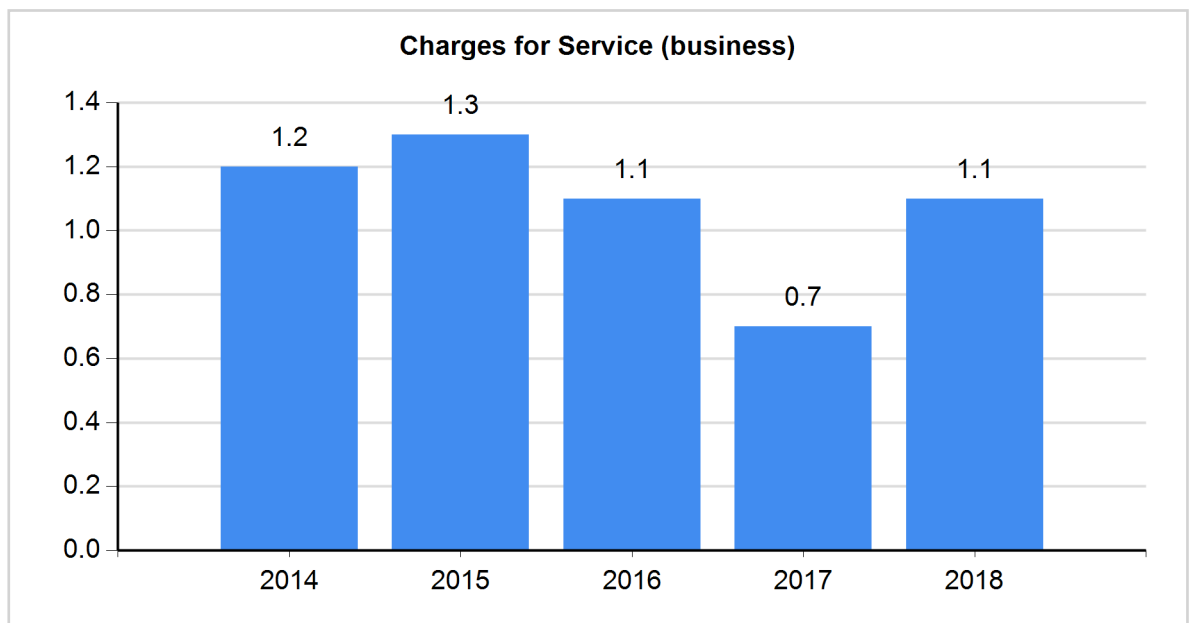
### Charges for Service (business)

#### Description

Addresses the extent to which charges for service covered total expenses. A ratio of one or higher indicates that the service is self-supporting.

**Formula:**  
charges for  
service/operating  
expenses (minus  
depreciation)

**Source:**  
Statement of  
Activities; Statement  
of Cash Flows



	2014	2015	2016	2017	2018
	\$19,756,973	\$19,391,607	\$18,455,581	\$19,406,624	\$21,404,404
	\$17,098,257	\$15,484,093	\$16,248,063	\$26,955,279	\$19,782,152
	1.2	1.3	1.1	0.7	1.1

#### Agency Response



## City of Hesperia

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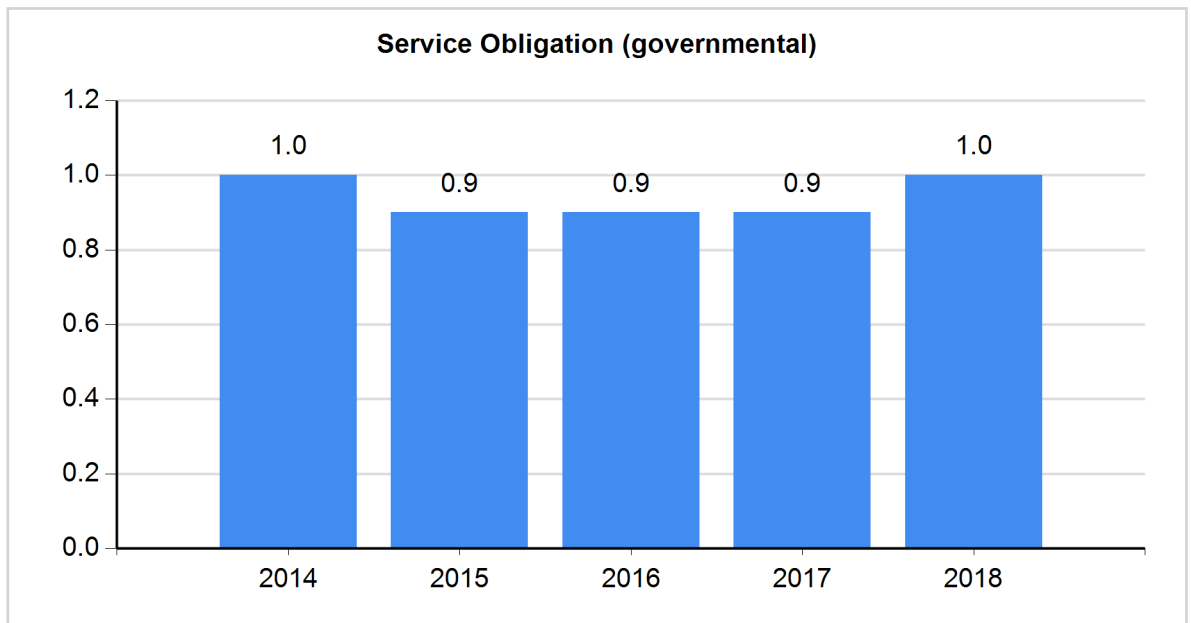
### Service Obligation (governmental)

#### Description

Measures whether or not a government's annual revenues were sufficient to pay for annual operations. A ratio of one or higher indicates that a government lived within its annual revenues.

**Formula:**  
operating  
revenue/operating  
expenditures

**Source:**  
Statement of  
Revenues,  
Expenditures and  
Changes in Fund  
Balance



	2014	2015	2016	2017	2018
Operating Revenue	\$49,612,446	\$47,200,036	\$48,577,955	\$52,480,863	\$58,594,425
Operating Expenditures	\$50,907,871	\$50,485,512	\$54,950,617	\$58,227,508	\$56,226,119
Ratio	1.0	0.9	0.9	0.9	1.0

#### Agency Response



## City of Hesperia

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### Liquidity

#### Description

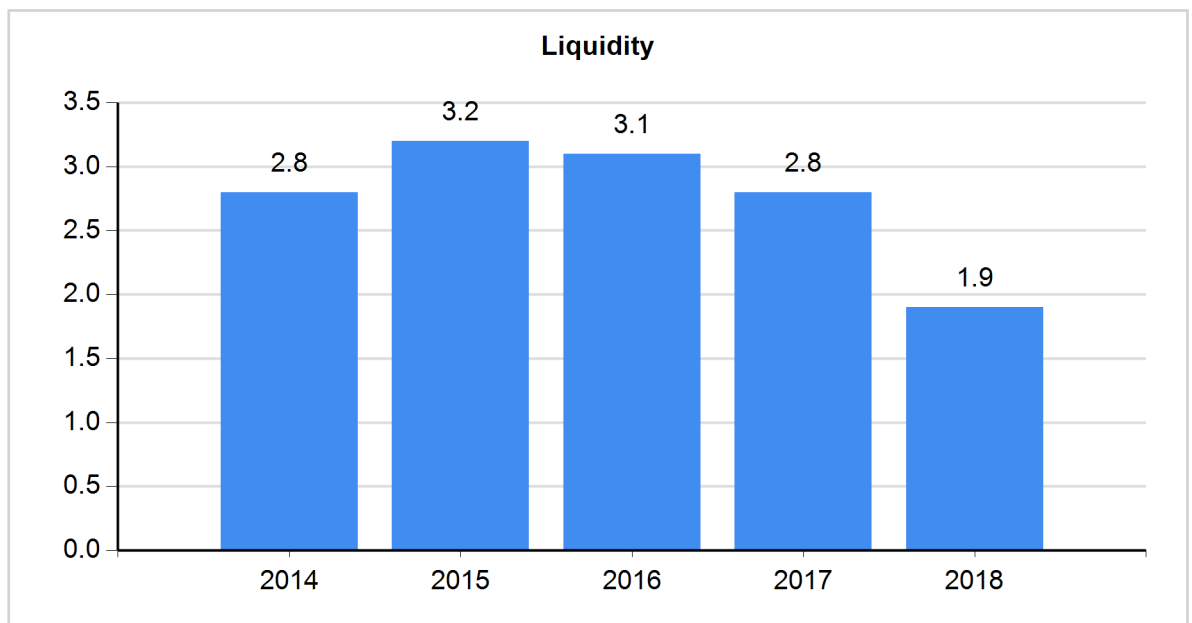
Measures a government's ability to meet its short-term obligations. A high ratio suggests a government is able to meet its short-term obligations.

#### Formula:

cash & investments  
(does not include  
fiscal agents,  
restricted, or  
fiduciary)/current  
liabilities

#### Source:

Statement of Net  
Position



2014	2015	2016	2017	2018
\$40,131,003	\$39,415,374	\$33,420,966	\$33,615,952	\$33,847,158
\$14,199,152	\$12,466,178	\$10,642,566	\$12,191,687	\$17,367,536
2.8	3.2	3.1	2.8	1.9

#### Agency Response

The cash and investments used in the calculation include RDA balances. These RDA cash balances decreased from 2009 to 2010 by \$34 million due to \$30 million of bond financed expenditures paid from cash during 2010 that were reimbursed from bank held bond cash in 2011. Also, in 2010 the governmental activity loaned \$6 million to the business activity which further explains the cash decrease from 2009 to 2010.



## City of Hesperia

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### Change in Cash and Cash Equivalents (business)

#### Description

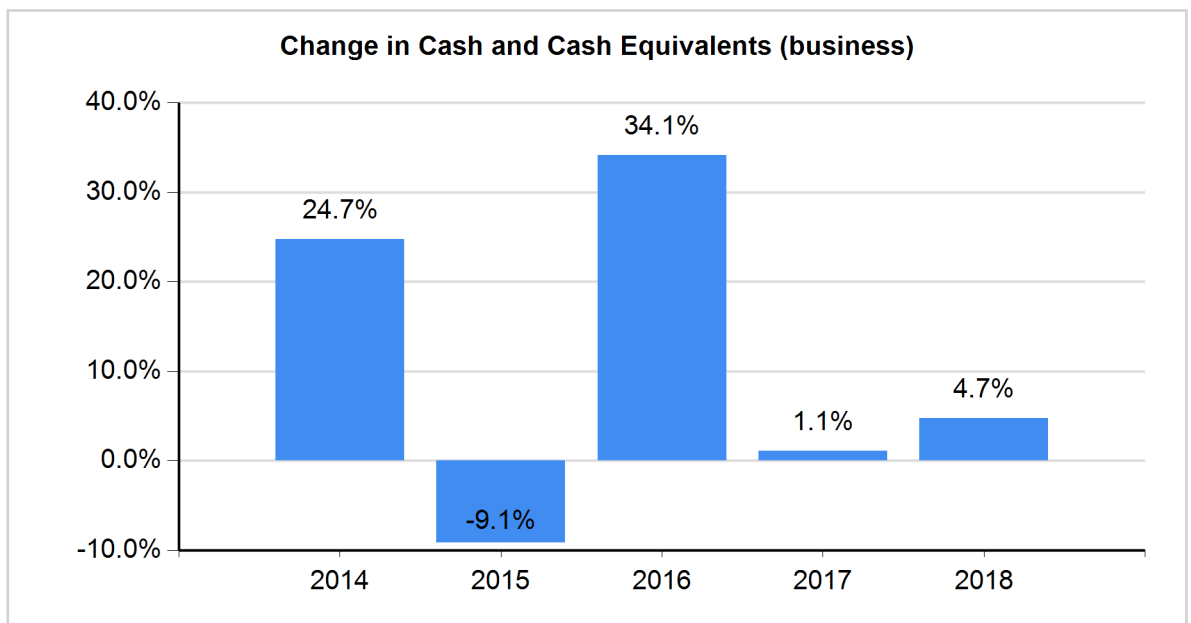
Cash and cash equivalents are the most liquid assets of an agency's assets and can be readily converted into cash. A positive percent change indicates that a government's cash position has improved.

#### Formula:

change in cash & cash equivalents/begin cash & cash equivalents

#### Source:

Statement of Cash Flows



2014	2015	2016	2017	2018
\$1,359,792	(\$625,534)	\$2,124,238	\$93,158	\$399,277
\$5,494,911	\$6,854,703	\$6,229,170	\$8,353,407	\$8,446,565
24.7%	-9.1%	34.1%	1.1%	4.7%

#### Agency Response

The 55.6% decrease for 2008 and the 88.4% decrease for 2009 represent capital improvement expenses made to the Hesperia Water District's (business) infrastructure. The 95.3% increase for 2010 reflects a loan to the Hesperia Water District (business) received to fund capital improvements. This loan was fully repaid July 1, 2014.



## City of Hesperia

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### Debt Service (governmental)

#### Description

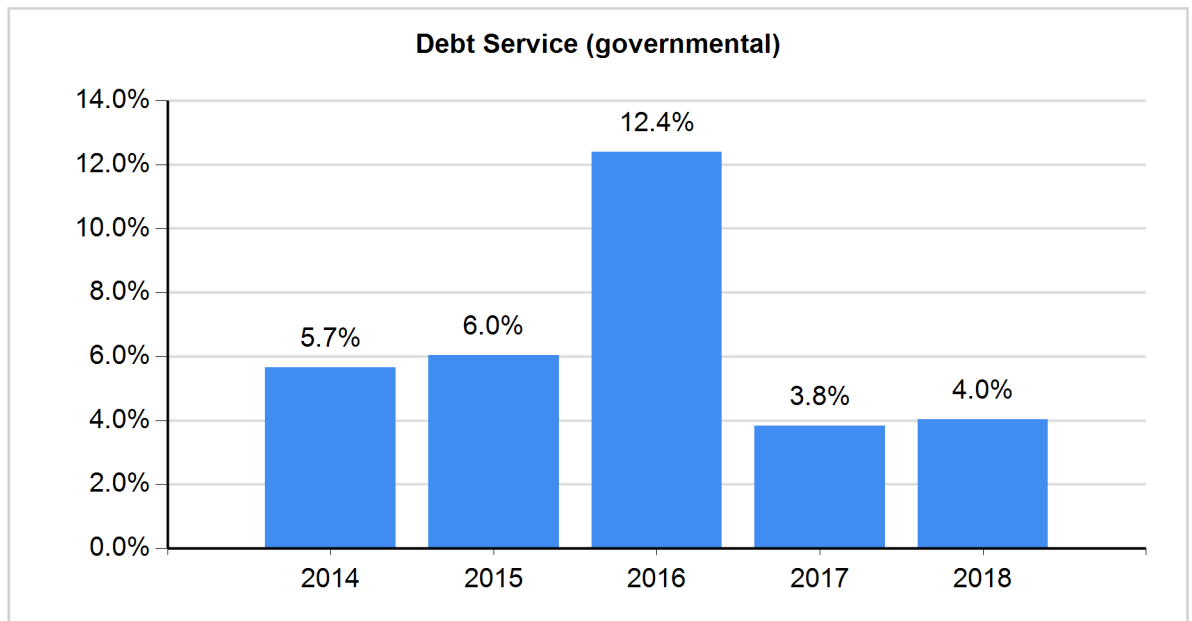
Looks at service flexibility by determining the amount of total expenditures committed to annual debt service. Service flexibility decreases as more resources are committed to annual debt service.

#### Formula:

debt  
service/operating  
expenditures

#### Source:

Statement of  
Revenues,  
Expenditures and  
Changes in Fund  
Balance



2014	2015	2016	2017	2018
\$2,879,686	\$3,044,244	\$6,806,297	\$2,231,158	\$2,261,595
\$50,907,871	\$50,485,512	\$54,950,617	\$58,227,508	\$56,226,119
5.7%	6.0%	12.4%	3.8%	4.0%

#### Agency Response

The \$6.3 million in 2008 is the governmental debt service that represents a \$4 million pay down of the Civic Plaza debt and a \$0.8 million additional payment toward the 2004 Streets debt.



## City of Hesperia

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### Debt Service (business)

#### Description

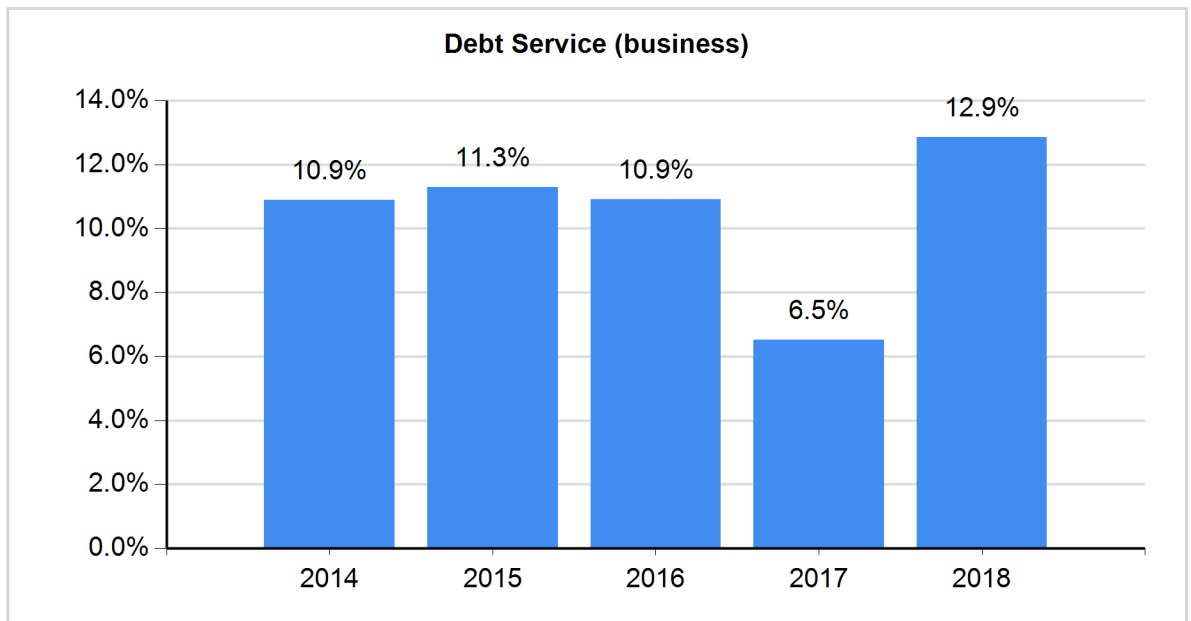
Looks at service flexibility by determining the amount of total expenses committed to annual debt service. Service flexibility decreases as more resources are committed to annual debt service.

#### Formula:

debt  
service/operating  
expenses (minus  
depreciation)

#### Source:

Statement of Cash  
Flows; Statement of  
Activities



	2014	2015	2016	2017	2018
	\$1,860,628	\$1,747,775	\$1,771,723	\$1,756,758	\$2,543,071
	\$17,098,257	\$15,484,093	\$16,248,063	\$26,955,279	\$19,782,152
	10.9%	11.3%	10.9%	6.5%	12.9%

#### Agency Response



## City of Hesperia

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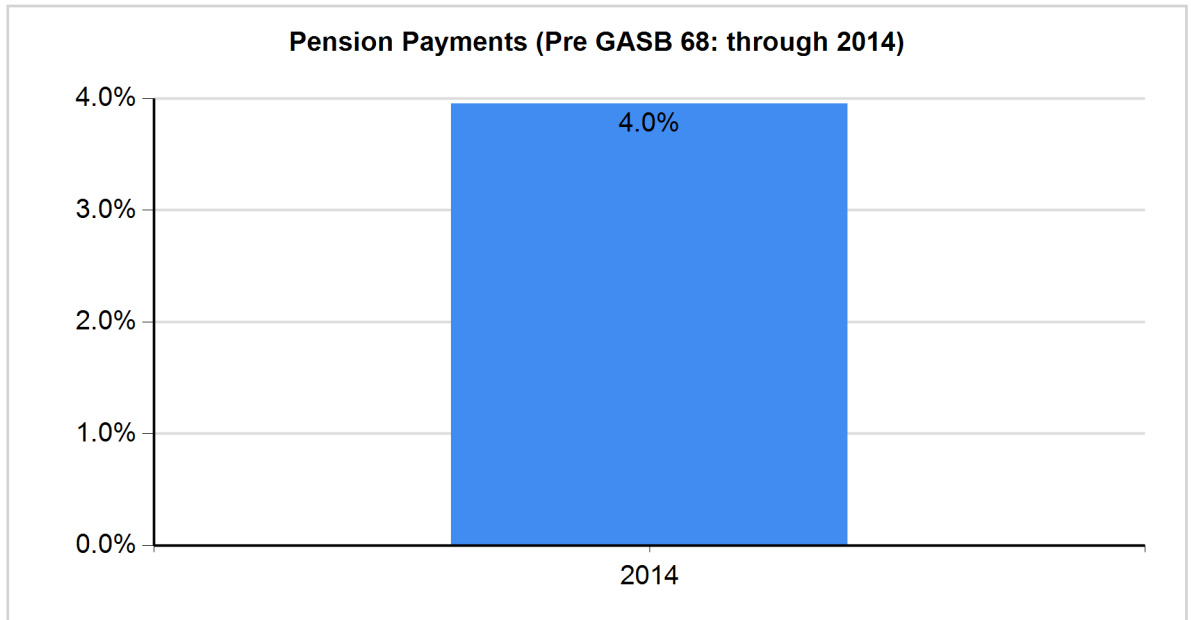
### Pension Payments (Pre GASB 68: through 2014)

#### Description

This indicator depicts the relationship between the pension payments as a percentage of an agency's total revenues. Due to updates to pension reporting requirements, this Pension Payments indicator shows data through 2014. GASB 68 revised and established new financial reporting for pensions effective for 2015. For pension payments for 2015 and beyond, please refer to the next fiscal indicator.

**Formula:**  
annual pension  
cost/total revenue

**Source:**  
Notes; Statement of  
Revenues,  
Expenditures and  
Changes in Fund  
Balance



	2014	2015	2016	2017	2018
	\$2,784,817	-	-	-	-
	\$70,406,094	-	-	-	-
	4.0%	-	-	-	-

#### Agency Response



## City of Hesperia

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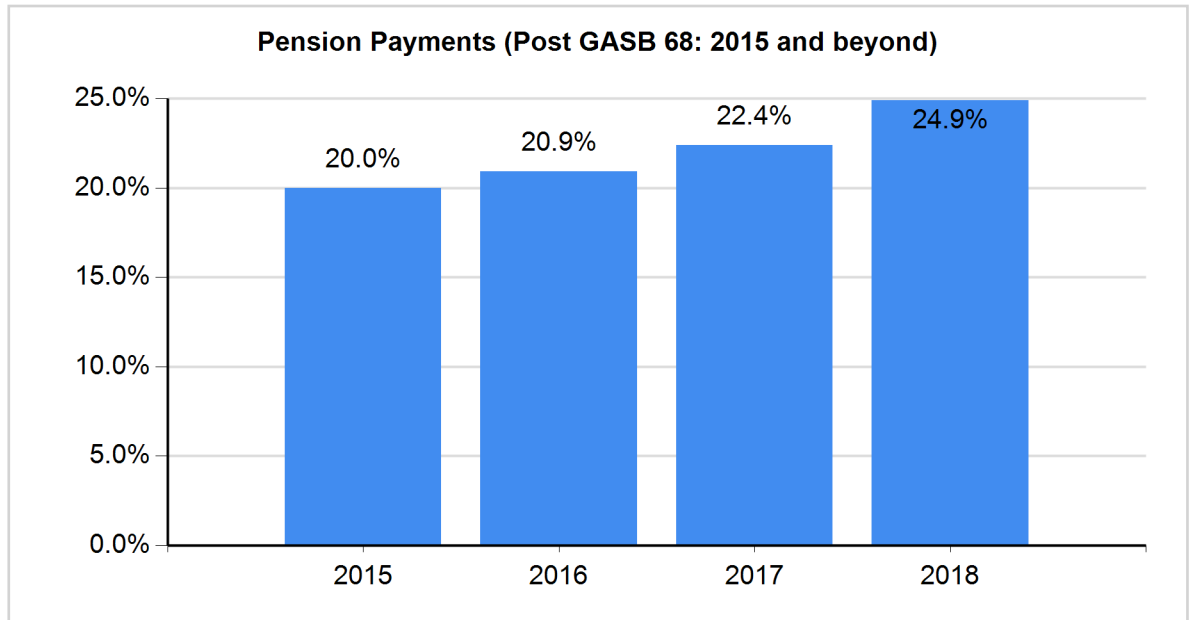
### Pension Payments (Post GASB 68: 2015 and beyond)

#### Description

This indicator depicts the relationship between pension contributions as a percentage of covered-employee payroll. Due to updates to pension reporting requirements, this Pension Payments indicator shows data for 2015 and beyond. GASB 68 revised and established new financial reporting for pensions effective for 2015. For pension payments through 2014, please refer to the previous fiscal indicator.

**Formula:**  
contributions in relation to the actuarially determined contribution/covered payroll

**Source:**  
Schedule of Plan Contributions



	2014	2015	2016	2017	2018
-		\$2,113,264	\$2,141,473	\$2,323,999	\$2,668,659
-		\$10,558,692	\$10,264,387	\$10,377,283	\$10,715,391
-		20.0%	20.9%	22.4%	24.9%

#### Agency Response