



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF LAKEPORT, CALIFORNIA  
FISCAL YEAR ENDED JUNE 30, 2020



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

City of Lakeport, California  
Fiscal Year Ended June 30, 2020

Prepared By  
Finance Department  
City of Lakeport



*This page intentionally left blank.*

City of Lakeport, California  
Comprehensive Annual Financial Report  
For the year ended June 30, 2020

Table of Contents

---

---

	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal .....	i
Certificate of Achievement for Excellence in Financial Reporting .....	vii
List of Officials.....	viii
City Organizational Chart.....	ix
<b>FINANCIAL SECTION</b>	
Independent Auditor’s Report .....	1
Management Discussion and Analysis (MD&A) (Required Supplementary Information) .....	3
Financial Highlights .....	3
Overview of the Comprehensive Annual Financial Report .....	3
Governmental Activities .....	11
Business-type Activities .....	13
Financial Analysis of the Government’s Funds .....	15
Capital Assets .....	16
Debt Administration .....	16
Economic Outlook.....	16
Requests for Information .....	17
<b>Basic Financial Statements:</b>	
Government-Wide Financial Statements.....	19
Statement of Net Position .....	21
Statement of Activities.....	22
Fund Financial Statements.....	25
Balance Sheet .....	26
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	28
Reconciliation of Fund Basis Balance Sheet to Government-wide Statement of Net Position.....	29
Statement of Revenue, Expenditures, and Change in Fund Balances.....	30
Reconciliation of Fund Basis Statements to Government-wide Statement of Activities .....	31
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	33

City of Lakeport, California  
 Comprehensive Annual Financial Report  
 For the year ended June 30, 2020

Table of Contents, Continued

---

	<u>Page</u>
Statement of Revenue, Expenditures, and Change in Fund Balances – Budget and Actual	
General and Major Special Revenue Funds.....	34
Proprietary Funds .....	37
Statement of Net Position .....	38
Statement of Revenue, Expenses, and Changes in Net Position .....	39
Statement of Cash Flows .....	40
Fiduciary Funds .....	42
Statement of Fiduciary Net Position .....	43
Statement of Changes in Fiduciary Net Position.....	44
Notes to the Basic Financial Statements Index.....	45
Note 1 - Summary of Significant Accounting Policies .....	48
Note 2 - Cash and Investments .....	62
Note 3 - Accounts Receivable.....	65
Note 4 – Loans, Notes Receivable, and Interfund Borrowing.....	66
Note 5 – Capital Assets .....	67
Note 6 – Long Term Liabilities .....	69
Note 7 – Net Position/Fund Balances .....	74
Note 8 – Interfund Transactions .....	78
Note 9 – Risk Management .....	79
Note 10 – Public Employee Retirement Plan .....	81
Note 11 – Post Retirement Healthcare Benefits.....	88
Note 12 – Successor Agency Trust for Assets of Former Redevelopment Agency .....	92
Note 13 – New Accounting Pronouncements.....	95
<b>Required Supplementary Information (RSI):</b>	
Schedule of Changes in the Net OPEB Liability and Related Ratios .....	100
Net OPEB Liability Schedule of Contributions.....	101
Schedule of Contributions, Pension .....	102
Schedule of City’s Proportionate Share of Net Pension Liability .....	103
<b>Combining Non-Major Governmental Funds:</b>	
Combining Balance Sheet.....	108
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance.....	112

City of Lakeport, California  
 Comprehensive Annual Financial Report  
 For the year ended June 30, 2020

Table of Contents, Continued

---

	<u>Page</u>
Non-Major Governmental Fund Budget Comparisons .....	116
Parkland Dedication Fund.....	117
Gas Tax Fund (HUTA) .....	118
Prop 172 Public Safety Fund.....	119
Lakeport Housing Fund .....	120
BSCC Law Enforcement Subvention.....	121
CDBG Grant 2018 .....	122
CDBG Grant 2017 .....	123
Tenth Street Drainage Fund .....	124
Lakeport Blvd Improvement Fund .....	125
South Main Street Improvement Fund.....	126
Parkside Traffic Mitigation Fund .....	127
Parallel/Bevins Storm Water Maintenance Fund .....	128
Lakeshore Storm Damage Repair .....	129
Storm Drainage Fund .....	130
Lakeshore Blvd HSIPL Fund.....	131
CDBG Grant Program Income Fund .....	132
Safe Routes to School Fund .....	133
Lakefront Park Grant Fund .....	134
HOME Grant Program Income Fund.....	135
General Capital Projects.....	136
Combining Fiduciary Funds .....	137
Combining Fiduciary Assets and Liabilities .....	138
Combining Fiduciary Changes in Assets and Liabilities.....	139

**STATISTICAL SECTION**

Statistical Section Index .....	141
Financial Trends .....	142
Net Position by Component .....	142
Changes in Net Position .....	144
Fund Balances, Governmental Funds .....	148
Changes in Fund Balances, Governmental Funds.....	150



City of Lakeport, California  
 Comprehensive Annual Financial Report  
 For the year ended June 30, 2020

Table of Contents, Continued

---

	<u>Page</u>
Revenue Capacity .....	152
Assessed Value and Actual Value of Taxable Property .....	152
Direct and Overlapping Tax Rates .....	153
Property Tax Collections and Levies.....	154
Principal Property Tax Payers .....	155
Schedule of Top 25 Principal Sales Tax Remitters (listed alphabetically).....	156
Debt Capacity .....	158
Ratios of Outstanding Debt by Type .....	158
Ratios of General Bonded Debt Outstanding .....	160
Direct and Overlapping Debt .....	161
Legal Debt Margin Information .....	162
Demographic and Economic Information .....	164
Demographic and Economic Statistics.....	164
Principal Employers.....	165
Operating Indicators.....	166
Full-time and Part-time City Employees by Function .....	166
Capital Asset Statistics by Function .....	167
Capital Asset Statistics by Fund .....	168



---

## Introductory Section





*This page intentionally left blank.*



## MEMORANDUM

**DATE:** February 5, 2021

**TO:** Citizens of the City of Lakeport  
Honorable Mayor and Members of the City Council and City Manager

**FROM:** City Manager Kevin M. Ingram

**RE:** Presentation of the Comprehensive Annual Financial Report

---

California Government Code sections 25250 and 25253 require that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. The Comprehensive Annual Financial Report (CAFR) of the City of Lakeport (City) for the fiscal year ended June 30, 2020, is hereby published to fulfill that requirement.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that are established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The City's basic financial statements have been audited by JJACPA, Inc., an accounting firm fully licensed and qualified to perform audits of local governments within the State of California. The financial statements included in this report were audited in accordance with generally accepted auditing standards and government auditing standards. The independent auditors concluded that there was a reasonable basis for rendering an unmodified ("clean") opinion that the City's basic financial statements for the fiscal year ended June 30, 2020 are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

As the City did expend over \$750,000 of federal money during this reporting period, and will be required to conduct a broader, federally mandated CFR 200 Uniform Guidance "Single Audit" designed to meet the special needs of federal grantor agencies. This report will be provided by the independent auditor in a separate document.

Management's Discussion and Analysis (MD&A) immediately follows the report of the independent auditors and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A was designed to complement this letter of transmittal and should be read in conjunction with it.

This report combines the financial statements of the City, the Successor Agency to the Lakeport Redevelopment Agency (Successor Agency), and the City of Lakeport Municipal Sewer District (CLMSD) in accordance with principles defining the governmental reporting entity adopted by the Governmental Accounting Standards Board (GASB). The financial operations of the Successor Agency and CLMSD, though legally separate from the City, are closely related to the City. The City Council members serve as the governing board of the CLMSD, which is presented as a blended component unit in the financial statements. Component units are legally separate entities for which the primary government is financially accountable. For a more detailed overview of the City's component units, see the Management Discussion and Analysis (MD&A) and the Notes to the Basic Financial.

## **Profile of the Government**

The City of Lakeport is a partial service city (as opposed to full service) in that it provides most typical municipal functions, including public safety (police), public works, community development and parks and recreation. In addition, the City provides water and wastewater services. It does not provide library or fire protection, as those are activities of the County of Lake and the Lakeport Fire Protection District, respectively.

It operates in a council-manager form of government, whereby the council serves as the legislative body and the City Manager its executive. The City Manager is responsible for directing and supervising the administration of all departments of the City, to ensure that laws, ordinances, orders, resolutions, contracts, leases, and franchises are enforced and executed, and for appointing all City employees.

The Lakeport City Council consists of five members, elected at-large to four-year overlapping terms. Council members must be residents of the City. The positions of Mayor and Mayor Pro Tem are chosen by the Council through its own policy. The Mayor conducts the Council meetings and represents the City in ceremonial occasions.

The City Council serves as the policy board for the municipality. It provides policy direction, establishes goals, and sets priorities for the City government. In addition to serving as the policy makers for the community, the City Council also is responsible for numerous land use decisions within its borders, including the General Plan. The City Council appoints the City Manager, City Attorney, City Clerk, and all members of advisory boards and commissions.

Incorporated on April 30, 1888 as a general law city, Lakeport serves as the administrative seat for the County of Lake and with a residential population of 4,806<sup>1</sup> in a 2.4 square-mile area, Lakeport is graced with a strong business base and a well-established residential community.

Lakeport is a travel and recreation-oriented destination and fortunate to have a large area serving as a hub for recreational activities for Lake County. The Lakeport business environment is positive and well organized. Driven by an active chamber of commerce, local businesses are community-oriented and engaged in City-business partnerships, including Main Street renovations, façade improvements, events and promotions. The

---

<sup>1</sup> 2020 California Department of Finance, Demographic Research Unit, E-1 Population Estimates for Cities, Counties and the State, January 1, 2020.

City's primary retail trade area population is approximately 63,583 and includes the communities surrounding Clear Lake and up to Cobb Mountain<sup>2</sup>. Lakeport's historic downtown area is the center of commercial activity within the community. There are also commercial areas located along all the primary corridors leading into Lakeport including: Lakeport Boulevard, Parallel Drive, Eleventh Street, North High Street, and South Main Street.

The annual budget provides a comprehensive statement of the City's organization, operations and resources and it expresses City Council and CLMSD Board policies and priorities in all areas of the City's operations. The budget process is the vehicle through which the City establishes goals and objectives, and prioritizes the desired programs or services that the City should provide, and which can be financed by the City's projected revenue for the budget year. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). It is the means through which policy decisions are made, effected, controlled and monitored. Department heads submit budget requests to the City Manager. The City Manager prepares an estimate of revenues and prepares recommendations for the next year's budget. The preliminary budget may or may not be amended by the City Council and is adopted by resolution by the City Council on or before June 30.

In addition to the budget planning process, the City maintains budgetary controls. The City's objective in maintaining budgetary control is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. The City Manager is authorized to transfer budgeted amounts within funds as deemed necessary in order to meet the City's needs subject to policy defined in the City's Administrative Regulations. The City Council may amend the budget by resolution during the fiscal year.

### **Citywide Achievements in FY 2019/20**

The economic uncertainties created as a result of the COVID-19 global pandemic cast a shadow over the last quarter of the 2019/20 fiscal year. In anticipation of reduced revenues resulting from the Governor's and local public health issued stay-at-home orders, the City of Lakeport pre-emptively enacted a number of spending cuts principally to capital improvement projects.

In addition to the uncertainties brought on by the COVID-19 pandemic, local businesses and residents continue to struggle economically with the rebuild efforts of the past several years of record wildfire activity and destruction in the region. These recovery efforts have been further aggravated by frequent PG&E Public Safety Power Shutoff (PSPS) events scattered throughout the summer and fall months. In 2019 alone, the region was without electrical power for more than a dozen days as a result of a series of PG&E PSPS events. The greatest of which lasted for seven (7) consecutive days.

Despite these economic hardships the City was still able to complete work on a number capital improvement projects, and make progress on various public safety and economic development related initiatives. These projects and initiatives are highlighted in more detail below:

*Capital Projects:* Fiscal Year 2019/20 saw the completed reconstruction of the Library Park seawall, damaged in the 2017 winter storms, and completed the first installment of the lakefront promenade adjacent to the wall. The City was also able to continue to make progress on the improvement of pedestrian and roadways within the downtown area with the installation of new sidewalk, lighting, landscaping and roadway improvements along Second Street between Main and Park Streets in front of City Hall. The City also completed the

---

<sup>2</sup> Retail Market Profile 2019, Prepared by The Retail Coach on behalf of the City of Lakeport, August 2019.

reconstruction of a segment of Main Street between Peckham Court, the last segment in the rehabilitation of the portion of South Main Street from Lakeport Boulevard to the City Limits. A number of other improvements to local roadways also occurred this past fiscal year including; repaving of First Street (between Park and Main), the repaving of Fourteenth Street (between Orchid & Palm) and chip-seal added to rural roadways including Berry and Armstrong Streets.

In most instances, improvements to water and sewer infrastructure accompanied the aforementioned roadway improvements. These utility upgrades included: the installation of 350 feet of water main along Berry Street, extension of the 14-inch water Main along South Main Street between Peckham Court and the City limits, and the replacement of over 250 feet of water and sewer line on Second Street between Main and Park Streets. Other notable utilities related capital improvement projects completed in FY 2019/20 included the installation of flow meters at the Larrecou lift station, fencing around solar panels at the wastewater treatment plant and the purchase of a Skid Steer for blackberry mitigation to ensure the proper functioning of wastewater spray fields.

*Public Safety Programs:* Recruitment and retention of law enforcement officers remains challenging at both the local and national level. Despite this the City was able to fill two vacant law enforcement officer positions this year through the hiring of local community members and sending them to the academy to complete their training. This program has the added benefit of increasing officer retention and better community relations through the employment of individuals with existing ties to the local area.

*Economic Development Initiatives.* The City was awarded \$5,900,000 through the Statewide Park Development and Community Revitalization Grant Program funded through Proposition 68 for the development of new lakefront park. The park is to be located on approximately six (6) acres located on the old Natural High property (800 and 810 North Main Street). The City has already purchased the property from the Lakeport Unified School District and construction is slated to begin in early 2021. The City also completed the installation of Public-WiFi network in the downtown and Library Park area. The WiFi network is free to all users in the downtown and lakefront area. The City also completed land use entitlements for the second phase of the Martin Street Apartments project adding an additional 48 units of affordable housing to the City's overall housing inventory. Construction on the new units is progressing and will be completed in early 2021. Additionally, the City secured \$650,000 in CDBG grant monies for the construction of pedestrian off-site improvement providing better connectivity between the Martin Apartments and other areas of the City.

### **Economic Condition and Fiscal Outlook**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates. Understanding that property and sales taxes generate the City's largest two sources of revenue, it is important to look at the economy in the context of people's wherewithal for producing general fund tax revenues.

Lake County's economy has seen a continual slow recovery following the Great Recession of 2008-09. This recovery is best evidenced by slight improvements in the unemployment rate, consumer spending (through sales tax analysis), building permits, and planning work for the past several years. However, this recovery was interrupted this past year by the COVID-19 pandemic and the accompanying economic uncertainty due to State and Local Public Health Orders that have severely restricted economic commerce. The City is hopeful that these economic setbacks will be short lived but concern grows as the State and Local restrictions to control the pandemic continue. The City enacted a number of budget cuts primarily to capital improvement

projects that were not grant funded. At this time these actions have been adequate to keep City finances stable through the course of the ongoing pandemic.

Despite the economic uncertainties brought on by the COVID-19 pandemic, the City remains committed to an economic development and fiscal strategy intended to help promote Lakeport's long-term fiscal stability. This effort has included the implementation of revised financial policies and guides management's approach to debt structuring, capital improvement planning, labor negotiations, and service delivery.

According to the State of California Employment Development Department Labor Market Information, the City saw a drastic increase in unemployment as a result of the COVID-19 pandemic. As of June 30, 2020, the unemployment was 11.7% compared to 4.9% at the end of the previous fiscal year. The 4.9% rate was the lowest unemployment rate in at least the last 10 years.

Sales and use taxes decreased by \$184k or 5%. This reduction is a direct result of shelter-in-place orders issued by the state and local health officers in response to the COVID-19 global pandemic.

Median home prices increased 15% to \$298,800 over June 2017 (according to the California Association of Realtors). Total property taxes increased slightly as the housing market continues to recover.

Overall revenue results for FY 2019/20 improved positively over the prior year. Pension costs, energy market volatility and actions by the federal and state governments, continue to cause concern about the sustainability of a healthy economy. The City, along with governments at all levels, remains under pressure to contain operating expenditures to ensure that such costs do not grow at a rate that exceeds revenue growth. A balanced budget in the short- and long-term can quickly become unbalanced if costs are not managed closely. Many of the current economic uncertainties however are offset by positive economic developments, leading to an overall outlook of cautious optimism.

### **Long-term Financial Planning**

For the City, as with governmental jurisdictions throughout the nation, continuing fiscal challenges have required a redoubling of efforts to address current and future budget shortfalls while working to prioritize and maintain the level of services that the residents of Lakeport have come to expect. Traditional funding sources for parks, public safety, and community development are shrinking or have disappeared but with the passage of Measure Z, some of this pressure will ease. The immediate challenges continue to be regional recovery efforts following several major wildfire incidents and unknown long-term effects of the COVID-19 pandemic on the national and local economy. Concern also exists in regards to the ongoing trend seen in cuts in revenues distributed through Federal and State grant programs and increasing health and pension costs.

### **Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended June 30, 2018. The CAFR submission for the fiscal year ended June 30, 2019 is still in review by the GFOA. 2018 was the fourth year in a row that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

**Acknowledgements**

Preparation of this comprehensive annual financial report could not have been accomplished on a timely basis without the support and cooperation of many members of the City of Lakeport's staff. Their efforts made it possible to improve the quality of the information being reported to the citizens, the City Council, and other users on a timely basis. Appreciation is also expressed to the Mayor and the City Council for their interest and support in planning and conducting the financial activities of the City in a responsible and responsive manner.

Respectively Submitted



---

Kevin M. Ingram  
City Manager



---

Nicholas Walker, CPA  
Finance Director



Certificate of Achievement for Excellence in Financial Reporting

---



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Lakeport  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO

City of Lakeport, California  
Comprehensive Annual Financial Report  
For the year ended June 30, 2020

List of Officials

---

---

CITY COUNCIL  
LAKEPORT REDEVELOPMENT SUCCESSOR AGENCY BOARD OF  
DIRECTORS CITY OF LAKEPORT MUNICIPAL SEWER DISTRICT BOARD OF DIRECTORS

---

George Spurr	Mayor
Kenneth Parlet, III	Mayor Pro Tem
Mireya Turner	Council Member
Stacey Mattina	Council Member
Tim Barnes	Council Member

MANAGEMENT TEAM

---

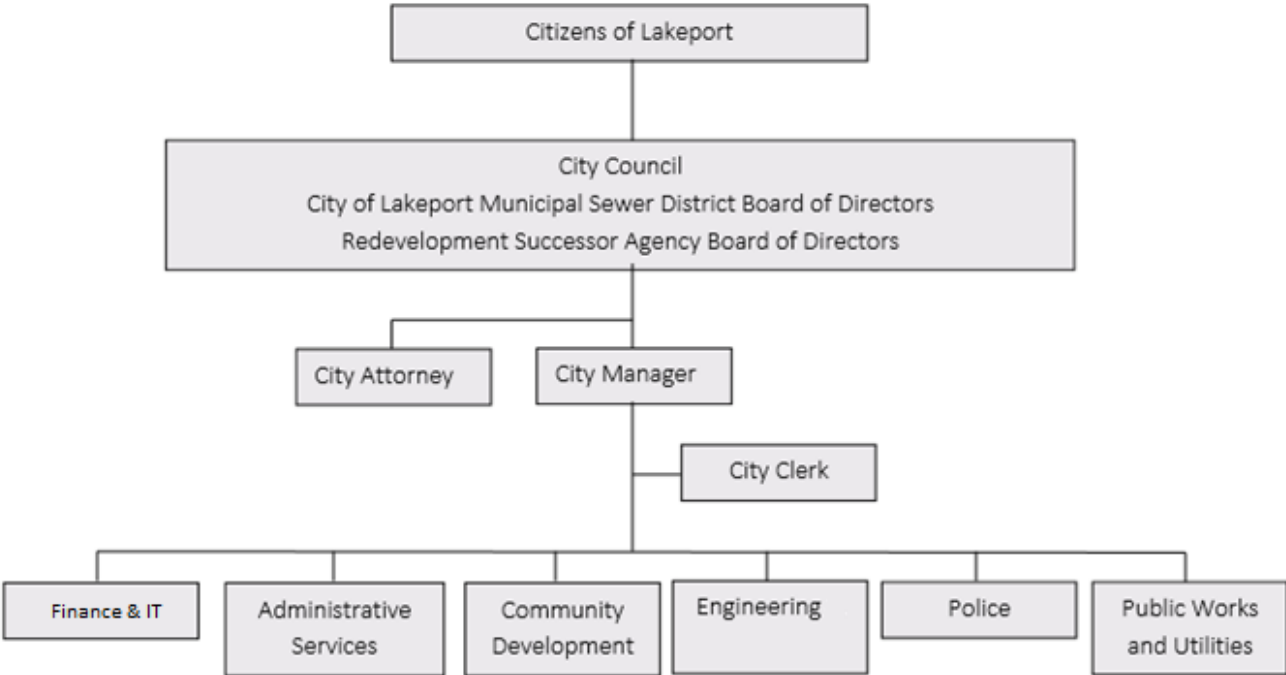
Kevin Ingram	City Manager
David Ruderman	City Attorney
Brad Rasmussen	Chief of Police
Nicholas Walker	Finance Director
Kelly Buendia	City Clerk/Administrative Services Director
Doug Grider	Public Works Director
Jennifer Byers	Community Development Director



City Organizational Chart

---

City Organizational Chart





*This page intentionally left blank.*



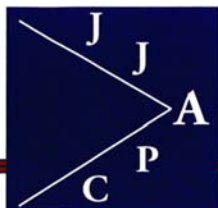
---

## FINANCIAL SECTION

- Independent Auditor's Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Notes to the Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules



*This page intentionally left blank.*



**JJACPA, Inc.**

A Professional Accounting Services Corp.

---

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council  
City of Lakeport  
Lakeport, California

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison information of the City of Lakeport, California (City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison information of the City, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3–17, the Schedule of Changes in the Net OPEB Liability and Related Ratios on page 100, the Net OPEB Liability Schedule of Contributions on page 101, the City's Schedules of Contributions, Pensions on pages 102, and the Schedules of the City's Proportionate Share of the Net Pension Liability on pages 103, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

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

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

The introductory section and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

February 5, 2021

*JJACPA, Inc.*  
JJACPA, Inc.

City of Lakeport, California  
Comprehensive Annual Financial Report  
For the year ended June 30, 2020

Management's Discussion and Analysis

---

This section provides a narrative overview and analysis of the financial activities of the City of Lakeport (City) for the fiscal year ended June 30, 2020. It should be read in conjunction with the accompanying transmittal letter and basic financial statements.

**FINANCIAL HIGHLIGHTS**

- The City's Net Position increased from \$23.2 million to \$25.6 million. Components of this increase are discussed in more detail subsequently in the analysis.
- At the close of the most recent fiscal year the City's governmental funds reported combined fund balances of \$10.7 million, a decrease of \$513,113 from the prior fiscal year. Approximately 61% of combined fund balance at June 30, 2020, (\$6.5 million) is available for spending at the government's discretion (*unassigned and assigned fund balances*). The balance of the General Fund increased from \$4.5 million to \$5.7 million.
- The Budget vs. Actual had a positive variance in the General Fund of \$1.5 million.
- The Water Enterprise Net Position increased \$267 thousand and the Sewer Enterprise Net Position increased \$1 million.

**OVERVIEW OF THE ANNUAL FINANCIAL REPORT**

This Comprehensive Annual Financial Report is in three major parts:

- 1) **Introductory section**, which includes the Transmittal Letter and general information.
- 2) **Financial section**, which includes the Management's Discussion and Analysis (this part), the Basic Financial Statements, which include the Government-wide and the Fund Financial Statements along with the notes to these financial statements, and Combining and Individual Fund Financial Statements and Schedules.
- 3) **Statistical section**, which includes detailed information as a context for understanding what the information in the financial statements, and footnotes says about the City's overall financial health.

**The Basic Financial Statements**

The Basic Financial Statements are comprised of the Government-wide Financial Statements and the Fund Financial Statements; these two sets of financial statements provide two different views of the City's financial activities and financial position.

City of Lakeport, California  
Comprehensive Annual Financial Report  
For the year ended June 30, 2020

Management's Discussion and Analysis, Continued

---

OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

Government-wide Financial Statements

The Government-wide Financial Statements provide a broad overview of the City's activities as a whole and comprise the Statement of Net position and the Statement of Activities. The Statement of Net position provides information about the financial position of the City as a whole, including all its capital assets and long-term liabilities on the full accrual basis, similar to that used by corporations. The Statement of Activities provides information about all the City's revenues and all its expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of each the City's programs. The Statement of Activities explains in detail the change in Net position for the year.

All of the City's activities are grouped into Governmental Activities and Business-type activities, as explained below. All the amounts in the Statement of Net position and the Statement of Activities are separated into Governmental Activities and Business-type Activities in order to provide a summary of these two activities of the City as a whole.

- ◆ **Governmental activities** – All of the City's basic services are considered to be governmental activities, including general government, community development, public safety, public works and administration. These services are supported by general City revenues such as taxes and by specific program revenues such as developer fees.
- ◆ **Business-type activities** – All the City's enterprise activities are reported here, including Water and Sewer. Unlike governmental services, these services are supported by charges paid by users based on the amount of the service they use.

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 two categories: governmental funds and proprietary 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 of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

City of Lakeport, California  
Comprehensive Annual Financial Report  
For the year ended June 30, 2020

Management's Discussion and Analysis, Continued

---

OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

Fund Financial Statements, Continued

Because the focus of the Governmental Fund Financial Statements 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 Statement. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The Governmental Fund Financial Statements provide detailed information about each of the City's most significant funds, called major funds. The concept of major funds, and the determination of which are major funds, was established by GASB Statement No. 34 and replaces the concept of combining like funds and presenting them as one total. Instead, each major fund is presented individually, with all nonmajor funds summarized and presented only in a single column. Subordinate schedules present the detail of these nonmajor funds. Major funds present the major activities of the City for the year, and may change from year to year as a result of changes in the pattern of the City's activities.

For the fiscal year ended June 30, 2020, the City's major funds are as follows:

Governmental Funds:

- ◆ General Fund
- ◆ HOME Grant 2018 Special Revenue Fund
- ◆ 2017 Storm Capital Projects

For the fiscal year ended June 30, 2020, the City adopted annual appropriated budgets for all funds. Budgetary comparison schedules have been provided for the general fund and major governmental funds to demonstrate compliance with this budget and may be found on pages 34-35.

**Proprietary funds.** The City maintains Enterprise-type and Internal Service 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 Water and Sewer activities. Internal service funds are an accounting methodology used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its building maintenance, information technology assets, and its fleet of vehicles.

**City of Lakeport, California**  
**Comprehensive Annual Financial Report**  
**For the year ended June 30, 2020**

**Management's Discussion and Analysis, Continued**

---

---

**OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued**

**Fund Financial Statements, Continued**

Proprietary funds provide the same type of information as the Government-wide Financial Statements, only in more detail. The proprietary fund financial statements provide separate information for all of these operations.

Proprietary Funds:

- ◆ Water Enterprise Fund
- ◆ Sewer Enterprise Fund

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The notes to the basic financial statements can be found on pages 48–97 of this report. Required Supplementary Information follows the notes on page 99.

**Combining and Individual Fund Financial Statements and Schedules**

The combining statements referred to earlier in connection with nonmajor governmental funds are presented on pages 104-139 of this report.

City of Lakeport, California  
 Comprehensive Annual Financial Report  
 For the year ended June 30, 2020

Management's Discussion and Analysis, Continued

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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 of resources exceeded liabilities and deferred inflows of resources by \$25,628,881 as of June 30, 2020. The following table represents a comparative analysis of the net position of governmental and business-type activities as of June 30, 2020 and June 30, 2019.

**Summary of Net Position**

	2020			2019		
	Govern- mental Activities	Business- type Activities	Total	Govern- mental Activities	Business- type Activities	Total
Current and other assets	\$ 11,160,560	\$ 8,863,520	\$ 20,024,080	\$ 11,992,440	\$ 8,851,040	\$ 20,843,480
Capital assets	15,863,787	25,576,279	41,440,066	13,384,758	24,712,681	38,097,439
Total assets	27,024,347	34,439,799	61,464,146	25,377,198	33,563,721	58,940,919
Deferred outflows of resources	1,494,458	603,195	2,097,653	1,178,639	381,319	1,559,958
Total assets and deferred outflows of resources	28,518,805	35,042,994	63,561,799	26,555,837	33,945,040	60,500,877
Current and other liabilities	814,037	1,247,854	2,061,891	944,415	1,230,612	2,175,027
Long-term liabilities	12,660,998	22,184,153	34,845,151	11,457,733	22,289,595	33,747,328
Total liabilities	13,475,035	23,432,007	36,907,042	12,402,148	23,520,207	35,922,355
Deferred inflows of resources	732,204	293,672	1,025,876	875,008	380,818	1,255,826
Total liabilities and deferred inflows of resources	14,207,239	23,725,679	37,932,918	13,277,156	23,901,025	37,178,181
Net position:						
Net investment in						
Capital Assets	12,382,072	8,647,680	21,029,752	13,384,758	7,149,800	20,534,558
Restricted	1,180,096	813,470	1,993,566	1,040,845	784,742	1,825,587
Unrestricted (deficit)	749,398	1,856,165	2,605,563	(1,146,922)	2,109,473	962,551
<b>Total net position</b>	<b>\$ 14,311,566</b>	<b>\$ 11,317,315</b>	<b>\$ 25,628,881</b>	<b>\$ 13,278,681</b>	<b>\$ 10,044,015</b>	<b>\$ 23,322,696</b>

Overall, total Net Position increased by approximately \$2.3 million. With most balances remaining relatively stable over the prior year, this increase was mostly a result of continued investment in capital assets.

City of Lakeport, California  
 Comprehensive Annual Financial Report  
 For the year ended June 30, 2020

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

The change in net position for the fiscal years ended June 30, 2020, and 2019, follows:

	Changes in Net Position					
	2020			2019		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 113,396	\$ 6,574,753	\$ 6,688,149	\$ 79,384	\$ 5,125,316	\$ 5,204,700
Grants and contributions:						
Operating	3,293,293	-	3,293,293	3,452,149	-	3,452,149
Capital	685,283	-	685,283	530,770	-	530,770
General revenues:						
Sales taxes	3,567,487	-	3,567,487	3,751,230	-	3,751,230
Property taxes	1,105,592	342,085	1,447,677	869,506	290,086	1,159,592
Transient and other taxes	161,535	-	161,535	197,785	-	197,785
Licenses and franchises	585,981	-	585,981	520,443	-	520,443
Fines, forfeitures and penalties	-	-	-	27,107	-	27,107
Use of money and property	162,230	136,846	299,076	146,691	125,160	271,851
Other revenues	41,325	-	41,325	934,749	-	934,749
Total revenues	9,716,122	7,053,684	16,769,806	10,509,814	5,540,562	16,050,376
Expenses:						
Governmental activities:						
General government	2,506,522	-	2,506,522	1,217,094	-	1,217,094
Community development	510,022	-	510,022	319,286	-	319,286
Roads and infrastructure	1,337,372	-	1,337,372	1,221,717	-	1,221,717
Housing and support programs	1,533,497	-	1,533,497	2,750,724	-	2,750,724
Economic development	164,999	-	164,999	97,186	-	97,186
Public safety	2,179,650	-	2,179,650	2,042,734	-	2,042,734
Parks, buildings, and grounds	331,588	-	331,588	704,434	-	704,434
Interest and fiscal charges	119,587	-	119,587	142,559	-	142,559
Business-type activities:						
Water	-	2,432,471	2,432,471	-	2,261,177	2,261,177
Sewer	-	3,347,913	3,347,913	-	3,142,170	3,142,170
Total expenses	8,683,237	5,780,384	14,463,621	8,495,734	5,403,347	13,899,081
Excess (Deficiency) of revenues over expenditures before transfers	1,032,885	1,273,300	2,306,185	2,014,080	137,215	2,151,295
Net position:						
Beginning of year	13,278,681	10,044,015	23,322,696	11,264,601	9,906,800	21,171,401
End of year	\$ 14,311,566	\$ 11,317,315	\$ 25,628,881	\$ 13,278,681	\$ 10,044,015	\$ 23,322,696



City of Lakeport, California  
Comprehensive Annual Financial Report  
For the year ended June 30, 2020

Management's Discussion and Analysis, Continued

---

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Revenues

The City's total revenues for governmental and business-type activities were \$16,769,806 for the fiscal year ended June 30, 2020, which represents a 4% increase over the previous fiscal year. Significant revenues for the City for fiscal year 2019/20 were derived from charges for services (40%) operating grants and contributions (19%), sales and use tax (21%) and property tax (10%).

Following is a discussion of variances in key revenues from the prior fiscal year:

- 1. Charges for Services.** Charges for Services increased approximately 28%. While the normal charges for services consisting entirely of usage of water, sewer and solid waste remained consistent compared to the prior year, the city collected significant AB1600 expansion fees in enterprise funds for the development of low-income housing projects on Martin St.
- 2. Grants and Contributions.** Annual receipts totaled approximately \$3.8 million as the City received a large HOME grant for the development of low-income housing and a Proposition 68 Parks and Recreation Grant for the construction of a new park in Lakeport.
- 3. Sales and Use Tax.** Sales and use taxes decreased by \$184k or 5%. This reduction is a direct result of shelter-in-place orders issued by the state and local health officers in response to the COVID-19 global pandemic.
- 4. Property Tax.** Property taxes increased relatively significantly. We believe this is a result of a strong housing market and recent development.

City of Lakeport, California  
Comprehensive Annual Financial Report  
For the year ended June 30, 2020

Management's Discussion and Analysis, Continued

---

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Expenses

Governmental and business-type activity expenses of the City for the year totaled \$14,463,621 which represents a 4% increase over the previous fiscal year. Governmental activity expenses totaled \$8,683,291 or 60% of total expenses. Of the governmental activities the most significant categories were represented by general government (28%), followed by public safety (25%), housing and support program costs (17%) and roads and infrastructure (15%). Business-type activities incurred \$5,780,384 of expenses during the fiscal year or 40% of the total City expenses.

Following is a discussion of significant variances in key expense categories from the prior fiscal year:

1. **General Government.** Expenditures in this category more than doubled over the prior year. This is a result of a \$1 million increase in the general government related portion of OPEB liability which was recognized in a single year due to the liabilities sensitivity to changes in assumptions. This increase is expected to be isolated and is not anticipated in the coming years.
2. **Housing and support programs.** The City incurred an additional \$1.5 million in 2019/20 for costs associated with the construction of a new low-income housing apartment complex.
3. **Public Safety.** Expenses increased \$137k or 7% as a result of increases to personnel related costs.
4. **Roads and infrastructure.** Expenses remained relatively stable as a result of increased commitment to street repair and improvement projects to achieve the community goal of improving the City's streets and roads.
5. **Water Enterprise.** Expenses increased \$171k or 8% due to increases to personnel and pension related costs.
6. **Sewer Enterprise.** Expenses increased \$205k or 7% due to increases to personnel and pension related costs.

City of Lakeport, California  
 Comprehensive Annual Financial Report  
 For the year ended June 30, 2020

Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Governmental Activities

The following table shows the cost of each of the City’s major programs and the net cost of the programs. Net cost is the total cost less fees and other direct revenue generated by the activities. The net cost reflects the financial burden that was placed on the City’s taxpayers by each of the programs. The total cost of services and the net cost of services for the fiscal years ended June 30, 2020, and 2019, are as follows:

	2020		2019	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 2,506,522	\$ (1,401,385)	\$ 1,217,094	\$ (670,132)
Community development	510,022	(457,781)	319,286	(268,872)
Roads and infrastructure	1,337,372	(1,091,743)	1,221,717	(544,314)
Housing and support programs	1,533,497	338,825	2,750,724	(16,256)
Economic development	164,999	(82,441)	97,186	(76,271)
Public safety	2,179,650	(2,130,848)	2,042,734	(2,010,593)
Parks, buildings, and grounds	331,588	353,695	704,434	(704,434)
Interest and fiscal charges	119,587	(119,587)	142,559	(142,559)
Total	<u>\$ 8,683,237</u>	<u>\$ (4,591,265)</u>	<u>\$ 8,495,734</u>	<u>\$ (4,433,431)</u>

City of Lakeport, California  
 Comprehensive Annual Financial Report  
 For the year ended June 30, 2020

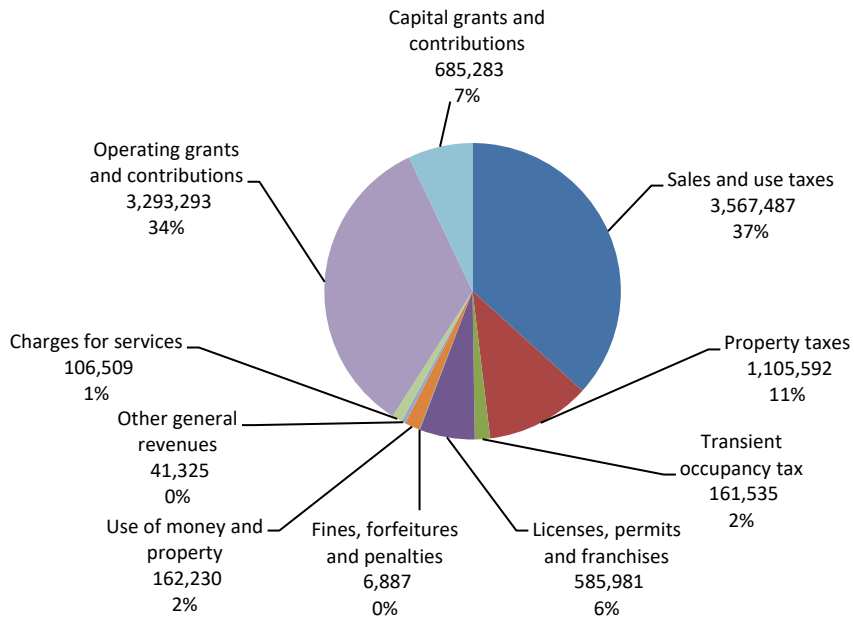
Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

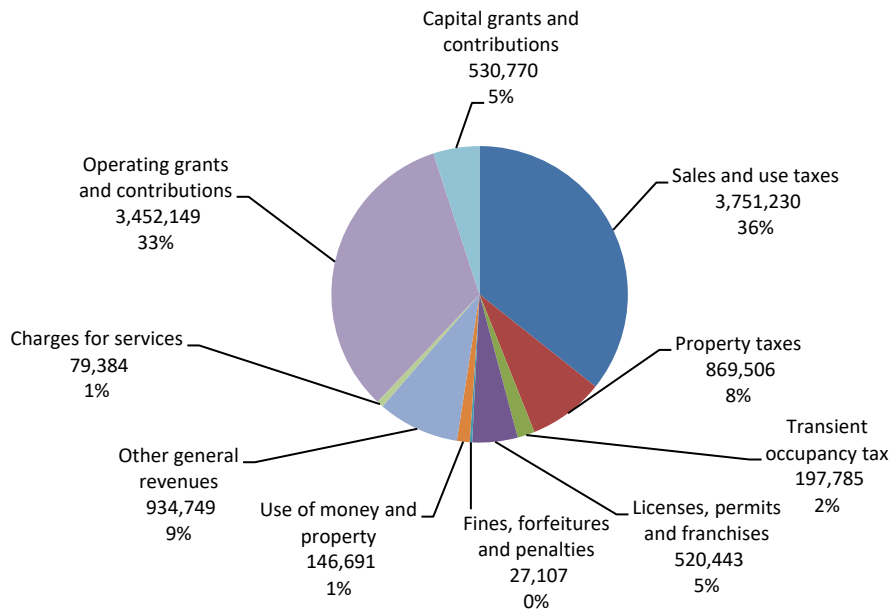
Governmental Activities, Continued

Revenues by source for the fiscal years ended June 30, 2020, and 2019, are as follows:

Revenues by Source - Governmental Activities 2020



Revenues by Source - Governmental Activities 2019



City of Lakeport, California  
 Comprehensive Annual Financial Report  
 For the year ended June 30, 2020

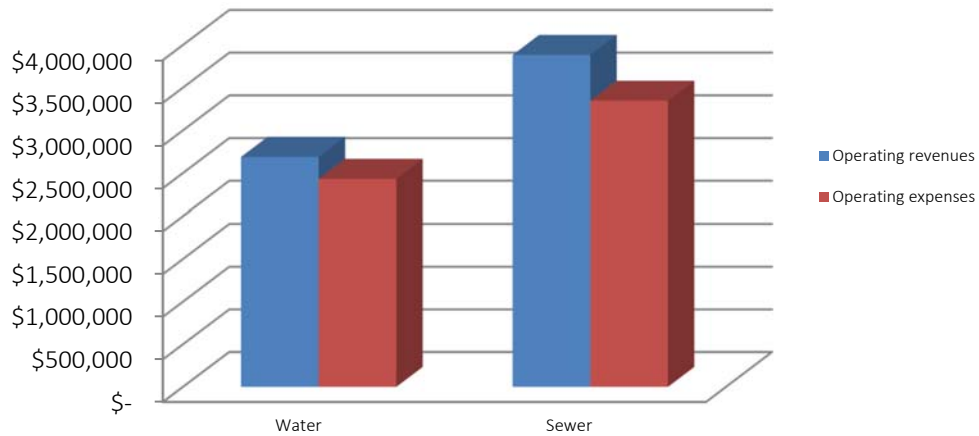
Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

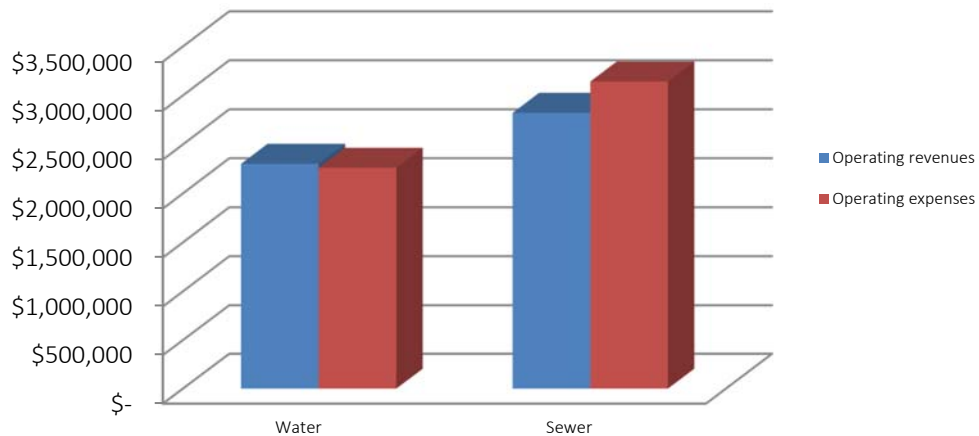
Business-type Activities

Business-type activities increased the City’s net position by \$1,273,300. The City has two business-type activities: Water and Sewer. While both activities generated positive changes in net position the changes were marginal with no specific significant items.

Operating Revenues and Expenses  
 Business-type Activities  
 2020



Operating Revenues and Expenses  
 Business-type Activities  
 2019



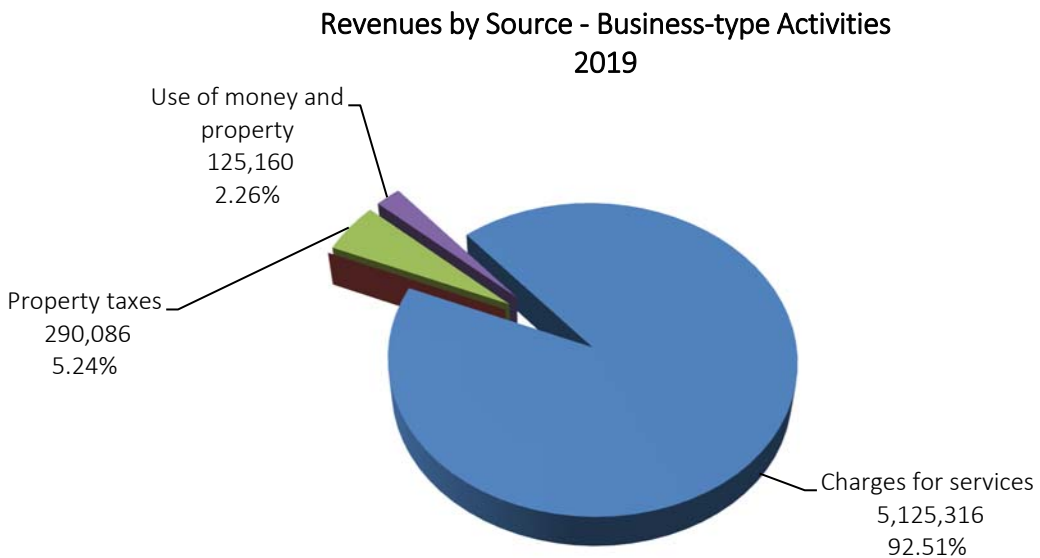
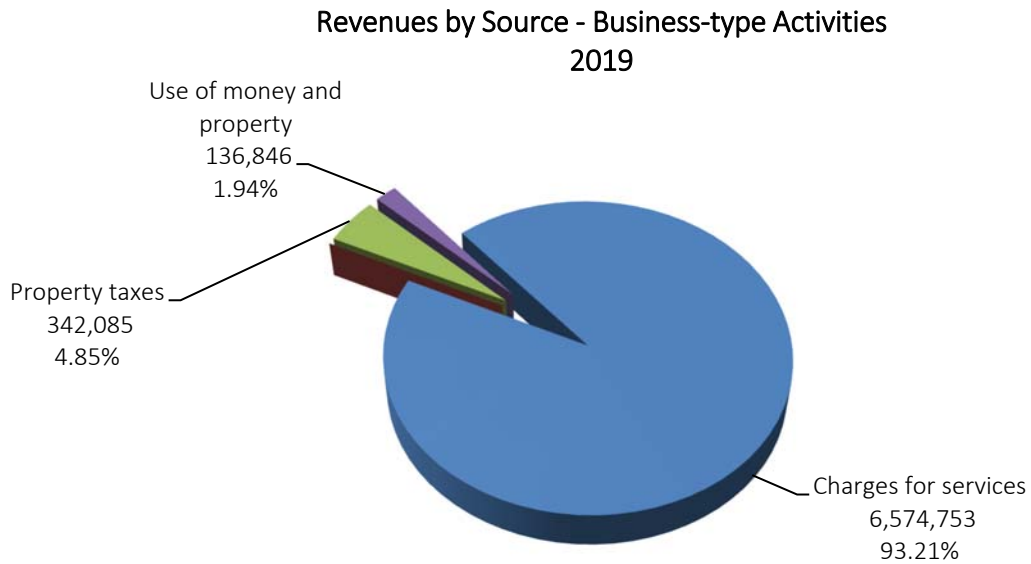
City of Lakeport, California  
 Comprehensive Annual Financial Report  
 For the year ended June 30, 2020

Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Business-type Activities, Continued

The revenues by source for the business-type activities for the fiscal years ended June 30, 2020, and 2019, are as follows:



City of Lakeport, California  
Comprehensive Annual Financial Report  
For the year ended June 30, 2020

Management's Discussion and Analysis, Continued

---

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Financial Analysis of the Government's Funds

The City of Lakeport uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide financial statements.

**Governmental funds.** The City's governmental funds provide information on near-term inflows, outflows, and balances of spending resources. At the fiscal year ended June 30, 2020, the City's governmental funds reported combined fund balances of \$10,670,985. This is a decrease of \$513k from last year. The decrease is a result on the completion of capital projects.

The General Fund is the chief operating fund of the City. At the fiscal year ended June 30, 2020, General Fund unassigned and assigned fund balance totaled \$5,365,088.

**Proprietary funds.** Further detail on the change in net position may be found in the section titled **Business-type Activities** on page 13.

**Budgetary Highlights**

**General Fund**

The difference between the final budget and actual revenues differs favorably by \$1.7 million. Expenditures were held below budget by \$1.2 million with savings across nearly all categories. Most notably public works and public safety. The savings for public safety were primarily the result of the departments inability to fill open positions. The savings for public works was a result of capital projects that were not completed as anticipated.



City of Lakeport, California  
 Comprehensive Annual Financial Report  
 For the year ended June 30, 2020

Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Capital Assets

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$ 2,498,113	\$ 1,769,145	\$ 2,475,403	\$ 2,475,403	\$ 4,973,516	\$ 4,244,548
Construction in progress	270,259	475,750	131,159	1,820,865	401,418	2,296,615
Buildings and improvements	4,483,297	4,654,217	8,403,455	8,724,314	12,886,752	13,378,531
Improvements	8,074,801	5,898,247	13,543,895	10,701,124	21,618,696	16,599,371
Vehicles and equipment	537,317	587,399	1,022,367	990,975	1,559,684	1,578,374
Total	<u>\$ 15,863,787</u>	<u>\$ 13,384,758</u>	<u>\$ 25,576,279</u>	<u>\$ 24,712,681</u>	<u>\$ 41,440,066</u>	<u>\$ 38,097,439</u>

Significant increases to Capital Assets are primarily Improvements for energy efficiency projects including solar at various City owned facilities. More detail of the capital assets and current activity can be found in the notes to the financial statements on Page 54 for significant accounting policies and Note 5 on Page 67 for other capital asset information.

Debt Administration

For the year ended June 30, 2020, the City did not issue any new debt.

Economic Outlook

At the time of budget preparation for FY 2009/20, the economic outlook for the City continued to be stable. The General Fund Budget for FY 2009/20 of approximately \$6 million was adopted in June of 2019. In March of 2020 that narrative changed. The economic uncertainties created as result of shelter-in-place orders issued by the state and local health officers in response to the COVID-19 global pandemic have changed the narrative. While revenues are not being impacted as negatively as we expected it is difficult to plan with the current amount of uncertainty that exists in the current economic environment. The FY 2020/21 budget continues the practice of conservative revenue estimates, especially in the General Fund. Overall, the FY 2020/21

City of Lakeport, California  
Comprehensive Annual Financial Report  
For the year ended June 30, 2020

Management's Discussion and Analysis, Continued

---

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Requests for Information

This financial report is designed to provide our citizens, taxpayers, creditors and government regulators with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Additional information may be found on our website at [www.cityoflakeport.com](http://www.cityoflakeport.com). Below is the contact address for questions about the report or requests for additional financial information.

City of Lakeport  
Finance Department  
225 Park Street  
Lakeport, CA 95453



*This page intentionally left blank.*

## Government-Wide Financial Statements

The Statement of Net Position reports the difference between the City's total assets and the City's total liabilities, including all the City's capital assets and all its long-term debt. The Statement of Net Position summarizes the financial position of all City Governmental Activities in a single column, and the financial position of all the City's Business-Type Activities in a single column; these are followed by a total column which presents the financial position of the entire City.

The City's Governmental Activities include the activities of its General Fund, along with all of its Special Revenue, Capital Projects and Debt Service Funds. The City's Business-Type Activities include all of its Enterprise Fund activities.

The Statement of Activities reports increases and decreases in the City's net position. It presents the City's expenses first, listed by program, and follows these with the expenses of its business-type activities. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental and business-type program. The City's general revenues are then listed in the Governmental Activities or Business-type Activities column, as appropriate, and the Change in Net Position is computed and reconciled with the Statement of Net Position.

Both these Statements include the financial activities of the City and the City of Lakeport Municipal Sewer District, which are legally separate but are component units of the City because they are controlled by the City, which is financially accountable for their activities.

*This page intentionally left blank.*

City of Lakeport, California  
Statement of Net Position  
June 30, 2020

ASSETS	Governmental Activities	Business-type Activities	Total
Cash and investments	\$ 6,300,088	\$ 7,813,652	\$ 14,113,740
Restricted cash and investments	22,588	69,502	92,090
Receivables:			
Accounts	2,176,293	847,918	3,024,211
Loans/Notes receivable	2,661,591	132,448	2,794,039
<b>Total current assets</b>	<b>11,160,560</b>	<b>8,863,520</b>	<b>20,024,080</b>
Capital assets:			
Nondepreciable	2,244,895	2,606,562	4,851,457
Depreciable	13,618,892	22,969,717	36,588,609
<b>Total noncurrent assets</b>	<b>15,863,787</b>	<b>25,576,279</b>	<b>41,440,066</b>
<b>Total assets</b>	<b>27,024,347</b>	<b>34,439,799</b>	<b>61,464,146</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension plan	1,398,132	563,850	1,961,982
OPEB	96,326	39,345	135,671
<b>Total deferred outflows of resources</b>	<b>1,494,458</b>	<b>603,195</b>	<b>2,097,653</b>
<b>Total assets and deferred outflows</b>	<b>\$ 28,518,805</b>	<b>\$ 35,042,994</b>	<b>\$ 63,561,799</b>
<b>LIABILITIES</b>			
Accounts payable	455,742	238,670	694,412
Other liabilities	11,374	130,928	142,302
Deposits payable	-	67,548	67,548
Unearned revenue	22,459	-	22,459
Compensated absences - current portion	178,670	69,400	248,070
Due within one year	145,792	741,308	887,100
<b>Total current liabilities</b>	<b>814,037</b>	<b>1,247,854</b>	<b>2,061,891</b>
Long-term liabilities:			
Compensated absences	156,454	122,198	278,652
Due after one year	3,335,923	16,985,373	20,321,296
Net OPEB liability	4,895,847	1,999,712	6,895,559
Net pension liability	4,272,774	3,076,870	7,349,644
<b>Total noncurrent liabilities</b>	<b>12,660,998</b>	<b>22,184,153</b>	<b>34,845,151</b>
<b>Total liabilities</b>	<b>13,475,035</b>	<b>23,432,007</b>	<b>36,907,042</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Plan	732,204	293,672	1,025,876
<b>Total deferred inflows of resources</b>	<b>732,204</b>	<b>293,672</b>	<b>1,025,876</b>
<b>NET POSITION</b>			
Net investment in capital assets	12,382,072	8,647,680	21,029,752
Restricted for:			
Law enforcement	162,456	-	162,456
Housing programs	356,148	-	356,148
Transportation infrastructure	661,492	-	661,492
Debt service	-	373,231	373,231
Assessment district	-	345,338	345,338
Depreciation reserve	-	94,901	94,901
Unrestricted (deficit)	749,398	1,856,165	2,605,563
<b>Total net position</b>	<b>14,311,566</b>	<b>11,317,315</b>	<b>25,628,881</b>
<b>Total liabilities, deferred inflows and net position</b>	<b>\$ 28,518,805</b>	<b>\$ 35,042,994</b>	<b>\$ 63,561,799</b>

The accompanying notes are an integral part of these basic financial statements.

City of Lakeport, California  
Statement of Activities  
For the year ended June 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 2,506,522	\$ -	\$ 1,105,137	\$ -
Community development	510,022	52,203	38	-
Roads and infrastructure	1,337,372	54,306	191,323	-
Housing and support programs	1,533,497	-	1,872,322	-
Economic development	164,999	-	82,558	-
Public safety	2,179,650	6,887	41,915	-
Parks, buildings and grounds	331,588	-	-	685,283
Interest and fiscal charges	119,587	-	-	-
Total governmental activities	8,683,237	113,396	3,293,293	685,283
Business-type activities:				
Water	2,432,471	2,690,003	-	-
Sewer	3,347,913	3,884,750	-	-
Total business-type activities	5,780,384	6,574,753	-	-
<b>Total primary government</b>	<b>\$ 14,463,621</b>	<b>\$ 6,688,149</b>	<b>\$ 3,293,293</b>	<b>\$ 685,283</b>

General revenues:

Taxes:

- Sales and use taxes
- Property taxes, levied for general purposes
- Transient occupancy tax, levied for general purposes
- Licenses, permits and franchises
- Use of money and property
- Other general revenues
- Total general revenues

Change in net position

Net position:

- Beginning of year
- End of year

The accompanying notes are an integral part of these basic financial statements.

**Net (Expense) Revenue and  
Changes in Net Position**

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
\$ (1,401,385)	\$ -	\$ (1,401,385)
(457,781)	-	(457,781)
(1,091,743)	-	(1,091,743)
338,825	-	338,825
(82,441)	-	(82,441)
(2,130,848)	-	(2,130,848)
353,695	-	353,695
(119,587)	-	(119,587)
<u>(4,591,265)</u>	<u>-</u>	<u>(4,591,265)</u>
-	257,532	257,532
-	536,837	536,837
-	794,369	794,369
<u>(4,591,265)</u>	<u>794,369</u>	<u>(3,796,896)</u>
3,567,487	-	3,567,487
1,105,592	342,085	1,447,677
161,535	-	161,535
585,981	-	585,981
162,230	136,846	299,076
41,325	-	41,325
<u>5,624,150</u>	<u>478,931</u>	<u>6,103,081</u>
1,032,885	1,273,300	2,306,185
13,278,681	10,044,015	23,322,696
<u>\$ 14,311,566</u>	<u>\$ 11,317,315</u>	<u>\$ 25,628,881</u>



*This page intentionally left blank.*

**FUND FINANCIAL STATEMENTS  
MAJOR FUNDS**

Fund	Description
<b>General Fund</b>	The General Fund is used for all the general revenues of the City not specifically levied or collected for other City funds and the related expenditures. The major revenue sources for this fund are property taxes, sales taxes, franchise fees, business licenses, unrestricted revenues from the state, fines and forfeitures, and interest income. Expenditures are made for community development, public safety, public works, and other services.
<b>HOME Grant 2017 Special Revenue</b>	Fund to track HOME grant funding and expenditures for the construction of a 26 unit low income family housing complex.
<b>2017 Storm Capital Projects</b>	Accounts for capital projects resulting from the 2017 Winter storms which were declared a federal disaster.

City of Lakeport, California  
 Balance Sheet  
 Governmental Funds  
 June 30, 2020

	Major Funds		
	General Fund	HOME Grant 2017 Special Revenue	2017 Storm Capital Projects
<b>ASSETS</b>			
Cash and investments	\$ 3,502,822	\$ -	\$ 1,347,871
Restricted cash and investments	22,588	-	-
Receivables:			
Intergovernmental	160,000	-	-
Loans/Notes receivable	-	-	-
Other receivable	1,027,412	-	-
Due from other funds	992,202	-	-
Advances to other funds	289,481	-	-
<b>Total assets</b>	<b>\$ 5,994,505</b>	<b>\$ -</b>	<b>\$ 1,347,871</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 295,716	\$ -	\$ 97,063
Due to other funds	-	-	-
Interest payable	11,374	-	-
Unearned revenue	22,459	-	-
Advances from other funds	-	-	-
<b>Total liabilities</b>	<b>329,549</b>	<b>-</b>	<b>97,063</b>
<b>Fund balances:</b>			
Nonspendable			
Advances to other funds	289,481	-	-
Loans/Notes receivable	-	-	-
Restricted			
Law enforcement	10,387	-	-
Housing programs	-	-	-
Transportation infrastructure	-	-	-
Assigned			
Capital projects	2,000,000	-	1,250,808
General reserves	1,199,455	-	-
Housing and community programs	-	-	-
Debt service reserve	111,000	-	-
Unassigned (deficit)	2,054,633	-	-
<b>Total fund balances</b>	<b>5,664,956</b>	<b>-</b>	<b>1,250,808</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 5,994,505</b>	<b>\$ -</b>	<b>\$ 1,347,871</b>

The accompanying notes are an integral part of these basic financial statements.

Nonmajor Governmental Funds		Totals	
\$	1,449,395	\$	6,300,088
	-		22,588
	988,881		1,148,881
	2,661,591		2,661,591
	-		1,027,412
	-		992,202
	-		289,481
<u>\$</u>	<u>5,099,867</u>	<u>\$</u>	<u>12,442,243</u>

\$	62,963	\$	455,742
	992,202		992,202
	-		11,374
	-		22,459
	289,481		289,481
<u>\$</u>	<u>1,344,646</u>	<u>\$</u>	<u>1,771,258</u>

	-		289,481
	2,661,591		2,661,591
	152,069		162,456
	356,148		356,148
	661,492		661,492
	136,831		3,387,639
	-		1,199,455
	11,478		11,478
			111,000
	(224,388)		1,830,245
<u>\$</u>	<u>3,755,221</u>	<u>\$</u>	<u>10,670,985</u>
<u>\$</u>	<u>5,099,867</u>	<u>\$</u>	<u>12,442,243</u>

City of Lakeport, California  
 Reconciliation of the Governmental Funds Balance Sheet  
 to the Statement of Net Position  
 June 30, 2020

---

**Total fund balances - total governmental funds** \$ 10,670,985

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. 15,863,787

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet.

Compensated absences	\$ (335,124)	
Pension obligation bonds	(3,481,715)	
Net OPEB liability	(4,895,847)	
Net pension liability	<u>(4,272,774)</u>	(12,985,460)

Pension obligations result in deferred outflows and inflows of resources associated with the actuarial value of contributions, assets, and liabilities

Deferred outflows - pensions	1,398,132	
Deferred inflows - pensions	<u>(732,204)</u>	762,254

**Net Position of governmental activities** \$ 14,311,566

The accompanying notes are an integral part of these basic financial statements.

City of Lakeport, California

Reconciliation of Fund Basis Balance Sheet to Government-wide Statement of Net Position

Governmental Activities

June 30, 2020

	Governmental Funds Balance Sheet	Reclassifications	Changes in GAAP	Internal Services Balances	Statement of Net Position
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and investments	\$ 6,300,088	\$ -	\$ -	\$ -	\$ 6,300,088
Restricted cash and investments	22,588	-	-	-	22,588
Receivables:					
Intergovernmental	1,148,881	-	-	-	1,148,881
Other receivable	1,027,412	-	-	-	1,027,412
Loans/Notes receivable	2,661,591	-	-	-	2,661,591
Due from other funds	992,202	(992,202)	-	-	-
Advances to other funds	289,481	(289,481)	-	-	-
<b>Total current assets</b>	<b>12,442,243</b>	<b>(1,281,683)</b>	<b>-</b>	<b>-</b>	<b>11,160,560</b>
<b>Noncurrent assets:</b>					
Capital assets, net	-	-	15,863,787	-	15,863,787
<b>Total noncurrent assets</b>	<b>-</b>	<b>-</b>	<b>15,863,787</b>	<b>-</b>	<b>15,863,787</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension plan	-	-	1,398,132	-	1,398,132
OPEB	-	-	96,326	-	96,326
<b>Total assets and deferred outflows of resources</b>	<b>\$ 12,442,243</b>	<b>\$ (1,281,683)</b>	<b>\$ 17,358,245</b>	<b>\$ -</b>	<b>\$ 28,518,805</b>
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Accounts payable	\$ 455,742	\$ -	\$ -	\$ -	\$ 455,742
Due to other funds	992,202	(992,202)	-	-	-
Advances from other funds	289,481	(289,481)	-	-	-
Unearned revenue	22,459	-	-	-	22,459
Compensated absences - current portion	-	-	178,670	-	178,670
Due within one year	-	-	145,792	-	145,792
<b>Total current liabilities</b>	<b>1,771,258</b>	<b>(1,281,683)</b>	<b>324,462</b>	<b>-</b>	<b>814,037</b>
<b>Noncurrent liabilities:</b>					
Long-term liabilities:					
Compensated absences	-	-	156,454	-	156,454
Lease payable	-	-	-	-	-
Due after one year	-	-	3,335,923	-	3,335,923
Net OPEB liability	-	-	4,895,847	-	4,895,847
Net pension liability	-	-	4,272,774	-	4,272,774
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>-</b>	<b>12,660,998</b>	<b>-</b>	<b>12,660,998</b>
<b>Total liabilities</b>	<b>1,771,258</b>	<b>(1,281,683)</b>	<b>12,985,460</b>	<b>-</b>	<b>13,475,035</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	-	-	-	-	-
Pension Plan	-	-	732,204	-	732,204
<b>Total liabilities and deferred inflows:</b>	<b>1,771,258</b>	<b>(1,281,683)</b>	<b>13,717,664</b>	<b>-</b>	<b>14,207,239</b>
<b>FUND BALANCES/NET POSITION</b>					
<b>Fund balances:</b>					
Nonspendable	2,951,072	(2,951,072)	-	-	-
Restricted	1,180,096	(1,180,096)	-	-	-
Committed	-	-	-	-	-
Assigned	4,709,572	(4,709,572)	-	-	-
Unassigned (deficit)	1,830,245	(1,830,245)	-	-	-
<b>Net position:</b>					
Net investment in capital assets	-	-	12,382,072	-	12,382,072
Restricted	-	-	1,180,096	-	1,180,096
Unrestricted	-	10,670,985	(9,921,587)	-	749,398
<b>Total fund balances/net position</b>	<b>10,670,985</b>	<b>-</b>	<b>3,640,581</b>	<b>-</b>	<b>14,311,566</b>
<b>Total liabilities, deferred inflows and net position</b>	<b>\$ 12,442,243</b>	<b>\$ (1,281,683)</b>	<b>\$ 17,358,245</b>	<b>\$ -</b>	<b>\$ 28,518,805</b>

The accompanying notes are an integral part of these basic financial statements.

City of Lakeport, California  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the year ended June 30, 2020

	Major Funds				Totals
	General Fund	HOME Grant 2017 Special Revenue	2017 Storm Capital Projects	Other Governmental Funds	
<b>REVENUES:</b>					
Taxes:					
Sales	\$ 3,567,487	\$ -	\$ -	\$ -	\$ 3,567,487
Property	1,105,592	-	-	-	1,105,592
Transient occupancy	161,535	-	-	-	161,535
Business license	76,976	-	-	-	76,976
Licenses, permits and franchises	509,005	-	-	-	509,005
Fines, forfeitures and penalties	6,887	-	-	-	6,887
Intergovernmental	1,105,137	1,554,860	77,578	1,241,001	3,978,576
Use of money and property	130,686	-	-	31,544	162,230
Charges for services	106,509	-	-	-	106,509
Other revenues	35,346	-	5,979	-	41,325
<b>Total revenues</b>	<b>6,805,160</b>	<b>1,554,860</b>	<b>83,557</b>	<b>1,272,545</b>	<b>9,716,122</b>
<b>EXPENDITURES:</b>					
Current:					
General government:					
Council	86,771	-	-	-	86,771
Administration	405,898	-	-	-	405,898
Attorney	165,080	-	-	-	165,080
Finance and information technology	255,376	-	-	-	255,376
Non-departmental	247,142	-	-	-	247,142
Community development:					
Planning	233,075	-	-	-	233,075
Building	276,947	-	-	-	276,947
Roads and infrastructure:					
Public works	993,795	-	47,223	85,405	1,126,423
Engineering	129,084	-	-	-	129,084
Housing and support programs	-	1,500,765	-	32,732	1,533,497
Economic development	100,398	-	-	64,601	164,999
Public safety	2,070,477	-	-	294	2,070,771
Parks, buildings and grounds	249,757	-	-	-	249,757
Capital outlay	390,733	-	1,391,446	1,247,663	3,029,842
Debt service:					
Principal	135,172	-	-	-	135,172
Interest and fiscal charges	119,401	-	-	-	119,401
<b>Total expenditures</b>	<b>5,859,106</b>	<b>1,500,765</b>	<b>1,438,669</b>	<b>1,430,695</b>	<b>10,229,235</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>946,054</b>	<b>54,095</b>	<b>(1,355,112)</b>	<b>(158,150)</b>	<b>(513,113)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Issuance of debt	-	-	-	-	-
Transfers in	265,810	-	-	295,000	560,810
Transfers out	-	(55,499)	-	(505,311)	(560,810)
<b>Total other financing sources (uses)</b>	<b>265,810</b>	<b>(55,499)</b>	<b>-</b>	<b>(210,311)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>1,211,864</b>	<b>(1,404)</b>	<b>(1,355,112)</b>	<b>(368,461)</b>	<b>(513,113)</b>
<b>FUND BALANCES (DEFICITS):</b>					
Beginning of year	4,453,092	1,404	2,605,920	4,123,682	11,184,098
End of year	\$ 5,664,956	\$ -	\$ 1,250,808	\$ 3,755,221	\$ 10,670,985

The accompanying notes are an integral part of these basic financial statements.

City of Lakeport, California

Reconciliation of Fund Basis Statements to Government-wide Statement of Activities

For the year ended June 30, 2020

Functions/Programs	Fund Based Totals	Compensated		Capital		Government-	
		Absences/ Debt Service	Depreciation	Asset (Additions)/ Retirements	OPEB Obligation	Pension Plan	wide Totals
<b>Governmental activities:</b>							
General government	\$ 1,160,267	\$ 34,857	\$ 278,238	\$ -	\$ 1,026,144	\$ 7,016	\$ 2,506,522
Community development	510,022	-	-	-	-	-	510,022
Roads and infrastructure	1,255,507	-	80,537	1,328	-	-	1,337,372
Housing and support programs	1,533,497	-	-	-	-	-	1,533,497
Economic development	164,999	-	-	-	-	-	164,999
Public safety	2,070,771	-	108,879	-	-	-	2,179,650
Parks, buildings and grounds	249,757	-	81,831	-	-	-	331,588
Capital outlay	3,029,842	-	-	(3,029,842)	-	-	-
Debt service/Interest	254,573	(134,986)	-	-	-	-	119,587
<b>Total governmental activities</b>	<b>\$ 10,229,235</b>	<b>\$ (100,129)</b>	<b>\$ 549,485</b>	<b>\$ (3,028,514)</b>	<b>\$ 1,026,144</b>	<b>\$ 7,016</b>	<b>\$ 8,683,237</b>

The accompanying notes are an integral part of these basic financial statements.



*This page intentionally left blank.*

City of Lakeport, California

Reconciliation of the Statement of Revenues, Expenditures, and Changes in

Fund Balances of Governmental Funds to the Statement of Activities

For the year ended June 30, 2020

**Net change in fund balances - total governmental funds** \$ (513,113)

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the

Capital asset purchases capitalized	\$ 3,028,514	
Depreciation expense	<u>(549,485)</u>	2,479,029

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Pension obligation bonds	<u>134,986</u>	134,986
--------------------------	----------------	---------

Certain employee benefit obligations are recorded on a pay-as-you-go basis in the governmental funds, but are accrued as liabilities in the Statement of Net Position:

Net OPEB liability	(1,026,144)	
Net Pension liability	<u>(7,016)</u>	(1,033,160)

**Change in Net Position of governmental activities** \$ 1,032,885

The accompanying notes are an integral part of these basic financial statements.

City of Lakeport, California  
Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Budget to Actual - General and Major Special Revenue Funds  
For the year ended June 30, 2020

	General Fund			Variance w/Final Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Taxes:				
Sales	3,630,000	3,630,000	3,567,487	\$ (62,513)
Property	942,250	942,250	1,105,592	163,342
Transient occupancy	160,000	160,000	161,535	1,535
Business license	95,000	95,000	76,976	(18,024)
Licenses, permits and franchises	279,250	279,250	509,005	229,755
Fines, forfeitures and penalties	15,500	15,500	6,887	(8,613)
Intergovernmental	374,500	644,267	1,105,137	460,870
Use of money and property	161,000	161,000	130,686	(30,314)
Charges for services	74,510	74,510	106,509	31,999
Other revenues	175,994	175,994	35,346	(140,648)
<b>Total revenues</b>	<b>5,908,004</b>	<b>6,177,771</b>	<b>6,805,160</b>	<b>627,389</b>
<b>EXPENDITURES:</b>				
Current:				
General government:				
Council	103,986	103,986	86,771	17,215
Administration	442,834	442,834	405,898	36,936
Attorney	58,000	106,000	165,080	(59,080)
Finance and information technology	266,010	266,010	255,376	10,634
Non-departmental	199,200	199,200	247,142	(47,942)
Community development:				
Planning	278,507	278,507	233,075	45,432
Building	161,537	161,537	276,947	(115,410)
Roads and infrastructure:				
Public works	1,463,573	1,733,340	993,795	739,545
Engineering	127,693	127,693	129,084	(1,391)
Housing and support programs	-	-	-	-
Economic development	108,000	108,000	100,398	7,602
Public safety	2,396,439	2,396,439	2,070,477	325,962
Parks, buildings and grounds	420,299	524,353	249,757	274,596
Capital outlay	-	-	390,733	(390,733)
Debt service:				
Principal	137,033	137,033	135,172	1,861
Interest and fiscal charges	86,625	124,132	119,401	4,731
<b>Total expenditures</b>	<b>6,249,736</b>	<b>6,709,064</b>	<b>5,859,106</b>	<b>849,958</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>(341,732)</b>	<b>(531,293)</b>	<b>946,054</b>	<b>1,477,347</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	29,500	29,500	265,810	236,310
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>29,500</b>	<b>29,500</b>	<b>265,810</b>	<b>236,310</b>
<b>Net change in fund balances</b>	<b>(312,232)</b>	<b>(501,793)</b>	<b>1,211,864</b>	<b>1,713,657</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	4,453,092	4,453,092	4,453,092	-
End of year	\$ 4,140,860	\$ 3,951,299	\$ 5,664,956	\$ 1,713,657

The accompanying notes are an integral part of these basic financial statements.

HOME Grant 2017 Special Revenue				2017 Storm Capital Projects			
Budgeted Amounts		Actual	Variance w/Final Positive (Negative)	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	1,554,860	1,554,860	-	-	77,578	77,578
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	5,979	5,979
-	-	1,554,860	1,554,860	-	-	83,557	83,557
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	2,500,000	2,500,000	47,223	2,452,777
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,391,446	(1,391,446)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	2,500,000	2,500,000	1,438,669	1,061,331
-	-	1,554,860	1,554,860	(2,500,000)	(2,500,000)	(1,355,112)	(977,774)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	1,554,860	1,554,860	(2,500,000)	(2,500,000)	(1,355,112)	(977,774)
1,404	1,404	1,404	-	-	-	2,605,920	-
\$ 1,404	\$ 1,404	\$ 1,556,264	\$ 1,554,860	\$ (2,500,000)	\$ (2,500,000)	\$ 1,250,808	\$ (977,774)

*This page intentionally left blank.*

## PROPRIETARY FUNDS

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

The City maintains two enterprise funds: water and sewer described as follows:

Fund	Description
<b>Major Funds:</b>	
Water Enterprise Fund	Chapter 13.04 of the Lakeport Municipal Code provides the authority for City to operate water system. Revenues (fees and charges) are collected to pay for service (water) received.
Sewer Enterprise Fund	Chapter 13.20 of the Lakeport Municipal Code provides the authority for the City to operate sewer system. Revenues (fees and charges) are collected to pay for availability of collection, transportation, treatment, and disposal system. In addition, grazing lease payments, LACOSAN payments for flows, tax revenues, FEMA storm damage reimbursement, OES storm damage reimbursement, and insurance rebates have been credited to this fund.

City of Lakeport, California  
Statement of Net Position  
Proprietary Funds  
June 30, 2020

	Water	Sewer	Totals
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and investments	\$ 1,591,443	\$ 6,222,209	7,813,652
Restricted cash and investments	15,831	53,671	69,502
Receivables:			
Accounts, net of uncollectibles	363,446	484,472	847,918
<b>Total current assets</b>	<u>1,970,720</u>	<u>6,760,352</u>	<u>8,731,072</u>
<b>Noncurrent assets:</b>			
Notes receivable	41,059	91,389	132,448
Capital assets not being depreciated:			
Land	740,170	1,735,233	2,475,403
Construction in progress	-	131,159	131,159
Capital assets being depreciated:			
Buildings and improvements	12,929,618	29,294,529	42,224,147
Machinery, equipment and vehicles	503,158	1,656,114	2,159,272
Less: Accumulated depreciation	(4,714,083)	(16,699,619)	(21,413,702)
<b>Total noncurrent assets</b>	<u>9,499,922</u>	<u>16,208,805</u>	<u>25,708,727</u>
<b>Total Assets</b>	<u>11,470,642</u>	<u>22,969,157</u>	<u>34,439,799</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension plan	291,278	272,572	563,850
OPEB	18,994	20,351	39,345
<b>Total assets and deferred outflows of resources</b>	<u>\$ 11,780,914</u>	<u>\$ 23,262,080</u>	<u>\$ 35,042,994</u>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable	\$ 51,867	\$ 186,803	\$ 238,670
Interest payable	52,206	78,722	130,928
Deposits payable	67,188	360	67,548
Compensated absences - current portion	34,900	34,500	69,400
Pension obligation bonds - current portion	36,104	36,104	72,208
Due within one year	191,100	478,000	669,100
<b>Total current liabilities</b>	<u>433,365</u>	<u>814,489</u>	<u>1,247,854</u>
<b>Noncurrent liabilities:</b>			
Compensated absences	67,755	54,443	122,198
Pension obligation bonds	362,938	362,936	725,874
Due after one year	5,904,165	10,355,334	16,259,499
Net pension liability	1,435,796	1,641,074	3,076,870
Net OPEB liability	965,378	1,034,334	1,999,712
<b>Total noncurrent liabilities</b>	<u>8,736,032</u>	<u>13,448,121</u>	<u>22,184,153</u>
<b>Total liabilities</b>	<u>9,169,397</u>	<u>14,262,610</u>	<u>23,432,007</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Plan	143,471	150,201	293,672
<b>Total deferred inflows of resources</b>	<u>143,471</u>	<u>150,201</u>	<u>293,672</u>
<b>NET POSITION</b>			
<b>Net Position:</b>			
Net investment in capital assets	3,363,598	5,284,082	8,647,680
Restricted for debt service	142,231	231,000	373,231
Restricted for assessment district	-	345,338	345,338
Restricted depreciation reserve	26,469	68,432	94,901
Unrestricted (deficit)	(1,064,252)	2,920,417	1,856,165
<b>Total net position</b>	<u>2,468,046</u>	<u>8,849,269</u>	<u>11,317,315</u>
<b>Total liabilities, deferred inflows and net position</b>	<u>\$ 11,780,914</u>	<u>\$ 23,262,080</u>	<u>\$ 35,042,994</u>

The accompanying notes are an integral part of these basic financial statements.

City of Lakeport, California  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Funds  
For the year ended June 30, 2020

	Water	Sewer	Totals
<b>OPERATING REVENUES:</b>			
Charges for service	\$ 2,685,545	3,884,750	\$ 6,570,295
Other operating revenue	4,458	-	4,458
<b>Total operating revenues</b>	<u>2,690,003</u>	<u>3,884,750</u>	<u>6,574,753</u>
<b>OPERATING EXPENSES:</b>			
Personnel services	1,179,820	1,161,132	2,340,952
Materials, services and supplies	662,363	926,996	1,589,359
Depreciation	414,212	941,873	1,356,085
<b>Total operating expenses</b>	<u>2,256,395</u>	<u>3,030,001</u>	<u>5,286,396</u>
<b>OPERATING INCOME</b>	<u>433,608</u>	<u>854,749</u>	<u>1,288,357</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Property taxes and special assessments	-	342,085	342,085
Investment revenue	9,410	97,436	106,846
Lease revenue	-	30,000	30,000
Interest and fiscal charges expense	(176,076)	(317,912)	(493,988)
<b>Total non-operating revenues, net</b>	<u>(166,666)</u>	<u>151,609</u>	<u>(15,057)</u>
<b>NET INCOME BEFORE TRANSFERS</b>	266,942	1,006,358	1,273,300
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total transfers</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	266,942	1,006,358	1,273,300
<b>NET POSITION:</b>			
Beginning of year	2,201,104	7,842,911	10,044,015
End of year	<u>\$ 2,468,046</u>	<u>\$ 8,849,269</u>	<u>\$ 11,317,315</u>

The accompanying notes are an integral part of these basic financial statements.



City of Lakeport, California  
Statement of Cash Flows  
Proprietary Funds  
For the year ended June 30, 2020

	Water	Sewer	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers/users for services provided	\$ 2,675,680	\$ 3,857,342	\$ 6,533,022
Cash payments to suppliers for goods and services	(766,073)	(941,406)	(1,707,479)
Cash payments to employees for services	(1,189,754)	(1,191,240)	(2,380,994)
<b>Net cash provided by operating activities</b>	<u>719,853</u>	<u>1,724,696</u>	<u>2,444,549</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Property taxes and assessments received	-	342,085	342,085
Changes in net pension obligation	2,419	2,661	5,080
Change in net OPEB obligation	226,682	216,777	443,459
<b>Net cash used by noncapital financing activities</b>	<u>229,101</u>	<u>561,523</u>	<u>790,624</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition and construction of capital assets	(46,434)	(2,173,249)	(2,219,683)
Principal paid on long term debt	(220,576)	(486,294)	(706,870)
Interest paid on long term debt	(149,640)	(321,142)	(470,782)
Proceeds from lease revenue	-	30,000	30,000
<b>Net cash (used) by capital and related financing activities</b>	<u>(416,650)</u>	<u>(2,950,685)</u>	<u>(3,367,335)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Investment income received	9,410	97,436	106,846
<b>Net cash provided by investing activities</b>	<u>9,410</u>	<u>97,436</u>	<u>106,846</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>541,714</u>	<u>(567,030)</u>	<u>(25,316)</u>
<b>CASH AND CASH EQUIVALENTS:</b>			
Beginning of year	1,065,560	6,842,910	7,908,470
End of year	<u>\$ 1,607,274</u>	<u>\$ 6,275,880</u>	<u>\$ 7,883,154</u>
Presentation in Statement of Financial Position:			
Cash and investments	\$ 1,591,443	\$ 6,222,209	\$ 7,813,652
Restricted cash and investments	15,831	53,671	69,502
Total Cash and investments	<u>\$ 1,607,274</u>	<u>\$ 6,275,880</u>	<u>\$ 7,883,154</u>
<b>Reconciliation of income from operations to net cash provided by operating activities:</b>			
Operating income	\$ 433,608	\$ 854,749	\$ 1,288,357
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	414,212	941,873	1,356,085
(Increase) decrease in current assets:			
Accounts receivable	(10,478)	(27,318)	(37,796)
Increase (decrease) in liabilities:			
Accounts payable	(103,710)	(14,410)	(118,120)
Accrued payroll and benefits	(8,099)	(8,074)	(16,173)
Deposits payable	(3,845)	(90)	(3,935)
Compensated absences	(1,835)	(22,034)	(23,869)
<b>Net cash provided by operating activities</b>	<u>\$ 719,853</u>	<u>\$ 1,724,696</u>	<u>\$ 2,444,549</u>

There were no noncash investing, capital, or financing activities affecting recognized assets and liabilities for the year ended June 30, 2020.

The accompanying notes are an integral part of these basic financial statements.

*This page intentionally left blank.*

## FIDUCIARY ACTIVITIES

**Fiduciary funds** account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the Government-wide financial statements, but are presented in the separate Fiduciary Fund financial statements. **Private Purpose Trust Funds** are used for resources held for other individuals and entities in a manner similar to private enterprise. The City has the following private purpose trust fund:

Fund	Description
<b>Redevelopment Non-Housing Successor Private Purpose Trust Fund</b>	Accounts for funds collected and disbursed for the dissolution of the former Lakeport Redevelopment Agency related to administration and retirement of enforceable obligations.

City of Lakeport, California  
Statement of Fiduciary Net Position  
Fiduciary Activities  
June 30, 2020

	Redevelopment Non-Housing Successor Private Purpose Trust Fund		Agency Funds
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 546,694	\$	398,205
Cash and investments with trustee/fiscal agent	111		-
Accounts receivable	-		17,208
Total current assets	<u>546,805</u>		<u>415,413</u>
<b>Total assets</b>	<u>\$ 546,805</u>	<u>\$</u>	<u>415,413</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 19	\$	266
Interest payable	61,115		-
Refundable deposits and trust liabilities	-		415,147
Due within one year	210,000		-
Total current liabilities	<u>271,134</u>		<u>415,413</u>
Long-term liabilities:			
Due after one year	<u>4,185,000</u>		-
Total long-term liabilities	<u>4,185,000</u>		-
<b>Total liabilities</b>	<u>4,456,134</u>	<u>\$</u>	<u>415,413</u>
<b>NET POSITION (DEFICIT)</b>			
Restricted - debt service reserve	317,230		
Held in trust for outstanding obligations	<u>(4,226,559)</u>		
<b>Total net position (deficit)</b>	<u>(3,909,329)</u>		
<b>Total liabilities and net position (deficit)</b>	<u>\$ 546,805</u>		

The accompanying notes are an integral part of these basic financial statements.

City of Lakeport, California  
Statement of Changes in Fiduciary Net Position  
Redevelopment Agency Successor Private Purpose Trust Fund  
For the year ended June 30, 2020

	Private Purpose Trust Fund
<b>ADDITIONS:</b>	
Property taxes	\$ 598,401
Investment income	2,424
<b>Total additions</b>	<u>600,825</u>
<b>DEDUCTIONS:</b>	
Administrative costs	89,169
Interest and trustee fees	103,582
<b>Total deductions</b>	<u>192,751</u>
<b>CHANGE IN FIDUCIARY NET POSITION</b>	408,074
<b>NET POSITION (DEFICIT):</b>	
Beginning of year	<u>(4,317,403)</u>
End of year	<u>\$ (3,909,329)</u>

The accompanying notes are an integral part of these basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS



*This page intentionally left blank.*

City of Lakeport, California  
Basic Financial Statements  
For the year ended June 30, 2020

Index to Notes to Basic Financial Statements

---

---

The notes to the financial statements include a summary of significant accounting policies and other notes considered essential to fully disclose and fairly present the transactions and financial position of the City as follows:

	<u>Page</u>
Note 1 - Summary of Significant Accounting Policies .....	48
Note 2 - Cash and Investments .....	62
Note 3 - Accounts Receivable.....	65
Note 4 – Loans, Notes Receivable, and Interfund Borrowing.....	66
Note 5 – Capital Assets .....	67
Note 6 – Long Term Liabilities .....	69
Note 7 – Net Position/Fund Balances .....	74
Note 8 – Interfund Transactions .....	78
Note 9 – Risk Management .....	79
Note 10 – Public Employee Retirement Plan .....	81
Note 11 – Post Retirement Healthcare Benefits.....	88
Note 12 – Successor Agency Trust for Assets of Former Redevelopment Agency .....	92
Note 13 – New Accounting Pronouncements.....	95



City of Lakeport, California  
Basic Financial Statements  
For the year ended June 30, 2020

Notes to the Basic Financial Statements

---

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applied to government agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the City are described below:

**A. Defining the reporting entity**

The City of Lakeport was incorporated in 1888 under the laws of the State of California. Lakeport operates under a Council-Manager form of government. The City Manager serves as the chief executive for day-to-day operations and long-term planning, including executing the policies and directives of the City Council. Department heads report directly to the City Manager and serve at his or her pleasure.

The City provides a range of municipal services to its citizens including public safety, public works, planning and building regulation, recreation and parks, and water and sewer services.

These financial statements present the financial status of the City and its components units. The component units discussed in the following paragraph are included in the City's financial statements because the City is financially accountable for their operations.

The Redevelopment Agency of the City of Lakeport (the Agency) was established by the City as a separate legal entity in accordance with state law. The purpose of the Agency is to encourage new investment and reinvestment within legally designated redevelopment areas in partnership with property owners. The Agency was dissolved on February 1, 2013 by the State Legislature and California Governor, Jerry Brown.

The Municipal Sewer District No. 1 (CLMSD) was established as a separate legal entity to obtain funding to construct a new sewage treatment plant and pumping stations in 1965. In later years and assessment district was formed for the purpose of financing needed improvements and expansion of the wastewater systems.

Although the component units are legally separate from the City, they are reported on a blended basis as part of the primary government because their boards consist of members of the City Council. The component units' financial statements may be obtained from the City.

Notes to the Basic Financial Statements, Continued

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Government-wide and Fund Financial Statements

The government-wide financial statements report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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) grant and contributors that are restricted to meeting the operational or capital requirements of a particular function. Taxes, and other items not properly included among program revenues are reported instead as general revenues.

The accounts of the City are organized on the basis of funds. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, and expenditures or expenses, as appropriate. Government 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.

In the fund financial statement in the report, the various funds are grouped into generic funds within four broad fund types. They are as follows:

**Governmental Funds**

The **General Fund** is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue** Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trust of major capital projects) that are legally restricted to expenditures for specific purposes.

**Capital Project** Funds are used to account for revenue and expenditures restricted to the acquisition or major capital facilities (other than those financed by proprietary or trust funds).

**Debt Service** Funds are used to account for the accumulation of resources for, and the payment to, governmental long-term debt, both principal and interest.

Notes to the Basic Financial Statements, Continued

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued
- B. Government-wide and Fund Financial Statements, Continued

*Proprietary Funds*

**Enterprise** Funds are used to account for operations that are financed and operated in a manner similar to private business enterprise –the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis, be financed or recovered primarily through user charges. The City accounts for the operation of its water and sewer utility fund on this basis.

**Internal Service** funds are used to account for operations similar to enterprise funds. The difference between the two is that internal service funds provide goods and services to departments and agencies under the primary government. Currently the City does not use an internal service fund.

*Fiduciary Funds*

**Agency** Funds are used to account for assets administered by the City in a trustee capacity or as an agent for other governments and other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City reports on two agency funds: Special Deposit Agency Fund which hold funds on deposit from outside parties and Other Post-Employment Benefits (OPEB) Agency Fund which manages resources for retiree health benefits.

**Trust** Funds are used to account for assets held by the government in a trustee capacity. The City reports one private purpose trust fund: Redevelopment Non-Housing Successor Private Purpose Trust Fund which accounts for fund collect and disbursed for the dissolution of the former Lakeport Redevelopment Agency. For more information about the Successor Agency for the Former Lakeport Redevelopment Agency see Note 14.

An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type; and,
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

Notes to the Basic Financial Statements, Continued

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

The City reports the following major funds:

- General Fund
- HOME Grant 2017 Special Revenue
- 2017 Storm Capital Projects
- Water
- Sewer

**C. Basis of Accounting and Measurement Focus**

Basis of accounting refers to when revenue and expenditures (or expenses) are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurements made, regardless of the measurement focus applied.

Measurement focus is the determination of (1) which assets and which liabilities are included on a government's balance sheet and where they are reported, and (2) whether an operating statement presents information on the flow of financial resources (revenues and expenditures) or information on the flow of economic resources (revenues and expenses).

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statement. Revenue is recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

In the fund financial statements, all governmental funds are accounted for using the modified accrual basis of accounting. Revenue is recognized when they become both measurable and available to finance the expenditures of the current period (susceptible to accrual). Major revenue sources susceptible to accrual include substantially all property taxes, taxpayer-assessed taxes (such as sales and use, utility users, business license, transient occupancy, franchise fees and gas taxes), interest, special assessments levied, state and federal grants and charges for current services. For this purpose, the City considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Revenue from licenses, permits, fines and forfeits is recorded as received. Expenditures are recorded when the related fund liability is incurred.

All governmental funds are accounted for using a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenue and other financing

City of Lakeport, California  
Basic Financial Statements  
For the year ended June 30, 2020

Notes to the Basic Financial Statements, Continued

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Basis of Accounting and Measurement Focus, Continued

sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

The government-wide financial statements, as well as the proprietary funds and fiduciary funds (including agency funds) financial statements, are accounted for on a flow of economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund operating statements present increases (revenues) in net total assets.

D. Use of Estimates

Financial statement preparation in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

E. Cash and Investments

The City’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The City pools cash and investments from all funds for the purpose of increasing income through investment activities. Highly liquid money market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Market value is used as fair value for those securities for which market quotations are readily available.

F. Receivable and Payables

Balances representing lending/borrowing transactions between funds outstanding at the end of the fiscal year are reported as either “due to/due from other funds” (amounts due within one year), “advances to/from other funds” (non-current portions of interfund lending/borrowing transactions), or “loans to/from other funds” (long-term lending/borrowing transactions as evidenced by loan agreements). Advances and loans to other funds are offset by a fund balance reserve in applicable

City of Lakeport, California  
Basic Financial Statements  
For the year ended June 30, 2020

Notes to the Basic Financial Statements, Continued

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. Receivable and Payables, Continued

governmental funds to indicate they are not available for appropriation, and are not expendable available financial resources.

Property, sales, use, and utility user taxes related to the current fiscal year are accrued as revenue and accounts receivable and 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 measureable and available. The City considers these taxes available if they are received during the period when settlement of prior fiscal year accounts payable and payroll charges normally occur.

Grants, entitlements or shared revenue is recorded as receivables and revenue in the general, special revenue and capital project funds when they are received or susceptible to accrual. Notes receivables represent individual loans, secured by property liens in favor of the City and the Redevelopment Agency, made through various sources, including the Community Development Block Grant (CDBG) and federal HOME housing programs. When repaid, these amounts are designated for purposes allowed under the aforementioned reuse guidelines.

G. Allowance for Doubtful Accounts

Management has elected to record bad debts using the allowance method.

H. Prepaid Expenses

The prepaid expenses consist of expendables supplies held for consumption and are recorded as expenses when consumed. Materials and supplies used by governmental funds are recorded as expenditures at the time they are purchases or obtained.

I. Capital Assets

**Government-Wide Statements**

Public domain (infrastructure) capital assets include roads, bridges, curbs and gutters, streets, sidewalks, drainage systems, and lighting systems.

The accounting treatment of property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

City of Lakeport, California  
Basic Financial Statements  
For the year ended June 30, 2020

Notes to the Basic Financial Statements, Continued

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. Capital Assets

Prior to July 1, 2003, governmental funds' infrastructure assets were not capitalized, since then these assets have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The City capitalizes assets with an original cost greater than \$5,000 and with a useful lifespan longer than three years. No depreciation is recorded in the year of acquisition or in the year of disposition.

The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	5 – 50 years
Roadway improvements	50 years
Sidewalks, curbs and gutters	50 years
Storm drain pipes/structures	50 years
Traffic signal devices	5 – 40 years
Landscaping	30 years
Signage	25 years
Leasehold improvements	5 years
Machinery and equipment	3 – 5 years
Vehicles	3 years

**Fund Financial Statements**

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

J. Compensated Absences

Compensated absences represent the vested portion of accumulate vacation and sick leave. In governmental funds, the cost of vacation and sick leave benefits is recognized when payments are made to employees. Upon separation, 100% of accrued vacation leave (up to a maximum of 400 hours) and accrued comp time is paid and, depending on longevity, sick leave is paid out up to 50% of the accrued amount. In proprietary funds, a long-term liability for such benefits has been recorded.

Notes to the Basic Financial Statements, Continued

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report 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(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of position will sometimes report 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(s) and so will not be recognized as an inflow of resources (revenue) until that time.

L. Long-term Liabilities

In both the governmental-wide financial statements and proprietary fund financial statements, long-term debt and other long-term liabilities are reported as liabilities in the applicable statement of net position. Bond premiums, issuance costs and discounts are deferred and amortized over the life of the bond.

In the fund financial statements, governmental fund types recognized bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources.

M. Equity Classification

Government-Wide Statements

Equity is classified as net position and is displayed in three components:

*Net investment in capital assets* – consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted net position* – consists of net position with constraints placed on the use by external groups such as creditors, grantors, contributors, or by laws or regulations of other governments or law through constitutional provisions or enabling legislation.

*Unrestricted net position* – all other net position that do not meet the definition of “restricted” or “*net investment in capital assets*.”



Notes to the Basic Financial Statements, Continued

---

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

**Fund Financial Statements**

Governmental fund equity is classified as fund balance. Fund balance is classified as nonspendable, restricted, committed, assigned or unassigned. Proprietary fund equity is classified the same as in the government-wide statements. The classifications for governmental funds are defined as follows for the City:

***Nonspendable Fund Balance –***

- Assets that will never convert to cash (prepaid items, inventory).
- Assets that will not convert to cash soon enough to affect the current period (long-term notes or loans receivable).
- Resources that must be maintained intact pursuant to legal or contractual requirements (the principal of an endowment).

***Restricted Fund Balance –***

- Resources that are subject to externally enforceable legal restrictions imposed by parties altogether outside the government (Creditors, Grantors, Contributors and Other Governments).
- Resources that are subject to limitations imposed by law through constitutional provisions or enabling legislation (Gas Tax).

***Committed Fund Balance –***

- Self-imposed limitations set in place prior to the end of the period. (Encumbrances, economic contingencies and uncertainties).
- Limitation at the highest level of decision-making (Council) that requires formal action at the same level to remove, done typically through resolution during the budget process.

***Assigned Fund Balance –***

- Amounts in excess of nonspendable, restricted, and committed fund balance in funds other than the general fund automatically are reported as assigned fund balance and are done so by the City Manager through the budget process.

***Unassigned Fund Balance –***

- Residual net resources
- Total fund balance in the general fund in excess of nonspendable, restricted, committed and assigned fund balance (surplus).
- Excess of nonspendable, restricted, and committed fund balance over total fund balance (deficit).

Notes to the Basic Financial Statements, Continued

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

M. Equity Classification, Continued

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted fund balance resources first, followed by the unrestricted resources in the Committed and Unassigned fund balances, as they are needed.

The general fund is the only fund that reports a positive unassigned fund balance. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committee, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund. [GASB – S54: 17 and 19]

N. Property Taxes

Property taxes in the State of California are administered for all local agencies at the county level and consist of secured, unsecured and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

*Property Valuations* are established by the Lake County Assessor for the secured and unsecured property tax rolls; the utility property tax roll is valued by the State Board of Equalization. Under the provision of Article XIII-A of the State Constitution (Proposition 13, adopted by the voters on June 6, 1978), properties are assessed at 100% of full value. From this base assessment, subsequent annual increases in valuation are limited to a maximum of two percent. However, an increase to full value is allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations and is subject to annual reappraisal.

*Tax Levies* are limited to one percent of full assessed value which results in a tax rate of one percent assessed valuation under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

*Tax Levy Dates* are attached annually on January 1, preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property as it exists at that time. Liens against real estate, as well as the tax on personal property are not relieved by subsequent renewal or change in ownership.

City of Lakeport, California  
Basic Financial Statements  
For the year ended June 30, 2020

Notes to the Basic Financial Statements, Continued

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

N. Property Taxes, Continued

*Tax Collections* are the responsibility of the Lake County Treasurer-Tax Collector. Taxes and assessments on secured and utility rolls, which constitute a lien against the property, may be paid in two installments.

- The First is due on November 1 of the fiscal year and is delinquent if not paid by December 10;
- The second is due on March 1 of the fiscal year and is delinquent if not paid by April 10.

Unsecured personal property taxes do not constitute a lien against property unless the taxes become delinquent. Payments must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the county for late payments. The City has elected to receive the City's portion of the property taxes from the county under the county Teeter Bill program. Under this program, the City receives 100% of the City's share of the levied property taxes in periodic payments with the county assuming the responsibility for the delinquencies.

*Property Tax Administration Fees* – the state of California FY 90-91 Budget Act authorized counties to collect an administrative fee for collection and distribution of property taxes.

*Tax Levy Apportionments* – due to the nature of the City-wide maximum levy, it is not possible to identify general-purpose tax rates for specific entities. Under State legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by the county's auditor-controller based primarily on the ratio that each agency represented of the total City-wide levy for the three fiscal years prior to fiscal year 1979.

O. Interfund Transfers

Resources are reallocated between funds by reporting them as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

P. Reclassifications

Certain amounts have been reclassified to provide for comparable results on a year to year basis.

Notes to the Basic Financial Statements, Continued

---

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Q. Budgetary Information

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

1. The City Manager submits to the City Council a proposed draft budget for the fiscal year commencing July 1 of the next fiscal year. The budget includes proposed expenditures and the means of financing them.
2. If use of fund balance is recommended by the City Manager, resources to be used will be in the following order:
  - a. unassigned fund balance
  - b. assigned
  - c. committed
3. The City Council reviews the proposed budget at special scheduled sessions which are open to the public. The Council also conducts a public hearing on the proposed budget to obtain comments from interested persons.
4. Prior to July 1, the budget is to be adopted by resolution of the City Council.
5. From the effective date of the budget, which is adopted and controlled at the fund level, the amounts stated therein as proposed expenditures become appropriations to the various City funds and departments. The City Council may amend the budget by minute action during the fiscal year. The City Manager may authorize transfers from one object or purpose to another within the same fund, and between departments within the General Fund. All appropriations lapse at year end unless encumbered and carried forward upon the approval of the City Manager.

Budgets are adopted for all fund types and are reported on a basis consistent with generally accepted accounting principles. Budgeted amounts presented are as originally adopted and as further amended by the City Council.

Notes to the Basic Financial Statements, Continued

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**R. 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 Local Government of Example's California Public Employees' Retirement System (CalPERS) plans (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.

**S. Other Postemployment Benefits (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

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

City of Lakeport, California  
Basic Financial Statements  
For the year ended June 30, 2020

Notes to the Basic Financial Statements, Continued

---

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

T. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

*Revenue Limitations Imposed by California Propositions 218 and 26*

Proposition 218, approved by the voters in November 1996, regulates the City's ability to impose, increase, and extend taxes, assessments, and fees. It was enhanced further by the passage of Proposition 26 in 2010, which revised to the definitions of taxes and fees. Any new, increased, or extended taxes, assessments, and fees subject to the provisions of Proposition 218 require voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes, assessments, and fees be subject to the voter initiative process and may be rescinded in future years by the voters.

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2020

Notes to the Basic Financial Statements, Continued

2. CASH AND INVESTMENTS

The City follows the practice of pooling cash and investments of all funds except for the restricted funds required to be held by outside custodians, fiscal agents or trustees under the provisions of bond indentures. Cash and investments as of June 30, 2020, are classified in the accompanying financial statements as follows:

Cash, Cash Equivalents and Investments Pooled

	Maturities (in years)			Deposits	Fair Market Value
	<1	1 to 3	3 to 5		
Pooled cash, at fair value:					
Cash in bank	\$ -	\$ -	\$ -	\$ 10,285,749	\$ 10,285,749
Petty cash	-	-	-	400	400
Total pooled items	-	-	-	10,286,149	10,286,149
Pooled investments, at fair value:					
Interest obligations:					
<u>Par</u> <u>Rate</u>					
\$ 2,000,000    1.70-3.55% Certificate of Deposits	403,318	1,066,186	632,626	-	2,102,130
Money market	-	-	-	92,920	92,920
State of California Local Agency Investment Fund	2,669,641	-	-	-	2,669,641
Total pooled investments - interest obligations	3,072,959	1,066,186	632,626	92,920	4,864,691
Total cash equivalents and investments pooled	\$ 3,072,959	\$ 1,066,186	\$ 632,626	\$ 10,379,069	\$ 15,150,840

Amounts reported in:

Governmental activities	\$ 6,300,088
Governmental activities - Restricted	22,588
Business-type activities	7,813,652
Business-type activities - Restricted	69,502
Fiduciary activities	944,899
Fiduciary activities - Restricted	111
Total	<u>\$ 15,150,840</u>

Collateral and Categorization Requirements

At the fiscal year end, the City's carrying amount of demand deposits was \$10,285,749 and the bank account balance was \$10,475,997. The difference of \$190,248 represented outstanding checks and deposits in transit. Of the total deposit balance, \$250,000 was insured by Federal Depository Insurance Corporation (FDIC), the remaining amount of \$10,225,997 was collateralized in accordance with California Government Code Section 53600-53609.

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2020

Notes to the Basic Financial Statements, Continued

2. CASH AND INVESTMENTS, Continued

Investment Policy

The table below identifies the investment types that are authorized under provisions of the City's investment policy adopted August 16, 2005 (subsequently updated July 6, 2010), and in accordance with Section 53601 of the California Government Code. The table also identifies certain provisions of the investment policy that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Minimum Rating
U.S. Treasury Securities	5 years	None	None	None
U.S. Government Securities	5 years	None	None	None
Bankers' Acceptances	270 days	30%	None	None
Certificates of Deposit	5 years	30%	None	None
Negotiable Certificates of Deposit	5 years	30%	None	None
Repurchase Agreements	30 days	None	None	None
Commercial Paper	31-180 days	15-30%	None	A1/P1
Corporate Medium-term Notes	5 years	30%	None	A1/P1
Mutual Funds	None	15%	None	Two/Three
Passbook Savings	N/A	None	None	None
Local Agency Investment Fund (LAIF)	N/A	\$10M	None	None

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that Lakeport manages its exposure to interest rate risk is by investing in LAIF, whose underlying securities have staggered maturities and are generally due on demand, which provides cash flow and liquidity needed for operations.

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 nationally recognized statistical rating organization. The City's investment policy limits credit risk by requiring compliance with the California Government Code for investment of public funds, as described in detail above.



City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2020

Notes to the Basic Financial Statements, Continued

2. CASH AND INVESTMENTS, Continued

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any single issuer beyond that stipulated by the California government code, Investments in any one issuer that represent 5% or more of total investments at June 30, 2020 are as follows:

Investment Type	Fair Value	Yield	Concentration
Certificate of Deposits	\$ 2,102,130	2.74%	43.21%
Money market	92,920	0.00%	1.91%
Local Agency Investment Fund (LAIF)	2,669,641	1.47%	54.88%
Total fair value	\$ 4,864,691		100.00%
	Weighted yield	1.99%	

Custodial Credit Risk

The credit risk for deposits is the risk that, in the event of failure of a depository financial institution, a government will not be able recover its deposits or will not be able to recover collateral securities that are in the possession on an outside 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, 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 be equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.*

At June 30, 2020, the City had \$10,225,997 in financial institutions that were not covered by the FDIC but were covered by collateralized securities of the financial institutions where the deposits were maintained.

The credit risk for *investments* is the risk that, in the event of the failure of counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of 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 risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2020

Notes to the Basic Financial Statements, Continued

2. CASH AND INVESTMENTS, Continued

**Participation in an External Investment Pool**

The City is a voluntary participant in the California Local Agency Investment Fund (LAIF), which is regulated by California Government Code Section under the oversight of the Local Investment Advisory Board (Board). The Board consists of five members as designated by state statute, and is chaired by the State Treasurer who is responsible for the day to day administration of LAIF. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis, which is different from the fair value of the City's position in the LAIF pool. The State Treasurer determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available. As of June 30, 2020, the City's investment in LAIF was \$2,669,641. The total amount invested by all public agencies at that date was \$32.08 billion. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2020 has a balance of \$101.79 billion. Financial Statements of LAIF and PMIA may be obtained from the California Treasurer's web site at [www.treasurer.ca.gov](http://www.treasurer.ca.gov).

3. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at June 30, 2020:

**Accounts Receivable and Due from Other Governments**

	Receivables	Allowance	Net
Governmental activities:			
Due from other governments:			
Property taxes	\$ 82,553	\$ -	\$ 82,553
Grants and subventions	1,148,881	-	1,148,881
SB1	12,711	-	12,711
TOT	34,189	-	34,189
Sales tax	703,126	-	703,126
Accounts receivable:			
Accounts	198,933	-	198,933
Administrative citations	600	(4,700)	(4,100)
Total	<u>\$ 2,180,993</u>	<u>\$ (4,700)</u>	<u>\$ 2,176,293</u>
Business-type activities:			
Accounts	\$ 847,918	\$ -	\$ 847,918
Total	<u>\$ 847,918</u>	<u>\$ -</u>	<u>\$ 847,918</u>

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2020

Notes to the Basic Financial Statements, Continued

3. ACCOUNTS RECEIVABLE, Continued

These amounts resulted in the following concentrations in receivables:

**Concentration of Receivables**

Other governments	64.2%
Individuals/businesses	35.8%

Amounts do not indicate a significant concentration (greater than 25%) with any single individual, business or agency.

4. LOANS, NOTES RECEIVABLE, AND INTERFUND BORROWING

Through the City's various housing rehabilitation funds, first-time home buyer's funds, and business/economic development loan funds, the City has loaned funds to qualifying individuals and businesses. Interest rates vary depending on the terms of the loan. Interest is accrued on the loans that bear interest.

Loans and notes receivable for the year ended June 30, 2020, consisted of the following:

**Loans and Notes Receivable**

	Beginning July 1, 2019	Additions	Deletions	Ending June 30, 2020
Nonmajor governmental funds:				
Special revenue funds:				
Lakeport Housing	\$ 371,111	\$ -	\$ (31,671)	\$ 339,440
CDBG Economic Development PI notes receivable	803,665	268,310	-	1,071,975
2012 HOME Grant	1,305,347	-	(55,171)	1,250,176
Total governmental funds	<u>2,480,123</u>	<u>268,310</u>	<u>(86,842)</u>	<u>2,661,591</u>
Major enterprise funds:				
Water	41,059	-	-	41,059
Sewer	91,389	-	-	91,389
Total enterprise funds	<u>136,228</u>	<u>-</u>	<u>-</u>	<u>132,448</u>
Total loans/notes receivable	<u>\$ 2,759,506</u>	<u>\$ 268,310</u>	<u>\$ (86,842)</u>	<u>\$ 2,794,039</u>

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2020

Notes to the Basic Financial Statements, Continued

5. CAPITAL ASSETS

Governmental capital asset activity for the year ended June 30, 2020, was as follows:

	Balance July 1, 2019	Additions	Deletions	Transfers	Balance June 30, 2020
<b>Governmental activities:</b>					
<b>Nondepreciable assets:</b>					
Land	\$ 1,769,145	\$ 728,968	\$ -	\$ -	\$ 2,498,113
Construction in progress	475,750	270,259	-	(475,750)	270,259
<b>Total nondepreciable assets</b>	<u>2,244,895</u>	<u>999,227</u>	<u>-</u>	<u>(475,750)</u>	<u>2,768,372</u>
<b>Depreciable assets:</b>					
Buildings and structures	6,500,031	-	-	-	6,500,031
Improvements	7,612,394	1,960,136	-	475,750	10,048,280
Vehicles and equipment	2,243,470	69,151	-	-	2,312,621
<b>Total depreciable assets</b>	<u>16,355,895</u>	<u>2,029,287</u>	<u>-</u>	<u>475,750</u>	<u>18,860,932</u>
<b>Total</b>	<u>18,600,790</u>	<u>3,028,514</u>	<u>-</u>	<u>-</u>	<u>21,629,304</u>
<b>Accumulated depreciation:</b>					
Buildings and structures	(1,845,814)	(170,920)	-	-	(2,016,734)
Improvements	(1,714,147)	(259,332)	-	-	(1,973,479)
Vehicles and equipment	(1,656,071)	(119,233)	-	-	(1,775,304)
<b>Total accumulated depreciation</b>	<u>(5,216,032)</u>	<u>(549,485)</u>	<u>-</u>	<u>-</u>	<u>(5,765,517)</u>
<b>Net depreciable assets</b>	<u>11,139,863</u>	<u>1,479,802</u>	<u>-</u>	<u>475,750</u>	<u>13,095,415</u>
<b>Total net capital assets</b>	<u>\$ 13,384,758</u>	<u>\$ 2,479,029</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,863,787</u>

Depreciation expense of \$549,485 was allocated in the Statement of Activities as follows:

General government	\$ 278,238
Public Safety	108,879
Public Works	80,537
Parks, buildings, grounds	81,831
	<u>\$ 549,485</u>

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2020

Notes to the Basic Financial Statements, Continued

5. CAPITAL ASSETS, Continued

Business-type capital asset activity for the year ended June 30, 2020, was as follows:

	Balance July 1, 2019	Additions	Deletions	Transfers	Balance June 30, 2020
Business-type activities:					
Nondepreciable assets:					
Land	\$ 2,475,403	\$ -	\$ -	\$ -	\$ 2,475,403
Construction in progress	1,820,865	1,898,930	-	(3,588,636)	131,159
Total nondepreciable assets	<u>4,296,268</u>	<u>1,898,930</u>	<u>-</u>	<u>(3,588,636)</u>	<u>2,606,562</u>
Depreciable assets:					
Buildings and structures	9,955,195	-	-	-	9,955,195
Improvements	28,518,129	162,187	-	3,588,636	32,268,952
Vehicles and equipment	1,998,524	160,748	-	-	2,159,272
Total depreciable assets	<u>40,471,848</u>	<u>322,935</u>	<u>-</u>	<u>3,588,636</u>	<u>44,383,419</u>
Total	<u>44,768,116</u>	<u>2,221,865</u>	<u>-</u>	<u>-</u>	<u>46,989,981</u>
Accumulated depreciation:					
Buildings and structures	(1,230,881)	(320,859)	-	-	(1,551,740)
Improvements	(17,817,005)	(908,052)	-	-	(18,725,057)
Vehicles and equipment	(1,007,549)	(129,356)	-	-	(1,136,905)
Total accumulated depreciation	<u>(20,055,435)</u>	<u>(1,358,267)</u>	<u>-</u>	<u>-</u>	<u>(21,413,702)</u>
Net depreciable assets	<u>20,416,413</u>	<u>(1,035,332)</u>	<u>-</u>	<u>3,588,636</u>	<u>22,969,717</u>
Total business-type capital assets, net	<u>\$ 24,712,681</u>	<u>\$ 863,598</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,576,279</u>

Depreciation expense for capital assets for the year ended June 30, 2020, was charged to functions as follows:

Water	\$ 416,394
Sewer	<u>941,873</u>
	<u>\$ 1,358,267</u>

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2020

Notes to the Basic Financial Statements, Continued

6. LONG TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2020:

	Beginning Balance 7/1/2019	Additions	Reductions	Ending Balance 6/30/2020	Due within One Year
<b>Governmental Activities</b>					
USDA Police Station Bond	\$ 1,062,000	\$ -	\$ (18,000)	\$ 1,044,000	\$ 18,000
Pension Obligation Bonds - Governmental Share	1,420,327	-	(118,411)	1,301,916	117,792
2018 Series B Solar Bonds - Governmental Share	1,170,000	-	-	1,170,000	10,000
Less: Discount	(35,626)	-	1,425	(34,201)	-
Compensated Absences	300,267	34,857	-	335,124	178,670
<b>Total</b>	<b>\$ 3,916,968</b>	<b>\$ 34,857</b>	<b>\$ (134,986)</b>	<b>\$ 3,816,839</b>	<b>\$ 324,462</b>
<b>Business-Type Activities</b>					
USDA Water Revenue Bonds, 2016	\$ 3,073,600	\$ -	\$ (59,100)	\$ 3,014,500	\$ 60,100
Pinnacle Water Loan	2,377,000	-	(113,000)	2,264,000	116,000
Wastewater Revenue Bonds, 2017 Refunding	2,460,000	-	(180,000)	2,280,000	184,000
USDA WasteWater Revenue Bonds, 2017	3,365,000	-	(56,000)	3,309,000	58,000
2017 CLMSD Sewer District Assessment Bonds	2,648,000	-	(159,000)	2,489,000	161,000
Pension Obligation Bonds - Business-type Share	870,670	-	(72,588)	798,082	72,208
2018 Series B Solar Bonds - Business-type Share	3,600,000	-	(65,000)	3,535,000	90,000
Add: Premium	39,281	-	(2,182)	37,099	-
Compensated Absences	215,467	100,225	(124,094)	191,598	69,400
<b>Total</b>	<b>\$ 12,397,346</b>	<b>\$ 100,225</b>	<b>\$ (830,964)</b>	<b>\$ 17,918,279</b>	<b>\$ 810,708</b>

**Governmental Activities**

**USDA Police Station Bond**

Total issue \$1,095,000. Annual principal and interest payments of approximately \$43,000, at an interest rate of 2.375%, are due June 1 and December 1 each year. The total obligation matures in the year 2056.

*Balance due* \$ 1,044,000

**Business-type Activities**

**USDA Water Revenue Bonds, 2016**

Total issue \$3,182,000. Annual principal and interest payments of approximately \$109,500, at an interest rate of 2.85%, are due August 1 and February 1 each year, secured by water fund revenue. The total obligation matures in the year 2056.

*Balance due* \$ 3,014,500

**Pinnacle Water Loan**

Total issue \$2,587,000. Annual principal and interest payments of approximately \$175,250, at an interest rate of 2.65%, are due February 1 and August 1 each year. Payments are secured by water fund revenue. The obligation matures in the year 2035.

*Balance due* \$ 2,264,000

City of Lakeport, California  
Basic Financial Statements  
For the year ended June 30, 2020

Notes to the Basic Financial Statements, Continued

---

---

6. LONG TERM LIABILITIES, Continued

Wastewater Revenue Bonds, 2007 Series A

2007 Series A, total remaining balance of \$2,580,000 was refinanced to 2018 Wastewater Refunding on December 1, 2018. Total issue \$2,723,000. Annual principal is due on October 1 and interest payments at 2.52% are due April 1 and October 1 each year, which are secured by wastewater fund revenue. The total obligation matures in the year 2030. The reacquisition price exceeded the net carrying amount of the old debt by \$143,000. The City obtained an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$205,069.

Balance due \$ 2,280,000

USDA Wastewater Revenue Bonds, 2018

Series 2018 Wastewater enterprise revenue bonds. Total issue \$3,433,000. Annual principal and interest payments of approximately \$127,000, at an interest rate of 2.125%, are due April 1 and October 1 each year, secured by wastewater fund revenue. The total obligation matures in the year 2057.

Balance due \$ 3,309,000

2018 CLMSD Sewer District Assessment Bonds

2018-1 Sewer Assessment bonds. Total issue \$2,854,000. Annual principal and interest payments of approximately \$230,000, at an interest rate of 2.85%, are due March 2 and September 2 each year, secured by Municipal Sewer District No.1 revenue from the South Assessment District 91-1 area. The total obligation matures in the year 2032.

Balance due \$ 2,489,000

Pension Obligation Bonds

On June 22, 2015, the City entered into an agreement with Umpqua Bank to obtain a loan in the amount of \$3,184,000 to pay their PERS side fund obligation at an interest rate of 4.25% maturing in 17 years on January 1, 2033. Interest is payable semi-annually on January 1 and July 1. The obligation is payable from revenues received from the General, Water and Sewer Funds, 62% of the payments charged to governmental activities and the remaining 38% split evenly between the Water and Sewer Funds. The maturity schedule for the bonds is as follows:

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2020

Notes to the Basic Financial Statements, Continued

6. LONG TERM LIABILITIES, Continued

Year Ending June 30,	Governmental Activities		Business-type Activities		Total	
	Pension Obligation Bonds	Pension Obligation Bonds	Pension Obligation Bonds	Pension Obligation Bonds	Pension Obligation Bonds	Pension Obligation Bonds
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 117,792	\$ 54,054	\$ 72,208	\$ 33,135	\$ 190,000	\$ 87,189
2022	116,553	49,061	71,447	30,074	188,000	79,135
2023	114,693	44,134	70,307	27,054	185,000	71,188
2024	112,833	39,272	69,167	24,074	182,000	63,346
2025	110,353	34,503	67,647	21,151	178,000	55,654
2026-2030	510,230	104,695	312,770	64,179	823,000	168,874
2031-2035	219,462	13,728	134,538	8,415	354,000	22,143
Total	\$ 1,301,916	\$ 339,447	\$ 798,084	\$ 208,082	\$ 2,100,000	\$ 547,529
Due within one year	\$ 117,792	\$ 54,054	\$ 72,208	\$ 33,135	\$ 190,000	\$ 87,189
Due after one year	1,184,124	285,393	725,876	174,947	1,910,000	460,340
Total	\$ 1,301,916	\$ 339,447	\$ 798,084	\$ 208,082	\$ 2,100,000	\$ 547,529

Future Debt Service

Future debt service for Governmental and Business-type activities at June 30, 2020 is as follows for all debt except compensated absences and claims liabilities:

Year Ending June 30,	Governmental Activities	
	USDA Police Station Bond	
	Principal	Interest
2021	\$ 18,000	\$ 24,581
2022	18,000	24,154
2023	19,000	23,714
2024	19,000	23,263
2025	20,000	22,800
2026-2030	106,000	106,638
2031-2035	119,000	93,278
2036-2040	133,000	78,363
2041-2045	150,000	61,536
2046-2050	169,000	42,643
2051-2055	190,000	21,375
2056-2060	83,000	1,983
Total	\$ 1,044,000	\$ 524,328
Due within one year	\$ 18,000	\$ 24,581
Due after one year	1,026,000	499,747
Total	\$ 1,044,000	\$ 524,328



City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2020

Notes to the Basic Financial Statements, Continued

6. LONG TERM LIABILITIES, Continued

Debt Service Schedule

Business-type

Year Ending June 30,	Business-type Activities					
	2017 CLMSD Assessment Bonds Series-2017-1		Wastewater Revenue Bonds Series Refunding		Pinnacle Water Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 161,000	\$ 68,642	\$ 184,000	\$ 55,138	\$ 116,000	\$ 58,459
2022	168,000	63,954	189,000	50,438	118,000	55,359
2023	174,000	59,081	194,000	45,612	122,000	52,179
2024	175,000	54,107	199,000	40,660	125,000	48,906
2025	181,000	49,034	204,000	35,582	128,000	45,554
2026-2030	977,000	163,946	1,100,000	97,171	693,000	174,357
2031-2035	653,000	28,229	210,000	2,646	791,000	76,174
2036-2040	-	-	-	-	171,000	2,266
Total	\$ 2,489,000	\$ 486,993	\$ 2,280,000	\$ 327,247	\$ 2,264,000	\$ 513,254
Due within one year	\$ 161,000	\$ 68,642	\$ 184,000	\$ 55,138	\$ 116,000	\$ 58,459
Due after one year	2,328,000	418,351	2,096,000	272,109	2,148,000	454,795
Total	\$ 2,489,000	\$ 486,993	\$ 2,280,000	\$ 327,247	\$ 2,264,000	\$ 513,254

Year Ending June 30,	USDA Water Revenue Bonds, 2016		USDA WasteWater Revenue Bonds, 2017		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
	2021	\$ 60,100	\$ 48,587	\$ 58,000	\$ 69,700	\$ 579,100
2022	61,000	47,593	59,000	68,457	595,000	285,801
2023	62,000	46,583	60,000	67,193	612,000	270,648
2024	63,000	45,557	61,000	65,907	623,000	255,137
2025	64,100	44,514	63,000	64,589	640,100	239,273
2026-2030	336,200	206,319	333,000	302,186	3,439,200	943,979
2031-2035	364,600	177,580	370,000	264,903	2,388,600	549,532
2036-2040	395,100	146,420	411,000	223,454	977,100	372,140
2041-2045	428,200	112,631	456,000	177,395	884,200	290,026
2046-2050	464,200	75,989	507,000	126,342	971,200	202,331
2051-2055	503,100	36,249	563,000	69,498	1,066,100	105,747
2056-2060	212,900	2,633	368,000	11,836	580,900	14,469
Total	\$ 3,014,500	\$ 990,655	\$ 3,309,000	\$ 1,511,460	\$ 13,356,500	\$ 3,829,609
Due within one year	\$ 60,100	\$ 48,587	\$ 58,000	\$ 69,700	\$ 579,100	\$ 300,526
Due after one year	2,954,400	942,068	3,251,000	1,441,760	12,777,400	3,529,083
Total	\$ 3,014,500	\$ 990,655	\$ 3,309,000	\$ 1,511,460	\$ 13,356,500	\$ 3,829,609

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2020

Notes to the Basic Financial Statements, Continued

6. LONG TERM LIABILITIES, Continued

2018 Series B Solar Bonds

On July 18, 2019, the City issued \$4,770,000 revenue bonds to fund a solar and energy efficiency retrofit project. The interest rate on the bonds is 2.0 - 3.5 and the maturity date is October 1, 2043. Interest is payable semi-annually on April 1 and October 1. The obligation is payable from revenues received from the General, Water and Sewer Funds. The maturity schedule for the bonds is as follows:

**Debt Service Schedule**

Year Ending June 30,	Governmental Activities		Business-type Activities		Total	
	2018 Series B Solar Bonds		2018 Series B Solar Bonds		2018 Series B Solar Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 10,000	\$ 37,406	\$ 90,000	\$ 118,288	\$ 100,000	\$ 155,694
2022	15,000	37,156	105,000	116,338	120,000	153,494
2023	15,000	36,856	115,000	113,563	130,000	150,419
2024	20,000	36,506	130,000	109,888	150,000	146,394
2025	20,000	36,056	145,000	105,038	165,000	141,094
2026-2030	145,000	170,359	925,000	422,388	1,070,000	592,747
2031-2035	235,000	142,478	1,405,000	225,081	1,640,000	367,559
2026-2040	360,000	92,497	620,000	23,619	980,000	116,116
2041-2045	350,000	25,900	-	-	-	-
Total	\$ 1,170,000	\$ 615,214	\$ 3,535,000	\$ 1,234,203	\$ 4,355,000	\$ 1,823,517
Due within one year	\$ 10,000	\$ 37,406	\$ 90,000	\$ 118,288	\$ 100,000	\$ 155,694
Due after one year	1,160,000	577,808	3,445,000	1,115,915	4,255,000	1,667,823
Total	\$ 1,170,000	\$ 615,214	\$ 3,535,000	\$ 1,234,203	\$ 4,355,000	\$ 1,823,517

Various bond indentures contain limitations and restrictions, with which, in the opinion of management, the City is in compliance.

Compensated Absences

The City records employee absences, such as vacation, illness, deferred overtime, and holidays, for which it is expected that employees will be paid as compensated absences. The governmental activities compensated absences balance at June 30, 2020 was \$335,124 with \$178,670 expected to be paid within a year and to be liquidated by the general fund; the business-type activities compensated absences balance at June 30, 2020 was \$191,598 with \$69,400 expected to be paid within a year. Of which the water fund will liquidate \$34,900 and the sewer fund \$34,500.

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2020

Notes to the Basic Financial Statements, Continued

7. NET POSITION/FUND BALANCES

<b>Restricted Net Position Detail</b>		
	Governmental Activities	Business-type Activities
Restricted for:		
Law enforcement	\$ 162,456	\$ -
Housing programs	356,148	-
Transportation infrastructure	661,492	-
Debt service reserve	-	373,231
Assessment district debt service	-	345,338
Depreciation reserve	-	94,901
Total	<u>\$ 1,180,096</u>	<u>\$ 813,470</u>

- Restrictions of Net position for Law enforcement, Housing programs and Transportation infrastructure are the same as described on the next page as restrictions of fund balances.
- Debt service reserve: the amount of funds in the water and sewer enterprise restricted per the loan and bond covenants of the outstanding debt.
- Assessment district debt service: consists of funds held for the repayment of the Series 2017-1 bond. The funds are restricted by a bond covenant.
- Depreciation reserve: the amount of funds set aside to meet USDA project requirements in the Water and Sewer funds.

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2020

Notes to the Basic Financial Statements, Continued

7. NET POSITION/FUND BALANCES, Continued

Fund Balance Detail	
Nonspendable:	
Long-term interfund advances	\$ 289,481
Loans/notes receivable	2,661,591
Total nonspendable	2,951,072
Restricted:	
Law enforcement	162,456
Housing programs	356,148
Transportation infrastructure	661,492
Total restricted	1,180,096
Assigned:	
Capital projects	3,387,639
General reserves	1,199,455
Housing and community programs	11,478
Debt service reserve	111,000
Total assigned	4,709,572
Unassigned:	
General fund	2,054,633
Special revenue funds	(224,388)
Total unassigned	1,830,245
Total fund balance	\$ 10,670,985

The following describe the purpose of each nonspendable, restricted, committed, assigned, and unassigned category used by the City:

**Nonspendable**

- ***Loans/notes receivable*** – used to segregate that portion of fund balance to indicate that long-term loans or notes receivable do not represent available, spendable resources even though they are components of assets.
- ***Long-term interfund advances*** – cash transfers to special revenue funds to provide financing for those activities. This also includes a loan from the general fund to the water fund for a capital purchase, reported on the statement face as an internal balance.

Notes to the Basic Financial Statements, Continued

---

---

7. NET POSITION/FUND BALANCES, Continued

Restricted

- **Law enforcement** – comprised of asset forfeiture money and subventions received from the state for the use in police activities.
- **Housing programs** – consists of cash and notes receivable expressly reserved for the use in providing housing for low and moderate income residents.
- **Transportation infrastructure** – reserved in special revenue funds to finance transportation projects funded by state and federal sources.

Assigned

- **Capital projects** – funds committed by the City Council from the general fund for the replacement of docks, an infrastructure improvement project.
- **General reserves** – funds identified as operating reserves by management and the City Council.
- **Subsequent year's budget: appropriation of fund balance** – amount appropriated from prior budgetary surpluses in the general fund to finance one-time uses, primarily capital projects.
- **Housing and community assistance** – resources held for emergency housing and business stabilization programs.
- **Debt service reserve** – funds reserved by management for future debt service payments related to capital acquisitions.

Unassigned

- **Special revenue fund deficits** – deficit fund balances in four special revenue funds.

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2020

Notes to the Basic Financial Statements, Continued

7. NET POSITION/FUND BALANCES, Continued

Fund Deficits

Deficit fund balances consisted of the following:

Non-Major Special Revenue Funds

Fund Name	Fund Number	Deficit Amount	Discussion/Explanation
Parkland Dedication Fund	202	(175,140)	Deficit resulted from a large payment to the Witt loan in fiscal year 2013. Financing for that payment came from advance from the general fund and will be repaid from park dedication fees.
Lakeport Housing Program	209	(37,618)	This fund was used to acquire certain properties for the City over the last decade. Management has elected to keep this fund balance in a negative balance as income to the fund will reduce it. Financing in the interim will come from the general fund.
CDBG Grant 2017	238	(11,630)	Immaterial accounts receivable were not recorded to offset the accrued expenditures in this fund.

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2020

Notes to the Basic Financial Statements, Continued

8. INTERFUND TRANSACTIONS AND INTERFUND BORROWING

With City Council approval, resources may be transferred from one City fund to another. The purpose of the majority of transfers is to reimburse a fund which has made expenditure on behalf of another fund. Transfers between funds during the fiscal year 2020 were as follows:

Transfers were made to close out old funds and accounts that were no longer in use and to reimburse the general fund for program-related general administrative costs.

	<u>Transferred In</u>	<u>Transferred Out</u>
<b>Governmental Funds</b>		
Major funds:		
Fund: 110 - General Fund	\$ 265,810	\$ -
Fund: 235 - HOME Grant 2017	-	55,499
Total major funds	<u>265,810</u>	<u>55,499</u>
<b>Non-major funds:</b>		
<b>Special revenue funds:</b>		
Fund: 207 - Prop 172 Public Safety	-	29,500
Fund: 238 - CDBG Grant 2017	-	295,000
Fund: 415 - Lakeshort Blvd. HSIPL (Safety)	-	21,325
Fund: 241 - CDBG Grant Program Income	295,000	-
Fund: 130 - General Capital Projects	-	159,486
Total non-major funds	<u>295,000</u>	<u>505,311</u>
Total Transfers	<u>\$ 560,810</u>	<u>\$ 560,810</u>

Interfund Borrowing and Internal Balances

<u>Borrowing Fund (Due To)</u>			<u>Lending Fund (Due From)</u>		
Fund Number	Fund Name	Amount	Fund Number	Fund Name	Amount
237	CDBG Grant 2018	\$ 2,310	110	General Fund	\$ 2,310
238	CDBG Grant 2017	251,537	110	General Fund	251,537
411	Safe Routes to School	59,893	110	General Fund	59,893
413	Lakefront Park Grant	678,462	110	General Fund	678,462
Total due to		<u>\$ 992,202</u>	Total due from		<u>\$ 992,202</u>

<u>Borrowing Fund (Advances To)</u>			<u>Lending Fund (Advances From)</u>		
Fund Number	Fund Name	Amount	Fund Number	Fund Name	Amount
202	Parkland Dedication	\$ 175,140	110	General Fund	\$ 175,140
209	Lakeport Housing	114,341	110	General Fund	114,341
Total advances to		<u>\$ 289,481</u>	Total advances from		<u>\$ 289,481</u>
		<u>\$ 1,281,683</u>	Total interfund borrowing		<u>\$ 1,281,683</u>

Notes to the Basic Financial Statements, Continued

---

**8. RISK MANAGEMENT**

The City is an associate member of the Redwood Empire Municipal Insurance Fund (REMIF), a public entity pool comprised of fifteen northern California charter and associate member cities. REMIF is organized under a Joint Powers Agreement pursuant to the California Government Code. The purpose of REMIF is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. The City pays an annual premium to REMIF for its workers' compensation, general liability and property coverage.

The City of Lakeport participates in the following three REMIF programs:

**General Liability Insurance**

Annual premiums are paid by the member cities and are adjusted retrospectively to cover costs. The City of Lakeport self-insures for the first \$5,000 of each loss and pays 100% of all losses incurred under \$5,000. The City does not share or pay for losses of other cities under \$5,000, depending on the entity's deductible amount. Participating cities then share in the next \$5,000 to \$500,000 per loss occurrence. Specific coverage includes comprehensive and general automotive liability, personal injury, contractual liability, professional liability, and certain other coverage. REMIF is a member of the California Joint Powers Risk Management Authority, which provides REMIF with an additional \$9,500,000 liability insurance coverage over and above REMIF retention level of \$500,000.

**Workers' Compensation**

Periodic deposits are paid by member cities and are adjusted retrospectively to cover costs. The City of Lakeport is self-insured for the first \$5,000 of each loss and pays 100% of all losses incurred under \$5,000. The City does not share or pay for losses of other cities under \$5,000.

Losses of \$10,000 to \$300,000 are prorated among all participating cities. Losses in excess of \$300,000 are covered by excess insurance purchased by participating cities, as part of the pool, to State statutory limits.

**Property Insurance**

The City participates in REMIF's property insurance program. The annual deposits paid by participating member cities are based upon deductibility levels and are not subject to retroactive adjustments. The City of Lakeport has a deductible level of \$10,000 and a coverage limit of \$300,000,000 declared value.



City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2020

Notes to the Basic Financial Statements, Continued

9. RISK MANAGEMENT, Continued

Risk Management Coverage		
Amount	Coverage Provider	Payment Source
General liability claims:		
\$0 - \$5,000	Self-insured retention	City funds
5,001 - 500,000	Public Agency Risk Sharing Authority	Shared risk pool
500,001 - 9,500,000	California Affiliated Risk Management Authorities	Shared risk pool
5,000,001 - 15,000,000	Commercial reinsurance	
15,000,001 - 25,000,000	California Affiliated Risk Management Authorities	Shared risk pool
Workers' compensation claims:		
\$0 - \$5,000	Self-insured retention	City funds
5,001 - 300,000	Public Agency Risk Sharing Authority	Shared risk pool
300,001 +	Local Agency Workers' Compensation Excess Pool	Shared risk pool
5,000,001 - 50,000,000	Commercial reinsurance	
50,000,001 - 300,000,000	Insurance	
Property insurance claims:		
\$0 - \$10,000	Deductible	City funds
10,001 - 300,000,000	REMIF coverage of declared value	Shared risk pool

There were no settlements in excess of the insurance coverage in any of the three prior fiscal years. The City does not have any accrued liability or reserves for fiscal year 2020.

The following is a summary of the most recent financial statements of REMIF as of and for the fiscal year ended June 30, 2019:

Total assets	\$ 31,189,650
Total deferred outflows of resources	659,765
Total liabilities	(30,229,545)
Total Deferred inflows of resources	(216,372)
Members' equity	<u>\$ 1,403,498</u>
Total revenue	\$ 26,443,540
Total expense	(25,661,506)
Operating income (loss)	<u>\$ 782,034</u>

REMIF issues a separate comprehensive annual financial report. Copies of that report may be obtained from REMIF at Post Office Box 885, Sonoma, California 95476.

Notes to the Basic Financial Statements, Continued

---

10. PUBLIC EMPLOYEE RETIREMENT PLAN

Plan Description

The City contributes to the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of PERS annual financial report may be obtained from the Executive Office, 400 "P" Street, Sacramento, California, 95814.

General Information about the Pension Plans

Plan Descriptions - All qualified permanent and probationary employees are eligible to participate in the Local Government's separate Safety (police and fire) and Miscellaneous (all other) Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Local Government 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 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 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. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2020

Notes to the Basic Financial Statements, Continued

10. PUBLIC EMPLOYEE RETIREMENT PLAN, Continued

The Plans' provisions and benefits in effect at June 30, 2020, are summarized as follows:

**Benefits Provided**

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.5% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	8%	9%
Required employer contribution rates	11.432%	6.985%
	Safety	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50	50 - 57
Monthly benefits, as a % of eligible compensation	3%	2.0% to 2.7%
Required employee contribution rates	9%	11.5%
Required employer contribution rates	20.073%	13.034%

**Contributions**

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. 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 Local Government is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2020

Notes to the Basic Financial Statements, Continued

10. PUBLIC EMPLOYEE RETIREMENT PLAN, Continued

For the year ended June 30, 2020, the contributions recognized as part of pension expense for each Plan were as follows:

	Miscellaneous	Safety	PEPRA - Miscellaneous	PEPRA Safety
Contributions - employer	\$ 147,398	\$ 47,729	\$ 72,766	\$ 67,903

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

As of June 30, 2020, 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 Liability
Miscellaneous	\$ 4,909,061
Safety	2,440,583
Total Net Pension Liability	<u>\$ 7,349,644</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, 2019, 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, 2018, rolled forward to June 30, 2019, using standard update procedures. The Local Government's proportion of the net pension liability was based on a projection of the Local Government's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2020

Notes to the Basic Financial Statements, Continued

10. PUBLIC EMPLOYEE RETIREMENT PLAN, Continued

The City's proportionate share of the net pension liability for each Plan as of June 30, 2019 and 2020, was as follows:

	Miscellaneous	Safety
Proportion - June 30, 2019	0.11803%	0.03711%
Proportion - June 30, 2020	0.12259%	0.03910%
Change - Increase (Decrease)	0.00456%	0.00199%

For the year ended June 30, 2020, the City recognized an increase in pension expense of \$136,989.

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous Plan		Safety Plan		Total	
	Deferred Outflows of Resources	Deferred Inflow of Resources	Deferred Outflows of Resources	Deferred Inflow of Resources	Deferred Outflows of Resources	Deferred Inflow of Resources
Changes in assumptions	\$ 151,105	\$ -	\$ 80,513	\$ -	\$ 231,618	\$ -
Differences between expected and actual experiences	314,538	-	159,348	-	473,886	-
Differences between projected and actual investment earnings	-	85,826	-	33,574	-	119,400
Differences between the employer's contributions and proportionate share of the	-	492,047	-	414,429	-	906,476
Change in employer's proportion	212,007	-	215,965	-	427,972	-
Pension contributions subsequent to measurement date	549,955	-	278,551	-	828,506	-
<b>Total</b>	<b>\$ 1,227,605</b>	<b>\$ 577,873</b>	<b>\$ 734,377</b>	<b>\$ 448,003</b>	<b>\$ 1,961,982</b>	<b>\$ 1,025,876</b>

The \$828,506 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 ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended 30-Jun	Miscellaneous	Safety	Total
2021	\$ 245,614	\$ 71,995	\$ 317,609
2022	(139,947)	(52,140)	(192,087)
2023	(23,233)	(18,565)	(41,798)
2024	17,343	6,533	23,876
2025	-	-	-
Thereafter	-	-	-
	<b>\$ 99,777</b>	<b>\$ 7,823</b>	<b>\$ 107,600</b>

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2020

Notes to the Basic Financial Statements, Continued

10. PUBLIC EMPLOYEE RETIREMENT PLAN, Continued

Actuarial Assumptions

The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Assumptions	
Actuarial cost method	Entry-age normal cost method
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.75%
Salary increases	Varies by entry age and service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funs
Post-retirement benefit increase	Contract COLA up to 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter.

The underlying mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study can be obtained at CalPERS' website under Forms and Publications.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees' Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS website under the GASB 68 section.

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2020

Notes to the Basic Financial Statements, Continued

**10. PUBLIC EMPLOYEE RETIREMENT PLAN, Continued**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 returns were calculated over the short-term (first 10 years) and the long-term (11-60 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 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 equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

**Rates of Return**

	New Strategic Allocation	Real Return Years 1-10 <sup>(1)</sup>	Real Return Years 11+ <sup>(2)</sup>
Global equity	47%	5.25%	5.71%
Global fixed income	19%	0.99%	2.43%
Inflation sensitive	6%	0.45%	3.36%
Private equity	12%	6.83%	6.95%
Real estate	11%	4.50%	5.13%
Infrastructure and forestland	3%	4.50%	5.09%
Liquidity	2%	-0.55%	-1.05%
Total	100%		

<sup>(1)</sup> An expected inflation of 2.5% used for this period.

<sup>(2)</sup> An expected inflation of 3.0% used for this period.

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2020

Notes to the Basic Financial Statements, Continued

10. PUBLIC EMPLOYEE RETIREMENT PLAN, Continued

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 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease <u>(6.15%)</u>	Current Discount Rate <u>(7.15%)</u>	1% Increase <u>(8.15%)</u>
Net Pension Liability as of			
June 30, 2019			
Miscellaneous	\$ 7,673,411	\$ 4,909,061	\$ 2,627,284
Safety	<u>4,143,587</u>	<u>2,440,583</u>	<u>1,044,388</u>
Total	<u>\$ 11,816,998</u>	<u>\$ 7,349,644</u>	<u>\$ 3,671,672</u>

**Pension Plan Fiduciary Net Position**

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



Notes to the Basic Financial Statements, Continued

---

11. POST RETIREMENT HEALTHCARE BENEFITS

Plan Description

The City's single-employer defined benefit retiree health plan provides certain health care benefits to qualified retired employees until they become eligible for Medicare benefits. Employees of the City may become eligible for these benefits when they reach normal retirement age while working for the City based upon years of service.

Funding Policy

The City recognizes the cost of providing these benefits by expensing their monthly insurance premiums. Other postemployment benefits paid by the City for the year totaled \$243,284.

The plan provisions and benefits are summarized below:

Benefit types provided	Medical only
Duration of benefits	Lifetime
Required service	12 years
Minimum age	50
Dependent coverage	Yes
City contribution % <sup>(1)</sup>	12-14 years of service: 40%
	15-17 years of service: 60%
	18-20 years of service: 80%
	21+ years of service: 100%
City cap	Active cap (currently a % of premium)

<sup>(1)</sup> Applies to City contribution for active coverage. Those hired prior to 4/6/99 are entitled to the active contribution upon retirement subject only to the minimum pension eligibility requirements.

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2020

Notes to the Basic Financial Statements, Continued

11. POST RETIREMENT HEALTHCARE BENEFITS, Continued

OPEB Eligibility Summary

Inactive employees receiving benefits	38
Inactive employees entitled to but not receiving benefits	0
Participating active employees	<u>8</u>
Total number of participants	<u>46</u>

**Contributions**

The Plan and its contribution requirements are established by Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreements between the City and the bargaining units. The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2020, the City's cash contributions were \$243,284.

**Net OPEB Liability**

The City's net OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2020, based on the following actuarial methods and assumptions:

Actuarial Assumptions:	
Discount Rate	2.20%
Inflation	2.75%
Salary Increases	2.75%
Investment Rate of Return	2.20%
Mortality Rate <sup>(1)</sup>	Derived using CalPERS' Membership Data for all funds.
Pre-Retirement Turnover <sup>(2)</sup>	Derived using CalPERS' Membership Data for all funds.
Healthcare Trend Rate	4%

Notes:

<sup>(1)</sup> Pre-retirement mortality information was derived from data collected during 1997 to 2011 CalPERS Experience Study dated January 2014 and post-retirement mortality information was derived from the 2007 to 2011 CalPERS Experience Study. The Experience Study Reports may be accessed on the CalPERS website [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

<sup>(2)</sup> The pre-retirement turnover information was developed based on CalPERS' specific data. For more details, please refer to the 2007 to 2011 Experience Study Report. The Experience Study Report may be accessed on the CalPERS website [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2020

Notes to the Basic Financial Statements, Continued

11. POST RETIREMENT HEALTHCARE BENEFITS, Continued

*Discount Rate*

The discount rate used to measure the total OPEB liability was 2.20 percent. The projection of cash flows used to determine the discount rate assumed that Authority contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

*Changes in the OPEB Liability*

The changes in the net OPEB liability for the Plan are as follows:

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance at 6/30/2019	\$ 5,392,938	\$ -	\$ 5,392,938
Changes for the year			
Service Cost	59,557	-	59,557
Interest	185,682	-	185,682
Experience (Gains)/Losses	378,406	-	378,406
Changes in Assumptions	1,113,983	-	1,113,983
Contributions - employer	-	235,007	(235,007)
Benefit payments	(235,007)	(235,007)	-
Net Changes	1,502,621	-	1,502,621
Balance at 6/30/2020	\$ 6,895,559	\$ -	\$ 6,895,559

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

The discount rate used for the fiscal year end 2020 is 2.20%. The following presents the net OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2020:

	Discount Rate 1% Lower	Valuation Discount Rate	Discount Rate 1% Higher
Change in Discount Rate			
Net OPEB Liability	\$ 7,881,683	\$ 6,895,559	\$ 6,089,106

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2020

Notes to the Basic Financial Statements, Continued

11. POST RETIREMENT HEALTHCARE BENEFITS, Continued

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

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2020:

Change in Healthcare Cost Trend Rate	Trend		Trend	
	1% Lower	Current Trend	1% Higher	
Net OPEB Liability	\$ 6,047,715	\$ 6,895,559	\$ 7,928,322	

*Recognition of Deferred Outflows and Deferred Inflows of Resources*

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARSL) (6.0 Years at June 30, 2020)

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

For the fiscal year ended June 30, 2020, the City recognized OPEB expense of \$483,774. As of fiscal year ended June 30, 2019, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 34,400	\$ -
Changes in assumptions	101,271	-
Net difference between projected and actual earnings on plan investments	-	-
Total	<u>\$ 135,671</u>	<u>\$ -</u>

Notes to the Basic Financial Statements, Continued

---

**11. POST RETIREMENT HEALTHCARE BENEFITS, Continued**

The \$135,671 reported as deferred outflows of resources will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2021.

**12. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY**

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Lakeport that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 10, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 2441 (2012).

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

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

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City’s position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

Notes to the Basic Financial Statements, Continued

---

**12. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued**

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2013. Prior to that date, the final seven months of the activity of the redevelopment agency continued to be reported in the governmental funds of the City included in the fund financial statements as Former Redevelopment Agency Special Revenue Fund and Low/Moderate Income Housing Fund.

After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City. The transfer of the assets and liabilities of the former redevelopment agency as of February 1, 2012 (effectively the same date as January 31, 2012) from governmental funds of the City to fiduciary funds was reported in the governmental funds as an extraordinary loss (or gain) in the governmental fund financial statements. The receipt of these assets and liabilities as of January 31, 2012 was reported in the private-purpose trust fund as an extraordinary gain (or loss).

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2020

Notes to the Basic Financial Statements, Continued

12. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

The following is a summary of changes in long-term liabilities for the year ended June 30, 2020:

<b>Redevelopment Successor Private Purpose Trust</b>					
<b>Debt Service Activity</b>					
	Balance			Balance	Due within
Fiduciary activities:	July 1, 2019	Additions	Retirements	June 30, 2020	one year
2004 Series B RDA Tax Exempt Bonds	\$ 580,000	\$ -	\$ (60,000)	\$ 520,000	\$ 65,000
2016 Tax Allocation Bonds	3,950,000	-	(75,000)	3,875,000	145,000
Total fiduciary activities	<u>\$ 4,530,000</u>	<u>\$ -</u>	<u>\$ (135,000)</u>	<u>\$ 4,395,000</u>	<u>\$ 210,000</u>

2004 Series B Bonds

2004 Series B bond, total issue \$1,170,000. Annual principal is due on September 1 and interest payments are due semi-annually, at an annual interest rate of 5.31%, September 1 and March 1 each year. Payments are secured by redevelopment tax increment revenue, maturing in year 2027.

*Balance due* \$ 520,000

2016 Tax Allocation Bond

2016 Tax Allocation Bond, total issue \$4,120,000. Annual principal is due on September 1 and interest payments are due semi-annually, September 1 and March 1 each year. Payments are secured by redevelopment tax increment revenue, maturing in year 2034.

*Balance due* \$ 3,875,000

City of Lakeport, California  
 Basic Financial Statements  
 For the year ended June 30, 2020

Notes to the Basic Financial Statements, Continued

12. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

Future debt service for Fiduciary Activities at June 30, 2020, is as follows:

June 30,	2004 Series B RDA Tax Exempt Bond		2016 Tax Allocation Bond		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 65,000	\$ 27,544	\$ 145,000	\$ 149,550	\$ 210,000	\$ 177,094
2022	65,000	23,871	145,000	143,750	210,000	167,621
2023	70,000	20,058	160,000	1,346,501	230,000	1,366,559
2024	75,000	15,961	160,000	131,250	235,000	147,211
2025	80,000	11,583	170,000	124,650	250,000	136,233
2026-2030	165,000	9,464	1,350,000	488,850	1,515,000	498,314
2031-2035	-	-	1,745,000	156,025	1,745,000	156,025
	<u>\$ 520,000</u>	<u>\$ 108,481</u>	<u>\$ 3,875,000</u>	<u>\$ 2,540,576</u>	<u>\$ 4,395,000</u>	<u>\$ 2,649,057</u>
Due within one year	\$ 65,000	\$ 27,544	\$ 145,000	\$ 149,550	\$ 210,000	\$ 177,094
Due after one year	455,000	80,937	3,730,000	2,391,026	4,185,000	2,471,963
	<u>\$ 520,000</u>	<u>\$ 108,481</u>	<u>\$ 3,875,000</u>	<u>\$ 2,540,576</u>	<u>\$ 4,395,000</u>	<u>\$ 2,649,057</u>

13. NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 83, "*Certain Asset Retirement Obligations*." The requirements of this Statement are effective for reporting periods beginning after June 15, 2019. Earlier application is encouraged. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This statement had no effect on these financial statements.

The GASB has issued Statement No. 84, "*Fiduciary Activities*." The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The City will implement this statement, as applicable, to its financial statements for the year ending June 30, 2020.



Notes to the Basic Financial Statements, Continued

---

**13. NEW ACCOUNTING PRONOUNCEMENTS, CONTINUED**

The GASB has issued Statement No. 87, "*Leases.*" The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The City will implement this statement, as applicable, to its financial statements for the year ending June 30, 2021.

The GASB has issued Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period.*" The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The City will implement this statement, as applicable, to its financial statements for the year ending June 30, 2021.

The GASB has issued Statement No. 91, "*Conduit Debt Obligations.*" The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The City will implement this statement, as applicable, to its financial statements for the year ending June 30, 2022.

Notes to the Basic Financial Statements, Continued

---

**13. NEW ACCOUNTING PRONOUNCEMENTS, CONTINUED**

The GASB has issued Statement No. 95, “*Postponement of the Effective Dates of Certain Authoritative Guidance*”. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, *Certain Asset Retirement Obligations*
- Statement No. 84, *Fiduciary Activities*
- Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interests*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*
- Implementation Guide No. 2018-1, *Implementation Guidance Update—2018*
- Implementation Guide No. 2019-1, *Implementation Guidance Update—2019*
- Implementation Guide No. 2019-2, *Fiduciary Activities*.

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*.

Earlier application of the provisions addressed in this Statement is encouraged and is permitted to the extent specified in *each* pronouncement as originally issued.



*This page intentionally left blank.*

REQUIRED SUPPLEMENTARY INFORMATION

**City of Lakeport, California**  
**Required Supplementary Information -**  
**Schedule of Changes in the Net OPEB**  
**Liability and Related Ratios**  
for the Measurement Periods Ended June 30,

	2020	2019	2018
<b>Total OPEB Liability</b>			
Service Cost	\$ 59,557	\$ 53,802	\$ 52,362
Interest on the total OPEB liability	185,682	173,339	189,647
Experience (Gains)/Losses	378,406	-	-
Changes of benefit terms	-	-	-
Changes of assumptions	1,113,983	359,286	-
Benefit payments	(235,007)	(238,287)	(324,908)
<b>Net change in total OPEB liability</b>	<b>1,502,621</b>	<b>348,140</b>	<b>(82,899)</b>
<b>Total OPEB liability - beginning</b>	<b>5,392,938</b>	<b>5,044,798</b>	<b>5,127,697</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 6,895,559</b>	<b>\$ 5,392,938</b>	<b>\$ 5,044,798</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 235,007	\$ 238,287	\$ 324,908
Contributions - employee	-	-	-
Actual investment income	-	-	-
Administrative expense	-	-	-
Benefit payments	(235,007)	(238,287)	(324,908)
<b>Net change in plan fiduciary net position</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net OPEB liability - ending (a) - (b)</b>	<b>\$ 6,895,559</b>	<b>\$ 5,392,938</b>	<b>\$ 5,044,798</b>
Covered payroll	\$ 2,632,480	\$ 2,570,660	\$ 2,444,280
Net OPEB liability as a percentage of covered payroll	261.94%	209.79%	206.39%

**Notes to Schedule**

1) GASB 75 requires presentation of the 10-year history of changes in the Net OPEB Liability. However, since 2018 was the initial year of implementation, only three years are currently available.

## City of Lakeport, California

### Required Supplementary Information - Net OPEB Liability Schedule of Contributions

June 30, 2020

Fiscal Year Ended June 30,	2020	2019	2018
Actuarially Determined Contribution (ADC)	\$ 235,007	\$ 238,287	\$ 324,908
Contributions in relation to the ADC	235,007	238,287	324,908
Contribution deficiency ( excess)	\$ -	\$ -	\$ -
Covered payroll	3,111,833	2,632,480	2,570,660
Contributions as a percentage of covered payroll	7.55%	9.05%	12.64%

#### Notes to Schedule

1) GASB 75 requires presentation of the 10-year history of changes in the Net OPEB Liability. However, since 2018 was the initial year of implementation, only three years are currently available.

**City of Lakeport, California**  
**Required Supplementary Information - Schedule of Contributions**

**Miscellaneous Plan**

Last 10 Fiscal Years*	2020	2019	2018	2017
Contractually required contribution (actuarially determined)	\$ 549,955	\$ 114,309	\$ 299,811	\$ 279,716
Contributions in relation to the actuarially determined contributions	(549,955)	(114,309)	(299,811)	(279,716)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,807,816	\$ 1,854,631	\$ 1,854,631	\$ 1,727,792
Contribution as a percentage of covered payroll	30.42%	6.16%	16.17%	16.19%

**Notes to Schedule**

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

\* Due to a change in CalPERS reporting information, only two years are available. Additional years will be presented as they become available.

**Safety Plan**

Last 10 Fiscal Years*	2020	2019	2018	2017
Contractually required contribution (actuarially determined)	\$ 278,551	\$ 193,615	\$ 178,679	\$ 175,590
Contributions in relation to the actuarially determined contributions	(278,551)	(193,615)	(178,679)	(175,590)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 824,664	\$ 716,030	\$ 716,030	\$ 701,870
Contribution as a percentage of covered payroll	33.78%	27.04%	24.95%	25.02%

**Notes to Schedule**

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

\* Due to a change in CalPERS reporting information, only two years are available. Additional years will be presented as they become available.

**City of Lakeport, California**  
**Required Supplementary Information - Schedule of City's Proportionate Share**  
**of Net Pension Liability**

**Miscellaneous Plan**

Last 10 Fiscal Years*	2020	2019	2018	2017
Plan's Proportion of the Net Pension Liability/(Asset)	0.12259%	0.11803%	0.11413%	0.11527%
Plan's Proportionate Share of the Net Pension	\$ 4,909,060	\$ 4,448,040	\$ 4,498,927	\$ 4,004,316
Plan's Covered Payroll	\$ 2,236,404	\$ 2,174,275	\$ 1,854,631	\$ 1,727,792
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	219.51%	204.58%	242.58%	231.76%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	76.11%	77.33%	77.17%	78.69%
Plan's Proportionate Share of Aggregate Employer Contributor	\$ 648,195	\$ 578,074	\$ 575,409	\$ 550,660

**Notes to Schedule**

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

\* Due to a change in CalPERS reporting information, only four years are available. Additional years will be presented as they become available.

Last 10 Fiscal Years*	2020	2019	2018	2017
Plan's Proportion of the Net Pension Liability/(Asset)	0.03910%	0.03711%	0.03613%	0.03744%
Plan's Proportionate Share of the Net Pension	\$ 2,440,583	\$ 2,177,340	\$ 2,158,780	\$ 1,938,947
Plan's Covered Payroll	\$ 875,428	\$ 788,343	\$ 716,030	\$ 701,870
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	278.79%	276.19%	301.49%	276.25%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	80.36%	81.91%	80.21%	79.63%
Plan's Proportionate Share of Aggregate Employer Contributor	\$ 437,945	\$ 415,848	\$ 301,957	\$ 261,963

**Notes to Schedule**

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

\* Due to a change in CalPERS reporting information, only two years are available. Additional years will be presented as they become available.



COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

## NONMAJOR SPECIAL REVENUE FUNDS

**Special Revenue Funds** account for revenues received that have special restrictions placed on their use or are committed to expenditure for specified purposes either through statute or by Council policy. The City has a number of different special revenue funds which are part of the non-operating budget. The City's nonmajor special revenue funds include the following:

Fund	Description
<b>Parkland Dedication Fund</b>	State law and General Plan provide for new development to fund expansion of park systems to compensate for added demand of growth. Fees are collected at time of recordation of parcel and subdivision maps (see Section 16.16.040 Lakeport Municipal Code).
<b>Gas Tax Fund</b>	Established to account for revenues and expenditures on road-related projects in the City. Financing is provided by the City's share of the statewide tax on gasoline and other fuels.
<b>Prop 172 Public Safety Fund</b>	A city or county that received Prop 172 funds must place the revenues in a special revenue fund to be expended only on public safety services as defined in Government Code Section 30052. Maintenance of effort provision in the statute requires the City to maintain funding levels to public safety functions.
<b>Lakeport Housing Fund</b>	A special revenue fund established for the provision of affordable housing.
<b>BSCC Law Enforcement Subvention</b>	This fund reports the receipt of state subvention from the Board of State and Community Corrections (BSCC) appropriated to local municipal law enforcement agencies for specified police activities.
<b>CDBG Grant 2018</b>	Established to account for the revenues and expenditures associated with a CDBG funded off site improvements projects related to low-income family housing development.
<b>CDBG Grant 2017</b>	Established to account for the revenues and expenditures associated with a CDBG funded economic development business loans and planning and technical assistance in the Forbes Creek Neighborhood.
<b>Tenth Street Drainage Fund</b>	Restricted fund/set aside by developer of Willow Tree Shopping Center.
<b>Lakeport Blvd Improvement Fund</b>	Special assessment of developer to mitigate traffic impacts of K-Mart (now Bruno's) development in 1987.
<b>South Main Street Improvement Fund</b>	Special assessment of developer to mitigate traffic impacts of K-Mart.

**NON-MAJOR SPECIAL REVENUE FUNDS, Continued**

<b>Fund</b>	<b>Description</b>
<b>Parkside Traffic Mitigation Fund</b>	Traffic mitigation fees are required as a mitigation measure of Parkside Subdivision.
<b>Parallel/Bevins Storm Maintenance Fund</b>	Fund set up to account for revenue received and expenditures made in conjunction with development along the Parallel Drive and Bevins Drive corridor.
<b>Lakeshore Storm Damage Repair Fund</b>	On Lakeshore Boulevard from 75' south of Sayre Street, north through Jones Street to clear concrete debris from below the existing sea wall, reinforce the embankment with sheet pile, and backfill the wall. Repair the roadway, curb, and gutter failure by cutting out failed sections and replacing the base rock and AC paving. Funds provided by the Federal government through Caltrans' administration of the Emergency Relief (ER) Program.
<b>Storm Drainage Fund</b>	Assessments are made against larger properties to pay for prior and future storm drain projects (see Chapter 3.16 Lakeport Municipal Code).
<b>Lakeshore Blvd. HSIPL (Safety)</b>	Special revenue fund established to account for expenditure related to the federal highway funding.
<b>CDBG Grant Program Income</b>	This fund is used for reinvestment into housing programs from program income generated by past CDBG grants.
<b>Safe Routes to School</b>	Established to account for the revenues and expenditures associated with a CalTrans funded project to improve the pedestrian corridor to the Lakeport Unified School sites.
<b>Lakefront Park Grant</b>	Established to account for the revenues and expenditures associated with a Proposition 68 California Department of Parks and Recreation grant to construct a new park in Lakeport.
<b>HOME Grant Program Income</b>	This fund is used for reinvestment into housing programs from program income generated by past HOME grants.
<b>General Capital Projects</b>	This fund is used to track specific capital projects funded from various other governmental and fiduciary funds. Most notably this fund is used to account for the Downtown Main Street revitalization project.

*This page intentionally left blank.*

City of Lakeport, California  
 Combining Balance Sheet  
 Nonmajor Special Revenue and Capital Projects Funds, Continued  
 June 30, 2020

	Parkland Dedication	Gas Tax	Prop 172 Public Safety	Lakeport Housing	BSCC Law Enforcement Subvention	CDBG Grant 2018
<b>ASSETS</b>						
Cash and investments	\$ -	\$ 384,946	\$ 123,029	\$ 76,723	\$ 82,694	\$ -
Receivables:						
Intergovernmental	-	-	-	-	-	2,310
Loans/Notes	-	-	-	339,440	-	-
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 384,946</u>	<u>\$ 123,029</u>	<u>\$ 416,163</u>	<u>\$ 82,694</u>	<u>\$ 2,310</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	53,654	\$ -
Due to other funds	-	-	-	-	-	2,310
Advances from other funds	175,140	-	-	114,341	-	-
<b>Total liabilities</b>	<u>175,140</u>	<u>-</u>	<u>-</u>	<u>114,341</u>	<u>53,654</u>	<u>2,310</u>
<b>Fund Balances:</b>						
Nonspendable:						
Loans receivable	-	-	-	339,440	-	-
Restricted:						
Law enforcement	-	-	123,029	-	29,040	-
Housing programs	-	-	-	-	-	-
Transportation infrastructure	-	384,946	-	-	-	-
Assigned:						
Capital projects	-	-	-	-	-	-
Housing and community assistance	-	-	-	-	-	-
Unassigned (deficit)	(175,140)	-	-	(37,618)	-	-
<b>Total fund balances</b>	<u>(175,140)</u>	<u>384,946</u>	<u>123,029</u>	<u>301,822</u>	<u>29,040</u>	<u>-</u>
<b>Total liabilities and fund balances</b>	<u>\$ -</u>	<u>\$ 384,946</u>	<u>\$ 123,029</u>	<u>\$ 416,163</u>	<u>\$ 82,694</u>	<u>\$ 2,310</u>

CDBG Grant 2017	Tenth Street Drainage	Lakeport Blvd Improvement	South Main St Improvement	Parkside Traffic Mitigation	Parallel/Bevins Storm Maintenance	Lakeshore Storm Damage Repair
\$ -	\$ 87,087	\$ 119,406	\$ 32,031	\$ 17,635	\$ 20,387	\$ -
240,720	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 240,720</u>	<u>\$ 87,087</u>	<u>\$ 119,406</u>	<u>\$ 32,031</u>	<u>\$ 17,635</u>	<u>\$ 20,387</u>	<u>\$ -</u>
813	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
251,537	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>252,350</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	87,087	119,406	32,031	17,635	20,387	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(11,630)	-	-	-	-	-	-
<u>(11,630)</u>	<u>87,087</u>	<u>119,406</u>	<u>32,031</u>	<u>17,635</u>	<u>20,387</u>	<u>-</u>
<u>\$ 240,720</u>	<u>\$ 87,087</u>	<u>\$ 119,406</u>	<u>\$ 32,031</u>	<u>\$ 17,635</u>	<u>\$ 20,387</u>	<u>\$ -</u>

(continued)

City of Lakeport, California  
 Combining Balance Sheet  
 Nonmajor Special Revenue and Capital Projects Funds, Continued  
 June 30, 2020

	Storm Drainage	Lakeshore Blvd HSIPL (Safety)	CDBG Grant Program Income	Safe Routes to School	Lakefront Park Grant	HOME Grant Program Income
<b>ASSETS</b>						
Cash and investments	\$ 136,831	\$ -	\$ 12,478	\$ -	\$ -	\$ 356,148
Receivables:						
Intergovernmental	-	-	-	60,568	685,283	-
Loans/Notes	-	-	1,071,975	-	-	1,250,176
<b>Total assets</b>	<u>\$ 136,831</u>	<u>\$ -</u>	<u>\$ 1,084,453</u>	<u>\$ 60,568</u>	<u>\$ 685,283</u>	<u>\$ 1,606,324</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	\$ -	\$ -	\$ 1,000	675	6,821	-
Due to other funds	-	-	-	59,893	678,462	-
Advances from other funds	-	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>60,568</u>	<u>685,283</u>	<u>-</u>
<b>Fund Balances:</b>						
Nonspendable:						
Loans receivable	-	-	1,071,975	-	-	1,250,176
Restricted:						
Law enforcement	-	-	-	-	-	-
Housing programs	-	-	-	-	-	356,148
Transportation infrastructure	-	-	-	-	-	-
Assigned:						
Capital projects	136,831	-	-	-	-	-
Housing and community assistance	-	-	11,478	-	-	-
Unassigned (deficit)	-	-	-	-	-	-
<b>Total fund balances</b>	<u>136,831</u>	<u>-</u>	<u>1,083,453</u>	<u>-</u>	<u>-</u>	<u>1,606,324</u>
<b>Total liabilities and fund balances</b>	<u>\$ 136,831</u>	<u>\$ -</u>	<u>\$ 1,084,453</u>	<u>\$ 60,568</u>	<u>\$ 685,283</u>	<u>\$ 1,606,324</u>

General Capital Projects	Non-major Governmental Totals
\$ -	\$ 1,449,395
-	988,881
-	2,661,591
<u>\$ -</u>	<u>\$ 5,099,867</u>
-	62,963
-	992,202
-	289,481
<u>-</u>	<u>659,363</u>
-	2,661,591
-	152,069
-	356,148
-	661,492
-	136,831
-	11,478
-	(224,388)
<u>-</u>	<u>3,755,221</u>
<u>\$ -</u>	<u>\$ 5,099,867</u>

(concluded)



City of Lakeport, California  
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the year ended June 30, 2020

	Parkland Dedication	Gas Tax	Prop 172 Public Safety	Lakeport Housing	BSCC Law Enforcement Subvention	CDBG Grant 2018
<b>REVENUES:</b>						
Intergovernmental revenue	\$ -	113,745	\$ 41,915	\$ -	\$ -	\$ 2,310
Use of money and property	-	1,706	546	10,694	368	-
<b>Total revenues</b>	-	115,451	42,461	10,694	368	2,310
<b>EXPENDITURES:</b>						
Current:						
Roads and infrastructure:						
Public works	-	3,800	-	-	-	-
Housing and support programs	-	-	-	-	-	2,310
Economic development	-	-	-	-	-	-
Public safety	-	-	-	-	294	-
Capital outlay	-	-	-	-	53,360	-
<b>Total expenditures</b>	-	3,800	-	-	53,654	2,310
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	111,651	42,461	10,694	(53,286)	-
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(29,500)	-	-	-
<b>Total other financing sources and uses</b>	-	-	(29,500)	-	-	-
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	-	111,651	12,961	10,694	(53,286)	-
<b>FUND BALANCES (DEFICITS):</b>						
Beginning of year	(175,140)	273,295	110,068	291,128	82,326	-
End of year	\$ (175,140)	\$ 384,946	\$ 123,029	\$ 301,822	\$ 29,040	\$ -

CDBG Grant 2017	Tenth Street Drainage	Lakeport Blvd Improvement	South Main St Improvement	Parkside Traffic Mitigation	Parallel/Bevins Storm Maintenance	Lakeshore Storm Damage Repair
\$ 315,152	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	387	528	141	79	92	1,275
<u>315,152</u>	<u>387</u>	<u>528</u>	<u>141</u>	<u>79</u>	<u>92</u>	<u>1,275</u>
-	-	-	-	-	-	-
30,422	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>30,422</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
284,730	387	528	141	79	92	1,275
-	-	-	-	-	-	-
<u>(295,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(295,000)	-	-	-	-	-	-
<u>(10,270)</u>	<u>387</u>	<u>528</u>	<u>141</u>	<u>79</u>	<u>92</u>	<u>1,275</u>
(1,360)	86,700	118,878	31,890	17,556	20,295	(1,275)
<u>\$ (11,630)</u>	<u>\$ 87,087</u>	<u>\$ 119,406</u>	<u>\$ 32,031</u>	<u>\$ 17,635</u>	<u>\$ 20,387</u>	<u>\$ -</u>

(continued)

City of Lakeport, California  
 Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Special Revenue and Capital Projects Funds, Continued  
 For the year ended June 30, 2020

	Storm Drainage	Lakeshore Blvd HSIPL (Safety)	CDBG Grant Program Income	Safe Routes to School	Lakefront Park Grant	HOME Grant Program Income
<b>REVENUES:</b>						
Intergovernmental revenue	\$ -	\$ -	\$ 38	\$ 82,558	685,283	\$ -
Use of money and property	608	-	3,593	-	-	11,527
<b>Total revenues</b>	<b>608</b>	<b>-</b>	<b>3,631</b>	<b>82,558</b>	<b>685,283</b>	<b>11,527</b>
<b>EXPENDITURES:</b>						
Current:						
Roads and infrastructure:						
Public works	-	-	-	81,605	-	-
Housing and support programs	-	-	-	-	-	-
Economic development	-	-	58,290	-	6,311	-
Public safety	-	-	-	-	-	-
Capital outlay	-	-	-	-	678,972	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>58,290</b>	<b>81,605</b>	<b>685,283</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>608</b>	<b>-</b>	<b>(54,659)</b>	<b>953</b>	<b>-</b>	<b>11,527</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	-	295,000	-	-	-
Transfers out	-	(21,325)	-	-	-	-
<b>Total other financing sources and uses</b>	<b>-</b>	<b>(21,325)</b>	<b>295,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<b>608</b>	<b>(21,325)</b>	<b>240,341</b>	<b>953</b>	<b>-</b>	<b>11,527</b>
<b>FUND BALANCES (DEFICITS):</b>						
Beginning of year	136,223	21,325	843,112	(953)	-	1,594,797
End of year	\$ 136,831	\$ -	\$ 1,083,453	\$ -	\$ -	\$ 1,606,324

General Capital Projects	Non-major Governmental Totals
\$ -	\$ 1,241,001
-	31,544
-	1,272,545
-	85,405
-	32,732
-	64,601
-	294
515,331	1,247,663
515,331	1,430,695
(515,331)	(158,150)
-	295,000
(159,486)	(505,311)
(159,486)	(210,311)
(674,817)	(368,461)
674,817	4,123,682
\$ -	\$ 3,755,221

(concluded)

**NONMAJOR GOVERNMENTAL FUNDS BUDGET COMPARISONS**

City of Lakeport, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Parkland Dedication Fund

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES:</b>				
Current:				
Economic development	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	-	-
<b>Total other financing sources and uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	(175,140)	(175,140)	(175,140)	-
End of year	<u>\$ (175,140)</u>	<u>\$ (175,140)</u>	<u>\$ (175,140)</u>	<u>\$ -</u>

City of Lakeport, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Gas Tax Fund

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental revenue	\$ 132,117	\$ 132,117	\$ 113,745	\$ (18,372)
Use of money and property	-	-	1,706	1,706
<b>Total revenues</b>	<b>132,117</b>	<b>132,117</b>	<b>115,451</b>	<b>(16,666)</b>
<b>EXPENDITURES:</b>				
Current:				
Roads and infrastructure:				
Public works	95,000	95,000	3,800	91,200
<b>Total expenditures</b>	<b>95,000</b>	<b>95,000</b>	<b>3,800</b>	<b>91,200</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>37,117</b>	<b>37,117</b>	<b>111,651</b>	<b>(107,866)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	-	-
<b>Total other financing sources and uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER)</b>				
<b>EXPENDITURES AND OTHER FINANCING (USES)</b>	<b>37,117</b>	<b>37,117</b>	<b>111,651</b>	<b>(107,866)</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	273,295	273,295	273,295	-
End of year	\$ 310,412	\$ 310,412	\$ 384,946	\$ (107,866)

City of Lakeport, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Prop 172 Public Safety Fund

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental revenue	\$ 29,500	\$ 29,500	\$ 41,915	\$ 12,415
Use of money and property	-	-	546	546
<b>Total revenues</b>	<b>29,500</b>	<b>29,500</b>	<b>42,461</b>	<b>12,961</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	29,500	29,500	-	29,500
<b>Total expenditures</b>	<b>29,500</b>	<b>29,500</b>	<b>-</b>	<b>29,500</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>42,461</b>	<b>(16,539)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(29,500)	(29,500)	(29,500)	-
<b>Total other financing sources and uses</b>	<b>(29,500)</b>	<b>(29,500)</b>	<b>(29,500)</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER)</b>				
<b>EXPENDITURES AND OTHER FINANCING (USES)</b>	<b>(29,500)</b>	<b>(29,500)</b>	<b>12,961</b>	<b>(16,539)</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	110,068	110,068	110,068	-
End of year	\$ 80,568	\$ 80,568	\$ 123,029	\$ (16,539)



City of Lakeport, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Lakeport Housing Fund

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 10,694	\$ 10,694
Other revenues	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>10,694</b>	<b>10,694</b>
<b>EXPENDITURES:</b>				
Current:				
Housing and support programs	-	-	-	-
Capital outlay	10,000	10,000	-	10,000
<b>Total expenditures</b>	<b>10,000</b>	<b>10,000</b>	<b>-</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(10,000)</b>	<b>(10,000)</b>	<b>10,694</b>	<b>10,694</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources and uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<b>(10,000)</b>	<b>(10,000)</b>	<b>10,694</b>	<b>10,694</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	-	-	291,128	291,128
End of year	\$ (10,000)	\$ (10,000)	\$ 301,822	\$ 301,822

City of Lakeport, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

BSCC Law Enforcement Subvention Fund

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	368	368
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>368</b>	<b>368</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	14,000	14,000	294	13,706
Capital outlay	50,000	50,000	53,360	-
<b>Total expenditures</b>	<b>64,000</b>	<b>64,000</b>	<b>53,654</b>	<b>13,706</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>(64,000)</b>	<b>(64,000)</b>	<b>(53,286)</b>	<b>(13,338)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	-	-
<b>Total other financing sources and uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER)</b>				
<b>EXPENDITURES AND OTHER FINANCING (USES)</b>	<b>(64,000)</b>	<b>(64,000)</b>	<b>(53,286)</b>	<b>(13,338)</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	82,326	82,326	82,326	-
End of year	\$ 18,326	\$ 18,326	\$ 29,040	\$ (13,338)

City of Lakeport, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

CDBG Grant 2018

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental revenue	\$ -	\$ -	\$ 2,310	\$ 2,310
Use of money and property	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>2,310</b>	<b>2,310</b>
<b>EXPENDITURES:</b>				
Current:				
Housing and support programs	-	-	2,310	(2,310)
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>2,310</b>	<b>(2,310)</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	-	-
<b>Total other financing sources and uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER)</b>				
<b>EXPENDITURES AND OTHER FINANCING (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

City of Lakeport, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

CDBG Grant 2017

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenue	\$ -	\$ -	\$ 315,152	\$ 315,152
Use of money and property	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>315,152</b>	<b>315,152</b>
<b>EXPENDITURES:</b>				
Current:				
Housing and support programs	-	-	30,422	(30,422)
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>30,422</b>	<b>(30,422)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>284,730</b>	<b>345,574</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	(295,000)	(295,000)
<b>Total other financing sources and uses</b>	<b>-</b>	<b>-</b>	<b>(295,000)</b>	<b>(295,000)</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<b>-</b>	<b>-</b>	<b>(10,270)</b>	<b>50,574</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	(1,360)	(1,360)	(1,360)	-
End of year	\$ (1,360)	\$ (1,360)	\$ (11,630)	\$ 50,574

City of Lakeport, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Tenth Street Drainage Fund

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes:				
Sales	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	387	387
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>387</b>	<b>387</b>
<b>EXPENDITURES:</b>				
Current:				
Roads and infrastructure:				
Public works	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>387</b>	<b>387</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out				
<b>Total other financing     sources and uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<b>-</b>	<b>-</b>	<b>387</b>	<b>387</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	86,700	86,700	86,700	-
End of year	\$ 86,700	\$ 86,700	\$ 87,087	\$ 387

City of Lakeport, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Lakeport Blvd Improvement Fund

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	528	528
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>528</b>	<b>528</b>
<b>EXPENDITURES:</b>				
Current:				
Roads and infrastructure:				
Public works	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>528</b>	<b>528</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	-	-
<b>Total other financing sources and uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<b>-</b>	<b>-</b>	<b>528</b>	<b>528</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	118,878	118,878	118,878	-
End of year	\$ 118,878	\$ 118,878	\$ 119,406	\$ 528

City of Lakeport, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

South Main Street Improvement Fund

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	141	141
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>141</b>	<b>141</b>
<b>EXPENDITURES:</b>				
Current:				
Roads and infrastructure:				
Public works	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>141</b>	<b>141</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	-	-
<b>Total other financing sources and uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<b>-</b>	<b>-</b>	<b>141</b>	<b>141</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	31,890	31,890	31,890	-
End of year	\$ 31,890	\$ 31,890	\$ 32,031	\$ 141

City of Lakeport, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Parkside Traffic Mitigation Fund

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes:				
Sales	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	79	79
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>79</b>	<b>79</b>
<b>EXPENDITURES:</b>				
Current:				
Roads and infrastructure:				
Public works	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>79</b>	<b>79</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	-	-
<b>Total other financing     sources and uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<b>-</b>	<b>-</b>	<b>79</b>	<b>79</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	-	-	17,556	17,556
End of year	\$ -	\$ -	\$ 17,635	\$ 17,635



City of Lakeport, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Parallel/Bevins Storm Maintenance Fund

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes:				
Sales	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	92	92
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>92</b>	<b>92</b>
<b>EXPENDITURES:</b>				
Current:				
Roads and infrastructure:				
Public works	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	-	-	92	92
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out				
<b>Total other financing sources and uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER)</b>				
<b>EXPENDITURES AND OTHER FINANCING (USES)</b>	-	-	92	92
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	20,295	20,295	20,295	-
End of year	\$ 20,295	\$ 20,295	\$ 20,387	\$ 92

City of Lakeport, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Lakeshore Storm Damage Repair Fund

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes:				
Sales	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	-	-	-	-
Use of money and property	-	-	1,275	1,275
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>1,275</b>	<b>1,275</b>
<b>EXPENDITURES:</b>				
Current:				
Capital Outlay	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>1,275</b>	<b>1,275</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
<b>Total other financing     sources and uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<b>-</b>	<b>-</b>	<b>1,275</b>	<b>1,275</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	(1,275)	(1,275)	(1,275)	-
End of year	\$ (1,275)	\$ (1,275)	\$ -	\$ 1,275

City of Lakeport, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Storm Drainage Fund

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 608	\$ 608
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>608</b>	<b>608</b>
<b>EXPENDITURES:</b>				
Current:				
Roads and infrastructure:				
Public works	10,000	10,000	-	10,000
Capital outlay	20,000	20,000	-	20,000
<b>Total expenditures</b>	<b>30,000</b>	<b>30,000</b>	<b>-</b>	<b>30,000</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>(30,000)</b>	<b>(30,000)</b>	<b>608</b>	<b>(29,392)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	-	-
<b>Total other financing sources and uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER)</b>				
<b>EXPENDITURES AND OTHER FINANCING (USES)</b>	<b>(30,000)</b>	<b>(30,000)</b>	<b>608</b>	<b>(29,392)</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	136,223	136,223	136,223	-
End of year	\$ 106,223	\$ 106,223	\$ 136,831	\$ (29,392)

City of Lakeport, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Lakeshore Blvd HSIPL (Safety) Fund

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES:</b>				
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	(21,325)	(21,325)
<b>Total other financing sources and uses</b>	<b>-</b>	<b>-</b>	<b>(21,325)</b>	<b>(21,325)</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER)</b>				
<b>EXPENDITURES AND OTHER FINANCING (USES)</b>	<b>-</b>	<b>-</b>	<b>(21,325)</b>	<b>(21,325)</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	21,325	21,325	21,325	-
End of year	\$ 21,325	\$ 21,325	\$ -	\$ (21,325)

City of Lakeport, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

CDBG Grant Program Income Fund

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes:				
Sales	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue			38	
Use of money and property	-	-	3,593	3,593
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>3,631</b>	<b>-</b>
<b>EXPENDITURES:</b>				
Economic development	25,000	25,000	58,290	(33,290)
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>25,000</b>	<b>25,000</b>	<b>58,290</b>	<b>(33,290)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>				
	(25,000)	(25,000)	(54,659)	33,290
<b>OTHER FINANCING SOURCES (USES):</b>				
Loss on note receivable	-	-	-	-
Transfer in	-	-	295,000	-
Transfers out	-	-	-	-
<b>Total other financing     sources and uses</b>	<b>-</b>	<b>-</b>	<b>295,000</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>				
	(25,000)	(25,000)	240,341	33,290
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	843,112	843,112	843,112	-
End of year	\$ 818,112	\$ 818,112	\$ 1,083,453	\$ 33,290

City of Lakeport, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Safe Routes to School Fund

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenue	\$ 250,000	\$ 250,000	\$ 82,558	(167,442)
<b>Total revenues</b>	<b>250,000</b>	<b>250,000</b>	<b>82,558</b>	<b>-</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	250,000	250,000	81,605	168,395
<b>Total expenditures</b>	<b>250,000</b>	<b>250,000</b>	<b>81,605</b>	<b>168,395</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>953</b>	<b>(168,395)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources and uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<b>-</b>	<b>-</b>	<b>953</b>	<b>(168,395)</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	(953)	(953)	(953)	-
End of year	\$ (953)	\$ (953)	\$ -	\$ (168,395)

City of Lakeport, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Lakefront Park Grant

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes:				
Intergovernmental revenue	\$ -	\$ -	\$ 685,283	\$ 685,283
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>685,283</b>	<b>685,283</b>
<b>EXPENDITURES:</b>				
Housing and support programs	-	-	6,311	(6,311)
Capital outlay	-	-	678,972	(678,972)
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>685,283</b>	<b>(685,283)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources and uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

City of Lakeport, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

HOME Grant Program Income Special Revenue Fund

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 11,527	\$ 11,527
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>11,527</b>	<b>-</b>
<b>EXPENDITURES:</b>				
Housing and support programs	10,000	10,000	-	10,000
<b>Total expenditures</b>	<b>10,000</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>(10,000)</b>	<b>(10,000)</b>	<b>11,527</b>	<b>(10,000)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources and uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER)</b>				
<b>EXPENDITURES AND OTHER FINANCING (USES)</b>	<b>(10,000)</b>	<b>(10,000)</b>	<b>11,527</b>	<b>(10,000)</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	1,594,797	1,594,797	1,594,797	-
End of year	\$ 1,584,797	\$ 1,584,797	\$ 1,606,324	\$ (10,000)



City of Lakeport, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

General Capital Projects

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ -	\$ -
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES:</b>				
Capital outlay	-	-	515,331	(515,331)
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>515,331</b>	<b>(515,331)</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>(515,331)</b>	<b>515,331</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer in	-	-	-	-
Transfers out	-	-	(159,486)	(159,486)
<b>Total other financing sources and uses</b>	<b>-</b>	<b>-</b>	<b>(159,486)</b>	<b>(159,486)</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER)</b>				
<b>EXPENDITURES AND OTHER FINANCING (USES)</b>	<b>-</b>	<b>-</b>	<b>(674,817)</b>	<b>355,845</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	674,817	674,817	674,817	-
End of year	\$ 674,817	\$ 674,817	\$ -	\$ 355,845

## AGENCY FUNDS

**Agency funds** are used to account for resources held by the City in a purely custodial capacity for other governments, individuals, or private organizations. The City's agency funds include the following:

Fund	Description
<b>Special Deposit Agency Fund</b>	Resources held for outside parties that are not available for spending by the City.
<b>Other Post-Employment Benefits (OPEB) Agency Fund</b>	Resources for other post-employment benefits (OPEB) are managed and maintained in this fund. This includes City contributions to retiree health (medical, dental, vision, etc.)

City of Lakeport, California  
 Combining Fiduciary Assets and Liabilities  
 Agency Funds  
 June 30, 2020

	Special Deposit Agency Fund	OPEB Agency Fund	Totals
<b>ASSETS</b>			
Cash and investments	\$ 419,184	\$ (20,979)	\$ 398,205
Receivables:			
Accounts and other	-	17,208	17,208
<b>Total assets</b>	<u>\$ 419,184</u>	<u>\$ (3,771)</u>	<u>\$ 415,413</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 266	\$ -	\$ 266
Refundable deposits and trust liabilities	418,918	(3,771)	415,147
<b>Total liabilities</b>	<u>\$ 419,184</u>	<u>\$ (3,771)</u>	<u>\$ 415,413</u>

City of Lakeport, California  
Combining Fiduciary Changes in Assets and Liabilities  
Agency Funds  
For the year ended June 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<b>Special Deposit Fund</b>				
<b>Assets:</b>				
Cash and investments	\$ 417,550	\$ -	\$ 1,634	\$ 419,184
Receivables:				
Accounts and other	-	-	-	-
Interest	-	-	-	-
<b>Total assets</b>	<u>\$ 417,550</u>	<u>\$ -</u>	<u>\$ 1,634</u>	<u>\$ 419,184</u>
<b>Liabilities:</b>				
Accounts payable	\$ 237	\$ 266	\$ (237)	\$ 266
Refundable deposits and trust liabilities	417,313	1,605	-	418,918
<b>Total liabilities</b>	<u>\$ 417,550</u>	<u>\$ 1,871</u>	<u>\$ (237)</u>	<u>\$ 419,184</u>
<b>OPEB Fund</b>				
<b>Assets:</b>				
Cash and investments	\$ (18,448)	\$ -	\$ (2,531)	\$ (20,979)
Accounts and other	19,183	17,208	(19,183)	17,208
<b>Total assets</b>	<u>\$ 735</u>	<u>\$ 17,208</u>	<u>\$ (21,714)</u>	<u>\$ (3,771)</u>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
OPEB trust obligation	735	-	(4,506)	(3,771)
<b>Total liabilities</b>	<u>\$ 735</u>	<u>\$ -</u>	<u>\$ (4,506)</u>	<u>\$ (3,771)</u>

*This page intentionally left blank.*

## STATISTICAL SECTION

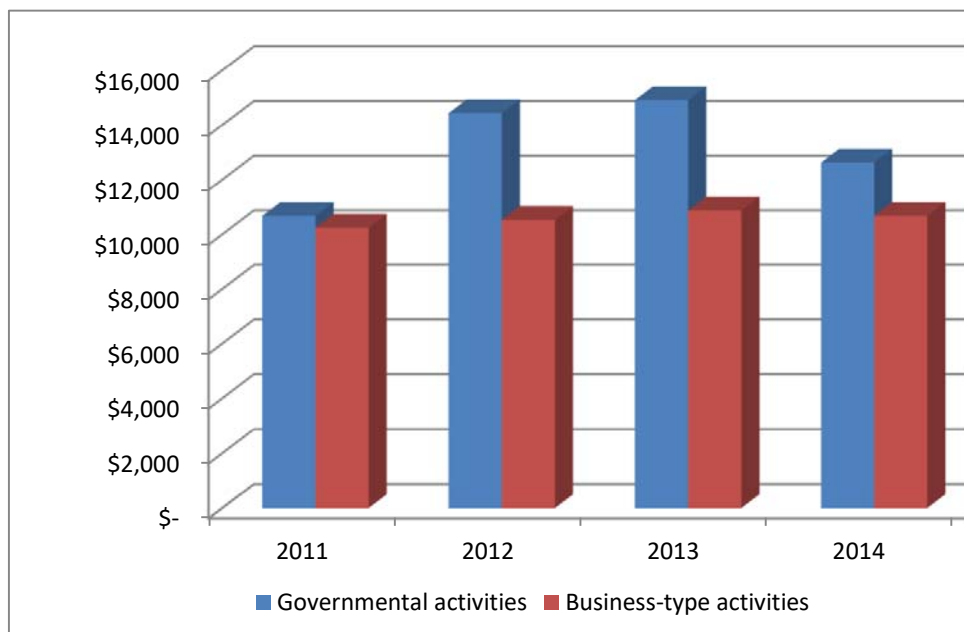
This part of the City of Lakeport's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, footnotes, and required supplementary information says about the City's overall financial health.

<b>Schedules</b>	<b>Content</b>	<b>Page(s)</b>
<b>Financial Trends</b>	These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	142-150
<b>Revenue Capacity</b>	These schedules contain information to help the reader assess the City's ability to generate revenues. Property taxes, sales and use taxes, charges for services, licenses, permits and fees, and intergovernmental revenue are the City's most significant revenue sources.	152-156
<b>Debt Capacity</b>	These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	158-162
<b>Demographic and Economic Information</b>	These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	164-165
<b>Operating Information</b>	These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	166-168

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. Information was available beginning with the year ended June 30, 2004, for the financial trend schedules.

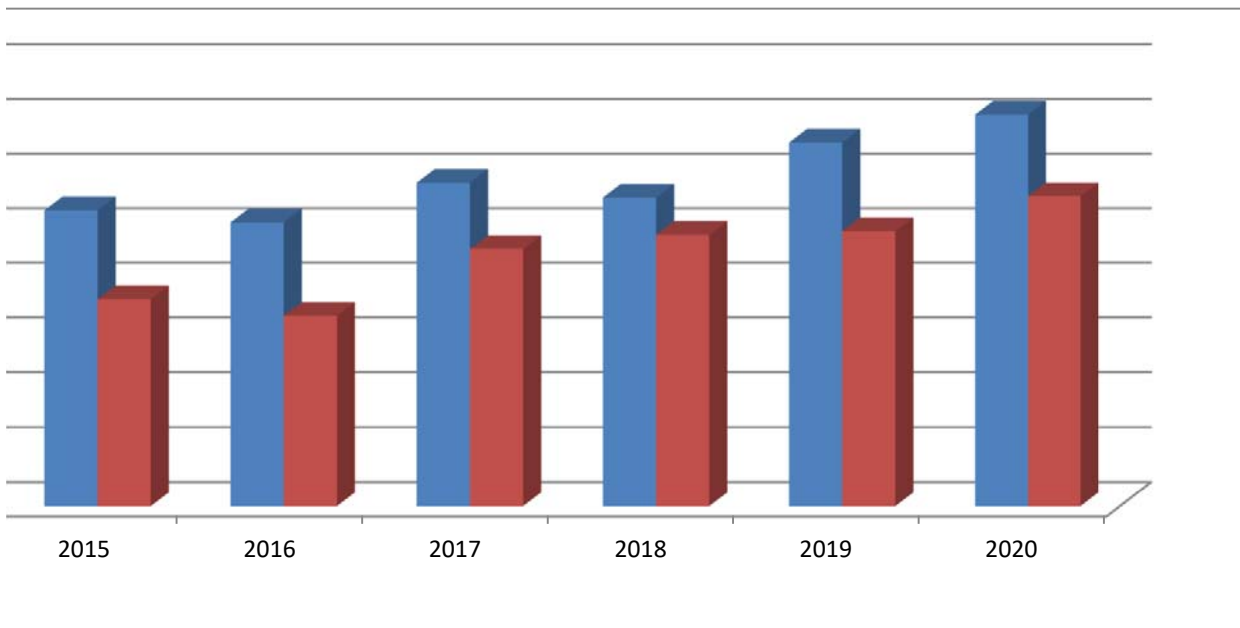
City of Lakeport, California  
 Net Position by Component  
 Fiscal year ended June 30 (last ten fiscal years)  
 (Accrual basis of accounting)  
 (In thousands)

	2011	2012	2013
<b>Governmental activities</b>			
Net investment in capital assets	\$ 1,278	\$ 6,352	\$ 6,299
Restricted	2,603	5,463	7,388
Unrestricted	6,790	2,618	1,223
<b>Total governmental activities net position</b>	<b>\$ 10,671</b>	<b>\$ 14,433</b>	<b>\$ 14,910</b>
<b>Business-type activities</b>			
Net investment in capital assets	7,606	\$ 7,510	\$ 7,291
Restricted	797	2,413	2,194
Unrestricted	1,839	604	1,386
<b>Total business-type activities net position</b>	<b>\$ 10,242</b>	<b>\$ 10,527</b>	<b>\$ 10,871</b>
<b>Primary government</b>			
Net investment in capital assets	\$ 8,884	\$ 13,862	\$ 13,590
Restricted	3,400	7,876	9,582
Unrestricted	8,629	3,222	2,609
<b>Total primary government net position</b>	<b>\$ 20,913</b>	<b>\$ 24,960</b>	<b>\$ 25,781</b>



Source: City Finance Department

2014	2015	2016	2017	2018	2019	2020
\$ 6,060	\$ 9,444	\$ 9,627	\$ 12,024	\$ 12,297	\$ 13,385	\$ 12,382
3,796	4,180	1,537	1,034	845	1,041	1,180
2,769	(2,823)	(801)	(1,238)	(1,877)	(1,147)	749
<u>\$ 12,625</u>	<u>\$ 10,801</u>	<u>\$ 10,363</u>	<u>\$ 11,820</u>	<u>\$ 11,265</u>	<u>\$ 13,279</u>	<u>\$ 14,311</u>
\$ 6,726	\$ 7,485	\$ 8,844	\$ 10,503	\$ 9,186	\$ 7,150	\$ 8,648
3,253	3,827	580	500	785	785	813
692	(3,760)	(2,483)	(1,615)	(64)	2,109	1,856
<u>\$ 10,671</u>	<u>\$ 7,552</u>	<u>\$ 6,941</u>	<u>\$ 9,388</u>	<u>\$ 9,907</u>	<u>\$ 10,044</u>	<u>\$ 11,317</u>
\$ 12,786	\$ 16,929	\$ 18,471	\$ 22,527	\$ 21,483	\$ 20,535	\$ 21,030
7,049	8,007	2,117	1,534	1,630	1,826	1,993
3,461	(6,583)	(3,284)	(2,853)	(1,941)	962	2,605
<u>\$ 23,296</u>	<u>\$ 18,353</u>	<u>\$ 17,304</u>	<u>\$ 21,208</u>	<u>\$ 21,172</u>	<u>\$ 23,323</u>	<u>\$ 25,628</u>





# City of Lakeport, California

## Changes in Net Position

Fiscal year ended June 30 (last ten fiscal years)

(Accrual basis of accounting)

(In thousands)

	2011	2012	2013
<b>Expenses:</b>			
Governmental activities:			
General government	\$ 1,955	\$ 737	\$ 887
Community development	358	268	283
Roads and infrastructure	1,476	1,344	1,151
Sanitation	-	421	439
Housing and support programs	174	511	18
Redevelopment/economic development	200	293	11
Public safety	1,785	1,529	1,542
Parks and recreation	313	282	382
Interest on long term debt	309	359	8
Total governmental activities expenses	<u>6,570</u>	<u>5,744</u>	<u>4,721</u>
Business-type activities:			
Water utility	1,413	1,550	1,596
Sewer utility	2,289	2,408	2,363
Total business-type activities expenses	<u>3,702</u>	<u>3,958</u>	<u>3,959</u>
<b>Total primary government expenses</b>	<u>10,272</u>	<u>9,702</u>	<u>8,680</u>
<b>Program revenues:</b>			
Governmental activities:			
Charges for services:			
General government	330	-	4
Community development	82	63	20
Roads and infrastructure	41	-	-
Sanitation	-	529	511
Public safety	25	-	7
Parks and recreation	-	26	-
Operating grants and contributions	816	298	199
Capital grants and contributions	1,146	783	429
Total governmental activities program revenues	<u>2,440</u>	<u>1,699</u>	<u>1,170</u>
Business-type activities:			
Charges for services:			
Water utility	1,176	1,439	1,471
Sewer utility	1,623	1,934	1,683
Capital grants and contributions	-	360	38
Total business-type activities program revenues	<u>2,799</u>	<u>3,733</u>	<u>3,192</u>
<b>Total primary government program revenues</b>	<u>5,239</u>	<u>5,432</u>	<u>4,362</u>
<b>Net (Expense)/Revenue:</b>			
Governmental activities	(4,130)	(4,045)	(3,551)
Business-type activities	(903)	(225)	(767)
<b>Total primary government net expense</b>	<u>(5,033)</u>	<u>(4,270)</u>	<u>(4,318)</u>

2014	2015	2016	2017	2018	2019	2020
\$ 830	\$ 775	\$ 962	\$ 969	\$ 873	\$ 1,217	\$ 2,507
242	307	451	410	314	319	510
1,226	1,418	893	906	1,375	1,222	1,337
452	438	-	-	-	-	-
134	83	108	21	501	2,751	1,533
82	39	237	137	113	97	165
1,664	1,713	1,959	1,986	1,917	2,043	2,180
327	534	437	433	404	704	332
4	-	42	78	93	143	120
<u>4,961</u>	<u>5,307</u>	<u>5,089</u>	<u>4,940</u>	<u>5,590</u>	<u>8,496</u>	<u>8,683</u>
1,759	1,808	2,523	1,247	1,793	2,261	2,432
2,481	2,536	3,342	2,737	2,240	3,142	3,348
<u>4,240</u>	<u>4,344</u>	<u>5,865</u>	<u>3,984</u>	<u>4,033</u>	<u>5,403</u>	<u>5,780</u>
<u>9,201</u>	<u>9,651</u>	<u>10,954</u>	<u>8,924</u>	<u>9,623</u>	<u>13,899</u>	<u>14,464</u>
4	22	-	-	-	-	-
22	22	30	-	49	50	52
-	-	-	87	76	28	54
467	469	-	-	-	-	-
7	4	46	2	1	2	7
-	-	5	-	-	-	-
-	686	463	321	285	3,452	3,293
-	2,687	1,994	599	784	531	685
<u>500</u>	<u>3,890</u>	<u>2,538</u>	<u>1,009</u>	<u>1,195</u>	<u>4,063</u>	<u>4,092</u>
1,691	1,826	2,062	2,190	2,379	2,302	2,690
2,480	2,787	2,812	2,696	3,009	2,823	3,885
-	-	-	1,097	-	-	-
<u>4,171</u>	<u>4,613</u>	<u>4,874</u>	<u>5,983</u>	<u>5,388</u>	<u>5,125</u>	<u>6,575</u>
<u>4,671</u>	<u>8,503</u>	<u>7,412</u>	<u>6,992</u>	<u>6,583</u>	<u>9,188</u>	<u>10,667</u>
(4,461)	(1,417)	(2,551)	(3,931)	(4,395)	(4,433)	(4,591)
(69)	269	(991)	1,999	1,355	(278)	794
<u>(4,530)</u>	<u>(1,148)</u>	<u>(3,542)</u>	<u>(1,932)</u>	<u>(3,040)</u>	<u>(4,711)</u>	<u>(3,797)</u>

(continued)

City of Lakeport, California  
 Changes in Net Position, Continued  
 Fiscal year ended June 30 (last ten fiscal years)  
 (Accrual basis of accounting)  
 (In thousands)

	2011	2012	2013
<b>General Revenues and Other Changes</b>			
<b>in Net Position:</b>			
Governmental activities:			
Sales tax	3,753	1,948	2,176
Property taxes	-	835	928
Transient occupancy taxes	-	82	85
Other taxes	300	82	95
Franchise fees	-	132	225
Fines, forfeitures, and penalties	-	-	-
Use of money and property	25	141	194
Other revenues	1,610	405	324
Sale of land held for resale	-	-	-
Transfers in (out)	-	-	-
Extraordinary gain	-	4,181	-
Special items	-	-	-
Total governmental activities	5,688	7,806	4,027
Business-type activities:			
Property taxes	383	369	426
Use of money and property	39	36	41
Other revenues	210	104	645
Transfers in (out)	-	-	-
Total business-type activities	632	509	1,112
<b>Total primary government</b>	6,320	8,315	5,139
<b>Changes in Net Position:</b>			
Governmental activities	1,558	3,761	476
Business-type activities	(271)	284	345
<b>Total primary government</b>	\$ 1,287	\$ 4,045	\$ 821

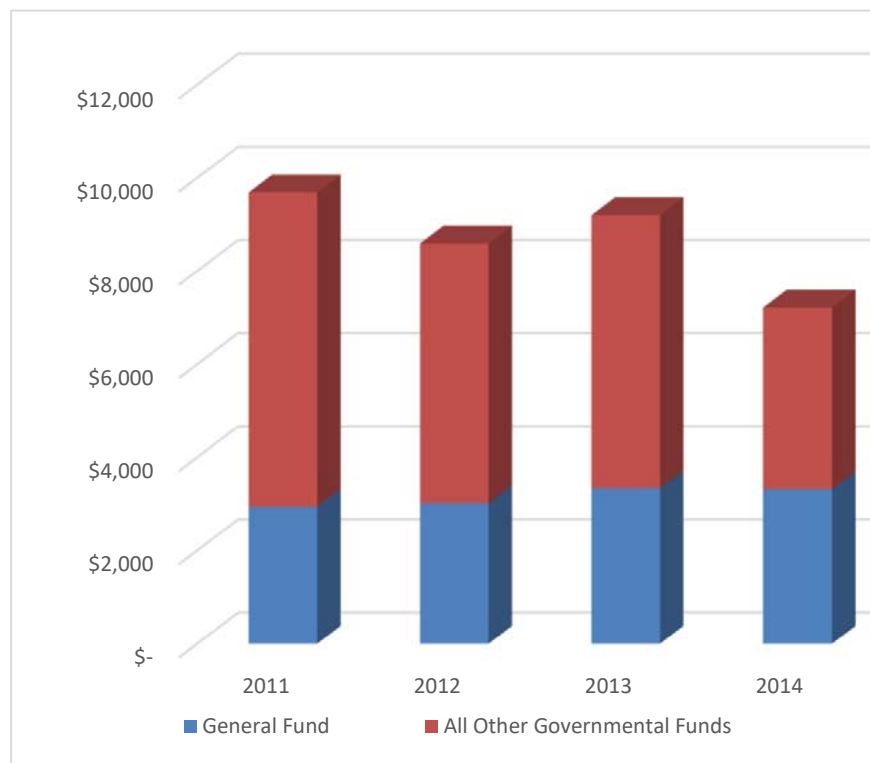
Note: The City implemented Governmental Accounting Standards Board Statement No. 68 and No. 71 (GASB 54 and GASB 71) for fiscal year ended June 30, 2015. The implementation resulted in a prior period adjustment of \$6,305,808 for Governmental activities and \$690,158 for Business-type activities.

2014	2015	2016	2017	2018	2019	2020
2,371	2,039	2,091	2,520	3,384	3,751	3,567
860	852	873	918	932	870	1,106
95	58	200	228	62	198	162
70	92	412	400	653	520	586
277	200	-	-	-	-	-
39	41	-	19	23	27	-
205	299	148	146	54	147	162
97	260	397	146	1,807	935	41
-	-	-	-	-	-	-
(2,418)	-	(33)	193	-	-	-
-	-	-	-	-	-	-
-	-	(1,974)	820	-	-	-
<u>1,596</u>	<u>3,841</u>	<u>2,114</u>	<u>5,390</u>	<u>6,915</u>	<u>6,448</u>	<u>5,624</u>
-	-	310	415	317	290	342
38	41	37	50	49	125	137
-	-	-	-	-	-	-
-	-	33	(15)	-	-	-
<u>38</u>	<u>41</u>	<u>380</u>	<u>450</u>	<u>366</u>	<u>415</u>	<u>479</u>
<u>1,634</u>	<u>3,882</u>	<u>2,494</u>	<u>5,840</u>	<u>7,281</u>	<u>6,863</u>	<u>6,103</u>
(2,865)	2,424	(437)	1,458	2,519	2,015	1,033
(31)	310	(611)	2,448	1,721	137	1,273
<u>\$ (2,896)</u>	<u>\$ 2,734</u>	<u>\$ (1,048)</u>	<u>\$ 3,906</u>	<u>\$ 4,240</u>	<u>\$ 2,152</u>	<u>\$ 2,306</u>

(concluded)

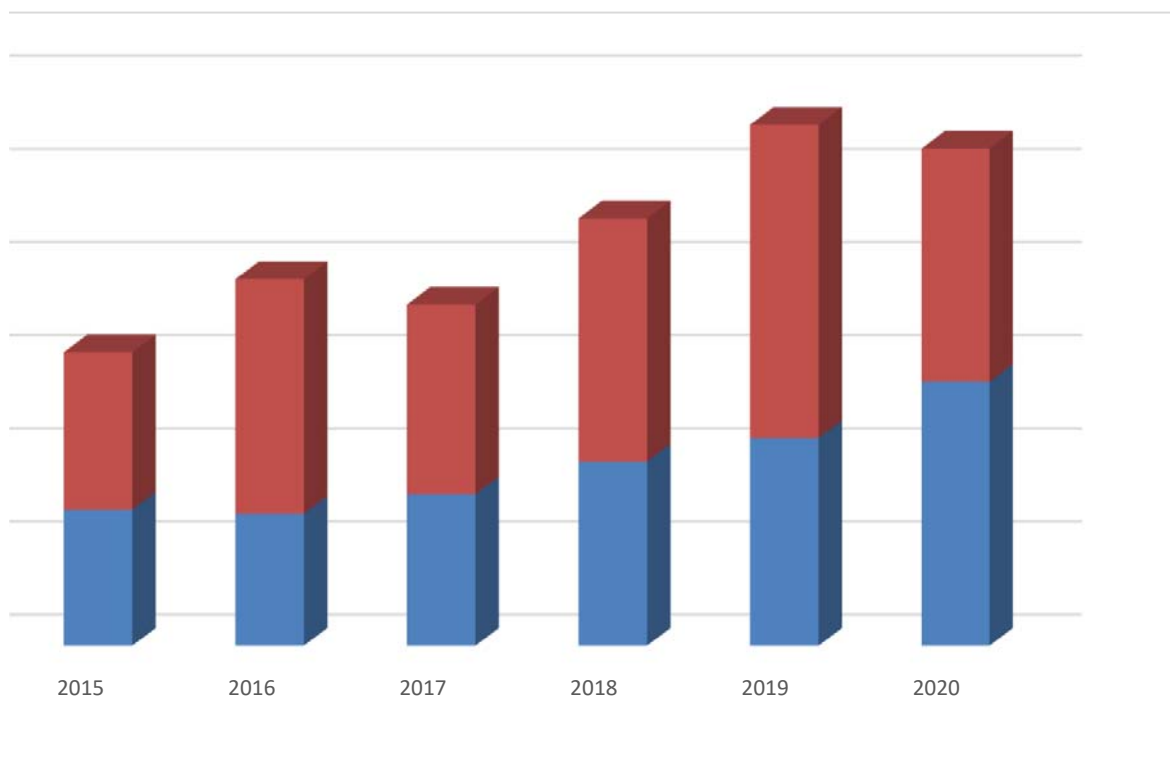
City of Lakeport, California  
Fund Balances of Governmental Funds  
Fiscal year ended June 30 (last ten fiscal years)  
(Modified accrual basis of accounting)  
(In thousands)

	2011	2012	2013
<b>General Fund</b>			
Nonspendable	\$ 408	\$ 1,541	\$ 1,511
Restricted	-	-	-
Committed	-	1,470	-
Assigned	133	-	1,821
Unassigned	2,394	-	-
<b>Total general fund</b>	<u>\$ 2,935</u>	<u>\$ 3,011</u>	<u>\$ 3,332</u>
<b>All Other Governmental Funds</b>			
Nonspendable	\$ 2,404	\$ 2,859	\$ 2,639
Restricted	2,603	2,383	3,237
Committed	-	360	373
Assigned	2,041	297	7
Unassigned	(298)	(321)	(387)
<b>Total all other governmental funds</b>	<u>6,750</u>	<u>5,578</u>	<u>5,869</u>
<b>Total all governmental funds</b>	<u>\$ 9,685</u>	<u>\$ 8,589</u>	<u>\$ 9,201</u>



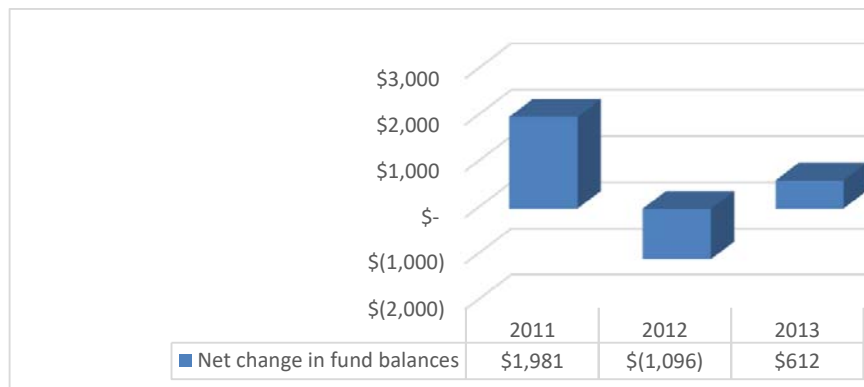
Source: City Finance Department

2014	2015	2016	2017	2018	2019	2020
\$ 1,087	\$ 374	\$ 329	\$ 294	\$ 289	\$ 289	\$ 289
23	14	21	21	10	10	10
182	362	421	421	-	-	-
2,021	2,165	2,062	2,172	3,310	3,310	3,310
-	-	-	337	341	843	2,055
<u>\$ 3,313</u>	<u>\$ 2,915</u>	<u>\$ 2,833</u>	<u>\$ 3,245</u>	<u>\$ 3,951</u>	<u>\$ 4,453</u>	<u>\$ 5,665</u>
\$ 516	\$ -	\$ 3,012	\$ 2,992	\$ 2,623	\$ 2,480	\$ 2,662
3,773	4,165	1,516	1,013	834	1,030	1,170
-	-	-	-	-	-	-
-	427	777	351	2,038	3,479	1,399
(387)	(1,212)	(271)	(281)	(273)	(259)	(224)
<u>3,902</u>	<u>3,380</u>	<u>5,034</u>	<u>4,075</u>	<u>5,223</u>	<u>6,730</u>	<u>5,006</u>
<u>\$ 7,215</u>	<u>\$ 6,295</u>	<u>\$ 7,867</u>	<u>\$ 7,320</u>	<u>\$ 9,175</u>	<u>\$ 9,175</u>	<u>\$ 10,671</u>



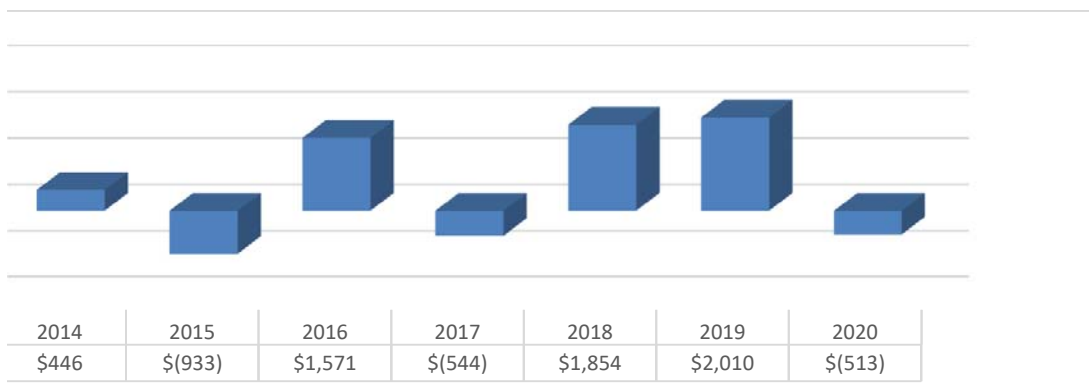
City of Lakeport, California  
 Changes in Fund Balances of Governmental Funds  
 Fiscal year ended June 30 (last ten fiscal years)  
 (Modified accrual basis of accounting)  
 (In thousands)

	2011	2012	2013
<b>Revenues</b>			
Taxes	\$ 3,753	\$ 2,943	\$ 3,285
Licenses, permits, and franchises	271	134	225
Fines and forfeitures	29	29	18
Use of money and property	25	165	194
Intergovernmental revenue	1,407	859	629
Charges for services	477	619	542
Other revenues	1,610	100	305
<b>Total revenues</b>	<b>7,572</b>	<b>4,849</b>	<b>5,198</b>
<b>Expenditures</b>			
Current			
General government	1,557	606	799
Community development	327	268	295
Roads and infrastructure	1,432	833	891
Sanitation	-	421	439
Housing and support programs	174	511	30
Redevelopment/economic development	-	293	23
Public safety	1,645	1,529	1,553
Parks, buildings, and ground	313	292	484
Capital outlay	1,262	192	-
Debt service			
Cost of issuance	-	-	-
Principal retirement	107	168	64
Interest	289	235	8
<b>Total expenditures</b>	<b>7,106</b>	<b>5,348</b>	<b>4,586</b>
<b>Reconciliation of Governmental Revenues</b>			
<b>Less Expenditures to Fund Equity</b>			
Revenues over (under) expenditures	467	(499)	612
Other financing sources (uses):			
Proceeds from sale of capital assets	-	-	-
Proceeds from capital lease	-	-	-
Proceeds from issuance of debt	-	-	-
Payments to PERS side fund	-	-	-
Pass-through obligations	(186)	-	-
SERAF payments	(64)	-	-
Housing loans	2,082	409	-
Extraordinary gain (loss)	-	(1,006)	-
Transfers in	4,719	2,959	146
Transfers out	(5,037)	(2,959)	(146)
<b>Total other financing sources (uses)</b>	<b>1,514</b>	<b>(597)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 1,981</b>	<b>\$ (1,096)</b>	<b>\$ 612</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>7.7%</b>	<b>9.0%</b>	<b>1.8%</b>



Source: City Finance Department

	2014	2015	2016	2017	2018	2019	2020
\$	3,397	\$ 3,045	\$ 3,244	\$ 3,739	\$ 4,463	\$ 4,900	\$ 4,912
	277	283	315	327	567	439	509
	39	41	18	19	23	27	7
	205	299	463	921	1,069	3,983	3,979
	579	686	148	146	54	147	162
	500	517	80	88	126	79	107
	97	174	2,391	146	1,807	935	41
	5,094	5,045	6,659	5,386	8,109	10,510	9,716
	710	856	796	671	901	903	1,160
	244	311	401	410	314	319	510
	948	1,096	737	1,066	1,641	1,678	1,256
	452	438	-	-	-	-	-
	136	83	96	21	156	2,751	1,533
	84	39	211	137	113	97	165
	1,666	1,721	1,784	1,920	1,844	1,946	2,071
	329	536	365	355	323	621	250
	8	931	531	2,388	354	1,027	3,030
	-	-	-	-	-	-	-
	67	-	92	175	171	148	135
	4	-	42	78	93	143	119
	4,648	6,011	5,055	7,221	5,910	9,633	10,229
	446	(966)	1,604	(1,835)	2,199	876	(513)
	-	-	-	3	-	-	-
	-	-	-	-	-	-	-
	-	-	1,974	1,095	-	1,134	-
	-	-	(1,974)	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	(345)	-	-
	-	-	-	-	-	-	-
	39	49	65	760	2,765	129	561
	(39)	(16)	(98)	(567)	(2,765)	(129)	(561)
	-	33	(33)	1,291	(345)	1,134	-
\$	446	\$ (933)	\$ 1,571	\$ (544)	\$ 1,854	\$ 2,010	\$ (513)
	1.7%	0.0%	3.3%	6.0%	5.1%	3.3%	2.9%



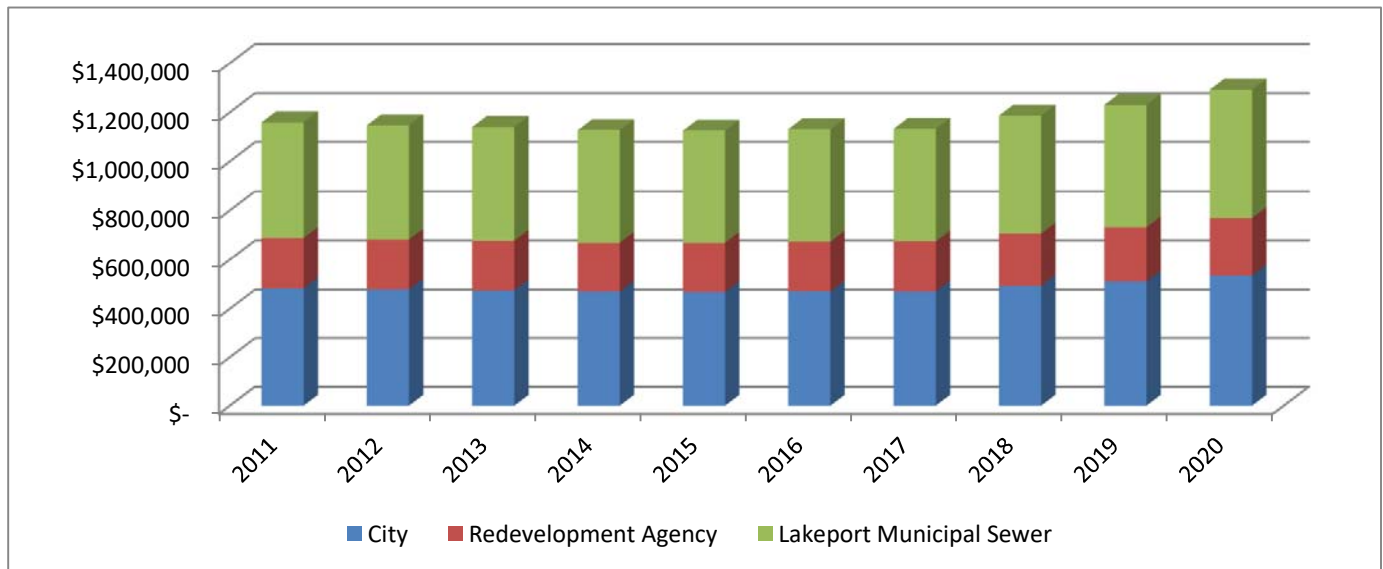


**City of Lakeport, California**  
**Assessed Value and Actual Value of Taxable Property**  
**Fiscal year ended June 30 (last ten fiscal years)**  
**(In thousands)**

Year Ended	City			Redevelopment Agency			Lakeport Municipal Sewer			Total Direct Tax Rate
	Secured Property	Unsecured Property	Taxable Assessed Value	Secured Property	Unsecured Property	Taxable Assessed Value	Secured Property	Unsecured Property	Taxable Assessed Value	
2011	\$ 459,145	\$ 23,783	\$ 482,928	\$ 194,025	\$ 11,772	\$ 205,797	\$ 446,871	\$ 23,674	\$ 470,545	1.000
2012	455,541	22,237	477,778	192,400	11,522	203,922	443,492	22,159	465,651	1.000
2013	452,910	21,527	474,437	191,685	11,425	203,110	441,346	21,454	462,800	1.000
2014	447,317	21,936	469,253	188,055	11,643	199,698	436,127	21,865	457,992	1.000
2015	445,221	22,547	467,768	188,819	12,405	201,224	433,872	22,459	456,331	1.000
2016	449,070	21,098	470,168	190,570	12,008	202,578	437,842	21,020	458,862	1.000
2017	448,318	21,389	469,707	192,454	12,276	204,730	437,231	21,317	458,548	1.000
2018	469,113	23,294	492,407	200,752	12,578	213,330	457,774	23,222	480,996	1.000
2019	486,304	23,876	510,180	208,062	13,157	221,219	474,826	23,807	498,633	1.000
2020	510,692	24,274	534,966	220,476	13,728	234,204	498,296	24,207	522,503	1.000

Note: In 1978, the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed at the time that 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.

Note: As of February 1, 2011, the Lakeport Redevelopment Agency was dissolved by the State of California. Property taxes formerly allocated to the Agency are now done so to satisfy existing debt obligations administered by its successor, the City of Lakeport.



Source: Lake County Auditor-Controller

City of Lakeport, California  
 Direct and Overlapping Tax Rates  
 Fiscal year ended June 30 (last ten fiscal years)  
 (Rate per \$1,000 of assessed value)

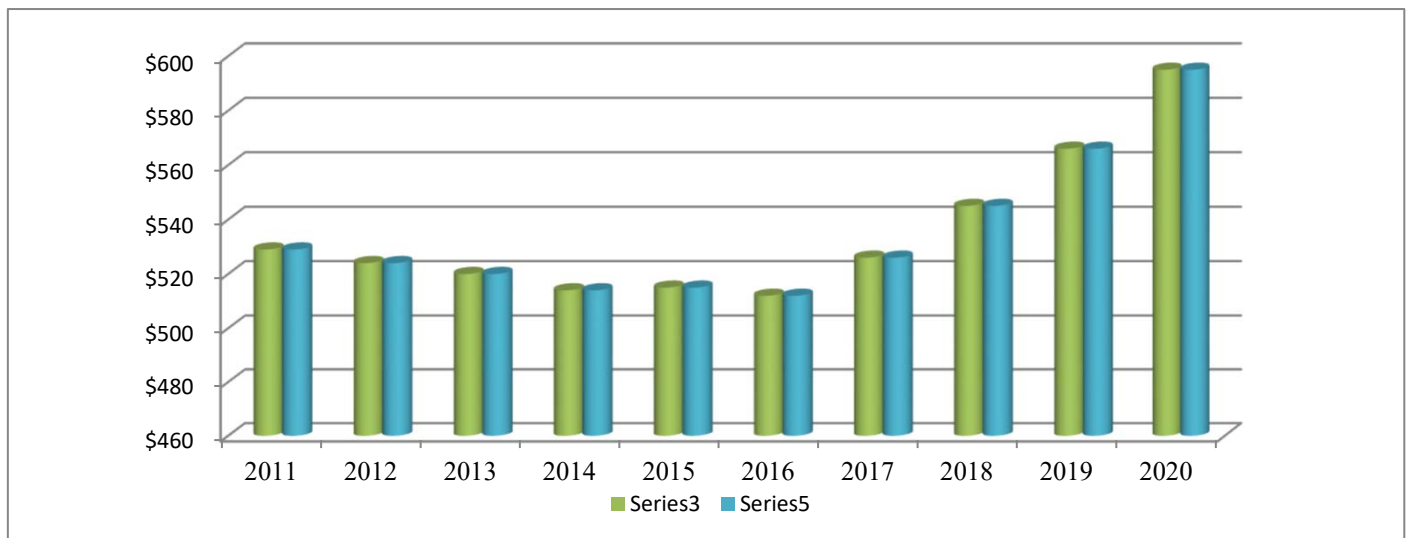
Year Ended	Direct Rates		Overlapping Rates		
	Basic Rate	Total Direct	Lakeport Unified High School Bond	Mendocino Community College	Total Tax Rate
2011	1.00000	1.00000	0.03767	0.02300	1.06067
2012	1.00000	1.00000	0.44340	0.02300	1.46640
2013	1.00000	1.00000	0.04261	0.00977	1.05238
2014	1.00000	1.00000	0.04628	0.02400	1.07028
2015	1.00000	1.00000	0.04464	0.02300	1.06764
2016	1.00000	1.00000	0.11494	0.02500	1.13994
2017	1.00000	1.00000	0.10699	0.02200	1.12899
2018	1.00000	1.00000	0.10867	0.02100	1.12967
2019	1.00000	1.00000	0.09191	0.02100	1.11291
2020	1.00000	1.00000	0.10364	0.02200	1.12564

**Note:** Jurisdictions within Lake County have the authority to tax properties within their jurisdictions. Properties lying within multiple jurisdictions therefore can be assessed by multiple jurisdictions. The overlapping debt statement presents the debt for all jurisdictions with territory overlapping the City. Debt of overlapping jurisdictions is allocated based upon the assessed value of that jurisdiction within City as compared to total assessed value for that jurisdiction. In 1978, California voters passed Proposition 13, which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies whose boundaries include the subject property. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of Kelseyville Unified School Bonds, Lucerne Elementary School Bond, Lake Sanitation Bonds, County Service Area #6, Callayomi Water, Clearlake Oaks Water, Konocti Unified School Bond, Middletown Unified School Bond, Upper Lake High School Bond, Lakeport Unified High School Bonds, Yuba Community College Bonds, and Mendocino Community College.

City of Lakeport, California  
 Property Tax Collections and Levies  
 Fiscal year ended June 30 (last ten fiscal years)  
 (In thousands)

Year Ended	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy			Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy	Amount		Percentage of Levy	
2011	\$ 529	\$ 529	100%	-	\$ 529	100%	
2012	524	524	100%	-	524	100%	
2013	520	520	100%	-	520	100%	
2014	514	514	100%	-	514	100%	
2015	515	515	100%	-	515	100%	
2016	512	512	100%	-	512	100%	
2017	526	526	100%	-	526	100%	
2018	545	545	100%	-	545	100%	
2019	566	566	100%	-	532	100%	
2020	595	595	100%	-	595	100%	

Note: Amounts reported and collected under the Teeter Plan, in which all taxes are distributed to the City in the year of the levy with the County retaining any interest or penalties on uncollected balances.



Source: Lake County Auditor-Controller

City of Lakeport, California  
Principal Property Tax Payers  
Last fiscal year and ten years ago  
(In thousands)

Property Owner	2019-20			2009-10		
	Assessed Valuation	Rank	Percent of Total	Assessed Valuation	Rank	Percent of Total
Safeway, Inc.	\$ 18,878	1	28.90%	\$ -	-	0.00%
Arton, Inc.	6,423	2	9.83%	3,140	6	22.63%
California Aviv, LLC	6,910	3	10.58%	-	-	0.00%
Jeanrenaud Henri & Jeanrenaud Barbara O	6,135	4	9.39%	-	-	0.00%
Lany Lakeport Limited Partnership	6,007	5	9.20%	6,593	1	47.52%
Bruno's Property Management, LLC	6,041	6	9.25%	4,140	4	29.84%
Lakeport Investment LLC	5,150	7	7.88%	-	-	0.00%
Pontus Vault Portfolia LLC	4,098	8	6.27%	-	-	0.00%
Shoreline Mini Storage LLC	3,612	9	5.53%	-	-	0.00%
1 1st Street LLC	2,060	10	3.15%	-	-	0.00%
<b>Total</b>	<b>\$ 65,314</b>		<b>100.00%</b>	<b>\$ 13,873</b>		<b>100.00%</b>

Note: The amounts shown above include assessed value data for both the City and the Redevelopment Agency (RDA). Information prior to the years above was not maintained by the City.

Source: Lake County Auditor-Controller's Office

Source: Lake County Auditor-Controller

# City of Lakeport, California

## Top 25 Principal Sales Tax Remitters (listed alphabetically)

Last fiscal year and previous five years

2020	2019	2018	2017
Big Daddy Garden Supply	Bruno's Foods	Bruno's Foods	Bruno's Foods
Bruno's Foods	Burger King Restaurants	Burger King Restaurants	Burger King Restaurants
Burger King Restaurants	Chevron Service Stations	Chevron Service Stations	Chevron Service Stations
Chevron Service Stations	CVS Pharmacy	CVS Pharmacy	CVS Pharmacy
CVS Pharmacy	Dollar Tree Stores	Dollar Tree Stores	Dollar Tree Stores
Dollar General Stores	Enterprise Rent-A-Car	Eureka Oxygen Company	Express Service Stations
Dollar Tree Stores	Eureka Oxygen Company	Express Service Stations	Grocery Outlet
Eureka Oxygen Company	Express Service Stations	Grocery Outlet	Jimmy's Deli
Express Service Stations	Grocery Outlet	K Mart Stores	K Mart Stores
Grocery Outlet	K Mart Stores	Kentucky Fried Chicken	Kathy Fowler Chevy Pontiac GMC
Kentucky Fried Chicken	Kentucky Fried Chicken	Matt Mazzei Chevrolet	Kathy Fowler Chrysler Jeep Dodge
Lake Parts	Lake Parts	McDonald's Restaurants	Kentucky Fried Chicken
Matt Mazzei Chevrolet	Matt Mazzei Chevrolet	NAPA Auto Parts	Matt Mazzei Chevrolet
McDonald's Restaurants	McDonald's Restaurants	New Trend Wireless	McDonald's Restaurants
O'Reilly Auto Parts	O'Meara Bros. Brewing Company	O'Meara Bros. Brewing Company	NAPA Auto Parts
Plaza Paint	O'Reilly Auto Parts	O'Reilly Auto Parts	O'Reilly Auto Parts
Renee's Café	Park Place Restaurant	Park Place Restaurant	Park Place Restaurant
Round Table Pizza	Renee's Café	Plaza Paint & Supplies of Lakport	Renee's Café
Safeway Stores	Round Table Pizza	Redwood Oil Company	Round Table Pizza
Sears Roebuck & Co.	Safeway Stores	Renee's Café	Safeway Stores
Shell Service Stations	Shell Service Stations	Round Table Pizza	Shell Service Stations
Taco Bell	Taco Bell	Safeway Stores	Taco Bell
US Cellular	US Cellular	Taco Bell	West Lake Auto Center
Verizon Wireless	Verizon Wireless	Tesoro Service Stations	New Trend Wireless
West Lake Auto Center	West Lake Auto Center	West Lake Auto Center	Z Wireless

Note: The lists above include both public and private entities and, therefore, the dollar values have been omitted because the information is not public information. Rankings are determined by the sales dollar volume.

2016	2015	2014	2013
Bruno's Foods	Bruno's Foods	Bruno's Foods	Bruno's Foods
Burger King Restaurants	Burger King Restaurants	Burger King Restaurants	Burger King Restaurants
Chevron Service Stations	Chevron Service Stations	Chevron Service Stations	Chevron Service Stations
CVS Pharmacy	CVS Pharmacy	CVS Pharmacy	CVS Pharmacy
Dollar Tree Stores	Dollar Tree Stores	Dollar Tree Stores	Dollar Tree Stores
Express Service Stations	Express Service Stations	Express Service Stations	Express Service Stations
Grocery Outlet	Grocery Outlet	Grocery Outlet	Grocery Outlet
Hillsdale Honda/Yamaha	Hillsdale Honda/Yamaha	Hillsdale Honda/Yamaha	Hillsdale Honda/Yamaha
K Mart Stores	Jimmy's Deli	K Mart Stores	K Mart Stores
Kathy Fowler Chevy Pontiac GMC	K Mart Stores	Kathy Fowler Chevy Pontiac GMC	Kathy Fowler Chevy Pontiac GMC
Kathy Fowler Chrysler Jeep Dodge	Kathy Fowler Chevy Pontiac GMC	Kathy Fowler Chrysler Jeep Dodge	Kathy Fowler Chrysler Jeep Dodge
Kentucky Fried Chicken	Kathy Fowler Chrysler Jeep Dodge	Mackey Tire Center	Kentucky Fried Chicken
McDonald's Restaurants	Kentucky Fried Chicken	McDonald's Restaurants	Lake Parts
NAPA Auto Parts	McDonald's Restaurants	NAPA Auto Parts	Mackey Tire Center
O'Meara Bros Brewing Restaurant	NAPA Auto Parts	New Trend Cellular	McDonald's Restaurants
O'Reilly Auto Parts	O'Reilly Auto Parts	O'Reilly Auto Parts	New Trend Cellular
Park Place Restaurant	Park Place Restaurant	Park Place Restaurant	O'Reilly Auto Parts
Renee's Café	Renee's Café	Renee's Café	Park Place Restaurant
Round Table Pizza	Round Table Pizza	Round Table Pizza	Renee's Café
Safeway Stores	Safeway Stores	Safeway Stores	Round Table Pizza
Shell Service Stations	Shell Service Stations	Shell Service Stations	Safeway Stores
Taco Bell	Taco Bell	T&T On the Lake Restaurant	T&T On the Lake Restaurant
Tower Mart Service Stations	Tower Mart Service Stations	Taco Bell	Taco Bell
West Lake Auto Center	West Lake Auto Center	Tower Mart Service Stations	Tesoro Service Stations
New Trend Wireless	Z Wireless	West Lake Auto Center	Tower Mart Service Stations

City of Lakeport, California  
Ratios of Outstanding Debt by Type  
Last ten fiscal years

Fiscal Year Ended June 30,	General	Capital	Revenue	Special	Tax	Total
	Obligation Bonds	Leases	Bonds	Assessment Bonds	Alloctaion Bonds	Outstanding Debt
	Governmental Activities:		Business-type Activiites:		Fiduciary Activities:	
2011	-	191,000	6,082,000	4,010,000	5,410,000	15,693,000
2012	88,000	131,000	6,999,000	3,905,000	5,360,000	16,483,000
2013	-	67,000	6,769,000	3,795,000	5,305,000	15,936,000
2014	-	-	7,233,000	3,680,000	5,245,000	16,158,000
2015	-	-	10,250,000	3,560,000	5,185,000	18,995,000
2016	1,882,000	-	8,675,587	3,435,000	5,120,000	19,112,587
2017	2,802,000	-	9,395,000	2,854,000	4,810,000	19,861,000
2018	2,631,000	-	12,638,000	2,800,000	4,655,000	22,724,000
2019	3,652,000	-	15,747,000	2,648,000	4,530,000	25,997,000
2020	3,515,916	-	15,200,500	2,489,000	4,395,000	25,600,416

Note: Information presented is for the Lake County Region, except for population and unemployment data, since separate data is not available for the City of Lakeport.

**Sources:**

- (1) California Department of Finance
- (2) U.S. Department of Commerce Bureau of Economic Analysis
- (3) U.S. Department of Commerce Bureau of Economic Analysis: Personal Income Summary
- (4) Bureau of Labor Statistics
- (5) State of California Employment Development Department Labor Market Information

---



---

<u>Percentage of Personal Income</u>	<u>Population</u>	<u>Debt Per Capita</u>
0.21%	4,622	\$ 3,395
0.20%	4,705	\$ 3,503
0.29%	4,713	\$ 3,381
0.29%	4,807	\$ 3,361
0.26%	4,762	\$ 3,989
0.28%	4,765	\$ 4,011
0.28%	4,786	\$ 4,150
0.28%	4,699	\$ 4,836
0.25%	4,784	\$ 5,434
0.25%	4,677	\$ 5,474



City of Lakeport, California  
Ratios of General Bonded Debt Outstanding  
Last ten fiscal years

Fiscal Year Ended June 30,	General Obligation Bonds <sup>(1)</sup>	Less: Amounts Available in Debt Service Fund <sup>(2)</sup>	Total	Percentage of Estimated Actual Taxable Value of Property <sup>(3)</sup>	Per Capita <sup>(4)</sup>
2011	-	-	-	0.0%	-
2012	-	-	-	0.0%	-
2013	-	-	-	0.0%	-
2014	-	-	-	0.0%	-
2015	-	-	-	0.0%	-
2016	1,882,000	-	1,882,000	0.4%	395
2017	2,802,000	-	2,802,000	0.6%	585
2018	2,631,000	-	2,631,000	0.5%	560
2019	3,652,000	-	3,652,000	0.7%	763
2020	3,515,916	-	3,515,916	0.7%	735

<sup>(1)</sup> This is the general bonded debt of the general fund, net of original issuance discounts and premiums  
<sup>(2)</sup> This is the amount restricted for debt service principal payment  
<sup>(3)</sup> See the Schedule of Assessed Value and the Estimated Actual Value of Taxable Property  
<sup>(4)</sup> Population data can be found in the Schedule of Demographic and Economic Statistics

City of Lakeport, California  
 Direct and Overlapping Debt  
 Fiscal year ended June 30, 2020  
 (In thousands)

2019 Assessed Valuation (in thousands)		\$	534,966
		<u>% Applicable</u>	<u>Debt 6/30/20</u>
<b>Overlapping Tax and Assessment Debt:</b>			
Mendocino-Lake Community College District - GO Bonds		4.70%	\$ 3,393,586
Lakeport Unified School District - GO Bonds		41.55%	7,166,748
2004 Tax Allocation Bonds, Series B		100%	580,000
Successor Agency to the Redevelopment Agency of the City of Lakeport - Series 2016 Tax Allocation Refunding Bonds		100%	3,875,000
Sewer District Improvement Bonds 2017-1		100%	2,489,000
<b>Total overlapping tax and assessment debt</b>			<u>\$ 17,504,334</u>
<b>Direct General Fund Debt:</b>			
Mendocino-Lake Community College District - Capital Lease		4.70%	\$ 12,735
USDA Police Station Bond		100%	1,044,000
City of Lakeport Municipal Financing Authority Lease Revenue Bonds		100%	1,170,000
City of Lakeport Pension Obligation Bonds		100%	1,301,916
<b>Total direct general fund debt</b>			<u>3,528,651</u>
<b>Combined total debt</b>			<u>\$ 21,032,985 <sup>(1)</sup></u>
<b><u>Ratios to 2015-2016 Assessed Valuation:</u></b>			
Total Overlapping Tax and Assessment Debt		3.26%	
Total Combined Debt		4.09%	

<sup>(1)</sup> Excludes tax and revenue anticipation notes, enterprise revenue, and mortgage revenue bonds.

**Note:** The overlapping debt statement presents the debt for all jurisdictions with territory overlapping the City. Debt of overlapping jurisdictions is allocated based upon the assessed value of that jurisdiction within the City as compared to total assessed value for that jurisdiction.

Source: City Finance Department

City of Lakeport, California

Legal Debt Margin Information

Fiscal year ended June 30 (last ten fiscal years)

(In thousands)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Assessed value	\$ 482,928	\$ 477,778	\$ 474,437	\$ 469,253
Conversion percentage	25%	25%	25%	25%
Adjusted assessed value	120,732	119,445	118,609	117,313
Debt limit percentage	15%	15%	15%	15%
Debt limit	18,110	17,917	17,791	17,597
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 18,110</u>	<u>\$ 17,917</u>	<u>\$ 17,791</u>	<u>\$ 17,597</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%

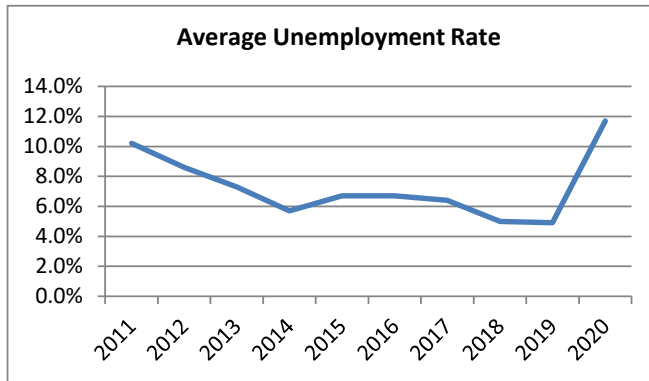
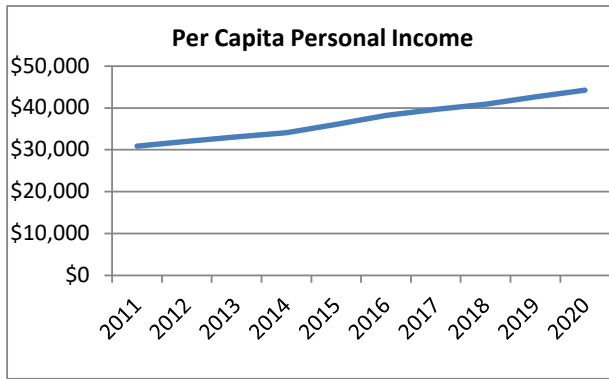
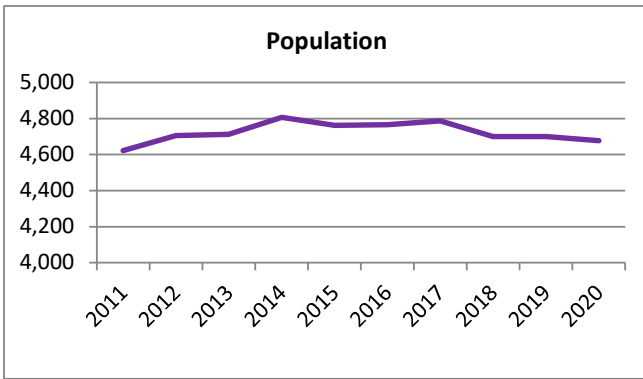
Note: The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed secured tax valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of the assessed value 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 located within the state.

Note: The City does not have any outstanding general obligation debt subject to the limit.

2015	2016	2017	2018	2019	2020
\$ 467,768	\$ 470,168	\$ 469,707	\$ 492,407	\$ 510,180	\$ 534,966
25%	25%	25%	25%	25%	25%
116,942	117,542	117,427	123,102	127,545	133,742
15%	15%	15%	15%	15%	15%
17,541	17,631	17,614	18,465	19,132	20,061
-	-	-	-	-	-
<u>\$ 17,541</u>	<u>\$ 17,631</u>	<u>\$ 17,614</u>	<u>\$ 18,465</u>	<u>\$ 19,132</u>	<u>\$ 20,061</u>
0%	0%	0%	0%	0%	0%

City of Lakeport, California  
 Demographic and Economic Statistics  
 Last ten calendar years

Year	Population <sup>(1)</sup>	Personal Income (in thousands) <sup>(2)</sup>	Per Capita Personal Income <sup>(2)</sup>	Unemployment Rate (%) <sup>(3)</sup>
2011	4,622	1,999,343	30,885	10.2% (4)
2012	4,705	2,059,368	32,052	8.6% (4)
2013	4,713	2,118,095	33,119	7.3% (4)
2014	4,807	2,175,903	34,107	5.7% (4)
2015	4,762	2,310,318	36,074	6.7% (5)
2016	4,765	2,456,491	38,227	6.7% (5)
2017	4,786	2,533,898	39,652	6.4% (5)
2018	4,699	2,662,533	40,911	5.0% (5)
2019	4,699	2,741,990	42,632	4.9% (5)
2020	4,677	2,849,642	44,259	11.7% (5)



Note: Information presented is for the Lake County Region, except for population and unemployment data, since separate data is not available for the City of Lakeport.

**Sources:**

- <sup>(1)</sup> California Department of Finance
- <sup>(2)</sup> U.S. Department of Commerce Bureau of Economic Analysis
- <sup>(3)</sup> U.S. Department of Commerce Bureau of Economic Analysis: Personal Income Summary
- <sup>(4)</sup> Bureau of Labor Statistics
- <sup>(5)</sup> State of California Employment Development Department Labor Market Information

City of Lakeport, California  
Principal Employers  
Current and Ten Years Ago

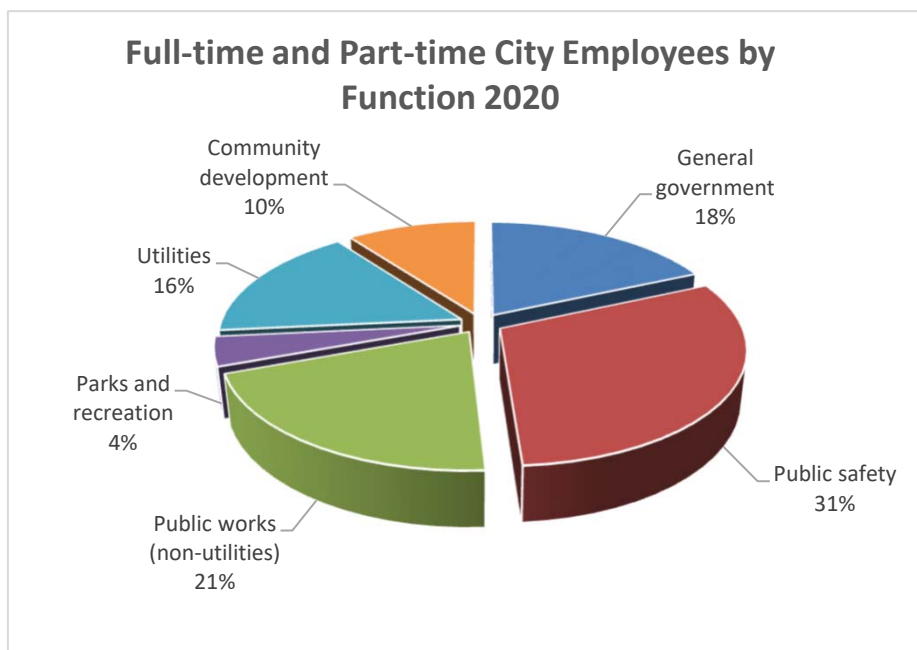
Employer	2019-20			2010-11		
	Employees	Rank	Percent of Top 10 Employment (%)	Employees	Rank	Percent of Top 10 Employment (%)
County of Lake	849	1	20.3%	866	1	25.0%
Adventist Health	693	2	16.6%	358	3	10.3%
St Helena Hospital	569	3	13.6%	450	2	13.0%
Konocti Unified School District	449	4	10.7%	300	7	8.7%
Sutter Lakeside Hospital	403	5	9.6%	249	9	7.2%
Calpine Corp.	280	6	6.7%	352	5	10.2%
Twin Pine Casino	277	7	6.6%	303	6	8.8%
Kelseyville Unified School District	230	8	5.5%			
Safeway	219	9	5.2%			
Wal-Mart	213	10	5.1%			
Shannon Ranches Inc				228	10	6.6%
Robinson Rancheria Resort & Casino				354	4	10.2%
Total	4,182		100.0%	3,460		100.0%

Note: Information presented is for the Lake County Region, Major Lake County Employers, since separate data is not available for the City of Lakeport.

Source: Lake County Marketing Program

City of Lakeport, California  
 Full-time and Part-time City Employees by Function  
 Fiscal year ended June 30 (last ten calendar years)

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government	7	8	9	9	8	6	8	9	9	9
Public safety	17	14	16	15	14	4	12	15	15	15
Public works (non-utilities)	9	9	12	12	7	22	11	10	10	10
Parks and recreation	10	10	13	1	15	4	2	2	2	2
Utilities	9	11	6	6	9	13	7	8	8	8
Community development	9	10	6	4	5	8	4	5	5	5
<b>Total</b>	<b>61</b>	<b>62</b>	<b>62</b>	<b>47</b>	<b>58</b>	<b>57</b>	<b>44</b>	<b>49</b>	<b>49</b>	<b>49</b>



City of Lakeport, California  
 Capital Asset Statistics by Function  
 Fiscal year ended June 30 (last ten fiscal years)

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police :										
Stations	1	1	1	1	1	1	1	1	1	1
Public works:										
Streets (miles)	30	30	30	30	30	30	30	30	30	30
Streetlights	221	221	221	221	221	221	221	221	221	221
Parks and recreation:										
Parks	4	4	4	4	4	4	4	4	4	5
Pools	1	1	1	1	1	1	1	1	1	1
Community centers	0	0	0	0	0	0	0	0	1	1
Water:										
Treatment facilities	2	2	2	2	2	2	2	2	2	2
Sewer:										
Pump stations	9	9	9	9	9	9	9	9	9	9

Source: City Finance Department

Sources: City Police, Community Development, and Public Works departments



City of Lakeport, California

Capital Asset Statistics

Fiscal year ended June 30 (last ten fiscal years)

(In thousands)

	2011	2012	2013
<b>Governmental activities:</b>			
Land	\$ 729	\$ 729	\$ 653
Construction-in-progress	-	-	-
Buildings and structures	2,619	2,619	2,695
Improvements/CIP	4,465	4,475	4,475
Equipment and vehicles	1,533	1,533	1,533
Total	9,346	9,356	9,356
Accumulated depreciation:			
Buildings and structures	1,003	1,055	1,110
Improvements/CIP	641	732	847
Equipment and vehicles	823	998	1,100
Total	2,467	2,785	3,057
<b>Total governmental net capital assets</b>	<b>\$ 6,879</b>	<b>\$ 6,571</b>	<b>\$ 6,299</b>
<b>Business-type activities:</b>			
Land	\$ 1,775	\$ 2,475	\$ 2,475
Construction-in-progress	1,840	1,840	1,840
Buildings and structures	1,840	1,840	1,840
Improvements/CIP	26,222	26,936	27,129
Equipment and vehicles	538	548	552
Total	32,215	33,639	33,836
Accumulated depreciation:			
Buildings and structures	533	570	1,309
Improvements/CIP	11,681	12,457	12,457
Equipment and vehicles	525	534	518
Total	12,739	13,561	14,284
<b>Total business-type net capital assets</b>	<b>\$ 19,476</b>	<b>\$ 20,078</b>	<b>\$ 19,552</b>

2014	2015	2016	2017	2018	2019	2020
\$ 653	\$ 1,653	\$ 1,653	\$ 1,653	\$ 1,653	\$ 1,769	\$ 2,498
-	-	452	452	369	16	270
2,695	5,173	5,240	5,240	5,588	6,500	6,500
4,475	4,697	4,776	4,776	7,428	7,612	10,048
1,566	1,585	1,621	1,621	1,998	2,243	2,313
9,389	13,108	13,742	13,742	17,036	18,140	21,629
1,165	1,284	1,403	1,403	1,675	1,846	2,017
961	1,075	1,201	1,201	1,518	1,714	1,973
1,203	1,305	1,390	1,390	1,547	1,656	1,775
3,329	3,664	3,994	3,994	4,740	5,216	5,765
\$ 6,060	\$ 9,444	\$ 9,748	\$ 9,748	\$ 12,296	\$ 12,924	\$ 15,864
\$ 2,475	\$ 2,475	\$ 2,475	\$ 2,475	\$ 2,475	\$ 2,475	\$ 2,475
1,840	3,129	6,342	6,342	568	1,821	131
1,840	1,840	1,852	1,852	9,955	9,955	9,955
27,593	27,022	27,101	27,101	27,950	28,518	32,269
785	1,444	1,474	1,474	1,609	1,999	2,159
34,533	35,910	39,244	39,244	42,557	43,078	46,989
643	679	716	716	992	1,231	1,552
13,939	14,704	15,468	15,468	17,022	17,817	18,725
529	611	694	694	872	1,008	1,137
15,111	15,994	16,878	16,878	18,886	20,056	21,414
\$ 19,422	\$ 19,916	\$ 22,366	\$ 22,366	\$ 23,671	\$ 23,022	\$ 25,575

*This page intentionally left blank.*