



COMPREHENSIVE ANNUAL
FINANCIAL REPORT
CITY OF LAKEPORT, CALIFORNIA
FISCAL YEAR ENDED JUNE 30, 2019



COMPREHENSIVE ANNUAL FINANCIAL REPORT

City of Lakeport, California
Fiscal Year Ended June 30, 2019

Prepared By
Finance Department
City of Lakeport



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City of Lakeport, California
Comprehensive Annual Financial Report
For the year ended June 30, 2019

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Introductory Section



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MEMORANDUM

DATE: March 2, 2020

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

FROM: City Manager Margaret Silveira

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, 2019, 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, 2019 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 4,806¹ 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 City's permanent retail trade area population is approximately 35,000 people with 45,000 within a 10-mile radius. Lakeport's historic downtown area is the center of commercial activity within the community. There are also commercial areas along Lakeport Boulevard, Parallel Drive, Eleventh Street, North High Street, and South Main Street.

¹ 2019 California Department of Finance, Demographic Research Unit, E-1 Population Estimates for Cities, Counties and the State, January 1, 2019.

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 2018/19

The summer of 2018, the community of Lakeport starred down a wall of fire and survived. This could have been a disastrous year for the city, if not for the local heroes and those that came to the City's aid. The River Fire, which was part of the Mendocino Complex Fire, the largest fire in California history, came to Lakeport's doorstep. The hard working first responders and all of the 50 city employees who stayed and worked during the evacuation of the entire community, responded to the emergency needs and kept the community prepared for the return of our citizens.

The fall brought on the PG&E Public Safety Power Shutoffs (PSPS). Local small business who had been hit hard by the six days of evacuation during the River Fire, were now hit by power shutoffs, one lasting event from some of our struggling small business and for others it was large capital cost of generators to keep their businesses going.

Even with all the events in the summer and fall of 2018 capital projects continued, public safety was enhanced and the city was gifted the Bank of America building for our first community center.

Capital Projects: The city completed three major street projects; a portion of Lakeshore Blvd, Eleventh Street and a portion of South Main Street. Restriping of all the city arterial and collector streets throughout the city and FEMA repairs began on city streets.

Major solar energy projects were completed; solar arrays at the wastewater treatment plant, the water plant and public works yard, police department and at the new community center.

Three portable generators were replaced for lift stations for the PSPS's. Seven aerators were replaced at the wastewater plant. A new website was completed aimed at improving transparency and information access.

Public Safety Programs: The police department purchased four new police cars. One being a SUV for a canine unit was purchased through a USDA Grant and private fundraising, and a new MOU was implemented with County Behavior Department to work within the Lakeport Police Department.

Other accomplishments: A 24 unit affordable housing complex was completed, and the city submitted an application to LAFCO for a large 150 parcel annexation.

Economic Developments. The City was awarded \$400,000 Community Development Block Grant (CDBG) funds for a business loan program and for implementing American’s with Disabilities upgrades at Carnegie Library.

Measure I: Measure I, passed by a simple majority (50% plus 1) of Lakeport voters in November of 2004, is a general (unrestricted) transaction and use tax. A general, unrestricted tax is one that can be used to fund any program, function, service, or project at the discretion of the City Council. It is not a special, restricted tax, which would require approval of two-thirds of the voting public. Measure J, passed in conjunction with Measure I, was a distinctly separate, advisory measure indicating the voting public’s preference for the use of Measure I proceeds.

Each year, the City Council appropriates resources in the amount of revenue expected from Measure I for projects, programs, and activities that are in the spirit of the measure. Below is a schedule of what those were and what resources were allocated to them.

Measure I: Transaction and Use Tax

Measure I, passed by a simple majority (50% plus 1) of Lakeport voters in November of 2004, is a general (unrestricted) transaction and use tax. A general, unrestricted tax is one that can be used to fund any program, function, service, or project at the discretion of the City Council. It is not a special, restricted tax, which would require approval of two-thirds of the voting public. Measure J, passed in conjunction with Measure I, was a distinctly separate, advisory measure indicating the voting public’s preference for the use of Measure I proceeds. The language for the two ballot measure was as follows:

Ballot Measure “I”:

“Shall the City of Lakeport enact a one-half cent sales tax for City facilities, services and programs?”

Advisory Measure “J”:

“If Measure “I” is approved, should the proceeds fund repair and maintenance of City streets, park and community service facilities, and expand public services and programs?”

Estimated Revenue	2019-20				
Measure I: Transaction and Use Tax	\$740,000				
Fiscal Year 2019-20 Recommended Uses and Projects	Cost	General Fund Share	Other Financing Sources	Adopted Measure I Share	Total Funding
General road maintenance & rebuild	\$ 1,781,477	\$ 1,311,077	\$ 470,400	\$ 235,039	\$ 1,781,477
Parks, buildings and grounds	416,299	416,299	-	74,631	416,299
Westshore Pool	4,000	4,000	-	717	4,000
Public Safety - Police	2,460,439	2,396,439	30,000	429,613	2,426,439
	\$4,662,215	\$4,127,815	\$ 500,400	\$ 740,000	\$4,628,215

Measure Z: Measure Z, passed by a simple majority (50% plus 1) of Lakeport voters in November of 2017, is a general (unrestricted) transaction and use tax. A general, unrestricted tax is one that can be used to fund any program, function, service, or project at the discretion of the City Council. It is not a special, restricted tax, which would require approval of two-thirds of the voting public. The measure included a five-member oversight committee which meets quarterly.

Measure Z: Transaction and Use Tax

Measure Z, passed by a simple majority (50% plus 1) of Lakeport voters in November of 20016, is a general (unrestricted) transaction and use tax. A general, unrestricted tax is one that can be used to fund any program, function, service, or project at the discretion of the City Council. It is not a special, restricted tax, which would require approval of two-thirds of the voting public. The language for the ballot measure was as follows:

Ballot Measure "Z":

"LAKEPORT PUBLIC SAFETY/ESSENTIAL CITY SERVICES MEASURE. To maintain/enhance general City services such as: recruiting, hiring, retaining qualified police officers to improve neighborhood patrols/maintain response to property, burglary, violent crimes; paving/repairing local streets/potholes; enhancing business attraction/youth recreational programs; keeping Lakeport's parks/pool safe/clean; shall the City enact a one-cent sales tax until ended by voters, providing about \$1,500,000 annually, requiring independent audits, citizens' oversight, all revenues controlled locally?"

Estimated Revenue	2018-19 Budget	2018-19 Actual
Measure Z: Transaction and Use Tax	\$1,480,000	\$1,540,909
Net Decline in Other Tax and Other Revenue	(130,000)	-
Net Increase from Measure Z	\$1,350,000	\$1,540,909

Maintenance of Services:

Roads and Public Works Salaries Reallocated to General Fund	90,000	90,000
Additional Public Works/ Roads Employee	30,000	17,000
12th Police Officer Position	50,000	-
Police Officer SRO Position	25,000	25,000
Police Salary Increases for Improved Retention	90,000	90,000
Police Operational Costs	145,500	110,000
General Fund Employee and Operations Cost Increases	122,000	122,000
Total Maintenance of Services	552,500	454,000

Measure Z Revenues Available for 18/19 Projects	\$797,500	\$1,086,909
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Fiscal Year 2018-19 Recommended Uses and Projects	Recommended Measure Z Share 2018-19 Budget	Recommended Measure Z Share 2018-19 Actual
2 Police Vehicles	\$ 90,000	\$ 163,854
Pick up Chassis for Road Crew	48,000	46,416
Public Safety Camera System at Library Park	25,000	-
Street Repair Material and In- House Road Improvements	178,500	430,584
Upgraded Tables, Trash Receptacles at Library Park	20,000	19,949
Skip Loader	30,000	22,106
South Main Street Surface Treatment	183,000	154,130
11th Street Surface Treatment	210,000	176,870
South Main Encumbrance / Reserve	13,000	73,000
	\$ 797,500	\$ 1,086,909

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 continues to slowly recover from the Great Recession of 2008-09. The recovery is evidenced by slight improvements in the unemployment rate, consumer spending (through sales tax analysis), building permits, and planning work.

The City’s economic development efforts and implementation of revised financial policies are intended to help to promote Lakeport’s long-term fiscal stability. This was a cornerstone in management’s approach to debt structuring, capital improvement planning, labor negotiations, and service delivery.

According to the State of California; Employment Development Department; Historical Employment and Labor Force Data, during the fiscal year ended June 2019, the City saw the positive employment trends of the last four years continue. As reported by the State Employment Development Department, the local unemployment rate remained stable at 5.1%. This represents the lowest unemployment rate in the past ten years.

Sales and Use taxes, the City’s largest sources of discretionary revenue saw substantial growth which is a result of a recovering economy. Future projections of anticipated growth are relatively flat in upcoming years.

Median home prices decreased slightly to \$284,303 or 5% (according to the California Association of Realtors). Total property taxes decreased slightly.

Overall revenue results for FY 2018-19 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 local 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.

Top Ten Revenues Compared			Percent
General Fund	FY 18/19	FY 17/18	Change
Sales and use tax - Measure Z	\$1,540,909	\$1,351,487	14.0%
Sales tax - Bradley-Burns	1,434,691	1,351,303	6.2%
Sales and use tax - Measure I	775,630	680,789	13.9%
Property tax	443,456	478,094	-7.2%
Property tax in lieu of VLF	426,931	412,059	3.6%
Franchise fees	336,004	256,370	31.1%
Transient occupancy tax (TOT)	197,785	62,124	218.4%
Building Permits	103,905	166,150	-37.5%
Business Licence Tax	81,400	85,816	-5.1%
Plan Review Fees	26,994	75,254	-64.1%
Total	\$5,367,705	\$4,919,446	9.1%

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 the dissolution of the Redevelopment Agency by the State, major 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. This 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



Margaret Silveria
City Manager

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, 2019

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

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





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City Organizational Chart

City Organizational Chart



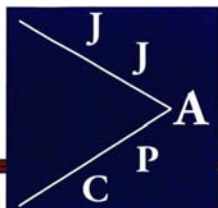


FINANCIAL SECTION

- 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



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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, 2019, 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, 2019, 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 3–19, the Schedule of Changes in the Net OPEB Liability and Ratios on page 102, The Net OPEB Liability Schedule of Contributions on page 103, the City's Schedules of Contributions, Pensions on pages 104, and the Schedules of the City's Proportionate Share of the Net Pension Liability on pages 105, 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 March 2, 2020 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.

March 2, 2020

JJACPA, Inc.
JJACPA, Inc.

City of Lakeport, California
Comprehensive Annual Financial Report
For the year ended June 30, 2019

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, 2019. It should be read in conjunction with the accompanying transmittal letter and basic financial statements.

FINANCIAL HIGHLIGHTS

- The City's Net Position increased \$21.17 million to \$23.2 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 \$11.2 million, an increase of \$2 million in comparison with the prior fiscal year. Approximately 15% of combined fund balance at June 30, 2019, (\$843 thousand) is available for spending at the government's discretion (*unassigned fund balance*). The balance of the General Fund increased \$4 million to \$4.5 million.
- The Budget vs. Actual had a positive variance in the General Fund of \$930 thousand.
- The Water Enterprise Net Position increased \$54 thousand and the Sewer Enterprise Net Position increased \$83 thousand.

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, 2019

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, 2019

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, 2019, the City's major funds are as follows:

Governmental Funds:

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

For the fiscal year ended June 30, 2019, 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 36-37.

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, 2019

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 50–99 of this report. Required Supplementary Information follows the notes on page 102.

Combining and Individual Fund Financial Statements and Schedules

The combining statements referred to earlier in connection with nonmajor governmental funds are presented on pages 110-138 of this report.

City of Lakeport, California
 Comprehensive Annual Financial Report
 For the year ended June 30, 2019

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 \$23,322,696 as of June 30, 2019. The following table represents a comparative analysis of the net position of governmental and business-type activities as of June 30, 2019 and June 30, 2018.

Summary of Net Position

	2019			2018		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 11,992,440	\$ 8,851,040	\$ 20,843,480	\$ 10,096,238	\$ 6,556,549	\$ 16,652,787
Noncurrent assets	13,384,758	24,712,681	38,097,439	12,296,899	23,672,734	35,969,633
Total assets	25,377,198	33,563,721	58,940,919	22,393,137	30,229,283	52,622,420
Deferred outflows of resources	1,178,639	381,319	1,559,958	1,845,249	805,327	2,650,576
Total assets and deferred outflows of resources	26,555,837	33,945,040	60,500,877	24,238,386	31,034,610	55,272,996
Current and other liabilities	944,415	1,230,612	2,175,027	1,166,824	1,170,409	2,337,233
Long-term liabilities	11,457,733	22,289,595	33,747,328	10,106,188	19,070,469	29,176,657
Total liabilities	12,402,148	23,520,207	35,922,355	11,273,012	20,240,878	31,513,890
Deferred inflows of resources	875,008	380,818	1,255,826	1,700,773	886,932	2,587,705
Total liabilities and deferred inflows of resources	13,277,156	23,901,025	37,178,181	12,973,785	21,127,810	34,101,595
Net position:						
Net investment in						
Capital Assets	13,384,758	7,149,800	20,534,558	12,296,899	9,185,934	21,482,833
Restricted	1,040,845	784,742	1,825,587	844,500	784,742	1,629,242
Unrestricted (deficit)	(1,146,922)	2,109,473	962,551	(1,876,798)	(63,876)	(1,940,674)
Total net position	\$ 13,278,681	\$ 10,044,015	\$ 23,322,696	\$ 11,264,601	\$ 9,906,800	\$ 21,171,401

Overall, total Net Position increased by approximately \$2 million, despite the issuance of \$5.3 million in new bonds for the solar and energy efficiency projects, primarily due to investments in capital assets. While the net pension and OPEB liabilities remained relatively stable the associated deferred inflows and outflows decreased significantly due to schedule amortizations of balances and minimized plan generated balances. The city significantly improved its cash position. Primarily caused by the collection of an additional \$1 million in insurance proceeds for a large claim on damages caused by the 2017 Winter Storms.

City of Lakeport, California
Comprehensive Annual Financial Report
For the year ended June 30, 2019

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

A large portion (88%) of the City of Lakeport's net position reflect its investment in capital assets (e.g., land, easements, buildings, machinery, and infrastructure); less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens; consequently, these assets are not available for future spending. Although the City of Lakeport's investment in its capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Unrestricted Net Position increased \$2.9 million over the previous year. The increase in unrestricted Net Position is primarily due to the receipt of bond proceeds for the solar and energy efficiency projects that were not disbursed at year end.

City of Lakeport, California
 Comprehensive Annual Financial Report
 For the year ended June 30, 2019

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

The change in net position for the fiscal years ended June 30, 2019, and 2018, follows:

	Changes in Net Position					
	2019			2018		
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 79,384	\$ 5,125,316	\$ 5,204,700	\$ 126,097	\$ 5,387,698	\$ 5,513,795
Grants and contributions:						
Operating	3,452,149	-	3,452,149	285,277	-	285,277
Capital	530,770	-	530,770	784,112	-	784,112
General revenues:						
Sales taxes	3,751,230	-	3,751,230	3,383,579	-	3,383,579
Property taxes	869,506	290,086	1,159,592	931,679	316,863	1,248,542
Transient and other taxes	197,785	-	197,785	62,124	-	62,124
Licenses and franchises	520,443	-	520,443	652,736	-	652,736
Fines, forfeitures and penalties	27,107	-	27,107	22,824	-	22,824
Use of money and property	146,691	125,160	271,851	53,819	48,773	102,592
Other revenues	934,749	-	934,749	1,807,367	-	1,807,367
Total revenues	<u>10,509,814</u>	<u>5,540,562</u>	<u>16,050,376</u>	<u>8,109,614</u>	<u>5,753,334</u>	<u>13,862,948</u>
Expenses:						
Governmental activities:						
General government	1,217,094	-	1,217,094	873,488	-	873,488
Community development	319,286	-	319,286	313,505	-	313,505
Roads and infrastructure	1,221,717	-	1,221,717	1,374,901	-	1,374,901
Housing and support programs	2,750,724	-	2,750,724	500,861	-	500,861
Economic development	97,186	-	97,186	113,257	-	113,257
Public safety	2,042,734	-	2,042,734	1,917,400	-	1,917,400
Parks, buildings, and grounds	704,434	-	704,434	403,719	-	403,719
Interest and fiscal charges	142,559	-	142,559	93,234	-	93,234
Business-type activities:						
Water	-	2,261,177	2,261,177	-	1,792,625	1,792,625
Sewer	-	3,142,170	3,142,170	-	2,239,698	2,239,698
Total expenses	<u>8,495,734</u>	<u>5,403,347</u>	<u>13,899,081</u>	<u>5,590,365</u>	<u>4,032,323</u>	<u>9,622,688</u>
Excess (Deficiency) of revenues over expenditures before transfers	2,014,080	137,215	2,151,295	2,519,249	1,721,011	4,240,260
Net position:						
Beginning of year	11,264,601	9,906,800	21,171,401	11,819,511	9,388,034	21,207,545
Adjustments	-	-	-	(3,074,159)	(1,202,245)	(4,276,404)
Beginning, as adjusted	<u>11,264,601</u>	<u>9,906,800</u>	<u>21,171,401</u>	<u>8,745,352</u>	<u>8,185,789</u>	<u>16,931,141</u>
End of year	<u>\$ 13,278,681</u>	<u>\$ 10,044,015</u>	<u>\$ 23,322,696</u>	<u>\$ 11,264,601</u>	<u>\$ 9,906,800</u>	<u>\$ 21,171,401</u>

City of Lakeport, California
Comprehensive Annual Financial Report
For the year ended June 30, 2019

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Revenues

The City's total revenues for governmental and business-type activities were \$16,050,376 for the fiscal year ended June 30, 2019, which represents a 16% increase over the previous fiscal year. Significant revenues for the City for fiscal year 2018/19 were derived from charges for services (32%) operating grants and contributions (22%), sales and use tax (23%) and property tax (7%).

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

- 1. Charges for Services.** Charges for Services decreased approximately 5% which is a considered a normal fluctuation of charges for services consisting entirely of usage of water, sewer and solid waste.
- 2. Grants and Contributions.** Annual receipts increased approximately \$3.1 million as the City received a large HOME grant for the development of low-income housing.
- 3. Sales and Use Tax.** Sales and use taxes increased by \$367k or 11% entirely made up of expanding sales and use tax base resulting from a strong economy.
- 4. Property Tax.** Property taxes remained relatively stable over the prior year as a result of a somewhat stagnant housing market.

City of Lakeport, California
Comprehensive Annual Financial Report
For the year ended June 30, 2019

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 \$13,899,081 which represents a 46% increase over the previous fiscal year. Governmental activity expenses totaled \$8,495,734 or 61% of total expenses. Housing and support program costs represented (32%) of total governmental activities expenses, followed by public safety (23%) and roads and infrastructure (14%). Business-type activities incurred \$5,403,347 of expenses during the fiscal year or 39% of the total City expenses.

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

1. **Housing and support programs.** The City incurred an additional \$2.2 million in 2018/19 for costs associated with the construction of a new low-income housing apartment complex.
2. **Public Safety.** Expenses increased \$125k or 6% as a result of increases to personnel related costs.
3. **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.
4. **Water Enterprise.** Expenses increased \$468k or 26% due to increases to personnel and pension related costs. The majority of this increase is pension expense which can fluctuate significantly for year to year.
5. **Sewer Enterprise.** Expenses increased \$902k or 40% due to increases to personnel and pension related costs. The majority of this increase is pension expense which can fluctuate significantly for year to year.

City of Lakeport, California
 Comprehensive Annual Financial Report
 For the year ended June 30, 2019

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, 2019, and 2018, are as follows:

	2019		2018	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 1,217,094	\$ 670,132	\$ 873,488	\$ 736,487
Community development	319,286	268,872	313,505	223,426
Roads and infrastructure	1,221,717	544,314	1,374,901	441,787
Housing and support programs	2,750,724	16,256	500,861	500,861
Economic development	97,186	76,271	113,257	113,257
Public safety	2,042,734	2,010,593	1,917,400	1,882,108
Parks, buildings, and grounds	704,434	704,434	403,719	403,719
Interest and fiscal charges	142,559	142,559	93,234	93,234
Total	<u>\$ 8,495,734</u>	<u>\$ 4,433,431</u>	<u>\$ 5,590,365</u>	<u>\$ 4,394,879</u>

City of Lakeport, California
 Comprehensive Annual Financial Report
 For the year ended June 30, 2019

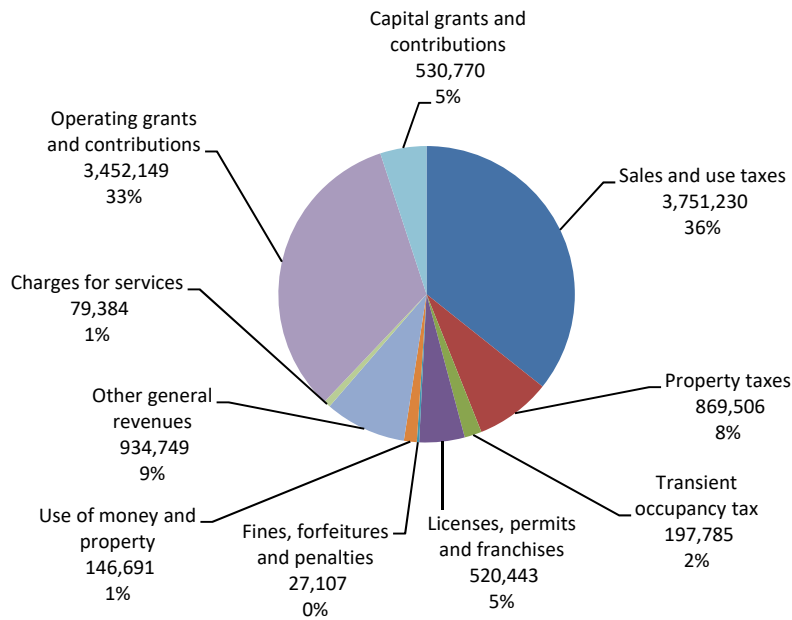
Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

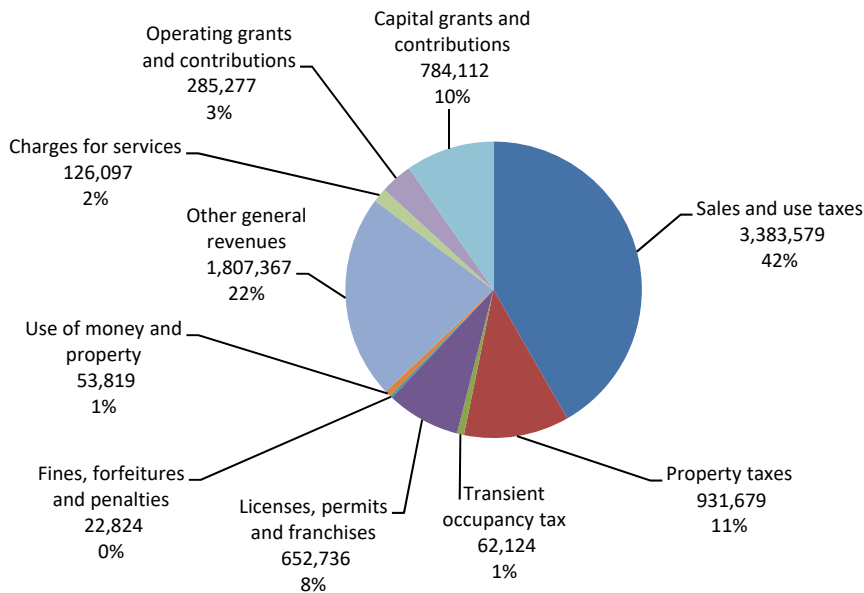
Governmental Activities, Continued

Revenues by source for the fiscal years ended June 30, 2019, and 2018, are as follows:

Revenues by Source - Governmental Activities 2018



Revenues by Source - Governmental Activities 2018



City of Lakeport, California
Comprehensive Annual Financial Report
For the year ended June 30, 2019

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Business-type Activities

Business-type activities increased the City's net position by \$137,215. 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.

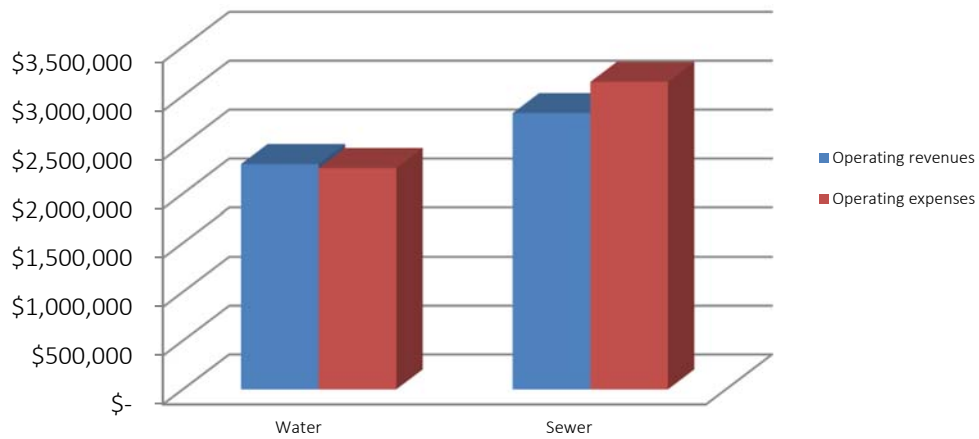
City of Lakeport, California
 Comprehensive Annual Financial Report
 For the year ended June 30, 2019

Management's Discussion and Analysis, Continued

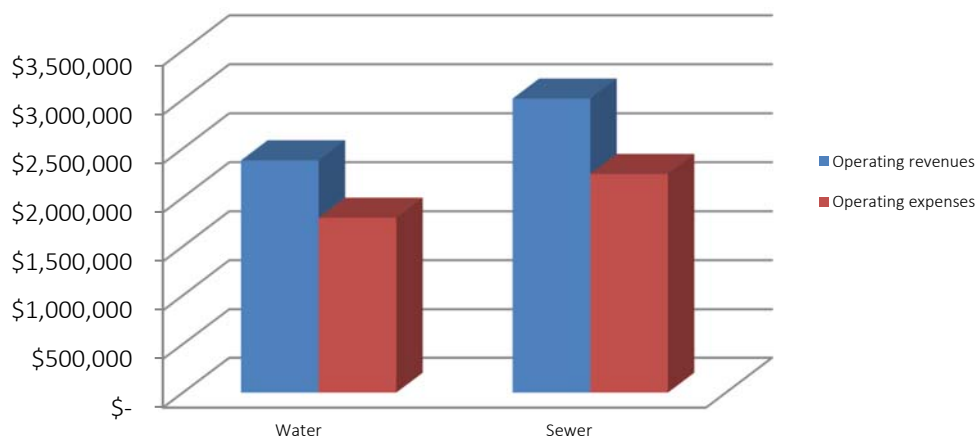
GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Business-type Activities, Continued

Operating Revenues and Expenses
 Business-type Activities
 2019



Operating Revenues and Expenses
 Business-type Activities
 2018



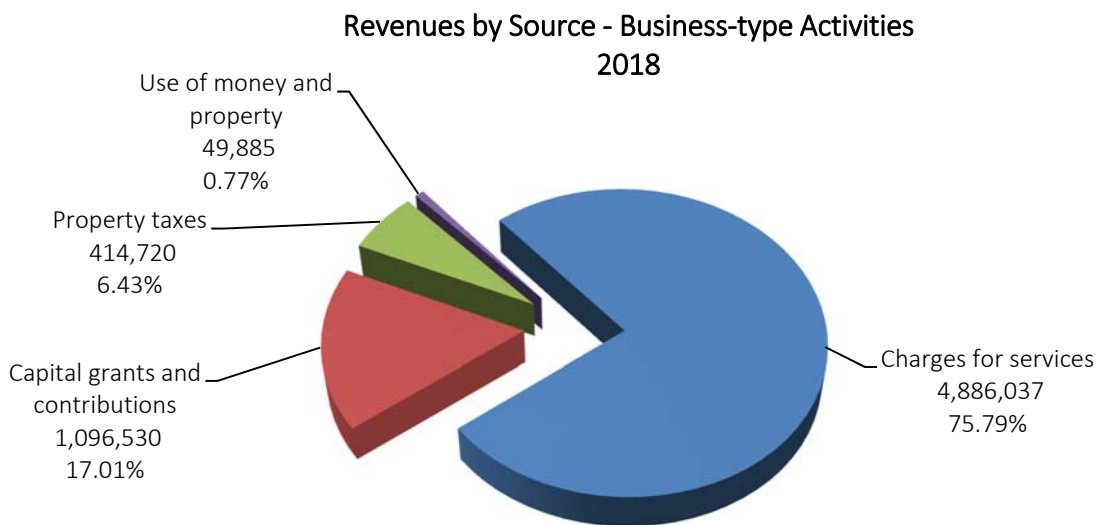
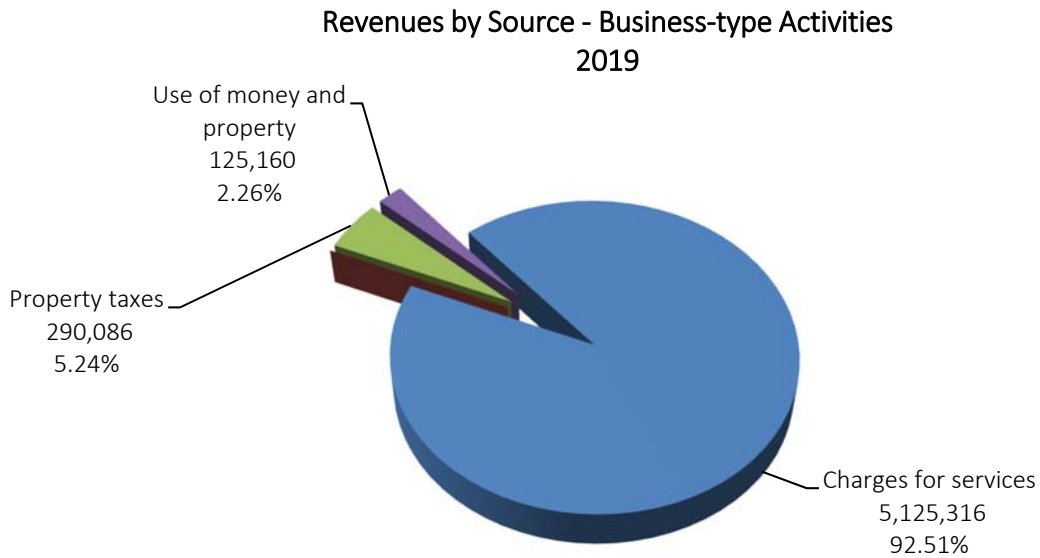
City of Lakeport, California
Comprehensive Annual Financial Report
For the year ended June 30, 2019

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, 2019, and 2018, are as follows:



City of Lakeport, California
Comprehensive Annual Financial Report
For the year ended June 30, 2019

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, 2019, the City's governmental funds reported combined fund balances of \$11,184,098. This is an increase of \$2 million from last year.

The General Fund is the chief operating fund of the City. At the fiscal year ended June 30, 2019, General Fund unassigned fund balance totaled \$842,769. Total governmental fund balance increased \$2 million from the prior year. The increase results from insurance proceeds received on a claim filed for damages incurred during the 2017 Winter Storms flood event and proceeds from bonds issued for solar and energy efficiency upgrade projects.

Proprietary funds. Further detail on the change in net position may be found in the section titled **Business-type Activities** on page 14.

Budgetary Highlights

General Fund

The difference between the final budget and actual revenues differs favorably by \$930,540. Expenditures were held below budget by \$1 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, 2019

Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Capital Assets

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Land	\$ 1,769,145	\$ 1,652,983	\$ 2,475,403	\$ 2,475,403	\$ 4,244,548	\$ 4,128,386
Construction in progress	475,750	369,052	1,820,865	568,217	2,296,615	937,269
Buildings and improvements	4,654,217	3,913,444	8,724,314	8,963,637	13,378,531	12,877,081
Improvements	5,898,247	5,909,935	10,701,124	10,927,915	16,599,371	16,837,850
Vehicles and equipment	587,399	451,485	990,975	737,562	1,578,374	1,189,047
Total	\$ 13,384,758	\$ 12,296,899	\$ 24,712,681	\$ 23,672,734	\$ 38,097,439	\$ 35,969,633

Significant increases to Capital Assets are primarily Construction in progress 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 55 for significant accounting policies and Note 7 on Page 70 for other capital asset information.

Debt Administration

For the year ended June 30, 2019, the City issued \$5.3 million in new bonds for the solar and energy efficiency projects.

Economic Outlook

At the time of budget preparation for FY 209/20, the economic outlook for the City continued to be stable. The General Fund Budget for FY 209/20 of approximately \$6 million was adopted in June of 2019. Particularly positive revenue categories are charges for services and sales and use tax which have shown slow but steady growth over the past three years.

The FY 2019/20 budget continues the practice of conservative revenue estimates, especially in the General Fund. Overall, the FY 2019/20 Adopted Budget anticipates modest increases in most revenues.

City of Lakeport, California
Comprehensive Annual Financial Report
For the year ended June 30, 2019

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. 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



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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.

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City of Lakeport, California
Statement of Net Position
June 30, 2019

ASSETS	Governmental Activities	Business-type Activities	Total
Cash and investments	\$ 8,310,016	\$ 7,325,602	\$ 15,635,618
Restricted cash and investments	22,588	582,868	605,456
Receivables:			
Accounts	1,179,713	810,122	1,989,835
Loans/Notes receivable	2,480,123	132,448	2,612,571
Total current assets	11,992,440	8,851,040	20,843,480
Capital assets:			
Nondepreciable	2,244,895	4,296,268	6,541,163
Depreciable	11,139,863	20,416,413	31,556,276
Total noncurrent assets	13,384,758	24,712,681	38,097,439
Total assets	25,377,198	33,563,721	58,940,919
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan	1,105,420	351,885	1,457,305
OPEB	73,219	29,434	102,653
Total deferred outflows of resources	1,178,639	381,319	1,559,958
Total assets and deferred outflows	\$ 26,555,837	\$ 33,945,040	\$ 60,500,877
LIABILITIES			
Accounts payable	748,197	356,790	1,104,987
Accrued payroll liabilities	28,309	16,173	44,482
Other liabilities	9,377	107,722	117,099
Deposits payable	-	71,483	71,483
Compensated absences - current portion	80,396	8,574	88,970
Due within one year	78,136	669,870	748,006
Total current liabilities	944,415	1,230,612	2,175,027
Long-term liabilities:			
Compensated absences	219,871	206,893	426,764
Due after one year	3,538,565	17,763,681	21,302,246
Net OPEB obligation	3,846,596	1,546,342	5,392,938
Net pension liability	3,852,701	2,772,679	6,625,380
Total noncurrent liabilities	11,457,733	22,289,595	33,747,328
Total liabilities	12,402,148	23,520,207	35,922,355
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - Business license tax	22,459	-	22,459
Pension Plan	852,549	380,818	1,233,367
Total deferred inflows of resources	875,008	380,818	1,255,826
NET POSITION			
Net investment in capital assets	13,384,758	7,149,800	20,534,558
Restricted for:			
Law enforcement	202,781	-	202,781
Housing programs	289,450	-	289,450
Transportation infrastructure	548,614	-	548,614
Debt service	-	373,231	373,231
Assessment district	-	316,610	316,610
Depreciation reserve	-	94,901	94,901
Unrestricted (deficit)	(1,146,922)	2,109,473	962,551
Total net position	13,278,681	10,044,015	23,322,696
Total liabilities, deferred inflows and net position	\$ 26,555,837	\$ 33,945,040	\$ 60,500,877

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, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 1,217,094	\$ -	\$ 546,962	\$ -
Community development	319,286	50,054	-	360
Roads and infrastructure	1,221,717	27,768	119,225	530,410
Housing and support programs	2,750,724	-	2,734,468	-
Economic development	97,186	-	20,915	-
Public safety	2,042,734	1,562	30,579	-
Parks, buildings and grounds	704,434	-	-	-
Interest and fiscal charges	142,559	-	-	-
Total governmental activities	8,495,734	79,384	3,452,149	530,770
Business-type activities:				
Water	2,261,177	2,302,278	-	-
Sewer	3,142,170	2,823,038	-	-
Total business-type activities	5,403,347	5,125,316	-	-
Total primary government	\$ 13,899,081	\$ 5,204,700	\$ 3,452,149	\$ 530,770

General revenues:

Taxes:

- Sales and use taxes
- Property taxes, levied for general purposes
- Transient occupancy tax, levied for general purposes
- Licenses, permits and franchises
- Fines, forfeitures and penalties

Use of money and property

Other general revenues

Total general revenues

Change in net position

Net position:

- Beginning of year
- Adjustments
- Beginning, as adjusted
- 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>
\$ (670,132)	\$ -	\$ (670,132)
(268,872)	-	(268,872)
(544,314)	-	(544,314)
(16,256)	-	(16,256)
(76,271)	-	(76,271)
(2,010,593)	-	(2,010,593)
(704,434)	-	(704,434)
(142,559)	-	(142,559)
(4,433,431)	-	(4,433,431)
-	41,101	41,101
-	(319,132)	(319,132)
-	(278,031)	(278,031)
(4,433,431)	(278,031)	(4,711,462)
3,751,230	-	3,751,230
869,506	290,086	1,159,592
197,785	-	197,785
520,443	-	520,443
27,107	-	27,107
146,691	125,160	271,851
934,749	-	934,749
6,447,511	415,246	6,862,757
2,014,080	137,215	2,151,295
11,264,601	9,906,800	21,171,401
-	-	-
11,264,601	9,906,800	21,171,401
\$ 13,278,681	\$ 10,044,015	\$ 23,322,696

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**FUND FINANCIAL STATEMENTS
MAJOR FUNDS**

Fund	Description
General Fund	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.
HOME Grant 2017 Special Revenue	Fund to track HOME grant funding and expenditures for the construction of a 26 unit low income family housing complex.
2017 Storm Capital Projects	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, 2019

	Major Funds		
	General Fund	HOME Grant 2017 Special Revenue	2017 Storm Capital Projects
ASSETS			
Cash and investments	\$ 3,478,127	283,109	\$ 2,609,334
Restricted cash and investments	22,588	-	-
Receivables:			
Taxes	87,156	-	-
Intergovernmental	-	36,405	-
Loans/Notes receivable	-	-	-
Other receivable	1,037,060	-	-
Due from other funds	19,820	-	-
Advances to other funds	289,481	-	-
Total assets	\$ 4,934,232	\$ 319,514	\$ 2,609,334
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 420,995	318,110	\$ 3,414
Accrued payroll liabilities	28,309	-	-
Due to other funds	-	-	-
Interest payable	9,377	-	-
Advances from other funds	-	-	-
Total liabilities	458,681	318,110	3,414
Deferred inflows of resources:			
Unavailable revenue - Business license taxes	22,459	-	-
Total deferred inflows of resources:	22,459	-	-
Total Liabilities and deferred inflows	481,140	318,110	3,414
Fund balances:			
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	-	2,605,920
General reserves	1,199,455	-	-
Housing and community programs	-	1,404	-
Debt service reserve	111,000	-	-
Unassigned (deficit)	842,769	-	-
Total fund balances	4,453,092	1,404	2,605,920
Total liabilities, deferred inflows and fund balances	\$ 4,934,232	\$ 319,514	\$ 2,609,334

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

Nonmajor Governmental Funds		Totals	
\$	1,939,446	\$	8,310,016
	-		22,588
	-		87,156
	19,092		55,497
	2,480,123		2,480,123
	-		1,037,060
	-		19,820
	-		289,481
\$	4,438,661	\$	12,301,741

\$	5,678	\$	748,197
	-		28,309
	19,820		19,820
	-		9,377
	289,481		289,481
	314,979		1,095,184

	-		22,459
	-		22,459
	314,979		1,117,643

	-		289,481
	2,480,123		2,480,123
	192,394		202,781
	289,450		289,450
	548,614		548,614
	832,365		5,438,285
	-		1,199,455
	39,447		40,851
			111,000
	(258,711)		584,058
	4,123,682		11,184,098
\$	4,438,661	\$	12,301,741

City of Lakeport, California
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position
 June 30, 2019

Total fund balances - total governmental funds \$ 11,184,098

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. 13,384,758

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	\$ (300,267)	
Pension obligation bonds	(3,616,701)	
Net OPEB obligation	(3,846,596)	
Net pension liability	<u>(3,852,701)</u>	(11,616,265)

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

Deferred outflows - pensions	1,105,420	
Deferred outflows - OPEB	73,219	
Deferred inflows - pensions	<u>(852,549)</u>	326,090

Net Position of governmental activities \$ 13,278,681

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, 2019

	Governmental Funds Balance Sheet	Reclassifications	Changes in GAAP	Internal Services Balances	Statement of Net Position
ASSETS					
Current assets:					
Cash and investments	\$ 8,310,016	\$ -	\$ -	\$ -	\$ 8,310,016
Restricted cash and investments	22,588	-	-	-	22,588
Receivables:					
Taxes	87,156	-	-	-	87,156
Interest	-	-	-	-	-
Intergovernmental	55,497	-	-	-	55,497
Loans/Notes receivable	2,480,123	-	-	-	2,480,123
Other receivable	1,037,060	-	-	-	1,037,060
Due from other funds	19,820	(19,820)	-	-	-
Advances to other funds	289,481	(289,481)	-	-	-
Total current assets	<u>12,301,741</u>	<u>(309,301)</u>	<u>-</u>	<u>-</u>	<u>11,992,440</u>
Noncurrent assets:					
Capital assets, net	-	-	13,384,758	-	13,384,758
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>13,384,758</u>	<u>-</u>	<u>13,384,758</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension plan	-	-	1,105,420	-	1,105,420
OPEB	-	-	73,219	-	73,219
Total assets and deferred outflows of resources	<u>\$ 12,301,741</u>	<u>\$ (309,301)</u>	<u>\$ 14,563,397</u>	<u>\$ -</u>	<u>\$ 26,555,837</u>
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 748,197	\$ -	\$ -	\$ -	\$ 748,197
Accrued payroll liabilities	28,309	-	-	-	28,309
Due to other funds	19,820	(19,820)	-	-	-
Advances from other funds	289,481	(289,481)	-	-	-
Compensated absences - current portion	-	-	80,396	-	80,396
Due within one year	-	-	78,136	-	78,136
Total current liabilities	<u>1,095,184</u>	<u>(309,301)</u>	<u>158,532</u>	<u>-</u>	<u>944,415</u>
Noncurrent liabilities:					
Long-term liabilities:					
Compensated absences	-	-	219,871	-	219,871
Due after one year	-	-	3,538,565	-	3,538,565
Net OPEB obligation	-	-	3,846,596	-	3,846,596
Net pension liability	-	-	3,852,701	-	3,852,701
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>11,457,733</u>	<u>-</u>	<u>11,457,733</u>
Total liabilities	<u>1,095,184</u>	<u>(309,301)</u>	<u>11,616,265</u>	<u>-</u>	<u>12,402,148</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	22,459	-	-	-	22,459
Pension Plan	-	-	852,549	-	852,549
Total liabilities and deferred inflows:	<u>1,117,643</u>	<u>(309,301)</u>	<u>12,468,814</u>	<u>-</u>	<u>13,277,156</u>
FUND BALANCES/NET POSITION					
Fund balances:					
Nonspendable	2,769,604	(2,769,604)	-	-	-
Restricted	1,040,845	(1,040,845)	-	-	-
Committed	-	-	-	-	-
Assigned	6,789,591	(6,789,591)	-	-	-
Unassigned (deficit)	584,058	(584,058)	-	-	-
Net position:					
Net investment in capital assets	-	-	13,384,758	-	13,384,758
Restricted	-	-	1,040,845	-	1,040,845
Unrestricted	-	11,184,098	(12,331,020)	-	(1,146,922)
Total fund balances/net position	<u>11,184,098</u>	<u>-</u>	<u>2,094,583</u>	<u>-</u>	<u>13,278,681</u>
Total liabilities, deferred inflows and net position	<u>\$ 12,301,741</u>	<u>\$ (309,301)</u>	<u>\$ 14,563,397</u>	<u>\$ -</u>	<u>\$ 26,555,837</u>

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, 2019

	Major Funds				Totals
	General Fund	HOME Grant 2017 Special Revenue	2017 Storm Capital Projects	Other Governmental Funds	
REVENUES:					
Taxes:					
Sales	\$ 3,751,230	\$ -	\$ -	\$ -	\$ 3,751,230
Property	869,506	-	-	-	869,506
Transient occupancy	197,785	-	-	-	197,785
Business license	81,400	-	-	-	81,400
Other taxes	-	-	-	-	-
Licenses, permits and franchises	439,043	-	-	-	439,043
Fines, forfeitures and penalties	27,107	-	-	-	27,107
Intergovernmental	546,962	2,734,468	9,789	691,700	3,982,919
Use of money and property	117,880	1,464	-	27,347	146,691
Charges for services	79,384	-	-	-	79,384
Other revenues	148,034	-	786,715	-	934,749
Total revenues	6,258,331	2,735,932	796,504	719,047	10,509,814
EXPENDITURES:					
Current:					
General government:					
Council	87,431	-	-	-	87,431
Administration	259,217	-	-	-	259,217
Attorney	95,491	-	-	-	95,491
Finance and information technology	236,179	-	-	-	236,179
Non-departmental	224,203	-	-	-	224,203
Community development:					
Planning	177,565	-	-	-	177,565
Building	141,721	-	-	-	141,721
Roads and infrastructure:					
Public works	1,234,991	-	-	255,613	1,490,604
Engineering	187,341	-	-	-	187,341
Sanitation	-	-	-	-	-
Housing and support programs	-	2,734,528	-	16,196	2,750,724
Economic development	79,806	-	-	17,380	97,186
Public safety	1,946,402	-	-	-	1,946,402
Parks, buildings and grounds	621,019	-	-	-	621,019
Capital outlay	103,986	-	56,949	866,381	1,027,316
Debt service:					
Principal	148,438	-	-	-	148,438
Interest and fiscal charges	142,559	-	-	-	142,559
Total expenditures	5,686,349	2,734,528	56,949	1,155,570	9,633,396
REVENUES OVER (UNDER) EXPENDITURES	571,982	1,404	739,555	(436,523)	876,418
OTHER FINANCING SOURCES (USES):					
Bond proceeds	-	-	-	1,134,374	1,134,374
Transfers in	29,500	-	-	99,778	129,278
Transfers out	(99,778)	-	-	(29,500)	(129,278)
Total other financing sources (uses)	(70,278)	-	-	1,204,652	1,134,374
Net change in fund balances	501,704	1,404	739,555	768,129	2,010,792
FUND BALANCES (DEFICITS):					
Beginning of year	3,951,388	-	1,866,365	3,355,553	9,173,306
End of year	\$ 4,453,092	\$ 1,404	\$ 2,605,920	\$ 4,123,682	\$ 11,184,098

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, 2019

Functions/Programs	Fund Based Totals	Compensated		Capital		Government-	
		Absences/ Debt Service	Depreciation	Asset (Additions)/ Retirements	OPEB Obligation	Pension Plan	wide Totals
Governmental activities:							
General government	\$ 902,521	\$ 66,538	\$ 217,288	\$ -	\$ 136,727	\$ (105,980)	\$ 1,217,094
Community development	319,286	-	-	-	-	-	319,286
Roads and infrastructure	1,677,945	-	78,954	(535,182)	-	-	1,221,717
Housing and support programs	2,750,724	-	-	-	-	-	2,750,724
Economic development	97,186	-	-	-	-	-	97,186
Public safety	1,946,402	-	96,332	-	-	-	2,042,734
Parks, buildings and grounds	621,019	-	83,415	-	-	-	704,434
Capital outlay	1,027,316	-	-	(1,027,316)	-	-	-
Debt service/Interest	290,997	(148,438)	-	-	-	-	142,559
Total governmental activities	\$ 9,633,396	\$ (81,900)	\$ 475,989	\$ (1,562,498)	\$ 136,727	\$ (105,980)	\$ 8,495,734

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

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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, 2019

Net change in fund balances - total governmental funds	\$	2,010,792
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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	\$ 1,562,498	
Depreciation expense	<u>(475,989)</u>	1,086,509

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.

Proceeds from the issuance of debt	(1,134,374)	
Pension obligation bonds	<u>148,438</u>	(985,936)

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 obligation	(136,727)	
Net Pension obligation	<u>105,980</u>	(30,747)

Change in Net Position of governmental activities	\$	<u><u>2,014,080</u></u>
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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, 2019

	General Fund			Variance w/Final Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Taxes:				
Sales	3,624,000	3,624,000	3,751,230	\$ 127,230
Property	890,040	890,040	869,506	(20,534)
Transient occupancy	140,000	140,000	197,785	57,785
Business license	95,000	95,000	81,400	(13,600)
Licenses, permits and franchises	280,050	280,050	439,043	158,993
Fines, forfeitures and penalties	15,500	15,500	27,107	11,607
Intergovernmental	366,000	366,000	546,962	180,962
Use of money and property	136,000	136,000	117,880	(18,120)
Charges for services	139,510	139,510	79,384	(60,126)
Other revenues	41,060	41,060	148,034	106,974
Total revenues	5,727,160	5,727,160	6,258,331	531,171
EXPENDITURES:				
Current:				
General government:				
Council	92,556	92,556	87,431	5,125
Administration	325,171	325,171	259,217	65,954
Attorney	58,000	58,000	95,491	(37,491)
Finance and information technology	237,338	237,338	236,179	1,159
Non-departmental	221,000	221,000	224,203	(3,203)
Community development:				
Planning	270,453	270,453	177,565	92,888
Building	170,522	170,522	141,721	28,801
Roads and infrastructure:				
Public works	1,412,042	1,412,042	1,234,991	177,051
Engineering	137,974	137,974	187,341	(49,367)
Housing and support programs	-	-	-	-
Economic development	83,000	83,000	79,806	3,194
Public safety	2,117,915	2,229,683	1,946,402	283,281
Parks, buildings and grounds	595,535	694,035	621,019	73,016
Capital outlay	-	-	103,986	(103,986)
Debt service:				
Principal	160,832	160,832	148,438	12,394
Interest and fiscal charges	92,890	92,890	142,559	(49,669)
Total expenditures	5,975,228	6,185,496	5,686,349	499,147
REVENUES OVER (UNDER)				
EXPENDITURES	(248,068)	(458,336)	571,982	1,030,318
OTHER FINANCING SOURCES (USES):				
Loss on note receivable	-	-	-	-
Transfers in	29,500	29,500	29,500	-
Transfers out	(253,722)	(253,722)	(99,778)	153,944
Total other financing sources (uses)	(224,222)	(224,222)	(70,278)	153,944
Net change in fund balances	(472,290)	(682,558)	501,704	1,184,262
FUND BALANCES (DEFICITS):				
Beginning of year	3,951,388	3,951,388	3,951,388	-
End of year	\$ 3,479,098	\$ 3,268,830	\$ 4,453,092	\$ 1,184,262

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

HOME Grant 2017 Special Revenue			
Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
Original	Final		
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	2,734,468	2,734,468
-	-	1,464	1,464
-	-	-	-
-	-	-	-
-	-	2,735,932	2,735,932
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	2,734,528	(2,734,528)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	2,734,528	(2,734,528)
-	-	-	-
-	-	1,404	1,404
-	-	-	-
-	-	-	-
-	-	-	-
-	-	1,404	1,404
-	-	-	-
\$ -	\$ -	\$ 1,404	\$ 1,404

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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
Major Funds:	
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, 2019

	Water	Sewer	Totals
ASSETS			
Current assets:			
Cash and investments	\$ 879,043	\$ 6,446,559	7,325,602
Restricted cash and investments	186,517	396,351	582,868
Receivables:			
Accounts, net of uncollectibles	352,968	457,154	810,122
Total current assets	<u>1,418,528</u>	<u>7,300,064</u>	<u>8,718,592</u>
Noncurrent assets:			
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	878,451	942,414	1,820,865
Capital assets being depreciated:			
Buildings and improvements	12,002,551	26,470,773	38,473,324
Machinery, equipment and vehicles	503,158	1,495,366	1,998,524
Less: Accumulated depreciation	(4,297,689)	(15,757,746)	(20,055,435)
Total noncurrent assets	<u>9,867,700</u>	<u>14,977,429</u>	<u>24,845,129</u>
Total Assets	<u>11,286,228</u>	<u>22,277,493</u>	<u>33,563,721</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan	190,342	161,543	351,885
OPEB	13,965	15,469	29,434
Total assets and deferred outflows of resources	<u>\$ 11,490,535</u>	<u>\$ 22,454,505</u>	<u>\$ 33,945,040</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 155,577	\$ 201,213	\$ 356,790
Accrued payroll and benefits	8,099	8,074	16,173
Interest payable	25,770	81,952	107,722
Deposits payable	71,033	450	71,483
Compensated absences - current portion	5,333	3,241	8,574
Pension obligation bonds - current portion	18,885	18,885	37,770
Due within one year	204,600	427,500	632,100
Total current liabilities	<u>489,297</u>	<u>741,315</u>	<u>1,230,612</u>
Noncurrent liabilities:			
Compensated absences	99,157	107,736	206,893
Pension obligation bonds	416,451	416,449	832,900
Due after one year	6,074,947	10,855,834	16,930,781
Net pension liability	1,290,943	1,481,736	2,772,679
Net OPEB liability	733,667	812,675	1,546,342
Total noncurrent liabilities	<u>8,615,165</u>	<u>13,674,430</u>	<u>22,289,595</u>
Total liabilities	<u>9,104,462</u>	<u>14,415,745</u>	<u>23,520,207</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Plan	184,969	195,849	380,818
Total deferred inflows of resources	<u>184,969</u>	<u>195,849</u>	<u>380,818</u>
NET POSITION			
Net Position:			
Net investment in capital assets	3,547,094	3,602,706	7,149,800
Restricted for debt service	142,231	231,000	373,231
Restricted for assessment district	-	316,610	316,610
Restricted depreciation reserve	26,469	68,432	94,901
Unrestricted (deficit)	(1,514,690)	3,624,163	2,109,473
Total net position	<u>2,201,104</u>	<u>7,842,911</u>	<u>10,044,015</u>
Total liabilities, deferred inflows and net position	<u>\$ 11,490,535</u>	<u>\$ 22,454,505</u>	<u>\$ 33,945,040</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, 2019

	Water	Sewer	Totals
OPERATING REVENUES:			
Charges for service	\$ 2,300,912	2,821,538	\$ 5,122,450
Other operating revenue	1,366	1,500	2,866
Total operating revenues	<u>2,302,278</u>	<u>2,823,038</u>	<u>5,125,316</u>
OPERATING EXPENSES:			
Personnel services	1,017,578	991,493	2,009,071
Materials, services and supplies	768,001	1,030,754	1,798,755
Depreciation	338,655	831,415	1,170,070
Total operating expenses	<u>2,124,234</u>	<u>2,853,662</u>	<u>4,977,896</u>
OPERATING INCOME	<u>178,044</u>	<u>(30,624)</u>	<u>147,420</u>
NONOPERATING REVENUES (EXPENSES):			
Property taxes and special assessments	-	290,086	290,086
Investment revenue	12,678	11,199	23,877
Lease revenue	-	101,283	101,283
Interest and fiscal charges expense	(136,943)	(288,508)	(425,451)
Total non-operating revenues, net	<u>(124,265)</u>	<u>114,060</u>	<u>(10,205)</u>
NET INCOME BEFORE TRANSFERS	53,779	83,436	137,215
Transfers in	-	-	-
Transfers out	-	-	-
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	53,779	83,436	137,215
NET POSITION:			
Beginning of year	2,147,325	7,759,475	9,906,800
End of year	<u>\$ 2,201,104</u>	<u>\$ 7,842,911</u>	<u>\$ 10,044,015</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, 2019

	Water	Sewer	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers/users for services provided	\$ 2,284,940	\$ 2,912,201	\$ 5,197,141
Cash payments to suppliers for goods and services	(591,895)	(1,031,606)	(1,623,501)
Cash payments to employees for services	(991,462)	(985,202)	(1,976,664)
Net cash provided by operating activities	701,583	895,393	1,596,976
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Property taxes and assessments received	-	290,086	290,086
Net cash used by noncapital financing activities	36,619	326,705	363,324
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	(904,428)	(1,305,589)	(2,210,017)
Proceeds from issuance of long-term debt	820,000	2,605,000	3,425,000
Principal paid on long term debt	(199,534)	(229,947)	(429,481)
Interest paid on long term debt	(159,479)	(268,217)	(427,696)
Proceeds from lease revenue	-	101,283	101,283
Net cash (used) by capital and related financing activities	(443,441)	902,530	459,089
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income received	12,678	11,199	23,877
Net cash provided by investing activities	12,678	11,199	23,877
Net increase (decrease) in cash and cash equivalents	307,439	2,135,827	2,443,266
CASH AND CASH EQUIVALENTS:			
Beginning of year	758,121	4,707,083	5,465,204
End of year	<u>\$ 1,065,560</u>	<u>\$ 6,842,910</u>	<u>\$ 7,908,470</u>
Presentation in Statement of Financial Position:			
Cash and investments	\$ 879,043	\$ 6,446,559	\$ 7,325,602
Restricted cash and investments	186,517	396,351	582,868
Total Cash and investments	<u>\$ 1,065,560</u>	<u>\$ 6,842,910</u>	<u>\$ 7,908,470</u>
Reconciliation of income from operations to net cash provided by operating activities:			
Operating income	\$ 178,044	\$ (30,624)	\$ 147,420
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	338,655	831,415	1,170,070
OPEB Expense	(13,965)	(15,469)	(29,434)
(Increase) decrease in current assets:			
Accounts receivable	(22,260)	48,871	26,611
Intergovernmental receivables	-	37,789	37,789
Inventory	65,778	14,817	80,595
Note receivable	1,172	2,608	3,780
Increase (decrease) in liabilities:			
Accounts payable	110,328	(15,669)	94,659
Accrued payroll and benefits	1,262	726	1,988
Deposits payable	3,750	(105)	3,645
Compensated absences	38,819	21,034	59,853
Net cash provided by operating activities	\$ 701,583	\$ 895,393	\$ 1,596,976

There were no noncash investing, capital, or financing activities affecting recognized assets and liabilities for the year ended June 30, 2019.

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

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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
Redevelopment Non-Housing Successor Private Purpose Trust Fund	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, 2019

	Redevelopment Non-Housing Successor Private Purpose Trust Fund		Agency Funds
ASSETS			
Current assets:			
Cash and investments	\$ 364,231		\$ 399,102
Cash and investments with trustee/fiscal agent	111		-
Accounts receivable	-		19,183
Total current assets	<u>364,342</u>		<u>418,285</u>
Total assets	<u>\$ 364,342</u>		<u>\$ 418,285</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 4,037		\$ 237
Interest payable	147,708		-
Refundable deposits and trust liabilities	-		418,048
Due within one year	135,000		-
Total current liabilities	<u>286,745</u>		<u>418,285</u>
Long-term liabilities:			
Due after one year	<u>4,395,000</u>		-
Total long-term liabilities	<u>4,395,000</u>		-
Total liabilities	<u>4,681,745</u>		<u>\$ 418,285</u>
NET POSITION (DEFICIT)			
Restricted - debt service reserve		317,230	
Held in trust for outstanding obligations		<u>(4,634,633)</u>	
Total net position (deficit)		<u>(4,317,403)</u>	
Total liabilities and net position (deficit)		<u>\$ 364,342</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, 2019

	Private Purpose Trust Fund
ADDITIONS:	
Property taxes	\$ 444,890
Investment income	1,631
Other additions	48,394
Total additions	494,915
DEDUCTIONS:	
Administrative costs	100,047
Interest and trustee fees	194,807
Other deductions	82,964
Amortization	325,000
Total deductions	702,818
CHANGE IN FIDUCIARY NET POSITION	(207,903)
NET POSITION (DEFICIT):	
Beginning of year	(4,109,500)
End of year	\$ (4,317,403)

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

NOTES TO BASIC FINANCIAL STATEMENTS



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City of Lakeport, California
Basic Financial Statements
For the year ended June 30, 2019

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:

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City of Lakeport, California
Basic Financial Statements
For the year ended June 30, 2019

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
- 2017 Storm Capital Projects
- 2012 HOME Grant Special Revenue
- 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

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, 2019

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, 2019

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 Inflow of Resources

Deferred inflow of resources in governmental funds primarily represents business license taxes collected but unavailable for spending until the next fiscal year.

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, 2019

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, 2019
Measurement Date June 30, 2019
Measurement Period July 1, 2018 to June 30, 2019

T. Reclassifications

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

City of Lakeport, California
Basic Financial Statements
For the year ended June 30, 2019

Notes to the Basic Financial Statements, Continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

U. 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, 2019

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, 2019, are classified in the accompanying financial statements as follows:

Cash, Cash Equivalents and Investments Pooled

	Maturities (in years)			Deposits	Fair
	<1	1 to 3	3 to 5		Market Value
Pooled cash, at fair value:					
Cash in bank	\$ -	\$ -	\$ -	\$ 8,589,244	\$ 8,589,244
Petty cash	-	-	-	400	400
Total pooled items	-	-	-	8,589,644	8,589,644
Pooled investments, at fair value:					
Interest obligations:					
Par					
Rate					
\$ 2,000,000 2.65-3.55% Certificate of Deposits	401,072	812,150	827,504	-	2,040,726
Money market	3,766,284	-	-	-	3,766,284
State of California Local Agency Investment Fund	2,608,264	-	-	-	2,608,264
Total pooled investments - interest obligations	6,775,620	812,150	827,504	-	8,415,274
Total cash equivalents and investments pooled	\$ 6,775,620	\$ 812,150	\$ 827,504	\$ 8,589,644	\$ 17,004,918

Amounts reported in:

Governmental activities	\$ 8,310,016
Governmental activities - Restricted	22,588
Business-type activities	7,325,602
Business-type activities - Restricted	582,868
Fiduciary activities	763,333
Fiduciary activities - Restricted	111
Total	<u>\$ 17,004,518</u>

Collateral and Categorization Requirements

At the fiscal year end, the City's carrying amount of demand deposits was \$8,589,244 and the bank account balance was \$8,634,889. The difference of \$45,645 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 \$8,384,889 was collateralized in accordance with California Government Code Section 53600-53609.

City of Lakeport, California
 Basic Financial Statements
 For the year ended June 30, 2019

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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>	<u>Minimum Rating</u>
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, 2019

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, 2019 are as follows:

Investment Type	Fair Value	Yield	Concentration
Certificate of Deposits	\$ 2,040,726	2.41%	24.25%
Money market	3,766,284	0.00%	44.76%
Local Agency Investment Fund (LAIF)	2,608,264	2.27%	30.99%
Total fair value	\$ 8,415,274		100.00%
	Weighted yield	2.34%	

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, 2019, the City had \$8,384,889 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, 2019

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, 2019, the City's investment in LAIF was \$2,608,264. The total amount invested by all public agencies at that date was \$24.58 billion. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2019 has a balance of \$105.81 billion. Financial Statements of LAIF and PMIA may be obtained from the California Treasurer's web site at www.treasurer.ca.gov.

3. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at June 30, 2019:

Accounts Receivable and Due from Other Governments

	Receivables	Allowance	Net
Governmental activities:			
Due from other governments:			
Property taxes	\$ 87,156	\$ -	\$ 87,156
Grants and subventions	55,497	-	55,497
Accounts	352,761	-	352,761
SB1	16,503	-	16,503
TOT	60,412	-	60,412
Sales tax	606,784	-	606,784
Accounts receivable:			
Administrative citations	5,300	(4,700)	600
Total	<u>\$ 1,184,413</u>	<u>\$ (4,700)</u>	<u>\$ 1,179,713</u>
Business-type activities:			
Accounts	\$ 810,122	\$ -	\$ 810,122
Total	<u>\$ 810,122</u>	<u>\$ -</u>	<u>\$ 810,122</u>

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	56.2%
Individuals/businesses	43.8%

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. The City also has loans receivable from employees for computer purchases in the General Fund, as well as a loan from the general fund to the water enterprise fund for a capital purchase of land meant to act as bridge financing until grant/loan proceeds are received from USDA rural development (see Note 16).

City of Lakeport, California
 Basic Financial Statements
 For the year ended June 30, 2019

Notes to the Basic Financial Statements, Continued

4. LOANS, NOTES RECEIVABLE, AND INTERFUND BORROWING, Continued

Loans and notes receivable for the year ended June 30, 2019, consisted of the following:

Loans and Notes Receivable

	Beginning July 1, 2018	Additions	Deletions	Ending June 30, 2019
Nonmajor governmental funds:				
Special revenue funds:				
Lakeport Housing	\$ 372,368	\$ -	\$ (1,257)	\$ 371,111
CDBG Economic Development PI notes receivable	864,532	-	(60,867)	803,665
2012 HOME Grant	1,386,378	-	(81,031)	1,305,347
Total governmental funds	<u>2,623,278</u>	<u>-</u>	<u>(143,155)</u>	<u>2,480,123</u>
Major enterprise funds:				
Water	42,231	-	(1,172)	41,059
Sewer	93,997	-	(2,608)	91,389
Total enterprise funds	<u>136,228</u>	<u>-</u>	<u>(3,780)</u>	<u>132,448</u>
Total loans/notes receivable	<u>\$ 2,759,506</u>	<u>\$ -</u>	<u>\$ (146,935)</u>	<u>\$ 2,612,571</u>

City of Lakeport, California
 Basic Financial Statements
 For the year ended June 30, 2019

Notes to the Basic Financial Statements, Continued

5. CAPITAL ASSETS

Governmental capital asset activity for the year ended June 30, 2019, was as follows:

	Balance July 1, 2018	Additions	Deletions	Transfers	Balance June 30, 2019
Governmental activities:					
Nondepreciable assets:					
Land	\$ 1,652,983	\$ 116,162	\$ -	\$ -	\$ 1,769,145
Construction in progress	369,052	475,750	-	(369,052)	475,750
Total nondepreciable assets	2,022,035	591,912	-	(369,052)	2,244,895
Depreciable assets:					
Buildings and structures	5,588,337	658,168	-	253,526	6,500,031
Improvements	7,428,368	68,500	-	115,526	7,612,394
Vehicles and equipment	1,998,202	245,268	-	-	2,243,470
Total depreciable assets	15,014,907	971,936	-	369,052	16,355,895
Total	17,036,942	1,563,848	-	-	18,600,790
Accumulated depreciation:					
Buildings and structures	(1,674,893)	(170,921)	-	-	(1,845,814)
Improvements	(1,518,433)	(195,714)	-	-	(1,714,147)
Vehicles and equipment	(1,546,717)	(109,354)	-	-	(1,656,071)
Total accumulated depreciation	(4,740,043)	(475,989)	-	-	(5,216,032)
Net depreciable assets	10,274,864	495,947	-	369,052	11,139,863
Total net capital assets	\$ 12,296,899	\$ 1,087,859	\$ -	\$ -	\$ 13,384,758

Depreciation expense of \$475,989 was allocated in the Statement of Activities as follows:

General government	\$ 217,288
Public Safety	96,332
Public Works	78,954
Parks, buildings, grounds	83,415
	<u>\$ 475,989</u>

City of Lakeport, California
 Basic Financial Statements
 For the year ended June 30, 2019

Notes to the Basic Financial Statements, Continued

5. CAPITAL ASSETS, Continued

Business-type capital asset activity for the year ended June 30, 2019, was as follows:

	Balance July 1, 2018	Additions	Deletions	Transfers	Balance June 30, 2019
Business-type activities:					
Nondepreciable assets:					
Land	\$ 2,475,403	\$ -	\$ -	\$ -	\$ 2,475,403
Construction in progress	568,217	1,820,865	-	(568,217)	1,820,865
Total nondepreciable assets	<u>3,043,620</u>	<u>1,820,865</u>	<u>-</u>	<u>(568,217)</u>	<u>4,296,268</u>
Depreciable assets:					
Buildings and structures	9,955,195	-	-	-	9,955,195
Improvements	27,949,912	-	-	568,217	28,518,129
Vehicles and equipment	1,609,373	389,151	-	-	1,998,524
Total depreciable assets	<u>39,514,480</u>	<u>389,151</u>	<u>-</u>	<u>568,217</u>	<u>40,471,848</u>
Total	<u>42,558,100</u>	<u>2,210,016</u>	<u>-</u>	<u>-</u>	<u>44,768,116</u>
Accumulated depreciation:					
Buildings and structures	(991,558)	(239,323)	-	-	(1,230,881)
Improvements	(17,021,997)	(795,009)	-	1	(17,817,005)
Vehicles and equipment	(871,811)	(135,738)	-	-	(1,007,549)
Total accumulated depreciation	<u>(18,885,366)</u>	<u>(1,170,070)</u>	<u>-</u>	<u>1</u>	<u>(20,055,435)</u>
Net depreciable assets	<u>20,629,114</u>	<u>(780,919)</u>	<u>-</u>	<u>568,218</u>	<u>20,416,413</u>
Total business-type capital assets, net	<u>\$ 23,672,734</u>	<u>\$ 1,039,946</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 24,712,681</u>

Depreciation expense for capital assets for the year ended June 30, 2019, was charged to functions as follows:

Water	\$ 338,655
Sewer	831,415
	<u>\$ 1,170,070</u>

City of Lakeport, California
 Basic Financial Statements
 For the year ended June 30, 2019

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, 2019:

	Beginning Balance 7/1/2018	Additions	Reductions	Ending Balance 6/30/2019	Due within One Year
Governmental Activities					
USDA Police Station Bond	\$ 1,079,000	\$ -	\$ (17,000)	\$ 1,062,000	\$ 18,000
Pension Obligation Bonds - Governmental Share	1,551,765	-	(131,438)	1,420,327	60,136
2018 Series B Solar Bonds - Governmental Share	-	1,170,000	-	1,170,000	-
Less: Discount	-	(35,626)	-	(35,626)	-
Compensated Absences	233,729	128,469	(61,931)	300,267	80,396
Total	\$ 2,864,494	\$ 1,262,843	\$ (210,369)	\$ 3,916,968	\$ 158,532
Business-Type Activities					
USDA Water Revenue Bonds, 2016	\$ 3,131,800	\$ -	\$ (58,200)	\$ 3,073,600	\$ 59,100
Pinnacle Water Loan	2,487,000	-	(110,000)	2,377,000	113,000
Wastewater Revenue Bonds, 2017 Refunding	2,635,000	-	(175,000)	2,460,000	180,000
USDA WasteWater Revenue Bonds, 2017	3,433,000	-	(68,000)	3,365,000	56,000
2017 CLMSD Sewer District Assessment Bonds	2,800,000	-	(152,000)	2,648,000	159,000
Pension Obligation Bonds - Business-type Share	951,232	-	(80,562)	870,670	37,770
2018 Series B Solar Bonds - Business-type Share	-	3,600,000	-	3,600,000	65,000
Add: Premium	-	39,281	-	39,281	-
Compensated Absences	155,614	73,668	(13,815)	215,467	8,574
Total	\$ 12,397,346	\$ 3,712,949	\$ (657,577)	\$ 18,649,018	\$ 678,444

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 \$ 3,073,600

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 \$ 2,377,000

Wastewater Revenue Bonds, 2017 Refunding

2007 Series A, total remaining balance of \$2,580,000 was refinanced to 2017 Wastewater Refunding on December 1, 2017. 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. The aggregate difference in debt service between the 2007 Series A and the Wastewater Revenue Bonds, 2017 Refunding is \$924,655.

Balance due \$ 2,460,000

City of Lakeport, California
 Basic Financial Statements
 For the year ended June 30, 2019

Notes to the Basic Financial Statements, Continued

6. LONG TERM LIABILITIES, Continued

USDA Wastewater Revenue Bonds, 2017

Series 2017 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. These bonds were issued to complete various wastewater infrastructure upgrades including the installation of SCADA.

Balance due \$ 3,365,000

2017 CLMSD Sewer District Assessment Bonds

2017-1 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. These bonds were issued to refinance the 1993 CMLSD Sewer District Assessment Bonds at lower interest rate saving the taxpayers significant assessments. The aggregate difference in debt service between the 1993 Assessment Bonds and the Assessment Bonds, 2017 Refunding is \$1,217,374.

Balance due \$ 2,648,000

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:

Debt Service Schedule

Year Ending June 30,	Governmental Activities		Business-type Activities		Total	
	Pension Obligation Bonds		Pension Obligation Bonds		Pension Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 60,136	\$ 61,616	\$ 36,864	\$ 37,770	\$ 97,000	\$ 99,386
2021	118,413	56,570	72,587	34,677	191,000	91,247
2022	117,173	51,551	71,827	31,601	189,000	83,152
2023	115,313	46,584	70,687	28,556	186,000	75,140
2024	114,073	41,696	69,927	25,560	184,000	67,256
2025-2029	532,548	138,198	326,452	84,715	859,000	222,913
2030-2033	362,671	33,752	222,326	20,690	584,997	54,442
Total	<u>\$ 1,420,327</u>	<u>\$ 429,967</u>	<u>\$ 870,670</u>	<u>\$ 263,569</u>	<u>\$ 2,290,997</u>	<u>\$ 693,536</u>
Due within one year	\$ 60,136	\$ 61,616	\$ 36,864	\$ 37,770	\$ 97,000	\$ 99,386
Due after one year	1,360,191	368,351	833,806	225,799	2,193,997	594,150
Total	<u>\$ 1,420,327</u>	<u>\$ 429,967</u>	<u>\$ 870,670</u>	<u>\$ 263,569</u>	<u>\$ 2,290,997</u>	<u>\$ 693,536</u>

City of Lakeport, California
 Basic Financial Statements
 For the year ended June 30, 2019

Notes to the Basic Financial Statements, Continued

6. LONG TERM LIABILITIES, Continued

Future Debt Service

Future debt service for Governmental and Business-type activities at June 30, 2019 is as follows for all debt except compensated absences and claims liabilities:

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
2020	\$ 159,000	\$ 73,202	\$ 180,000	\$ 59,724	\$ 113,000	\$ 61,493
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
2025-2029	954,000	191,463	1,073,000	124,551	675,000	192,483
2030-2034	857,000	49,747	441,000	10,849	770,000	96,858
2035-2039	-	-	-	-	338,000	9,010
Total	\$ 2,648,000	\$ 560,196	\$ 2,460,000	\$ 386,972	\$ 2,377,000	\$ 574,747
Due within one year	\$ 159,000	\$ 73,202	\$ 180,000	\$ 59,724	\$ 113,000	\$ 61,493
Due after one year	2,489,000	486,994	2,280,000	327,248	2,264,000	513,254
Total	\$ 2,648,000	\$ 560,196	\$ 2,460,000	\$ 386,972	\$ 2,377,000	\$ 574,747

Year Ending June 30,	USDA Water Revenue Bonds, 2016		USDA WasteWater Revenue Bonds, 2017		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 59,100	\$ 49,564	\$ 56,000	\$ 70,911	\$ 567,100	\$ 314,894
2021	60,100	48,587	58,000	69,700	579,100	300,526
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
2025-2029	330,900	211,794	327,000	309,198	3,359,900	1,029,489
2030-2034	358,700	183,514	362,000	272,680	2,788,700	613,648
2035-2039	388,800	152,856	402,000	232,093	1,128,800	393,959
2040-2044	421,400	119,610	447,000	186,989	868,400	306,599
2045-2049	456,700	83,557	496,000	136,999	952,700	220,556
2050-2054	495,100	44,456	552,000	81,345	1,047,100	125,801
2055-2059	316,800	6,548	485,000	20,899	801,800	27,447
Total	\$ 3,073,600	\$ 1,040,219	\$ 3,365,000	\$ 1,582,371	\$ 13,923,600	\$ 4,144,505
Due within one year	\$ 59,100	\$ 49,564	\$ 56,000	\$ 70,911	\$ 567,100	\$ 314,894
Due after one year	3,014,500	990,655	3,309,000	1,511,460	13,356,500	3,829,611
Total	\$ 3,073,600	\$ 1,040,219	\$ 3,365,000	\$ 1,582,371	\$ 13,923,600	\$ 4,144,505

City of Lakeport, California
 Basic Financial Statements
 For the year ended June 30, 2019

Notes to the Basic Financial Statements, Continued

6. LONG TERM LIABILITIES, Continued

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

2018 Series B Solar Bonds

On July 18, 2018, 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
2020	\$ -	\$ 37,506	\$ 65,000	\$ 119,838	\$ 65,000	\$ 157,344
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
2025-2029	130,000	173,906	860,000	458,088	990,000	631,994
2030-2034	215,000	149,578	1,285,000	268,006	1,500,000	417,584
2025-2039	350,000	104,519	950,000	50,031	1,300,000	154,550
2040-2044	415,000	39,288	-	-	-	-
Total	\$ 1,170,000	\$ 652,721	\$ 3,600,000	\$ 1,354,040	\$ 4,355,000	\$ 1,967,473
Due within one year	\$ -	\$ 37,506	\$ 65,000	\$ 119,838	\$ 65,000	\$ 157,344
Due after one year	1,170,000	615,215	3,535,000	1,234,202	4,290,000	1,810,129
Total	\$ 1,170,000	\$ 652,721	\$ 3,600,000	\$ 1,354,040	\$ 4,355,000	\$ 1,967,473

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, 2019 was \$300,267 with \$80,396 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, 2019 was \$215,467 with \$8,574 expected to be paid within a year. Of which the water fund will liquidate \$5,333 and the sewer fund \$3,241.

City of Lakeport, California
 Basic Financial Statements
 For the year ended June 30, 2019

Notes to the Basic Financial Statements, Continued

7. NET POSITION/FUND BALANCES

Restricted Net Position Detail		
	Governmental Activities	Business-type Activities
Restricted for:		
Law enforcement	\$ 202,781	\$ -
Housing programs	289,450	-
Transportation infrastructure	548,614	-
Debt service reserve	-	373,231
Assessment district debt service	-	316,610
Depreciation reserve	-	94,901
Total	<u>\$ 1,040,845</u>	<u>\$ 784,742</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 1993 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, 2019

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	2,480,123
Total nonspendable	2,769,604
Restricted:	
Law enforcement	202,781
Housing programs	289,450
Transportation infrastructure	548,614
Total restricted	1,040,845
Assigned:	
Capital projects	5,438,285
General reserves	1,199,455
Housing and community programs	40,851
Debt service reserve	111,000
Total assigned	6,789,591
Unassigned:	
General fund	842,769
Special revenue funds	(258,711)
Total unassigned	584,058
Total fund balance	\$ 11,184,098

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, 2019

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	(79,983)	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 2018	238	(1,360)	Immaterial accounts receivable were not recorded to offset the accrued expenditures in this fund.
Lakshore Storm Damage Repair	410	(1,275)	While final construction had been completed at year end, final inspections were pending. A matching contribution from the general fund will be determined upon completion of said inspections, audit and closeout of the capital project fund.
Safe Routes to School	411	(953)	Immaterial accounts receivable were not recorded to offset the accrued expenditures in this fund. Timing of invoicing for costs associated with this capital project was unknown at year end and revenue recognition was not determined met.

City of Lakeport, California
 Basic Financial Statements
 For the year ended June 30, 2019

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 2019 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>
Governmental Funds		
Major funds:		
Fund: 110 - GENERAL FUND	\$ 29,500	\$ 99,778
Total major funds	<u>29,500</u>	<u>99,778</u>
Non-major funds:		
Special revenue funds:		
Fund: 207 - PROP 172 PUBLIC SAFETY	-	29,500
Fund: 401 - LAKESHORE STORM DAMAGE REPAIR	99,778	-
Total non-major funds	<u>99,778</u>	<u>29,500</u>
Total Transfers	<u>\$ 129,278</u>	<u>\$ 129,278</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
238	CDBG Housing Grants	\$ 12,905	110	General Fund	\$ 12,905
411	Safe Routes to School	6,915	110	General Fund	6,915
Total due to		<u>\$ 19,820</u>	Total due from		<u>\$ 19,820</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
604	Lakeport Housing	114,341	110	General Fund	114,341
Total advances to		<u>\$ 289,481</u>	Total advances from		<u>\$ 289,481</u>
		<u>\$ 309,301</u>	Total interfund borrowing		<u>\$ 309,301</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, 2019

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

The City did not have any settlements which exceeded its liability coverage. The City does not have any accrued liability or reserves for fiscal year 2019.

The following is a summary of the most recent financial statements of REMIF as of and for the fiscal year ended June 30, 2018:

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	\$ 26,012,592
Total expense	(25,661,506)
Operating income (loss)	<u>\$ 351,086</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, 2019

Notes to the Basic Financial Statements, Continued

10. PUBLIC EMPLOYEE RETIREMENT PLAN, Continued

The Plans' provisions and benefits in effect at June 30, 2019, 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	10.609%	6.842%
	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	18.677%	12.14%

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, 2019

Notes to the Basic Financial Statements, Continued

10. PUBLIC EMPLOYEE RETIREMENT PLAN, Continued

For the year ended June 30, 2019, the contributions recognized as part of pension expense for each Plan were as follows:

	Miscellaneous	Safety	PEPRA - Miscellaneous	PEPRA Safety
Contributions - employer	\$ 130,540	\$ 56,507	\$ 63,073	\$ 57,802

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

As of June 30, 2019, 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	\$ 4,448,040
Safety	2,177,340
Total Net Pension Liability	\$ 6,625,380

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, 2018, 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, 2017, rolled forward to June 30, 2018, 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, 2019

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, 2018 and 2019, was as follows:

	Miscellaneous	Safety
Proportion - June 30, 2018	0.11413%	0.03613%
Proportion - June 30, 2019	0.11803%	0.03711%
Change - Increase (Decrease)	0.00390%	0.00098%

For the year ended June 30, 2019, the City recognized an increase in pension expense of \$136,989.

At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Changes in assumptions	\$ 567,624	\$ -
Differences between expected and actual experiences	159,194	-
Differences between projected and actual investment earnings	36,732	-
Differences between the employer's contributions and proportionate share of the contributions	-	647,009
Change in employer's proportion	385,831	586,358
Pension contributions subsequent to measurement date	307,924	-
Total	<u>\$ 1,457,305</u>	<u>\$ 1,233,367</u>

The \$307,924 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, 2020. 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	
2019	\$ (119,270)
2020	287,889
2021	(197,516)
2022	(55,089)
2023	-
Thereafter	-

City of Lakeport, California
 Basic Financial Statements
 For the year ended June 30, 2019

Notes to the Basic Financial Statements, Continued

10. PUBLIC EMPLOYEE RETIREMENT PLAN, Continued

Actuarial Assumptions

The total pension liabilities in the June 30, 2017 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, 2019

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 ⁽¹⁾	Real Return Years 11+ ⁽²⁾
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%		

⁽¹⁾ An expected inflation of 2.5% used for this period.

⁽²⁾ An expected inflation of 3.0% used for this period.

City of Lakeport, California
 Basic Financial Statements
 For the year ended June 30, 2019

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:

	<u>1% Decrease (6.15%)</u>	<u>Current Discount Rate (7.15%)</u>	<u>1% Increase (8.15%)</u>
Net Pension Liability as of June 30, 2017			
Miscellaneous	\$ 7,102,621	\$ 4,448,040	\$ 2,256,727
Safety	<u>3,836,401</u>	<u>2,177,340</u>	<u>818,037</u>
Total	<u>\$ 10,939,022</u>	<u>\$ 6,625,380</u>	<u>\$ 3,074,764</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.

Payable to the Pension Plan

At June 30, 2019, the Local Government reported a payable of \$13,565 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2019.

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 \$324,908.

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 % ⁽¹⁾	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)

⁽¹⁾ 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, 2019

Notes to the Basic Financial Statements, Continued

11. POST RETIREMENT HEALTHCARE BENEFITS, Continued

OPEB Eligibility Summary

Inactive employees receiving benefits	39
Inactive employees entitled to but not receiving benefits	0
Participating active employees	<u>11</u>
Total number of participants	<u>50</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, 2019, the City's cash contributions were \$324,908.

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019, based on the following actuarial methods and assumptions:

Actuarial Assumptions:	
Discount Rate	3.50%
Inflation	2.75%
Salary Increases	2.75%
Investment Rate of Return	3.50%
Mortality Rate ⁽¹⁾	Derived using CalPERS' Membership Data for all funds.
Pre-Retirement Turnover ⁽²⁾	Derived using CalPERS' Membership Data for all funds.
Healthcare Trend Rate	4%

Notes:

⁽¹⁾ 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 under Forms and Publications.

⁽²⁾ 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 under Forms and Publications.

City of Lakeport, California
 Basic Financial Statements
 For the year ended June 30, 2019

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 3.50 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 6/30/2018	\$ 5,044,798	\$ -	\$ 5,044,798
Changes for the year			
Service Cost	53,802	-	53,802
Interest	173,339	-	173,339
Assumption changes	359,286	-	359,286
Contributions - employer	-	238,287	(238,287)
Benefit payments	(238,287)	(238,287)	-
Net Changes	348,140	-	348,140
Balance at 6/30/2019	\$ 5,392,938	\$ -	\$ 5,392,938

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

The discount rate used for the fiscal year end 2019 is 3.50%. 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, 2019:

	<u>Discount Rate</u>	<u>Valuation</u>	<u>Discount Rate</u>
Change in Discount Rate	1% Lower	Discount Rate	1% Higher
Net OPEB Liability	\$ 5,838,502	\$ 5,392,938	\$ 4,633,299

City of Lakeport, California
 Basic Financial Statements
 For the year ended June 30, 2019

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, 2019:

Change in Healthcare Cost Trend Rate	Trend		Trend	
	1% Lower	Current Trend	1% Higher	
Net OPEB Liability	\$ 4,590,234	\$ 5,392,938	\$ 5,820,580	

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, 2019)

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

For the fiscal year ended June 30, 2019, 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 Inflow of Resources
Changes in assumptions	\$ 102,653	\$ -
Total	\$ 102,653	\$ -

City of Lakeport, California
Basic Financial Statements
For the year ended June 30, 2019

Notes to the Basic Financial Statements, Continued

11. POST RETIREMENT HEALTHCARE BENEFITS, Continued

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

Year Ended 30-Jun	
2020	102,653
2021	-
2022	-
2023	-
Thereafter	-

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.

Notes to the Basic Financial Statements, Continued

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

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.

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, 2019

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, 2019:

Redevelopment Successor Private Purpose Trust					
Debt Service Activity					
	Balance			Balance	Due within
Fiduciary activities:	<u>July 1, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2018</u>	<u>one year</u>
2004 Series B RDA Tax Exempt Bonds	\$ 635,000	\$ -	\$ (55,000)	\$ 580,000	\$ 60,000
2016 Tax Allocation Bonds	4,020,000	-	(70,000)	3,950,000	75,000
Total fiduciary activities	<u>\$ 4,655,000</u>	<u>\$ -</u>	<u>\$ (125,000)</u>	<u>\$ 4,530,000</u>	<u>\$ 135,000</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 \$ 580,000

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 \$ 4,530,000

City of Lakeport, California
 Basic Financial Statements
 For the year ended June 30, 2019

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, 2019, is as follows:

June 30,	2004 Series B RDA Tax Exempt Bond		2016 Tax Allocation Bond		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 60,000	\$ 30,988	\$ 75,000	\$ 153,950	\$ 135,000	\$ 184,938
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	137,650	230,000	157,708
2024	75,000	15,961	160,000	131,250	235,000	147,211
2025-2029	245,000	21,046	1,185,000	539,550	1,430,000	560,596
2030-2034	-	-	1,825,000	226,150	1,825,000	226,150
2035-2039	-	-	255,000	3,825	255,000	3,825
	<u>\$ 580,000</u>	<u>\$ 139,468</u>	<u>\$ 3,950,000</u>	<u>\$ 1,485,675</u>	<u>\$ 4,530,000</u>	<u>\$ 1,625,143</u>
Due within one year	\$ 60,000	\$ 30,988	\$ 75,000	\$ 153,950	\$ 135,000	\$ 184,938
Due after one year	520,000	108,480	3,875,000	1,331,725	4,395,000	1,440,205
	<u>\$ 580,000</u>	<u>\$ 139,468</u>	<u>\$ 3,950,000</u>	<u>\$ 1,485,675</u>	<u>\$ 4,530,000</u>	<u>\$ 1,625,143</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, 2018. 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, 2018. 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, 2019. 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. 88, "*Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements.*" The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This statement had no effect on these financial statements.

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, 2019. 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. 90, "*Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61.*" The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. 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. 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.



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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,

	2019	2018
Total OPEB Liability		
Service Cost	\$ 53,802	\$ 52,362
Interest on the total OPEB liability	173,339	189,647
Differences between expected and actual experience	-	-
Changes of benefit terms	-	-
Changes of assumptions	359,286	-
Benefit payments	(238,287)	(324,908)
Net change in total OPEB liability	348,140	(82,899)
Total OPEB liability - beginning	5,044,798	5,127,697
Total OPEB liability - ending (a)	\$ 5,392,938	\$ 5,044,798
Plan fiduciary net position		
Contributions - employer	\$ 238,287	\$ 324,908
Contributions - employee		
Actual investment income	-	-
Administrative expense	-	-
Benefit payments	(238,287)	(324,908)
Net change in plan fiduciary net position	-	-
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending (b)	\$ -	\$ -
Net OPEB liability - ending (a) - (b)	\$ 5,392,938	\$ 5,044,798
Covered payroll	2,632,480	\$ 2,570,660
Net OPEB liability as a percentage of covered payroll	204.86%	196.25%

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 two years are currently available.

City of Lakeport, California

Required Supplementary Information - Net OPEB Liability Schedule of Contributions

June 30, 2019

Fiscal Year Ended June 30,	2019	2018
Actuarially Determined Contribution (ADC)	\$ 238,287	\$ 324,908
Contributions in relation to the ADC	238,287	324,908
Contribution deficiency (excess)	\$ -	\$ -
Covered payroll	2,632,480	2,570,660
Contributions as a percentage of covered payroll	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 two years are currently available.

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

Miscellaneous Plan

Last 10 Fiscal Years*	2019	2018	2017
Contractually required contribution (actuarially determined)	\$ 114,309	\$ 299,811	\$ 279,716
Contributions in relation to the actuarially determined contributions	(114,309)	(299,811)	(279,716)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,174,275	\$ 1,854,631	\$ 1,727,792
Contribution as a percentage of covered payroll	5.26%	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*	2019	2018	2017
Contractually required contribution (actuarially determined)	\$ 193,615	\$ 178,679	\$ 175,590
Contributions in relation to the actuarially determined contributions	(193,615)	(178,679)	(175,590)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 788,343	\$ 716,030	\$ 701,870
Contribution as a percentage of covered payroll	24.56%	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*	2019	2018	2017
Plan's Proportion of the Net Pension Liability/(Asset)	0.11803%	0.11413%	0.11527%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 4,448,040	\$ 4,498,927	\$ 4,004,316
Plan's Covered Payroll	\$ 1,854,631	\$ 1,727,792	\$ 1,827,783
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	239.83%	260.39%	219.08%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	77.33%	77.17%	78.69%
Plan's Proportionate Share of Aggregate Employer Contribution	\$ 578,074	\$ 575,409	\$ 550,660

Notes to Schedule

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and
 * 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*	2019	2018	2017
Plan's Proportion of the Net Pension Liability/(Asset)	0.03711%	0.03613%	0.03744%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 2,177,340	\$ 2,158,780	\$ 1,938,947
Plan's Covered Payroll	\$ 716,030	\$ 701,870	\$ 587,420
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	304.09%	307.58%	330.08%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	81.91%	80.21%	79.63%
Plan's Proportionate Share of Aggregate Employer Contribution	\$ 415,848	\$ 301,957	\$ 261,963

Notes to Schedule

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and
 * 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
Parkland Dedication Fund	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).
Gas Tax Fund	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.
Prop 172 Public Safety Fund	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.
Lakeport Housing Fund	A special revenue fund established for the provision of affordable housing.
BSCC Law Enforcement Subvention	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.
CDBG Grant 2018	Established to account for the revenues and expenditures associated with a CDBG funded off site improvements projects related to low-income family housing development.
Tenth Street Drainage Fund	Restricted fund/set aside by developer of Willow Tree Shopping Center.
Lakeport Blvd Improvement Fund	Special assessment of developer to mitigate traffic impacts of K-Mart (now Bruno's) development in 1987.
South Main Street Improvement Fund	Special assessment of developer to mitigate traffic impacts of K-Mart.

NON-MAJOR SPECIAL REVENUE FUNDS, Continued

Fund	Description
Parkside Traffic Mitigation Fund	Traffic mitigation fees are required as a mitigation measure of Parkside Subdivision.
Parallel/Bevins Storm Maintenance Fund	Fund set up to account for revenue received and expenditures made in conjunction with development along the Parallel Drive and Bevins Drive corridor.
Lakeshore Storm Damage Repair Fund	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.
Storm Drainage Fund	Assessments are made against larger properties to pay for prior and future storm drain projects (see Chapter 3.16 Lakeport Municipal Code).
Lakeshore Blvd. HSIPL (Safety)	Special revenue fund established to account for expenditure related to the federal highway funding.
CDBG Grant Program Income	This fund is used for reinvestment into housing programs from program income generated by past CDBG grants.
Safe Routes to School	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.
HOME Grant Program Income	This fund is used for reinvestment into housing programs from program income generated by past HOME grants.
General Capital Projects	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.

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City of Lakeport, California
 Combining Balance Sheet
 Nonmajor Special Revenue and Capital Projects Funds, Continued
 June 30, 2019

	Parkland Dedication	Gas Tax	Prop 172 Public Safety	Lakeport Housing	BSCC Law Enforcement Subvention
ASSETS					
Cash and investments	\$ -	\$ 275,113	\$ 110,068	\$ 34,358	\$ 82,326
Receivables:					
Intergovernmental	-	-	-	-	-
Loans/Notes	-	-	-	371,111	-
Other	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 275,113</u>	<u>\$ 110,068</u>	<u>\$ 405,469</u>	<u>\$ 82,326</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 1,818	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Advances from other funds	175,140	-	-	114,341	-
Total liabilities	<u>175,140</u>	<u>1,818</u>	<u>-</u>	<u>114,341</u>	<u>-</u>
Fund Balances:					
Nonspendable:					
Loans receivable	-	-	-	371,111	-
Restricted:					
Law enforcement	-	-	110,068	-	82,326
Housing programs	-	-	-	-	-
Economic development programs	-	-	-	-	-
Transportation infrastructure	-	273,295	-	-	-
Assigned:					
Capital projects	-	-	-	-	-
Housing and community assistance	-	-	-	-	-
Unassigned (deficit)	(175,140)	-	-	(79,983)	-
Total fund balances	<u>(175,140)</u>	<u>273,295</u>	<u>110,068</u>	<u>291,128</u>	<u>82,326</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 275,113</u>	<u>\$ 110,068</u>	<u>\$ 405,469</u>	<u>\$ 82,326</u>

CDBG Grant 2018	Tenth Street Drainage	Lakeport Blvd Improvement	South Main St Improvement	Parkside Traffic Mitigation	Parallel/Bevins Storm Maintenance	Lakeshore Storm Damage Repair
\$ -	\$ 86,700	\$ 118,878	\$ 31,890	\$ 17,556	\$ 20,295	\$ -
12,905	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 12,905</u>	<u>\$ 86,700</u>	<u>\$ 118,878</u>	<u>\$ 31,890</u>	<u>\$ 17,556</u>	<u>\$ 20,295</u>	<u>\$ -</u>
1,360	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,275
12,905	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>14,265</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,275</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	86,700	118,878	31,890	17,556	20,295	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>(1,360)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,275)</u>
<u>(1,360)</u>	<u>86,700</u>	<u>118,878</u>	<u>31,890</u>	<u>17,556</u>	<u>20,295</u>	<u>(1,275)</u>
<u>\$ 12,905</u>	<u>\$ 86,700</u>	<u>\$ 118,878</u>	<u>\$ 31,890</u>	<u>\$ 17,556</u>	<u>\$ 20,295</u>	<u>\$ -</u>

(continued)

City of Lakeport, California
 Combining Balance Sheet
 Nonmajor Special Revenue and Capital Projects Funds, Continued
 June 30, 2019

	Storm Drainage	Lakeshore Blvd HSIPL (Safety)	CDBG Grant Program Income	Safe Routes to School	HOME Grant Program Income
ASSETS					
Cash and investments	\$ 136,223	\$ 21,325	\$ 40,447	\$ -	\$ 289,450
Receivables:					
Intergovernmental	-	-	-	6,187	-
Loans/Notes	-	-	803,665	-	1,305,347
Other	-	-	-	-	-
Total assets	\$ 136,223	\$ 21,325	\$ 844,112	\$ 6,187	\$ 1,594,797
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 1,000	225	-
Due to other funds	-	-	-	6,915	-
Advances from other funds	-	-	-	-	-
Total liabilities	-	-	1,000	7,140	-
Fund Balances:					
Nonspendable:					
Loans receivable	-	-	803,665	-	1,305,347
Restricted:					
Law enforcement	-	-	-	-	-
Housing programs	-	-	-	-	289,450
Economic development programs	-	-	-	-	-
Transportation infrastructure	-	-	-	-	-
Assigned:					
Capital projects	136,223	21,325	-	-	-
Housing and community assistance	-	-	39,447	-	-
Unassigned (deficit)	-	-	-	(953)	-
Total fund balances	136,223	21,325	843,112	(953)	1,594,797
Total liabilities and fund balances	\$ 136,223	\$ 21,325	\$ 844,112	\$ 6,187	\$ 1,594,797

General Capital Proejcts	Non-major Governmental Totals
\$ 674,817	\$ 1,939,446
-	19,092
-	2,480,123
-	-
<u>\$ 674,817</u>	<u>\$ 4,438,661</u>
-	5,678
-	19,820
-	289,481
<u>-</u>	<u>314,979</u>
-	2,480,123
-	192,394
-	289,450
-	-
-	548,614
674,817	832,365
-	39,447
-	(258,711)
<u>674,817</u>	<u>4,123,682</u>
<u>\$ 674,817</u>	<u>\$ 4,438,661</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, 2019

	Parkland Dedication	Gas Tax	Prop 172 Public Safety	Lakeport Housing	BSCC Law Enforcement Subvention
REVENUES:					
Intergovernmental revenue	\$ -	109,436	\$ 30,579	\$ -	\$ -
Use of money and property	-	1,424	567	1,426	428
Total revenues	-	110,860	31,146	1,426	428
EXPENDITURES:					
Current:					
Roads and infrastructure:					
Public works	-	1,818	-	-	-
Housing and support programs	-	-	-	-	-
Economic development	-	-	-	-	-
Capital outlay	-	-	-	40,239	-
Total expenditures	-	1,818	-	40,239	-
REVENUES OVER (UNDER) EXPENDITURES	-	109,042	31,146	(38,813)	428
OTHER FINANCING SOURCES (USES):					
Bond proceeds	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	(29,500)	-	-
Total other financing sources and uses	-	-	(29,500)	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	-	109,042	1,646	(38,813)	428
FUND BALANCES (DEFICITS):					
Beginning of year	(175,140)	164,253	108,422	329,941	81,898
End of year	\$ (175,140)	\$ 273,295	\$ 110,068	\$ 291,128	\$ 82,326

<u>CDBG Grant 2018</u>	<u>Tenth Street Drainage</u>	<u>Lakeport Blvd Improvement</u>	<u>South Main St Improvement</u>	<u>Parkside Traffic Mitigation</u>	<u>Parallel/Bevins Storm Maintenance</u>	<u>Lakeshore Storm Damage Repair</u>
\$ 12,905	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,182
-	451	613	168	93	104	-
<u>12,905</u>	<u>451</u>	<u>613</u>	<u>168</u>	<u>93</u>	<u>104</u>	<u>200,182</u>
-	-	-	-	-	-	246,182
14,265	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	7,549	-	-	-
<u>14,265</u>	<u>-</u>	<u>-</u>	<u>7,549</u>	<u>-</u>	<u>-</u>	<u>246,182</u>
<u>(1,360)</u>	<u>451</u>	<u>613</u>	<u>(7,381)</u>	<u>93</u>	<u>104</u>	<u>(46,000)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	99,778
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>99,778</u>
<u>(1,360)</u>	<u>451</u>	<u>613</u>	<u>(7,381)</u>	<u>93</u>	<u>104</u>	<u>53,778</u>
-	86,249	118,265	39,271	17,463	20,191	(55,053)
<u>\$ (1,360)</u>	<u>\$ 86,700</u>	<u>\$ 118,878</u>	<u>\$ 31,890</u>	<u>\$ 17,556</u>	<u>\$ 20,295</u>	<u>\$ (1,275)</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, 2019

	Storm Drainage	Lakeshore Blvd HSIPL (Safety)	CDBG Grant Program Income	Safe Routes to School	HOME Grant Program Income
REVENUES:					
Intergovernmental revenue	\$ -	\$ 330,228	\$ 360	\$ 8,010	\$ -
Use of money and property	706	109	9,009	-	12,249
Total revenues	<u>706</u>	<u>330,337</u>	<u>9,369</u>	<u>8,010</u>	<u>12,249</u>
EXPENDITURES:					
Current:					
Roads and infrastructure:					
Public works	-	-	-	7,613	-
Housing and support programs	-	-	-	-	1,931
Economic development	-	-	17,380	-	-
Capital outlay	-	312,038	46,998	-	-
Total expenditures	<u>-</u>	<u>312,038</u>	<u>64,378</u>	<u>7,613</u>	<u>1,931</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>706</u>	<u>18,299</u>	<u>(55,009)</u>	<u>397</u>	<u>10,318</u>
OTHER FINANCING SOURCES (USES):					
Bond proceeds	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	<u>706</u>	<u>18,299</u>	<u>(55,009)</u>	<u>397</u>	<u>10,318</u>
FUND BALANCES (DEFICITS):					
Beginning of year	135,517	3,026	898,121	(1,350)	1,584,479
End of year	<u>\$ 136,223</u>	<u>\$ 21,325</u>	<u>\$ 843,112</u>	<u>\$ (953)</u>	<u>\$ 1,594,797</u>

General Capital Projects	Non-major Governmental Totals
\$ -	\$ 691,700
-	27,347
-	719,047
-	255,613
-	16,196
-	17,380
459,557	866,381
459,557	1,155,570
(459,557)	(436,523)
1,134,374	1,134,374
-	99,778
-	(29,500)
1,134,374	1,204,652
674,817	768,129
-	3,355,553
\$ 674,817	\$ 4,123,682

(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, 2019

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

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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
REVENUES:				
Intergovernmental revenue	\$ 108,347	\$ 108,347	\$ 109,436	\$ 1,089
Use of money and property	500	500	1,424	924
Total revenues	108,847	108,847	110,860	2,013
EXPENDITURES:				
Current:				
Roads and infrastructure:				
Public works	95,000	95,000	1,818	93,182
Total expenditures	95,000	95,000	1,818	93,182
REVENUES OVER (UNDER)				
EXPENDITURES	13,847	13,847	109,042	(91,169)
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER)				
EXPENDITURES AND OTHER FINANCING (USES)	13,847	13,847	109,042	(91,169)
FUND BALANCES (DEFICITS):				
Beginning of year	164,253	164,253	164,253	-
End of year	\$ 178,100	\$ 178,100	\$ 273,295	\$ (91,169)

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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
REVENUES:				
Intergovernmental revenue	\$ 29,500	\$ 29,500	\$ 30,579	\$ 1,079
Use of money and property	-	-	567	567
Total revenues	29,500	29,500	31,146	1,646
EXPENDITURES:				
Current:				
Public safety	29,500	29,500	-	29,500
Total expenditures	29,500	29,500	-	29,500
REVENUES OVER (UNDER)				
EXPENDITURES	-	-	31,146	(27,854)
OTHER FINANCING SOURCES (USES):				
Transfers out	(29,500)	(29,500)	(29,500)	-
Total other financing sources and uses	(29,500)	(29,500)	(29,500)	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER)				
EXPENDITURES AND OTHER FINANCING (USES)	(29,500)	(29,500)	1,646	(27,854)
FUND BALANCES (DEFICITS):				
Beginning of year	108,422	108,422	108,422	-
End of year	\$ 78,922	\$ 78,922	\$ 110,068	\$ (27,854)

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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 1,426	\$ 1,426
Other revenues	-	-	-	-
Total revenues	-	-	1,426	1,426
EXPENDITURES:				
Current:				
Housing and support programs	0	0	0	-
Capital outlay	-	-	40,239	(40,239)
Total expenditures	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	-	-	1,426	1,426
OTHER FINANCING SOURCES (USES):				
Loss on note receivable	-	-	-	-
Transfer in	-	-	0	-
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	-	-	1,426	1,426
FUND BALANCES (DEFICITS):				
Beginning of year	-	-	329,941	329,941
End of year	\$ -	\$ -	\$ 331,367	\$ 331,367

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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
REVENUES:				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Use of money and property	0	0	428	428
Total revenues	-	-	428	428
EXPENDITURES:				
Current:				
Public safety	14,000	14,000	0	14,000
Capital outlay	-	30,000	-	-
Total expenditures	14,000	44,000	-	14,000
REVENUES OVER (UNDER)				
EXPENDITURES	(14,000)	(44,000)	428	(13,572)
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER)				
EXPENDITURES AND OTHER FINANCING (USES)	(14,000)	(44,000)	428	(13,572)
FUND BALANCES (DEFICITS):				
Beginning of year	81,898	81,898	81,898	-
End of year	\$ 67,898	\$ 37,898	\$ 82,326	\$ (13,572)

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenue	\$ -	\$ -	\$ 12,905	\$ 12,905
Use of money and property	-	-	-	-
Total revenues	-	-	12,905	12,905
EXPENDITURES:				
Current:				
Housing and support programs	-	-	14,265	(14,265)
Total expenditures	-	-	14,265	(14,265)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(1,360)	27,170
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	-	-	(1,360)	27,170
FUND BALANCES (DEFICITS):				
Beginning of year	-	-	0	-
End of year	\$ -	\$ -	\$ (1,360)	\$ 27,170

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Sales	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	451	451
Total revenues	-	-	451	451
EXPENDITURES:				
Current:				
Roads and infrastructure:				
Public works	-	-	-	-
Total expenditures	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	-	-	451	451
OTHER FINANCING SOURCES (USES):				
Transfers out				
Total other financing sources and uses	-	-	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	-	-	451	451
FUND BALANCES (DEFICITS):				
Beginning of year	86,249	86,249	86,249	-
End of year	\$ 86,249	\$ 86,249	\$ 86,700	\$ 451

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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
REVENUES:				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	613	613
Total revenues	-	-	613	613
EXPENDITURES:				
Current:				
Roads and infrastructure:				
Public works	-	-	-	-
Total expenditures	-	-	-	-
REVENUES OVER (UNDER)				
EXPENDITURES	-	-	613	613
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	-	-	613	613
FUND BALANCES (DEFICITS):				
Beginning of year	118,265	118,265	118,265	-
End of year	\$ 118,265	\$ 118,265	\$ 118,878	\$ 613

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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
REVENUES:				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	168	168
Total revenues	-	-	168	168
EXPENDITURES:				
Current:				
Roads and infrastructure:				
Public works	-	-	-	-
Capital outlay	-	-	7,549	-
Total expenditures	-	-	7,549	-
REVENUES OVER (UNDER)				
EXPENDITURES	-	-	(7,381)	168
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER)				
EXPENDITURES AND OTHER FINANCING (USES)	-	-	(7,381)	168
FUND BALANCES (DEFICITS):				
Beginning of year	39,271	39,271	39,271	-
End of year	\$ 39,271	\$ 39,271	\$ 31,890	\$ 168

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Sales	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	93	93
Total revenues	-	-	93	93
EXPENDITURES:				
Current:				
Roads and infrastructure:				
Public works	-	-	-	-
Total expenditures	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	-	-	93	93
OTHER FINANCING SOURCES (USES):				
Transfers out				
Total other financing sources and uses	-	-	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	-	-	93	93
FUND BALANCES (DEFICITS):				
Beginning of year	-	-	17,463	17,463
End of year	\$ -	\$ -	\$ 17,556	\$ 17,556

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Sales	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	104	104
Total revenues	-	-	104	104
EXPENDITURES:				
Current:				
Roads and infrastructure:				
Public works	-	-	-	-
Total expenditures	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	-	-	104	104
OTHER FINANCING SOURCES (USES):				
Transfers out				
Total other financing sources and uses	-	-	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	-	-	104	104
FUND BALANCES (DEFICITS):				
Beginning of year	20,191	20,191	20,191	-
End of year	\$ 20,191	\$ 20,191	\$ 20,295	\$ 104

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Sales	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	180,000	180,000	200,182	20,182
Total revenues	180,000	180,000	200,182	20,182
EXPENDITURES:				
Current:				
Roads and infrastructure:				
Public works	200,000	200,000	246,182	(46,182)
Total expenditures	200,000	200,000	246,182	(46,182)
REVENUES OVER (UNDER)				
EXPENDITURES	(20,000)	(20,000)	(46,000)	66,364
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	99,778	99,778
Total other financing sources and uses	-	-	99,778	99,778
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	(20,000)	(20,000)	53,778	166,142
FUND BALANCES (DEFICITS):				
Beginning of year	(55,053)	(55,053)	(55,053)	-
End of year	\$ (75,053)	\$ (75,053)	\$ (1,275)	\$ 166,142

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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 706	\$ 706
Total revenues	-	-	706	706
EXPENDITURES:				
Current:				
Roads and infrastructure:				
Public works	10,000	10,000	-	10,000
Capital outlay	20,000	20,000	0	20,000
Total expenditures	30,000	30,000	-	30,000
REVENUES OVER (UNDER)				
EXPENDITURES	(30,000)	(30,000)	706	(29,294)
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER)				
EXPENDITURES AND OTHER FINANCING (USES)	(30,000)	(30,000)	706	(29,294)
FUND BALANCES (DEFICITS):				
Beginning of year	135,517	135,517	135,517	-
End of year	\$ 105,517	\$ 105,517	\$ 136,223	\$ (29,294)

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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
REVENUES:				
Intergovernmental revenue	\$ -	\$ -	\$ 330,228	\$ -
Use of money and property	-	-	109	109
Total revenues	-	-	330,337	-
EXPENDITURES:				
Capital outlay	-	-	312,038	(312,038)
Total expenditures	-	-	312,038	(312,038)
REVENUES OVER (UNDER)				
EXPENDITURES	-	-	18,299	312,038
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER)				
EXPENDITURES AND OTHER FINANCING (USES)	-	-	18,299	312,038
FUND BALANCES (DEFICITS):				
Beginning of year	3,026	3,026	3,026	-
End of year	\$ 3,026	\$ 3,026	\$ 21,325	\$ 312,038

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Sales	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue			360	
Use of money and property	-	-	9,009	9,009
Total revenues	-	-	9,369	-
EXPENDITURES:				
Economic development	25,000	25,000	17,380	7,620
Capital outlay	0	0	46,998	(46,998)
Total expenditures	25,000	25,000	64,378	(39,378)
REVENUES OVER (UNDER) EXPENDITURES	(25,000)	(25,000)	(55,009)	39,378
OTHER FINANCING SOURCES (USES):				
Loss on note receivable	-	-	-	-
Transfer in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	(25,000)	(25,000)	(55,009)	39,378
FUND BALANCES (DEFICITS):				
Beginning of year	898,121	898,121	898,121	-
End of year	\$ 873,121	\$ 873,121	\$ 843,112	\$ 39,378

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Sales	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Current:				
Public works	-	-	7,613	(7,613)
Total expenditures	<u>-</u>	<u>-</u>	<u>7,613</u>	<u>(7,613)</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>-</u>	<u>-</u>	<u>(7,613)</u>	<u>7,613</u>
OTHER FINANCING SOURCES (USES):				
Transfer in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	<u>-</u>	<u>-</u>	<u>(7,613)</u>	<u>7,613</u>
FUND BALANCES (DEFICITS):				
Beginning of year	898,121	898,121	898,121	-
End of year	<u>\$ 898,121</u>	<u>\$ 898,121</u>	<u>\$ 890,508</u>	<u>\$ 7,613</u>

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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 12,249	\$ 12,249
Total revenues	-	-	12,249	-
EXPENDITURES:				
Housing and support programs	10,000	10,000	1,931	8,069
Total expenditures	10,000	10,000	1,931	8,069
REVENUES OVER (UNDER)				
EXPENDITURES	(10,000)	(10,000)	10,318	(8,069)
OTHER FINANCING SOURCES (USES):				
Transfer in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER)				
EXPENDITURES AND OTHER FINANCING (USES)	(10,000)	(10,000)	10,318	(8,069)
FUND BALANCES (DEFICITS):				
Beginning of year	1,584,479	1,584,479	1,584,479	-
End of year	\$ 1,574,479	\$ 1,574,479	\$ 1,594,797	\$ (8,069)

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
Special Deposit Agency Fund	Resources held for outside parties that are not available for spending by the City.
Other Post-Employment Benefits (OPEB) Agency Fund	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, 2019

	Special Deposit Agency Fund	OPEB Agency Fund	Totals
ASSETS			
Cash and investments	\$ 417,550	\$ (18,448)	\$ 399,102
Receivables:			
Accounts and other	-	19,183	19,183
Total assets	<u>\$ 417,550</u>	<u>\$ 735</u>	<u>\$ 418,285</u>
LIABILITIES			
Accounts payable	\$ 237	\$ -	\$ 237
Refundable deposits and trust liabilities	417,313	735	418,048
Total liabilities	<u>\$ 417,550</u>	<u>\$ 735</u>	<u>\$ 418,285</u>

City of Lakeport, California
Combining Fiduciary Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2019

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
Special Deposit Fund				
Assets:				
Cash and investments	\$ 416,639	\$ -	\$ 911	\$ 417,550
Receivables:				
Accounts and other	4,356	-	(4,356)	-
Interest	739	-	(739)	-
Total assets	<u>\$ 421,734</u>	<u>\$ -</u>	<u>\$ (4,184)</u>	<u>\$ 417,550</u>
Liabilities:				
Accounts payable	\$ 191	\$ 237	\$ (191)	\$ 237
Refundable deposits and trust liabilities	421,543	-	(4,230)	417,313
Total liabilities	<u>\$ 421,734</u>	<u>\$ 237</u>	<u>\$ (4,421)</u>	<u>\$ 417,550</u>
OPEB Fund				
Assets:				
Cash and investments	\$ 6,684	\$ -	\$ (25,132)	\$ (18,448)
Accounts and other	-	19,183	-	19,183
Total assets	<u>\$ 6,684</u>	<u>\$ 19,183</u>	<u>\$ (25,132)</u>	<u>\$ 735</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
OPEB trust obligation	6,684	-	(5,949)	735
Total liabilities	<u>\$ 6,684</u>	<u>\$ -</u>	<u>\$ (5,949)</u>	<u>\$ 735</u>

STATISTICAL SECTION

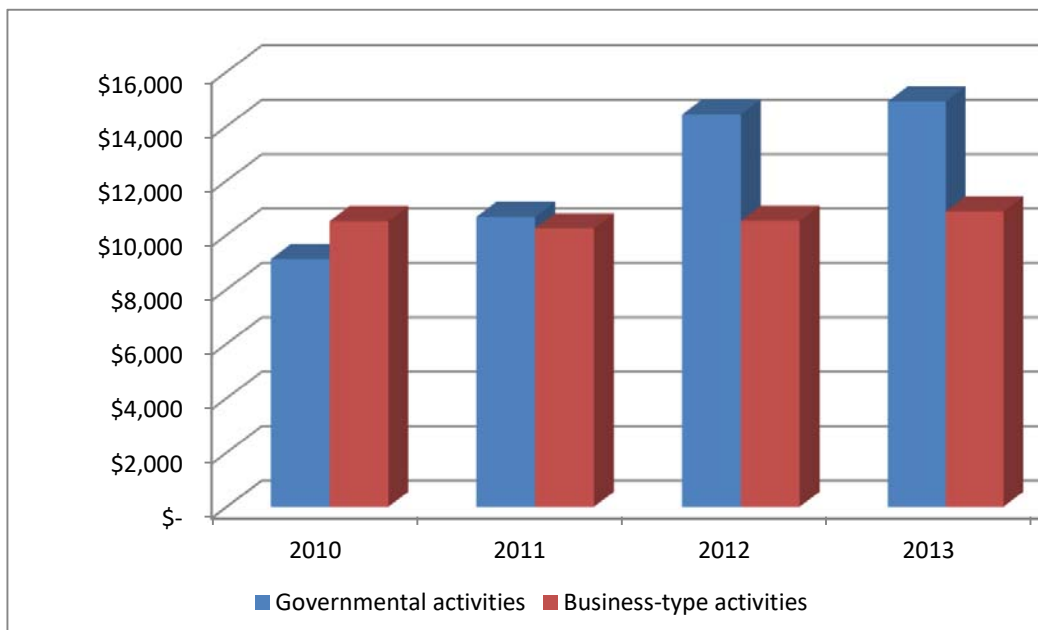
This part of the City of Lakeport's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, footnotes, and required supplementary information says about the City's overall financial health.

Schedules	Content	Page(s)
Financial Trends	These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	140-148
Revenue Capacity	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.	150-154
Debt Capacity	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.	156-160
Demographic and Economic Information	These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	162-163
Operating Information	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.	164-166

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.

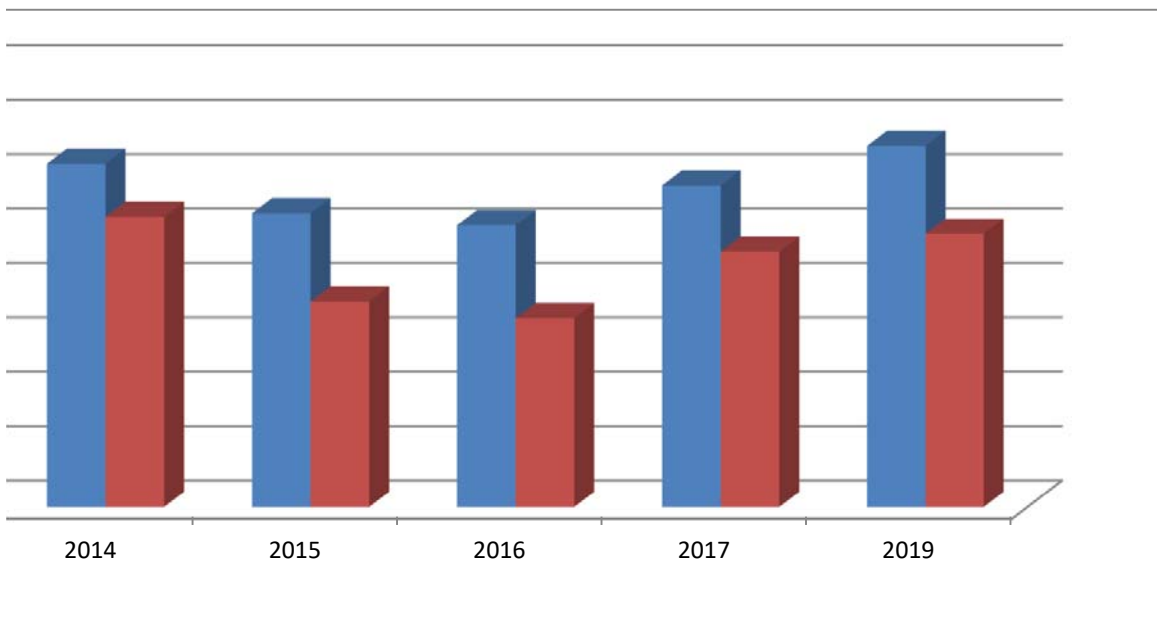
City of Lakeport, California
 Net Position by Component
 Fiscal year ended June 30 (last ten fiscal years)
 (Accrual basis of accounting)
 (In thousands)

	2010	2011	2012
Governmental activities			
Net investment in capital assets	\$ 164	\$ 1,278	\$ 6,352
Restricted	-	2,603	5,463
Unrestricted	8,950	6,790	2,618
Total governmental activities net position	\$ 9,114	\$ 10,671	\$ 14,433
Business-type activities			
Net investment in capital assets	\$ 8,216	7,606	\$ 7,510
Restricted	-	797	2,413
Unrestricted	2,297	1,839	604
Total business-type activities net position	\$ 10,513	\$ 10,242	\$ 10,527
Primary government			
Net investment in capital assets	\$ 8,380	\$ 8,884	\$ 13,862
Restricted	-	3,400	7,876
Unrestricted	11,247	8,629	3,222
Total primary government net position	\$ 19,627	\$ 20,913	\$ 24,960



Source: City Finance Department

2013	2014	2015	2016	2017	2018	2019
\$ 6,299	\$ 6,060	\$ 9,444	\$ 9,627	\$ 12,024	\$ 12,297	\$ 13,385
7,388	3,796	4,180	1,537	1,034	845	1,041
1,223	2,769	(2,823)	(801)	(1,238)	(1,877)	(1,147)
<u>\$ 14,910</u>	<u>\$ 12,625</u>	<u>\$ 10,801</u>	<u>\$ 10,363</u>	<u>\$ 11,820</u>	<u>\$ 11,265</u>	<u>\$ 13,279</u>
\$ 7,291	\$ 6,726	\$ 7,485	\$ 8,844	\$ 10,503	\$ 9,186	\$ 7,150
2,194	3,253	3,827	580	500	785	785
1,386	692	(3,760)	(2,483)	(1,615)	(64)	2,109
<u>\$ 10,871</u>	<u>\$ 10,671</u>	<u>\$ 7,552</u>	<u>\$ 6,941</u>	<u>\$ 9,388</u>	<u>\$ 9,907</u>	<u>\$ 10,044</u>
\$ 13,590	\$ 12,786	\$ 16,929	\$ 18,471	\$ 22,527	\$ 21,483	\$ 20,535
9,582	7,049	8,007	2,117	1,534	1,630	1,826
2,609	3,461	(6,583)	(3,284)	(2,853)	(1,941)	962
<u>\$ 25,781</u>	<u>\$ 23,296</u>	<u>\$ 18,353</u>	<u>\$ 17,304</u>	<u>\$ 21,208</u>	<u>\$ 21,172</u>	<u>\$ 23,323</u>



City of Lakeport, California

Changes in Net Position

Fiscal year ended June 30 (last ten fiscal years)

(Accrual basis of accounting)

(In thousands)

	2010	2011	2012
Expenses:			
Governmental activities:			
General government	\$ 3,364	\$ 1,955	\$ 737
Community development	-	358	268
Roads and infrastructure	735	1,476	1,344
Sanitation	-	-	421
Housing and support programs	-	174	511
Redevelopment/economic development	-	200	293
Public safety	1,831	1,785	1,529
Parks and recreation	323	313	282
Interest on long term debt	302	309	359
Total governmental activities expenses	<u>6,555</u>	<u>6,570</u>	<u>5,744</u>
Business-type activities:			
Water utility	1,356	1,413	1,550
Sewer utility	2,476	2,289	2,408
Total business-type activities expenses	<u>3,832</u>	<u>3,702</u>	<u>3,958</u>
Total primary government expenses	<u>10,387</u>	<u>10,272</u>	<u>9,702</u>
Program revenues:			
Governmental activities:			
Charges for services:			
General government	575	330	-
Community development	-	82	63
Roads and infrastructure	2	41	-
Sanitation	-	-	529
Public safety	103	25	-
Parks and recreation	-	-	26
Operating grants and contributions	680	816	298
Capital grants and contributions	391	1,146	783
Total governmental activities program revenues	<u>1,751</u>	<u>2,440</u>	<u>1,699</u>
Business-type activities:			
Charges for services:			
Water utility	1,242	1,176	1,439
Sewer utility	1,716	1,623	1,934
Capital grants and contributions	-	-	360
Total business-type activities program revenues	<u>2,958</u>	<u>2,799</u>	<u>3,733</u>
Total primary government program revenues	<u>4,709</u>	<u>5,239</u>	<u>5,432</u>
Net (Expense)/Revenue:			
Governmental activities	(4,804)	(4,130)	(4,045)
Business-type activities	(874)	(903)	(225)
Total primary government net expense	<u>(5,678)</u>	<u>(5,033)</u>	<u>(4,270)</u>

2013	2014	2015	2016	2017	2018	2019
\$ 887	\$ 830	\$ 775	\$ 962	\$ 969	\$ 873	\$ 1,217
283	242	307	451	410	314	319
1,151	1,226	1,418	893	906	1,375	1,222
439	452	438	-	-	-	-
18	134	83	108	21	501	2,751
11	82	39	237	137	113	97
1,542	1,664	1,713	1,959	1,986	1,917	2,043
382	327	534	437	433	404	704
8	4	-	42	78	93	143
<u>4,721</u>	<u>4,961</u>	<u>5,307</u>	<u>5,089</u>	<u>4,940</u>	<u>5,590</u>	<u>8,496</u>
1,596	1,759	1,808	2,523	1,247	1,793	2,261
2,363	2,481	2,536	3,342	2,737	2,240	3,142
<u>3,959</u>	<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>8,680</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>
4	4	22	-	-	-	-
20	22	22	30	-	49	50
-	-	-	-	87	76	28
511	467	469	-	-	-	-
7	7	4	46	2	1	2
-	-	-	5	-	-	-
199	-	686	463	321	285	3,452
429	-	2,687	1,994	599	784	531
<u>1,170</u>	<u>500</u>	<u>3,890</u>	<u>2,538</u>	<u>1,009</u>	<u>1,195</u>	<u>4,062</u>
1,471	1,691	1,826	2,062	2,190	2,379	2,302
1,683	2,480	2,787	2,812	2,696	3,009	2,823
38	-	-	-	1,097	-	-
<u>3,192</u>	<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>4,362</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>
(3,551)	(4,461)	(1,417)	(2,551)	(3,931)	(4,395)	(4,433)
(767)	(69)	269	(991)	1,999	1,355	(278)
<u>(4,318)</u>	<u>(4,530)</u>	<u>(1,148)</u>	<u>(3,542)</u>	<u>(1,932)</u>	<u>(3,040)</u>	<u>(4,711)</u>

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

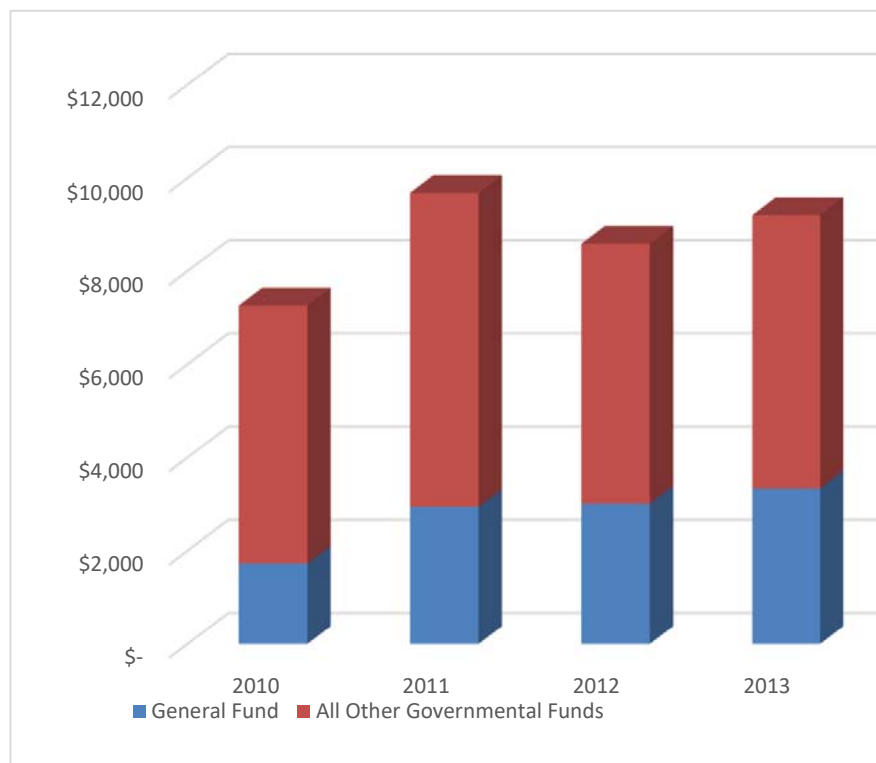
	2010	2011	2012
General Revenues and Other Changes			
in Net Position:			
Governmental activities:			
Sales tax	935	3,753	1,948
Property taxes	2,547	-	835
Transient occupancy taxes	89	-	82
Other taxes	-	300	82
Franchise fees	113	-	132
Fines, forfeitures, and penalties	-	-	-
Use of money and property	58	25	141
Other revenues	503	1,610	405
Sale of land held for resale	-	-	-
Transfers in (out)	-	-	-
Extraordinary gain	-	-	4,181
Special items	-	-	-
Total governmental activities	4,245	5,688	7,806
Business-type activities:			
Property taxes	329	383	369
Use of money and property	41	39	36
Other revenues	-	210	104
Transfers in (out)	-	-	-
Total business-type activities	370	632	509
Total primary government	4,615	6,320	8,315
Changes in Net Position:			
Governmental activities	(559)	1,558	3,761
Business-type activities	(504)	(271)	284
Total primary government	\$ (1,063)	\$ 1,287	\$ 4,045

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.

2013	2014	2015	2016	2017	2018	2019
2,176	2,371	2,039	2,091	2,520	3,384	3,751
928	860	852	873	918	932	870
85	95	58	200	228	62	198
95	70	92	412	400	653	520
225	277	200	-	-	-	-
-	39	41	-	19	23	27
194	205	299	148	146	54	147
324	97	260	397	146	1,807	935
-	-	-	-	-	-	-
-	(2,418)	-	(33)	193	-	-
-	-	-	-	-	-	-
-	-	-	(1,974)	820	-	-
<u>4,027</u>	<u>1,596</u>	<u>3,841</u>	<u>2,114</u>	<u>5,390</u>	<u>6,915</u>	<u>6,448</u>
426	-	-	310	415	317	290
41	38	41	37	50	49	125
645	-	-	-	-	-	-
-	-	-	33	(15)	-	-
<u>1,112</u>	<u>38</u>	<u>41</u>	<u>380</u>	<u>450</u>	<u>366</u>	<u>415</u>
<u>5,139</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>
476	(2,865)	2,424	(437)	1,458	2,519	2,014
345	(31)	310	(611)	2,448	1,721	137
<u>\$ 821</u>	<u>\$ (2,896)</u>	<u>\$ 2,734</u>	<u>\$ (1,048)</u>	<u>\$ 3,906</u>	<u>\$ 4,240</u>	<u>\$ 2,151</u>

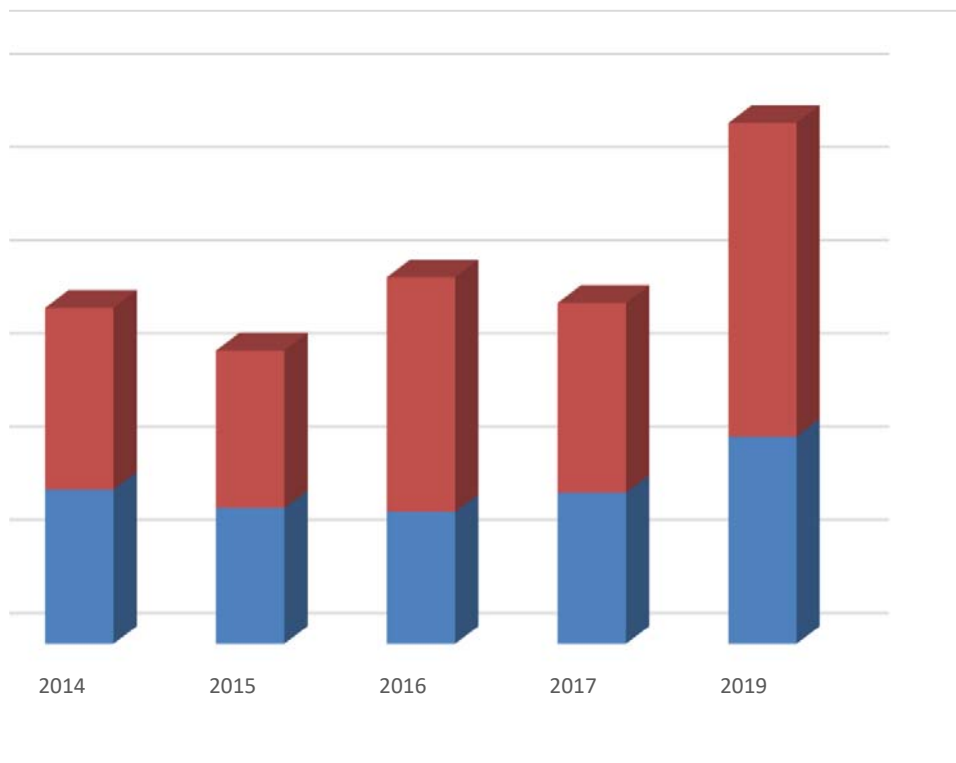
City of Lakeport, California
Fund Balances of Governmental Funds
Fiscal year ended June 30 (last ten fiscal years)
(Modified accrual basis of accounting)
(In thousands)

	2010	2011	2012
General Fund			
Nonspendable	\$ -	\$ 408	\$ 1,541
Restricted	-	-	-
Committed	-	-	1,470
Assigned	-	133	-
Unassigned	1,727	2,394	-
Total general fund	<u>\$ 1,727</u>	<u>\$ 2,935</u>	<u>\$ 3,011</u>
All Other Governmental Funds			
Nonspendable	\$ 2,287	\$ 2,404	\$ 2,859
Restricted	4,731	2,603	2,383
Committed	-	-	360
Assigned	150	2,041	297
Unassigned	(1,630)	(298)	(321)
Total all other governmental funds	<u>5,538</u>	<u>6,750</u>	<u>5,578</u>
Total all governmental funds	<u>\$ 7,265</u>	<u>\$ 9,685</u>	<u>\$ 8,589</u>



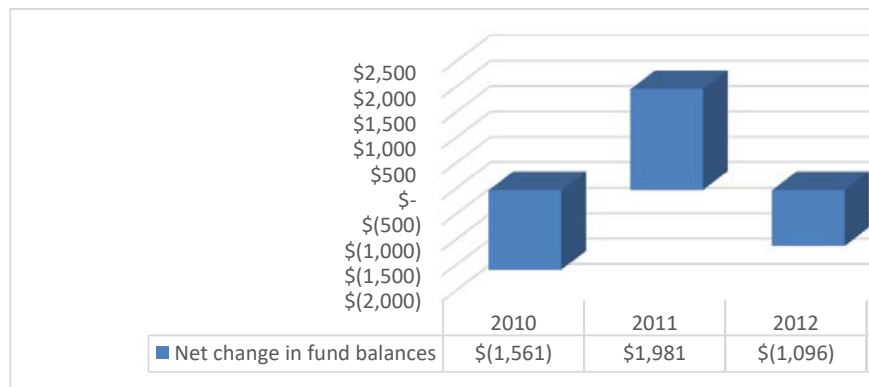
Source: City Finance Department

2013	2014	2015	2016	2017	2018	2019
\$ 1,511	\$ 1,087	\$ 374	\$ 329	\$ 294	\$ 289	\$ 289
-	23	14	21	21	10	10
-	182	362	421	421	-	-
1,821	2,021	2,165	2,062	2,172	3,310	3,310
-	-	-	-	337	341	843
<u>\$ 3,332</u>	<u>\$ 3,313</u>	<u>\$ 2,915</u>	<u>\$ 2,833</u>	<u>\$ 3,245</u>	<u>\$ 3,951</u>	<u>\$ 4,453</u>
\$ 2,639	\$ 516	\$ -	\$ 3,012	\$ 2,992	\$ 2,623	\$ 2,480
3,237	3,773	4,165	1,516	1,013	834	1,030
373	-	-	-	-	-	-
7	-	427	777	351	2,038	3,479
(387)	(387)	(1,212)	(271)	(281)	(273)	(259)
<u>5,869</u>	<u>3,902</u>	<u>3,380</u>	<u>5,034</u>	<u>4,075</u>	<u>5,223</u>	<u>6,731</u>
<u>\$ 9,201</u>	<u>\$ 7,215</u>	<u>\$ 6,295</u>	<u>\$ 7,867</u>	<u>\$ 7,320</u>	<u>\$ 9,175</u>	<u>\$ 11,184</u>



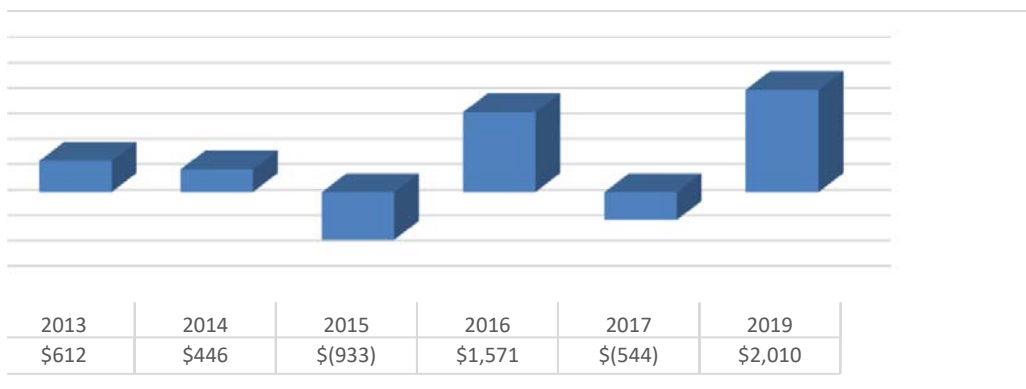
City of Lakeport, California
Changes in Fund Balances of Governmental Funds
Fiscal year ended June 30 (last ten fiscal years)
(Modified accrual basis of accounting)
(In thousands)

	2010	2011	2012
Revenues			
Taxes	\$ 1,071	\$ 3,753	\$ 2,943
Licenses, permits, and franchises	3,684	271	134
Fines and forfeitures	155	29	29
Use of money and property	21	25	165
Intergovernmental revenue	58	1,407	859
Charges for services	504	477	619
Other revenues	503	1,610	100
Total revenues	5,996	7,572	4,849
Expenditures			
Current			
General government	3,820	1,557	606
Community development	-	327	268
Roads and infrastructure	813	1,432	833
Sanitation	-	-	421
Housing and support programs	-	174	511
Redevelopment/economic development	-	-	293
Public safety	1,997	1,645	1,529
Parks, buildings, and ground	259	313	292
Capital outlay	589	1,262	192
Debt service			
Cost of issuance	-	-	-
Principal retirement	121	107	168
Interest	277	289	235
Total expenditures	7,876	7,106	5,348
Reconciliation of Governmental Revenues			
Less Expenditures to Fund Equity			
Revenues over (under) expenditures	(1,880)	467	(499)
Other financing sources (uses):			
Proceeds from sale of capital assets	-	-	-
Proceeds from capital lease	319	-	-
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	756	4,719	2,959
Transfers out	(756)	(5,037)	(2,959)
Total other financing sources (uses)	319	1,514	(597)
Net change in fund balances	\$ (1,561)	\$ 1,981	\$ (1,096)
Debt service as a percentage of noncapital expenditures	6.0%	7.7%	9.0%



Source: City Finance Department

	2013	2014	2015	2016	2017	2018	2019
\$	3,285	\$ 3,397	\$ 3,045	\$ 3,244	\$ 3,739	\$ 4,463	\$ 4,900
	225	277	283	315	327	567	439
	18	39	41	18	19	23	27
	194	205	299	463	921	1,069	3,983
	629	579	686	148	146	54	147
	542	500	517	80	88	126	79
	305	97	174	2,391	146	1,807	935
	5,198	5,094	5,045	6,659	5,386	8,109	10,510
	799	710	856	796	671	901	903
	295	244	311	401	410	314	319
	891	948	1,096	737	1,066	1,641	1,678
	439	452	438	-	-	-	-
	30	136	83	96	21	156	2,751
	23	84	39	211	137	113	97
	1,553	1,666	1,721	1,784	1,920	1,844	1,946
	484	329	536	365	355	323	621
	-	8	931	531	2,388	354	1,027
	-	-	-	-	-	-	-
	64	67	-	92	175	171	148
	8	4	-	42	78	93	143
	4,586	4,648	6,011	5,055	7,221	5,910	9,633
	612	446	(966)	1,604	(1,835)	2,199	876
	-	-	-	-	3	-	-
	-	-	-	-	-	-	-
	-	-	-	1,974	1,095	-	1,134
	-	-	-	(1,974)	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	(345)	-
	-	-	-	-	-	-	-
	146	39	49	65	760	2,765	129
	(146)	(39)	(16)	(98)	(567)	(2,765)	(129)
	-	-	33	(33)	1,291	(345)	1,134
\$	612	\$ 446	\$ (933)	\$ 1,571	\$ (544)	\$ 1,854	\$ 2,010
	1.8%	1.7%	0.0%	3.3%	6.0%	5.1%	3.6%

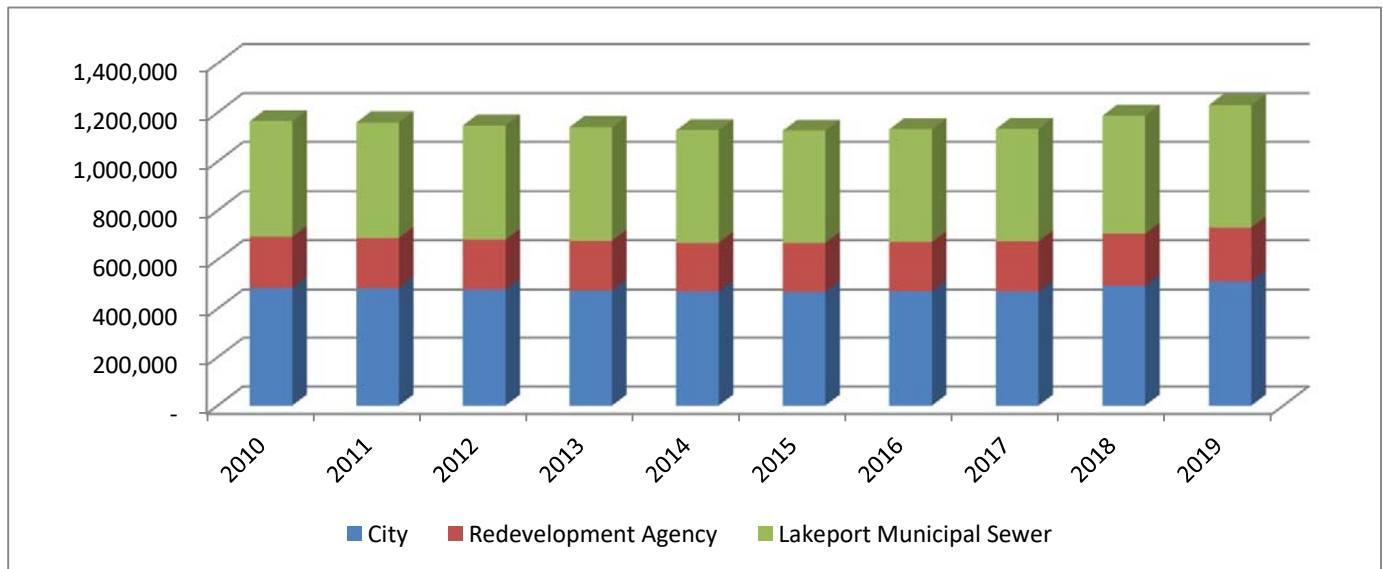


City of Lakeport, California
Assessed Value and Actual Value of Taxable Property
Fiscal year ended June 30 (last ten fiscal years)
(In thousands)

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	
2010	461,343	23,351	484,694	195,841	12,547	208,388	448,022	23,234	471,256	1.000
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

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)

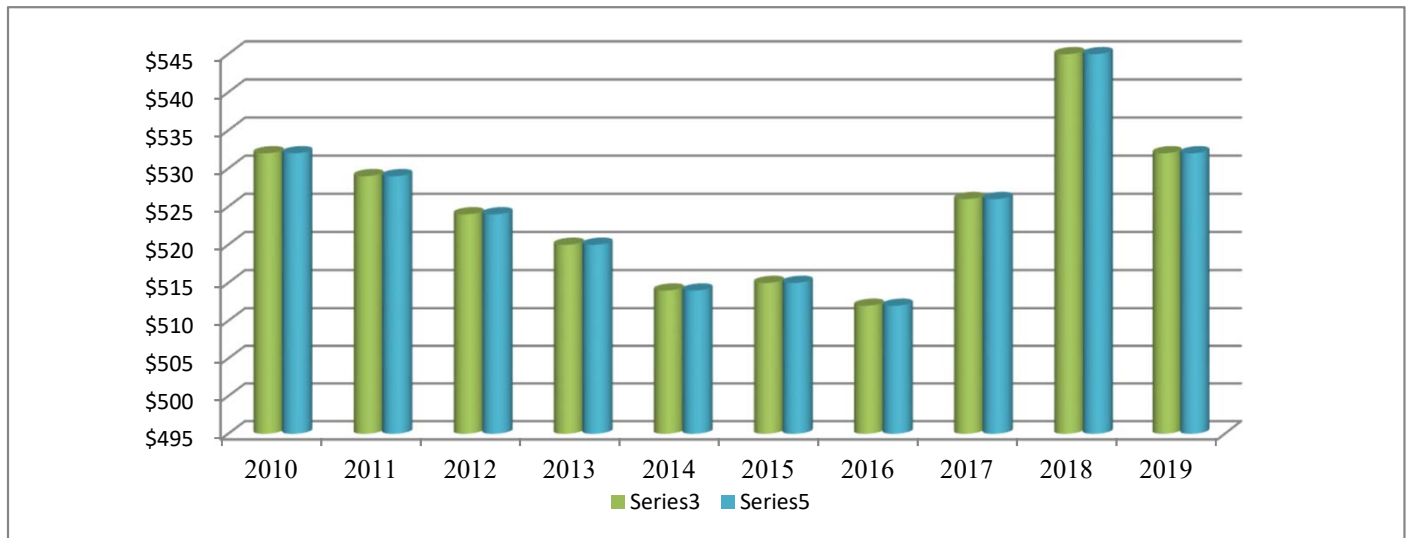
Year Ended	Direct Rates		Overlapping Rates		
	Basic Rate	Total Direct	Lakeport Unified High School Bond	Mendocino Community College	Total Tax Rate
2010	1.00000	1.00000	0.04275	0.02300	1.06575
2011	1.00000	1.00000	0.03767	0.02300	1.06067
2012	1.00000	1.00000	0.44340	0.02300	1.46640
2013	1.00000	1.00000	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

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	
2010	\$ 532	\$ 532	100%	-	\$ 532	100%	
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	532	532	100%	-	532	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	2018-19			2009-10		
	Assessed Valuation	Rank	Percent of Total	Assessed Valuation	Rank	Percent of Total
Safeway, Inc.	\$ 18,508	1	30.24%	\$ -	-	0.00%
Arton, Inc.	6,297	2	10.29%	3,140	6	19.59%
California Aviv, LLC	6,774	3	11.07%	-	-	0.00%
Lany Lakeport Limited Partnership	6,008	4	9.82%	6,593	1	41.13%
Jeanrenaud Henri & Jeanrenaud Barbara O	6,015	5	9.83%			
Bruno's Property Management, LLC	5,923	6	9.68%	4,140	4	25.83%
Pontus Vault Portfolia LLC	4,098	7	6.70%			
Shoreline Mini Storage LLC	3,542	8	5.79%	-	-	0.00%
1 1st Street LLC	2,019	9	3.30%	-	-	0.00%
Jackson Ave Propeties LLC	2,021	10	3.30%			
Total	<u>\$ 61,205</u>		<u>100.00%</u>	<u>\$ 16,029</u>		<u>100.00%</u>

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

2019	2018	2017	2016
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
Enterprise Rent-A-Car	Eureka Oxygen Company	Express Service Stations	Express Service Stations
Eureka Oxygen Company	Express Service Stations	Grocery Outlet	Grocery Outlet
Express Service Stations	Grocery Outlet	Jimmy's Deli	Hillsdale Honda/Yamaha
Grocery Outlet	K Mart Stores	K Mart Stores	K Mart Stores
K Mart Stores	Kentucky Fried Chicken	Kathy Fowler Chevy Pontiac GMC	Kathy Fowler Chevy Pontiac GMC
Kentucky Fried Chicken	Matt Mazzei Chevrolet	Kathy Fowler Chrysler Jeep Dodge	Kathy Fowler Chrysler Jeep Dodge
Lake Parts	McDonald's Restaurants	Kentucky Fried Chicken	Kentucky Fried Chicken
Matt Mazzei Chevrolet	NAPA Auto Parts	Matt Mazzei Chevrolet	McDonald's Restaurants
McDonald's Restaurants	New Trend Wireless	McDonald's Restaurants	NAPA Auto Parts
O'Meara Bros. Brewing Company	O'Meara Bros. Brewing Company	NAPA Auto Parts	O'Meara Bros Brewing Restaurant
O'Reilly Auto Parts	O'Reilly Auto Parts	O'Reilly Auto Parts	O'Reilly Auto Parts
Park Place Restaurant	Park Place Restaurant	Park Place Restaurant	Park Place Restaurant
Renee's Café	Plaza Paint & Supplies of Lakport	Renee's Café	Renee's Café
Round Table Pizza	Redwood Oil Company	Round Table Pizza	Round Table Pizza
Safeway Stores	Renee's Café	Safeway Stores	Safeway Stores
Shell Service Stations	Round Table Pizza	Shell Service Stations	Shell Service Stations
Taco Bell	Safeway Stores	Taco Bell	Taco Bell
US Cellular	Taco Bell	West Lake Auto Center	Tower Mart Service Stations
Verizon Wireless	Tesoro Service Stations	New Trend Wireless	West Lake Auto Center
West Lake Auto Center	West Lake Auto Center	Z Wireless	New Trend Wireless

Note: The lists above include both public and private entities and, therefore, the dollar values have been omitted because of information. Rankings are determined by the sales dollar volume.

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

the information is not public

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

Fiscal Year Ended June 30,	General		Revenue Bonds	Special	Tax	Total Outstanding Debt
	Obligation Bonds	Capital Leases		Assessment Bonds	Alloctaion Bonds	
	Governmental Activities:		Business-type Activiites:		Fiduciary Activities:	
2010	\$ -	\$ 248,000	\$ 6,238,000	\$ 4,113,000	\$ 5,460,000	\$ 16,059,000
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	3,950,000	25,997,000

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>
0.19%	4,753	\$ 3,379
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

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

Fiscal Year Ended June 30,	General Obligation Bonds(1)	Less: Amounts Available in Debt Service Fund(2)	Total	Percentage of Estimated Actual Taxable Value of Property ⁽³⁾	Per Capita ⁽⁴⁾
2010	\$ -	\$ -	\$ -	0.0%	\$ -
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

(1) This is the general bonded debt of the general fund, net of original issuance discounts and premiums

(2) This is the amount restricted for debt service principal payment

(3) See the Schedule of Assessed Value and the Estimated Actual Value of Taxable Property

(4) 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, 2019
 (In thousands)

2018 Assessed Valuation (in thousands)		\$	510,180
		<u>% Applicable</u>	<u>Debt 6/30/19</u>
Overlapping Tax and Assessment Debt:			
Mendocino-Lake Community College District - GO Bonds		4.64%	\$ 3,349,707
Lakeport Unified School District - GO Bonds		41.30%	7,301,042
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%	4,530,000
Total overlapping tax and assessment debt			<u>\$ 15,760,749</u>
Direct General Fund Debt:			
Mendocino-Lake Community College District - Capital Lease		4.65%	\$ 30,172
USDA Police Station Bond		100%	1,062,000
City of Lakeport Municipal Financing Authority Lease Revenue Bonds		100%	1,170,000
City of Lakeport Pension Obligation Bonds		100%	2,385,997
Total direct general fund debt			<u>4,648,169</u>
Combined total debt			<u><u>\$ 20,408,918</u></u> ⁽¹⁾
<u>Ratios to 2015-2016 Assessed Valuation:</u>			
Total Overlapping Tax and Assessment Debt		3.61%	
Total Combined Debt		4.52%	

⁽¹⁾ 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)

	2010	2011	2012	2013
Assessed value	\$ 461,343	\$ 459,145	\$ 455,541	\$ 452,910
Conversion percentage	25%	25%	25%	25%
Adjusted assessed value	115,336	114,786	113,885	113,228
Debt limit percentage	15%	15%	15%	15%
Debt limit	17,300	17,218	17,083	16,984
Total net debt applicable to limit	-	-	-	-
Legal debt margin	\$ 17,300	\$ 17,218	\$ 17,083	\$ 16,984
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%

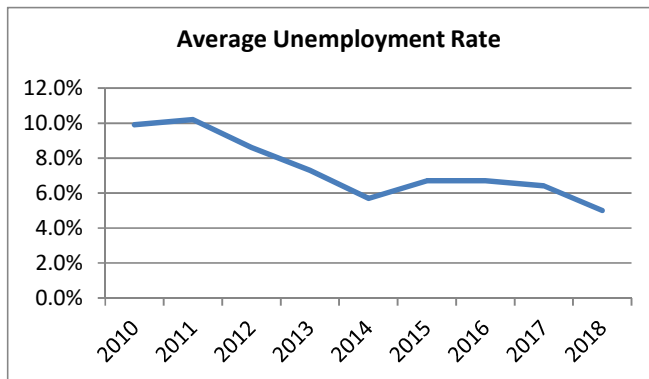
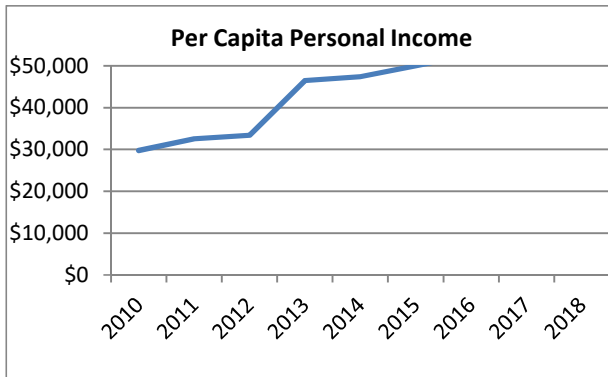
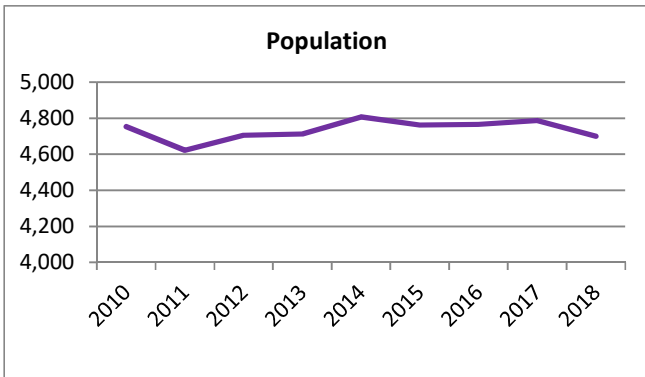
Note: The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed secured tax valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% 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

Note: The City does not have any outstanding general obligation

2014	2015	2016	2017	2018	2019
\$ 447,317	\$ 445,221	\$ 449,070	\$ 448,318	\$ 469,113	\$ 486,304
25%	25%	25%	25%	25%	25%
111,829	111,305	112,268	112,080	117,278	121,576
15%	15%	15%	15%	15%	15%
16,774	16,696	16,840	16,812	17,592	18,236
-	-	-	-	-	-
\$ 16,774	\$ 16,696	\$ 16,840	\$ 16,812	\$ 17,592	\$ 18,236
0%	0%	0%	0%	0%	0%

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

Year	Population ⁽¹⁾	Personal Income (in thousands) ⁽²⁾	Per Capita Personal Income ⁽²⁾	Unemployment Rate (%) ⁽³⁾
2010	4,753	\$ 1,916,957	\$ 29,760	9.9% (4)
2011	4,622	2,107,287	32,543	10.2% (4)
2012	4,705	2,146,801	33,375	8.6% (4)
2013	4,713	1,768,039	46,477	7.3% (4)
2014	4,807	1,817,010	47,401	5.7% (4)
2015	4,762	1,939,528	49,985	6.7% (5)
2016	4,765	2,061,337	52,651	6.7% (5)
2017	4,786	2,197,492	55,987	6.4% (5)
2018	4,699	2,662,533	64,246	5.0% (5)
2019	4,784	2,780,363	64,382	4.9% (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:

- ⁽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

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

Employer	2018-19			2009-10		
	Employees	Rank	Percent of Top 10 Employment (%)	Employees	Rank	Percent of Top 10 Employment (%)
County of Lake	982	1	27.5%	866	1	23.3%
Konocti Unified School District	449	2	12.6%	358	3	9.6%
Sutter Lakeside Hospital	403	3	11.3%	450	2	12.1%
Robinson Rancheria Resort & Casino	320	4	9.0%	300	7	8.1%
Twin Pine Casino	281	5	7.9%	249	9	6.7%
Calpine Corp.	280	6	7.8%	352	5	9.5%
Wal-Mart	243	7	6.8%	303	6	8.2%
Kelseyville Unified School District	230	8	6.4%	-	-	0.0%
Middletown Unified School District	195	9	5.5%	-	-	0.0%
Running Creek Casino	185	10	5.2%	-	-	0.0%
Konocti Vista Casino	-		0.0%	228	10	6.1%
St Helena Hospital	-		0.0%	354	4	9.5%
Shannon Ranches Inc	-		0.0%	250	8	6.7%
Total	3,568		100.0%	3,710		100.0%

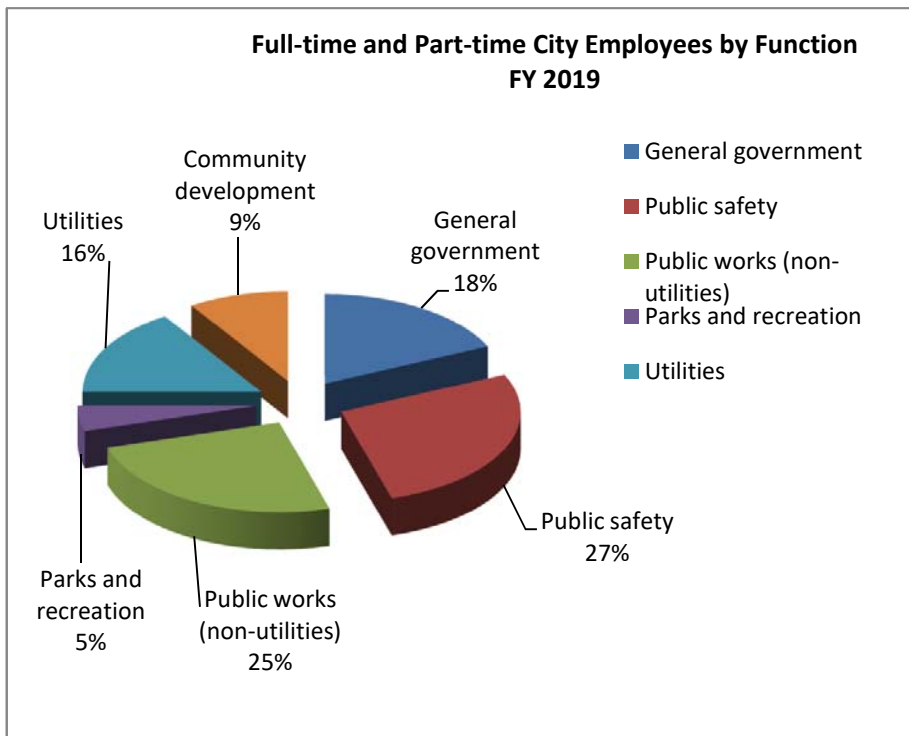
Note: Information presented is for the Lake County Region, Major Lake County Employers, since separate data is not available for the City of Lakeport.

Source: Lake County Marketing Program

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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government	11	7	8	9	9	8	6	8	9	9
Public safety	15	17	14	16	15	14	4	12	15	15
Public works (non-utilities)	18	9	9	12	12	7	22	11	10	10
Parks and recreation	15	10	10	13	1	15	4	2	2	2
Utilities	17	9	11	6	6	9	13	7	8	8
Community development	5	9	10	6	4	5	8	4	5	5
Total	81	61	62	62	47	58	57	44	49	49



Source: City Finance Department

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

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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	4
Pools	1	1	1	1	1	1	1	1	1	1
Community centers	1	1	1	1	1	1	1	1	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)

	2010	2011	2012
Governmental activities:			
Land	\$ 399	\$ 729	\$ 729
Construction-in-progress	428	-	-
Buildings and structures	2,619	2,619	2,619
Improvements/CIP	3,138	4,465	4,475
Equipment and vehicles	1,533	1,533	1,533
Total	8,117	9,346	9,356
Accumulated depreciation:			
Buildings and structures	950	1,003	1,055
Improvements/CIP	548	641	732
Equipment and vehicles	747	823	998
Total	2,245	2,467	2,785
Total governmental net capital assets	\$ 5,872	\$ 6,879	\$ 6,571
Business-type activities:			
Land	\$ 1,775	\$ 1,775	\$ 2,475
Construction-in-progress	-	1,840	1,840
Buildings and structures	-	1,840	1,840
Improvements/CIP	27,841	26,222	26,936
Equipment and vehicles	670	538	548
Total	30,286	32,215	33,639
Accumulated depreciation:			
Buildings and structures	497	533	570
Improvements/CIP	10,999	11,681	12,457
Equipment and vehicles	473	525	534
Total	11,969	12,739	13,561
Total business-type net capital assets	\$ 18,317	\$ 19,476	\$ 20,078

2013	2014	2015	2016	2017	2018	2019
\$ 653	\$ 653	\$ 1,653	\$ 1,653	\$ 1,653	\$ 1,653	\$ 1,769
-	-	-	452	452	369	16
2,695	2,695	5,173	5,240	5,240	5,588	6,500
4,475	4,475	4,697	4,776	4,776	7,428	7,612
1,533	1,566	1,585	1,621	1,621	1,998	2,243
9,356	9,389	13,108	13,742	13,742	17,036	18,140
1,110	1,165	1,284	1,403	1,403	1,675	1,846
847	961	1,075	1,201	1,201	1,518	1,714
1,100	1,203	1,305	1,390	1,390	1,547	1,656
3,057	3,329	3,664	3,994	3,994	4,740	5,216
\$ 6,299	\$ 6,060	\$ 9,444	\$ 9,748	\$ 9,748	\$ 12,296	\$ 12,924
\$ 2,475	\$ 2,475	\$ 2,475	\$ 2,475	\$ 2,475	\$ 2,475	\$ 2,475
1,840	1,840	3,129	6,342	6,342	568	131
1,840	1,840	1,840	1,852	1,852	9,955	9,955
27,129	27,593	27,022	27,101	27,101	27,950	28,518
552	785	1,444	1,474	1,474	1,609	1,999
33,836	34,533	35,910	39,244	39,244	42,557	43,078
1,309	643	679	716	716	992	1,231
12,457	13,939	14,704	15,468	15,468	17,022	17,817
518	529	611	694	694	872	1,008
14,284	15,111	15,994	16,878	16,878	18,886	20,056
\$ 19,552	\$ 19,422	\$ 19,916	\$ 22,366	\$ 22,366	\$ 23,671	\$ 23,022

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