

COMPREHENSIVE ANNUAL FINANCIAL REPORT



CITY OF LAFAYETTE CALIFORNIA

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

This Page Left Intentionally Blank

City of Lafayette, California

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**Prepared by
The Administrative Services Department**

This Page Left Intentionally Blank

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

Table of Contents

	<u>Page</u>
<u>INTRODUCTORY SECTION</u>	
Letter of Transmittal.....	i
List of City Officials.....	viii
Organization Chart.....	ix
Location Map.....	x
GFOA Certificate of Achievement for Excellence in Financial Reporting.....	xi
<u>FINANCIAL SECTION</u>	
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis.....	5
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position.....	23
Statement of Activities.....	24
Governmental Funds:	
Balance Sheet.....	30
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	33
Statement of Revenues, Expenditures and Changes in Fund Balances	34
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities	36
Proprietary Funds:	
Statement of Net Position.....	38
Statement of Revenues, Expenses and Changes in Fund Net Position.....	39
Statement of Cash Flows	40
Fiduciary Funds:	
Statement of Fiduciary Net Position.....	42
Statement of Changes in Fiduciary Net Position.....	43
Notes to Basic Financial Statements.....	47

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

Table of Contents

	<u>Page</u>
<u>FINANCIAL SECTION, Continued</u>	
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
General Fund	83
Schedule of Changes in the Total OPEB Liability and Related Ratios - Last 10 Years	84
Schedule of Contributions - Last 10 Years.....	85
 Supplementary Information:	
Other Major Governmental Funds:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
Streets and Signals Fund	88
Capital Projects Fund.....	89
Debt Service Fund	90
 Nonmajor Governmental Funds:	
Combining Balance Sheet	
Combining Statement of Revenues Expenditures and Changes in Fund Balances	92
Combining Statement of Revenues Expenditures and Changes in Fund Balances	93
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
Parking Programs.....	96
Vehicle Abatement.....	97
Senior Transportation.....	98
Low and Moderate Housing.....	99
Road Maintenance and Rehabilitation	100
Gas Tax.....	101
Measure J Return to Source.....	102
Supplemental Law Enforcement.....	103
Core Maintenance	105
Street Lighting.....	104
Stormwater Pollution.....	106
 Fiduciary Funds:	
Successor Agency to the Redevelopment Agency Private Purpose Trust Fund:	
Combining Statement of Fiduciary Net Position	108
Combining Statement of Changes in Fiduciary Net Position	109
 Agency Funds:	
Combining Statement of Changes in Assets and Liabilities	
Combining Statement of Changes in Assets and Liabilities	110
Statement of Changes in Assets and Liabilities.....	111

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

Table of Contents

	<u>Page</u>
<u>STATISTICAL SECTION (Unaudited)</u>	
Financial Trends:	
Government-Wide Revenues by Source – Last Ten Fiscal Years.....	114
Government-Wide Expenses by Function – Last Ten Fiscal Years	116
General Governmental Revenues by Source – Last Ten Fiscal Years	118
Tax Revenue by Source – Last Ten Fiscal Years	120
Revenue Capacity:	
General Governmental Expenditures by Function – Last Ten Fiscal Years	122
Net Position by Component.....	124
Changes in Net Position	126
Fund Balances of Governmental Funds – Last Ten Fiscal Years	130
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	132
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years	134
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years	135
Principal Sales Tax Producers.....	137
Principal Property Taxpayers – Current Fiscal Year and Nine Years Ago.....	138
Property Tax Levies and Collections – Last Ten Fiscal Years	140
Debt Capacity:	
Ratios of Debt Outstanding – Last Ten Fiscal Years	141
Direct and Overlapping Debt	142
Legal Debt Margin Information – Last Ten Fiscal Years.....	143
Pledged Revenue Coverage – Last Ten Fiscal Years	145
Demographic and Economic Information:	
Demographic Statistics – Last Ten Fiscal Years.....	146
Annual Average Labor Force and Unemployment Rates – Last Ten Fiscal Years	148
Principal Employers – Current Fiscal year and Three Years Ago	149
Full Time Equivalent City Government Employees by Function – Last Ten Fiscal Years.....	150
Operating Indicators:	
Operating Indicators by Function/Program – Last Ten Fiscal Years.....	151
Capital Assets Statistics by Function – Last Ten Fiscal Years	152
Miscellaneous Statistical Data.....	153

This page intentionally left blank.



City Council

Mike Anderson, Mayor
Susan Candell, Vice Mayor
Steven Bliss, Council Member
Cameron Burks, Council Member
Teresa Gerringer, Council Member

December 14, 2020

To: Lafayette City Council
From: Tracy Robinson, Administrative Services Director
RE: Fiscal Year 2019-20 Comprehensive Annual Financial Report

The Comprehensive Annual Financial Report (CAFR) of the City of Lafayette for the fiscal year ending June 30, 2020 is submitted in compliance with Section 25253 of the Government Code of the State of California and as prescribed by the Government Accounting Standards Board (GASB) Statement 34.

This report was prepared by the City of Lafayette Finance Department and the responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge, the data included in the report is accurate in all material respects, and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

While it is theoretically possible to design and implement controls that are virtually foolproof, it would be extremely costly to do so. It is difficult to justify paying more for controls than the value of the benefits that they provide. Therefore, entities must, as a practical matter, accept less-than-perfect controls. Thus, one inherent limitation of internal control is that a certain degree of risk will always be unavoidable because of cost/benefit considerations. Another challenge arises from the unique role that management plays in internal control. Managers are almost always in a position to circumvent any controls they put in place. A second inherent limitation of internal control is the risk of management override. Lastly, many control-related procedures depend on employees serving as checks and balances on one another. The effectiveness of such procedures can be frustrated if employees conspire to circumvent the control. A third inherent limitation of internal control is the risk of collusion. The City of Lafayette has implemented internal controls to the extent possible within budgetary constraints. The City is consistently looking for ways to augment such controls using current staffing, including but not limited to training, physical audits by management, separation of duties and standardized documentation to the extent possible.

Badawi & Associates have issued an unqualified (“clean”) opinion on the City of Lafayette’s financial statements for the year ended June 30, 2020. The independent auditor’s report is included with this report.

The CAFR represents the culmination of all budgeting and accounting activities of the City during FY 2019-20. The Management Discussion and Analysis (MD&A) which is also included in this report provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

GENERAL INFORMATION ABOUT THE CITY OF LAFAYETTE

Incorporated in 1968, Lafayette is located in Contra Costa County, one of the nine counties of the San Francisco Bay Area. Located on 15 square miles, Lafayette is noted for its high quality of life with top rated schools, low crime rate, small town downtown, clean air, mild climate and oak tree-studded hills. Located between Berkeley and Walnut Creek, Lafayette has its own Bay Area Rapid Transit station (BART) and is only a 25 minute BART ride from San Francisco.

The City’s population on 1/1/2020 as reported by the State of California Department of Finance was 25,604. The City is primarily a residential community with commercial (retail and office) and light industrial enterprises, as well as local governmental offices.

Lafayette’s commercial district lies in the center of the community and offers a wide variety of services for residents, in addition to boutique shopping and fine dining. The annual Art & Wine Festival attracts as many as 80,000 visitors to the City each year in September, although the festival this year was cancelled due to Covid.

The City operates under the Council-Manager form of government, and is governed by a five-member Council elected at large, serving staggered four-year terms. Council elections are held in November of even numbered years. The Mayor is elected by the Council members from within their ranks to serve rotating one-year terms. The City Manager and City Attorney are appointed by the City Council. The City Manager appoints all Department Directors and through them, all other employees of the City.

Lafayette is a limited service city and contracts with Contra Costa County for police, library, animal, and building services. Other examples of services delivered within the City that are provided by separate agencies are: fire service provided by the Contra Costa Consolidated Fire District, water service by East Bay Municipal Utility District, and sewer service by the Central Contra Costa Sanitary District. The Lafayette School District operates the 4 elementary schools and one middle school within the city boundary. The high school is in the Acalanes Unified School District, which also serves the communities of Canyon, Moraga, Orinda, and portions of Walnut Creek. As a result, the City has only one component unit and no other legal entities for which it is financially or legally responsible.

The City’s fiscal year runs from July 1 through June 30. Each year, the Administrative Services Director prepares two budgets -- the Proposed Budget, which is approved in June, and the Final Budget, which is approved in December. The budget process is as follows:

- In January, the City Council meets to set the goals and priorities for the upcoming fiscal year.
- In February and March, the department heads prepare their preliminary budgets and incorporate requests from commissions and committees.
- In mid-March, each department head meets with the City Manager, Administrative Services Director and Assistant Administrative Services Director to review the budget requests.
- In mid-April, the Administrative Services Director presents the Proposed Budget to the Finance Committee.
- At the end of May, the Proposed Budget is introduced at a regular City Council meeting.
- The City Council holds a special budget workshop meeting, usually during the first week in June. At this meeting, the public is invited to comment on the budget and the Council makes a number of important policy decisions regarding the budget.
- The budget and any changes made to it during the budget workshop are adopted by resolution at the next regularly scheduled City Council meeting and before the state required adoption date of June 30.
- After final figures for the prior fiscal year have been audited, usually in late October, the Administrative Services Director begins work on the Final Budget. The Final Budget incorporates actual expenses and revenues from the prior fiscal year, as well as any changes made by the City Council to the Proposed Budget. If other programs or expenditures are anticipated, these items are incorporated into the Final Budget as well.
- The City Council reviews the Final Budget at a regularly scheduled meeting in December, and adopts the Final Budget by resolution.

This annual budget serves as the foundation for Lafayette's financial planning and control. The budget is prepared by fund, program and function. Department heads may transfer resources within a program as they see fit. The City Council must approve changes to established levels of service, changes in the number of regular positions as defined by the City's adopted Personnel Rules, increases in the total amount allocated for each program, and purchases of capital items which exceed \$10,000 in value and which are not itemized in the Capital Outlay accounts. The City Manager can approve all other modifications not specifically reserved for the City Council.

The City continues to maintain reserves well above best practice recommendations and continues its philosophy of conservative retirement programs, which do not include defined benefit plans.

ORGANIZATIONAL STRUCTURE & COMPENSATION

The City employs 43.55 FTE regular employees as well as many temporary and seasonal employees. Most of the senior management team is experienced and long-tenured:

Niroop Srivatsa	City Manager	1.5 years*
Tracy Robinson	Administrative Services Director	20 years
Jonathan Katayanagi	Parks & Recreation Director	4 years
Mike Moran	Public Works & Engineering Director	6 years
Joanne Robbins	City Clerk	26 years
Greg Wolff	Planning & Building Director	1.5 years*
Jennifer Wakeman	Asst. Administrative Services Director	6 years
Ben Alldritt	Chief of Police, County (contract)	3 years
Mala Subramanian	City Attorney, BB&K (contract)	13 years

Unlike most public sector organizations, the City of Lafayette does not participate in a defined benefit retirement program. Rather, City employees have traditional defined contribution programs (401 and 457 plans) so these programs are fully funded every pay period. In addition, the City has fully funded the retiree medical program; therefore, there are no unfunded liabilities for retirement benefits.

**Note that while these individuals are new to these positions, they have both been employed by the City for more than 25 years.*

ECONOMIC CONDITION AND OUTLOOK

Local Economy

Lafayette is an affluent suburb of a major metropolitan area and its proximity to a public transit station (BART) makes it convenient for commuters. In addition, the semi-rural setting, low crime rate and excellent schools make the city attractive to families.

The residents are generally highly educated, with almost 72% having bachelor's degrees or higher and of this group, 45% having a masters, professional, or doctorate degree. The median household income is \$157,453, which compares to \$101,618 for the County and \$71,228 for the State. The median sales price of homes in Lafayette (based on single family residential full value sales for 1/1/2017-6/30/2020) was \$1,654,465. Homeownership rates are also very high, at 72%, as compared to a state rate of 56%.

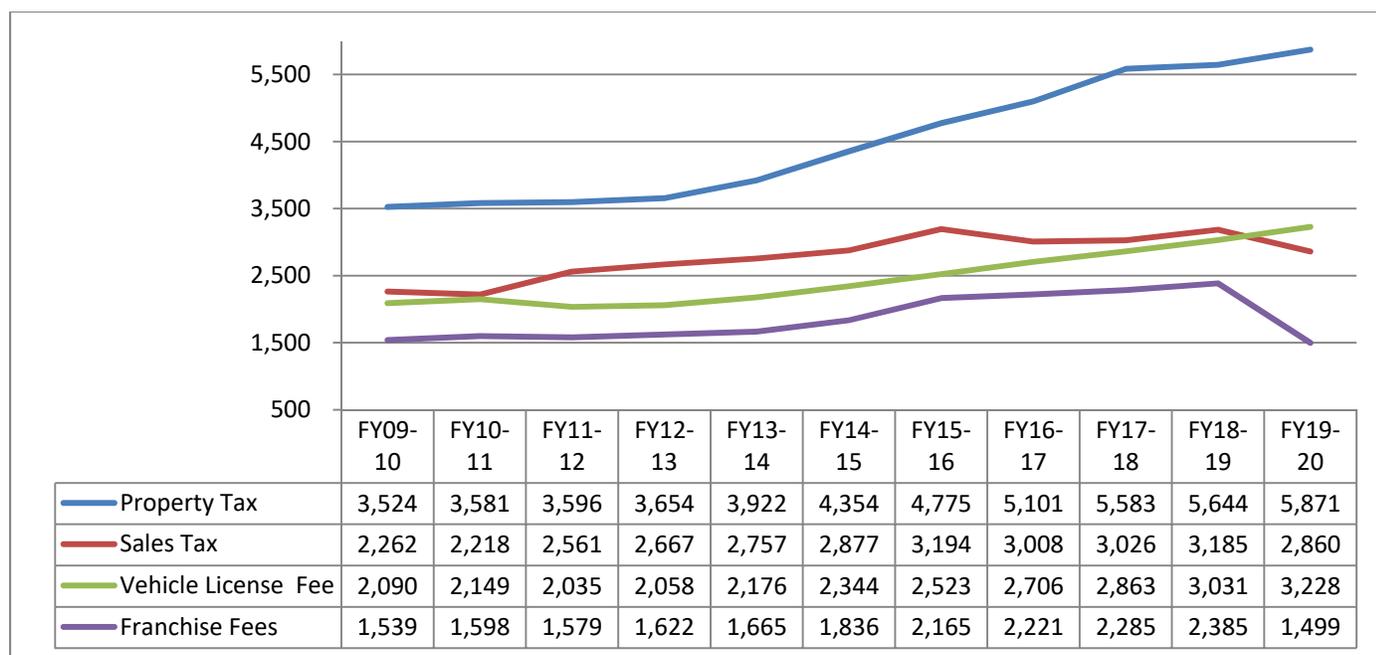
All of these factors generally bode well for Lafayette's major sources of revenue. However, when the County declared a protective "shelter in place" order in mid-March of 2020 due to Covid-19, Lafayette's sales tax revenue, like those of many other cities, decreased significantly, as did the transient occupancy tax (TOT). Sales tax decreased about 11% in the last quarter of the fiscal year. Going forward, the City expects that FY20-21 sales tax will be about 20% lower from its previous high in FY18-19 (the last "normal" full year pre-Covid).

We expect sales tax and TOT revenue to recover slowly over the next several years and have taken steps to cut expenses to match revenues such that the City will be able to maintain its 60% General Fund reserve target for at least the next two years. In any case, property tax remains

the most significant and stable source of Lafayette’s revenue and there is no indication that the Covid-related economic downturn will significantly affect it. Likewise, franchise fees from PG&E, cable companies and waste management are not expected to be impacted by the pandemic. The downturn in franchise fees in FY19-20 is due to coding the specific waste management mitigation fee for road repair and rehabilitation to the Capital Improvement Project fund directly since those funds are specifically earmarked for that purpose. Prior to FY19-20 the fees were received into the General Fund and then transferred to the CIP fund.

Finally, after several years of dormancy due to a recession, development has started again and since 2008 several housing projects have been developed with others currently in review. Additional housing includes a combination of single-family homes, multi-family condominiums, townhomes and apartments, second units and assisted living facilities. These projects also appear not to have been significantly impacted by Covid-related downturns.

Major Revenue Trends (in \$000s)



Note that the decrease in Franchise Fees is due to moving approximately \$900K of Solid Waste franchise fee revenue for road rehabilitation directly to the Capital Improvement Fund starting in FY19-20.

Long Term Financial Planning & Major Initiatives

As of June 30, 2020, the City of Lafayette’s financial condition remains sound even after Covid-related revenue decreases. The City moved swiftly to cut \$950K in expenses primarily by instituting a hiring freeze, cutting back landscape maintenance and deferring contributions to sinking funds for one year. An indicator of financial condition is the level of fund balances, both reserved and unreserved, in the City’s General Fund. In 2015, the City Council set a policy of retaining a minimum of 60% of the year’s General Fund operating expenditures as an unrestricted reserve. As of June 30, 2020, \$13.5M or 92% of the FY19-20 general fund operating expenditures is designated for this purpose. Given the economic downturn, that amount is expected to

decrease by about \$1M in FY20-21 as the City tackles some projects that were deferred and begins to rehire for staff positions that were frozen.

The City uses a multi-year financial planning process which includes estimates of future revenue and operating expenditure growth, as well as capital needs to be financed from the General Fund over the next five years. The five-year forecast is currently uncertain given that we still do not know when or if businesses will fully recover from Covid-related losses. The 5-year forecast shows that the City will be able to maintain its reserve requirement for the next two years and balance its budget but beyond that, if sales tax and TOT do not return to relatively normal levels, the City will need to consider cutting services further in order to balance the budget. In addition, there are areas of concern mentioned in previous audit documents that continue to persist. The Stormwater Pollution Fund is beginning to run deficits. Although several years ago the City started reserving additional money in anticipation of these expenses, the City now needs to start drawing on those funds to balance the budget. The combination of increased requirements by the State coupled with an inability to increase fees may potentially impact service in other areas unless additional sources of revenue are identified. Similarly, the City's Core Area Maintenance Fund continues to run a deficit that has heretofore been filled by General Funds. As costs in this area increase without a concomitant increase in revenue, the City's ability to continue providing high quality services in the downtown may be compromised.

The City of Lafayette maintains a five-year Capital Improvement Program which serves as its planning document to ensure that its infrastructure is well maintained. Under the guidance of the Capital Projects Assessment Committee, the City prioritizes roads for maintenance and reconstruction. Over the course of the last 15 years, the City has been able to whittle what was once a \$23M failed road backlog down completely so that all public roads in Lafayette have been repaved, relieving one of the largest ongoing burdens on the General Fund. In order to maintain a Pavement Condition Index (PCI) rating of 76, the City estimates that the General Fund will need to contribute approximately \$1.8M per year. The City has identified \$1.65M of ongoing funding leaving an annual deficit of \$150K.

Finally, increasing legal fees from land use lawsuits are another area of concern and one that cannot necessarily be controlled by the Council. Local land use policies, which are increasingly being stifled by State law, have caused an increase in lawsuits by both residents and developers. Although the City may eventually prevail in many of these suits, the costs of defense are very high. For example, in the last two years, the City has spent more than \$900K to defend a lawsuit in which the City ultimately prevailed. However, the most recent lawsuit suit on a contentious development -- which was expected to be extremely costly -- will now be defended by the developer of the project, and will therefore have minimal impact on the City's budget overall. While this is good news in this case, it is a harbinger of the type of lawsuits the City can expect in the future where both sides of the equation (residents and developers) increasingly appear to want to use litigation as a means to challenge land use decisions.

Relevant Financial Policies

The City has a conservative investment policy which emphasizes safety and preservation of capital over yields. The City had previously invested all free cash in the State of California's pooled fund, the Local Agency Investment Fund (LAIF). However, due to the low interest rates returned by that fund, the City recently revised its portfolio allocations to take advantage of

additional securities that boost earnings while still maintaining safety and liquidity. In addition to maintaining a balance with LAIF, the current portfolio is invested in laddered certificates of deposit, and select, highly-rated corporate notes.

Additional reserves against the General Fund include various “sinking funds” for future operating costs such as vehicle replacements, vacation accruals, retiree healthcare, capital expenditures and other monies that have been earmarked for specific purposes by the Council. This allows the City to save money over time for significant capital acquisitions and, therefore, smooth the funding path. For example, the City started a sinking fund of \$100K per year to fund the General Plan update which began in 2020 and will cost approximately \$500K. As noted above, to maintain the City’s 60% General Fund reserves in the face of the Covid-related revenue losses, the City suspended for one year some of those sinking fund contributions.

It is the Council’s policy to adopt a balanced budget each year with conservative estimates of revenue and expenses. For FY20-21, the 5-year forecast uses revenue growth of 2% and expense growth of 4% which are neither overly optimistic nor pessimistic. It has been the City’s experience that at the end of the year, favorable variances, in both revenues and expenses, allow the City to continue to build the General Fund reserve as well as transfer resources to much needed capital projects.

FINANCIAL REPORTING AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lafayette for its comprehensive annual report for the fiscal year ended June 30, 2019. This was the fifth straight year that the City of Lafayette 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

The preparation and development of this report would not have been possible without the special efforts of the entire Finance Department, and most notably, the Assistant Administrative Services Director, Jennifer Wakeman. We would like to take this opportunity to compliment and express our gratitude to all those staff members of the City and our independent auditing firm who were associated with the preparation of this report.

In closing, without the continued leadership and support of the City Council, it would not be possible to conduct the financial operations of the City in the responsible and transparent manner in which they have been managed.

CITY OF LAFAYETTE
CITY OFFICIALS AS OF JUNE 30, 2020

MAYOR

Mike Anderson

Term Expires November 2020

CITY COUNCIL

Susan Candell, Vice Mayor
Term Expires November 2022

Steven Bliss, Council Member
Term Expires November 2020

Cameron Burks, Council Member
Term Expires November 2020

Teresa Gerring, Council Member
Term Expires November 2022

CITY MANAGER

Niroop Srivatsa – 1.5 years of service*

**Note that while she is new to this position, she has both been employed by the City for more than 25 years.*

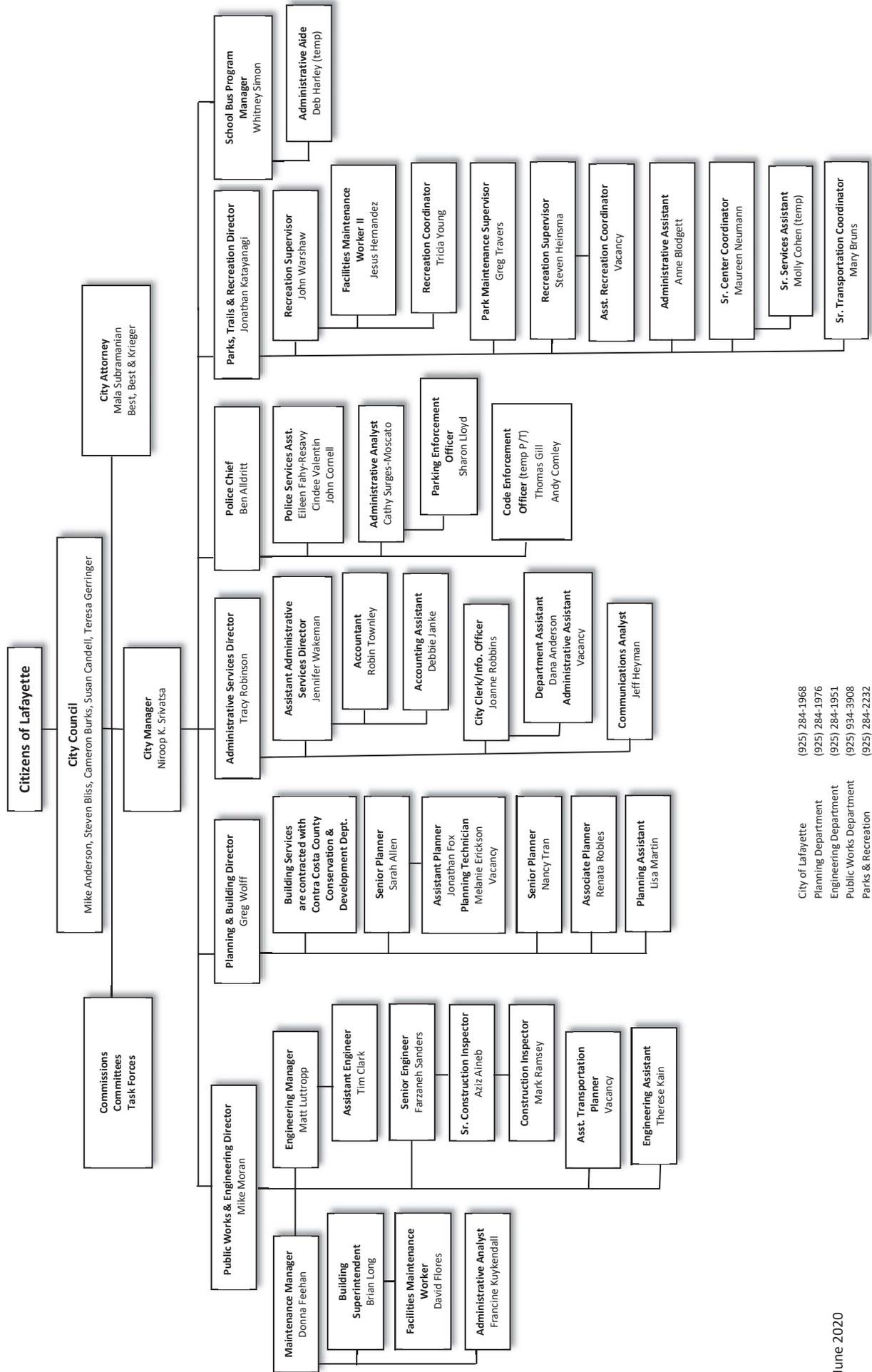
ADMINISTRATIVE SERVICES DIRECTOR

Tracy Robinson – 20 years of service

ASSISTANT ADMINISTRATIVE SERVICES DIRECTOR

Jennifer Wakeman – 6 years of service

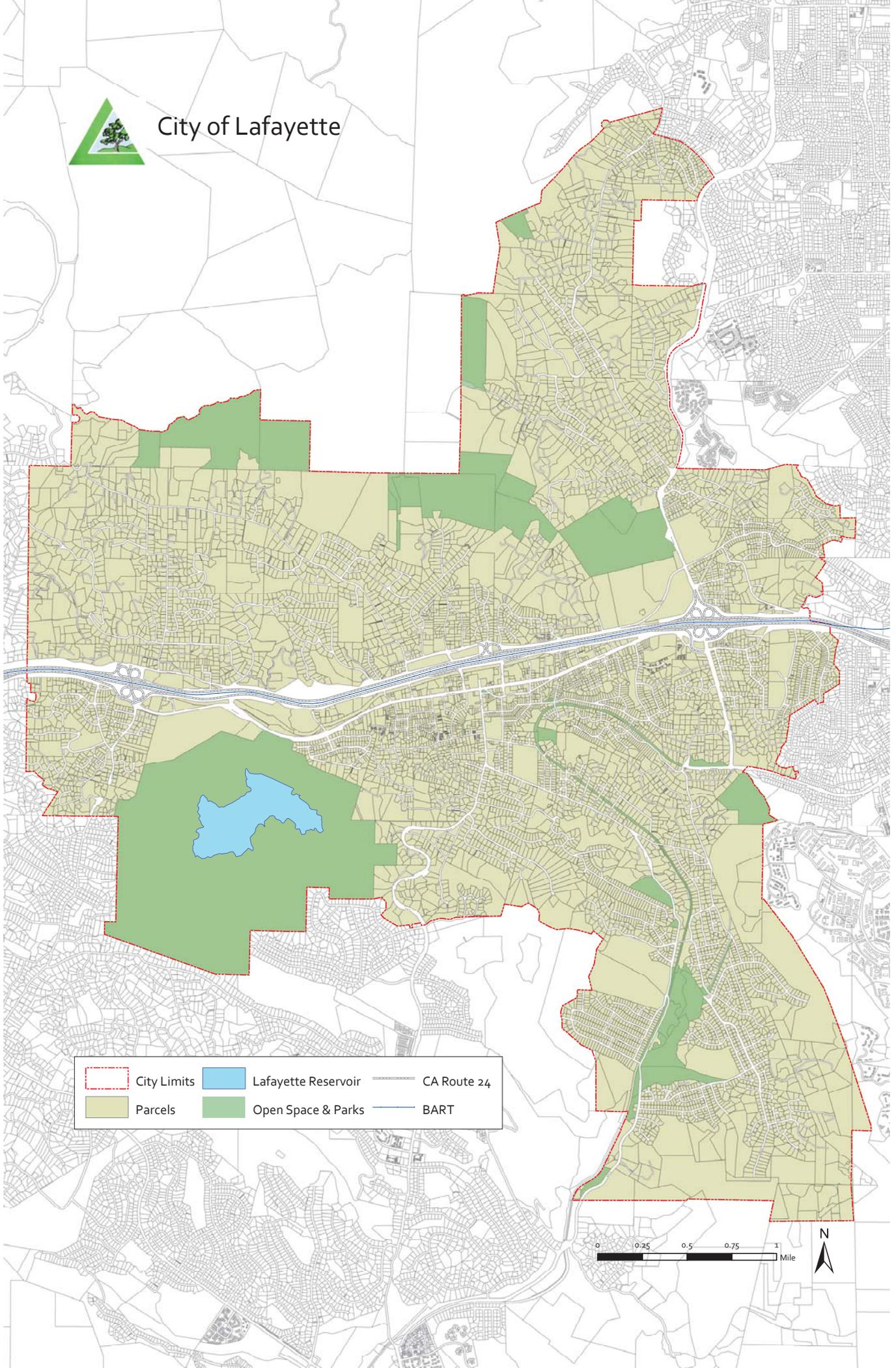
City of Lafayette Organization Chart



City of Lafayette (925) 284-1968
 Planning Department (925) 284-1976
 Engineering Department (925) 284-1951
 Public Works Department (925) 934-3908
 Parks & Recreation (925) 284-2232
 Email: FirstInitialLastName@lovelafayette.org



City of Lafayette



	City Limits		Lafayette Reservoir		CA Route 24
	Parcels		Open Space & Parks		BART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Lafayette
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO

This page intentionally left blank.



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

The City's 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, and the aggregate remaining fund information of the City, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, general fund budgetary comparison schedule, and required other post-employment benefit (OPEB) information on pages 5-17 and 82-85 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 introductory section, other budgetary comparison schedules, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

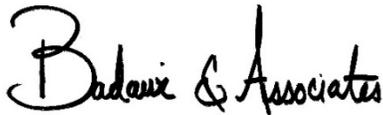
The other budgetary comparison schedules, combining and individual nonmajor fund financial statements, and budgetary comparison schedules of nonmajor governmental funds are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 other budgetary comparison schedules, combining and individual nonmajor fund financial statements, and budgetary comparison schedules of nonmajor governmental funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

The introductory and statistical section 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Badawi & Associates". The signature is written in a cursive, flowing style.

Badawi and Associates
Certified Public Accountants
Berkeley, California
December 7, 2020

This page intentionally left blank

CITY OF LAFAYETTE
Management's Discussion and Analysis
Year Ended June 30, 2020

The management staff of the City of Lafayette (City) offers readers of the City's financial statements this narrative overview and analysis of City financial activities for the fiscal year ended June 30, 2020. To obtain a complete understanding of the City's financial condition, this document should be read in conjunction with the accompanying Transmittal Letter, Basic Financial Statements, and other information.

Financial Highlights

- The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$140,170,928 (*net position*). Of this amount, \$35,199,903 represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- At the close of the fiscal year, the City's total net position increased \$4,282,483 compared to the net position at the end of last fiscal year. The unrestricted portion of the City's net position increased by \$1,320,810 compared to the unrestricted portion at the end of last fiscal year.
- The City's governmental funds reported a combined ending fund balance of \$42,136,435, an increase of \$6,308,469 in comparison with the prior fiscal year fund balance. Approximately \$12.8 million (30%) of the fund balance is available for spending at the City's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the general fund was \$16,111,576, or approximately 113% of total general fund expenditures.
- The City's total outstanding long-term debt on the Statement of Net Position consists of General Obligation Bonds with outstanding balances of \$3,360,000.

Explanations of the key terms referenced here are provided further on in this report and within the context of the statements in which they are found.

Overview of the Financial Statements

The discussion and analysis presented here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financials statements themselves.

Government-wide Financial Statements The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. This statement is similar to a private sector balance sheet.

CITY OF LAFAYETTE
Management's Discussion and Analysis
Year Ended June 30, 2020

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

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

One of the most important questions often asked about the City's finances is, "Is the City better or worse off as a result of the year's activities?" The *Statement of Net Position* and the *Statement of Activities* report information about the City as a whole in a way that helps answer this question.

The government-wide financial statements can be found on pages 23-25 of this report.

Fund Financial Statements A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances left at year-end that are available for spending. Consequently, the governmental fund financial statements provide a detailed short-term view that helps the readers determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the long-term focus of the government-wide statements, additional information is provided that reconciles the governmental fund financial statements to the government-wide statements explaining the relationship (or differences) between them.

The City maintains twenty-one individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the capital project funds, the debt service fund, the public facilities fund, and the streets and signals fund, which are considered to be major funds. Data from the other remaining governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

CITY OF LAFAYETTE
Management's Discussion and Analysis
Year Ended June 30, 2020

The twenty-one funds (with corresponding fund numbers in parentheses) are grouped as follows:

- General Fund includes the General Fund (11), Library Operations (37), and Insurance (76).
- Streets & Signals Fund includes only Streets & Signals (14).
- Capital Projects Fund includes Parks Facilities (12), Public Facilities (16), Parkland Acquisition (17), City Offices (75), and Road and Drain Improvement (79).
- Debt Service Fund includes only General Obligation Bonds (78).
- Other Governmental Funds include: Parking Programs (32), Vehicle Abatement (34), Senior Transportation (36), Low and Moderate Income Housing (38), Road Maintenance and Rehabilitation (69), Gas Tax (71), Measure J Return to Source (72), Supplemental Law Enforcement (73), Street Lighting (51), Core Area Maintenance (52), and Storm Water Pollution (53).

The City adopts an annual budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 30-36 of this report.

Proprietary Funds. The City maintains one type of proprietary fund, an enterprise fund, for its recreation programs. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 38-40 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City maintains one type of fiduciary fund, a private-purpose trust fund. The *Private-purpose trust fund* is used to report resources held in trust for the Successor Agency to the (now dissolved) Redevelopment Agency that are used to make payments on outstanding obligations.

The fiduciary fund financial statements can be found on pages 42-43 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 47-79 of this report.

CITY OF LAFAYETTE
Management's Discussion and Analysis
Year Ended June 30, 2020

Required Supplemental Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information*. Provided here is a budgetary comparison schedule for the general fund comparing the original budget to the final budget and the final budget to the actual. (Pages 82-85)

Supplementary Information. In addition to the Financial Statements and accompanying notes, this section presents the combining statements and schedules for Non-Major Governmental Funds, Capital Project Funds, Debt Service Fund and Fiduciary Funds. (Pages 88-112)

Statistical Section. This section presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. (Pages 114-153)

Government-wide Financial Analysis

The largest portion of the City's net position (70%) is the net investment in capital assets of \$98,287,552. This portion reflects the investment in capital assets (e.g., land, buildings, equipment, vehicles, and infrastructure (public streets and storm drains)), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in 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.

The next largest portion of the City's net position (22%) is the unrestricted portion of \$30,868,725. This portion primarily represents resources that are available to meet the City's ongoing obligations at the discretion of the City Council. Resources included in this amount that are not available to meet future obligations are the outstanding loans made by the City to the Redevelopment Agency in the amount of \$6,088,295.

The remaining portion of the City's net position totals \$11,014,651 and is subject to external restrictions on how it may be used.

At the end of the current fiscal year, the City can report positive balances in all reported categories of net position, for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

CITY OF LAFAYETTE
Management's Discussion and Analysis
Year Ended June 30, 2020

Net Position

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Assets						
Cash and investments	\$ 35,648,469	\$ 15,485,520	\$ 994,681	\$ 1,105,954	\$ 36,643,150	\$ 16,591,474
Other assets	8,973,989	23,362,583	161,754	315,984	9,135,743	23,678,567
Capital Assets	101,647,552	103,994,245	-	-	101,647,552	103,994,245
Total assets	146,270,010	142,842,348	1,156,435	1,421,938	147,426,445	144,264,286
Deferred Outflows of Resources	29,434	28,604	-	-	29,434	28,604
Liabilities						
Accounts payable & accrued liabilities	1,161,385	1,708,764	26,225	32,129	1,187,610	1,740,893
Refundable deposits	1,314,694	1,307,969	21,637	23,556	1,336,331	1,331,525
Long-term debt	3,360,000	3,865,000	-	-	3,360,000	3,865,000
Other liabilities	992,866	867,824	303,637	587,014	1,296,503	1,454,838
Total liabilities	6,828,945	7,749,557	351,499	642,699	7,180,444	8,392,256
Deferred Inflows of Resources	104,507	12,189	-	-	104,507	12,189
Net position						
Net investment in capital assets	98,287,552	100,129,245	-	-	98,287,552	100,129,245
Restricted	11,014,651	6,211,285	-	-	11,014,651	6,211,285
Unrestricted	30,063,789	28,768,676	804,936	779,239	30,868,725	29,547,915
Total net position	\$ 139,365,992	\$ 135,109,206	\$ 804,936	\$ 779,239	\$ 140,170,928	\$ 135,888,445

The City's overall net position increased \$4,282,483 from last fiscal year's net position. This represents the combined change between an operational increase in governmental net position of \$4,256,786 and an operational increase in business-type net position of \$25,697. The reasons for these operational increases are discussed in the following sections on governmental and business-type activities.

CITY OF LAFAYETTE
Management's Discussion and Analysis
Year Ended June 30, 2020

Changes in Net Position

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues						
Charges for services	\$ 4,522,650	\$ 3,288,920	\$ 1,446,399	\$ 1,644,445	\$ 5,969,049	\$ 4,933,365
Operating grants and contributions	1,128,962	1,015,748	-	-	1,128,962	1,015,748
Capital grants and contributions	1,538,501	432,079	-	-	1,538,501	432,079
General revenues						
Property taxes	6,887,526	6,542,501	-	-	6,887,526	6,542,501
Other taxes	7,866,591	7,269,685	-	-	7,866,591	7,269,685
Other	4,763,934	4,265,732	15,942	5,493	4,779,876	4,271,225
Total revenues	26,708,164	22,814,665	1,462,341	1,649,938	28,170,505	24,464,603
Expenses:						
City council and commissions	1,209,780	1,324,124	-	-	1,209,780	1,324,124
Police services	6,185,450	5,986,121	-	-	6,185,450	5,986,121
Public works	3,428,740	2,795,505	-	-	3,428,740	2,795,505
Planning	706,587	782,243	-	-	706,587	782,243
Engineering	5,938,527	6,402,895	-	-	5,938,527	6,402,895
Administration	3,501,765	3,254,763	-	-	3,501,765	3,254,763
Interest on long-term debt	99,780	102,556	-	-	99,780	102,556
Recreation	-	-	1,406,644	1,427,524	1,406,644	1,427,524
Other	1,410,749	1,412,231	-	-	1,410,749	1,412,231
Total expenses	22,481,378	22,060,438	1,406,644	1,427,524	23,888,022	23,487,962
Change in net position before transfers	4,226,786	754,227	55,697	222,414	4,282,483	976,641
Transfers	30,000	30,000	(30,000)	(30,000)	-	-
Change in net position	4,256,786	784,227	25,697	192,414	4,282,483	976,641
Net position - beginning	135,109,206	134,324,979	779,239	586,825	135,888,445	134,911,804
Net position - ending	\$ 139,365,992	\$ 135,109,206	\$ 804,936	\$ 779,239	\$ 140,170,928	\$ 135,888,445

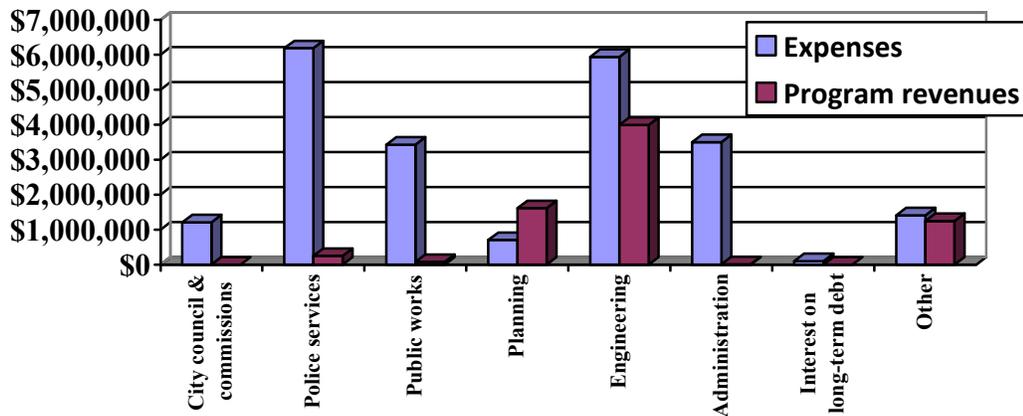
Governmental Activities. During the current fiscal year, net position for governmental activities increased \$4,256,786 from the prior fiscal year balance, for an ending balance of \$139,365,992.

- Governmental activities revenues increased 17% from the prior year, the result of an increase in charges for services, a large capital project contribution and gains in several general revenue categories.
 - Charges for services increased \$1,233,730 compared to last fiscal year primarily due to receipt of \$460,000 in one-time developer contributions, \$211,000 more in encroachment permit and plan check revenues in Engineering, and the receipt of a \$250,000 administrative fee for management of the Successor Agency to the former Redevelopment Agency.

CITY OF LAFAYETTE
 Management's Discussion and Analysis
 Year Ended June 30, 2020

- Capital grants and contributions revenue increased by \$1,362,000 due to running the 2019 Surface Seal Program as a joint project with the Town of Moraga. Since Lafayette administered the billing aspects of the project, it was reimbursed \$1,362,000 from Moraga for this project.
- Under general revenues, several categories experienced sizable increases:
 - Property tax receipts were \$345,025 higher
 - Transfer tax was up \$533,561
 - Investment income increased \$683,912
- Governmental activities expenses increased 2% from the prior year, with the largest changes in public works, engineering, and administration.
 - Public works costs were \$633,235 higher this year due to a correction in the allocation of depreciation expense from Engineering
 - Engineering costs were \$464,368 lower due to reallocation of depreciation expenses, primarily to public works
 - Costs in Administration went up \$247,002 primarily due to the recording of increases in compensated absences.

Expenses and Program Revenues - Governmental Activities



- Police services recouped 4% of its program costs, or \$250,906 in program revenues
- Planning recouped more than its costs in this fiscal year, which is representative of timing differences between when plan work is done versus when fees are paid
- With program revenues of \$3,741,259, Engineering (which includes capital project costs) covered about 67% of its costs with the remaining funding coming from general revenues, including gas tax and Measure J monies
- The Other program category comprises costs for parking services, the senior transportation program and library operations

CITY OF LAFAYETTE
Management's Discussion and Analysis
Year Ended June 30, 2020

Business-Type Activities. Fiscal year end results for the City's business-type activity, recreation programs, were positive with net position increasing by \$25,697, or 3%, to reach an ending net position of \$804,936. The increase in net position this year is attributable to ongoing efforts to operate a self-sustaining recreation program and staff's efforts to offer valuable programs amid the pandemic. Excess funds will provide resources for times of hardship or transition.

Financial Analysis of the Government's Funds

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

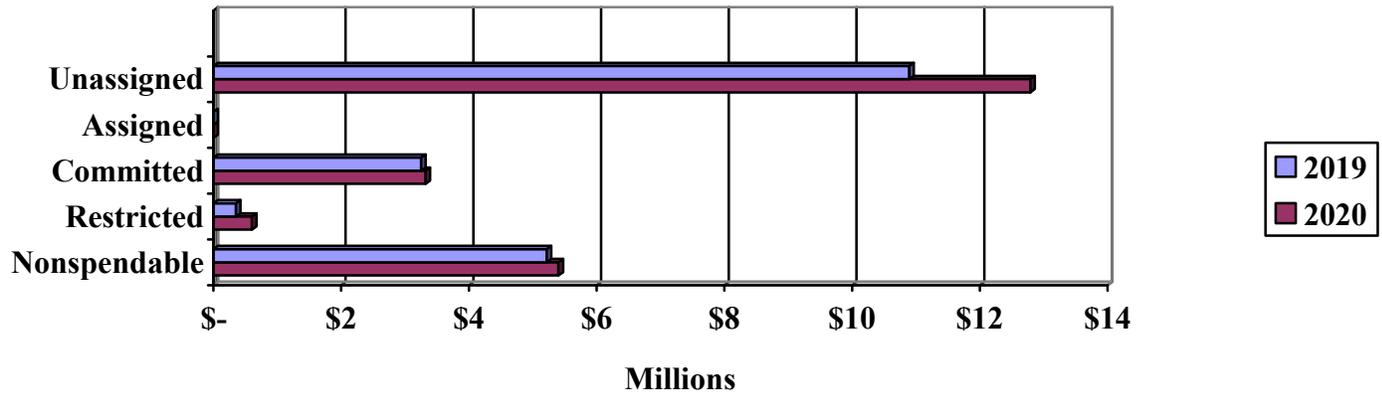
Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure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

At June 30, 2020, the City's governmental funds reported combined fund balances of \$42,136,435 an increase of \$6,308,469 in comparison with the prior year. Approximately 30% of the combined fund balance, or \$12,783,173, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is: 1) not in spendable form (\$5,409,325), 2) legally required to be maintained intact (\$0), 3) restricted for particular purposes (\$11,014,651), 4) committed for particular purposes (\$12,929,286), or 5) assigned for particular purposes (\$0).

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$12,788,415, while total fund balance increased to \$22,122,930. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents about 90% of total general fund expenditures, which far exceeds the minimum industry recommendation from the Government Finance Officers Association of no less than two months (17%). Total fund balance represents about 156% of that same amount.

CITY OF LAFAYETTE
 Management's Discussion and Analysis
 Year Ended June 30, 2020

**General Fund
 Components of Fund Balance
 June 30, 2019 and 2020**



The fund balance of the City's general fund increased by \$2,398,839 and is the net result of revenues over expenditures of \$4,232,464 and transfers out in the amount of \$1,858,625. Revenues came in \$558,000 higher than in the prior year due to several factors:

- Other taxes were \$1,212,304 less than in the prior year due primarily to the relocation of solid waste street fees from the general fund to the capital projects fund and the loss of a quarters worth of transient occupancy tax due to the temporary closure of the Lafayette Park Hotel during the pandemic.
- Charges for services increased \$940,676 compared to the prior year due to increased permit and application handling in Planning and Engineering (\$797,524).
- Use of money and property revenues increased by \$473,905 based on maturing investments that were purchased at higher yields and a market value adjustment occurring at market highs.
- Intergovernmental receipts were higher due specifically to the property tax in-lieu of motor vehicle fees the growth of which is based on property taxes.

Lastly, transfers out were less compared to the prior year because the \$900,000 of solid waste street fees were coded directly to the capital projects fund instead of being recorded in the general fund as revenue and then transferred out.

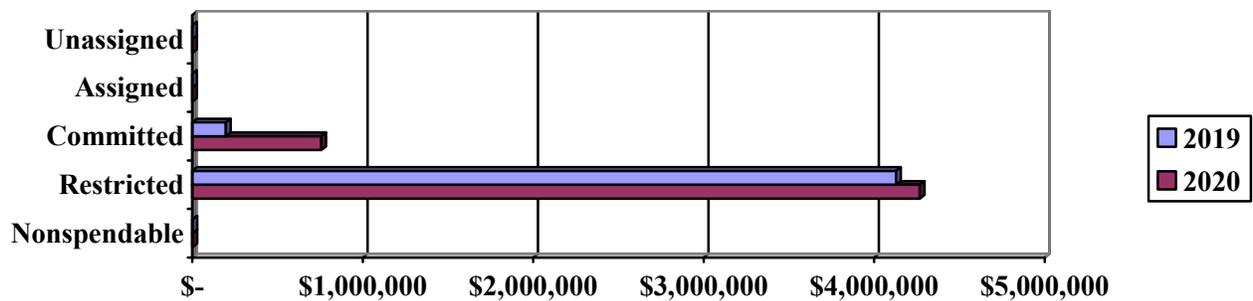
The streets and signals fund, a major governmental fund, had a \$1,649,713 increase in fund balance in the current fiscal year, resulting in an end of year balance of \$4,273,732. The net positive change was the result of accumulating fee revenues (including the solid waste street fees starting this year) for future capital projects and the allocation of monies from the General Fund transfer that will be used to complete projects in the next fiscal year.

CITY OF LAFAYETTE
 Management's Discussion and Analysis
 Year Ended June 30, 2020

The capital projects funds, a major fund, had a \$1,605,396 increase in fund balance during the current fiscal year which raised the overall fund balance to \$10,162,681. This was primarily due to the receipt of development impact fees on several large projects (\$1,415,824) being offset only minimally by project expenses.

The debt service fund, the remaining major fund, had a \$38,912 decrease in fund balance during the current fiscal year, which put the overall fund balance at \$555,916. The decrease results from debt service expenditures in excess of the receipt of property tax for the year. It is the City's intention in calculating the tax levy each year that the current fund balance is taken into account against the remaining debt service so that a lower rate is achieved, resulting in reduced property tax bills for landowners, and that the fund balance does not continue to grow.

**Other Governmental Funds
 Components of Fund Balance
 June 30, 2019 and 2020**



Governmental funds that do not meet the determination of a major fund are presented in the aggregate. The other governmental funds had a \$693,433 increase in fund balance, resulting in an end of year balance of \$5,021,176. This increase is attributable to the receipt of more money than was used in the year with regard to Parking (\$92,883), Road Maintenance and Rehabilitation (\$159,535), Gas Tax (\$254,285) and Measure J (\$151,040). Monies in these funds are typically collected annually, accumulated over time, and then expended when applicable projects require funds.

Proprietary Funds. The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. The City's recreation program is tracked as an enterprise fund, a type of proprietary fund.

Unrestricted net position of the recreation programs at the end of the year was \$804,936. The total growth in net position for the fund was \$25,697. As noted earlier in the discussion of business-type activities, the increase to the recreation programs is due to ongoing efforts to operate a self-sustaining recreation program and staff's efforts to offer valuable programs amid the pandemic. Excess funds will provide resources for times of hardship or transition.

CITY OF LAFAYETTE
Management's Discussion and Analysis
Year Ended June 30, 2020

General Fund Budgetary Highlights

Original budget compared to final budget. During the year, several changes were made between the proposed and final budgets. The most significant of these include:

- Increase in General Fund expenditures:
 - \$20,000 for demographic study with the Lafayette School District
 - \$8,000 for speed humps and signs while using the same amount of reserves from the Traffic Calming sinking fund
 - \$15,000 for an appraisal of the "Boswell's" site
 - \$10,800 for six months of canine expenses (food and training)
 - \$50,000 to mitigate damage to Lafayette Community Park fields by wild pigs. An equal amount was released from the Ballfield Repair sinking fund
 - Added an Engineering GIS Technician limited duration position for a pilot program in which all Lamorinda cities contribute to a shared position. The City's share of the cost was estimated at \$10,500.
 - \$60,500 was added to the Technology Services budget for 1) upgrading the phone system and migrating some computer applications to the cloud for better disaster recovery and 2) implementing phase 1 of 3 computer refresh cycles for staff.

Final budget compared to actual results. Actual revenues came in over budget by \$724,703.

Property Tax and assessments are the largest revenue source for the City. Incorporated in 1968, the City did not levy a property tax prior to 1978 when Proposition 13 was adopted. Consequently, it receives a relatively low share of the property tax under the statutory formula. Under legislation adopted in 1988, some relief has been granted to cities in similar circumstances. Property tax collections, however, continue to be relatively less than most other California cities collect. Currently, the City receives approximately 6.6% of the property taxes paid by its residents, compared to an average of 10.5% for other cities in Contra Costa. This is not likely to change.

Although the City receives a comparatively low share, the property tax base remains stable. Assessed values in the City increased 6.28% from \$8,338,342,257 in fiscal year 2018/19 to \$8,861,627,710 in fiscal year 2019/20. Differences between the property tax budget and actual revenues received are due to the challenges around the timing of real estate transactions and when they hit the tax roll. For example, homes sales from calendar year 2018 are reflected in the tax roll for fiscal year 2019/20 and can account for half of the change in assessed value for the City.

Despite the pandemic that started in Q4 of the fiscal year, the City did well through June 30 due to a combination of revenue and expense reduction. The local economy continues to hold steady with slight increases not just in property tax revenues, but also sales tax, transient occupancy, real property transfer tax, and franchise taxes.

CITY OF LAFAYETTE
Management's Discussion and Analysis
Year Ended June 30, 2020

Actual expenditures came in \$2,433,465 under budget. The primary sources of these savings were city council, commissions & community support, police services and public works. The pandemic caused delays to several items that were budgeted under the city council, commissions & community support, such as public art (\$131,000), parks and recreation fee studies (\$108,000) and the General Plan (\$231,000). Police services were under budget by \$522,708 due to the backfilling of vacant positions with overtime hours. In addition, additional funds are always budgeted here in the event that extra staff may be needed. Public works was under budget by \$328,303 due to lower than budgeted contractual services costs (\$198,852) and unused prior years' savings budgets (\$100,000).

Capital Assets and Debt Administration

Capital Assets. The City's investment in capital assets, net of accumulated depreciation, for its governmental activities as of June 30, 2020 is valued at \$101,647,552. The City did not have any capital assets for its business-type activities as of June 30, 2020.

	Governmental activities	
	2020	2019
Land	\$ 15,264,770	\$ 14,015,574
Improvements	2,209,071	2,282,019
Buildings	37,250,161	38,334,264
Infrastructure	44,682,465	45,739,412
Equipment	257,734	383,264
Vehicles	371,004	389,200
Books and artwork	1,183,715	1,238,313
Construction in progress	428,632	1,612,199
Total capital assets	\$ 101,647,552	\$ 103,994,245

Major capital asset events during the current fiscal year included the following:

- Completed the 2019 Road & Drain Rehabilitation Project
- Completed the 2019 Surface Seal Program

Additional information on the City's capital assets can be found in Note 5 on page 65.

CITY OF LAFAYETTE
Management's Discussion and Analysis
Year Ended June 30, 2020

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$3,360,000. This amount is comprised of two general obligation bonds that were issued for the purpose of reconstructing the City's major arterial roadways. This amount is ad valorem property tax debt for which the government is liable in the event of default by the property owners subject to the tax. As of June 30, 2020, the City did not have any long-term obligations for its business-type activities.

The City's total debt decreased by \$505,000 (13%) during the current fiscal year due to the regularly scheduled principal payments on the existing outstanding debt issues.

The City maintains a "AAA" rating from Standard & Poor's for general obligation debt.

State statutes limit the amount of general obligation debt a government entity may issue to annual revenue, unless approved by 2/3 of voters. The debt limitation for the City was \$18 million, which is significantly in excess of the City's outstanding general obligation debt of \$3,360,000.

Additional information on the City's long-term debt can be found in Note 6 on page 66 of this report.

Economic Factors

Lafayette is an affluent suburb of a major metropolitan area and its proximity to a public transit station (BART) makes it convenient for commuters. In addition, the semi-rural setting, low crime rate and excellent schools make the city attractive to families.

The residents are generally highly educated, with almost 72% having bachelor's degrees or higher and of this group, 45% having a masters, professional, associate, or doctorate degree. The median household income is \$157,453, which compares to \$101,618 for the County and \$71,228 for the State. The median sales price of homes in Lafayette (based on single family residential full value sales for 1/1/2017-6/30/2020) was \$1,654,465. Homeownership rates are also very high, at 72%, as compared to a state rate of 56%.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

**City of Lafayette
Finance Department
3675 Mt. Diablo Blvd., Suite 210
Lafayette, CA 94549**

This page intentionally left blank.

BASIC FINANCIAL STATEMENTS

This page intentionally left blank

GOVERNMENT-WIDE FINANCIAL STATEMENTS

This page intentionally left blank

City of Lafayette
Statement of Net Position
June 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 35,648,469	\$ 994,681	\$ 36,643,150
Accounts receivable	2,764,387	150,868	2,915,255
Interest receivable	49,383	2,441	51,824
Prepaid items	71,924	8,445	80,369
Total current assets	<u>38,534,163</u>	<u>1,156,435</u>	<u>39,690,598</u>
Noncurrent assets:			
Loans receivable from Successor Agency	6,088,295	-	6,088,295
Capital assets:			
Nondepreciable	16,276,551	-	16,276,551
Depreciable, net of accumulated depreciation	85,371,001	-	85,371,001
Total capital assets	<u>101,647,552</u>	<u>-</u>	<u>101,647,552</u>
Total Assets	<u>146,270,010</u>	<u>1,156,435</u>	<u>147,426,445</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - OPEB	29,434	-	29,434
Total deferred outflows of resources	<u>29,434</u>	<u>-</u>	<u>29,434</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	1,161,385	26,225	1,187,610
Interest payable	39,351	-	39,351
Refundable deposits	1,314,694	21,637	1,336,331
Unearned revenue	9,944	248,322	258,266
Accrued compensated absences - current portion	151,236	11,063	162,299
Long-term debt - due within one year	510,000	-	510,000
Total current liabilities	<u>3,186,610</u>	<u>307,247</u>	<u>3,493,857</u>
Noncurrent liabilities:			
Accrued compensated absences	604,943	44,252	649,195
Long-term debt	2,850,000	-	2,850,000
Net OPEB liability	187,392	-	187,392
Total noncurrent liabilities	<u>3,642,335</u>	<u>44,252</u>	<u>3,686,587</u>
Total liabilities	<u>6,828,945</u>	<u>351,499</u>	<u>7,180,444</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - OPEB	104,507	-	104,507
Total deferred inflows of resources	<u>104,507</u>	<u>-</u>	<u>104,507</u>
NET POSITION			
Net investments in capital assets	98,287,552	-	98,287,552
Restricted for:			
Debt service	555,916	-	555,916
Special revenue projects	2,355,294	-	2,355,294
Capital projects	5,585,956	-	5,585,956
Housing projects	1,583,473	-	1,583,473
Lighting and landscaping	269,550	-	269,550
Community Services	664,462	-	664,462
Total restricted net position	<u>11,014,651</u>	<u>-</u>	<u>11,014,651</u>
Unrestricted	30,063,789	804,936	30,868,725
Total net position	<u>\$ 139,365,992</u>	<u>\$ 804,936</u>	<u>\$ 140,170,928</u>

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

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
City council, commissions, and community support	\$ 1,209,780	\$ -	\$ -	\$ -	\$ -
Police services	6,185,450	76,958	173,948	-	250,906
Parking services	473,577	512,941	-	-	512,941
Public works	3,428,740	77,836	-	-	77,836
Senior transportation	141,695	12,775	84,769	-	97,544
Library operations	795,477	40,110	594,464	-	634,574
Planning	706,587	1,608,267	6,781	-	1,615,048
Engineering	5,938,527	2,183,758	19,000	1,538,501	3,741,259
Administration	3,501,765	10,005	250,000	-	260,005
Interest on long-term debt	99,780	-	-	-	-
Total governmental activities	22,481,378	4,522,650	1,128,962	1,538,501	7,190,113
Business-type Activities:					
Recreation Programs	1,406,644	1,446,399	-	-	1,446,399
Total Business-Type activities	1,406,644	1,446,399	-	-	1,446,399
Total primary government	\$ 23,888,022	\$ 5,969,049	\$ 1,128,962	\$ 1,538,501	\$ 8,636,512

General Revenues:

Taxes:

Property taxes

Sales taxes

Franchise taxes

Transient occupancy tax

Highway users tax

Transfer tax

Total taxes

Motor vehicle in lieu, unrestricted

Investment earnings

Other

Transfers

Total general revenues

Change in net position

Net position - beginning of year

Net position - end of year

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (1,209,780)	\$ -	\$ (1,209,780)
(5,934,544)	-	(5,934,544)
39,364	-	39,364
(3,350,904)	-	(3,350,904)
(44,151)	-	(44,151)
(160,903)	-	(160,903)
908,461	-	908,461
(2,197,268)	-	(2,197,268)
(3,241,760)	-	(3,241,760)
(99,780)	-	(99,780)
(15,291,265)	-	(15,291,265)
-	39,755	39,755
-	39,755	39,755
(15,291,265)	39,755	(15,251,510)
6,887,526	-	6,887,526
3,461,783	-	3,461,783
2,497,546	-	2,497,546
551,187	-	551,187
1,068,664	-	1,068,664
287,411	-	287,411
14,754,117	-	14,754,117
3,228,411	-	3,228,411
1,278,083	15,942	1,294,025
257,440	-	257,440
30,000	(30,000)	-
19,548,051	(14,058)	19,533,993
4,256,786	25,697	4,282,483
135,109,206	779,239	135,888,445
\$ 139,365,992	\$ 804,936	\$ 140,170,928

See accompanying Notes to Basic Financial Statements.

This page intentionally left blank

FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements

Proprietary Fund Financial Statements

Fiduciary Fund Financial Statements

This page intentionally left blank

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Major funds are defined generally as having significant activities or balances in the current year. The funds described below were determined to be Major Funds by the City for the current fiscal year. Individual other governmental funds may be found in the Supplemental Section.

General Fund

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Streets and Signals Fund

Tracks grants / funding contributions and costs associated with capital improvement projects: roads, drains, walkways, etc.

Capital Projects Fund

This fund accounts for the collection of resources and related expenditures on the acquisition and construction of major capital improvements in the City.

Debt Service Fund

This fund accounts for the accumulation of financial resources for the payment of interest and principal on the long-term debt of the City. Ad valorem taxes are used for the payment of principal and interest.

City of Lafayette
Balance Sheet
Governmental Funds
June 30, 2020

	General Fund	Streets and Signals Fund	Capital Projects Fund	Debt Service Fund
ASSETS				
Cash and investments	\$ 16,969,218	\$ 4,210,028	\$ 9,990,447	\$ 555,916
Accounts receivable	1,725,963	55,842	149,600	-
Interest receivable	7,859	12,795	22,634	-
Due from other funds	397,370	-	-	-
Prepaid items	68,263	1,659	-	-
Loans receivable from Successor Agency	5,337,401	-	-	-
Total assets	24,506,074	4,280,324	10,162,681	555,916
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	1,058,834	6,280	-	-
Due to other funds	-	-	-	-
Refundable deposits	1,314,382	312	-	-
Unearned revenue	9,928	-	-	-
Total liabilities	2,383,144	6,592	-	-
Fund Balances:				
Nonspendable	5,405,664	1,659	-	-
Restricted	605,690	1,254,778	4,331,178	555,916
Committed	3,323,161	3,017,295	5,831,503	-
Unassigned	12,788,415	-	-	-
Total fund balances	22,122,930	4,273,732	10,162,681	555,916
Total liabilities and fund balances	\$ 24,506,074	\$ 4,280,324	\$ 10,162,681	\$ 555,916

	Other Governmental Funds	Total Governmental Funds
\$	3,922,860	\$ 35,648,469
	832,982	2,764,387
	6,095	49,383
	-	397,370
	2,002	71,924
	750,894	6,088,295
	<u>5,514,833</u>	<u>45,019,828</u>
	96,271	1,161,385
	397,370	397,370
	-	1,314,694
	16	9,944
	<u>493,657</u>	<u>2,883,393</u>
	2,002	5,409,325
	4,267,089	11,014,651
	757,327	12,929,286
	(5,242)	12,783,173
	<u>5,021,176</u>	<u>42,136,435</u>
\$	<u>5,514,833</u>	<u>\$ 45,019,828</u>

City of Lafayette
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2020

Total Fund Balances - Total Governmental Funds	\$	42,136,435
---	----	------------

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

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. The capital assets were adjusted as follows:

Nondepreciable		16,276,551
Depreciable, net		85,371,001

Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the Governmental Funds Balance Sheet.		(39,351)
--	--	----------

In the Government-Wide Financial Statements, deferred employer contributions for OPEB, certain differences between actuarial estimates and actual results, and other adjustments resulting from changes in assumptions and benefits are deferred in the current year.

Deferred outflows of resources related to OPEB		29,434
Deferred inflows of resources related to OPEB		(104,507)

Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet.

Accrued compensated absences - current		(151,236)
Accrued compensated absences - noncurrent		(604,943)
Long-term debt - due within one year		(510,000)
Long-term debt - due in more than one year		(2,850,000)
Net OPEB liability		(187,392)

Net Position of Governmental Activities	\$	139,365,992
--	-----------	--------------------

This page intentionally left blank

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

	General Fund	Streets and Signals Fund	Capital Projects Fund	Debt Service Fund
REVENUES:				
Property taxes	\$ 5,584,865	\$ -	\$ -	\$ 559,357
Sales taxes	2,860,285	-	-	-
Other taxes	2,337,361	998,781	-	-
Charges for services	2,516,009	304,497	1,415,824	-
Intergovernmental	3,253,192	-	149,600	-
Licenses and permits	388,622	-	-	-
Fines, forfeitures and penalties	56,258	-	-	-
Use of money and property	996,240	58,922	127,359	-
Miscellaneous	431,887	1,393,302	-	-
Total revenues	18,424,719	2,755,502	1,692,783	559,357
EXPENDITURES:				
Current:				
City council, commissions, and community support	1,182,348	-	-	-
Police services	5,288,112	-	-	-
Parking services	-	-	-	-
Public works	1,707,552	-	63,928	-
Senior transportation	-	-	-	-
Library operations	789,393	-	-	-
Planning	694,100	-	-	-
Engineering	746,311	366,044	-	-
Administration	3,224,715	34,748	-	1,490
Capital outlay	559,724	2,741,852	247,427	-
Debt service:				
Principal	-	-	-	505,000
Interest and fiscal charges	-	-	-	91,779
Total expenditures	14,192,255	3,142,644	311,355	598,269
REVENUES OVER (UNDER)				
EXPENDITURES	4,232,464	(387,142)	1,381,428	(38,912)
OTHER FINANCING SOURCES (USES):				
Transfers in	25,000	2,036,855	223,968	-
Transfers out	(1,858,625)	-	-	-
Total other financing sources (uses)	(1,833,625)	2,036,855	223,968	-
Net change in fund balances	2,398,839	1,649,713	1,605,396	(38,912)
FUND BALANCES:				
Beginning of year	19,724,091	2,624,019	8,557,285	594,828
End of year	\$ 22,122,930	\$ 4,273,732	\$ 10,162,681	\$ 555,916

See accompanying Notes to Basic Financial Statements.

Other Governmental Funds	Total Governmental Funds
\$ 743,305	\$ 6,887,527
601,498	3,461,783
1,068,664	4,404,806
380,835	4,617,165
254,106	3,656,898
25,275	413,897
130,920	187,178
61,778	1,244,299
9,422	1,834,611
<u>3,275,803</u>	<u>26,708,164</u>
-	1,182,348
614,660	5,902,772
417,158	417,158
979,519	2,750,999
141,695	141,695
-	789,393
6,995	701,095
-	1,112,355
-	3,260,953
25,145	3,574,148
-	505,000
-	91,779
<u>2,185,172</u>	<u>20,429,695</u>
<u>1,090,631</u>	<u>6,278,469</u>
669,517	2,955,340
<u>(1,066,715)</u>	<u>(2,925,340)</u>
<u>(397,198)</u>	<u>30,000</u>
693,433	6,308,469
<u>4,327,743</u>	<u>35,827,966</u>
<u>\$ 5,021,176</u>	<u>\$ 42,136,435</u>

See accompanying Notes to Basic Financial Statements.

City of Lafayette
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures
and Changes in Fund Balances to the Government-Wide Statement of Activities
For the year ended June 30, 2020

Net Change in Fund Balances - Total Governmental Funds	\$ 6,308,469
Amounts reported for governmental activities in the Government-Wide Statement of Activities were different because:	
Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over their estimated lives as depreciation expense.	
Capital outlay and other capitalized expenditures are added back to fund balance	3,223,672
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in the governmental funds.	(5,551,152)
Loss on disposal of capital assets was reported in the Government-Wide Statement of Activities, but did not require the use of current financial resources. Therefore, loss on disposal of capital assets was not reported as expenditures in the governmental funds.	(19,212)
Accrued compensated leave payments were reported as expenditures in the governmental funds, however expense is recognized in the Government-Wide Statement of Activities based on earned leave accruals.	(198,015)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Repayment of debt was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	
Long-term debt repayments	505,000
Interest payments are recorded as expenditures in the governmental funds, however interest expense is recognized as expenses are incurred on the Government-Wide Statement of Activities	(8,001)
Current year employer OPEB contributions are recorded as expenditures in the governmental funds, however, these amounts are reported as a deferred outflow of resources in the Government-Wide Statement of Net Position.	29,253
OPEB expense is reported in the Government-Wide Statement of Activities does not require the use of current financial resources, and therefore is not reported as expenditures in governmental funds.	(33,228)
Change in Net Position of Governmental Activities	\$ 4,256,786

PROPRIETARY FUND FINANCIAL STATEMENTS

Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The City's only proprietary fund (business-type) is that of the "Recreation Programs."

Recreation Programs Enterprise Fund

The Recreation Department provides a variety of recreation activities that enhance the quality of life for all Lafayette citizens. The Department also administers rentals at the Lafayette Community Center, the Buckeye Fields building and Lafayette Community Park. The Lafayette Community Center is the primary facility used by the recreation activities, but schools and other public and private facilities also are used. A Community Center Foundation assists the Department with fundraising activities which go toward building and landscaping improvements. The City Council expects the programs to be self-supporting. The Parks and Recreation Director has full profit and loss responsibility for this budget program.

City of Lafayette
Statement of Net Position
Proprietary Funds
June 30, 2020

	<u>Recreation Programs</u>
ASSETS	
Current Assets:	
Cash and investments	\$ 994,681
Accounts receivable	150,868
Interest receivable	2,441
Prepaid items	8,445
Total assets	<u>1,156,435</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	26,225
Refundable deposits	21,637
Accrued compensated absences - current portion	11,063
Unearned revenue	248,322
Total current liabilities	<u>307,247</u>
Noncurrent liabilities:	
Accrued compensated absences	44,252
Total noncurrent liabilities	<u>44,252</u>
Total liabilities	<u>351,499</u>
NET POSITION	
Unrestricted	804,936
Total net position	<u>\$ 804,936</u>

City of Lafayette
Statement of Revenues, Expenditures and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2020

	Recreation Programs
OPERATING REVENUES:	
Recreation fees	\$ 1,351,522
Building rentals	94,377
Miscellaneous	500
Total operating revenues	1,446,399
OPERATING EXPENSES:	
Personnel services	755,093
Contractual services	567,683
Printing and supplies	78,444
Capital outlay	5,424
Total operating expenses	1,406,644
Operating income (loss)	39,755
NONOPERATING REVENUES (EXPENSES):	
Interest income	15,942
Total nonoperating revenues (expenses)	15,942
Income before contributions and transfers	55,697
CONTRIBUTIONS AND TRANSFERS:	
Transfers out	(30,000)
Total contributions and transfers	(30,000)
Change in net position	25,697
NET POSITION:	
Beginning of year	779,239
End of year	\$ 804,936

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

	Recreation Programs
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$ 1,286,598
Payments to suppliers	(642,988)
Payments to employees	(740,825)
Net cash provided by (used in) operating activities	(97,215)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfers in (out)	(30,000)
Net cash provided by (used in) noncapital financing activities	(30,000)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received	15,942
Net cash provided by (used in) investing activities	15,942
NET INCREASE (DECREASE) IN CASH AND INVESTMENTS	(111,273)
CASH AND INVESTMENTS - Beginning of year	1,105,954
CASH AND INVESTMENTS - End of year	\$ 994,681
RECONCILIATION OF OPERATING INCOME (LOSS) TO	
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:	
Operating income (loss)	\$ 39,755
Change in assets and liabilities:	
Receivables, net	139,763
Prepaid items	14,467
Accounts payable and other accrued expenses	(5,904)
Accrued compensated absences	14,268
Refundable deposits	(1,919)
Unearned revenue	(297,645)
Net cash provided by (used in) operating activities	\$ (97,215)

FIDUCIARY FUND FINANCIAL STATEMENTS

Private Purpose Trust Funds

Private Purpose Trust Funds account for resources held by the City as trustee for third party beneficiaries. The City's only trust fund relates to its role as the Successor Agency for the former Redevelopment Agency.

Agency Funds

An Agency Fund is a clearing type fund for the collection of taxes or deposits held, on behalf of individuals, private organizations and other governments. The fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

City of Lafayette
Statement of Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2020

	Private Purpose Trust Fund	Agency Funds
ASSETS		
Cash and investments	\$ 364,664	\$ 2,045,047
Restricted cash and investments held by fiscal agents	1,818,552	-
Receivables:		
Accounts	-	169,191
Interest	-	5,056
Other assets	-	760
Prepaid items	-	500
Total assets	<u>2,183,216</u>	<u>\$ 2,220,554</u>
LIABILITIES		
Accounts payable	\$ -	\$ 61,586
Unearned revenue	-	41,144
Compensated absences	-	3,346
Interest payable	630,136	-
Due to members/agency	-	2,114,478
Loan payable to the City's General Fund	5,337,401	-
Loan payable to the Parking Programs Fund	750,894	-
Long-term debt - due in less than one year	1,055,000	-
Long-term debt - due in more than one year	32,636,905	-
Total liabilities	<u>40,410,336</u>	<u>\$ 2,220,554</u>
NET POSITION		
Held in trust for private purposes	<u>(38,227,120)</u>	
Total Net Position	<u>\$ (38,227,120)</u>	

City of Lafayette
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2020

	Private Purpose Trust Fund
ADDITIONS:	
Property taxes	\$ 2,892,792
Use of money and property	10,173
Total additions	<u>2,902,965</u>
DEDUCTIONS:	
Administration expenses	250,000
Contractual services	76,085
Interest expense and fiscal charges	1,601,438
Total deductions	<u>1,927,523</u>
Change in net position	975,442
NET POSITION:	
Beginning of year, as restated	<u>(39,202,562)</u>
End of year	<u><u>\$ (38,227,120)</u></u>

This page intentionally left blank

NOTES TO BASIC FINANCIAL STATEMENTS

This page intentionally left blank.

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. *Financial Reporting Entity*

Incorporated in 1968, the City is located in Contra Costa County, one of the nine counties of the San Francisco Bay Area. Located on 15 square miles, the City is noted for its high quality life with top rated schools, low crime rate, small town downtown, clean air, mild climate, and oak tree-studded hills. Located between the Berkeley and Walnut Creek, the City has its own Bay Area Rapid Transit(BART) Station and is only a 25 minute BART ride from San Francisco.

The City's current population is estimated to be 26,961. The City is primarily a residential community with commercial and light industrial enterprises as well as local government offices.

The basic financial statements of the City include only the financial activities of the City, including a blended component unit:

City of Lafayette Public Facilities Financing Authority (Authority) - The Authority is a joint exercise powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement by and between the City and the former Redevelopment Agency of the City. The Authority was created by the Lafayette City Council (City Council) on February 1, 2002 for the purpose of acting as a vehicle for various financing activities of the City. The City Council serves as the Board of Directors for the Authority. The Authority did not have any operations for the year ended June 30, 2020.

B. *Basis of Accounting and Measurement Focus*

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity with its own self-balancing set of accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance or net position, revenues, and expenditures or expenses. These funds are established for the purpose of carrying out specific activities or certain objectives in accordance with specific regulations, restrictions, or limitations. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-Wide Financial Statements

The City's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the City accompanied by a total column.

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

B. Basis of Accounting and Measurement Focus, Continued

Government-Wide Financial Statements, Continued

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

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

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

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

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

The City applies all applicable GASB pronouncements including all NCGA Statements and Interpretations currently in effect.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and nonmajor funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balance as presented in these statements to the net position in the government-wide financial statements. The City has presented all major funds that meet specific qualifications.

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

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

B. Basis of Accounting and Measurement Focus, Continued

The City reports the following major governmental funds in the accompanying financial statements:

General Fund – the City’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Streets and Signals Fund – tracks grants/funding contributions and costs associated with capital improvement projects: roads, drains, walkways, etc.

Capital Projects Fund – accounts for the collection of resources and related expenditures on the acquisition and construction of major capital improvements in the City.

Debt Service Fund – This fund accounts for the accumulation of the financial resources for the payment of interest and principal on the long-term debt of the City. Ad valorem taxes are used for the payment of principal and interest.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Change in Net Position, and a Statement of Cash Flows.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position present increase (revenues) and decreases (expenses) in total net position.

Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which a liability is incurred. Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the operations of the fund. All other expenses are reported as nonoperating expenses.

The City reports one proprietary fund in the accompanying financial statements:

Recreation Programs Enterprise Fund – used by the City to account for the operations of the City’s recreation programs.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements consist of a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The City has two types of fiduciary funds, a private-purpose trust fund and agency funds. Private purpose trust funds accounts for resources of all trust arrangements in which principal and income benefit individuals, private organizations, and other governments (i.e. unclaimed property/escheat property). Agency funds are used to account for the assets held for distribution by the City as an agent for another entity for which the City has a custodial responsibility and accounts for the flow of assets. Fiduciary funds are accounted for using the accrual basis of accounting.

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

The City's only private-purpose trust fund, the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund, accounts for the accumulation of resources to be used for payments at appropriate amounts and times in the future.

Fiduciary Fund Financial Statements, Continued

The City's agency funds account for assets held by the City as an agent for the Lamorinda Fee and Financing Authority and the Lamorinda School Bus Transportation Agency.

The financial activities of these funds are excluded from the City-wide financial statements but are presented in separate fiduciary fund financial statements.

C. Cash and Investments

The City maintains a cash and investments pool that is available for use by all funds. Each fund's portion of this pool is displayed as cash and investments on the balance sheets for the governmental funds and the statements of net position for the proprietary fund and agency funds as cash and investments. Investments are stated at fair value.

In accordance with GASB Statement No. 40, *Deposit and Investment Disclosures (Amendment of GASB Statement No. 3)*, certain disclosure requirements for deposits and investment risks were made in the following areas:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentrations of Credit Risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end, and other disclosures.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, 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. The City categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City did not have any investments measured using Level 3 inputs as of June 30, 2020.

The City participates in an investment pool managed by the State of California entitled Local Agency Investment Fund (LAIF) which has invested a portion of the pooled funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to the change in interest rates.

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Cash and Investments, Continued

Cash equivalents are considered amounts in demand deposits and short-term investments with a maturity date within three months of the date acquired by the City and are presented as “cash and investments” in the accompanying basic financial statements.

For the purpose of the Statement of Cash Flows, the City considers all pooled cash and investments (consisting of cash and investments and restricted cash and investments) held by the City as cash and cash equivalents because the pool is used essentially as a demand deposit account from the standpoint of the funds. The City also considers all non-pooled cash and investments (consisting of cash with fiscal agent and restricted cash and investments held by fiscal agent) as cash and cash equivalents because investments meet the criteria for cash equivalents defined above.

D. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

E. Capital Assets

In the government-wide financial statements, capital assets are accounted for as capital assets. All capital assets are valued at historical cost, or estimated historical cost if actual cost is unavailable, except for donated capital assets which are recorded at acquisition value at the date of donation. Estimated historical cost was used to value the majority of the assets for which cost was not available.

The City’s policy has set the capitalization thresholds for reporting capital assets at the following:

All buildings	No threshold
All other capital assets	\$5,000

Prior to July 1, 2001, the governmental funds’ infrastructure assets were not capitalized. These assets (back to July 1, 1968) 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 estimated useful lives by type of asset are as follow:

Type	Useful Life (years)
Land, easements, and right of way	N/A
Land improvements	20
Building and improvements	50
Infrastructure	15 - 65
Equipment and vehicles	3 - 15
Book collection	20

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Capital Assets, Continued

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 as in the government-wide statements.

F. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

G. Compensated Absences

Compensated absences are comprised of unused vacation leave and compensatory time off, which are accrued as earned. City employees who have 10 or more years of tenure also receive 25% compensation for sick leave. The liability for these compensated absences in the government-wide statements has been estimated by management to be 20% current and 80% noncurrent liabilities (see Note 7). The portion expected to be permanently liquidated is recorded in the Statement of Net Position and is liquidated primarily by the General Fund.

H. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the California Employers' Retiree Benefit Trust (CERBT). For this purpose, benefit payments are recognized when currently due and payable in accordance with benefit terms. Investments are reported at fair value. The net OPEB liability is liquidated primarily by the General Fund. 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

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

I. Net Position and Fund Balances

Net position is measured on the full accrual basis, while fund balance is measured on the modified accrual basis.

Net Position

Net position is the excess of all the City's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources, regardless of fund. Net position is divided into three categories. These categories apply only to net position, which is determined only at the government-wide level, and are described below:

Net Investment in Capital Assets represents the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted net position is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include capital projects, debt service requirements, and special revenue programs restricted to special revenue purposes such as transportation grants and revenues, stormwater, and COPs grants.

Unrestricted net position represents all net position that does not meet the definition of "net investment in capital assets" or "restricted net position" as defined above.

Fund Balance

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities.

The City's fund balances are classified based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: restricted, committed, assigned, and unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendable fund balance represents balances set aside to indicate items that are not available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as permanent funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds from the sale or collection of nonspendable assets are restricted, committed, or assigned, then nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Nonspendable amounts subject to restrictions are included along with spendable resources.

Committed fund balances are established, modified, and rescinded by resolution of the City Council.

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

I. *Net Position and Fund Balances, Continued*

Fund Balance, Continued

Assigned fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Council or its designed and maybe changed at the discretion of the City Council or its designee. The City Manager is authorized to assign amounts to a specific purpose in accordance with the Municipal Code, Chapter 3.04 - Purchasing System approved by City Council under Ordinance 231. This category includes encumbrances.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual General Fund balance and residual fund deficits, if any, of other governmental funds.

J. *Property Taxes*

State of California (State) Constitution Article XIII provides for a maximum general property tax rate statewide of \$1 per \$100 of assessed value. Assessed value is calculated at 100% of market value at the sale date, plus a maximum increase of 2%, unless the value is written down by the county assessor after which it can go back to the value at sale date plus 2% compounded to current. The State Legislature has determined the method of distribution of receipts from a \$1 levy among the counties, cities, school districts, and other districts. Counties, cities, and school districts may levy such additional tax rate as is necessary to provide for voter approved debt service.

However, since the City was incorporated in 1968 as a no-property-tax city, through the fiscal year ended June 30, 1988, Lafayette received property tax distributions only for those geographical areas incorporated into the city limits after 1978, when Proposition XIII became law with its restrictions on funding. Thus, though the City's property owners paid property taxes at the same rate as property owners in other cities, the City of Lafayette received no share, except from those areas of the City annexed after 1978.

Pursuant to the 1988 Trial Court Funding Bill and subsequent reallocations, the City has received a measure of relief from this funding deficiency. Beginning in 1989, the City began receiving funds in lieu of property taxes and/or additional property tax allocations. The receipt of these funds was phased in gradually and by 1997/1998 the City was receiving the equivalent of approximately 7% of the total property taxes that its owners paid. This can be compared to the average 10.5% allocation received by Cities in Contra Costa County. The amount received was further reduced by a partial shift to fund schools, and amounts sent to the Successor Agency of the former Redevelopment Agency (RDA). While the City of Lafayette is a no/low property tax city, it has not qualified for additional property tax allocation since fiscal year 2000-2001.

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

J. Property Taxes, Continued

The County of Contra Costa uses the following calendar to assess properties, bill for, collect, and distribute property taxes.

	Secured	Unsecured
Valuation dates	March 1	March 1
Lien/levy dates	March 1	March 1
Due dates	50% on November 1 50% on February 1	July 1
Delinquent as of	December 10 April 10	August 31

K. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND INVESTMENTS

The City pools cash from all sources and all funds except cash held with fiscal agents so that it can be invested at maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time.

The following is a summary of the cash and investments at June 30, 2020:

	Government-Wide Statement of Net Position			
	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Cash and investments	\$ 35,648,469	\$ 994,681	\$ 2,409,711	\$ 39,052,861
Restricted cash and investments	-	-	1,818,552	1,818,552
Total cash and investments	\$ 35,648,469	\$ 994,681	\$ 4,228,263	\$ 40,871,413

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

2. CASH AND INVESTMENTS, CONTINUED

A. Summary of Cash and Investments

Cash and investments at June 30, 2020 consist of the following:

Cash on hand	\$ 1,225
Deposits with financial institutions	2,086,770
Total cash on hand and deposits	2,087,995
Local Agency Investment Funds (LAIF)	16,881,416
California Assets Management Program (CAMP)	2,002,063
Federal agencies	1,004,860
Corporate notes	1,919,887
General obligation bonds	1,668,298
Money market funds	1,771,204
Certificates of deposit	11,717,138
Total investments	36,964,866
Total City Treasury	39,052,861
Cash and investments held by fiscal agents	1,818,552
Total cash and investments	\$ 40,871,413

B. Deposits

The carrying amount of the City's cash deposit was \$2,086,770 as of June 30, 2020. Bank balances before reconciling items were a positive amount of \$2,584,448 at June 30, 2020. The City's cash deposit was fully insured up to \$250,000 by the Federal Deposit Insurance Commission. The remaining amount was collateralized with securities held by the pledging financial institutions in the City's name.

The California Government Code (Code) Section 53652 requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. The Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

Fair value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

2. CASH AND INVESTMENTS, CONTINUED

C. Investments Authorized by the Code and the City's Investment Policy

Under the City's investment policy, and in accordance with the Code, the following investments are authorized at June 30, 2020:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality*	Maximum % of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	N/A	100%	100%
California Local Agency Obligations	5 years	Aa2	100%	100%
U.S. Agency Securities	5 years	N/A	100%	100%
Bankers Acceptances	180 days	P1	20%	30%
Commercial Paper	270 days	P1	25%	10%
Negotiable Certificates of Deposit	5 years	Aa2	30%	100%
Medium-Term Corporate Notes	5 years	Aa2	10%	100%
Money Market Mutual Funds	N/A	Top rating category category	15%	10%
Collateralized Bank Deposits	5 years	N/A	100%	100%
Time Certificates of Deposits	5 years	N/A	100%	100%
Joint Powers Authority	N/A	N/A	100%	100%
California Local Agency Investment Fund	N/A	N/A	\$40 million	100%
Savings Accounts or Money Market Accounts	5 years	N/A	N/A	N/A

*As of date of purchase

Investments are stated at fair value using the aggregate method in all funds, resulting in the following investment income in all funds for the year ended June 30, 2020:

Interest income	\$ 687,076
Realized gain (loss) on investments	-
Unrealized gain (loss) on changes in fair value of investments	468,217
Total investment income	<u>\$ 1,155,294</u>

The City's portfolio value fluctuates in an inverse relationship to any change in interest rate. Accordingly, if interest rates rise, the portfolio value will decline. If interest rates fall, the portfolio value will rise. The portfolio for year-end reporting purposes is treated as if it were all sold. Therefore, fund balance must reflect the portfolio's change in value. These portfolio value changes are unrealized unless sold.

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments with LAIF at June 30, 2020 include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments included the following:

Structured Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or have embedded forwards or options.

Asset-Backed Securities, the bulk of which are mortgage backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as collateralized mortgage obligations) or credit card receivables.

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

2. CASH AND INVESTMENTS, CONTINUED

C. *Investments Authorized by the Code and the City's Investment Policy, Continued*

At June 30, 2020, the City had \$16,881,416 invested in LAIF, which had invested 3.37% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 1.77% in the previous year. The LAIF fair value factor of 1.004912795 was used to calculate the fair value of the investments in LAIF.

The City is a participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of CAMP participants to invest certain proceeds of debt issues and surplus funds. CAMP investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. The City reports its investments in CAMP at the amortized costs provided by CAMP, which is the same as the value of the pool share in accordance with GASB 79 requirements. At June 30, 2020, the fair value was approximate to the City's cost. At June 30, these investments had an average maturity of 53 days.

The City, as a CAMP shareholder, may withdraw all or any portion of the funds in its CAMP account at any time by redeeming shares. The CAMP Declaration of Trust permits the CAMP trustee to suspend the right of withdrawal from CAMP or to postpone the date of payment of redemption proceeds if the New York Stock Exchange is closed other than for customary weekend and holiday closings, if trading on the New York Stock Exchange is restricted, or if, in the opinion of the CAMP trustees, an emergency exists such that disposal of the CAMP pool securities or determination of its net asset value is not reasonably practicable. If the right of withdrawal is suspended, the City may either withdraw its request for that withdrawal or receive payment based on the net asset value of the CAMP pool next determined after termination of the suspension of the right of withdrawal.

D. *Investments Authorized by Debt Agreements*

The City must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City resolutions, bond indentures, or state statutes. These bond indentures did not disclose limitations for maximum percentage of portfolio and investment in one issuer. The following table identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements.

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

2. CASH AND INVESTMENTS, CONTINUED

D. Investments Authorized by Debt Agreements, Continued

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality
U.S. Treasury Obligations	N/A	N/A
U.S. Agency Securities ^(A)	N/A	N/A
Bankers Acceptances	1-year	P1
Commercial Paper	270 days	P1
Short-term Certificates of Deposit	1-year	P1
Repurchase Agreements	N/A	A2
Money Market Mutual Funds	N/A	AAAm
Unsecured CDs, Deposit Accounts, Time Deposits, Bankers	1-year	A1
Prefunded Municipal Obligations	N/A	Aaa
FDIC Insured Deposit	N/A	N/A
Investment Agreements	N/A	Aa2

(A) Securities issued by agencies of the federal government such as the Federal Farm Credit Bank (FFCB), the Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA), Export-Import Bank, Farm Credit System Financial Assistance Corporation, Farmers Home Administration, General Services Administration, United States Maritime Administration, Small Business Administration, Government National Mortgage Association (GNMA), United States Department of Housing & Urban Development (PHA's), the Federal Home Loan Mortgage Corporation (FHLMC), and Federal Housing Administration debentures.

E. Risk Disclosures

Interest Risk: Interest rate risk is the market value fluctuation due to overall changes in the interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

2. CASH AND INVESTMENTS, CONTINUED

E. Risk Disclosures, Continued

Investments held in the City Treasury grouped by maturity date at June 30, 2020 are as follow:

Investment Type	Total	Investment Maturities (in Months)		
		12 Months or less	13 to 24 Months	More than 24 Months
Federal Agencies	\$ 1,004,860	\$ 1,004,860	\$ -	\$ -
Corporate Notes	1,919,887	1,012,000	522,450	385,437
General Obligation Bonds	1,668,298	-	-	1,668,298
Money Market Mutual Funds	1,771,204	1,771,204	-	-
Money Market Funds	1,818,552	1,818,552	-	-
Certificates of Deposit	11,717,138	3,519,325	3,816,600	4,381,213
Subtotal	19,899,939	9,125,941	4,339,050	6,434,948
Joint investment pools:				
Local Agency Investment Fund	16,881,416	16,881,416	-	-
California Assets Management Program	2,002,063	2,002,063	-	-
Total	\$ 38,783,418	\$ 28,009,420	\$ 4,339,050	\$ 6,434,948

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The following is the minimum rating required by (where applicable) the California Code, the City's investment policy, or debt agreements, and the actual Moody's rating(s) as of June 30, 2020 for each investment type.

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

2. CASH AND INVESTMENTS, CONTINUED

E. Risk Disclosures, Continued

Investment	Total	Credit Quality Rating as of Year-End			
		Aa1	Aa2	Aa3	Aaa
Federal Agencies	\$ 1,004,860	\$ -	\$ -	\$ -	\$ 1,004,860
Corporate Notes	1,919,887	909,687	1,010,200	-	-
General Obligation Bonds	1,668,298	-	1,668,298	-	-
Money Market Mutual Funds	1,771,204	-	-	-	1,771,204
Money Market Funds	1,818,552	-	-	-	1,818,552
Subtotal	8,182,801	\$ 909,687	\$ 2,678,498	\$ -	\$ 4,594,616
Not Rated:					
Joint Investment Pool:					
Local Agency Investment Fund	16,881,416				
California Assets Management Program	2,002,063				
Certificates of Deposit	11,717,138				
Total Investments	38,783,418				
Exempt From Rating Requirement:					
Cash on hand and deposits	2,087,995				
Total Cash and Investments	\$ 40,871,413				

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. None of the City's investments were subject to custodial credit risk for the current year.

F. Investment Valuation

Investments (except for money and market accounts, time deposits, and commercial paper) are measured at fair value on a recurring basis. *Recurring* fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Investment fair value measurements at June 30, 2020 are described on the following page.

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

2. CASH AND INVESTMENTS, CONTINUED

F. Investment Valuation, Continued

Investment Type	Fair Value	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Federal Agencies	\$ 1,004,860	\$ -	\$ 1,004,860	\$ -
Corporate Notes	1,919,887	-	1,919,887	-
General Obligation Bonds	1,668,298	-	1,668,298	-
Certificates of Deposit	11,717,138	-	11,717,138	-
Total investments subject to fair value	16,310,183	\$ -	\$ 16,310,183	\$ -
Investments measured at Net Asset Value Per Share				
California Assets Management Program	2,002,063			
Money Market Mutual Fund	1,771,204			
Investments measured at Amortized Cost				
Money Market Funds	1,818,552			
Investments not subject to levelling:				
California Local Agency Investment Fund	16,881,416			
Total Investments	\$ 38,783,418			

Federal Agencies, Corporate Notes, General Obligations, and Certificates of Deposit classified in Level 2 of the fair value hierarchy are valued using market closing pricing techniques maintained by various pricing vendors. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices.

3. INTERFUND ACTIVITIES

A. Due To/From Other Funds

Current year due to/from other fund balances arose in the normal course of operations and are expected to be repaid shortly after the end of the fiscal year. At June 30, 2020, the City's due to/from other fund balances comprised of the following:

Due to Other Funds	Due from Other Funds	
	General Fund	Total
Nonmajor Governmental Funds	\$ 397,370	\$ 397,370
Total	\$ 397,370	\$ 397,370

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

3. INTERFUND ACTIVITIES, CONTINUED

B. Transfers In/Out

During the year ended June 30, 2020, the City had the following transfers in/out:

Transfers Out	Transfers In				Total
	General Fund	Streets and Signals Fund	Capital Projects Fund	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 970,140	\$ 218,968	\$ 669,517	\$ 1,858,625
Nonmajor Governmental Funds	-	1,066,715	-	-	1,066,715
Total Governmental Funds	-	2,036,855	218,968	669,517	2,925,340
Recreation Programs Fund	25,000	-	5,000	-	30,000
Total	\$ 25,000	\$ 2,036,855	\$ 223,968	\$ 669,517	\$ 2,955,340

The City's current year transfers were to cover operating expenditures that meet statutory and/or budgetary requirements of each respective funds.

4. LOANS RECEIVABLE FROM SUCCESSOR AGENCY

The City's loans receivable were comprised of the following at June 30, 2020:

Description	Balance at June 30, 2020	Current Portion
Loans to Successor Agency:		
Advance from General Fund	\$ 5,337,401	\$ -
Advance from Parking Programs Fund	750,894	-
Total	<u>\$ 6,088,295</u>	<u>\$ -</u>

A. General Fund and Parking Programs Fund

The Redevelopment Agency of the City of Lafayette was formed in 1974 and the Redevelopment Plan was adopted in 1994. In 1999 a cooperation agreement was entered into between the City and the Lafayette Redevelopment Agency that established the City's advancement of funds for the implementation of the Redevelopment Plan. Funds could be used "for the preparation and implementation of the redevelopment plan including, but not limited to, the costs of acquisition of property within the project area, demolition and clearance of properties acquired, building and site preparation, constructing public improvements, and providing relocation assistance to displaced residential and occupants as required by law".

Upon the Redevelopment Agency's dissolution in fiscal year 2012, this loan amount stood at \$6,022,847 in principal and interest. Interest for this period was calculated at 8% per annum based on the loan agreement. Effective fiscal year 2014, the methodology for interest on this loan was changed to accrue at the average annual Local Agency Investment Fund rate and was applied retroactively to fiscal year 2013. In the dissolution process, this loan was determined to be an enforceable obligation. At June 30, 2020, the total principal and accrued interest on this loan was \$5,337,401.

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

4. LOANS RECEIVABLE FROM SUCCESSOR AGENCY, CONTINUED

A. *General Fund and Parking Programs Fund, Continued*

In 2003, the City of Lafayette and the former Redevelopment Agency of the City of Lafayette entered into a loan agreement, which would make available monies from the City's Parking Programs Fund for the acquisition and development of property for library parking and the benefit of the project area. The amount of the loan was \$685,000. Payments were made according to schedule for fiscal years 2003 through 2010 after which time the outstanding principal amount was \$540,500. Since then, interest has continued to accrue based on the missed payments and in a manner consistent with the interest rate calculation guidance provided in SB107.

B. *Collectability*

In fiscal year 2019-2020, City staff worked with local legislators' offices to identify a remedy to the repeated denial of repayment of the City's General Fund and Parking Program Fund loans. Staff met with California Department of Finance supervisors and presented the facts of the outstanding loans. Based on this discussion, staff expects that the Parking Program Fund loan will be repaid in fiscal year 2021-2022. In our discussions with the California Department of Finance and local legislators, however, it appeared that the only option for collection of the General Fund loans would be legal action and as a result the City Council will need to evaluate the cost versus benefit of continuing to pursue collection.

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

5. CAPITAL ASSETS

For the year ended June 30, 2020 the City's capital asset activity was as follows:

	Balance July 1, 2019	Additions	Retirements	Transfers	Balance June 30, 2020
Governmental Activities:					
Nondepreciable capital assets:					
Land	\$ 14,015,574	\$ 64,196	\$ -	\$ 1,185,000	\$ 15,264,770
Artwork (Library)	583,149	-	-	-	583,149
Construction in progress	1,612,199	224,100	-	(1,407,667)	428,632
Total nondepreciable capital assets	16,210,922	288,296	-	(222,667)	16,276,551
Depreciable capital assets:					
Improvements	5,882,089	176,458	-	37,931	6,096,478
Buildings	46,401,682	-	-	-	46,401,682
Infrastructure	132,230,466	2,584,490	-	157,113	134,972,069
Equipment	1,606,885	34,597	(47,648)	-	1,593,834
Vehicles	1,894,971	139,831	(190,011)	27,623	1,872,414
Book collection (Library)	1,091,940	-	-	-	1,091,940
Total depreciable capital assets	189,108,033	2,935,376	(237,659)	222,667	192,028,417
Accumulated depreciation:					
Improvements	(3,600,070)	(287,337)	-	-	(3,887,407)
Buildings	(8,067,418)	(1,084,103)	-	-	(9,151,521)
Infrastructure	(86,491,054)	(3,798,550)	-	-	(90,289,604)
Equipment	(1,223,621)	(160,127)	47,648	-	(1,336,100)
Vehicles	(1,505,771)	(166,438)	170,799	-	(1,501,410)
Book collection (Library)	(436,776)	(54,597)	-	-	(491,373)
Total accumulated depreciation	(101,324,710)	(5,551,152)	218,447	-	(106,657,416)
Depreciable capital assets, net	87,783,323	(2,615,777)	(19,212)	222,667	85,371,001
Total capital assets	\$ 103,994,245	\$ (2,327,481)	\$ (19,212)	\$ -	\$ 101,647,552

Depreciation expense by program or function for the year ended June 30, 2020 was as follows:

Governmental Activities:	
Police services	\$ 144,017
Parking services	56,419
Public works	506,566
Library operation	6,084
Planning	5,492
Engineering	4,826,172
Administration	6,402
Total depreciation expense	<u>\$ 5,551,152</u>

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

6. LONG-TERM LIABILITIES

The City generally incurs long-term debt to finance projects, which will have useful lives equal to or greater than the related debt. The City's long-term debt activity for the year ended June 30, 2020 was as follows:

	Original Issue Amount	Balance July 1, 2019	Additions	Retirements	Balance June 30, 2020	Amount due within one year
Governmental Activities - Direct Borrowings:						
2011 General Obligation Refunding Bonds 2.85%, due July 15, 2025	\$ 2,960,000	\$ 2,400,000	\$ -	\$ (205,000)	\$ 2,195,000	\$ 205,000
2016 General Obligation Refunding Bonds 2.00%, due July 15, 2023	2,055,000	1,465,000	-	(300,000)	1,165,000	305,000
		<u>\$ 3,865,000</u>	<u>\$ -</u>	<u>\$ (505,000)</u>	<u>\$ 3,360,000</u>	<u>\$ 510,000</u>

A. 2011 General Obligation Refunding Bonds

On December 9, 2011, the City issued the 2011 General Obligation Refunding Bonds (2011 GOs) in the amount of \$2,960,000 to refund a portion of the General Obligation Bonds, Election 1995, Series 2002 and cost of issuance. The 2002 Bonds were originally issued to finance the costs of repair and reconstruction of the City's roads and drains. Due to the refunding, total debt service payments were reduced by about \$256,000 and had an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$214,000. Interest payments on the 2011 GOs are due semi-annually on January 15 and July 15, and annual principal payments are due on July 15. Interest and principal amounts are payable from ad valorem property taxes levied by the City and collected by the County. At June 30, 2020, the total principal and interest remaining to be paid on the bonds were \$2,195,000 and \$236,479, respectively.

Annual debt service requirements for the bonds are as follow:

Year Ending June 30,	Principal	Interest
2021	\$ 205,000	\$ 59,636
2022	210,000	53,723
2023	220,000	47,595
2024	320,000	39,900
2025	610,000	26,648
2026	630,000	8,978
Total	<u>\$ 2,195,000</u>	<u>\$ 236,479</u>

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

6. LONG-TERM LIABILITIES, CONTINUED

B. 2016 General Obligation Refunding Bonds

In December 2016, the City issued the 2016 General Obligation Refunding Bonds (2016 GOs) in the amount of \$2,055,000. The bond proceeds, together with the City's own resources of \$911,220, were used to refund the 2004 General Obligation Bonds, and cover the cost of issuance. The 2004 Bonds were originally issued to finance the costs of repair and reconstruction of the City's roads and drains, and to refund a portion of the General Obligation Election of 1995, Series 1995 Bonds and pay cost of issuance. As a result, total debt service payments were reduced by \$765,940 and had an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$223,458. Interest payments on the 2016 GOs are due semi-annually on January 15 and July 15, an annual principal payments are due each July 15 through 2023. At June 30, 2020, the total principal and interest remaining to be paid on the bonds were \$1,165,000 and \$44,350, respectively. Annual debt service requirements for the bonds are as follow:

Year Ending June 30,	Principal	Interest
2021	\$ 305,000	\$ 20,250
2022	315,000	14,050
2023	315,000	7,750
2024	230,000	2,300
Total	<u>\$ 1,165,000</u>	<u>\$ 44,350</u>

7. COMPENSATED ABSENCES PAYABLE

The City's compensated absences payable activity for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
Governmental Activities:					
Compensated absences payable	\$ 558,164	\$ 441,434	\$ (243,419)	\$ 756,179	\$ 151,236
Business-Type Activities:					
Compensated absences payable	41,047	34,488	(20,220)	55,315	11,063
	<u>\$ 599,211</u>	<u>\$ 475,922</u>	<u>\$ (263,639)</u>	<u>\$ 811,494</u>	<u>\$ 162,299</u>

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

8. RETIREMENT PLAN

Employee Retirement Defined Contribution Plan

As of July 1, 2004, employees of the City must participate in the retirement plan as follows:

Salary-Based Contribution System

The City makes monthly contributions to a 401a retirement plan (Plan) for each regular employee and part time regular employees working a minimum of 20 hours per week. The contribution on behalf of each participant equal 10% of base earnings up to the maximum allowable by law. In addition, each participant may contribute up to 5% of earnings to the Plan and the City has elected to match such contributions by the same percentage.

Employees are fully vested in the City’s contributions (and interest allocated to the employee’s account) after five years of continuous service by the employee, with the exception of those employees over 50 years old who are fully vested from the first month of employment.

The Employer will have the right at any time to terminate the Plan by resolution of its governing board.

The City’s total payroll in fiscal year 2020 was approximately \$4,296,000. Contributions to the Plan totaled \$640,085 by the City and \$210,089 by individuals during the year.

The following summarizes transactions in the Plan for the year ended June 30, 2020:

Balance as of July 1, 2019	\$ 14,289,250
Contributions:	
Employer	640,085
Employee	210,089
Other additions, net	14,243
Disbursements, net	(465,961)
Earnings and dividends	64,894
Appreciation, net	435,986
	<hr/>
Balance as of June 30, 2020	<u>\$ 15,188,586</u>

Deferred Compensation Plan

All employees of the City are eligible to participate in a City sponsored deferred compensation plan (457 Plan). The 457 Plan provides for the deferral of a portion of the employees’ compensation until retirement, termination, or certain other covered events. The assets of the 457 Plan are held in trust for the exclusive benefit of plan participants.

Deferred contribution(s) by a participant in any taxable year will not exceed the lessor of (1) the applicable dollar amount provided under Section 457(b)(2) of the Internal Revenue Code (adjusted for cost of living under Section 457(e)(15) of the Internal Revenue Code), or (2) 100% of the participant’s includible compensation. A participant who has attained age 50 before the close of the calendar year may elect Age 50 Plus Catch-up Contributions and commence making such contributions to his/her Participant Deferral Account.

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

8. RETIREMENT PLAN, CONTINUED

The Employer will have the right at any time to terminate the 457 Plan by resolution of its governing board.

The following summarizes transactions in the 457 Plan for the year ended June 30, 2020:

Balance as of July 1, 2019	\$ 9,844,388
Contributions	469,234
Disbursements	(160,467)
Earnings	92,738
Appreciation	156,159
	<hr/>
Balance as of June 30, 2020	<u>\$ 10,402,052</u>

9. OTHER POST EMPLOYMENT BENEFITS (OPEB)

A. General Information about the City's Other Post Employment Benefit (OPEB) Plan

Plan Description - The City's defined benefit post-employment healthcare plan (OPEB Plan) is an agent multiple-employer plan that provides medical benefits to eligible retired City employees.

Benefits Provided - The following is a summary of the OPEB Plan benefits by employee group as of June 30, 2020:

	<u>All Participants</u>
Benefit Types	Medical Only
Duration of Benefits	Lifetime
Required Service	10 Years
Minimum Age	62*
Dependent Coverage	None
City Contribution	50% of lowest cost single rate other than HSA

*Prior to age 62, the retiree must pay the full cost of coverage.

For the year ended June 30, 2020, the City's contribution to the OPEB Plan was \$29,253.

Employees Covered by Benefit Terms - Membership in the OPEB Plan consisted of the following at June 30, 2019, the measurement date:

Active employees	42
Inactive employees or beneficiaries currently receiving benefit payments	4
Inactive employees entitled to but not yet receiving benefit payments	-
	<hr/>
Total	<u>46</u>

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

9. OTHER POST EMPLOYMENT BENEFITS (OPEB), CONTINUED

B. Net OPEB Liability

Actuarial Methods and Assumptions – 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
Valuation Date	June 30, 2019
Measurement Date	June 30, 2019
Actuarial Cost Method	"Entry Age Actuarial Cost Method"
Actuarial Assumptions:	
Discount Rate	7.00%
Inflation	2.75%
Payroll Growth	2.75%
Investment Rate of Return	7.00%
Mortality Rate	Varies by age and sex
Healthcare Cost Trend Rate	4.00%

The underlying mortality assumptions were based on the Mortality Table of the 2014 CalPERS Active Mortality for Miscellaneous Employees and all other actuarial assumptions used in the June 30, 2019 valuation were based on the results of the 2009 actuarial experience study of CalPERS.

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage of Portfolio	Assumed Gross Return
All Equities	59%	7.7950
All Fixed Income	25%	4.5000
Real Estate Investment Trusts	8%	7.5000
All Commodities	3%	7.7950
Treasury Inflation Protected Securities (TIPS)	5%	3.2500
Total	<u>100%</u>	

Discount Rate – The discount rate used to measure the total OPEB liability was 7%. The projection of cash flows used to determine the discount rate assumed that City 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 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.

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

9. OTHER POST EMPLOYMENT BENEFITS (OPEB), CONTINUED

C. Changes in the Net OPEB Liability

The changes in the net OPEB liability during the measurement period were as follow:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
	(a)	(b)	(a) - (b)
Balance at June 30, 2018	\$ 581,683	\$ 306,777	\$ 274,906
Changes Recognized for the Measurement Period:			
Service cost	24,253	-	24,253
Interest on the total OPEB liability	41,003	-	41,003
Expected investment income	-	22,123	(22,123)
Employee contributions	-	-	-
Employer contributions to Trust	-	28,604	(28,604)
Employer contributions as benefit payments	-	-	-
Administrative expenses	-	(68)	68
Actual benefit payments from Trust	(10,001)	(10,001)	-
Actual benefit payments from employer	-	-	-
Actual minus expected benefit payments	(6,110)	-	(6,110)
Experience (gains)/losses	(97,645)	-	(97,645)
Changes in assumptions	-	-	-
Investment gains/(losses)	-	(1,644)	1,644
Net changes during July 1, 2018 to June 30, 2019	(48,500)	39,014	(87,514)
Balance at June 30, 2019 (Measurement Date)	\$ 533,183	\$ 345,791	\$ 187,392

D. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate 1-percentage point (1%) lower or higher than the current discount rate:

Net OPEB Liability		
Valuation		
1% Decrease	Discount Rate	1% Increase
\$ 259,296	\$ 187,392	\$ 127,131

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

Net OPEB Liability		
Valuation Healthcare		
1% Decrease	Cost Trend Rate	1% Increase
\$ 126,624	\$ 187,392	\$ 257,346

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

9. OTHER POST EMPLOYMENT BENEFITS (OPEB), CONTINUED

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

For the year ended June 30, 2020, the City recognized OPEB expense of \$33,228.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date	\$ 29,253	\$ -
Differences between actual and expected experience	-	104,507
Changes of assumptions	-	-
Net differences between projected and actual earnings on plan investments	181	-
Total	<u>\$ 29,434</u>	<u>\$ 104,507</u>

\$29,253 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Year Ended June 30	Annual Amortization
2020	(9,974)
2021	(9,974)
2022	(9,974)
2023	(9,597)
2024	(14,722)
Thereafter	(50,085)

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

10. FUND BALANCE AND NET POSITION

A. Fund Balance Classification

Detailed classifications of the City's fund balances as of June 30, 2020 include the following:

Classifications	General Fund	Streets and Signals	Capital Projects	Debt Service	Nonmajor Governmental	Total Governmental
Nonspendable:						
Prepaid Items	\$ 68,263	\$ 1,659	\$ -	\$ -	\$ 2,002	\$ 71,924
Loans Receivable from Successor Agency	5,337,401	-	-	-	-	5,337,401
Total Nonspendable	5,405,664	1,659	-	-	2,002	5,409,325
Restricted:						
Public Art In Lieu Fees	147,723	-	-	-	-	147,723
CalRecycle Grant	20,909	-	-	-	-	20,909
PEG Access	307,866	-	-	-	-	307,866
In Lieu Tree Program	129,192	-	-	-	-	129,192
Drainage Impact Fees	-	181,078	-	-	-	181,078
General Obligations Bond Proceeds	-	-	-	-	-	-
Walkways Impact Fees	-	212,144	-	-	-	212,144
Traffic Impact Fees	-	861,556	-	-	-	861,556
Parking	-	-	-	-	-	-
Public Safety	-	-	-	-	58,772	58,772
Low and Moderate Housing	-	-	-	-	1,583,473	1,583,473
Park Facilities Impact Fees	-	-	1,407,828	-	-	1,407,828
Streets and Roads	-	-	-	-	2,355,294	2,355,294
Assessment Districts	-	-	-	-	269,550	269,550
Parkland Acquisition in Lieu Fees	-	-	2,923,350	-	-	2,923,350
Debt Service	-	-	-	555,916	-	555,916
Total Restricted	605,690	1,254,778	4,331,178	555,916	4,267,089	11,014,651
Committed:						
Reserve Emergency Contingency	500,000	-	-	-	-	500,000
Youth Committee	19,953	-	-	-	-	19,953
Environmental Task Force	3,200	-	-	-	-	3,200
Bikeways Plan Update	14,000	-	-	-	-	14,000
Stormwater Pollution	327,000	-	-	-	-	327,000
Public Art	13,590	-	-	-	-	13,590
Facility Maintenance	1,100,000	-	620,363	-	-	1,720,363
Vacation/Sick Liability	756,178	-	-	-	-	756,178
Senior Services Program	10,559	-	-	-	-	10,559
Parking	-	-	-	-	561,666	561,666
Senior Transportation	-	-	-	-	195,661	195,661
Traffic Calming	101,101	-	-	-	-	101,101
EMBUD Pathway	25,000	40,000	-	-	-	65,000
General Plan Revision 2020	100,000	-	-	-	-	100,000
Public Works Vehicle Replacement	41,634	-	-	-	-	41,634
Planning/Engineering Vehicle Replacemer	28,001	-	-	-	-	28,001
Police Vehicle Replacement/Transition	58,395	-	-	-	-	58,395
Computer Replacements	30,950	-	-	-	-	30,950
OPEB Reserve	18,600	-	-	-	-	18,600
Other Capital Projects	175,000	2,977,295	5,211,140	-	-	8,363,435
Total Committed	3,323,161	3,017,295	5,831,503	-	757,327	12,929,286
Unassigned:						
Unassigned	12,788,415	-	-	-	(5,242)	12,783,173
Total Unassigned	12,788,415	-	-	-	(5,242)	12,783,173
Total Fund Balances	\$ 22,122,930	\$ 4,273,732	\$ 10,162,681	\$ 555,916	\$ 5,021,176	\$ 42,136,435

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

10. FUND BALANCE AND NET POSITION, CONTINUED

B. Net Position and Net Investment in Capital Assets

As described in Note 1, Net Investment in Capital Assets describes the portion of net position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets. At June 30, 2020 the breakout of this calculation is as follows:

Total Capital Assets at June 30, 2020:		\$ 101,647,552
Less: Related Debts at June 30, 2020		
Long-term debt	3,360,000	
Less: Portion of the Debt Attributable to the Unspent Proceeds	-	
Net Related Debt	<u> </u>	<u>(3,360,000)</u>
Net Investment in Capital Assets		<u>\$ 98,287,552</u>

At June 30, 2020, the breakout of restricted and unrestricted net position is calculated as follows:

	Governmental Activities	Business-Type Activities	Total
Assets and Deferred Outflows of Resources:			
Cash and investments	\$ 35,648,469	\$ 994,681	\$ 36,643,150
Accounts and interest receivable	2,813,770	153,309	2,967,079
Loans receivable from Successor Agency	6,088,295	-	6,088,295
Other assets and deferred outflows of resources	101,358	8,445	109,803
Total assets and deferred outflows of resources	<u>44,651,892</u>	<u>1,156,435</u>	<u>45,808,327</u>
Liabilities and Deferred Inflows of Resources:			
Accounts payable and accrued liabilities	1,162,825	26,225	1,189,050
Refundable deposits	1,313,254	21,747	1,335,001
Other liabilities and deferred inflows of resources	1,097,373	303,527	1,400,900
Total liabilities and deferred inflows of resources	<u>3,573,452</u>	<u>351,499</u>	<u>3,924,951</u>
Net Position:			
Restricted	6,683,473	-	6,683,473
Unrestricted	34,394,967	804,936	35,199,903
Total restricted and unrestricted net position	<u>\$ 41,078,440</u>	<u>\$ 804,936</u>	<u>\$ 41,883,376</u>

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

11. EXPENDITURES IN EXCESS OF APPROPRIATIONS

The below funds had expenditures in excess of appropriations for the year ended June 30, 2020. These funds had sufficient fund balances or revenues to finance these expenditures.

Fund	Excess of Expenditures Over Appropriations
Special Revenue Fund	
Low and moderate housing	\$ 6,995
Supplemental Law Enforcement	18,000

12. RISK MANAGEMENT

The City is a member of the Municipal Pooling Authority (MPA) based in Walnut Creek, California. The MPA provides coverage against the following types of loss risks under the terms of a joint powers agreement with the City and several other cities and governmental agencies as follows:

	Participating Cities Total Coverage	Deductible
All risk fire and property	\$ 1,000,000,000	\$ 25,000
Boiler and machinery	100,000,000	5,000
Liability	29,000,000	5,000
Auto-physical damage	250,000	3,000 (Police), 2,000 (other vehicles)
Workers' compensation	Statutory Limit	-
Cyber liability	2,000,000	50,000
Pollution liability	1,000,000	100,000
Crime	1,000,000	2,500

The MPA is governed by a Board consisting of representatives from member municipalities. The Board controls the operations of the MPA, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the Board.

The City's deposits with the MPA are in accordance with formulas established by the MPA. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

Audited financial statements for the Authority are available from MPA, 1911 San Miguel Drive, Suite 200, Walnut Creek, CA 94596.

The total coverage includes the City's deductible, the portion underwritten by MPA, and the portion underwritten by other insurance companies. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years by a significant amount.

The City did not record a liability for outstanding claims at June 30, 2020, as management believes that the claims were minimal.

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

13. LAMORINDA FEE AND FINANCING AUTHORITY AND LAMORINDA SCHOOL BUS TRANSPORTATION JOINT POWERS AUTHORITY

The Lamorinda Fee and Financing Authority (LFFA) was created when the City of Lafayette entered into a Joint Powers Agreement (JPA) with the cities of Moraga and Orinda to administer an adopted sub-regional transportation and traffic impact fee for the Lamorinda region under the authority of a Contra Costa County half-cent sales tax measure adopted in 1988. Fees collected by the LFFA from new development are used to mitigate effects from increased traffic in the region.

In 1994 the municipalities and school districts in the Lamorinda regions collaborated together to establish a school bus program for the purpose of traffic mitigation. The majority of our funds come from Measure J, a half-cent sales tax measure in Contra Costa County distributed by the Contra Costa Transportation Authority. The school bus program is governed by a Joint Powers Authority called the Lamorinda School Bus Transportation Agency (LSBTA).

Complete financial statements of the LFFA and LSBTA are available at the City of Lafayette, 3675 Mt. Diablo Blvd., #210, Lafayette, CA 94549.

14. COMMITMENT AND CONTINGENT LIABILITIES

The City participates in several federal and state grant programs. These programs have been subjected to audits by the City's independent accountants in accordance with the provisions of the Federal Single Audit Act, as amended, and applicable state requirements. No cost disallowances were proposed as a result of these audits. However, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney there is no pending litigation which is likely to have a material adverse effect on the financial position of the City.

15. RDA OBLIGATION RETIREMENT TRUST FUND (SUCCESSOR AGENCY) ACTIVITIES

A. Redevelopment Dissolution

In an effort to balance its budget, the State of California adopted ABx1 26 on June 28, 2011, amended by AB1484 on June 27, 2012, which suspended all new redevelopment activities except for limited specified activities as of that date and dissolved redevelopment agencies as of January 31, 2012.

The suspension provisions prohibited all redevelopment agencies from a wide range of activities, including incurring new indebtedness or obligations, entering into or modifying agreements or contracts, acquiring or disposing of real property, taking actions to adopt or amend redevelopment plans and other similar actions, except actions required by law or to carry out existing enforceable obligations, as defined in ABx1 26.

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

15. RDA OBLIGATION RETIREMENT TRUST FUND (SUCCESSOR AGENCY) ACTIVITIES, CONTINUED

A. Redevelopment Dissolution, Continued

ABx1 26 and AB1484 allowed three regulatory oversight authorities, the Successor Authority's Oversight Board, State Controller and Department of Finance (DOF), to review the former Authority's asset transfer, obligation payments and wind down activities. ABx1 26 specifically directs the State Controller to review the activities of all redevelopment agencies to determine whether an asset transfer between an agency and any public agency occurred on or after January 1, 2011. If an asset transfer did occur and the public agency that received the asset is not contractually committed to a third party for the expenditure or encumbrance of the asset, the legislation purports to require the State Controller to order the asset returned to the redevelopment agency. The State Controller completed its review in April 2016. The City subsequently brought the asset transfer review to the Oversight Board. The transfer identified as required to be returned in the asset transfer review was made during FY 2016.

Effective January 31, 2012, all California redevelopment agencies were dissolved. Certain assets of the Authority's Low and Moderate Income Housing Fund were distributed to a Housing Successor; and all remaining Authority assets and liabilities were distributed to a Successor Agency.

Under the provisions of AB 1484, the City could elect to become the Housing Successor and retain the housing assets. The City elected to become the Housing Successor and on January 24, 2012, and on February 1, 2012 certain housing assets were transferred to the City's Housing Successor Special Revenue Fund.

Cash and investments of the Successor Agency are discussed in Note 2.

B. Long-Term Debt

Tax Allocations Bonds and Loans

All of the long-term debt of the Successor Agency is comprised of Tax Allocation Bonds issued by the Redevelopment Agency. The Bonds are special obligations of the Agency and are secured only by the Agency's tax increment revenues. Tax Allocation Bond and loan transactions were as follows:

	Original Issue Amount	Balance July 1, 2019	Additions	Retirements	Balance June 30, 2020	Amount due within one year
Governmental Activities - Direct Borrowings:						
2014 Tax Allocation Refunding Bond	\$ 13,880,000	\$ 13,670,000	\$ -	\$ (50,000)	\$ 13,620,000	\$ 420,000
2015 Tax Allocation Refunding Bond	21,080,000	18,840,000	-	(955,000)	17,885,000	635,000
2015 TARB Series-premium	2,647,306	2,302,005	-	(115,100)	2,186,905	-
		<u>\$ 34,812,005</u>	<u>\$ -</u>	<u>\$ (1,120,100)</u>	<u>\$ 33,691,905</u>	<u>\$ 1,055,000</u>

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

15. RDA OBLIGATION RETIREMENT TRUST FUND (SUCCESSOR AGENCY) ACTIVITIES, CONTINUED

B. Long-Term Debt, Continued

2014 Tax Allocation Refunding Bonds

On August 1, 2014, the Successor Agency issued \$13,880,000 Series 2014 Tax Allocation Refunding Bonds. The bonds were issued to refund the 2002 Tax Allocation Bonds and 2008 Tax Allocation Bonds. The economic gain on refunding of these bonds was \$1,967,001.

The 2014 Tax Allocation Refunding Bonds mature annually starting August 1, 2014 through 2038, with installments ranging from \$25,000 to \$1,750,000. The interest on the bonds is payable semi-annually on each February 1 and August 1, with coupon rates ranging from 3.00% to 5.00%.

Pledged Revenues

The 2014 Tax Allocation Refunding Bonds of the Successor Agency are payable solely from and secured by tax revenues deposited into Redevelopment Property Tax Trust Fund.

Debt Service Requirements

Debt service requirements are as follows:

Year Ending June 30,	Principal	Interest
2021	\$ 420,000	\$ 658,400
2022	445,000	636,775
2023	465,000	614,025
2024	490,000	590,150
2025	515,000	565,025
2026/2030	2,950,000	2,429,100
2031/2035	2,905,000	1,678,125
2036/2039	5,430,000	644,750
Total	<u>\$ 13,620,000</u>	<u>\$ 7,816,350</u>

2015 Tax Allocation Refunding Bonds

On August 1, 2015, the Successor Agency issued \$21,080,000 Series 2015 Tax Allocation Refunding Bonds. The bonds were issued to refund the 2005 Tax Allocation Bonds. The economic gain on refunding of these bonds was \$6,755,043.

The 2015 Tax Allocation Refunding Bonds mature annually starting August 1, 2016 through 2030, with installments ranging from \$455,000 to \$1,000,000. The interest on the bonds is payable semi-annually on each February 1 and August 1, with coupon rates ranging from 3.00% to 3.375%.

Pledged Revenues

The 2015 Tax Allocation Refunding Bonds of the Successor Agency are payable solely from and secured by tax revenues deposited into Redevelopment Property Tax Trust Fund.

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

15. RDA OBLIGATION RETIREMENT TRUST FUND (SUCCESSOR AGENCY) ACTIVITIES, CONTINUED

B. Long-Term Debt, Continued

Debt Service Requirements

Debt service requirements are as follows:

Year Ending June 30,	Principal	Interest
2021	\$ 635,000	\$ 827,613
2022	665,000	795,113
2023	700,000	760,988
2024	730,000	725,238
2025	770,000	687,738
2026/2030	4,455,000	2,840,445
2031/2035	6,255,000	1,777,750
2036/2039	3,675,000	293,625
Total	<u>\$ 17,885,000</u>	<u>\$ 8,708,510</u>

C. Commitments and Contingencies

State Approval of Enforceable Obligations

The Successor Agency prepares a Recognized Obligation Payment Schedule (ROPS) annually that contains all proposed expenditures for the subsequent one year period. The ROPS is subject to the review and approval of the Oversight Board as well as the State Department of Finance. The obligations incurred by the Successor Agency were approved by the State in advance.

Although the State Department of Finance may not question items included on the ROPS in one period, they may question the same items in a future period and disallow associated activities. The amount, if any, of current obligations that may be denied by the State Department of Finance cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2020

16. COVID-19 PANDEMIC

During December 2019, the Novel Corona Virus Disease (COVID-19) was discovered and subsequently declared a world-wide pandemic by the World Health Organization on March 11, 2020. On March 4, 2020, California State Governor Gavin Newsom proclaimed a State of Emergency as a result of the threat of the COVID-19 in the State of California, leading the Contra Costa County Health Officer to issue a stay-at-home directive on March 16, 2020. This halted all business within Contra Costa County except essential activities.

COVID-19 had an immediate and severe impact on the City of Lafayette’s tax revenues. While 2019-20 property tax revenues were insulated from COVID-19 due to the lien date (and change in California Consumer Price Index) of January 1, 2019, preceding the onset of COVID-19 in March 2020, as clearly evident in the City’s basic financial statements, sales tax, transient occupancy tax (TOT), and property transfer tax were susceptible to the economic impact of COVID-19. The reduction in sales tax revenue reflects the severe restrictions imposed on restaurants and general retail due to the stay-as-home order and ongoing concern about infection. These same factors have impacted business and personal travel significantly, adversely affecting the City’s transient occupancy tax revenue. Property transfer tax has also been impacted as the volume of housing sales declined from previously high levels during the second quarter of 2019.

In response to the economic impact and the resultant structural imbalance of the City’s General Fund brought on by COVID-19, staff shared the projected financial impacts at the regular City Council meeting on April 13, 2020. Subsequently, at the City Council meeting on April 27, 2020, Council approved \$950K in budget reductions for fiscal year 2020-21 in anticipation of reduced revenues. Staff continues to monitor the City’s revenue streams and update Council as appropriate.

17. PRIOR PERIOD ADJUSTMENTS

The City recorded prior period adjustments to adjust the interest payable as of June 30, 2019.

	Net Position, as Previously Reported at June 30, 2019	Prior Period Adjustments		Net Position, as Restated at June 30, 2019
		Interest Payable		
Fund Statements				
Redevelopment Debt Service Fund	\$ (33,646,074)	\$	20,730	\$ (33,625,344)

**REQUIRED
SUPPLEMENTARY INFORMATION**

City of Lafayette
Required Supplementary Information
For the Year Ended June 30, 2020

1. BUDGET AND BUDGETARY ACCOUNTING

Budgeting Procedures

The City's fiscal year runs from July 1 through June 30. Each year, the Administrative Services Director prepares two budgets: the Proposed Budget, which is adopted in June, and the Final Budget, which is adopted in December. The budget process is as follows:

- In January, the City Council meets to set the goals and priorities for the upcoming fiscal year.
- In February and March, the department head meets with the City Manager, Administrative Services Director and Finance Manager to review the budget requests.
- In mid-March, each department head meets with the City Manager, Administrative Services Director and Finance Manager to review the budget requests.
- In mid-April, the Administrative Services Director presents the Proposed Budget to the Finance Committee.
- At the end of May, the Proposed Budget is introduced at a regular City Council meeting.
- The City Council holds a special budget workshop meeting, usually the first week in June. At this meeting, the public is invited to comment on the budget and the Council makes a number of important policy decisions regarding the budget.
- The budget, and any changes made to it during the budget workshop, are adopted by resolution at the next regularly scheduled City Council meeting.
- After the audit for the prior fiscal year has been completed, usually in late September, the Administrative Services Director begins work on the Final Budget. The Final Budget incorporates actual expenses and revenues from the prior fiscal year, as well as any changes made by the City Council to the Proposed Budget. If other programs or expenditures are anticipated, these items are incorporated into the Final Budget as well.
- The City Council reviews the Final Budget at a regularly scheduled meeting in December and adopts the Final Budget by resolution.
- Budgeted amounts are as originally adopted and as further amended by the City Council. The level of control (level at which expenditures may not exceed budget) is at the departmental level for the General Fund, department level for the Special Revenue Funds and project level for the Capital Projects Fund.

City of Lafayette
Required Supplementary Information
For the year ended June 30, 2020

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual: General Fund

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Property taxes	\$ 5,505,921	\$ 5,467,320	\$ 5,584,865	\$ 117,545
Sales taxes	3,286,400	3,312,313	2,860,285	(452,028)
Other taxes	2,549,446	2,615,405	2,337,361	(278,044)
Charges for services	1,432,855	1,428,855	2,516,009	1,087,154
Intergovernmental	3,175,000	3,175,000	3,253,192	78,192
Licenses and permits	-	-	388,622	388,622
Fines, forfeitures and penalties	60,000	60,000	56,258	(3,742)
Use of money and property	551,009	607,164	996,240	389,076
Miscellaneous	915,615	1,033,959	431,887	(602,072)
Total revenues	17,476,246	17,700,016	18,424,719	724,703
EXPENDITURES:				
Current:				
City council, commissions, & community support	1,854,942	1,778,375	1,182,348	596,027
Police services	5,805,109	5,810,820	5,288,112	522,708
Public works	2,022,743	2,035,855	1,707,552	328,303
Library operations	1,019,810	1,019,763	789,393	230,370
Planning	916,529	863,025	694,100	168,925
Engineering	763,960	952,888	746,311	206,577
Administration	3,239,866	3,343,124	3,224,715	118,409
Capital outlay	672,200	821,870	559,724	262,146
Total expenditures	16,295,159	16,625,720	14,192,255	2,433,465
REVENUES OVER (UNDER) EXPENDITURES	1,181,087	1,074,296	4,232,464	3,158,168
OTHER FINANCING SOURCES (USES):				
Transfers in	25,000	25,000	25,000	-
Transfers out	(1,399,053)	(1,856,113)	(1,858,625)	(2,512)
Total other financing sources (uses)	(1,374,053)	(1,831,113)	(1,833,625)	(2,512)
Net change in fund balances	\$ (192,966)	\$ (756,817)	2,398,839	\$ 3,155,656
FUND BALANCES:				
Beginning of year			19,724,091	
End of year			\$ 22,122,930	

City of Lafayette
Required Supplementary Information
For the year ended June 30, 2020

2. OTHER POST EMPLOYMENT BENEFITS (OPEB)

*A. Schedule of Changes in the Net OPEB Liability and Related Ratios - Last 10 Years**

Agent Multiple Employer Plan

Measurement Date:	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Net OPEB Liability			
Service cost	\$ 24,253	\$ 23,604	\$ 22,972
Interest	41,003	38,107	35,230
Differences between actual and expected experience	(97,645)	-	-
Employer contributions	(28,604)	(42,181)	(24,583)
Actual investment income	-	-	(25,981)
Expected investment income	(22,123)	(19,408)	-
Investment gains/losses	1,644	(1,890)	-
Administrative expense	68	500	133
Expected minus actual benefit payment	(6,110)	-	-
Net change in the net OPEB liability	<u>(87,514)</u>	<u>(1,268)</u>	<u>7,771</u>
Net OPEB liability - beginning	<u>274,906</u>	<u>276,174</u>	<u>268,403</u>
Net OPEB liability - ending (a)	<u><u>\$ 187,392</u></u>	<u><u>\$ 274,906</u></u>	<u><u>\$ 276,174</u></u>
Covered-employee payroll (A)	\$ 4,348,658	\$ 4,169,379	\$ 4,112,756
Net OPEB liability as a percentage of covered-employee payroll	4.31%	6.59%	6.72%

Notes to Schedule:

* Fiscal year 2018 was the 1st year of implementation.

(A) - The contributions are not based on a measure of pay.

City of Lafayette
Required Supplementary Information
For the year ended June 30, 2020

2. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

*B. Schedule of Contributions - Last 10 Years**

Agent Multiple Employer Plan

Fiscal Year Ended:	6/30/2020	6/30/2019	6/30/2018
Actuarially determined contribution	\$ -	\$ 42,181	\$ 24,583
Contributions in relation to actuarially determined contributions	(29,253)	(28,604)	(28,604)
Contribution deficiency (excess)	<u>\$ (29,253)</u>	<u>\$ 13,577</u>	<u>\$ (4,021)</u>
Covered-employee payroll	\$ 4,461,464	\$ 4,348,658	\$ 4,169,379
Contributions as a percentage of covered-employee payroll	0.66%	0.66%	0.69%

Notes to the schedule:

Methods and assumptions used to determine contribution rates:

	6/30/2019	6/30/2017	6/30/2017
Valuation date:	6/30/2019	6/30/2017	6/30/2017
Actuarial assumptions:			
Discount rate	2.75%	2.75%	7.00%
Inflation	2.75%	2.75%	2.75%
Payroll growth	2.75%	3.00%	2.75%
Investment rate of return	5.00%	7.00%	7.00%
Mortality rate	Varies by age and sex	Varies by age and sex	Varies by age and sex
Pre-retirement turnover	Varies based on length of service and may vary by other factors	Varies based on length of service and may vary by other factors	Varies based on length of service and may vary by other factors

* Fiscal year 2018 was the 1st year of implementation.

This page intentionally left blank

SUPPLEMENTARY INFORMATION

City of Lafayette

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

Streets and Signals Fund

For the year ended June 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Other taxes	\$ 1,017,000	\$ 1,017,000	\$ 998,781	\$ (18,219)
Charges for services	90,000	90,000	304,497	214,497
Intergovernmental	656,000	2,824,700	-	(2,824,700)
Use of money and property	2,000	2,000	58,922	56,922
Miscellaneous	440,000	440,000	1,393,302	953,302
Total revenues	2,205,000	4,373,700	2,755,502	(1,618,198)
EXPENDITURES:				
Current:				
Engineering	386,088	386,088	366,044	20,044
Administration	66,085	65,052	34,748	30,304
Capital outlay	3,946,000	8,339,280	2,741,852	5,597,428
Total expenditures	4,398,173	8,790,420	3,142,644	5,647,776
REVENUES OVER (UNDER) EXPENDITURES	(2,193,173)	(4,416,720)	(387,142)	4,029,578
OTHER FINANCING SOURCES (USES):				
Transfers in	2,085,172	3,762,859	2,036,855	(1,726,004)
Total other financing sources (uses)	2,085,172	3,762,859	2,036,855	(1,726,004)
Net change in fund balances	\$ (108,001)	\$ (653,861)	1,649,713	\$ 2,303,574
FUND BALANCES:				
Beginning of year			2,624,019	
End of year			\$ 4,273,732	

City of Lafayette

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

Capital Projects Fund

For the year ended June 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Charges for services	\$ 1,361,236	\$ 1,361,236	\$ 1,415,824	\$ 54,588
Intergovernmental	200,000	200,000	149,600	(50,400)
Use of money and property	9,500	9,500	127,359	117,859
Miscellaneous	25,000	25,000	-	(25,000)
Total revenues	1,595,736	1,595,736	1,692,783	97,047
EXPENDITURES:				
Current:				
Public works	73,472	73,449	63,928	9,521
Capital outlay	1,820,300	1,820,300	247,427	1,572,873
Total expenditures	1,893,772	1,893,749	311,355	1,582,394
REVENUES OVER (UNDER) EXPENDITURES	(298,036)	(298,013)	1,381,428	1,679,441
OTHER FINANCING SOURCES (USES):				
Transfers in	223,825	223,968	223,968	-
Total other financing sources (uses)	223,825	223,968	223,968	-
Net change in fund balances	\$ (74,211)	\$ (74,045)	1,605,396	\$ 1,679,441
FUND BALANCES:				
Beginning of year			8,557,285	
End of year			\$ 10,162,681	

City of Lafayette

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

Debt Service Fund

For the year ended June 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 600,000	\$ 600,000	\$ 559,357	\$ (40,643)
Total revenues	600,000	600,000	559,357	(40,643)
EXPENDITURES:				
Current:				
Administration	131,888	1,700	1,490	210
Debt service:				
Principal	505,000	505,000	505,000	-
Interest and fiscal charges	91,779	91,779	91,779	-
Total expenditures	728,667	598,479	598,269	210
REVENUES OVER (UNDER) EXPENDITURES				
Net change in fund balances	\$ (128,667)	\$ 1,521	(38,912)	\$ (40,433)
FUND BALANCES:				
Beginning of year			594,828	
End of year			\$ 555,916	

NONMAJOR GOVERNMENTAL FUNDS

The City maintains the following Other Governmental Funds:

Special Revenue Funds

Parking Programs - These programs are responsible for all aspects of City parking, including installation, enforcement and collection. This includes enforcement of city codes and ordinances in the downtown and neighborhoods, as well as ensuring that conditions imposed on new construction are maintained.

Vehicle Abatement - This fund tracks the receipt of abandoned vehicle fees and the expenditures necessary for the removal and disposal of abandoned vehicles.

Senior Transportation - This program provides transportation options for senior and the disabled in Lafayette, Moraga and Orinda. Funding is provided through grants, contributions and rider fees.

Low and Moderate Income Housing - Tracks resources allocated to low and moderate income housing in Lafayette. This fund was formed in February 2012 when the City elected to be the housing successor agency on the tails of the dissolution of redevelopment agencies.

Road Maintenance and Rehabilitation - In 2017, Senate Bill 1 (SB1) created the Road Maintenance and Rehabilitation Program to address deferred maintenance on the State Highway System and the local street and road system. Monies tracked in this fund result from this legislation and are to be used for basic road maintenance, rehabilitation, and critical safety projects on the local streets and roads system

Gas Tax - Records and tracks gas tax monies received from the State of California under Street and Highways Code Sections 2105, 2106, 2107, 2107.5, and 7360. Revenue allocations are based on population. Eligible expenditure include the construction and maintenance of streets.

Measure J Return to Source - This fund accounts for the City's share of the proceeds of a one-half cent sales tax increase approved by Contra Costa County voters in 2004. Funds can be used for transportation purposes, including transportation planning and street construction and maintenance.

Supplemental Law Enforcement - This program provides supplemental law enforcement services to the City through funding provided by AB 3229. The City is required to use the revenue to provide front line municipal police services. Funding must be considered separate and apart from the general fund budget process.

Special Assessment Districts:

Street Lighting - This program provides funds through a maintenance district assessment process to maintain 82 street lights in eleven zones. The budget expense for street lights is not distributed by zone, since the assessments are not based on this budget, but rather on the rates charged by PG&E. Property assessments are collected and distributed to the City by the County.

Core Area Maintenance - The Core Area Maintenance District was formed to provide landscaping, street lighting, and general maintenance improvements in the downtown. An assessment based on a benefit formula is levied against each parcel within the District for the maintenance provided.

Stormwater Pollution - This fund accounts for revenues and expenditures associated with the annual assessment for the National Pollutant Discharge Elimination System created countywide in response to the 1972 Clean Water Act.

City of Lafayette
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Special Revenue Funds				
	Parking Programs	Vehicle Abatement	Senior Transportation	Low and Moderate Income Housing	Road Maintenance & Rehabilitation
ASSETS					
Cash and investments	\$ -	\$ 52,360	\$ 177,255	\$ 1,580,269	\$ 401,212
Accounts receivable	90,789	5,847	18,594	-	32,831
Interest receivable	-	122	456	3,578	24
Prepaid items	605	-	3	-	-
Loans receivable from Successor Agency	750,894	-	-	-	-
Total assets	842,288	58,329	196,308	1,583,847	434,067
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	3,436	-	628	374	-
Due to other funds	276,581	-	-	-	-
Unearned revenue	-	-	16	-	-
Total liabilities	280,017	-	644	374	-
Fund Balances:					
Nonspendable	605	-	3	-	-
Restricted	-	58,329	-	1,583,473	434,067
Committed	561,666	-	195,661	-	-
Unassigned	-	-	-	-	-
Total fund balances	562,271	58,329	195,664	1,583,473	434,067
Total liabilities and fund balances	\$ 842,288	\$ 58,329	\$ 196,308	\$ 1,583,847	\$ 434,067

Special Revenue Funds						
Gas Tax	Measure J Return to Source	Supplemental Law Enforcement	Assessment Districts			Total Nonmajor Governmental Funds
			Street Lighting	Core Area Maintenance	Stormwater Pollution	
\$ 986,883	\$ 403,697	\$ 443	\$ 194,640	\$ 125,765	\$ 336	\$ 3,922,860
-	561,750	-	-	-	123,171	832,982
227	-	305	448	703	232	6,095
-	415	-	-	263	716	2,002
-	-	-	-	-	-	750,894
<u>987,110</u>	<u>965,862</u>	<u>748</u>	<u>195,088</u>	<u>126,731</u>	<u>124,455</u>	<u>5,514,833</u>
-	31,330	-	1,295	50,711	8,497	96,271
-	-	305	-	-	120,484	397,370
-	-	-	-	-	-	16
-	31,330	305	1,295	50,711	128,981	493,657
-	415	-	-	263	716	2,002
987,110	934,117	443	193,793	75,757	-	4,267,089
-	-	-	-	-	-	757,327
-	-	-	-	-	(5,242)	(5,242)
<u>987,110</u>	<u>934,532</u>	<u>443</u>	<u>193,793</u>	<u>76,020</u>	<u>(4,526)</u>	<u>5,021,176</u>
<u>\$ 987,110</u>	<u>\$ 965,862</u>	<u>\$ 748</u>	<u>\$ 195,088</u>	<u>\$ 126,731</u>	<u>\$ 124,455</u>	<u>\$ 5,514,833</u>

City of Lafayette
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
June 30, 2020

	Special Revenue Funds				
	Parking Programs	Vehicle Abatement	Senior Transportation	Low and Moderate Income Housing	Road Maintenance & Rehabilitation
REVENUES:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-
Other taxes	-	-	-	-	459,039
Charges for services	368,060	-	12,775	-	-
Intergovernmental	-	-	79,158	-	-
Fines, forfeitures and penalties	115,929	14,991	-	-	-
Use of money and property	22,111	689	2,336	20,687	1,921
Miscellaneous	3,811	-	5,611	-	-
Total revenues	535,186	15,680	99,880	20,687	460,960
EXPENDITURES:					
Current:					
Police services	-	6,997	-	-	-
Parking services	417,158	-	-	-	-
Public works	-	-	-	-	-
Senior transportation	-	-	141,695	-	-
Planning	-	-	-	6,995	-
Capital outlay	25,145	-	-	-	-
Total expenditures	442,303	6,997	141,695	6,995	-
REVENUES OVER (UNDER) EXPENDITURES	92,883	8,683	(41,815)	13,692	460,960
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	40,000	-	-
Transfers out	-	-	-	-	(301,425)
Total other financing sources (uses)	-	-	40,000	-	(301,425)
Net change in fund balances	92,883	8,683	(1,815)	13,692	159,535
FUND BALANCES:					
Beginning of year	469,388	49,646	197,479	1,569,781	274,532
End of year	\$ 562,271	\$ 58,329	\$ 195,664	\$ 1,583,473	\$ 434,067

Special Revenue Funds

Gas Tax	Measure J Return to Source	Supplemental Law Enforcement	Assessment Districts			Total Nonmajor Governmental Funds
			Street Lighting	Core Area Maintenance	Stormwater Pollution	
\$ -	\$ -	\$ -	\$ 23,130	\$ 354,276	\$ 365,899	\$ 743,305
-	601,498	-	-	-	-	601,498
609,625	-	-	-	-	-	1,068,664
-	-	-	-	-	-	380,835
-	19,000	155,948	-	-	-	254,106
-	-	-	-	-	-	130,920
4,950	1,507	1,398	2,495	2,691	993	61,778
-	-	-	-	-	-	9,422
614,575	622,005	157,346	25,625	356,967	366,892	3,275,803
-	-	607,663	-	-	-	614,660
-	-	-	-	-	-	417,158
-	65,965	-	12,296	393,639	507,619	979,519
-	-	-	-	-	-	141,695
-	-	-	-	-	-	6,995
-	-	-	-	-	-	25,145
-	65,965	607,663	12,296	393,639	507,619	2,185,172
614,575	556,040	(450,317)	13,329	(36,672)	(140,727)	1,090,631
-	-	450,760	-	37,693	141,064	669,517
(360,290)	(405,000)	-	-	-	-	(1,066,715)
(360,290)	(405,000)	450,760	-	37,693	141,064	(397,198)
254,285	151,040	443	13,329	1,021	337	693,433
732,825	783,492	-	180,464	74,999	(4,863)	4,327,743
\$ 987,110	\$ 934,532	\$ 443	\$ 193,793	\$ 76,020	\$ (4,526)	\$ 5,021,176

City of Lafayette

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

Parking Programs

For the year ended June 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Charges for services	\$ 336,000	\$ 336,000	\$ 368,060	\$ 32,060
Licenses and permits	31,000	31,000	25,275	(5,725)
Fines, forfeitures and penalties	200,000	200,000	115,929	(84,071)
Use of money and property	150	150	22,111	21,961
Miscellaneous	-	-	3,811	3,811
Total revenues	567,150	567,150	535,186	(31,964)
EXPENDITURES:				
Current:				
Parking services	399,770	398,855	417,158	(18,303)
Capital outlay	45,000	45,000	25,145	19,855
Total expenditures	444,770	443,855	442,303	1,552
REVENUES OVER (UNDER) EXPENDITURES	122,380	123,295	92,883	(30,412)
Net change in fund balances	\$ 122,380	\$ 123,295	92,883	\$ (30,412)
FUND BALANCES:				
Beginning of year			469,388	
End of year			\$ 562,271	

City of Lafayette

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

Vehicle Abatement

For the year ended June 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 12,000	\$ 12,000	\$ -	\$ (12,000)
Fines, forfeitures and penalties	-	-	14,991	14,991
Use of money and property	60	60	689	629
Total revenues	12,060	12,060	15,680	3,620
EXPENDITURES:				
Current:				
Police services	9,716	9,592	6,997	2,595
Total expenditures	9,716	9,592	6,997	2,595
REVENUES OVER (UNDER) EXPENDITURES	2,344	2,468	8,683	6,215
Net change in fund balances	\$ 2,344	\$ 2,468	8,683	\$ 6,215
FUND BALANCES:				
Beginning of year			49,646	
End of year			\$ 58,329	

City of Lafayette

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

Senior Transportation

For the year ended June 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Charges for services	\$ 19,500	\$ 19,500	\$ 12,775	\$ (6,725)
Intergovernmental	-	-	79,158	79,158
Use of money and property	-	-	2,336	2,336
Miscellaneous	82,475	82,475	5,611	(76,864)
Total revenues	101,975	101,975	99,880	(2,095)
EXPENDITURES:				
Current:				
Senior transportation	184,216	184,169	141,695	42,474
Capital outlay	2,000	2,000	-	2,000
Total expenditures	186,216	186,169	141,695	44,474
REVENUES OVER (UNDER) EXPENDITURES	(84,241)	(84,194)	(41,815)	42,379
OTHER FINANCING SOURCES (USES):				
Transfers in	40,000	40,000	40,000	-
Total other financing sources (uses)	40,000	40,000	40,000	-
Net change in fund balances	\$ (44,241)	\$ (44,194)	(1,815)	\$ 42,379
FUND BALANCES:				
Beginning of year			197,479	
End of year			\$ 195,664	

City of Lafayette

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

Low and Moderate Housing

For the year ended June 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 20,687	\$ 20,687
Total revenues	-	-	20,687	20,687
EXPENDITURES:				
Current:				
Planning	-	6,997	6,995	2
Total expenditures	-	6,997	6,995	2
REVENUES OVER (UNDER)				
EXPENDITURES	-	(6,997)	13,692	20,689
Net change in fund balances	\$ -	\$ (6,997)	13,692	\$ 20,689
FUND BALANCES:				
Beginning of year			1,569,781	
End of year			\$ 1,583,473	

City of Lafayette

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

Road Maintenance and Rehabilitation

For the year ended June 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Other taxes	\$ -	\$ -	\$ 459,039	\$ 459,039
Intergovernmental	424,632	424,632	-	(424,632)
Use of money and property	-	-	1,921	1,921
Total revenues	424,632	424,632	460,960	36,328
OTHER FINANCING SOURCES (USES):				
Transfers out	(410,000)	(670,719)	(301,425)	369,294
Total other financing sources (uses)	(410,000)	(670,719)	(301,425)	369,294
Net change in fund balances	\$ 14,632	\$ (246,087)	159,535	\$ 405,622
FUND BALANCES:				
Beginning of year			274,532	
End of year			\$ 434,067	

City of Lafayette

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

Gas Tax

For the year ended June 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Other taxes	\$ 680,352	\$ 680,352	\$ 609,625	\$ (70,727)
Use of money and property	-	-	4,950	4,950
Total revenues	680,352	680,352	614,575	(65,777)
OTHER FINANCING SOURCES (USES):				
Transfers out	(550,000)	(1,207,000)	(360,290)	846,710
Total other financing sources (uses)	(550,000)	(1,207,000)	(360,290)	846,710
Net change in fund balances	\$ 130,352	\$ (526,648)	254,285	\$ 780,933
FUND BALANCES:				
Beginning of year			732,825	
End of year			<u>\$ 987,110</u>	

City of Lafayette

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

Measure J Return to Source

For the year ended June 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Sales taxes	\$ 540,000	\$ 540,000	\$ 601,498	\$ 61,498
Intergovernmental	-	-	19,000	19,000
Use of money and property	-	-	1,507	1,507
Total revenues	540,000	540,000	622,005	82,005
EXPENDITURES:				
Current:				
Public works	100,219	82,802	65,965	16,837
Total expenditures	100,219	82,802	65,965	16,837
REVENUES OVER (UNDER) EXPENDITURES	439,781	457,198	556,040	98,842
OTHER FINANCING SOURCES (USES):				
Transfers out	(510,000)	(915,000)	(405,000)	510,000
Total other financing sources (uses)	(510,000)	(915,000)	(405,000)	510,000
Net change in fund balances	\$ (70,219)	\$ (457,802)	151,040	\$ 608,842
FUND BALANCES:				
Beginning of year			783,492	
End of year			\$ 934,532	

City of Lafayette

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

Supplemental Law Enforcement

For the year ended June 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 154,085	\$ 156,184	\$ 155,948	\$ (236)
Use of money and property	-	-	1,398	1,398
Total revenues	154,085	156,184	157,346	1,162
EXPENDITURES:				
Current:				
Police services	589,663	607,663	607,663	-
Total expenditures	589,663	607,663	607,663	-
REVENUES OVER (UNDER) EXPENDITURES				
	(435,578)	(451,479)	(450,317)	1,162
OTHER FINANCING SOURCES (USES):				
Transfers in	384,211	450,979	450,760	(219)
Total other financing sources (uses)	384,211	450,979	450,760	(219)
Net change in fund balances	\$ (51,367)	\$ (500)	443	\$ 943
FUND BALANCES:				
Beginning of year			-	
End of year			\$ 443	

City of Lafayette

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

Street Lighting

For the year ended June 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 21,500	\$ 21,500	\$ 23,130	\$ 1,630
Use of money and property	200	200	2,495	2,295
Total revenues	21,700	21,700	25,625	3,925
EXPENDITURES:				
Current:				
Public works	26,920	26,920	12,296	14,624
Total expenditures	26,920	26,920	12,296	14,624
REVENUES OVER (UNDER)				
EXPENDITURES	(5,220)	(5,220)	13,329	18,549
Net change in fund balances	\$ (5,220)	\$ (5,220)	13,329	\$ 18,549
FUND BALANCES:				
Beginning of year			180,464	
End of year			\$ 193,793	

City of Lafayette

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

Core Area Maintenance

For the year ended June 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 226,438	\$ 297,734	\$ 354,276	\$ 56,542
Use of money and property	500	500	2,691	2,191
Total revenues	226,938	298,234	356,967	58,733
EXPENDITURES:				
Current:				
Public works	475,910	476,246	393,639	82,607
Capital outlay	10,000	10,000	-	10,000
Total expenditures	485,910	486,246	393,639	92,607
REVENUES OVER (UNDER) EXPENDITURES	(258,972)	(188,012)	(36,672)	151,340
OTHER FINANCING SOURCES (USES):				
Transfers in	264,845	203,012	37,693	(165,319)
Total other financing sources (uses)	264,845	203,012	37,693	(165,319)
Net change in fund balances	\$ 5,873	\$ 15,000	1,021	\$ (13,979)
FUND BALANCES:				
Beginning of year			74,999	
End of year			\$ 76,020	

City of Lafayette
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Stormwater Pollution
For the year ended June 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 428,510	\$ 352,120	\$ 365,899	\$ 13,779
Use of money and property	103	122	993	871
Miscellaneous	829	-	-	-
Total revenues	429,442	352,242	366,892	14,650
EXPENDITURES:				
Current:				
Public works	570,027	569,935	507,619	62,316
Total expenditures	570,027	569,935	507,619	62,316
REVENUES OVER (UNDER) EXPENDITURES	(140,585)	(217,693)	(140,727)	76,966
OTHER FINANCING SOURCES (USES):				
Transfers in	126,000	223,014	141,064	(81,950)
Total other financing sources (uses)	126,000	223,014	141,064	(81,950)
Net change in fund balances	\$ (14,585)	\$ 5,321	337	\$ (4,984)
FUND BALANCES:				
Beginning of year			(4,863)	
End of year			\$ (4,526)	

FIDUCIARY FUNDS

GASB Statement 34 requires that Pension Funds and Agency Funds be presented separately from the Government-Wide and Fund financial statements.

PRIVATE PURPOSE TRUST FUNDS

Successor Agency to the Redevelopment Agency Private Purpose Trust Fund

Redevelopment Agency - Tracks costs and revenues associated with the Successor Agency to the former Lafayette Redevelopment Agency.

Redevelopment Debt Service - Tracks all outstanding debt obligations for the Successor Agency to the former Lafayette Redevelopment Agency tax increment bonds.

AGENCY FUNDS

Lamorinda Fee and Financing Authority - In 1986, the Cities of Lafayette and Orinda and the Town of Moraga entered into a joint powers agreement for the purpose of assessing transportation fees in accordance with the impact of new developments in Lamorinda. As the Treasurer for this agency, this fund is maintained to track fees from Lafayette, Moraga, and Orinda, as well as their expenditure on joint jurisdictional projects that address various bicycle, pedestrian, road, and signal projects as described in the LFFA Expenditure Plan.

Lamorinda School Bus Transportation - In 1994 the cities and school district in Lafayette, Moraga and Orinda entered into a joint powers agreement (JPA) for the purpose of overseeing and operating a joint school bus program to serve K-8 students in order to relieve traffic congestion. The JPA was revised in 2007 to include high school students. It was revised again in 2009 to include three years of bus service for the Piedmont Unified School District while it retrofitted three elementary schools; this agreement ended in June 2012. The City of Lafayette is the Treasurer for this agency and in this capacity, maintains a fund to track the sources and uses of program monies.

City of Lafayette
Combining Statement of Fiduciary Net Position
Successor Agency to the Redevelopment Agency Private Purpose Trust Fund
For the year ended June 30, 2020

	Redevelopment Agency	Redevelopment Debt Service	Total
ASSETS			
Cash and investments	\$ 351,327	\$ 13,337	\$ 364,664
Restricted cash and investments held by fiscal agents	-	1,818,552	1,818,552
Total assets	351,327	1,831,889	2,183,216
LIABILITIES			
Interest payable	\$ -	\$ 630,136	\$ 630,136
Loan payable to the City's General Fund	5,337,401	-	5,337,401
Loan payable to the Parking Programs Fund	750,894	-	750,894
Long-term debt - due in less than one year	-	1,055,000	1,055,000
Long-term debt - due in more than one year	-	32,636,905	32,636,905
Total liabilities	6,088,295	34,322,041	40,410,336
NET POSITION			
Held in trust for private purposes	(5,736,968)	(32,490,152)	(38,227,120)
Total Net Position	\$ (5,736,968)	\$ (32,490,152)	\$ (38,227,120)

City of Lafayette

Combining Statement of Changes in Fiduciary Net Position

Successor Agency to the Redevelopment Agency Private Purpose Trust Fund

For the year ended June 30, 2020

	Redevelopment Agency	Redevelopment Debt Service	Total
ADDITIONS:			
Property taxes	\$ 2,892,792	\$ -	\$ 2,892,792
Use of money and property	-	10,173	10,173
Total additions	2,892,792	10,173	2,902,965
DEDUCTIONS:			
Administration expenses	250,000	-	250,000
Contractual services	76,085	-	76,085
Interest expense and fiscal charges	179,276	1,422,162	1,601,438
Total deductions	505,361	1,422,162	1,927,523
OTHER FINANCING SOURCES (USES):			
Transfers in	-	2,547,181	2,547,181
Transfers out	(2,547,181)	-	(2,547,181)
Total other financing sources (uses)	(2,547,181)	2,547,181	-
Change in net position	(159,750)	1,135,192	975,442
NET POSITION:			
Beginning of year, as restated	(5,577,218)	(33,625,344)	(39,202,562)
End of year	\$ (5,736,968)	\$ (32,490,152)	\$ (38,227,120)

City of Lafayette
Combining Statement of Assets and Liabilities
Agency Funds
For the year ended June 30, 2020

	Lamorinda Fee and Financing Authority	Lamorinda School Bus Transportation Agency	Total Agency Funds
ASSETS			
Cash and investments	\$ 1,175,744	\$ 869,303	\$ 2,045,047
Receivables:			
Accounts	48,161	121,030	169,191
Interest	2,666	2,390	5,056
Prepaid items	-	760	760
Other assets	-	500	500
Total assets	\$ 1,226,571	\$ 993,983	\$ 2,220,554
LIABILITIES			
Accounts payable	\$ -	\$ 61,586	\$ 61,586
Unearned revenue	-	41,144	41,144
Compensated absences	-	3,346	3,346
Due to members/agency	1,226,571	887,907	2,114,478
Total liabilities	\$ 1,226,571	\$ 993,983	\$ 2,220,554

City of Lafayette
Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<u>Lamorinda Fee and Financing Authority</u>				
ASSETS				
Cash and investments	\$ 784,628	\$ 1,110,447	\$ 719,331	\$ 1,175,744
Receivables:				
Accounts	210,119	48,161	210,119	48,161
Interest	1,503	2,666	1,503	2,666
Total assets	\$ 996,250	\$ 1,161,274	\$ 930,953	\$ 1,226,571
LIABILITIES				
Due to members/agency	\$ 996,250	\$ 1,161,274	\$ 930,953	\$ 1,226,571
Total liabilities	\$ 996,250	\$ 1,161,274	\$ 930,953	\$ 1,226,571
<u>Lamorinda School Bus Transportation Agency</u>				
ASSETS				
Cash and investments	\$ 941,454	\$ 1,895,495	\$ 1,967,646	\$ 869,303
Receivables:				
Accounts	120,201	121,062	120,233	121,030
Interest	2,505	2,390	2,505	2,390
Prepaid items	9,777	760	9,777	760
Other assets	500	-	-	500
Total assets	\$ 1,074,437	\$ 2,019,707	\$ 2,100,161	\$ 993,983
LIABILITIES				
Accounts payable	\$ 753,289	\$ 1,515,753	\$ 2,207,456	\$ 61,586
Unearned revenue	-	41,144	-	41,144
Compensated absences	11,595	-	8,249	3,346
Due to members/agency	309,553	578,354	-	887,907
Total liabilities	\$ 1,074,437	\$ 2,135,251	\$ 2,215,705	\$ 993,983

City of Lafayette
Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<u>Total Agency Funds</u>				
ASSETS				
Cash and investments	\$ 1,726,082	\$ 3,005,942	\$ 2,686,977	\$ 2,045,047
Receivables:				
Accounts	330,320	169,223	330,352	169,191
Interest	4,008	5,056	4,008	5,056
Prepaid items	9,777	760	9,777	760
Other assets	500	-	-	500
Total assets	\$ 2,070,687	\$ 3,180,981	\$ 3,031,114	\$ 2,220,554
LIABILITIES				
Accounts payable	\$ 753,289	\$ 1,515,753	\$ 2,207,456	\$ 61,586
Unearned revenue	-	41,144	-	41,144
Compensated absences	11,595	-	8,249	3,346
Due to members/agency	1,305,803	1,739,628	930,953	2,114,478
Total liabilities	\$ 2,070,687	\$ 3,296,525	\$ 3,146,658	\$ 2,220,554

**STATISTICAL SECTION
(UNAUDITED)**

**CITY OF LAFAYETTE
GOVERNMENT-WIDE REVENUES BY SOURCE
LAST TEN FISCAL YEARS**

Program Revenues

Fiscal Year	Charges for Service	Operating Grants and Contribution	Capital Grants and Contributions
2011	2,296,083	149,609	365,208
2012	2,724,526	149,609	2,231,839
2013	4,500,112	100,000	848,918
2014	3,609,626	179,938	533,050
2015	4,643,362	751,836	893,741
2016	4,415,302	907,697	619,102
2017	4,294,281	992,416	2,217,522
2018	4,340,132	771,828	466,273
2019	4,933,365	1,015,748	432,079
2020	5,969,049	1,128,962	1,538,501

Source: City of Lafayette Finance Department.

General Revenues

Taxes	Motor Vehicle In Lieu	Unrestricted Investment Earnings	Other	Total
13,746,982	2,149,290	660,086	1,305,381	\$20,672,639
13,489,083	2,035,206	590,727	958,823	\$22,179,813
10,944,451	2,058,283	157,127	1,547,216	\$20,156,107
11,590,265	2,176,084	149,827	1,963,638	\$20,202,428
12,411,033	2,343,990	212,167	493,248	\$21,749,377
13,948,404	2,523,771	269,718	255,721	\$22,939,715
13,582,314	2,706,631	352,494	952,764	\$25,098,422
13,803,131	2,863,491	407,827	758,202	\$23,410,884
13,812,186	3,031,410	599,664	640,151	\$24,464,603
14,754,117	3,228,411	1,294,025	257,440	\$28,170,505

**CITY OF LAFAYETTE
GOVERNMENT-WIDE EXPENSES BY FUNCTION
LAST TEN FISCAL YEARS**

Fiscal Year	City Council, Commissions & Community Support	Police Services	Public Works	Infrastructure
2011	1,051,368	3,879,299	2,394,348	4,166,614
2012	1,156,123	3,917,326	2,250,034	3,412,239
2013	1,187,756	4,020,045	3,332,889	3,790,761
2014	1,262,843	3,987,257	2,475,665	4,649,195
2015 ***	1,207,205	5,272,182	2,053,516	-
2016	1,358,648	5,321,731	2,238,759	-
2017	1,336,345	5,455,796	3,148,160	-
2018	1,287,941	5,693,891	3,330,799	-
2019	1,324,124	5,986,121	2,795,505	-
2020	1,209,780	6,185,450	3,428,740	-

Source: City of Lafayette Finance Department.

* The Redevelopment Agency was dissolved as of January 31, 2012.

** Comprises parking services, senior transportation, and library operations

*** Infrastructure as its own program was found to be incorrect per the Governmental

**** Comprises City Manager, City Attorney, City Clerk, Finance, Shared Costs, IT, Shared Equity, and Insurance.

Planning & Engineering	Administration* ***	Debt Service	Other **	Recreation Programs	Total
1,710,675	3,012,061	3,150,305	1,122,154	983,652	\$ 21,470,476
1,969,349	2,660,629	2,101,477	771,003	963,224	\$ 19,201,404
1,103,616	3,411,836	284,950	932,134	988,395	\$ 19,052,382
841,799	3,815,040	271,508	1,093,381	1,064,898	\$ 19,461,586
6,691,105	2,064,648	252,475	1,297,309	1,224,490	\$ 20,062,930
6,907,346	2,352,606	230,625	1,389,465	1,288,899	\$ 21,088,079
6,982,011	2,842,683	169,164	1,314,639	1,200,758	\$ 22,449,556
7,180,549	3,116,141	115,911	1,241,240	1,212,550	\$ 23,179,022
7,185,138	3,254,763	102,556	1,412,231	1,427,524	\$ 23,487,962
6,645,114	3,501,765	99,780	1,410,749	1,406,644	\$ 23,888,022

**CITY OF LAFAYETTE
GOVERNMENTAL FUNDS - REVENUES BY SOURCE
LAST TEN FISCAL YEARS**

Fiscal Year	Taxes	Parking	Intergovernmental	Charges for Services	Licenses and Permits
2011	15,186,756	296,088	514,817	925,951	-
2012	14,756,473	327,353	2,381,448	1,268,191	-
2013	13,473,632	226,092	948,918	1,247,703	-
2014	13,766,347	242,324	712,989	1,478,690	-
2015*	14,755,023	-	977,321	2,731,507	295,426
2016	15,847,961	-	761,625	2,594,541	351,820
2017	13,284,919	-	5,294,517	2,697,602	334,014
2018	13,979,431	-	3,519,372	2,088,499	648,442
2019	14,827,842	-	3,333,879	3,675,391	425,878
2020	14,754,116	-	3,656,898	4,617,165	413,897

Source: City of Lafayette Finance Department

* In 2015, parking and developer fees were consolidated into the charges for service category, while license and permit revenue was broken out from charges for services.

Fines, Forfeitures & Penalties	Use of Money and Property	Developer Fees	Miscellaneous	Total Revenues
423,893	660,086	269,231	1,305,380	\$ 19,582,202
451,506	590,727	377,462	958,823	\$ 21,111,983
382,008	157,127	1,558,694	1,547,216	\$ 19,541,390
371,372	182,394	416,968	1,931,070	\$ 19,102,154
316,406	212,167	-	1,161,504	\$ 20,449,354
251,721	301,157	-	1,689,390	\$ 21,798,215
270,038	380,977	-	1,579,554	\$ 23,841,621
265,379	435,509	-	1,123,947	\$ 22,060,579
281,186	594,171	-	388,445	\$ 23,526,792
187,178	1,244,299	-	1,834,611	\$ 26,708,164

**CITY OF LAFAYETTE
TAX REVENUE BY SOURCE
LAST TEN FISCAL YEARS**

Fiscal Year	Property	Sales & Use	Transient Occupancy	Franchise
2011	7,680,137 *	2,218,200	451,157	1,598,142
2012	6,763,452 *	2,561,057	522,777	1,609,145
2013	5,259,337	2,667,194	562,018	1,622,330
2014	5,102,514	2,756,952	630,576	1,664,512
2015	5,427,316	2,876,935	701,718	1,836,029
2016	5,722,675	3,193,914	745,707	2,165,762
2017	5,929,562	3,008,076	733,429	2,222,040
2018	6,280,832	3,026,925	732,816	2,382,933
2019	6,542,501	3,184,917	777,788	2,385,251
2020	6,887,526	2,860,285	551,187	2,497,546
Change 2011-2020	-10.3%	28.9%	22.2%	56.3%

Source: City of Lafayette Finance Department

* These figures include property tax revenue received by the Redevelopment Agency of the City of Lafayette, which was eliminated in February 2012. For comparison purposes, an additional table is shown below that reflects property tax revenues without the portion related to the Redevelopment Agency of the City of Lafayette.

Fiscal Year	Property
2010	4,250,197
2011	4,791,347
2012	4,746,448
2013	5,259,337
2014	5,102,514
2015	5,427,316
2016	5,722,675
2017	5,929,562
2018	6,280,832
2019	6,542,501
Change 2010-2019	53.9%

<u>Property Transfer</u>	<u>Road Maintenance & Rehabilitation</u>	<u>Highway Users</u>	<u>Measure J</u>	<u>Total Revenues</u>
170,178	0	578,865	340,787	\$13,037,466
207,002	0	690,985	366,849	\$12,721,267
237,799	0	580,172	486,499	\$11,415,349
292,045	0	744,128	399,536	\$11,590,263
349,633	0	703,594	515,808	\$12,411,033
333,647	0	553,383	609,103	\$13,324,191
379,208	0	484,029	528,575	\$13,284,919
333,597	147,655	541,701	532,972	\$13,979,431
386,626	430,608	535,103	585,048	\$14,827,842
287,411	459,039	609,625	601,498	\$14,754,117
68.9%	NA	5.3%	76.5%	13.2%

**CITY OF LAFAYETTE
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS**

Fiscal Year	Council, Commissions, & Community Support	Police Services	Public Works	Planning & Engineering	Administration
2011	1,051,368	3,837,772	2,367,914	1,710,675	2,967,272
2012	1,156,123	3,865,518	2,221,207	1,969,349	2,587,138
2013	1,187,756	3,973,124	3,312,392	1,103,616	3,398,415
2014	1,262,843	3,945,555	2,462,591	831,314	3,815,664
2015 *	1,198,457	5,056,410	2,210,055	1,871,739	2,070,041
2016	1,339,477	5,110,272	2,876,882	1,889,844	2,327,342
2017	1,346,360	5,232,949	2,982,644	1,918,701	2,789,757
2018	1,286,808	5,469,173	3,082,750	1,990,448	3,010,084
2019	1,392,241	5,791,710	2,653,190	1,906,902	3,254,763
2020	1,182,348	5,902,772	2,750,999	1,813,450	3,260,953
Change 2010-2019	31.9%	51.4%	15.9%	-31.2%	-3.5%

Source: City of Lafayette Finance Department.

* Insurance & Claims is combined with Administration. Other Expenses represents the costs for parking, senior transportation, and library operations.

Capital Projects	Debt Service	Rent & Other Expenses	Insurance & Claims	Total
8,559,572	3,844,398	1,050,903	71,251	\$25,461,125
3,847,573	3,320,059	735,352	35,651	\$19,737,970
2,999,602	798,914	748,289	183,845	\$17,705,953
5,838,737	731,525	798,936	181,460	\$19,868,625
4,898,679	732,338	1,297,314	0	\$19,335,033
3,737,470	730,168	1,384,181	0	\$19,395,636
9,016,524	3,632,235	1,309,925	0	\$28,229,095
4,255,567	598,393	1,232,695	0	\$20,925,918
3,965,049	595,038	1,412,231	0	\$20,971,124
3,574,148	596,779	1,348,246	0	\$20,429,695
-72.2%	-84.0%	88.0%	-100.0%	-34.8%

CITY OF LAFAYETTE

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year Ended June 30,			
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental activities:				
Invested in capital assets	\$ 54,267,231	\$ 98,939,504	\$ 98,560,464	\$ 99,272,004
Restricted	13,502,081	16,571,443	19,381,805	21,379,235
Unrestricted	13,564,352	10,809,260	9,414,443	6,680,700
Total governmental activities net position	<u>81,333,664</u>	<u>126,320,207</u>	<u>127,356,712</u>	<u>127,331,939</u>
Business-type activities:				
Unrestricted	<u>167,522</u>	<u>242,128</u>	<u>309,576</u>	<u>315,532</u>
Total business-type activities net position	<u>167,522</u>	<u>242,128</u>	<u>309,576</u>	<u>315,532</u>
Primary government:				
Invested in capital assets	54,267,231	98,939,504	98,560,464	99,272,004
Restricted	13,502,081	16,571,443	19,381,805	21,379,235
Unrestricted	13,731,874	11,051,388	9,724,019	6,996,232
Total primary government net position	<u>\$ 81,501,186</u>	<u>\$ 126,562,335</u>	<u>\$ 127,666,288</u>	<u>\$ 127,647,471</u>

Fiscal Year Ended June 30,

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 99,751,041	\$ 99,141,344	\$ 103,942,613	\$ 100,979,947	\$ 100,129,245	\$ 98,287,552
7,255,961	7,932,301	4,149,103	4,337,875	6,211,285	11,014,651
23,081,608	24,796,206	26,382,458	29,007,157	28,768,676	30,063,789
<u>130,088,610</u>	<u>131,869,851</u>	<u>134,474,174</u>	<u>134,324,979</u>	<u>135,109,206</u>	<u>139,365,992</u>
<u>361,531</u>	<u>432,688</u>	<u>477,652</u>	<u>586,825</u>	<u>779,239</u>	<u>804,936</u>
<u>361,531</u>	<u>432,688</u>	<u>477,652</u>	<u>586,825</u>	<u>779,239</u>	<u>804,936</u>
99,751,041	99,141,344	103,942,613	100,979,947	100,129,245	98,287,552
7,255,961	7,932,301	4,149,103	4,337,875	6,211,285	11,014,651
23,443,139	25,228,894	26,860,110	29,593,982	29,547,915	30,868,725
<u>\$ 130,450,141</u>	<u>\$ 132,302,539</u>	<u>\$ 134,951,826</u>	<u>\$ 134,911,804</u>	<u>\$ 135,888,445</u>	<u>\$ 140,170,928</u>

CITY OF LAFAYETTE

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	Fiscal year ended June 30,			
	2011	2012	2013	2014
Expenses:				
Governmental activities:				
Council, commissions & community support	\$ 1,051,368	\$ 1,156,123	\$ 1,187,756	\$ 1,262,843
Administration	3,012,061	2,660,629	3,411,836	3,815,040
Police services	3,879,299	3,917,326	4,020,045	3,987,257
Public works	2,394,348	2,250,034	3,332,889	2,475,665
Infrastructure - depreciation	4,166,614	3,412,239	3,790,761	4,649,195
Planning & engineering	1,710,675	1,969,349	1,103,616	841,799
Interest & debt charges	3,150,305	2,101,477	284,950	271,508
Other	1,122,154	771,003	932,134	1,093,381
Total governmental activities expenses	20,486,824	18,238,180	18,063,987	18,396,688
Business-type activities:				
Recreation Programs	983,652	963,224	988,395	1,064,898
Total business-type activities expenses	983,652	963,224	988,395	1,064,898
Total primary government expenses	\$ 21,470,476	\$ 19,201,404	\$ 19,052,382	\$ 19,461,586
Program revenues:				
Governmental activities:				
Charges for services:				
Council, commissions & community support	\$ -	\$ -	\$ -	\$ -
Police services	37,441	34,857	630,325	637,454
Public works	-	-	-	-
Infrastructure - depreciation	-	-	-	-
Planning & engineering	1,168,206	1,621,839	2,784,172	1,871,901
Administration	-	-	-	-
Interest & debt charges	-	-	-	-
Other	-	-	-	-
Operating grants and contributions	149,609	149,609	100,000	179,938
Capital grants and contributions	365,208	2,231,839	848,918	533,050
Total governmental activities program revenue	1,720,464	4,038,144	4,363,415	3,222,343
Business-type activities:				
Charges for services:				
Recreation programs	1,090,436	1,067,830	1,085,615	1,100,271
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	-	-	-
Total business-type activities program revenue	1,090,436	1,067,830	1,085,615	1,100,271

Fiscal year ended June 30,

2015	2016	2017	2018	2019	2020
\$ 1,207,205	\$ 1,358,648	\$ 1,336,345	\$ 1,287,941	\$ 1,324,124	\$ 1,209,780
2,064,648	2,352,606	2,842,683	3,116,141	3,254,763	3,501,765
5,272,182	5,321,731	5,455,796	5,693,891	5,986,121	6,185,450
2,053,516	2,238,759	3,148,160	3,330,799	2,795,505	3,428,740
0	0	0	0	0	0
6,691,105	6,907,346	6,982,011	7,180,549	7,185,138	6,645,114
252,475	230,625	169,164	115,911	102,556	99,780
1,297,309	1,389,465	1,314,639	1,241,240	1,412,231	1,410,749
<u>18,838,440</u>	<u>19,799,180</u>	<u>21,248,798</u>	<u>21,966,472</u>	<u>22,060,438</u>	<u>22,481,378</u>
1,224,490	1,288,899	1,200,758	1,212,550	1,427,524	1,406,644
<u>1,224,490</u>	<u>1,288,899</u>	<u>1,200,758</u>	<u>1,212,550</u>	<u>1,427,524</u>	<u>1,406,644</u>
<u>\$ 20,062,930</u>	<u>\$ 21,088,079</u>	<u>\$ 22,449,556</u>	<u>\$ 23,179,022</u>	<u>\$ 23,487,962</u>	<u>\$ 23,888,022</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
154,260	129,316	101,073	106,127	86,141	76,958
84,729	84,173	92,998	87,899	76,528	77,836
-	-	-	-	-	-
2,593,636	2,329,312	2,210,929	2,208,041	2,483,142	3,792,025
14,648	18,118	18,722	20,704	20,012	10,005
-	-	-	-	-	-
496,066	465,089	570,258	567,056	623,097	565,826
751,836	907,697	992,416	771,828	1,015,748	1,128,962
893,741	619,102	2,217,522	466,273	432,079	1,538,501
<u>4,988,916</u>	<u>4,552,807</u>	<u>6,203,918</u>	<u>4,227,928</u>	<u>4,736,747</u>	<u>7,190,113</u>
1,300,023	1,389,294	1,300,301	1,350,305	1,644,445	1,446,399
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,300,023</u>	<u>1,389,294</u>	<u>1,300,301</u>	<u>1,350,305</u>	<u>1,644,445</u>	<u>1,446,399</u>

CITY OF LAFAYETTE

CHANGES IN NET POSITION, Continued

**LAST TEN FISCAL YEARS
(accrual basis of accounting)**

	Fiscal year ended June 30,			
	2011	2012	2013	2014
Net revenues (expenses)				
Governmental activities:	\$ (18,766,360)	\$ (14,200,036)	\$ (13,700,572)	\$ (15,174,345)
Business-type activities:	106,784	104,606	97,220	35,373
Total primary government net expense	<u>\$ (18,659,576)</u>	<u>\$ (14,095,430)</u>	<u>\$ (13,603,352)</u>	<u>\$ (15,138,972)</u>
General revenues and other changes in net assets:				
Governmental activities:				
Taxes:				
Property tax and assessments	\$ 7,680,137	\$ 6,763,452	\$ 4,788,439	\$ 5,102,515
Sales tax	2,558,987	2,927,906	3,153,693	3,156,488
Franchise tax	1,598,142	1,609,145	1,622,330	1,664,512
Transient occupancy tax	451,157	522,777	562,018	630,576
Vehicle code fines	413,428	440,463	N/A	N/A
Motor vehicle in lieu tax	2,149,290	2,035,206	2,058,283	2,176,084
Highway users tax	578,865	690,985	580,172	744,129
Transfer tax	170,178	207,002	237,799	292,045
Parking revenues	296,088	327,353	N/A	N/A
Investment income	660,086	590,727	157,127	149,827
Other	1,305,380	958,823	1,547,216	1,963,638
Transfers in	25,000	30,000	30,000	30,000
Total governmental activities	<u>17,886,738</u>	<u>17,103,839</u>	<u>14,737,077</u>	<u>15,909,814</u>
Extraordinary Gain - Successor Agency Trust for Assets	0	42,082,740	0	0
Business-type activities:				
Investment income	0	0	228	583
Transfers in	(25,000)	(30,000)	(30,000)	(30,000)
Total business-type activities	<u>(25,000)</u>	<u>(30,000)</u>	<u>(29,772)</u>	<u>(29,417)</u>
Total primary government changes in net position				
Governmental activities:	(879,622)	44,986,543	1,036,505	735,469
Business-type activities:	81,784	74,606	67,448	5,956
Total primary government	<u>\$ (797,838)</u>	<u>\$ 45,061,149</u>	<u>\$ 1,103,953</u>	<u>\$ 741,425</u>

* The Redevelopment Agency was dissolved as of January 31, 2012.

Fiscal year ended June 30,

2015	2016	2017	2018	2019	2020
\$ (13,849,524)	\$ (15,246,373)	\$ (15,044,880)	\$ (17,738,544)	\$ (17,323,691)	\$ (15,291,265)
75,533	100,395	99,543	137,755	216,921	39,755
<u>\$ (13,773,991)</u>	<u>\$ (15,145,978)</u>	<u>\$ (14,945,337)</u>	<u>\$ (17,600,789)</u>	<u>\$ (17,106,770)</u>	<u>\$ (15,251,510)</u>
\$ 5,427,316	\$ 6,346,889	\$ 6,226,957	\$ 6,280,834	\$ 6,542,501	\$ 6,887,526
3,392,743	3,803,017	3,536,651	3,559,897	3,184,917	3,461,783
1,836,029	2,165,761	2,222,040	2,382,933	2,385,251	2,497,546
701,718	745,707	733,429	732,816	777,788	551,187
0	0	0	0	0	0
2,343,990	2,523,771	2,706,631	2,863,491	3,031,410	3,228,411
703,594	553,383	484,029	513,054	535,103	1,068,664
349,633	333,647	379,208	333,597	386,626	287,411
0	0	0	0	0	0
212,167	269,718	352,494	407,827	594,171	1,278,083
493,248	255,721	952,764	758,202	640,151	257,440
30,000	30,000	55,000	30,000	30,000	30,000
<u>15,490,438</u>	<u>17,027,614</u>	<u>17,649,203</u>	<u>17,862,651</u>	<u>18,107,918</u>	<u>19,548,051</u>
0	0	0	0	0	0
466	762	421	1,418	5,493	15,942
<u>(30,000)</u>	<u>(30,000)</u>	<u>(55,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>
<u>(29,534)</u>	<u>(29,238)</u>	<u>(54,579)</u>	<u>(28,582)</u>	<u>(24,507)</u>	<u>(14,058)</u>
1,640,914	1,781,241	2,604,323	124,107	784,227	4,256,786
45,999	71,157	44,964	109,173	192,414	25,697
<u>\$ 1,686,913</u>	<u>\$ 1,852,398</u>	<u>\$ 2,649,287</u>	<u>\$ 233,280</u>	<u>\$ 976,641</u>	<u>\$ 4,282,483</u>

CITY OF LAFAYETTE

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	Fiscal Year Ended June 30,			
	2011	2012	2013	2014
General fund:				
Nonspendable	\$ -	\$ 6,022,847	\$ 6,509,859	\$ 6,073,032
Restricted	-	-	42,880	6,280
Committed	-	1,509,476	690,944	3,191,939
Assigned	6,623,641	250,000	2,724,004	-
Unassigned	10,752,189	10,391,624	7,388,013	6,804,724
Total general fund	<u>\$ 17,375,830</u>	<u>\$ 18,173,947</u>	<u>\$ 17,355,700</u>	<u>\$ 16,075,975</u>
All other governmental funds:				
Nonspendable	\$ -	\$ 624,969	\$ 144,141	\$ 2,211,773
Restricted	(12,886,180)	4,308,582	4,602,990	2,973,306
Committed	-	4,105,569	7,440,055	7,545,361
Assigned	3,906,697	-	-	-
Unassigned	-	464,382	-	-
Total all other governmental funds	<u>\$ (8,979,483)</u>	<u>\$ 9,503,502</u>	<u>\$ 12,187,186</u>	<u>\$ 12,730,440</u>

Fiscal Year Ended June 30,

2015	2016	2017	2018	2019	2020
\$ 6,086,362	\$ 6,154,010	\$ 6,163,882	\$ 6,244,576	\$ 5,220,713	\$ 5,405,664
23,110	143,431	299,472	227,160	353,276	605,690
3,117,955	2,797,600	3,497,362	3,809,563	3,253,187	3,323,161
-	-	-	-	-	-
8,267,328	9,766,041	9,522,320	9,560,743	10,896,915	12,788,415
<u>\$ 17,494,755</u>	<u>\$ 18,861,082</u>	<u>\$ 19,483,036</u>	<u>\$ 19,842,042</u>	<u>\$ 19,724,091</u>	<u>\$ 22,122,930</u>
\$ 1,209	\$ 1,000	\$ -	\$ 529	\$ 3,592	\$ 3,661
7,254,752	9,083,166	5,221,774	4,944,625	10,126,001	10,408,961
6,315,777	5,553,824	6,919,098	9,596,308	5,974,282	9,606,125
-	-	-	-	-	-
-	-	(402,310)	-	-	(5,242)
<u>\$ 13,571,738</u>	<u>\$ 14,637,990</u>	<u>\$ 11,738,562</u>	<u>\$ 14,541,462</u>	<u>\$ 16,103,875</u>	<u>\$ 20,013,505</u>

CITY OF LAFAYETTE

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

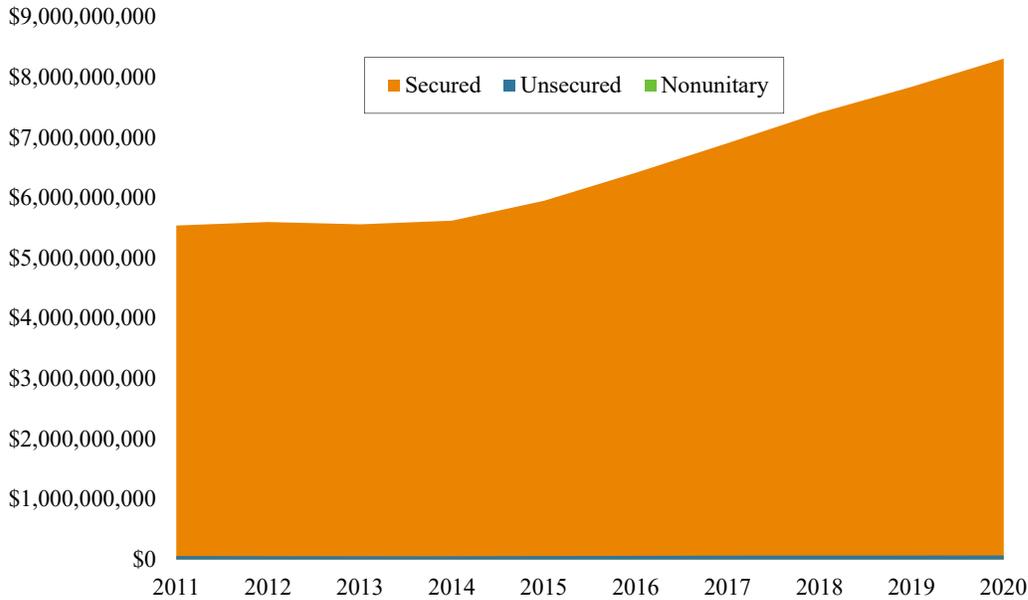
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,				
	2011	2012	2013	2014	2015
Revenues:					
Taxes	\$ 15,186,756	\$ 14,756,473	\$ 13,473,632	\$ 13,766,347	\$ 14,755,023
Licenses and permits	-	-	-	-	295,426
Intergovernmental	514,817	2,381,448	948,918	712,989	977,321
Developer fees	269,231	377,462	1,558,694	416,968	-
Charges for services	925,951	1,268,191	1,247,703	1,478,690	2,731,507
Fines and forfeitures	423,893	451,506	382,008	371,372	316,406
Investment income	660,086	590,727	157,127	182,394	212,167
Parking	296,088	327,353	226,092	242,324	-
Miscellaneous	1,305,380	958,823	1,547,216	1,931,070	1,161,504
Total revenues	<u>19,582,202</u>	<u>21,111,983</u>	<u>19,541,390</u>	<u>19,102,154</u>	<u>20,449,354</u>
Expenditures					
Current:					
Council, commissions & community support	1,051,368	1,156,123	1,187,756	1,262,843	1,198,457
Police services	3,837,772	3,865,518	3,973,124	3,945,555	5,056,410
Public works	2,367,914	2,221,207	3,312,392	2,462,591	2,210,055
Planning & Engineering	1,710,675	1,969,349	1,103,616	831,314	1,871,739
Administration	2,967,272	2,587,138	3,398,415	3,815,664	2,070,041
Capital projects	8,559,572	3,847,573	2,999,602	5,838,737	4,898,679
Debt service					
Principal	710,000	780,000	495,000	450,000	470,000
Interest	3,134,398	2,540,059	303,914	281,525	262,338
Rent & other expenses	1,050,903	735,352	748,289	798,936	1,297,314
Insurance & claims	71,251	35,651	183,845	181,460	-
Total expenditures	<u>25,461,125</u>	<u>19,737,970</u>	<u>17,705,953</u>	<u>19,868,625</u>	<u>19,335,033</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,878,923)</u>	<u>1,374,013</u>	<u>1,835,437</u>	<u>(766,471)</u>	<u>1,114,321</u>
Other financing sources (uses):					
Transfers in	6,246,283	4,291,955	4,378,465	5,384,641	3,628,519
Transfers out	(6,221,283)	(4,261,955)	(4,348,465)	(5,354,641)	(3,598,519)
Proceeds from sales of capital assets	-	-	-	-	-
Proceeds from bonds	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Total other financing sources (uses)	<u>25,000</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>
Net change in fund balances	<u>\$ (5,853,923)</u>	<u>\$ 1,404,013</u>	<u>\$ 1,865,437</u>	<u>\$ (736,471)</u>	<u>\$ 1,144,321</u>
Debt service as a percentage of noncapital expenditures	23%	21%	5%	5%	5%

Fiscal Year Ended June 30,

	2016	2017	2018	2019	2020
\$	15,847,961	\$ 13,284,919	\$ 13,979,431	\$ 14,827,842	\$ 14,754,116
	351,820	334,014	648,442	425,878	413,897
	761,625	5,294,517	3,519,372	3,333,879	3,656,898
	-	-	-	-	-
	2,594,541	2,697,602	2,088,499	3,675,391	4,617,165
	251,721	270,038	265,379	281,186	187,178
	301,157	380,977	435,509	594,171	1,244,299
	-	-	-	-	-
	1,689,390	1,579,554	1,123,947	388,445	1,834,611
	<u>21,798,215</u>	<u>23,841,621</u>	<u>22,060,579</u>	<u>23,526,792</u>	<u>26,708,164</u>
	1,339,477	1,346,360	1,286,808	1,392,241	1,182,348
	5,110,272	5,232,949	5,469,173	5,791,710	5,902,772
	2,876,882	2,982,644	3,082,750	2,653,190	2,750,999
	1,889,844	1,918,701	1,990,448	1,906,902	1,813,450
	2,327,342	2,789,757	3,010,084	3,254,763	3,260,953
	3,737,470	9,016,524	4,255,567	3,965,049	3,574,148
	490,000	3,394,767	480,000	490,000	505,000
	240,168	237,468	118,393	105,038	91,779
	1,384,181	1,309,925	1,232,695	1,412,231	1,348,246
	-	-	-	-	-
	<u>19,395,636</u>	<u>28,229,095</u>	<u>20,925,918</u>	<u>20,971,124</u>	<u>20,429,695</u>
	<u>2,402,579</u>	<u>(4,387,474)</u>	<u>1,134,661</u>	<u>2,555,668</u>	<u>6,278,469</u>
	3,827,512	5,739,444	4,142,660	3,994,528	2,955,340
	(3,797,512)	(5,684,444)	(4,112,660)	(3,964,528)	(2,925,340)
	-	-	1,997,245	-	-
	-	2,055,000	-	-	-
	-	-	-	-	-
	<u>30,000</u>	<u>2,110,000</u>	<u>2,027,245</u>	<u>30,000</u>	<u>30,000</u>
\$	<u>2,432,579</u>	<u>\$ (2,277,474)</u>	<u>\$ 3,161,906</u>	<u>\$ 2,585,668</u>	<u>\$ 6,308,469</u>
	5%	19%	4%	3%	4%

**CITY OF LAFAYETTE
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**



Fiscal Year ended June 30	Secured	Unsecured	Nonunitary	Taxable Assessed Value*	Total Direct Rate
2011	5,597,639,658	54,360,490	650,940	\$5,652,651,088	0.14601
2012	5,558,785,347	52,407,020	650,940	\$5,611,843,307	0.14103
2013	5,619,888,737	54,963,402	650,940	\$5,675,503,079	0.14290
2014	5,949,707,469	57,918,585	650,940	\$6,008,276,994	0.08075
2015	6,416,076,847	57,781,280	991,026	\$6,474,849,153	0.07928
2016	6,907,551,196	64,879,026	991,026	\$6,973,421,248	0.07614
2017	7,411,943,234	65,184,095	991,026	\$7,478,118,355	0.07513
2018	7,840,571,147	65,892,315	991,026	\$7,907,454,488	0.07412
2019	8,307,745,104	66,885,813	1,101,140	\$8,375,732,057	0.07412
2020	8,826,825,036	70,693,734	1,101,140	\$8,898,619,910	0.07307

Source: Contra Costa County Assessor 2010/11 - 2019/20 Combined Tax Rolls

* The Taxable Assessed Valuation is the Total Gross Assessed Valuation less Homeowner's exemptions.

Note:

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

**CITY OF LAFAYETTE
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year	City's Share of 1% Levy Per Prop 13*	Overlapping Rates**			
		Acalanes Union High School District	Bay Area Rapid Transit	Contra Costa Community College	East Bay Regional Park District
2011	0.06662	0.03110	0.00310	0.01330	0.00840
2012	0.06662	0.03330	0.00410	0.01440	0.00710
2013	0.06662	0.03330	0.00430	0.00870	0.00510
2014	0.06662	0.03610	0.00750	0.01330	0.00780
2015	0.06662	0.03500	0.00450	0.02520	0.00850
2016	0.06662	0.03320	0.00260	0.02200	0.00670
2017	0.06662	0.03230	0.00800	0.01200	0.00320
2018	0.06662	0.03250	0.00840	0.01140	0.00210
2019	0.06662	0.03230	0.00700	0.01100	0.00210
2020	0.06662	0.03260	0.01200	0.01880	0.00940

Source: Contra Costa County Assessor 2010/11 - 2019/20 Tax Rate Table

* City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. ERAF general fund tax shifts may not be included in tax ratio figures.

** Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

*** Total Direct Rate is the weighted average of all individual direct rates applied by the City preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

Overlapping Rates**

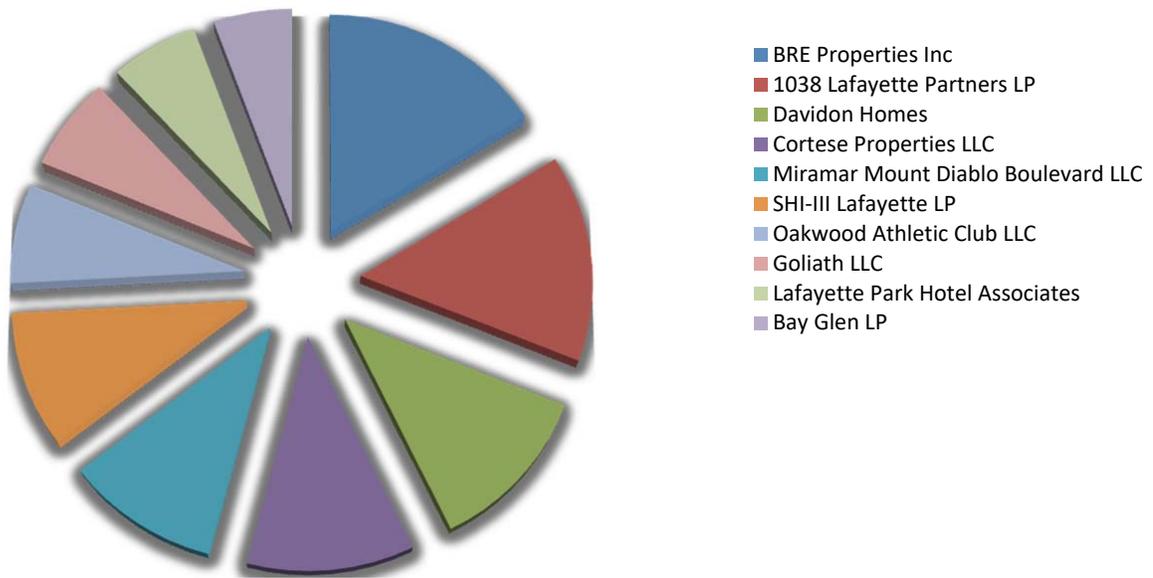
Lafayette Elementary School District	Lafayette General Fund	Orinda Elementary Bond	Pleasant Hill Recreation & Park	Subtotal Overlapping Rate	Total Direct Rate***
0.03260	0.01300	0.02440	0.02120	0.14710	0.14601
0.02790	0.01300	0.02740	0.02550	0.15270	0.14103
0.02840	0.01300	0.02730	0.02690	0.14700	0.14290
0.02670	0.01250	0.02550	0.02810	0.15750	0.08075
0.02410	0.01200	0.02320	0.02580	0.15830	0.07928
0.02090	0.00900	0.01900	0.02380	0.13720	0.07614
0.04370	0.00800	0.01650	0.02300	0.14670	0.07513
0.04190	0.00700	0.01440	0.02180	0.13950	0.07412
0.04120	0.00700	0.01460	0.01950	0.13470	0.07412
0.04010	0.00600	0.07240	0.01830	0.20960	0.07307

**CITY OF LAFAYETTE
 PRINCIPAL SALES TAX PRODUCERS
 FOR THE YEAR ENDED JUNE 30, 2020**

FIRM	BUSINESS DESCRIPTION
Ace Hardware	Building Materials- Retail
Alwand Service Station	Service Stations
Beverages & More	Liquor Stores
Big O Tire Stores	Auto Parts/Repair
Chevron Service Stations	Service Stations
Cooperage Partners	Restaurants
CVS Pharmacy	Drug Stores
Diablo Foods	Food Markets
Diamond K Supply	Building Materials- Retail
Douglah Designs	Miscellaneous Retail
El Charro Mexican Restaurant	Restaurants
Jacksons Wines & Spirits	Liquor Stores
Lafayette Park Hotel	Restaurants
Lafayette Restaurant Group	Restaurants
Lafayette Smog & Auto Service	Auto Parts/Repair
McCaulou's Department Store	Department Stores
McDonald's Restaurant	Restaurants
Metro Lafayette	Restaurants
Orchard Nursery	Florist/Nursery
Pet Food Express	Miscellaneous Retail
Postino Restaurant	Restaurants
Safeway Stores	Food Markets
Shell Service Stations	Service Stations
Trader Joe's	Food Markets
Whole Foods Market	Food Markets

Source: MBIA Muni Services Company

**CITY OF LAFAYETTE
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT FISCAL YEAR AND NINE YEARS AGO**



2020

<u>Taxpayer</u>	<u>Primary Use</u>	<u>Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
BRE Properties Inc	Residential	\$53,879,285	1	0.61%
1038 Lafayette Partners LP	Residential	49,635,000	2	0.56%
Davidon Homes	Vacant	39,108,000	3	0.44%
Cortese Properties LLC	Commercial	37,320,015	4	0.42%
Miramar Mount Diablo Boulevard LLC	Commercial	34,600,000	5	0.39%
SHI-III Lafayette LP	Commercial	32,192,220	6	0.36%
Oakwood Athletic Club LLC	Recreational	24,020,505	7	0.27%
Goliath LLC	Residential	22,575,640	8	0.25%
Lafayette Park Hotel Associates	Commercial	20,836,059	9	0.23%
Bay Glen LP	Residential	18,689,194	10	0.21%
Total		\$332,855,918		3.74%

2019-2020 Assessed Valuation: \$8,898,619,910 **

2010-2011 Assessed Valuation: \$5,652,651,088 **

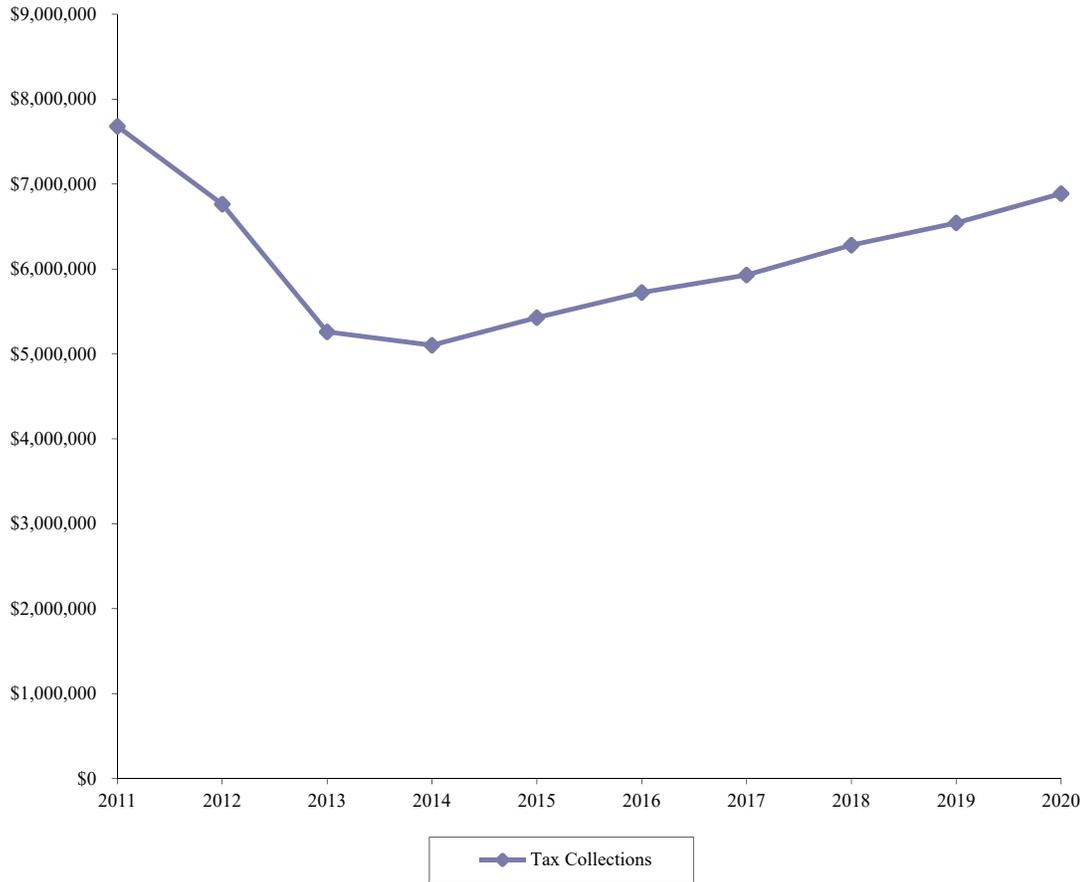
** Local Secured Assessed Valuation

Source: HdL, Coren & Cone

2011

<u>Taxpayer</u>	<u>Primary Use</u>	<u>Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Bascom Lafayette Highlands LLC	Residential	\$31,147,607	1	0.55%
HPF GLB Corporate Terrace LLC	Commercial	22,546,436	2	0.40%
Cortese Properties LLC	Commercial	21,361,475	3	0.38%
Oakwood Athletic Club LLC	Miscellaneous	21,265,733	4	0.38%
Lafayette Park Hotel Associates	Commercial	17,674,057	5	0.31%
Bay Glen LP	Residential	16,151,025	6	0.29%
Desco Plaza I LLC	Commercial	12,872,417	7	0.23%
Gray Horse Investors	Commercial	11,780,352	8	0.21%
Lafayette Terrace LLC	Commercial	11,262,465	9	0.20%
KMF Contra Costa LLC	Residential	11,232,139	10	0.20%
		<u>\$177,293,706</u>		3.14%

**CITY OF LAFAYETTE
PROPERTY TAX LEVIES & COLLECTIONS
LAST TEN FISCAL YEARS**



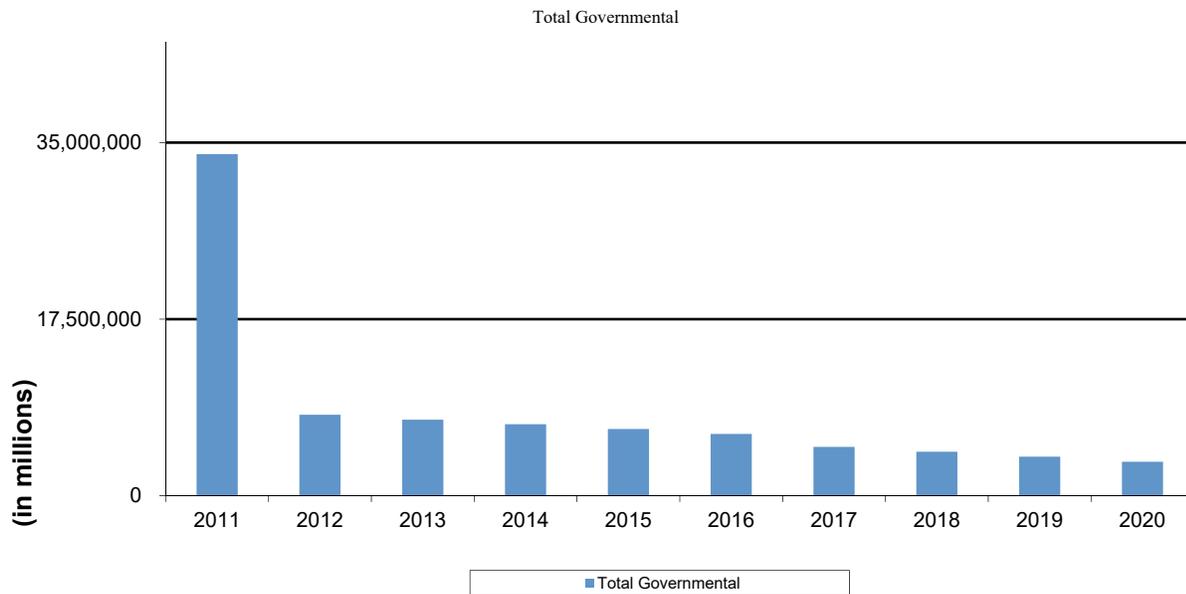
Fiscal Year ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Total Collections to Date	
		Amount	Percentage of Levy	Amount	Percentage of Levy
2011	7,680,137	7,680,137	100.00%	7,680,137	100.00%
2012	6,763,452	6,763,452	100.00%	6,763,452	100.00%
2013	5,259,337	5,259,337	100.00%	5,259,337	100.00%
2014	5,102,514	5,102,514	100.00%	5,102,514	100.00%
2015	5,427,316	5,427,316	100.00%	5,427,316	100.00%
2016	5,722,675	5,722,675	100.00%	5,722,675	100.00%
2017	5,929,562	5,929,562	100.00%	5,929,562	100.00%
2018	6,280,832	6,280,832	100.00%	6,280,832	100.00%
2019	6,542,501	6,542,501	100.00%	6,542,501	100.00%
2020	6,887,526	6,887,526	100.00%	6,887,526	100.00%

Source: Contra Costa County Assessor

CITY OF LAFAYETTE

RATIOS OF DEBT OUTSTANDING

LAST TEN FISCAL YEARS



Fiscal Year Ended <u>June 30</u>	<u>Outstanding Debt</u>		<u>Total</u>	Percent of <u>Assessed</u> <u>Value</u>	Percent of <u>Personal</u> <u>Income</u>	Per <u>Capita</u>
	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Tax</u> <u>Allocation</u> <u>Bonds *</u>				
	2011	8,155,000				
2012	8,025,000	-	8,025,000	0.1430%	0.5059%	332
2013	7,530,000	-	7,530,000	0.1327%	0.4746%	310
2014	7,080,000	-	7,080,000	0.1178%	0.4375%	287
2015	6,610,000	-	6,610,000	0.1021%	0.3998%	268
2016	6,120,000	-	6,120,000	0.0878%	0.3652%	246
2017	4,835,000	-	4,835,000	0.0647%	0.2659%	192
2018	4,355,000	-	4,355,000	0.0551%	0.2236%	170
2019	3,865,000	-	3,865,000	0.0461%	0.1828%	147
2020	3,360,000	-	3,360,000	0.0378%	0.1525%	131

Source: City of Lafayette Finance Department

* The balance of Tax Allocation Bonds was transferred to the Successor Agency as of February 1, 2012

CITY OF LAFAYETTE
DIRECT AND OVERLAPPING DEBT
CURRENT FISCAL YEAR

2019-20 Assessed Valuation (less incremental value): \$8,009,417,366

<u>DIRECT DEBT:</u>	<u>Total Debt</u>	<u>% Applicable (1)</u>	<u>City's Portion of</u>
GO BONDS SERIES 2011 & 2016	6/30/2020		Debt 6/30/20
	\$3,360,000	100.000%	\$3,360,000
 <u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Contra Costa County Pension Debt and Lease Revenue Bonds	\$427,843,035	4.121%	\$17,629,405
Contra Costa Fire District	40,915,000	8.954%	3,663,727
Acalanes Union High School District 1997, 2002, & 2008 Bonds	263,902,772	23.514%	62,053,331
Bay Area Rapid Transit District	342,719,362	4.121%	14,121,859
Contra Costa Community College District Bonds 2002, 2006 & 2014	832,650,000	4.135%	34,426,772
Pleasant Hill Recreation & Park Bond 2009	40,075,000	1.366%	547,312
East Bay Regional Park District	66,651,714	4.121%	2,746,405
Lafayette Elementary Bond 1995 & 2016	76,560,000	89.787%	68,741,048
Orinda Elementary Bond	25,198,251	0.143%	36,122
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$203,965,981
TOTAL DIRECT DEBT			\$3,360,000
TOTAL OVERLAPPING DEBT			\$203,965,981
COMBINED TOTAL DEBT			\$207,325,981 (2)

- 1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- 2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2019-20 Assessed Valuation:

Total Direct Debt (\$3,360,000).....	0.04%
Total Overlapping Tax and Assessment Debt.....	2.55%
Combined Total Debt.....	2.59%

Source: HdL, Coren & Cone

CITY OF LAFAYETTE

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

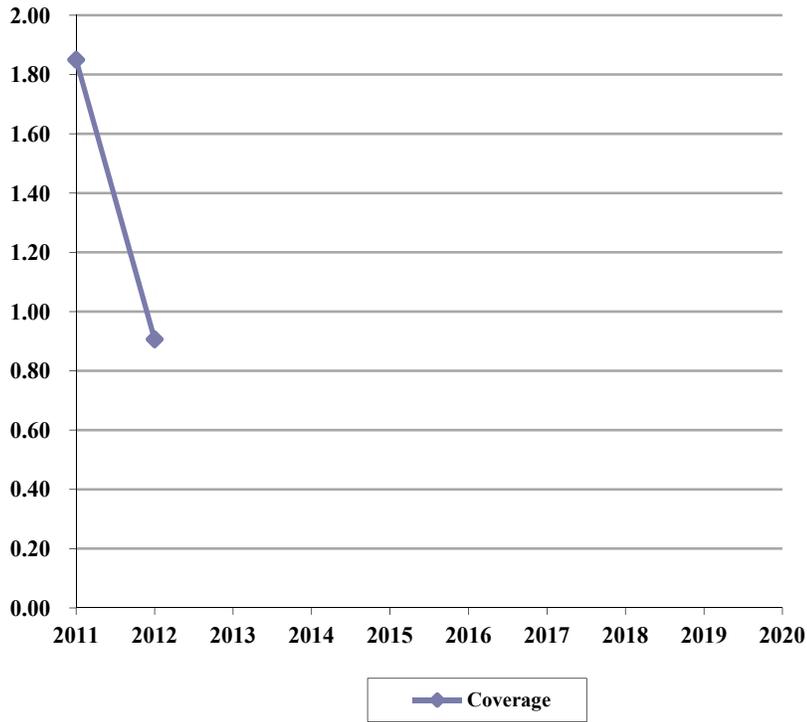
	Fiscal Year Ended June 30,			
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt limit	\$211,974,416	\$210,444,124	\$212,831,365	\$225,310,387
Total net debt applicable to limit	<u>8,155,000</u>	<u>8,025,000</u>	<u>7,530,000</u>	<u>7,080,000</u>
Legal debt margin	<u>\$203,819,416</u>	<u>\$202,419,124</u>	<u>\$205,301,365</u>	<u>\$218,230,387</u>
Total net debt applicable to the limit as a percentage of debt limit	3.8%	3.8%	3.5%	3.1%

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). Although the statutory debt limit has not been amended by the State since this change, the percentages presented in the above computations have been proportionately modified to 3.75% (25% of 15%) for the purpose of this calculation in order to be consistent with the computational effect of the debt limit at the time of the state's establishment of the limit.

Source: City Finance Department

Fiscal Year Ended June 30,					
<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$242,806,843	\$261,503,297	\$280,429,438	\$296,529,543	\$314,089,952	\$333,698,247
<u>6,610,000</u>	<u>6,120,000</u>	<u>4,835,000</u>	<u>4,355,000</u>	<u>3,865,000</u>	<u>3,360,000</u>
<u><u>\$236,196,843</u></u>	<u><u>\$255,383,297</u></u>	<u><u>\$275,594,438</u></u>	<u><u>\$292,174,543</u></u>	<u><u>\$310,224,952</u></u>	<u><u>\$330,338,247</u></u>
2.7%	2.3%	1.7%	1.5%	1.2%	1.0%

**CITY OF LAFAYETTE
 PLEDGED-REVENUE COVERAGE
 LAST TEN FISCAL YEARS**



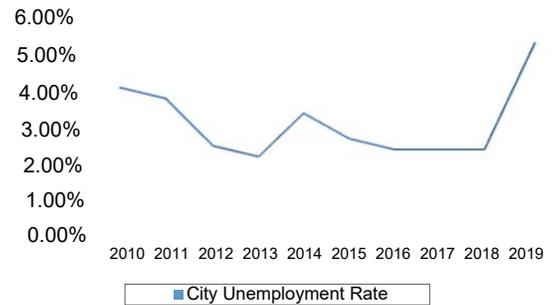
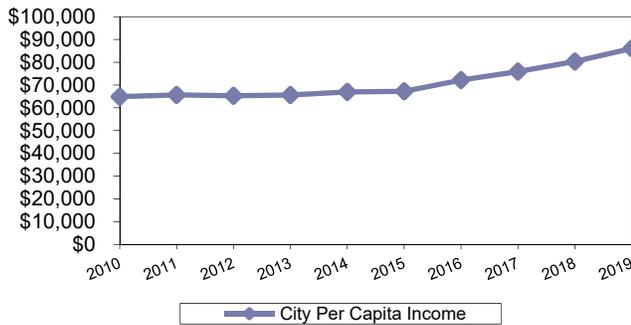
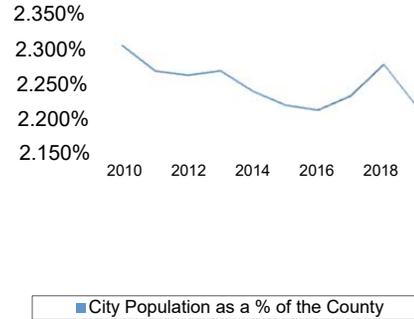
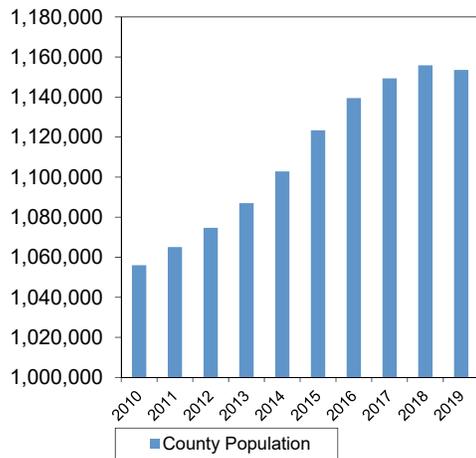
Fiscal Year Ended June 30	Tax Allocation Bonds			
	Tax Increment	Principal *	Debt Service Interest *	Coverage
2011	3,216,617	335,000	1,403,939	1.85
2012	1,613,604	390,000	1,390,236	0.91
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

* The balance of the Tax Allocation Bonds was transferred to the Successor Agency as of February 1, 2012. Principal and interest payments are recorded through January 31, 2012.

Source: City Finance Department

**CITY OF LAFAYETTE
DEMOGRAPHICS STATISTICS
LAST TEN FISCAL YEARS**



Calendar Year	City of Lafayette Population (1)	Percent Change In Population	City of Lafayette Personal Income (2) **	City of Lafayette Per Capita Income(3)
2010	24,342	1.0%	1,579,285	64,879
2011	24,159	-0.8%	1,586,352	65,663
2012	24,312	0.6%	1,586,674	65,263
2013	24,659	1.4%	1,618,173	65,622
2014	24,690	0.1%	1,653,193	66,958
2015	24,924	0.9%	1,676,007	67,244
2016	25,199	1.1%	1,818,417	72,162
2017	25,655	1.8%	1,947,374	75,906
2018	26,327	2.6%	2,114,226	80,306
2019	25,604	-2.7%	2,203,123	86,046

Source: (1) State of California Department of Finance

(2) Bureau of Economic Analysis/ State of California Franchise Tax Board

(3) State of California Employment Development Department

* Information was not available for 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016 and 2017

** In Thousands

City of Lafayette Unemployment Rates (3)	Contra Costa County Population (1)	Contra Costa County Per Capita Income (2)
4.1%	1,056,064	*
3.8%	1,065,117	*
2.5%	1,074,702	*
2.2%	1,087,008	*
3.4%	1,102,871	*
2.7%	1,123,429	*
2.4%	1,139,513	*
2.4%	1,149,363	*
2.4%	1,155,879	*
5.3%	1,153,561	*

**CITY OF LAFAYETTE
ANNUAL AVERAGE LABOR FORCE
AND UNEMPLOYMENT RATES
LAST TEN FISCAL YEARS**

Calendar Year	City of Lafayette Labor Force	Annual Average Unemployment Rates		
		City of Lafayette Unemployment Rates	Contra Costa County Unemployment Rates	State of California Unemployment Rates
2010	11,200	4.1%	11.0%	12.2%
2011	11,300	3.8%	10.3%	11.7%
2012	11,500	2.5%	9.0%	10.4%
2013	11,700	2.2%	7.5%	8.9%
2014	11,900	3.4%	6.2%	7.5%
2015	12,100	2.7%	5.0%	6.2%
2016	12,300	2.4%	4.4%	5.4%
2017	12,100	2.4%	2.4%	4.8%
2018	12,900	2.4%	2.6%	4.2%
2019	11,400	5.3%	9.3%	10.8%

* Information was not available for 2009

Source: State of California Employment Development Department

**CITY OF LAFAYETTE
 PRINCIPAL EMPLOYERS
 CURRENT FISCAL YEAR AND THREE YEARS AGO**

Employer	2019-20		2016-17	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Lafayette School District *	408	3.58%	485	3.94%
Whole Foods Market	207	1.82%	215	1.75%
Diablo Foods Inc.	180	1.58%	150	1.22%
Oakwood Athletic Club **	170	1.49%	165	1.34%
Acalanes High School *	143	1.25%	120	0.98%
Safeway	124	1.09%	132	1.07%
Trader Joe's	115	1.01%	75	0.61%
Bentley Upper School (9-12th)	76	0.67%	74	0
Orchard Nursery & Florist	70	0.61%		
TuTu"s Food and Drink	60	0.53%		0.00%
Lafayette Park Hotel & Spa			185	1.50%
P S R Westcoast Builders			80	0.65%
Total Top Employers	1,553	13.62%	1,681	13.67%
Total City Employment (1)	11,400		12,300	

Results based on direct correspondence with city's local businesses.

* Includes classified, certificated and admin.

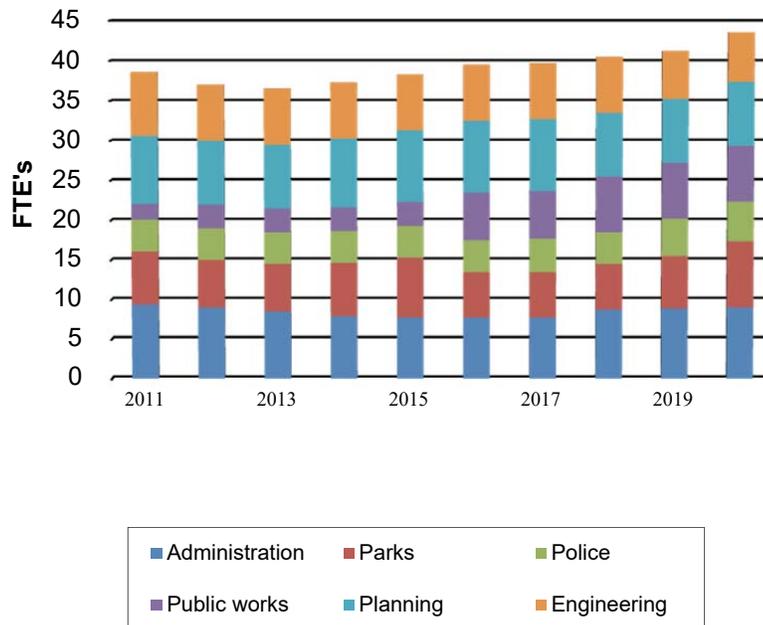
** Includes full and part time employees

(1) Total City Labor Force provided by EDD Labor Force Data.

Note: Lafayette Park Hotel & Spa, due to the COVID-19 pandemic and business closure, employee count is 20.

Source: Avenu Insights & Analytics Company

**CITY OF LAFAYETTE
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS**



<u>Function/Program</u>	Full-Time Equivalent Employees as of June 30,									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Administration	9.37	8.97	8.47	7.87	7.72	7.72	7.72	8.72	8.87	9.00
Parks	6.68	6.00	6.00	6.75	7.55	5.75	5.75	5.75	6.60	8.35
Police	4.00	4.00	4.00	4.00	4.00	4.00	4.20	4.00	4.73	5.00
Public works	2.00	3.00	3.00	3.00	3.00	6.00	6.00	7.00	7.00	7.00
Planning	8.50	8.00	8.00	8.60	9.00	9.00	9.00	8.00	8.00	8.00
Engineering	8.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	6.00	6.20
Total	38.55	36.97	36.47	37.22	38.27	39.47	39.67	40.47	41.20	43.55

Source: Human Resources

Note: Contract employees, such as all of the sworn officers in the police department, are not included in this table.

**CITY OF LAFAYETTE
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS**

(Departments track indicator data either by fiscal year or calendar year based on what is optimal for their operations. Data here represents indicator counts for a 365 day period, which is either January 1 through December 31 or July 1 through June 30.)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>Function/Program</u>										
<u>Police</u>										
Total reports	*	*	*	*	1,526	1,798	1,652	1,561	1,445	1,466
Calls for service	*	*	15,760	16,519	16,049	18,580	18,506	19,312	16,610	16,789
% officer-initiated activity	*	*	*	*	37%	41%	42%	43%	43%	45%
Overall Part 1 crimes	*	*	441	496	404	548	441	339	258	380
# of residential burglaries	*	85	70	61	48	22	31	19	8	22
% of residential burglaries solved	*	*	*	*	33%	60%	53%	84%	88%	50%
Code Enforcement Incidents **	*	*	*	190	228	305	436	561	368	355
<u>Public Works</u>										
Work requests (outside normal service)	*	*	*	285	210	365	337	295	532	578
Abatement issues	*	*	*	53	32	54	3	11	82	134
Curb painting	*	*	*	18	8	21	4	6	-	5
Ditch cleaning	*	*	*	3	1	6	21	12	7	10
Litter removal	*	*	*	4	9	5	22	15	36	17
Sign installation, repair, replacement	*	*	*	61	53	98	75	69	46	59
Street repair	*	*	*	31	20	32	38	22	34	53
Tree/brush maintenance	*	*	*	6	9	20	23	11	5	1
Trimming vegetation	*	*	*	10	9	6	25	22	18	9
<u>Engineering</u>										
Encroachment permits	*	380	385	465	466	564	447	433	399	515
<u>Recreation</u>										
Class enrollments	9,236	8,643	9,953	11,714	9,794	12,423	15,081	18,803	21,600	19,063
Senior transportation- rides provided	2,979	3,104	3,878	3,979	4,316	4,237	3,813	3,201	3,247	2,966
<u>Planning</u>										
Total applications processed	251	232	265	287	279	288	347	295	320	317
Design Review Permits	26	22	26	22	30	23	35	18	23	29
General Pan Amendment	1	1	1	-	1	-	3	-	-	-
HDP/DR/GR (OTC)	97	73	95	117	83	91	93	114	129	108
Hillside Development Permits	33	39	35	38	41	52	57	34	44	30
Second Unit	5	4	5	3	2	6	13	14	9	14
Sign Permits	10	2	12	6	10	6	16	5	8	10
Tree Permits	28	32	32	35	45	43	55	49	45	56
Variance Permits	10	21	15	12	14	15	16	11	15	17

* No indicator data available because program did not exist or indicator was not tracked.

** Program was moved from the Planning Department to the Police Department effective 7/1/2017.

Source: Various City Departments

**CITY OF LAFAYETTE
CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

<u>Function</u>	<u>June 30,</u>									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>Police</u>										
Patrol vehicles	*	*	*	*	17	20	19	18	18	18
ALPR Vehicles	*	*	*	*	*	*	2	2	3	3
Traffic motorcycles	*	*	*	*	3	3	3	2	2	2
Dual sport motorcycles	*	*	*	*	2	2	2	5	5	5
All terrain vehicles	*	*	*	*	*	1	1	1	1	1
Equipment trailers	*	*	*	*	4	4	4	4	4	4
Speed trailers	*	*	*	*	2	2	2	2	2	2
Generator trailers	*	*	*	*	*	*	*	*	*	2
Parking vehicles	*	*	*	*	4	3	3	3	3	3
Drones	*	*	*	*	*	*	1	1	2	2
<u>Public works</u>										
Vehicles	*	*	*	*	10	11	9	10	10	8
Water trailers	*	*	*	*	*	*	1	1	1	1
Message signboards	2	2	2	2	2	2	2	2	2	2
Streetlights	*	*	*	*	458	458	476	476	476	476
Traffic signals	*	*	*	*	24	24	26	26	26	26
Trellis lights	*	*	*	*	60	60	60	60	60	60
Landscape acreage	*	*	*	*	7	7	7	7	7	7
Trail miles	*	*	*	*	10	10	10	10	10	10
Pedestrian and advance warning signs	*	*	*	*	*	16	18	18	19	19
<u>Engineering</u>										
Vehicles	*	*	*	*	7	6	5	5	6	6
Streets (centerline miles)	*	*	*	*	93	93	93	93	93	93
<u>Recreation (incl. Sr. Transportation)</u>										
Vehicles	*	*	*	*	3	3	2	1	1	1
Parks acreage	*	*	*	*	80	80	80	80	80	100
<u>Planning</u>										
Vehicles	*	*	*	*	3	3	3	2	2	1

* No information available.

Source: Various City Departments

**CITY OF LAFAYETTE
 MISCELLANEOUS STATISTICAL DATA
 CURRENT FISCAL YEAR**

Year of Incorporation	1968
Form of Government	General Law
Population	25,604
Median Age	45.1
Median Household Income	\$157,453
Registered Voters	19,222
Area in Square Miles	15.39
Number of Authorized Full-Time Equivalent City Employees	43.55

Miles of Streets:

Public Miles	93
Private miles	43

Fire Protection:

Contra Costa Fire District	
Number of Stations	3

Police Protection:

Number of Stations	1
Number of Contracted Sworn Personnel	17

Public Education:

Elementary Schools	4
Middle Schools	1
High Schools	1

Libraries: (Contracted with Contra Costa County)

Number of Libraries	1
---------------------	---

Recreation and Culture:

Park Sites	4
Park Acreage	80

Community Facilities:

Lafayette Community Center	1
----------------------------	---

Source: Various City of Lafayette Department Records