



**ANNUAL
COMPREHENSIVE
FINANCIAL
REPORT**

**CITY OF LAFAYETTE
CALIFORNIA**

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

City of Lafayette, California

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**Prepared by
The Administrative Services Department**

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City of Lafayette
Annual Comprehensive Financial Report
For the year ended June 30, 2022

Table of Contents

	<u>Page</u>
<u>INTRODUCTORY SECTION</u>	
Letter of Transmittal.....	i
List of City Officials.....	ix
Organization Chart.....	x
Location Map.....	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	32
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
Annual Comprehensive Financial Report
For the year ended June 30, 2022

Table of Contents

	<u>Page</u>
<u>FINANCIAL SECTION, Continued</u>	
Required Supplementary Information:	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
General Fund.....	84
Schedule of Changes in the Total OPEB Liability and Related Ratios - Last 10 Years.....	85
Schedule of Contributions - Last 10 Years.....	86
Supplementary Information:	
Other Major Governmental Funds:	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
Streets and Signals Fund	89
Measure J Return to Source.....	90
Capital Projects Fund.....	91
Debt Service Fund	92
Nonmajor Governmental Funds:	
Combining Balance Sheet	94
Combining Statement of Revenues Expenditures and Changes in Fund Balances	96
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
Parking Programs.....	98
Vehicle Abatement.....	99
Senior Transportation	100
Low and Moderate Housing.....	101
Road Maintenance and Rehabilitation	102
Gas Tax.....	103
Supplemental Law Enforcement.....	104
Street Lighting.....	105
Core Maintenance	106
Stormwater Pollution.....	107
Fiduciary Funds:	
Successor Agency to the Redevelopment Agency Private Purpose Trust Fund:	
Combining Statement of Fiduciary Net Position.....	110
Combining Statement of Changes in Fiduciary Net Position	111
Custodial Funds:	
Combining Statement of Fiduciary Net Position.....	112
Combining Statement of Changes in Fiduciary Net Position	113

City of Lafayette
Annual Comprehensive Financial Report
For the year ended June 30, 2022

Table of Contents

	<u>Page</u>
<u>STATISTICAL SECTION (Unaudited)</u>	
Financial Trends:	
Government-Wide Revenues by Source – Last Ten Fiscal Years.....	116
Government-Wide Expenses by Function – Last Ten Fiscal Years	118
General Governmental Revenues by Source – Last Ten Fiscal Years	120
Tax Revenue by Source – Last Ten Fiscal Years	122
Revenue Capacity:	
General Governmental Expenditures by Function – Last Ten Fiscal Years	124
Net Position by Component.....	126
Changes in Net Position	128
Fund Balances of Governmental Funds – Last Ten Fiscal Years	132
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	134
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years	136
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years	138
Principal Sales Tax Producers.....	140
Principal Property Taxpayers – Current Fiscal Year and Nine Years Ago.....	142
Property Tax Levies and Collections – Last Ten Fiscal Years	144
Debt Capacity:	
Ratios of Debt Outstanding – Last Ten Fiscal Years	145
Direct and Overlapping Debt	146
Legal Debt Margin Information – Last Ten Fiscal Years.....	148
Pledged Revenue Coverage – Last Ten Fiscal Years	150
Demographic and Economic Information:	
Demographic Statistics – Last Ten Fiscal Years.....	152
Annual Average Labor Force and Unemployment Rates – Last Ten Fiscal Years	154
Principal Employers – Current Fiscal year and Three Years Ago	155
Full Time Equivalent City Government Employees by Function – Last Ten Fiscal Years.....	156
Operating Indicators:	
Operating Indicators by Function/Program – Last Ten Fiscal Years.....	157
Capital Assets Statistics by Function – Last Ten Fiscal Years	158
Miscellaneous Statistical Data.....	159

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City Council

Teresa Gerring, Mayor
Carl Anduri, Vice Mayor
Susan Candell, Council Member
Gina Dawson, Council Member
Wei-Tai Kwok, Council Member

December 12, 2022

To: Lafayette City Council
From: Tracy Robinson, Administrative Services Director
RE: Fiscal Year 2021-22 Annual Comprehensive Financial Report

The Annual Comprehensive Financial Report (ACFR) of the City of Lafayette for the fiscal year ending June 30, 2022 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 fairly present 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 controls. Managers are almost always in a position to circumvent or override any controls they put in place. 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 or collude to circumvent the control. The City of Lafayette has implemented internal controls to the extent possible within budgetary constraints and the existing organizational structure. The City is consistently looking for ways to augment such controls using current staffing, including but not limited to training, physical audits by management, segregation 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, 2022. The independent auditor’s report is included with this report.

The ACFR represents the culmination of all budgeting and accounting activities of the City during FY 2021-22. 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 (BART) station and is only a 25 minute BART ride from San Francisco.

The City’s population on 1/1/2022 as reported by the State of California Department of Finance was 25,064. 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 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 4 elementary schools and one middle school within the city boundary. The high school is in the Acalanes Unified High 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 March, the City Council meets to set the goals and priorities for the upcoming fiscal year.
- In March and April, the department heads prepare their preliminary budgets and incorporate requests from commissions and committees.
- At the end of April, each department head meets with the City Manager, Administrative Services Director and Assistant Administrative Services Director to review the budget requests.
- At the end of May, the Administrative Services Director presents the Proposed Budget to the Council Finance Subcommittee.
- At the first meeting in June, the Proposed Budget is introduced at a regular City Council meeting as a budget workshop.
- 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 the regularly scheduled meeting in December and adopts the Final Budget by resolution at the first meeting in January.

The 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 49.1 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	4 years*
Tracy Robinson	Administrative Services Director	22 years
Jonathan Katayanagi	Parks & Recreation Director	6 years
Mike Moran	Public Works & Engineering Director	8 years
Greg Wolff	Planning & Building Director	4 years*
Joanne Robbins	City Clerk	28 years
Jennifer Wakeman	Asst. Administrative Services Director	8 years
Ben Alldritt	Chief of Police, County (contract)	5 years
Mala Subramanian	City Attorney, BB&K (contract)	15 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), which are fully funded every pay period. The City has also fully funded the retiree medical program; therefore, there are no unfunded liabilities for any 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.

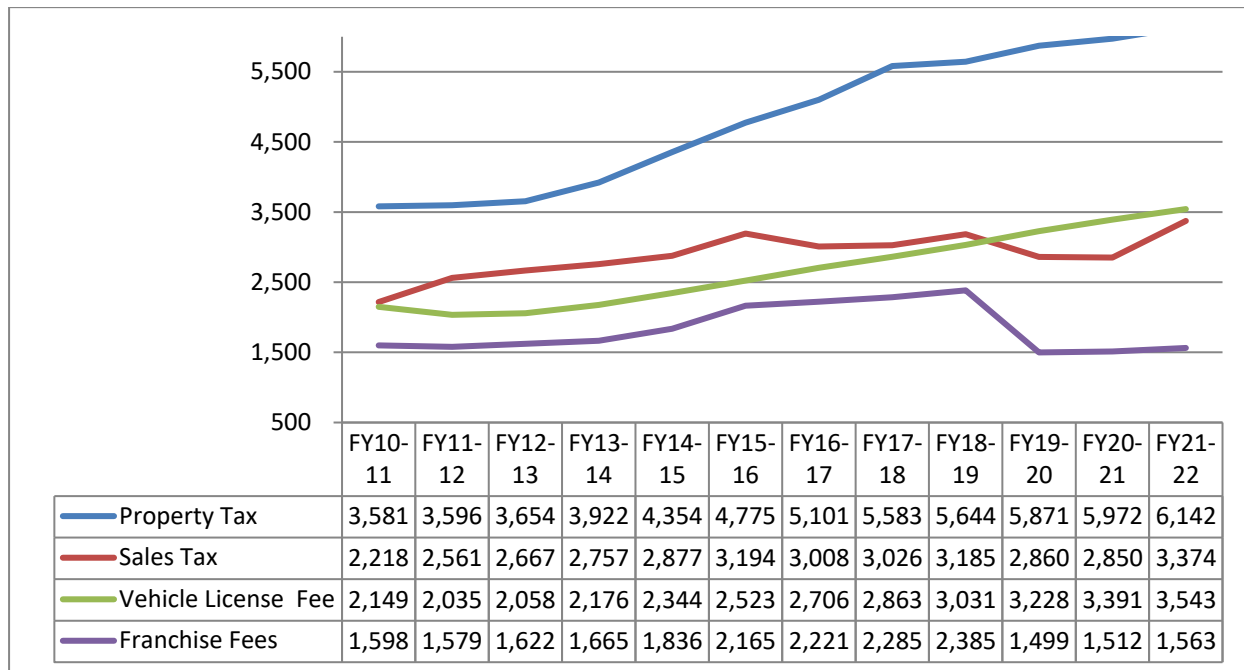
The residents are generally highly educated, with almost 72% having bachelor's degrees or higher and of this group, 45% having a masters, professional, or doctorate degree. The median annual household income is \$192,199, which compares to \$103,997 for the County and \$78,672 for the State. The median home value of owner-occupied homes is \$1.5M. Homeownership rates are also very high, at 71%, as compared to a state rate of 55%.

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).

In FY21-22 sales tax and TOT revenue both recovered more quickly than was expected. The City estimates that it will be able to maintain its 60% General Fund reserve target for at least the next three years. Property tax remains the most significant and stable source of Lafayette’s revenue and there is no indication that the Covid-related economic downturn affected it. Likewise, franchise fees from PG&E, cable companies and waste management were not impacted by the pandemic. The downturn in franchise fees, beginning in FY19-20, was due to direct allocation of the solid waste contract’s street impact mitigation fee for road repair and rehabilitation to the Streets and Signals Fund where previously they were received into the General Fund and then transferred to the Streets and Signals Fund.

Development has continued at a robust level with several housing projects being completed in the last few years. 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, 2022, the City of Lafayette’s financial condition remains sound even after Covid-related revenue declines. By the end of FY21-22, operations were back to normal for the most part. 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, 2022, \$15.5M or 91% of the FY21-22 general fund operating expenditures is

designated for this purpose. Given the economic downturn, that amount was expected to decrease however, it actually increased, due primarily to open positions and the deferral and continuation of projects. In FY22-23, the reserve is expected to decrease to \$13.7M as projects are re-budgeted and staff is fully hired.

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 it is still unknown when or if businesses will fully recover from Covid-related losses. In addition, there are areas of concern mentioned in previous audit reports that continue to persist. The Stormwater Pollution Fund continues to run deficits and the City now needs to start drawing on funds reserved over the last several years for the purpose of balancing the budget for this program. 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 Fund monies. 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. While the City does have a very healthy budget surplus, there are projected deficits in this program each year for the foreseeable future. While the 5-year forecast shows that the City will be able to maintain its reserve requirement for the next three years, the reserve balance steadily decreases. To make a plan to address these deficits, the City has formed a Fiscal Sustainability subcommittee to study options for increasing revenue.

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 20 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 in this program funding of \$150K.

Finally, there are two sources of one-time, additional income that the City has available. The first is \$6.2M in funds from the American Rescue Plan Act (ARPA) that are dependent on the City proving losses based on a formula. The Council has already allocated most of the first tranche of funds (\$3.1M) to various programs and community groups with \$880K being allocated to the City's General Fund. The second tranche of ARPA funds was received in July 2022 and the Council has not yet made any allocation decisions for that funding; however, those funds are being reserved to help defray the real revenue losses experienced by the City. The other source on one-time funds is \$2.25M from a developer settlement for a project in Moraga. These monies have been received and the Council has allocated them towards traffic safety projects and programs.

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 pool, called the Local Agency Investment Fund (LAIF), and in the California Asset Management Program (CAMP), a pool established by a California Joint Powers Authority. However, due to the low interest rates returned by that fund, the City revised its portfolio allocations to take advantage of additional securities that boost earnings while still maintaining safety and liquidity. In addition to maintaining balances with LAIF and CAMP, the current portfolio is invested in laddered certificates of deposit, and select, highly-rated agency and 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 FY22-23, the 5-year forecast uses revenue growth of 3% and expense growth of 3.3% 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 annual comprehensive financial report for the fiscal year ended June 30, 2020. This was the sixth consecutive year that the City of Lafayette has achieved this prestigious award. The City submitted the annual comprehensive financial report for the fiscal year ended June 30, 2021 but due to delays on the part of the Government Finance Officers Association, the results were not received at the time of this report's issuance. 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, 2022

MAYOR

Teresa Gerringer

Term Expires November 2022

CITY COUNCIL

Carl Anduri, Vice Mayor
Term Expires November 2024

Susan Candell, Council Member
Term Expires November 2022

Gina Dawson, Council Member
Term Expires November 2024

Wei-Tai Kwok, Council Member
Term Expires November 2022

CITY MANAGER

Niroop Srivatsa – 3.5 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.*

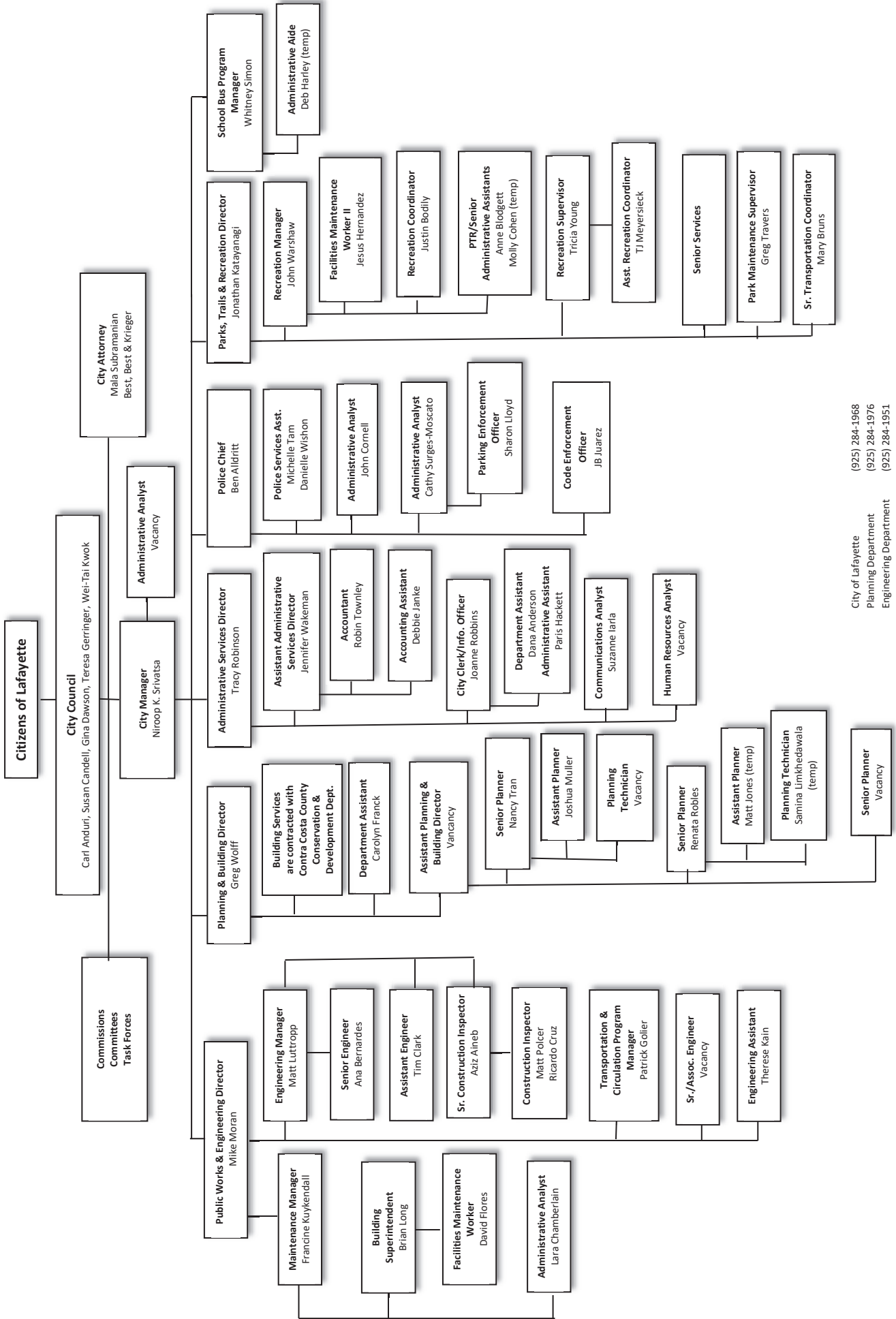
ADMINISTRATIVE SERVICES DIRECTOR

Tracy Robinson – 22 years of service

ASSISTANT ADMINISTRATIVE SERVICES DIRECTOR

Jennifer Wakeman – 8 years of service

City of Lafayette Organization Chart



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



City of Lafayette

Briones Regional Park

Walnut Creek

Orinda

Moraga



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.⁵
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, general fund budgetary comparison schedule, and required other post-employment benefit (OPEB) information on pages 5-17 and 83-86 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.

Supplementary 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.

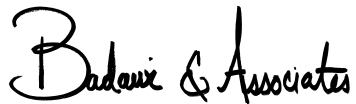
Other Information

Management is responsible for the other information. The other information comprises the introductory and statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

To the Honorable Mayor and Members of the City Council
of the City of Lafayette
Lafayette, California
Page 4

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2022 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, CPAs
Berkeley, California
December 5, 2022

CITY OF LAFAYETTE
Management's Discussion and Analysis
Year Ended June 30, 2022

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, 2022. 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 \$139,271,680 (*net position*). Of this amount, \$34,019,933 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 \$2,561,689 compared to the net position at the end of last fiscal year. The unrestricted portion of the City's net position increased by \$2,961,232 compared to the unrestricted portion at the end of last fiscal year.
- The City's governmental funds reported a combined ending fund balance of \$37,569,556, an increase of \$256,954 in comparison with the prior fiscal year fund balance. Approximately \$10.3 million (27%) 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 \$17,062,223, or approximately 95% 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 \$2,325,000.

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, 2022

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 streets and signals fund, the capital projects fund, and the debt service 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, 2022

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

- General Fund includes General Fund (11), Library Operations (37), and Insurance (76).
- Streets & Signals Fund includes only Streets & Signals (14).
- Measure J Return to Source (72).
- 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), Supplemental Law Enforcement (73), Street Lighting (51), Core Area Maintenance (52), and Stormwater 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 and can be found in the Required Supplementary Information section.

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 two types of fiduciary funds, a private purpose trust fund and a custodial 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 *custodial fund* is used to account for assets held by the City as an agent for other government agencies; in this case, the Lamorinda Fee and Financing Authority and the Lamorinda School Bus Transportation Agency.

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

CITY OF LAFAYETTE
Management's Discussion and Analysis
Year Ended June 30, 2022

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 47-80 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, other information is presented in the form of certain required supplementary information concerning the City's budgetary comparison schedules for all major governmental funds and the City's progress in funding its obligation for the provision of other post-employment benefits to its employees. The combining statements supplementary information, referred to earlier in connection with non-major funds, are also presented in this section. (Pages 89-113)

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 116-159)

Government-wide Financial Analysis

The largest portion of the City's net position (71%) is the net investment in capital assets of \$99,165,672. 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 (25%) is the unrestricted portion of \$34,019,933. This portion primarily represents resources that are available to meet the City's ongoing obligations at the discretion of the City Council.

The remaining portion of the City's net position totals \$6,086,075 (4%) 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, 2022

Net Position

	Governmental activities		Business-type activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Cash and investments	\$ 41,353,072	\$ 37,478,518	\$ 1,511,953	\$ 1,244,920	\$ 42,865,025	\$ 38,723,438
Other assets	6,381,109	6,029,854	179,616	249,508	6,560,725	6,279,362
Capital Assets	101,490,672	100,554,629	-	-	101,490,672	100,554,629
Total assets	149,224,853	144,063,001	1,691,569	1,494,428	150,916,422	145,557,429
Deferred Outflows of Resources	167,654	98,697	20,025	23,413	187,679	122,110
Liabilities						
Accounts payable & accrued liabilities	3,315,018	1,900,322	53,676	45,636	3,368,694	1,945,958
Refundable deposits	1,706,951	1,526,898	28,149	29,216	1,735,100	1,556,114
Long-term debt	2,325,000	2,850,000	-	-	2,325,000	2,850,000
Other liabilities	3,566,102	1,815,437	690,725	706,701	4,256,827	2,522,138
Total liabilities	10,913,071	8,092,657	772,550	781,553	11,685,621	8,874,210
Deferred Inflows of Resources	131,136	77,058	15,664	18,280	146,800	95,338
Net position						
Net investment in capital assets	99,165,672	97,704,629	-	-	99,165,672	97,704,629
Restricted	6,086,075	6,401,661	-	-	6,086,075	6,401,661
Unrestricted	33,096,553	31,885,693	923,380	718,008	34,019,933	32,603,701
Total net position	\$ 138,348,300	\$ 135,991,983	\$ 923,380	\$ 718,008	\$ 139,271,680	\$ 136,709,991

The City's overall net position increased \$2,561,689 from last fiscal year's net position. This represents the combined change between: an operational increase in governmental net position of \$2,356,317 and an operational increase in business-type net position of \$205,372. The reasons for these operational changes are discussed in the following sections on governmental and business-type activities.

CITY OF LAFAYETTE
Management's Discussion and Analysis
Year Ended June 30, 2022

Changes in Net Position

	Governmental activities		Business-type activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues						
Charges for services	\$ 4,783,650	\$ 2,296,223	\$ 1,805,932	\$ 1,439,327	\$ 6,589,582	\$ 3,735,550
Operating grants and contributions	3,017,636	1,435,533	-	-	3,017,636	1,435,533
Capital grants and contributions	908,866	782,418	-	-	908,866	782,418
General revenues						
Property taxes	7,429,712	7,093,223	-	-	7,429,712	7,093,223
Other taxes	9,035,543	7,851,742	-	-	9,035,543	7,851,742
Other	2,925,864	4,132,410	(12,211)	337	2,913,653	4,132,747
Total revenues	28,101,271	23,591,549	1,793,721	1,439,664	29,894,992	25,031,213
Expenses:						
City council and commissions	2,886,658	1,435,924	-	-	2,886,658	1,435,924
Police services	6,662,552	6,237,064	-	-	6,662,552	6,237,064
Public works	4,739,819	3,520,907	-	-	4,739,819	3,520,907
Planning	852,599	846,886	-	-	852,599	846,886
Engineering	6,049,915	5,962,865	-	-	6,049,915	5,962,865
Administration	3,131,278	3,832,812	-	-	3,131,278	3,832,812
Interest on long-term debt	62,142	74,412	-	-	62,142	74,412
Recreation	-	-	1,558,349	1,496,592	1,558,349	1,496,592
Other	1,389,991	1,292,287	-	-	1,389,991	1,292,287
Total expenses	25,774,954	23,203,157	1,558,349	1,496,592	27,333,303	24,699,749
Change in net position before transfers	2,326,317	388,392	235,372	(56,928)	2,561,689	331,464
Transfers	30,000	30,000	(30,000)	(30,000)	-	-
Special item	-	(5,337,401)	-	-	-	(5,337,401)
Change in net position	2,356,317	(4,919,009)	205,372	(86,928)	2,561,689	(5,005,937)
Net position - beginning	134,446,983	139,365,992	718,008	804,936	135,164,991	140,170,928
Prior period adjustment	1,545,000	-	-	-	1,545,000	-
Net position - ending	\$ 138,348,300	\$ 134,446,983	\$ 923,380	\$ 718,008	\$ 139,271,680	\$ 135,164,991

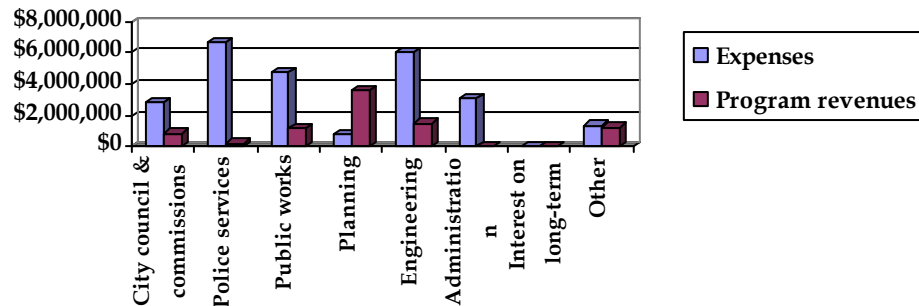
Governmental Activities. During the current fiscal year, net position for governmental activities increased \$2,356,317 from the prior fiscal year balance, for an ending balance of \$138,348,300.

- Revenue from governmental activities increased 19% from the prior year, or \$4,509,722, the result of significantly higher charges for service and operating grants receipts.
 - Charges for services increased \$2,487,427, compared to last fiscal year primarily due to the receipt of development agreement fees from the Palos Colorados project (\$2,250,000) and higher application fees in the departments of Planning and Engineering (\$230,000).

CITY OF LAFAYETTE
Management's Discussion and Analysis
Year Ended June 30, 2022

- Operating grants and contributions revenue increased by \$1,582,103 compared to the prior year. This is primarily attributable to the recognition and use of \$1,650,000 of Coronavirus State and Local Fiscal Recovery Funds under the American Rescue Plan Act (ARPA) from the City's first allocation of funding, which totaled \$3,186,166.
- As a result of increased housing market activity, \$336,000 more in property tax than in the prior year.
- Large fluctuations in the categories of Other taxes and Investment earnings almost entirely offset each other. Other taxes increased in the areas of sales tax (\$546,000), franchise fees (\$100,000), transient occupancy tax (\$440,000), and transfer tax (\$60,000) as a result of an improving local economy. Investment earnings saw steep declines in market values due to Fed money tightening policies and higher inflation.
- Expenses for governmental activities increased 11% from the prior year, or \$2,571,797, with the largest changes in City council and commissions, as well as Public Works.
 - Costs for City council, commissions, and community support were \$1,450,734 higher than the previous year due to the combination of: the expenditure of ARPA funds to the Park Theater Trust (\$500,000) and the Lafayette Chamber of Commerce (\$350,000) and additional expenditures on the General Plan (\$600,000).

Expenses and Program Revenues - Governmental Activities



- Public works costs increased \$1,218,912 from the prior year, \$800,354 of which is attributable to the use of ARPA funds. Aside from the items noted above, ARPA expenditures were recorded to Emergency response under the Public works department.
- Planning recouped more than its costs in this fiscal year, which is representative of timing differences between when planning work is done versus when fees are paid.
- With program revenues of \$1,497,548, Engineering (which includes capital project costs) covered about 25% of its costs with the remaining funding coming from general revenues, including road maintenance and rehabilitation, 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, 2022

Business-Type Activities. Fiscal year end results for the City's business-type activity, recreation programs, were positive with net position increasing by \$205,372, or 29%, to reach an ending net position of \$923,380. The increase in net position this year is attributable to the rebounding of program engagement since the pandemic began. While staff continuously works to operate a self-sustaining recreation program, the constant shifting of safety protocols and community comfort levels have become part of normal procedures. In addition, with the return of students to school, many of the after-school programs have been able to resume successfully. Net position balances are used to provide resources for times of hardship or transition.

Financial Analysis of the City's Funds

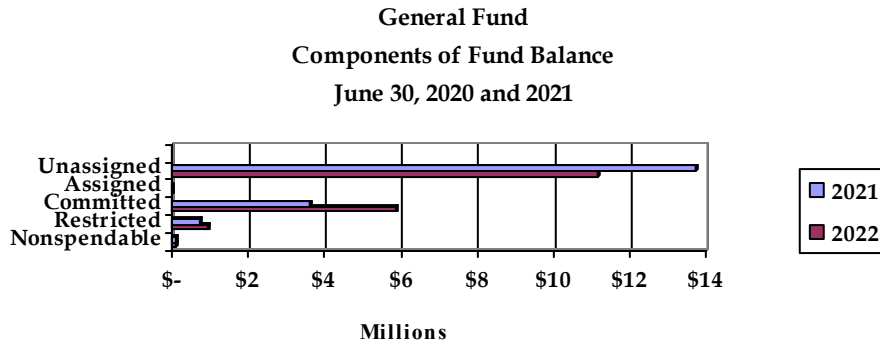
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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, 2022, the City's governmental funds reported combined fund balances of \$37,569,556 an increase of \$256,954 in comparison with the prior year. Approximately 29% of the combined fund balance, or \$10,814,720, 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 (\$97,068), 2) available to be spent only for the specific purposes stipulated by external resource providers (\$5,808,123), 3) designated for use by a government itself (\$20,849,645), or 4) *intended* for a specific purpose by the City (\$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 \$11,186,185, while total fund balance decreased to \$18,078,436. 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 62% 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 101% of that same amount.

CITY OF LAFAYETTE
 Management's Discussion and Analysis
 Year Ended June 30, 2022



The fund balance of the City's general fund decreased by \$53,156 and is the net result of expenditures over revenues of \$4,087,423 and transfers out in the amount of \$4,140,579.

- Compared to the prior year, revenues were up by \$4,460,700. The most significant variances were in Charges for services (+2,163,896) and Intergovernmental (+1,606,201). Charges for services were up due to receipt of development agreement fees on the Palos Colorados project in the amount of \$2,250,000, while Intergovernmental revenues were up because of the receipt and use of \$1,650,354 in ARPA funds. In the year ended June 30, 2022, ARPA funds were used primarily for economic development and reimbursement of salaries/road repair/police.
- Expenditures in the current year were \$3,152,058 more than in the prior year. This change is primarily attributable to increased expenditures in City council, commissions, and community support (\$1,491,686), Police services (\$566,470), and Public works (\$929,109).
- Transfers out in the current year increased by 189%, or \$2,707,861, compared to the prior year. In the current year, the general fund transferred \$2,250,000 to the Streets and Signals Fund. These monies are the same as those received from the Palos Colorados project for development agreement fees and were transferred due to Council's designations of the monies to Vision Zero and other street projects.

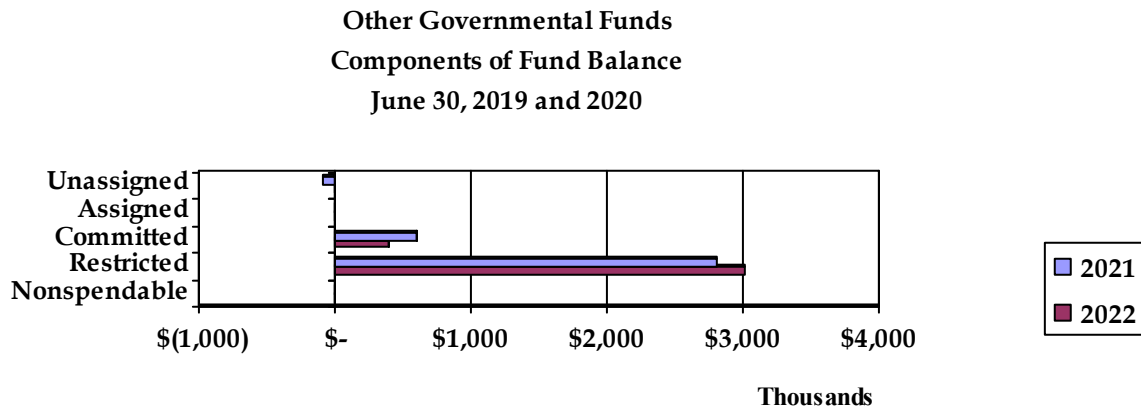
The streets and signals fund, a major governmental fund, had a \$1,206,362 increase in fund balance in the current fiscal year, resulting in an end of year balance of \$5,964,674. The net positive change was the result of revenues under expenditures of (\$3,883,241), or the use of previously accumulated revenues, offset by \$5,089,603 of transfers in received from other funds for the use of current streets projects.

The Measure J return to source fund, a new major governmental fund this year, had a \$289,864 decrease in fund balance in the current fiscal year, resulting in an end of year balance of (\$365,476). Monies in this fund are collected annually from the Contra Costa Transportation Authority, accumulated over time, and then expended when eligible projects require funds.

The capital projects funds, a major fund, had a \$533,052 decrease in fund balance during the current fiscal year which lowered the overall fund balance to \$10,005,989. This was primarily due to the outlay of funds for completion of the Brook Street Park and Community Center Restrooms renovations, offset by the receipt of fees and grants.

CITY OF LAFAYETTE
 Management's Discussion and Analysis
 Year Ended June 30, 2022

The debt service fund, the remaining major fund, had a \$73,159 decrease in fund balance during the current fiscal year, which put the overall fund balance at \$475,639. The decrease results from debt service expenditures in excess of the receipt of tax assessments for the year. It is the City's intention when 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 a fund balance that does not continue to grow. This tax assessment is scheduled to end in 2025.



Governmental funds that do not meet the determination of a major fund are presented in the aggregate. The other governmental funds had a \$177 decrease in fund balance, resulting in an end of year balance of \$3,410,294. A decrease in the Parking Program was offset in a corresponding increase in Low and Moderate Income Housing. Legislation created for the dissolution of Redevelopment Agencies, directs that 20% of any loans repaid by the Successor Agency to the Redevelopment Agency be remitted to Low and Moderate Income Housing. In FY22, the California Department of Finance approved repayment of the loan made in 2003 by the Parking Program to the Redevelopment Agency for purchase of the property to be used as a parking lot by the city library project. As a result, after repayment the Parking Program remitted the required \$154,735 to Low and Moderate Income Housing.

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 \$923,380. The total increase in net position for the fund was \$205,372. As noted earlier in the discussion of business-type activities, the increase in net position this year is attributable to recovery from and adaptation to the pandemic. While staff continuously works to operate a self-sustaining recreation program, the constant shifting of safety protocols and community comfort levels have become part of normal procedures. In addition, with the return of students to school, many of the after-school programs have been able to resume successfully. Excess funds will provide resources for times of hardship or transition.

CITY OF LAFAYETTE
Management's Discussion and Analysis
Year Ended June 30, 2022

General Fund Budgetary Highlights

Original budget compared to final budget. This fiscal year, the City began to see a recovery from the pandemic, which was assisted by the thoughtful application of ARPA funds for the purposes of supporting the local business and non-profit community.

Final budget compared to actual results. Actual revenues came in under budget by \$1,529,921.

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 4.21% from \$9,319,579,032 in fiscal year 2020/21 to \$9,711,851,703 in fiscal year 2021/22. 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 2020 are reflected in the tax roll for fiscal year 2021/22 and can account for half of the change in assessed value for the City.

Variances in the fiscal year 2021/22 revenue budget are primarily due to variations in where items were budgeted versus where they were recorded and ultimately are due to the low market value of investments at June 30, 2022. When the final budget was developed, the Palos Colorados payment was categorized as Miscellaneous, but when received were booked consistent with other development agreement fees under Charges for services. Additionally, the budget operates on a cash basis, whereas the fund statements are based on modified accrual. The result is that the budget reflects the full ARPA receipt of \$3.2 million while audit revenue recognition rules require that only the revenues used to offset expenditures in the period be recognize. This causes a variance in the Intergovernmental line of \$1.65 million. After adjusting the budget for these items, the variance comes down to a negative \$76,000, indicating that the real cause for variance is the unrealized market value adjustment in the Use of money and property line.

Actual expenditures came in \$2,531,159 under budget. The primary sources of these savings were city council, commissions & community support, police services, public works, and capital outlay. Due to project progress and timing, several items that were budgeted under the city council, commissions & community support, such as public art (\$115,000), business district marketing (\$100,000) and the vacancy in Senior Services (\$87,000). Police services were under budget by \$610,000 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 \$784,000 primarily due to budgeted, but unused ARPA monies. Capital outlay was under budget by \$428,115 due to either reprioritization of the funds or timing delays with regard to project expenditures.

CITY OF LAFAYETTE
Management's Discussion and Analysis
Year Ended June 30, 2022

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, 2022 is valued at \$101,490,672. The City did not have any capital assets for its business-type activities as of June 30, 2022.

	Governmental activities	
	2022	2021
Land	\$ 15,264,770	\$ 15,264,770
Improvements	2,354,188	1,936,669
Buildings	35,081,955	36,166,057
Infrastructure	40,296,022	43,999,973
Equipment	122,855	134,215
Vehicles	703,776	559,913
Books and artwork	997,655	1,052,253
Construction in progress	6,669,451	1,440,779
Total capital assets	<u>\$ 101,490,672</u>	<u>\$ 100,554,629</u>

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

- Completed the 2020 Road Resurfacing Project
- Completed the 2021 Surface Seal and Pavement Overlay Projects
- Completed the renovation of Brook Street Park
- Completed the renovation of the Lafayette Community Center restrooms

Additional information on the City's capital assets can be found in Note 4 on page 64.

CITY OF LAFAYETTE
Management's Discussion and Analysis
Year Ended June 30, 2022

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$2,325,000. 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, 2022, the City did not have any long-term obligations for its business-type activities.

The City's total debt decreased by \$525,000 (18%) 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 \$2,325,000.

Additional information on the City's long-term debt can be found in Note 5 on page 65 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 a bachelor's degrees or higher and of this group, 45% having a masters, professional, associate, or doctorate degree. The median household income is \$192,199, which compares to \$103,997 for the County and \$78,672 for the State. The median home value of owner-occupied homes is \$1.5M. Homeownership rates are also very high, at 71%, as compared to a state rate of 55%.

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

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of Lafayette
Statement of Net Position
June 30, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 41,353,072	\$ 1,511,953	\$ 42,865,025
Accounts receivable	4,705,813	160,173	4,865,986
Interest receivable	1,572,643	2,273	1,574,916
Prepaid items	97,068	17,170	114,238
Other assets	5,585	-	5,585
Total current assets	47,734,181	1,691,569	49,425,750
Noncurrent assets:			
Capital assets:			
Nondepreciable	22,517,370	-	22,517,370
Depreciable, net of accumulated depreciation	78,973,302	-	78,973,302
Total capital assets	101,490,672	-	101,490,672
Total Assets	149,224,853	1,691,569	150,916,422
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - OPEB	167,654	20,025	187,679
Total deferred outflows of resources	167,654	20,025	187,679
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	3,315,018	53,676	3,368,694
Interest payable	28,246	-	28,246
Refundable deposits	1,706,951	28,149	1,735,100
Unearned revenue	2,041,849	549,834	2,591,683
Accrued compensated absences - current portion	160,074	11,560	171,634
Long-term debt - due within one year	535,000	-	535,000
Total current liabilities	7,787,138	643,219	8,430,357
Noncurrent liabilities:			
Accrued compensated absences	640,297	46,242	686,539
Long-term debt	1,790,000	-	1,790,000
Net OPEB liability	695,636	83,089	778,725
Total noncurrent liabilities	3,125,933	129,331	3,255,264
Total liabilities	10,913,071	772,550	11,685,621
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - OPEB	131,136	15,664	146,800
Total deferred inflows of resources	131,136	15,664	146,800
NET POSITION			
Net investments in capital assets	99,165,672	-	99,165,672
Restricted for:			
Debt service	475,639	-	475,639
Special revenue projects	850,163	-	850,163
Capital projects	1,390,419	-	1,390,419
Housing projects	2,005,046	-	2,005,046
Lighting and landscaping	289,526	-	289,526
Community Services	1,075,282	-	1,075,282
Total restricted net position	6,086,075	-	6,086,075
Unrestricted	33,096,553	923,380	34,019,933
Total net position	\$ 138,348,300	\$ 923,380	\$ 139,271,680

City of Lafayette
Statement of Activities
For the year ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Program Revenues
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
Governmental activities:					
City council, commissions, and community support	\$ 2,886,658	\$ -	\$ 892,557	\$ -	\$ 892,557
Police services	6,662,552	48,248	181,285	-	229,533
Parking services	441,198	365,166	-	-	365,166
Public works	4,739,819	58,450	800,354	291,000	1,149,804
Senior transportation	148,159	10,122	139,641	-	149,763
Library operations	800,634	-	759,497	-	759,497
Planning	852,599	3,415,498	244,302	-	3,659,800
Engineering	6,049,915	879,682	-	617,866	1,497,548
Administration	3,131,278	6,484	-	-	6,484
Interest on long-term debt	62,142	-	-	-	-
Total governmental activities	25,774,954	4,783,650	3,017,636	908,866	8,710,152
Business-type Activities:					
Recreation Programs	1,558,349	1,805,932	-	-	1,805,932
Total Business-Type activities	1,558,349	1,805,932	-	-	1,805,932
Total primary government	\$ 27,333,303	\$ 6,589,582	\$ 3,017,636	\$ 908,866	\$ 10,516,084

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 and transfers

Special item

Change in net position

Net position - beginning of year, as restated

Net position - end of year

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (1,994,101)	\$ -	\$ (1,994,101)
(6,433,019)	-	(6,433,019)
(76,032)	-	(76,032)
(3,590,015)	-	(3,590,015)
1,604	-	1,604
(41,137)	-	(41,137)
2,807,201	-	2,807,201
(4,552,367)	-	(4,552,367)
(3,124,794)	-	(3,124,794)
(62,142)	-	(62,142)
(17,064,802)	-	(17,064,802)
-	247,583	247,583
-	247,583	247,583
(17,064,802)	247,583	(16,817,219)
7,429,712	-	7,429,712
3,964,153	-	3,964,153
2,636,477	-	2,636,477
703,833	-	703,833
1,117,432	-	1,117,432
613,648	-	613,648
16,465,255	-	16,465,255
3,542,984	-	3,542,984
(1,284,060)	(12,211)	(1,296,271)
666,940	-	666,940
30,000	(30,000)	-
19,421,119	(42,211)	19,378,908
2,356,317	205,372	2,561,689
135,991,983	718,008	136,709,991
\$ 138,348,300	\$ 923,380	\$ 139,271,680

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FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements

Proprietary Fund Financial Statements

Fiduciary Fund Financial Statements

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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.

Measure J Return to Source Fund

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.

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, 2022

	General Fund	Streets and Signals Fund	Measure J Return of Source Fund	Capital Projects Fund
ASSETS				
Cash and investments	\$ 19,840,149	\$ 7,927,595	\$ -	\$ 10,000,628
Accounts receivable	2,577,423	534,381	1,060,318	-
Interest receivable	1,549,070	7,408	-	11,918
Due from other funds	521,687	-	-	-
Prepaid items	92,797	1,945	438	41
Other assets	5,495	-	-	-
Total assets	24,586,621	8,471,329	1,060,756	10,012,587
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	1,216,752	1,970,907	40,330	6,598
Due to other funds	-	-	364,476	-
Refundable deposits	1,705,584	1,367	-	-
Unearned revenue	2,040,849	-	-	-
Total liabilities	4,963,185	1,972,274	404,806	6,598
Deferred inflows of resources:				
Unavailable revenue	1,545,000	534,381	1,021,426	-
Total deferred inflows of resources	1,545,000	534,381	1,021,426	-
Fund Balances:				
Nonspendable	92,797	1,945	438	41
Restricted	923,416	1,390,419	-	-
Committed	5,876,028	4,572,310	-	10,005,948
Unassigned	11,186,195	-	(365,914)	-
Total fund balances	18,078,436	5,964,674	(365,476)	10,005,989
Total liabilities, deferred inflows of resources and fund balances	\$ 24,586,621	\$ 8,471,329	\$ 1,060,756	\$ 10,012,587

Debt Service Fund	Other Governmental Funds	Total Governmental Funds
\$ 475,639	\$ 3,109,061	\$ 41,353,072
-	533,691	4,705,813
-	4,247	1,572,643
-	-	521,687
-	1,847	97,068
-	90	5,585
<u>475,639</u>	<u>3,648,936</u>	<u>48,255,868</u>
-	80,431	3,315,018
-	157,211	521,687
-	-	1,706,951
-	1,000	2,041,849
-	238,642	7,585,505
-	-	3,100,807
-	-	3,100,807
-	1,847	97,068
475,639	3,018,649	5,808,123
-	395,359	20,849,645
-	(5,561)	10,814,720
<u>475,639</u>	<u>3,410,294</u>	<u>37,569,556</u>
<u>\$ 475,639</u>	<u>\$ 3,648,936</u>	<u>\$ 48,255,868</u>

City of Lafayette

Reconciliation of the Governmental Funds Balance Sheet

to the Government-Wide Statement of Net Position

June 30, 2022

Total Fund Balances - Total Governmental Funds	\$ 37,569,556
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Amounts reported for governmental activities in the statement of net position are different from

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	22,517,370
Depreciable, net	78,973,302

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.

	(28,246)
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Unavailable revenues recorded in the fund financial statements resulting from activities in which revenues were earned but were not available are reclassified as revenues in the Government-Wide Financial Statements.

	3,100,807
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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	167,654
Deferred inflows of resources related to OPEB	(131,136)

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	(160,074)
Accrued compensated absences - noncurrent	(640,297)
Long-term debt - due within one year	(535,000)
Long-term debt - due in more than one year	(1,790,000)
Net OPEB liability	(695,636)

Net Position of Governmental Activities	\$ 138,348,300
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City of Lafayette
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2022

	General Fund	Streets and Signals Fund	Measure J Return to Source Fund	Capital Projects Fund
REVENUES:				
Property taxes	\$ 6,142,556	\$ -	\$ -	\$ -
Sales taxes	3,373,804	-	581,430	-
Other taxes	2,880,281	1,073,677	-	-
Charges for services	4,004,290	92,232	-	321,234
Intergovernmental	5,500,197	-	-	291,000
Licenses and permits	543,020	-	-	-
Fines, forfeitures and penalties	115,632	-	-	-
Use of money and property	(1,096,019)	(38,751)	324	(60,084)
Miscellaneous	571,412	81,060	-	26,000
Total revenues	22,035,173	1,208,218	581,754	578,150
EXPENDITURES:				
Current:				
City council, commissions, and community support	2,886,658	-	-	-
Police services	5,814,112	-	-	-
Parking services	-	-	-	-
Public works	2,730,023	-	58,780	71,305
Senior transportation	-	-	-	-
Library operations	794,550	-	-	-
Planning	832,478	-	-	-
Engineering	964,599	496,624	-	-
Administration	3,249,244	-	-	-
Capital outlay	676,086	4,594,835	-	1,153,782
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	17,947,750	5,091,459	58,780	1,225,087
REVENUES OVER (UNDER) EXPENDITURES	4,087,423	(3,883,241)	522,974	(646,937)
OTHER FINANCING SOURCES (USES):				
Transfers in	25,000	5,089,603	50,000	213,885
Transfers out	(4,165,579)	-	(862,838)	(100,000)
Total other financing sources (uses)	(4,140,579)	5,089,603	(812,838)	113,885
Net change in fund balances	(53,156)	1,206,362	(289,864)	(533,052)
FUND BALANCES:				
Beginning of year, as restated	18,131,592	4,758,312	(75,612)	10,539,041
End of year	\$ 18,078,436	\$ 5,964,674	\$ (365,476)	\$ 10,005,989

Debt Service Fund	Other Governmental Funds	Total Governmental Funds
\$ 521,853	\$ 765,303	\$ 7,429,712
-	-	3,955,234
-	1,117,432	5,071,390
-	239,416	4,657,172
-	291,701	6,082,898
-	25,194	568,214
-	105,250	220,882
-	(21,815)	(1,216,345)
-	110,342	788,814
<u>521,853</u>	<u>2,632,823</u>	<u>27,557,971</u>
-	-	2,886,658
-	681,037	6,495,149
-	406,808	406,808
-	1,117,382	3,977,490
-	148,159	148,159
-	-	794,550
-	4,381	836,859
-	-	1,461,223
2,239	-	3,251,483
-	55,162	6,479,865
525,000	-	525,000
67,773	-	67,773
<u>595,012</u>	<u>2,412,929</u>	<u>27,331,017</u>
<u>(73,159)</u>	<u>219,894</u>	<u>226,954</u>
-	1,066,937	6,445,425
-	(1,287,008)	(6,415,425)
-	(220,071)	30,000
<u>(73,159)</u>	<u>(177)</u>	<u>256,954</u>
548,798	3,410,471	37,312,602
<u>\$ 475,639</u>	<u>\$ 3,410,294</u>	<u>\$ 37,569,556</u>

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, 2022

Net Change in Fund Balances - Total Governmental Funds \$ 256,954

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. 6,243,869

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. (5,307,825)

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. 151,419

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. 525,000

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 5,630

Unavailable revenues recorded in the fund financial statements resulting from activities in which revenues were earned but were not available are reclassified as revenues in the Government-Wide Financial Statements. 543,300

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. 73,173

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. (135,203)

Change in Net Position of Governmental Activities \$ 2,356,317

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, 2022

	Recreation Programs
ASSETS	
Current Assets:	
Cash and investments	\$ 1,511,953
Accounts receivable	160,173
Interest receivable	2,273
Prepaid items	17,170
Total assets	1,691,569
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - OPEB	20,025
Total deferred outflows of resources	20,025
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	53,676
Refundable deposits	28,149
Accrued compensated absences - current portion	11,560
Unearned revenue	549,834
Total current liabilities	643,219
Noncurrent liabilities:	
Accrued compensated absences	46,242
Net OPEB liability	83,089
Total noncurrent liabilities	129,331
Total liabilities	772,550
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - OPEB	15,664
Total deferred inflows of resources	15,664
NET POSITION	
Unrestricted	923,380
Total net position	\$ 923,380

City of Lafayette
Statement of Revenues, Expenditures and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2022

	Recreation Programs
OPERATING REVENUES:	
Recreation fees	\$ 1,743,628
Building rentals	62,304
Total operating revenues	1,805,932
OPERATING EXPENSES:	
Personnel services	681,013
Contractual services	809,272
Printing and supplies	64,404
Capital outlay	3,660
Total operating expenses	1,558,349
Operating income (loss)	247,583
NONOPERATING REVENUES (EXPENSES):	
Interest income	(12,211)
Total nonoperating revenues (expenses)	(12,211)
Income before contributions and transfers	235,372
CONTRIBUTIONS AND TRANSFERS:	
Transfers out	(30,000)
Total contributions and transfers	(30,000)
Change in net position	205,372
NET POSITION:	
Beginning of year	718,008
End of year	\$ 923,380

City of Lafayette
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2022

	<u>Recreation Programs</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$ 1,937,903
Payments to suppliers	(873,564)
Payments to employees	(755,095)
	<u>309,244</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfers in (out)	(30,000)
	<u>(30,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received	(12,211)
	<u>(12,211)</u>
NET INCREASE (DECREASE) IN CASH AND INVESTMENTS	267,033
CASH AND INVESTMENTS - Beginning of year	<u>1,244,920</u>
CASH AND INVESTMENTS - End of year	<u>\$ 1,511,953</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:	
Operating income (loss)	\$ 247,583
Change in assets and liabilities:	
Receivables, net	74,160
Prepaid items	(4,268)
Deferred outflows - OPEB	3,388
Accounts payable and other accrued expenses	8,040
Accrued compensated absences	(11,171)
Refundable deposits	(1,067)
Unearned revenue	58,878
Net OPEB liability	(63,683)
Deferred outflows - OPEB	(2,616)
	<u>309,244</u>
Net cash provided by (used in) operating activities	<u>\$ 309,244</u>

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.

Custodial Funds

An Custodial 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
June 30, 2022

	Private Purpose Trust Fund	Custodial Funds
ASSETS		
Cash and investments	\$ 388,123	\$ 3,271,348
Restricted cash and investments held by fiscal agents	1,871,811	-
Receivables:		
Accounts	-	179,099
Interest	-	4,619
Prepaid items	-	10,884
Other assets	-	500
Total assets	2,259,934	3,466,450
LIABILITIES		
Accounts payable	\$ 406,991	\$ -
Unearned revenue	-	320,836
Compensated absences	-	11,558
Interest payable	585,034	-
Long-term debt - due in less than one year	1,165,000	-
Long-term debt - due in more than one year	30,131,704	-
Total liabilities	32,288,729	332,394
NET POSITION		
Restricted for		
Individuals, organizations, and other governments	(30,028,795)	3,134,056
Total Net Position	\$ (30,028,795)	\$ 3,134,056

City of Lafayette
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2022

	Private Purpose Trust Fund	Custodial Funds
ADDITIONS:		
Property taxes	\$ 2,879,185	\$ -
Regional Fees passed through	-	85,934
Participant fees	-	939,791
Grants and subsidies	-	1,405,703
Donation and gift	-	23,627
Use of money and property	352	(23,274)
Total additions	2,879,537	2,431,781
DEDUCTIONS:		
Administration expenses	250,000	223,455
Contractual services	79,747	2,208,061
Interest expense and fiscal charges	1,293,663	-
Total deductions	1,623,410	2,431,516
Change in net position	1,256,127	265
NET POSITION:		
Beginning of year, as restated	(31,284,922)	3,133,791
End of year	\$ (30,028,795)	\$ 3,134,056

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NOTES TO BASIC FINANCIAL STATEMENTS

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City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

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 Station (BART) and is only a 25 minute BART ride from San Francisco.

The City's current population is estimated to be 25,358. 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, 2022.

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, 2022

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, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Governmental Fund Financial Statements, 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.

Measure J Return to Source Fund - 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.

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.

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

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 custodial funds. Private purpose trust funds accounts for all other trust arrangements in which principal and income benefit individuals, private organizations, and other governments (i.e. unclaimed property/escheat property). Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Fiduciary funds are accounted for using the accrual basis of accounting.

Fiduciary Fund Financial Statements, 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.

The City's custodial 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

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. *Cash and Investments, Continued*

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, 2022.

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.

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.

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Capital Assets, Continued

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

All buildings	No threshold
All other capital assets	\$25,000

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

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 30% 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.

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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 pension 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, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2021 to June 30, 2022

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:

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. Net Position and Fund Balances, Continued

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.

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.

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

J. Property Taxes, Continued

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.

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.

L. New GASB Pronouncements

In fiscal year 2022, the City adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 87, *Leases* – The objective of this statement is to recognize in the financial statements certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this statement did not have an impact on the City’s net position for the years ended June 30, 2022.

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

L. New GASB Pronouncements, Continued

- GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period - The objective of this statement is to (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement establishes accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this statement did not apply to the City for the current fiscal year.
- GASB Statement No. 92, Omnibus 2020 - The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this statement did not apply to the City for the current year.
- GASB Statement No. 93, Replacement of Interbank Offered Rates - The objective of this Statement is to address the accounting and financial reporting implications that result from the elimination of the London Interbank Offered rate (LIBOR) that is notably used in most agreements in which variable payments made or received depend on an interbank offered rate (IBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The requirements of this statement did not apply to the City for the current year.
- GASB Statement No. 99, *Omnibus 2022* - The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement did not apply to the City for the current fiscal year.

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

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, 2022:

	Government-Wide Statement of Net Position			Total
	Governmental Activities	Business-Type Activities	Fiduciary Funds	
Cash and investments	\$ 41,353,072	\$ 1,511,953	\$ 3,659,470	\$ 46,524,495
Restricted cash and investments	-	-	1,871,811	1,871,811
Total cash and investments	<u>\$ 41,353,072</u>	<u>\$ 1,511,953</u>	<u>\$ 5,531,281</u>	<u>\$ 48,396,306</u>

A. Summary of Cash and Investments

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

Cash on hand	\$ 1,225
Deposits with financial institutions	2,560,779
Total cash on hand and deposits	<u>2,562,004</u>
Local Agency Investment Funds (LAIF)	18,983,797
California Assets Management Program (CAMP)	2,010,387
Federal agencies	11,124,514
Corporate notes	349,707
General obligation bonds	3,364,918
Money market funds	167,184
Certificates of deposit	7,961,984
Total investments	<u>43,962,491</u>
Total City Treasury	<u>46,524,495</u>
Cash and investments held by fiscal agents	1,871,811
Total cash and investments	<u>\$ 48,396,306</u>

B. Deposits

The carrying amount of the City's cash deposit was \$2,560,779 as of June 30, 2022. Bank balances before reconciling items were a positive amount of \$3,358,511 at June 30, 2022. 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.

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

2. CASH AND INVESTMENTS, Continued

B. Deposits, Continued

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.

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, 2022:

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, 2022:

Interest income	\$ 311,608
Unrealized gain (loss) on changes in fair value of investments	(1,656,801)
Total investment income	<u>\$ (1,345,193)</u>

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

2. CASH AND INVESTMENTS, Continued

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

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, 2022 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.

At June 30, 2022, the City had \$18,983,797 invested in LAIF, which had invested 1.88% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 2.31% in the previous year. The LAIF fair value factor of 0.987125414 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, 2022, the fair value was approximate to the City's cost. At June 30, these investments had an average maturity less than 60 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.

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

2. CASH AND INVESTMENTS, Continued

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.

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	AAA _m
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, 2022

2. CASH AND INVESTMENTS, Continued

E. Risk Disclosures, Continued

Investments held in the City Treasury and by fiscal agents grouped by maturity date at June 30, 2022 are as follow:

Investment Type	Total	Investment Maturities (in Months)		
		12 Months or less	13 to 24 Months	More than 24 Months
Federal Agencies	\$ 11,124,514	\$ -	\$ 2,882,439	\$ 8,242,075
Corporate Notes	349,707	-	-	349,707
General Obligation Bonds	3,364,918	796,053	-	2,568,865
Money Market Funds	2,038,995	2,038,995	-	-
Certificates of Deposit	7,961,984	2,487,876	989,708	4,484,400
Subtotal	24,840,118	5,322,925	3,872,147	15,645,047
Joint investment pools:				
Local Agency Investment Fund	18,983,797	18,983,797	-	-
California Assets Management Program	2,010,387	2,010,387	-	-
Total	\$ 45,834,302	\$ 26,317,109	\$ 3,872,147	\$ 15,645,047

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, 2022 for each investment type.

Investment	Total	Credit Quality Rating as of Year-End			
		Aa1	Aa2	Aa3	Aaa
Federal Agencies	\$ 11,124,514	\$ -	\$ -	\$ -	\$ 11,124,514
Corporate Notes	349,707	-	349,707	-	-
General Obligation Bonds	3,364,918	-	1,545,560	-	1,819,358
Money Market Funds	2,038,995	-	-	-	2,038,995
Subtotal	16,878,134	\$ -	\$ 1,895,267	\$ -	\$ 14,982,867
Not Rated:					
Joint Investment Pool:					
Local Agency Investment Fund	18,983,797				
California Assets Management Program	2,010,387				
Certificates of Deposit	7,961,984				
Total Investments	45,834,302				
Exempt From Rating Requirement:					
Cash on hand and deposits	2,562,004				
Total Cash and Investments	\$ 48,396,306				

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

2. CASH AND INVESTMENTS, Continued

E. Risk Disclosures, Continued

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, 2022 are described on the following page.

Investment Type	Fair Value	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Federal Agencies	\$ 11,124,514	\$ -	\$ 11,124,514	\$ -
Corporate Notes	349,707	-	349,707	-
General Obligation Bonds	3,364,918	-	3,364,918	-
Total investments subject to fair value	14,839,139	\$ -	\$ 14,839,139	\$ -
Investments measured at Net Asset Value Per Share				
California Assets Management Program	2,010,387			
Money Market Funds	167,184			
Investments measured at Amortized Cost				
Money Market Funds	1,871,811			
Investments not subject to levelling:				
Certificates of Deposit	7,961,984			
Local Agency Investment Fund	18,983,797			
Total Investments	\$ 45,834,302			

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.

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

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, 2022, the City's due to/from other fund balances comprised of the following:

Due to Other Funds	Due from Other Funds	
	General Fund	Total
Measure J Return to Source Fund	\$ 364,476	\$ 364,476
Nonmajor Governmental Funds	157,211	157,211
Total	\$ 521,687	\$ 521,687

B. Transfers In/Out

During the year ended June 30, 2022, the City had the following transfers in/out:

Transfers Out	Transfers In					Total
	General Fund	Streets and Signals Fund	Measure J Return to Source Fund	Capital Projects Fund	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 2,994,492	\$ 50,000	\$ 208,885	\$ 912,202	\$ 4,165,579
Measure J Return to Source	-	862,838	-	-	-	862,838
Capital Projects Fund	-	100,000	-	-	-	100,000
Nonmajor Governmental Funds	-	1,132,273	-	-	154,735	1,287,008
Total Governmental Funds	-	5,089,603	50,000	208,885	1,066,937	6,415,425
Recreation Programs Fund	25,000	-	-	5,000	-	30,000
Total	\$ 25,000	\$ 5,089,603	\$ 50,000	\$ 213,885	\$ 1,066,937	\$ 6,445,425

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

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

4. CAPITAL ASSETS

For the year ended June 30, 2022 the City's capital asset activity was as follows:

	Balance July 1, 2021	Additions	Retirements	Transfers	Balance June 30, 2022
Governmental Activities:					
Nondepreciable capital assets:					
Land	15,264,770	\$ -	\$ -	\$ -	\$ 15,264,770
Artwork (Library)	583,149	-	-	-	583,149
Construction in progress	1,440,779	5,862,128	-	(633,456)	6,669,451
Total nondepreciable capital assets	17,288,698	5,862,128	-	(633,456)	22,517,370
Depreciable capital assets:					
Improvements	6,096,478	47,982	-	633,456	6,777,916
Buildings	46,401,682	-	-	-	46,401,682
Infrastructure	137,988,195	-	-	-	137,988,195
Equipment	1,626,114	32,761	-	-	1,658,875
Vehicles	2,115,920	300,997	(216,915)	-	2,200,002
Book collection (Library)	1,091,940	-	-	-	1,091,940
Total depreciable capital assets	195,320,329	381,740	(216,915)	633,456	196,118,610
Accumulated depreciation:					
Improvements	(4,159,809)	(263,919)	-	-	(4,423,728)
Buildings	(10,235,624)	(1,084,103)	-	-	(11,319,727)
Infrastructure	(93,988,222)	(3,703,951)	-	-	(97,692,173)
Equipment	(1,491,899)	(44,121)	-	-	(1,536,020)
Vehicles	(1,556,007)	(157,134)	216,915	-	(1,496,226)
Book collection (Library)	(622,836)	(54,597)	-	-	(677,433)
Total accumulated depreciation	(112,054,398)	(5,307,825)	216,915	-	(117,145,308)
Depreciable capital assets, net	83,265,931	(4,926,085)	-	633,456	78,973,302
Total capital assets	\$ 100,554,629	\$ 936,043	\$ -	\$ -	\$ 101,490,672

Depreciation expense by program or function for the year ended June 30, 2022 was as follows:

Governmental Activities:	
Police services	\$ 159,098
Parking services	34,390
Public works	513,224
Library operation	6,084
Planning	2,450
Engineering	4,575,901
Administration	16,678
Total depreciation expense	\$ 5,307,825

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

5. 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, 2022 was as follows:

	Original Issue Amount	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022	Amount due within one year
Governmental Activities - Direct Borrowings:						
2011 General Obligation Refunding Bonds 2.85%, due July 15, 2025	\$ 2,960,000	\$ 1,990,000	\$ -	\$ (210,000)	\$ 1,780,000	\$ 220,000
2016 General Obligation Refunding Bonds 2.00%, due July 15, 2023	2,055,000	860,000	-	(315,000)	545,000	315,000
		<u>\$ 2,850,000</u>	<u>\$ -</u>	<u>\$ (525,000)</u>	<u>\$ 2,325,000</u>	<u>\$ 535,000</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, 2022, the total principal and interest remaining to be paid on the bonds were \$1,780,000 and \$123,120, respectively.

Annual debt service requirements for the bonds are as follow:

Year Ending June 30,	Principal	Interest
2023	\$ 220,000	\$ 47,595
2024	320,000	39,900
2025	610,000	26,648
2026	630,000	8,978
Total	<u>\$ 1,780,000</u>	<u>\$ 123,120</u>

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

5. 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, 2022, the total principal and interest remaining to be paid on the bonds were \$545,000 and \$10,050, respectively.

Annual debt service requirements for the bonds are as follow:

Year Ending June 30,	Principal	Interest
2023	\$ 315,000	\$ 7,750
2024	230,000	2,300
Total	<u>\$ 545,000</u>	<u>\$ 10,050</u>

6. COMPENSATED ABSENCES PAYABLE

The City's compensated absences payable activity for the year ended June 30, 2022 was as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
Governmental Activities:					
Compensated absences payable	\$ 951,790	\$ 377,947	\$ (529,366)	\$ 800,371	\$ 160,074
Business-Type Activities:					
Compensated absences payable	68,973	30,261	(41,432)	57,802	\$ 11,560
	<u>\$ 1,020,763</u>	<u>\$ 408,208</u>	<u>\$ (570,798)</u>	<u>\$ 858,173</u>	<u>\$ 171,635</u>

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

7. 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 2022 was approximately \$4,769,984. Contributions to the Plan totaled \$668,760 by the City and \$225,920 by individuals during the year.

The following summarizes transactions in the Plan for the year ended June 30, 2022:

Balance as of July 1, 2021	\$ 19,315,992
Contributions:	
Employer	688,760
Employee	255,920
Other additions, net	35,947
Disbursements, net	(235,860)
Earnings and dividends	(5,216)
Appreciation, net	(2,431,879)
Balance as of June 30, 2022	<u>\$ 17,623,664</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.

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

7. RETIREMENT PLAN, Continued

Deferred contribution(s) by a participant in any taxable year will not exceed the lesser 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.

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, 2022:

Balance as of July 1, 2021	\$	12,892,179
Contributions		505,623
Disbursements		(37,418)
Earnings		6,772
Appreciation		(1,487,206)
Balance as of June 30, 2022	\$	<u>11,879,950</u>

8. 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, 2022:

	<u>All Participants</u>
Benefit Types	Medical Only
Duration of Benefits	Lifetime
Required Service	10 Years
Minimum Age	59.5*
Dependent Coverage	None
Agency Contribution	100% of single Kaiser plan

*Changed effective 1/1/2020 from minimum age of 62 and employer contribution of 50% of single rate premium

For the measurement period ended June 30, 2021, the City's contribution to the OPEB Plan was \$63,913.

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

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

Employees Covered by Benefit Terms - Membership in the OPEB Plan consisted of the following at June 30, 2021, the measurement date:

Active employees	40
Inactive employees or beneficiaries currently receiving benefit payments	6
Inactive employees entitled to but not yet receiving benefit payments	-
Total	<u>46</u>

B. Net OPEB Liability

Actuarial Methods and Assumptions - The City's net OPEB liability was measured as of June 30, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2020, based on the following actuarial methods and assumptions:

	<u>Actuarial Assumptions</u>
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	"Entry Age Actuarial Cost Method"
Actuarial Assumptions:	
Discount Rate	6.75%
Inflation	2.50%
Payroll Growth	2.75%
Investment Rate of Return	6.75%
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 2017 CalPERS Active Mortality for Miscellaneous Employees and all other actuarial assumptions used in the June 30, 2020 valuation were based on the results of the 2017 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.

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

B. Net OPEB Liability, Continued

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%	7.5450
All Fixed Income	25%	4.2500
Real Estate Investment Trusts	8%	7.2500
All Commodities	3%	7.5450
Treasury Inflation Protected Securities (TIPS)	5%	3.0000
Total	<u>100%</u>	

Discount Rate - The discount rate used to measure the total OPEB liability was 6.75%. 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.

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 (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balance at June 30, 2020	\$ 1,144,351	\$ 378,852	\$ 765,499
Changes Recognized for the Measurement Period:			
Service cost	58,840	-	58,840
Interest on the total OPEB liability	81,525	105,319	(23,794)
Employer contributions to Trust	-	63,913	(63,913)
Employer contributions as benefit payments	(18,267)	(18,267)	-
Administrative expenses	-	(146)	146
Changes in assumptions	41,947	-	41,947
Net changes during July 1, 2020 to June 30, 2021	<u>164,045</u>	<u>150,819</u>	<u>13,226</u>
Balance at June 30, 2021 (Measurement Date)	<u>\$ 1,308,396</u>	<u>\$ 529,671</u>	<u>\$ 778,725</u>

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

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
\$ 967,473	\$ 778,725	\$ 622,920

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
\$ 588,594	\$ 778,725	\$ 1,022,927

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

For the year ended June 30, 2022, the City recognized OPEB expense of \$99,298.

At June 30, 2022, 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	\$ 81,912	\$ -
Differences between actual and expected experience	5,389	84,657
Changes of assumptions	91,706	
Net differences between projected and actual earnings on plan investments	8,672	-
Total	\$ 187,679	\$ 146,800

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

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

Deferred outflows of resources related to contributions subsequent to the measurement date in the amount of \$81,912 will be recognized as a reduction of the OPEB liability in the year ended June 30, 2022. 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
2022	\$ (13,101)
2023	(12,724)
2024	(13,056)
2025	(15,722)
2026	(283)
Thereafter	13,853

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

9. FUND BALANCE AND NET POSITION

A. Fund Balance Classification

Detailed classifications of the City's fund balances as of June 30, 2022 include the following:

Classifications	General Fund	Streets and Signals	Measure J Return to Source	Capital Projects	Debt Service	Nonmajor Governmental	Total Governmental
Nonspendable:							
Prepaid Items	\$ 92,797	\$ 1,945	\$ 438	\$ 41	\$ -	\$ 1,847	\$ 97,068
Total Nonspendable	92,797	1,945	438	41	-	1,847	97,068
Restricted:							
Public Art In Lieu Fees	262,723	-	-	-	-	-	262,723
CalRecycle Grant	28,650	-	-	-	-	-	28,650
PEG Access	465,701	-	-	-	-	-	465,701
In Lieu Tree Program	166,342	-	-	-	-	-	166,342
Drainage Impact Fees	-	189,255	-	-	-	-	189,255
Walkways Impact Fees	-	234,164	-	-	-	-	234,164
Traffic Impact Fees	-	967,000	-	-	-	-	967,000
Public Safety	-	-	-	-	-	54,798	54,798
Low and Moderate Housing	-	-	-	-	-	2,005,046	2,005,046
Streets and Roads	-	-	-	-	-	669,279	669,279
Assessment Districts	-	-	-	-	-	289,526	289,526
Debt Service	-	-	-	-	475,639	-	475,639
Total Restricted	923,416	1,390,419	-	-	475,639	3,018,649	5,808,123
Committed:							
ARPA Programming	1,535,834	-	-	-	-	-	1,535,834
ARPA-General Fund Loss Replacement	880,555	-	-	-	-	-	880,555
Palos Colorados Settlement	-	1,750,000	-	-	-	-	1,750,000
Reserve Emergency Contingency	500,000	-	-	-	-	-	500,000
Youth Committee	22,249	-	-	-	-	-	22,249
Environmental Task Force	3,200	-	-	-	-	-	3,200
Bikeways Plan Update	14,000	-	-	-	-	-	14,000
Stormwater Pollution	139,000	-	-	-	-	-	139,000
Public Art	13,044	-	-	-	-	-	13,044
Facility Maintenance	1,425,000	-	-	741,750	-	-	2,166,750
Vacation/Sick Liability	800,371	-	-	-	-	-	800,371
Senior Services Program	3,359	-	-	-	-	-	3,359
Parking	-	-	-	-	-	149,603	149,603
Senior Transportation	-	-	-	-	-	245,756	245,756
Traffic Calming	100,000	-	-	-	-	-	100,000
EMBUD Pathway	25,000	40,000	-	-	-	-	65,000
Public Works Vehicle Replacement	41,634	-	-	-	-	-	41,634
Planning/Engineering Vehicle Replacement	28,001	-	-	-	-	-	28,001
Police Vehicle Replacement/Transition	58,395	-	-	-	-	-	58,395
Computer Replacements	81,386	-	-	-	-	-	81,386
Other Capital Projects	205,000	2,782,310	-	9,264,198	-	-	12,251,508
Total Committed	5,876,028	4,572,310	-	10,005,948	-	395,359	20,849,645
Unassigned:							
Unassigned	11,186,195	-	(365,914)	-	-	(5,561)	10,814,720
Total Unassigned	11,186,195	-	(365,914)	-	-	(5,561)	10,814,720
Total Fund Balances	\$ 18,078,436	\$ 5,964,674	\$ (365,476)	\$ 10,005,989	\$ 475,639	\$ 3,410,294	\$ 37,569,556

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

9. 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, 2022 the breakout of this calculation is as follows:

Total Capital Assets at June 30, 2022:		\$ 101,490,672
Less: Related Debts at June 30, 2022		
Long-term debt	\$ (2,325,000)	
Net Related Debt		<u>(2,325,000)</u>
Net Investment in Capital Assets		<u>\$ 99,165,672</u>

At June 30, 2022, 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	\$ 41,353,072	\$ 1,511,953	\$ 42,865,025
Accounts and interest receivable	6,278,456	162,446	6,440,902
Loans receivable from Successor Agency	-	-	-
Other assets and deferred outflows of resources	<u>101,760,979</u>	<u>37,195</u>	<u>101,798,174</u>
Total assets and deferred outflows of resources	<u>149,392,507</u>	<u>1,711,594</u>	<u>151,104,101</u>
Liabilities and Deferred Inflows of Resources:			
Accounts payable and accrued liabilities	3,343,264	53,676	3,396,940
Refundable deposits	1,706,951	28,149	1,735,100
Other liabilities and deferred inflows of resources	<u>5,993,992</u>	<u>706,389</u>	<u>6,700,381</u>
Total liabilities and deferred inflows of resources	<u>11,044,207</u>	<u>788,214</u>	<u>11,832,421</u>
Net Position:			
Net investment in assets	99,165,672	-	99,165,672
Restricted	6,086,075	-	6,086,075
Unrestricted	<u>33,096,553</u>	<u>923,380</u>	<u>34,019,933</u>
Total restricted and unrestricted net position	<u>\$ 138,348,300</u>	<u>\$ 923,380</u>	<u>\$ 139,271,680</u>

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

10. EXPENDITURES IN EXCESS OF APPROPRIATIONS

The below fund had expenditures in excess of appropriations for the year ended June 30, 2022. The fund had sufficient fund balances or revenues to finance these expenditures.

Fund	Excess of Expenditures Over Appropriations
Special Revenue Fund	
Low and moderate housing	\$ 1
Storm Pollution	2
Supplemental Law Enforcement	
Debt Service Fund	
Administration	739

11. 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.

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

11. RISK MANAGEMENT, Continued

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, 2022, as management believes that the claims were minimal.

12. LAMORINDA FEE AND FINANCING AUTHORITY AND LAMORINDA SCHOOL BUS TRANSPORTATION JOINT POWERS AUTHORITY'S

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.

13. 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.

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

14. SERVICE CONCESSION ARRANGEMENT

The City of Lafayette entered into a service concession arrangement with the Lafayette Library and Learning Center Foundation (“Foundation”) on May 12, 2008. Per the agreement, the Foundation leases office space in the Lafayette Library and Learning Center (“Library”), which is owned by the City. The Foundation uses the office while it operates and manages the Glenn Seaborg Learning Consortium (“Consortium”), which is part of the Library, and provides financial support for Library programming, hours of operation, maintenance and collections pursuant to the arrangement. The Foundation submits an annual lease payment to the City based on Library common area maintenance and operational expenses, which vary year to year.

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.

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.

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

15. RDA Obligation retirement trust fund (successor agency) activities, Continued

B. Long-Term Debt

Tax Allocation 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, 2021	Additions	Retirements	Balance June 30, 2022	Amount due within one year
Governmental Activities - Direct Borrowings:						
2014 Tax Allocation Refunding Bond	\$ 13,880,000	\$ 13,200,000	\$ -	\$ (445,000)	\$ 12,755,000	\$ 465,000
2015 Tax Allocation Refunding Bond	21,080,000	17,250,000	-	(665,000)	16,585,000	700,000
2015 TARB Series-premium	2,647,306	2,071,805	-	(115,101)	1,956,704	-
		<u>\$ 32,521,805</u>	<u>\$ -</u>	<u>\$ (1,225,101)</u>	<u>\$ 31,296,704</u>	<u>\$ 1,165,000</u>

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
2023	\$ 465,000	\$ 614,025
2024	490,000	590,150
2025	515,000	565,025
2026	535,000	538,775
2027	565,000	511,275
2028/2032	3,225,000	2,144,675
2033/2037	3,540,000	1,384,250
2038/2039	3,420,000	173,000
Total	<u>\$ 12,755,000</u>	<u>\$ 6,521,175</u>

City of Lafayette
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

15. RDA Obligation retirement trust fund (successor agency) activities, Continued

B. Long-Term Debt, Continued

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.

Debt Service Requirements

Debt service requirements are as follows:

Year Ending June 30,	Principal	Interest
2023	\$ 700,000	\$ 760,988
2024	730,000	725,238
2025	770,000	687,738
2026	810,000	648,238
2027	850,000	606,738
2028/2032	4,830,000	2,469,469
2033/2037	6,540,000	1,118,750
2038/2039	1,355,000	68,625
Total	<u>\$ 16,585,000</u>	<u>\$ 7,085,784</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, 2022

16. PRIOR PERIOD ADJUSTMENTS

During 2022, prior period adjustments were made to correct prior year payables for the Cortese Development Owner Participation Agreement (“OPA”) and interest receivables for the Palos Colorados development agreement fees.

	Government-wide	
	Financial Statements	Fund Financial Statements
	Governmental Activities	Fiduciary Fund
Fund Balance/Net Position as previously reported at June 30, 2021	\$ 134,446,983	\$ 391,413
Prior Period Adjustments:		
To record the payable for Cortese Development OPA	-	(406,991)
To record the interest receivable for Palos Colorados project	1,545,000	
Fund Balance/Net Position as restated at June 30, 2021	\$ 135,991,983	\$ (15,578)

**REQUIRED
SUPPLEMENTARY INFORMATION**

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City of Lafayette
Required Supplementary Information
For the Year Ended June 30, 2022

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 regularly scheduled meetings in December and January 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
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the year ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 6,018,636	\$ 5,972,573	\$ 6,142,556	\$ 169,983
Sales taxes	3,037,215	3,013,000	3,373,804	360,804
Other taxes	2,134,072	2,480,000	2,880,281	400,281
Charges for services	1,173,250	1,373,250	4,004,290	2,631,040
Intergovernmental	3,791,064	6,746,970	5,500,197	(1,246,773)
Licenses and permits	-	-	543,020	543,020
Fines, forfeitures and penalties	30,000	30,000	115,632	85,632
Use of money and property	251,250	251,250	(1,096,019)	(1,347,269)
Miscellaneous	948,051	3,698,051	571,412	(3,126,639)
Total revenues	17,383,538	23,565,094	22,035,173	(1,529,921)
EXPENDITURES:				
Current:				
City council, commissions, & community support	2,701,116	3,269,443	2,886,658	382,785
Police services	6,428,809	6,424,111	5,814,112	609,999
Public works	2,781,270	3,514,351	2,730,023	784,328
Library operations	999,299	1,019,299	794,550	224,749
Planning	840,663	929,321	832,478	96,843
Engineering	834,917	964,599	964,599	-
Administration	3,366,166	3,253,584	3,249,244	4,340
Capital outlay	804,500	1,104,201	676,086	428,115
Total expenditures	18,756,740	20,478,909	17,947,750	2,531,159
REVENUES OVER (UNDER) EXPENDITURES	(1,373,202)	3,086,185	4,087,423	1,001,238
OTHER FINANCING SOURCES (USES):				
Transfers in	275,000	61,000	25,000	(36,000)
Transfers out	(1,854,784)	(4,267,723)	(4,165,579)	102,144
Total other financing sources (uses)	(1,579,784)	(4,206,723)	(4,140,579)	66,144
Net change in fund balances	\$ (2,952,986)	\$ (1,120,538)	(53,156)	\$ 1,067,382
FUND BALANCES:				
Beginning of year			18,131,592	
End of year			<u>\$ 18,078,436</u>	

City of Lafayette
Required Supplementary Information
For the year ended June 30, 2022

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:	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Net OPEB Liability				
Service cost	\$ 58,840	\$ 27,216	\$ 24,253	\$ 23,604
Interest	(23,794)	26,351	41,003	38,107
Changes in benefit terms	-	482,778	-	-
Differences between actual and expected experience	-	6,501	(97,645)	-
Changes in assumptions	41,947	64,345	-	-
Employer contributions	(63,913)	(29,253)	(28,604)	(42,181)
Expected investment income	-	-	(22,123)	(19,408)
Investment gains/losses	-	-	1,644	(1,890)
Administrative expense	146	169	68	500
Expected minus actual benefit payment	-	-	(6,110)	-
Net change in the net OPEB liability	13,226	578,107	(87,514)	(1,268)
Net OPEB liability - beginning	765,499	187,392	274,906	276,174
Net OPEB liability - ending (a)	\$ 778,725	\$ 765,499	\$ 187,392	\$ 274,906
Covered-employee payroll	\$ 4,470,262	\$ 4,461,464	\$ 4,348,658	\$ 4,169,379
Net OPEB liability as a percentage of covered-employee payroll	17.42%	17.16%	4.31%	6.59%

Notes to Schedule:

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

City of Lafayette
Required Supplementary Information
For the year ended June 30, 2022

2. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

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

Agent Multiple Employer Plan

Fiscal Year Ended:	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ 42,181
Contributions in relation to actuarially determined contributions	(63,913)	(45,646)	(29,253)	(28,604)
Contribution deficiency (excess)	<u>\$ (63,913)</u>	<u>\$ (45,646)</u>	<u>\$ (29,253)</u>	<u>\$ 13,577</u>
Covered-employee payroll	\$ 4,769,984	\$ 4,470,262	\$ 4,461,464	\$ 4,348,658
Contributions as a percentage of covered-employee payroll	1.34%	1.02%	0.66%	0.66%

Notes to the schedule:

Methods and assumptions used to determine contribution rates:

	6/30/2021	6/30/2020	6/30/2019	6/30/2017
Valuation date:	6/30/2021	6/30/2020	6/30/2019	6/30/2017
Actuarial assumptions:				
Discount rate	6.75%	7.00%	2.75%	2.75%
Inflation	2.50%	2.75%	2.75%	2.75%
Payroll growth	2.75%	2.75%	2.75%	3.00%
Investment rate of return	6.75%	7.00%	5.00%	7.00%
Mortality rate	Varies by age and sex	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	Varies based on length of service and may vary by other factors

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

SUPPLEMENTARY INFORMATION

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City of Lafayette

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

Streets and Signals Fund

For the year ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Other taxes	1,022,282	1,022,282	1,073,677	51,395
Charges for services	137,000	135,270	92,232	(43,038)
Intergovernmental	60,000	249,000	-	(249,000)
Use of money and property	12,000	12,000	(38,751)	(50,751)
Miscellaneous	-	-	81,060	81,060
Total revenues	1,231,282	1,418,552	1,208,218	(210,334)
EXPENDITURES:				
Current:				
Engineering	655,557	655,492	496,624	158,868
Capital outlay	2,865,000	8,392,497	4,594,835	3,797,662
Total expenditures	3,520,557	9,047,989	5,091,459	3,956,530
REVENUES OVER (UNDER) EXPENDITURES	(2,289,275)	(7,629,437)	(3,883,241)	3,746,196
OTHER FINANCING SOURCES (USES):				
Transfers in	2,373,556	3,743,461	5,089,603	1,346,142
Total other financing sources (uses)	2,373,556	3,743,461	5,089,603	1,346,142
Net change in fund balances	\$ 84,281	\$ (3,885,976)	1,206,362	\$ 5,092,338
FUND BALANCES:				
Beginning of year			4,758,312	
End of year			\$ 5,964,674	

City of Lafayette

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

Measure J Return to Source

For the year ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Sales taxes	\$ 555,000	\$ 555,000	\$ 581,430	\$ 26,430
Use of money and property	1,000	1,000	324	(676)
Total revenues	556,000	556,000	581,754	25,754
EXPENDITURES:				
Current:				
Public works	114,410	114,394	58,780	55,614
Total expenditures	114,410	114,394	58,780	55,614
REVENUES OVER (UNDER) EXPENDITURES	441,590	441,606	522,974	81,368
OTHER FINANCING SOURCES (USES):				
Transfers in	-	50,000	50,000	-
Transfers out	(500,000)	(1,054,000)	(862,838)	191,162
Total other financing sources (uses)	(500,000)	(1,004,000)	(812,838)	191,162
Net change in fund balances	\$ (58,410)	\$ (562,394)	(289,864)	\$ 272,530
FUND BALANCES:				
Beginning of year, as restated			(75,612)	
End of year			\$ (365,476)	

City of Lafayette

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

Capital Projects Fund

For the year ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Charges for services	\$ 6,167,109	\$ 6,167,109	\$ 321,234	\$ (5,845,875)
Intergovernmental	291,000	291,000	291,000	-
Use of money and property	72,500	72,500	(60,084)	(132,584)
Miscellaneous	-	-	26,000	26,000
Total revenues	6,530,609	6,530,609	578,150	(5,952,459)
EXPENDITURES:				
Current:				
Public works	118,885	118,885	71,305	47,580
Capital outlay	1,750,000	1,750,000	1,153,782	596,218
Total expenditures	1,868,885	1,868,885	1,225,087	643,798
REVENUES OVER (UNDER) EXPENDITURES	4,661,724	4,661,724	(646,937)	(5,308,661)
OTHER FINANCING SOURCES (USES):				
Transfers in	213,885	213,885	213,885	-
Transfers out	(100,000)	(100,000)	(100,000)	-
Total other financing sources (uses)	113,885	113,885	113,885	-
Net change in fund balances	\$ 4,775,609	\$ 4,775,609	(533,052)	\$ (5,308,661)
FUND BALANCES:				
Beginning of year			10,539,041	
End of year			\$ 10,005,989	

City of Lafayette

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

Debt Service Fund

For the year ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 544,953	\$ 544,953	\$ 521,853	\$ (23,100)
Total revenues	544,953	544,953	521,853	(23,100)
EXPENDITURES:				
Current:				
Administration	1,500	1,500	2,239	(739)
Debt service:				
Principal	525,000	525,000	525,000	-
Interest and fiscal charges	67,773	67,773	67,773	-
Total expenditures	594,273	594,273	595,012	(739)
REVENUES OVER (UNDER) EXPENDITURES	(49,320)	(49,320)	(73,159)	(23,839)
Net change in fund balances	\$ (49,320)	\$ (49,320)	(73,159)	\$ (23,839)
FUND BALANCES:				
Beginning of year			548,798	
End of year			<u>\$ 475,639</u>	

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.

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, 2022

	Special Revenue Funds			
	Parking Programs	Vehicle Abatement	Senior Transportation	Low and Moderate Income Housing
ASSETS				
Cash and investments	\$ 114,858	\$ 54,524	\$ 140,919	\$ 1,915,171
Accounts receivable	83,497	-	106,315	88,578
Interest receivable	462	67	213	2,278
Prepaid items	720	4	48	-
Other assets	90	-	-	-
Total assets	199,627	54,595	247,495	2,006,027
LIABILITIES, DEFERRED INFLOWS OF RESOURCE AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	10,905	-	691	981
Due to other funds	38,399	-	-	-
Unearned revenue	-	-	1,000	-
Total liabilities	49,304	-	1,691	981
Fund Balances:				
Nonspendable	720	4	48	-
Restricted	-	54,591	-	2,005,046
Committed	149,603	-	245,756	-
Unassigned	-	-	-	-
Total fund balances	150,323	54,595	245,804	2,005,046
Total liabilities, deferred inflows of resources and fund balances	\$ 199,627	\$ 54,595	\$ 247,495	\$ 2,006,027

Special Revenue Funds							
		Assessment Districts					Total Nonmajor Governmental Funds
Road Maintenance & Rehabilitation	Gas Tax	Supplemental Law Enforcement	Street Lighting	Core Area Maintenance	Stormwater Pollution		
\$ 159,181	\$ 373,525	\$ -	\$ 216,144	\$ 134,739	\$ -	\$	\$ 3,109,061
88,472	47,699	-	-	986	118,144		533,691
138	264	207	258	327	33		4,247
-	-	-	-	294	781		1,847
-	-	-	-	-	-		90
247,791	421,488	207	216,402	136,346	118,958		3,648,936
-	-	-	249	62,679	4,926		80,431
-	-	-	-	-	118,812		157,211
-	-	-	-	-	-		1,000
-	-	-	249	62,679	123,738		238,642
-	-	-	-	294	781		1,847
247,791	421,488	207	216,153	73,373	-		3,018,649
-	-	-	-	-	-		395,359
-	-	-	-	-	(5,561)		(5,561)
247,791	421,488	207	216,153	73,667	(4,780)		3,410,294
\$ 247,791	\$ 421,488	\$ 207	\$ 216,402	\$ 136,346	\$ 118,958	\$	\$ 3,648,936

City of Lafayette

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

June 30, 2022

	Special Revenue Funds			
	Parking Programs	Vehicle Abatement	Senior Transportation	Low and Moderate Income Housing
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Charges for services	229,294	-	10,122	-
Intergovernmental	-	-	130,416	-
Licenses and permits	25,194	-	-	-
Fines, forfeitures and penalties	105,104	146	-	-
Use of money and property	(2,627)	(336)	(1,134)	(11,631)
Miscellaneous	5,706	-	9,225	88,578
Total revenues	362,671	(190)	148,629	76,947
EXPENDITURES:				
Current:				
Police services	-	7,832	-	-
Parking services	406,808	-	-	-
Public works	-	-	-	-
Senior transportation	-	-	148,159	-
Planning	-	-	-	4,381
Capital outlay	53,187	-	-	-
Total expenditures	459,995	7,832	148,159	4,381
REVENUES OVER (UNDER) EXPENDITURES	(97,324)	(8,022)	470	72,566
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	40,000	154,735
Transfers out	(154,735)	-	-	-
Total other financing sources (uses)	(154,735)	-	40,000	154,735
Net change in fund balances	(252,059)	(8,022)	40,470	227,301
FUND BALANCES:				
Beginning of year, as restated	402,382	62,617	205,334	1,777,745
End of year	\$ 150,323	\$ 54,595	\$ 245,804	\$ 2,005,046

Special Revenue Funds						
Road Maintenance & Rehabilitation	Gas Tax	Supplemental Law Enforcement	Assessment Districts			Total Nonmajor Governmental Funds
			Street Lighting	Core Area Maintenance	Stormwater Pollution	
\$ -	\$ -	\$ -	\$ 24,130	\$ 371,772	\$ 369,401	\$ 765,303
511,111	606,321	-	-	-	-	1,117,432
-	-	-	-	-	-	239,416
-	-	161,285	-	-	-	291,701
-	-	-	-	-	-	25,194
-	-	-	-	-	-	105,250
(660)	(971)	(1,134)	(1,323)	(1,851)	(148)	(21,815)
-	-	-	-	1,915	4,918	110,342
510,451	605,350	160,151	22,807	371,836	374,171	2,632,823
-	-	673,205	-	-	-	681,037
-	-	-	-	-	-	406,808
-	-	-	11,357	486,659	619,366	1,117,382
-	-	-	-	-	-	148,159
-	-	-	-	-	-	4,381
-	-	-	-	1,975	-	55,162
-	-	673,205	11,357	488,634	619,366	2,412,929
510,451	605,350	(513,054)	11,450	(116,798)	(245,195)	219,894
-	-	512,818	-	114,445	244,939	1,066,937
(420,000)	(712,273)	-	-	-	-	(1,287,008)
(420,000)	(712,273)	512,818	-	114,445	244,939	(220,071)
90,451	(106,923)	(236)	11,450	(2,353)	(256)	(177)
157,340	528,411	443	204,703	76,020	(4,524)	3,410,471
\$ 247,791	\$ 421,488	\$ 207	\$ 216,153	\$ 73,667	\$ (4,780)	\$ 3,410,294

City of Lafayette

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

Parking Programs

For the year ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Charges for services	\$ 181,000	\$ 181,000	\$ 229,294	\$ 48,294
Licenses and permits	25,420	25,420	25,194	(226)
Fines, forfeitures and penalties	50,000	50,000	105,104	55,104
Use of money and property	-	-	(2,627)	(2,627)
Miscellaneous	-	-	5,706	5,706
Total revenues	256,420	256,420	362,671	106,251
EXPENDITURES:				
Current:				
Parking services	393,530	409,224	406,808	2,416
Capital outlay	45,000	100,146	53,187	46,959
Total expenditures	438,530	509,370	459,995	49,375
REVENUES OVER (UNDER) EXPENDITURES	(182,110)	(252,950)	(97,324)	155,626
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(154,735)	(154,735)	-
Total other financing sources (uses)	-	(154,735)	(154,735)	-
Net change in fund balances	\$ (182,110)	\$ (407,685)	(252,059)	\$ 155,626
FUND BALANCES:				
Beginning of year			402,382	
End of year			\$ 150,323	

City of Lafayette

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

Vehicle Abatement

For the year ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Charges for services	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
Fines, forfeitures and penalties	-	-	146	146
Use of money and property	200	200	(336)	(536)
Total revenues	10,200	10,200	(190)	(10,390)
EXPENDITURES:				
Current:				
Police services	8,809	8,809	7,832	977
Total expenditures	8,809	8,809	7,832	977
Net change in fund balances	\$ 1,391	\$ 1,391	(8,022)	\$ (9,413)
FUND BALANCES:				
Beginning of year			62,617	
End of year			\$ 54,595	

City of Lafayette

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

Senior Transportation

For the year ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Charges for services	\$ 15,000	\$ 15,000	\$ 10,122	\$ (4,878)
Intergovernmental	103,000	103,000	130,416	27,416
Use of money and property	-	-	(1,134)	(1,134)
Miscellaneous	18,000	18,000	9,225	(8,775)
Total revenues	136,000	136,000	148,629	12,629
EXPENDITURES:				
Current:				
Senior transportation	202,196	202,196	148,159	54,037
Capital outlay	2,000	2,000	-	2,000
Total expenditures	204,196	204,196	148,159	56,037
REVENUES OVER (UNDER) EXPENDITURES	(68,196)	(68,196)	470	68,666
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	\$ (28,196)	\$ (28,196)	40,470	\$ 68,666
FUND BALANCES:				
Beginning of year			205,334	
End of year			\$ 245,804	

City of Lafayette

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

Low and Moderate Housing

For the year ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ (11,631)	\$ (11,631)
Miscellaneous	-	-	88,578	88,578
Total revenues	-	-	76,947	76,947
EXPENDITURES:				
Current:				
Planning	-	4,380	4,381	(1)
Total expenditures	-	4,380	4,381	(1)
REVENUES OVER (UNDER) EXPENDITURES				
	-	(4,380)	72,566	76,946
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	154,735	154,735
Total other financing sources (uses)	-	-	154,735	154,735
Net change in fund balances	\$ -	\$ (4,380)	227,301	\$ 231,681
FUND BALANCES:				
Beginning of year			1,777,745	
End of year			\$ 2,005,046	

City of Lafayette

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

Road Maintenance and Rehabilitation

For the year ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Other taxes	\$ 446,389	\$ 438,395	\$ 511,111	\$ 72,716
Use of money and property	1,600	1,600	(660)	(2,260)
Total revenues	447,989	439,995	510,451	70,456
OTHER FINANCING SOURCES (USES):				
Transfers out	(439,000)	(420,000)	(420,000)	-
Total other financing sources (uses)	(439,000)	(420,000)	(420,000)	-
Net change in fund balances	\$ 8,989	\$ 19,995	90,451	\$ 70,456
FUND BALANCES:				
Beginning of year			157,340	
End of year			\$ 247,791	

City of Lafayette

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

Gas Tax

For the year ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Other taxes	\$ 625,285	\$ 625,285	\$ 606,321	\$ (18,964)
Use of money and property	1,000	1,000	(971)	(1,971)
Total revenues	626,285	626,285	605,350	(20,935)
OTHER FINANCING SOURCES (USES):				
Transfers out	(590,000)	(812,969)	(712,273)	100,696
Total other financing sources (uses)	(590,000)	(812,969)	(712,273)	100,696
Net change in fund balances	\$ 36,285	\$ (186,684)	(106,923)	\$ 79,761
FUND BALANCES:				
Beginning of year			528,411	
End of year			\$ 421,488	

City of Lafayette

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

Supplemental Law Enforcement

For the year ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 155,000	\$ 155,000	\$ 161,285	\$ 6,285
Use of money and property	-	-	(1,134)	(1,134)
Total revenues	155,000	155,000	160,151	5,151
EXPENDITURES:				
Current:				
Police services	673,205	673,205	673,205	-
Total expenditures	673,205	673,205	673,205	-
REVENUES OVER (UNDER) EXPENDITURES	(518,205)	(518,205)	(513,054)	5,151
OTHER FINANCING SOURCES (USES):				
Transfers in	518,205	518,205	512,818	(5,387)
Total other financing sources (uses)	518,205	518,205	512,818	(5,387)
Net change in fund balances	\$ -	\$ -	(236)	\$ (236)
FUND BALANCES:				
Beginning of year			443	
End of year			\$ 207	

City of Lafayette

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

Street Lighting

For the year ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 23,328	\$ 23,328	\$ 24,130	\$ 802
Use of money and property	500	500	(1,323)	(1,823)
Total revenues	23,828	23,828	22,807	(1,021)
EXPENDITURES:				
Current:				
Public works	26,920	26,920	11,357	15,563
Total expenditures	26,920	26,920	11,357	15,563
Net change in fund balances	\$ (3,092)	\$ (3,092)	11,450	\$ 14,542
FUND BALANCES:				
Beginning of year			204,703	
End of year			\$ 216,153	

City of Lafayette

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

Core Area Maintenance

For the year ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Property taxes	\$ 359,537	\$ 346,577	\$ 371,772	\$ 25,195
Use of money and property	100	100	(1,851)	(1,951)
Miscellaneous	72,241	72,241	1,915	(70,326)
Total revenues	431,878	418,918	371,836	(47,082)
EXPENDITURES:				
Current:				
Public works	560,298	566,252	486,659	79,593
Capital outlay	8,000	8,000	1,975	6,025
Total expenditures	568,298	574,252	488,634	85,618
REVENUES OVER (UNDER) EXPENDITURES	(136,420)	(155,334)	(116,798)	38,536
OTHER FINANCING SOURCES (USES):				
Transfers in	126,140	199,314	114,445	(84,869)
Total other financing sources (uses)	126,140	199,314	114,445	(84,869)
Net change in fund balances	\$ (10,280)	\$ 43,980	(2,353)	\$ (46,333)
FUND BALANCES:				
Beginning of year			76,020	
End of year			\$ 73,667	

City of Lafayette

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

Stormwater Pollution

For the year ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 360,000	\$ 360,000	\$ 369,401	\$ 9,401
Use of money and property	125	125	(148)	(273)
Miscellaneous	-	-	4,918	4,918
Total revenues	360,125	360,125	374,171	14,046
EXPENDITURES:				
Current:				
Public works	607,014	619,364	619,366	(2)
Total expenditures	607,014	619,364	619,366	(2)
REVENUES OVER (UNDER) EXPENDITURES	(246,889)	(259,239)	(245,195)	14,044
OTHER FINANCING SOURCES (USES):				
Transfers in	216,998	256,827	244,939	(11,888)
Total other financing sources (uses)	216,998	256,827	244,939	(11,888)
Net change in fund balances	\$ (29,891)	\$ (2,412)	(256)	\$ 2,156
FUND BALANCES:				
Beginning of year			(4,524)	
End of year			\$ (4,780)	

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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.

CUSTODIAL 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, 2022

	Redevelopment Agency	Redevelopment Debt Service	Total
ASSETS			
Cash and investments	\$ 371,713	\$ 16,410	\$ 388,123
Restricted cash and investments held by fiscal agents	-	1,871,811	1,871,811
Total assets	371,713	1,888,221	2,259,934
LIABILITIES			
Accounts payable	\$ 406,991	\$ -	\$ 406,991
Interest payable	-	585,034	585,034
Long-term debt - due in less than one year	-	1,165,000	1,165,000
Long-term debt - due in more than one year	-	30,131,704	30,131,704
Total liabilities	406,991	31,881,738	32,288,729
NET POSITION			
Held in trust for private purposes	(35,278)	(29,993,517)	(30,028,795)
Total Net Position	\$ (35,278)	\$ (29,993,517)	\$ (30,028,795)

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, 2022

	Redevelopment Agency	Redevelopment Debt Service	Total
ADDITIONS:			
Property taxes	\$ 2,879,185	\$ -	\$ 2,879,185
Use of money and property	-	352	352
Total additions	2,879,185	352	2,879,537
DEDUCTIONS:			
Administration expenses	250,000	-	250,000
Contractual services	79,747	-	79,747
Interest expense and fiscal charges	-	1,293,663	1,293,663
Total deductions	329,747	1,293,663	1,623,410
Change in net position	(19,700)	1,275,827	1,256,127
NET POSITION:			
Beginning of year, as restated	(15,578)	(31,269,344)	(31,284,922)
End of year	\$ (35,278)	\$ (29,993,517)	\$ (30,028,795)

City of Lafayette
Combining Statement of Fiduciary Net Position
Custodial Funds
For the year ended June 30, 2022

	Lamorinda Fee and Financing Authority	Lamorinda School Bus Transportation Agency	Total Custodial Funds
ASSETS			
Cash and investments	\$ 1,476,146	\$ 1,795,202	\$ 3,271,348
Receivables:			
Accounts	49,736	129,363	179,099
Interest	1,752	2,867	4,619
Prepaid items	-	10,884	10,884
Other assets	-	500	500
Total assets	1,527,634	1,938,816	3,466,450
LIABILITIES			
Unearned revenue	-	320,836	320,836
Compensated absences	-	11,558	11,558
Total liabilities	-	332,394	332,394
NET POSITION			
Restricted for			
Individuals, organizations, and other governments	1,527,634	1,606,422	3,134,056
Total net position	\$ 1,527,634	\$ 1,606,422	\$ 3,134,056

City of Lafayette
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the year ended June 30, 2022

	Lamorinda Fee and Financing Authority	Lamorinda School Bus Transportation Agency	Total Custodial Funds
ADDITIONS:			
Regional Fees passed through	\$ 85,934	\$ -	\$ 85,934
Participant fees	-	939,791	939,791
Grants and subsidies		1,405,703	1,405,703
Donation and gift		23,627	23,627
Use of money and property	(8,881)	(14,393)	(23,274)
Total additions	77,053	2,354,728	2,431,781
DEDUCTIONS:			
Administration expenses	-	223,455	223,455
Contractual services	1,355	2,206,706	2,208,061
Total deductions	1,355	2,430,161	2,431,516
Net increase (decrease) in fiduciary net position	75,698	(75,433)	265
NET POSITION:			
Beginning of year	1,451,936	1,681,855	3,133,791
End of year	\$ 1,527,634	\$ 1,606,422	\$ 3,134,056

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STATISTICAL SECTION (UNAUDITED)

This part of the City of Lafayette's annual comprehensive financial report 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 condition.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenues source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability issues additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

**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
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
2021	3,735,550	1,435,533	782,418
2022	4,783,650	3,017,636	908,866

Source: City of Lafayette Finance Department.

General Revenues

Taxes	Motor Vehicle In Lieu	Unrestricted Investment Earnings	Other	Total
\$ 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
14,944,965	3,391,221	93,023	648,503	25,031,213
16,465,255	3,542,984	(1,284,060)	696,940	28,131,271

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

Fiscal Year	City Council, Commissions & Community Support	Police Services	Public Works	Infrastructure
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	-
2021	1,435,924	6,237,064	3,520,907	-
2022	2,886,658	6,662,552	4,739,819	-

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 Accounting Standards Board and was rolled into Planning & Engineering.

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

Planning & Engineering	Administration ****	Debt Service	Other **	Recreation Programs	Total
\$ 1,103,616	\$ 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
6,809,751	3,832,812	74,412	1,292,287	1,496,592	24,699,749
6,902,514	3,131,278	62,142	1,389,991	1,558,349	27,333,303

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

Fiscal Year	Taxes	Parking	Intergovernmental	Charges for Services	Licenses and Permits
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
2021	14,944,965	-	4,823,202	2,537,873	479,708
2022	16,456,336	-	6,082,898	4,657,172	568,214

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
\$ 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
97,305	92,686	-	619,100	23,594,839
220,882	(1,216,345)	-	788,814	27,557,971

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

Fiscal Year	Property	Sales & Use	Transient Occupancy	Franchise
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
2021	7,093,222	2,849,976	263,680	2,534,504
2022	7,429,712	3,373,804	703,833	2,636,477
Change 2013-2022	4.9%	11.3%	-49.6%	57.5%

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
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
2020	6,887,526
2021	7,093,222
2022	7,429,712
Change 2013-2022	41.3%

<u>Property Transfer</u>	<u>Road Maintenance & Rehabilitation</u>	<u>Highway Users</u>	<u>Measure J</u>	<u>Total Revenues</u>
\$ 237,799	\$ -	\$ 580,172	\$ 486,499	\$ 11,415,349
292,045	-	744,128	399,536	11,590,263
349,633	-	703,594	515,808	12,411,033
333,647	-	553,383	609,103	13,324,191
379,208	-	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
555,738	511,461	568,324	568,060	14,944,965
613,648	511,111	606,321	581,430	16,456,336
168.5%	#DIV/0!	-17.8%	54.8%	17.5%

**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
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
2021	1,394,972	5,897,347	2,858,699	1,968,969	3,522,830
2022	2,886,658	6,495,149	3,977,490	2,298,082	3,251,483
Change 2013-2022	143.0%	63.5%	20.1%	108.2%	-4.3%

Source: City of Lafayette Finance Department.

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

<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Rent & Other Expenses</u>	<u>Insurance & Claims</u>	<u>Total</u>
\$ 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	-	19,335,033
3,737,470	730,168	1,384,181	-	19,395,636
9,016,524	3,632,235	1,309,925	-	28,229,095
4,255,567	598,393	1,232,695	-	20,925,918
3,965,049	595,038	1,412,231	-	20,971,124
3,574,148	596,779	1,348,246	-	20,429,695
4,736,591	589,886	1,129,470	-	22,098,764
6,479,865	592,773	1,349,517	-	27,331,017
116.0%	-25.8%	80.3%	-100.0%	54.4%

CITY OF LAFAYETTE

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	Fiscal Year Ended June 30,			
	2013	2014	2015	2016
Governmental activities:				
Invested in capital assets	\$ 98,560,464	\$ 99,272,004	\$ 99,751,041	\$ 99,141,344
Restricted	19,381,805	21,379,235	7,255,961	7,932,301
Unrestricted	9,414,443	6,680,700	23,081,608	24,796,206
Total governmental activities net position	127,356,712	127,331,939	130,088,610	131,869,851
Business-type activities:				
Unrestricted	309,576	315,532	361,531	432,688
Total business-type activities net position	309,576	315,532	361,531	432,688
Primary government:				
Invested in capital assets	98,560,464	99,272,004	99,751,041	99,141,344
Restricted	19,381,805	21,379,235	7,255,961	7,932,301
Unrestricted	9,724,019	6,996,232	23,443,139	25,228,894
Total primary government net position	\$ 127,666,288	\$ 127,647,471	\$ 130,450,141	\$ 132,302,539

Fiscal Year Ended June 30,

2017	2018	2019	2020	2021	2022
\$ 103,942,613	\$ 100,979,947	\$ 100,129,245	\$ 98,287,552	\$ 97,704,629	\$ 99,165,672
4,149,103	4,337,875	6,211,285	6,682,424	6,401,661	6,086,075
26,382,458	29,007,157	28,768,676	34,396,016	30,340,693	33,096,553
134,474,174	134,324,979	135,109,206	139,365,992	134,446,983	138,348,300
477,652	586,825	779,239	804,936	718,008	923,380
477,652	586,825	779,239	804,936	718,008	923,380
103,942,613	100,979,947	100,129,245	98,287,552	97,704,629	99,165,672
4,149,103	4,337,875	6,211,285	6,682,424	6,401,661	6,086,075
26,860,110	29,593,982	29,547,915	35,200,952	31,058,701	34,019,933
<u>\$ 134,951,826</u>	<u>\$ 134,911,804</u>	<u>\$ 135,888,445</u>	<u>\$ 140,170,928</u>	<u>\$ 135,164,991</u>	<u>\$ 139,271,680</u>

CITY OF LAFAYETTE

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	Fiscal year ended June 30,			
	2013	2014	2015	2016
Expenses:				
Governmental activities:				
Council, commissions & community support	\$ 1,187,756	\$ 1,262,843	\$ 1,207,205	\$ 1,358,648
Administration	3,411,836	3,815,040	2,064,648	2,352,606
Police services	4,020,045	3,987,257	5,272,182	5,321,731
Public works	3,332,889	2,475,665	2,053,516	2,238,759
Infrastructure - depreciation	3,790,761	4,649,195	-	-
Planning & engineering	1,103,616	841,799	6,691,105	6,907,346
Interest & debt charges	284,950	271,508	252,475	230,625
Other	932,134	1,093,381	1,297,309	1,389,465
Total governmental activities expenses	18,063,987	18,396,688	18,838,440	19,799,180
Business-type activities:				
Recreation Programs	988,395	1,064,898	1,224,490	1,288,899
Total business-type activities expenses	988,395	1,064,898	1,224,490	1,288,899
Total primary government expenses	\$19,052,382	\$19,461,586	\$20,062,930	\$21,088,079
Program revenues:				
Governmental activities:				
Charges for services:				
Police services	\$ 630,325	\$ 637,454	\$ 154,260	\$ 129,316
Public works	-	-	84,729	84,173
Planning & engineering	2,784,172	1,871,901	2,593,636	2,329,312
Administration	-	-	14,648	18,118
Other	-	-	496,066	465,089
Operating grants and contributions	100,000	179,938	751,836	907,697
Capital grants and contributions	848,918	533,050	893,741	619,102
Total governmental activities program revenues	4,363,415	3,222,343	4,988,916	4,552,807
Business-type activities:				
Charges for services:				
Recreation programs	1,085,615	1,100,271	1,300,023	1,389,294
Total business-type activities program revenues	\$ 1,085,615	\$ 1,100,271	\$ 1,300,023	\$ 1,389,294

Fiscal year ended June 30,

2017	2018	2019	2020	2021	2022
\$ 1,336,345	\$ 1,287,941	\$ 1,324,124	\$ 1,209,780	\$ 1,435,924	\$ 2,886,658
2,842,683	3,116,141	3,254,763	3,501,765	3,832,812	3,131,278
5,455,796	5,693,891	5,986,121	6,185,450	6,237,064	6,662,552
3,148,160	3,330,799	2,795,505	3,428,740	3,520,907	4,739,819
-	-	-	-	-	-
6,982,011	7,180,549	7,185,138	6,645,114	6,809,751	6,902,514
169,164	115,911	102,556	99,780	74,412	62,142
1,314,639	1,241,240	1,412,231	1,410,749	1,292,287	1,389,991
21,248,798	21,966,472	22,060,438	22,481,378	23,203,157	25,774,954
1,200,758	1,212,550	1,427,524	1,406,644	1,496,592	1,558,349
1,200,758	1,212,550	1,427,524	1,406,644	1,496,592	1,558,349
\$ 22,449,556	\$ 23,179,022	\$ 23,487,962	\$ 23,888,022	\$ 24,699,749	\$ 27,333,303
\$ 101,073	\$ 106,127	\$ 86,141	\$ 76,958	\$ 43,628	\$ 48,248
92,998	87,899	76,528	77,836	62,122	58,450
2,210,929	2,208,041	2,483,142	3,792,025	1,991,030	4,295,180
18,722	20,704	20,012	10,005	3,320	6,484
570,258	567,056	623,097	565,826	196,123	375,288
992,416	771,828	1,015,748	1,128,962	1,435,533	3,017,636
2,217,522	466,273	432,079	1,538,501	782,418	908,866
6,203,918	4,227,928	4,736,747	7,190,113	4,514,174	8,710,152
1,300,301	1,350,305	1,644,445	1,446,399	1,439,327	1,805,932
\$ 1,300,301	\$ 1,350,305	\$ 1,644,445	\$ 1,446,399	\$ 1,439,327	\$ 1,805,932

CITY OF LAFAYETTE

CHANGES IN NET POSITION, Continued

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	Fiscal year ended June 30,			
	2013	2014	2015	2016
Net revenues (expenses)				
Governmental activities:	\$ (13,700,572)	\$ (15,174,345)	\$ (13,849,524)	\$ (15,246,373)
Business-type activities:	97,220	35,373	75,533	100,395
Total primary government net expense	<u>\$ (13,603,352)</u>	<u>\$ (15,138,972)</u>	<u>\$ (13,773,991)</u>	<u>\$ (15,145,978)</u>
General revenues and other changes in net assets:				
Governmental activities:				
Taxes:				
Property tax and assessments	\$ 4,788,439	\$ 5,102,515	\$ 5,427,316	\$ 6,346,889
Sales tax	3,153,693	3,156,488	3,392,743	3,803,017
Franchise tax	1,622,330	1,664,512	1,836,029	2,165,761
Transient occupancy tax	562,018	630,576	701,718	745,707
Vehicle code fines	N/A	N/A	-	-
Motor vehicle in lieu tax	2,058,283	2,176,084	2,343,990	2,523,771
Highway users tax	580,172	744,129	703,594	553,383
Transfer tax	237,799	292,045	349,633	333,647
Parking revenues	N/A	N/A	-	-
Investment income	157,127	149,827	212,167	269,718
Other	1,547,216	1,963,638	493,248	255,721
Transfers in	30,000	30,000	30,000	30,000
Total governmental activities	<u>14,737,077</u>	<u>15,909,814</u>	<u>15,490,438</u>	<u>17,027,614</u>
Special Item - Adjustment to Loans Receivable	-	-	-	-
Business-type activities:				
Investment income	228	583	466	762
Transfers in	(30,000)	(30,000)	(30,000)	(30,000)
Total business-type activities	<u>(29,772)</u>	<u>(29,417)</u>	<u>(29,534)</u>	<u>(29,238)</u>
Total primary government changes in net position				
Governmental activities:	1,036,505	735,469	1,640,914	1,781,241
Business-type activities:	67,448	5,956	45,999	71,157
Total primary government	<u>\$ 1,103,953</u>	<u>\$ 741,425</u>	<u>\$ 1,686,913</u>	<u>\$ 1,852,398</u>

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

Fiscal year ended June 30,

2017	2018	2019	2020	2021	2022
\$ (15,044,880)	\$ (17,738,544)	\$ (17,323,691)	\$ (15,291,265)	\$ (18,688,983)	\$ (17,064,802)
99,543	137,755	216,921	39,755	(57,265)	247,583
<u>\$ (14,945,337)</u>	<u>\$ (17,600,789)</u>	<u>\$ (17,106,770)</u>	<u>\$ (15,251,510)</u>	<u>\$ (18,746,248)</u>	<u>\$ (16,817,219)</u>
\$ 6,226,957	\$ 6,280,834	\$ 6,542,501	\$ 6,887,526	\$ 7,093,222	\$ 7,429,712
3,536,651	3,559,897	3,184,917	3,461,783	3,418,036	3,964,153
2,222,040	2,382,933	2,385,251	2,497,546	2,534,504	2,636,477
733,429	732,816	777,788	551,187	263,680	703,833
-	-	-	-	-	-
2,706,631	2,863,491	3,031,410	3,228,411	3,391,221	3,542,984
484,029	513,054	535,103	1,068,664	1,079,785	1,117,432
379,208	333,597	386,626	287,411	555,738	613,648
-	-	-	-	-	-
352,494	407,827	594,171	1,278,083	92,686	(1,284,060)
952,764	758,202	640,151	257,440	648,503	666,940
55,000	30,000	30,000	30,000	30,000	30,000
<u>17,649,203</u>	<u>17,862,651</u>	<u>18,107,918</u>	<u>19,548,051</u>	<u>19,107,375</u>	<u>19,421,119</u>
-	-	-	-	(5,337,401)	-
421	1,418	5,493	15,942	337	(12,211)
(55,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
<u>(54,579)</u>	<u>(28,582)</u>	<u>(24,507)</u>	<u>(14,058)</u>	<u>(29,663)</u>	<u>(42,211)</u>
2,604,323	124,107	784,227	4,256,786	(4,919,009)	2,356,317
44,964	109,173	192,414	25,697	(86,928)	205,372
<u>\$ 2,649,287</u>	<u>\$ 233,280</u>	<u>\$ 976,641</u>	<u>\$ 4,282,483</u>	<u>\$ (5,005,937)</u>	<u>\$ 2,561,689</u>

CITY OF LAFAYETTE

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	Fiscal Year Ended June 30,			
	2013	2014	2015	2016
General fund:				
Nonspendable	\$ 6,509,859	\$ 6,073,032	\$ 6,086,362	\$ 6,154,010
Restricted	42,880	6,280	23,110	143,431
Committed	690,944	3,191,939	3,117,955	2,797,600
Assigned	2,724,004	-	-	-
Unassigned	7,388,013	6,804,724	8,267,328	9,766,041
Total general fund	<u>\$ 17,355,700</u>	<u>\$ 16,075,975</u>	<u>\$ 17,494,755</u>	<u>\$ 18,861,082</u>
All other governmental funds:				
Nonspendable	\$ 144,141	\$ 2,211,773	\$ 1,209	\$ 1,000
Restricted	4,602,990	2,973,306	7,254,752	9,083,166
Committed	7,440,055	7,545,361	6,315,777	5,553,824
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 12,187,186</u>	<u>\$ 12,730,440</u>	<u>\$ 13,571,738</u>	<u>\$ 14,637,990</u>

Fiscal Year Ended June 30,					
2017	2018	2019	2020	2021	2022
\$ 6,163,882	\$ 6,244,576	\$ 5,220,713	\$ 5,405,664	\$ 81,698	\$ 92,797
299,472	227,160	353,276	605,690	711,388	923,416
3,497,362	3,809,563	3,253,187	3,323,161	3,603,524	5,876,028
-	-	-	-	-	-
<u>9,522,320</u>	<u>9,560,743</u>	<u>10,896,915</u>	<u>12,788,415</u>	<u>13,734,982</u>	<u>11,186,195</u>
<u>\$ 19,483,036</u>	<u>\$ 19,842,042</u>	<u>\$ 19,724,091</u>	<u>\$ 22,122,930</u>	<u>\$ 18,131,592</u>	<u>\$ 18,078,436</u>
\$ -	\$ 529	\$ 3,592	\$ 3,661	\$ 3,726	\$ 4,271
5,221,774	4,944,625	10,126,001	6,077,783	5,690,273	4,884,707
6,919,098	9,596,308	5,974,282	13,937,303	14,504,772	15,973,617
-	-	-	-	-	-
<u>(402,310)</u>	<u>-</u>	<u>-</u>	<u>(5,242)</u>	<u>(5,254)</u>	<u>(371,475)</u>
<u>\$ 11,738,562</u>	<u>\$ 14,541,462</u>	<u>\$ 16,103,875</u>	<u>\$ 20,013,505</u>	<u>\$ 20,193,517</u>	<u>\$ 20,491,120</u>

CITY OF LAFAYETTE

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

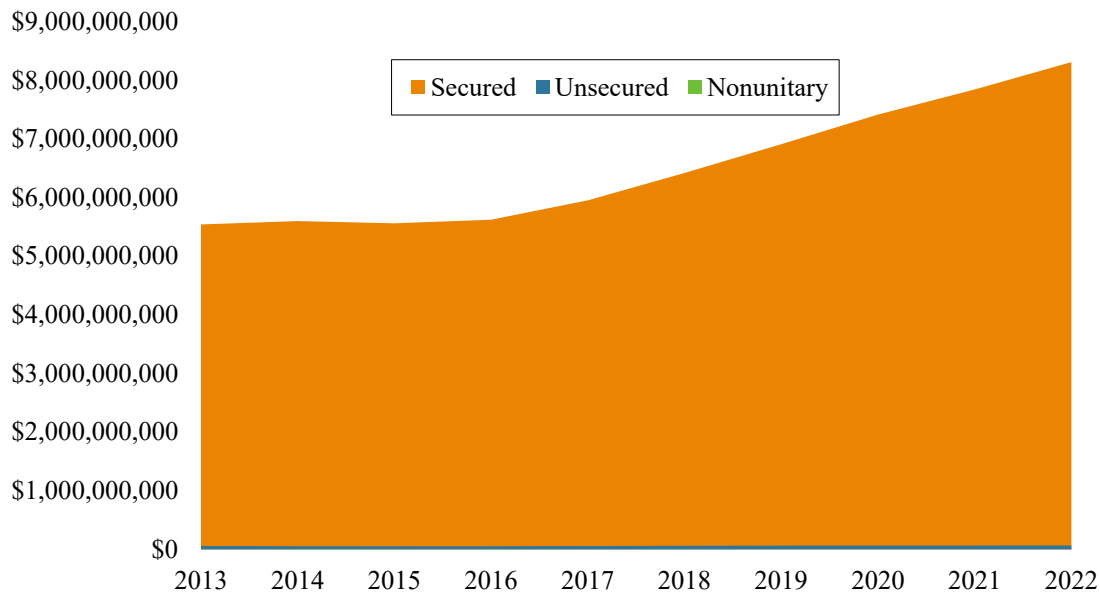
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,			
	2013	2014	2015	2016
Revenues:				
Taxes	\$ 13,473,632	\$ 13,766,347	\$ 14,755,023	\$ 15,847,961
Licenses and permits	-	-	295,426	351,820
Intergovernmental	948,918	712,989	977,321	761,625
Developer fees	1,558,694	416,968	-	-
Charges for services	1,247,703	1,478,690	2,731,507	2,594,541
Fines and forfeitures	382,008	371,372	316,406	251,721
Investment income	157,127	182,394	212,167	301,157
Parking	226,092	242,324	-	-
Miscellaneous	1,547,216	1,931,070	1,161,504	1,689,390
Total revenues	<u>19,541,390</u>	<u>19,102,154</u>	<u>20,449,354</u>	<u>21,798,215</u>
Expenditures				
Current:				
Council, commissions & community support	1,187,756	1,262,843	1,198,457	1,339,477
Police services	3,973,124	3,945,555	5,056,410	5,110,272
Public works	3,312,392	2,462,591	2,210,055	2,876,882
Planning & Engineering	1,103,616	831,314	1,871,739	1,889,844
Administration	3,398,415	3,815,664	2,070,041	2,327,342
Capital projects	2,999,602	5,838,737	4,898,679	3,737,470
Debt service				
Principal	495,000	450,000	470,000	490,000
Interest	303,914	281,525	262,338	240,168
Rent & other expenses	748,289	798,936	1,297,314	1,384,181
Insurance & claims	183,845	181,460	-	-
Total expenditures	<u>17,705,953</u>	<u>19,868,625</u>	<u>19,335,033</u>	<u>19,395,636</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,835,437</u>	<u>(766,471)</u>	<u>1,114,321</u>	<u>2,402,579</u>
Other financing sources (uses):				
Transfers in	4,378,465	5,384,641	3,628,519	3,827,512
Transfers out	(4,348,465)	(5,354,641)	(3,598,519)	(3,797,512)
Proceeds from sales of capital assets	-	-	-	-
Proceeds from bonds	-	-	-	-
Total other financing sources (uses)	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>
Special Item				
Adjustment to loans receivable	-	-	-	-
Net change in fund balances	<u>\$ 1,865,437</u>	<u>\$ (736,471)</u>	<u>\$ 1,144,321</u>	<u>\$ 2,432,579</u>
Debt service as a percentage of noncapital expenditures	5%	5%	5%	5%

Fiscal Year Ended June 30,

	2017	2018	2019	2020	2021	2022
\$	13,284,919	\$ 13,979,431	\$ 14,827,842	\$ 14,754,116	\$ 14,944,965	\$ 16,456,336
	334,014	648,442	425,878	413,897	479,708	568,214
	5,294,517	3,519,372	3,333,879	3,656,898	4,823,202	6,082,898
	-	-	-	-	-	-
	2,697,602	2,088,499	3,675,391	4,617,165	2,537,873	4,657,172
	270,038	265,379	281,186	187,178	97,305	220,882
	380,977	435,509	594,171	1,244,299	92,686	(1,216,345)
	-	-	-	-	-	-
	1,579,554	1,123,947	388,445	1,834,611	619,100	788,814
	23,841,621	22,060,579	23,526,792	26,708,164	23,594,839	27,557,971
	1,346,360	1,286,808	1,392,241	1,182,348	1,394,972	2,886,658
	5,232,949	5,469,173	5,791,710	5,902,772	5,897,347	6,495,149
	2,982,644	3,082,750	2,653,190	2,750,999	2,858,699	3,977,490
	1,918,701	1,990,448	1,906,902	1,813,450	1,968,969	2,298,082
	2,789,757	3,010,084	3,254,763	3,260,953	3,522,830	3,251,483
	9,016,524	4,255,567	3,965,049	3,574,148	4,736,591	6,479,865
	3,394,767	480,000	490,000	505,000	510,000	525,000
	237,468	118,393	105,038	91,779	79,886	67,773
	1,309,925	1,232,695	1,412,231	1,348,246	1,129,470	1,349,517
	-	-	-	-	-	-
	28,229,095	20,925,918	20,971,124	20,429,695	22,098,764	27,331,017
	(4,387,474)	1,134,661	2,555,668	6,278,469	1,496,075	226,954
	5,739,444	4,142,660	3,994,528	2,955,340	3,816,162	6,445,425
	(5,684,444)	(4,112,660)	(3,964,528)	(2,925,340)	(3,786,162)	(6,415,425)
	-	1,997,245	-	-	-	-
	2,055,000	-	-	-	-	-
	2,110,000	2,027,245	30,000	30,000	30,000	30,000
	-	-	-	-	(5,337,401)	-
\$	(2,277,474)	\$ 3,161,906	\$ 2,585,668	\$ 6,308,469	\$ (3,811,326)	\$ 256,954
	19%	4%	3%	4%	3%	3%

**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
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
2021	9,288,812,067	66,092,425	1,101,140	9,356,005,632	0.07310
2022	9,681,498,398	65,260,165	1,101,140	9,747,859,703	0.07200

Source: Contra Costa County Assessor 2012/13 - 2021/22 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.

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**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
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
2021	0.06662	0.03270	0.01390	0.01610	0.00140
2022	0.06662	0.03360	0.00600	0.01760	0.00200

Source: Contra Costa County Assessor 2012/13 - 2021/22 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***
0.02840	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
0.03810	0.00600	0.06030	0.01710	0.18560	0.07310
0.02290	0.00500	0.06170	0.01600	0.16480	0.07200

**CITY OF LAFAYETTE
 PRINCIPAL SALES TAX PRODUCERS
 FOR THE YEAR ENDED JUNE 30, 2022**

FIRM	BUSINESS DESCRIPTION
Ace Hardware	Building Materials- Retail
Alwand Service Station	Service Stations
Batch & Brine	Restaurants
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
Jacksons Wines & Spirits	Liquor Stores
Lafayette Park Hotel	Restaurants
Lafayette Restaurant Group	Restaurants
Lafayette Smog & Auto Service	Service Stations
McCaulou's Department Store	Department Stores
McDonald's Restaurant	Restaurants
Orchard Nursery & Florist	Florist/Nursery
Pet Food Express	Miscellaneous Retail
Pizza Antica	Restaurants
Postino Restaurant	Restaurants
Safeway Stores	Food Markets
Shell Service Stations	Service Stations
Social Bird	Restaurants
Trader Joe's	Food Markets
Whole Foods Market	Food Markets

Source: MuniServices an Avenu Insights & Analytics Company

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



- BRE Properties Inc
- Davidon Homes
- 1038 Lafayette Partners LP
- Miramar Mount Diablo Boulevard LLC
- SHI-III Lafayette LP
- Christopoulos Survivors Trust
- Lennar Homes of California Inc
- SCC Lafayette Mercantile LP
- Oakwood Athletic Club LLC
- Lafayette Park Hotel Assoc

2022

Taxpayer	Primary Use	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
BRE Properties Inc	Residential	\$55,526,222	1	0.57%
Davidon Homes	Vacant	52,800,665	2	0.54%
1038 Lafayette Partners LP	Residential	51,152,202	3	0.52%
Miramar Mount Diablo Boulevard LLC	Commercial	36,791,247	4	0.38%
SHI-III Lafayette LP	Commercial	34,561,847	5	0.35%
Christopoulos Survivors Trust	Residential	31,830,054	6	0.33%
Lennar Homes of California Inc	Residential	29,424,131	7	0.30%
SCC Lafayette Mercantile LP	Commercial	25,688,642	8	0.26%
Oakwood Athletic Club LLC	Recreational	24,301,917	9	0.25%
Lafayette Park Hotel Assoc	Commercial	21,015,760	10	0.22%
Total		\$363,092,687		3.72%

2021-2022 Assessed Valuation: \$9,747,859,703 **
 2012-2013 Assessed Valuation: \$5,675,503,079 **

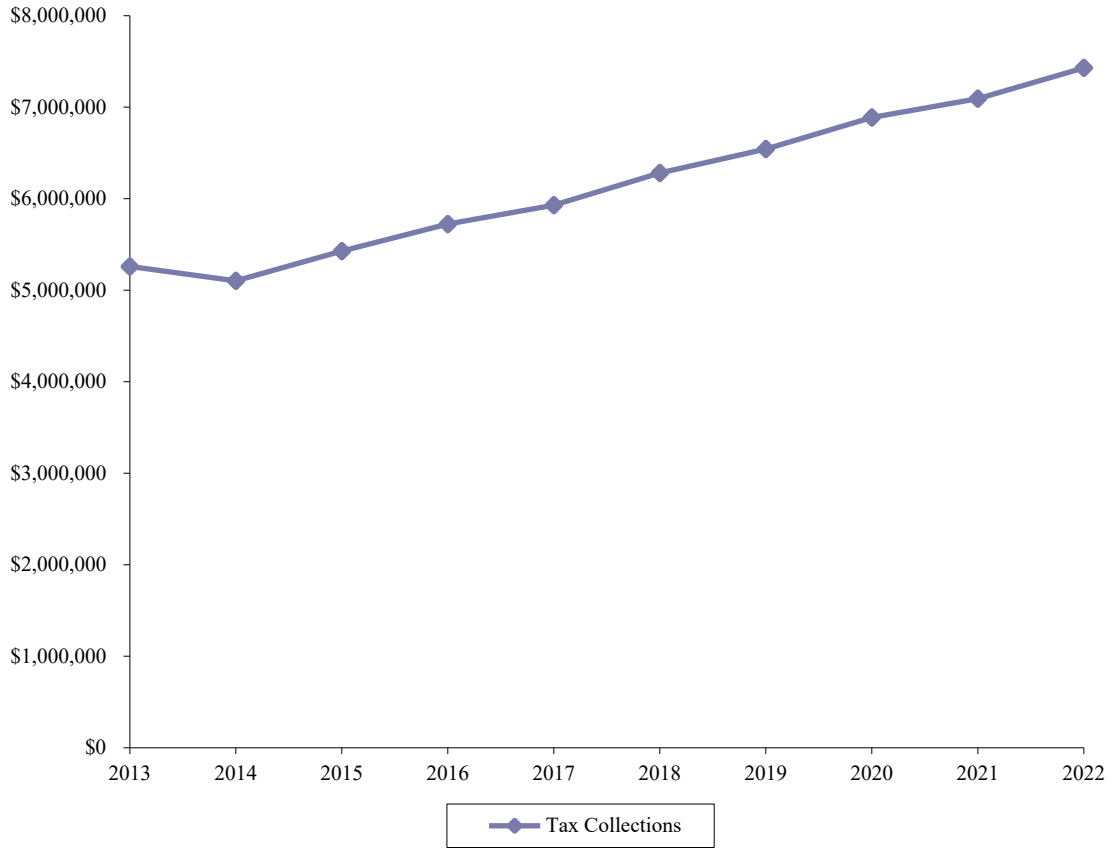
** Local Secured Assessed Valuation

Source: Contra Costa County Assessor 2021/22 Combined Tax Rolls and the SBE Non Unitary Tax Roll

2013

<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	\$49,265,911	1	0.87%
Cortese Properties LLC	Commercial	22,137,696	2	0.39%
Oakwood Athletic Club LLC	Miscellaneous	22,090,519	3	0.39%
HPF GLB Corporate Terrace LLC	Commercial	18,113,240	4	0.32%
Lafayette Park Hotel Associates	Commercial	17,868,483	5	0.31%
Bay Glen LP	Residential	16,598,093	6	0.29%
Gray Horse Investors	Commercial	12,106,436	7	0.21%
Coretese Real Property LP	Commercial	11,007,889	8	0.19%
Brian E. and Deanna Moore Trust	Residential	10,913,921	9	0.19%
KMF Contra Costa LLC	Residential	10,815,157	10	0.19%
		<u>\$190,917,345</u>		3.36%

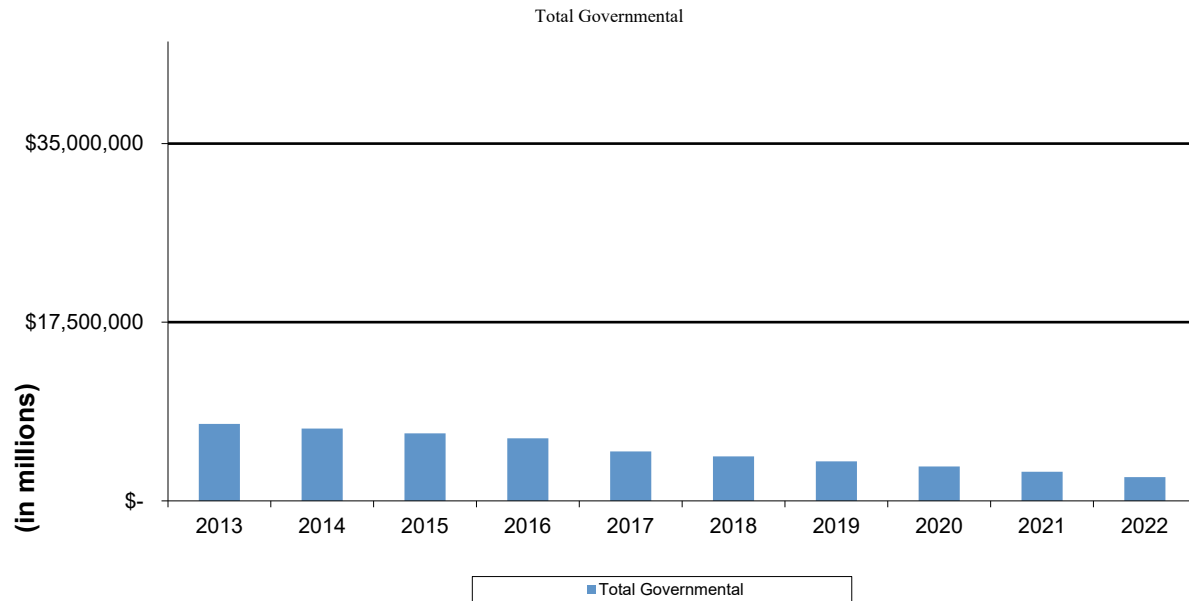
**CITY OF LAFAYETTE
PROPERTY TAX LEVIES & COLLECTIONS
LAST TEN FISCAL YEARS**



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
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%
2021	7,093,222	7,093,222	100.00%	7,093,222	100.00%
2022	7,429,712	7,429,712	100.00%	7,429,712	100.00%

Source: Contra Costa County Assessor

CITY OF LAFAYETTE
RATIOS OF DEBT OUTSTANDING
LAST TEN FISCAL YEARS



Fiscal Year Ended June 30	Outstanding Debt			Percent of Assessed Value	Percent of Personal Income	Per Capita
	General Obligation Bonds	Tax Allocation Bonds *	Total			
	2013	\$ 7,530,000	\$ -			
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
2021	2,850,000	-	2,850,000	0.0305%	0.1187%	112
2022	2,325,000	-	2,325,000	0.0239%	0.0969%	93

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

2021-22 Assessed Valuation (less incremental value): \$8,735,527,728

<u>DIRECT DEBT:</u>	Total Debt 6/30/2022	% Applicable (1)	City's Portion of Debt 6/30/22
GO BONDS SERIES 2011 & 2016	\$2,325,000	100.000%	\$2,325,000
 <u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Contra Costa County Pension Debt and Lease Revenue Bonds	\$334,729,873	4.163%	\$13,933,623
Contra Costa Fire District	26,670,000	8.990%	\$2,397,518
Pleasant Hill Recreation & Park Bond 2009	46,275,000	1.425%	\$659,630
Bay Area Rapid Transit District	660,703,057	4.163%	\$27,502,732
East Bay Regional Park District	77,146,356	4.163%	\$3,211,330
Acalanes Union High School District 1997, 2002, & 2008 Bonds	240,767,772	23.454%	\$56,470,261
Lafayette Elementary Bond 1995 & 2016	72,150,000	89.616%	\$64,658,248
Orinda Elementary Bond	18,190,265	0.136%	\$24,691
Contra Costa Community College District Bonds 2002, 2006 & 2014	936,870,000	4.176%	\$39,127,908
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$207,985,941
 TOTAL DIRECT DEBT			\$2,325,000
TOTAL OVERLAPPING DEBT			\$207,985,941
 COMBINED TOTAL DEBT			\$210,310,941 (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 2021-22 Assessed Valuation:

Total Direct Debt (\$2,325,000).....	0.03%
Total Overlapping Tax and Assessment Debt.....	2.38%
 Combined Total Debt.....	 2.41%

Source: HdL, Coren & Cone, Contra Costa County Assessor and Auditor Combined 2021/22 Lien Date Tax Rolls

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CITY OF LAFAYETTE

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

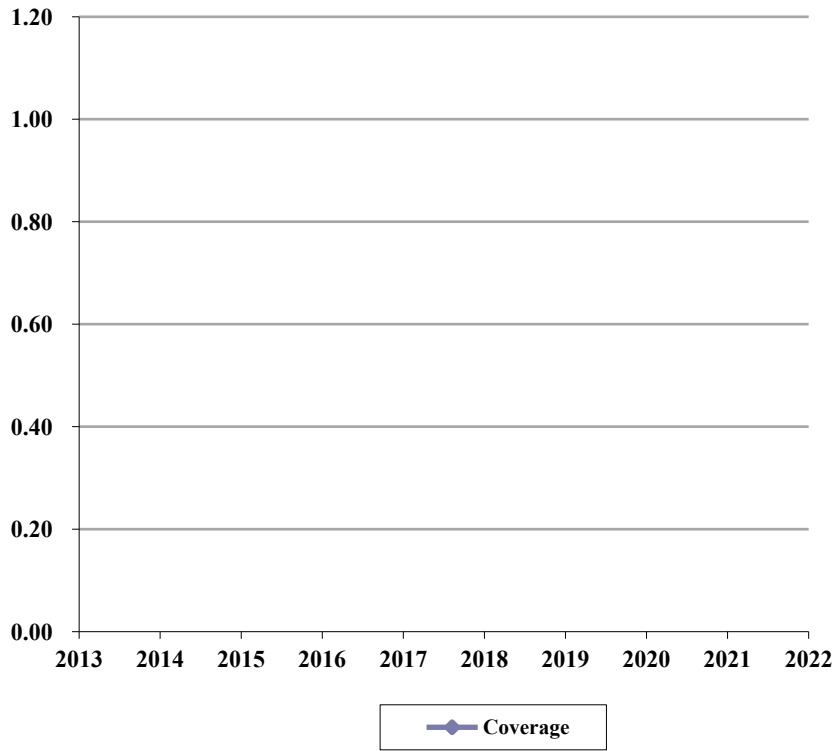
	Fiscal Year Ended June 30,			
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt limit	\$212,831,365	\$225,310,387	\$242,806,843	\$261,503,297
Total net debt applicable to limit	<u>7,530,000</u>	<u>7,080,000</u>	<u>6,610,000</u>	<u>6,120,000</u>
Legal debt margin	<u>\$205,301,365</u>	<u>\$218,230,387</u>	<u>\$236,196,843</u>	<u>\$255,383,297</u>
Total net debt applicable to the limit as a percentage of debt limit	3.5%	3.1%	2.7%	2.3%

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>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$280,429,438	\$296,529,543	\$314,089,952	\$333,698,247	\$350,850,211	\$365,544,739
<u>4,835,000</u>	<u>4,355,000</u>	<u>3,865,000</u>	<u>3,360,000</u>	<u>2,850,000</u>	<u>2,325,000</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>	<u><u>\$348,000,211</u></u>	<u><u>\$363,219,739</u></u>
1.7%	1.5%	1.2%	1.0%	0.8%	0.6%

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



Fiscal Year Ended June 30	Tax Allocation Bonds			Coverage
	Tax Increment	Debt Service Principal *	Debt Service Interest *	
2013	-	-	-	
2014	-	-	-	
2015	-	-	-	
2016	-	-	-	
2017	-	-	-	
2018	-	-	-	
2019	-	-	-	
2020	-	-	-	
2021	-	-	-	
2022	-	-	-	

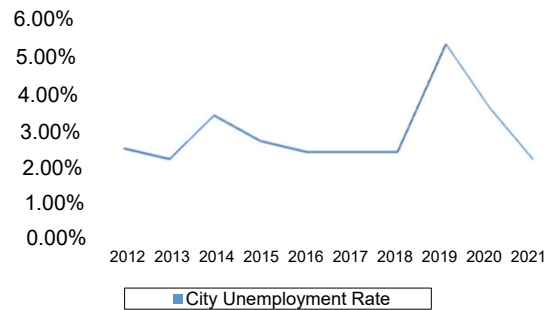
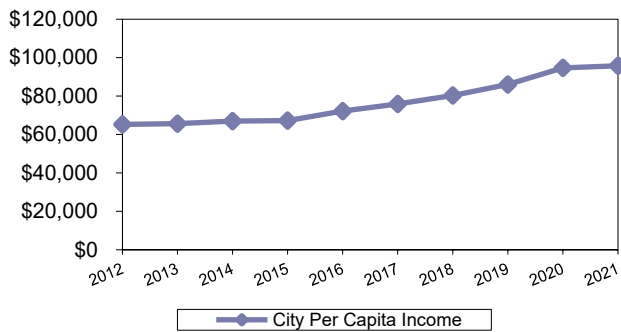
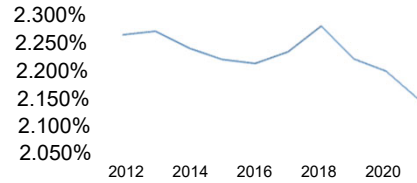
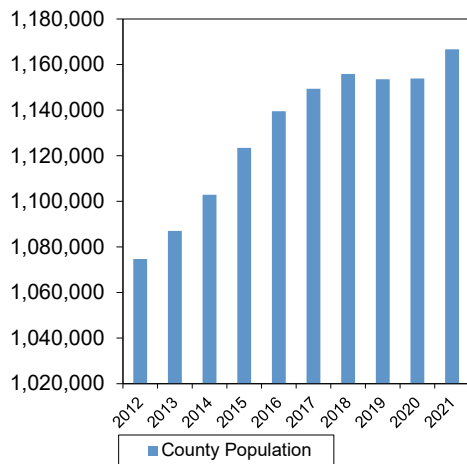
Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

* 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

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**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)
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
2020	25,358	-1.0%	2,400,954	94,682
2021	25,064	-1.2%	2,399,965	95,753

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
 ** In Thousands

City of Lafayette Unemployment Rates (3)	Contra Costa County Population (1)	Contra Costa County Per Capita Income (2)
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	*
3.6%	1,153,854	*
2.2%	1,166,669	*

**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
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%
2020	11,900	3.6%	5.5%	6.4%
2021	12,200	2.2%	3.1%	3.9%

Source: State of California Employment Development Department

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

Employer	2021-22		2015-16	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Lafayette School District *	375	3.07%	472	3.97%
Diablo Foods Inc.**	150	1.23%	130	1.09%
Safeway Stores	126	1.03%	175	1.47%
Oakwood Athletic Club **	121	0.99%	171	1.44%
Acalanes High School *	120	0.98%	121	1.02%
Whole Foods Market	117	0.96%	250	2.10%
Lafayette Park Hotel & Spa	110	0.90%	175	1.47%
Trader Joe's	106	0.87%	86	0.72%
TuTu's Food and Drink	67	0.55%		
Bentley Upper School (9-12th)	65	0.53%		
McCaulou's Department Store			300	2.52%
Yankee Pier Restaurant			45	0.38%
Total Top Employers	1,357	11.12%	1,925	16.18%
Total City Employment (1)	12,200		11,900	

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

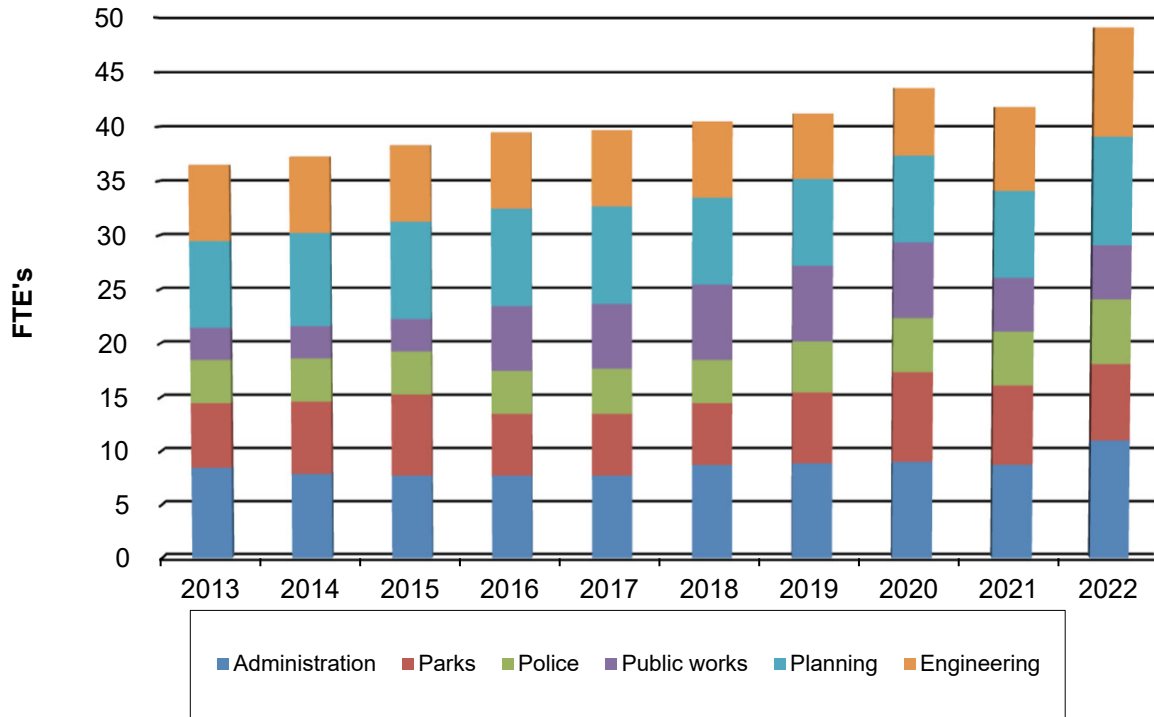
* Includes classified, certificated and admin.

** Includes full and part time employees

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

Source: Avenu Insights & Analytics Company

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



Full-Time Equivalent Employees as of June 30,										
Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Administration	8.47	7.87	7.72	7.72	7.72	8.72	8.87	9.00	8.75	11.00
Parks	6.00	6.75	7.55	5.75	5.75	5.75	6.60	8.35	7.35	7.10
Police	4.00	4.00	4.00	4.00	4.20	4.00	4.73	5.00	5.00	6.00
Public works	3.00	3.00	3.00	6.00	6.00	7.00	7.00	7.00	5.00	5.00
Planning	8.00	8.60	9.00	9.00	9.00	8.00	8.00	8.00	8.00	10.00
Engineering	7.00	7.00	7.00	7.00	7.00	7.00	6.00	6.20	7.70	10.00
Total	36.47	37.22	38.27	39.47	39.67	40.47	41.20	43.55	41.80	49.10

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>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>2021</u>
<u>Function/Program</u>										
<u>Police</u>										
Total reports	*	*	1,526	1,798	1,652	1,561	1,445	1,466	1,305	1,236
Calls for service	15,760	16,519	16,049	18,580	18,506	19,312	16,610	16,789	14,019	11,686
% Officer-initiated activity	*	*	37%	41%	42%	43%	43%	45%	45%	47%
Overall Part 1 crimes	479	456	476	570	433	342	261	378	292	268
# of Residential burglaries	70	61	48	22	33	19	8	22	9	6
% of Residential burglaries solved	*	*	33%	60%	53%	84%	88%	50%	44%	50%
Code Enforcement Incidents **	*	190	228	305	436	561	368	355	305	426
<u>Public Works</u>										
Work requests (outside normal service)	*	285	210	365	337	295	532	578	430	893****
Abatement issues	*	53	32	54	3	11	82	134	115	91
Curb painting	*	18	8	21	4	6	-	5	6	9
Ditch cleaning	*	3	1	6	21	12	7	10	2	10
Litter removal	*	4	9	5	22	15	36	17	13	19
Sign installation, repair, replacement	*	61	53	98	75	69	46	59	44	66
Street repair	*	31	20	32	38	22	34	53	26	48
Tree/brush maintenance	*	6	9	20	23	11	5	1	3	13
Trimming vegetation	*	10	9	6	25	22	18	9	16	5
<u>Engineering</u>										
Encroachment permits	385	465	466	564	447	433	399	515	792	783
<u>Recreation</u>										
Class enrollments	9,953	11,714	9,794	12,423	15,081	18,803	21,600	19,063	0***	0***
Standard enrollments					-	-	-	5,752	4,472	6,396
Senior transportation- rides provided	3,878	3,979	4,316	4,237	3,813	3,201	3,247	2,966	3,159	2,916
Senior transportation- riders served	3,878	3,979	4,316	4,237	na	na	na	216	131	101
<u>Planning</u>										
Total applications processed	265	287	279	288	347	295	320	317	363	256
Design Review Permits	26	22	30	23	35	18	23	29	17	11
General Plan Amendment	1	-	1	-	3	-	-	-	1	1
HDP/DR/GR (OTC)	95	117	83	91	93	114	129	108	186	NA
Hillside Development Permits	35	38	41	52	57	34	44	30	22	43
Second Unit / ADU	5	3	2	6	13	14	9	14	34	45
Sign Permits	12	6	10	6	16	5	8	10	8	7
Tree Permits	32	35	45	43	55	49	45	56	36	57
Variance Permits	15	12	14	15	16	11	15	17	6	15

* 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.

*** The operating indicator for enrollments was changed in FY21. "Class enrollments" comprised flex registration enrollments, which can be calculated daily based on frequency of program. "Standard enrollments" refers to each individual who enrolled in a program regardless of the frequency with which the program met.

****For 2021, total work requests grew due to a better system for entering work requests.

Source: Various City Departments

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

<u>Function</u>	June 30,									
	<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>2021</u>	<u>2022</u>
<u>Police</u>										
Patrol vehicles	*	*	17	20	19	18	18	18	22	22
Traffic motorcycles	*	*	3	3	3	2	2	2	2	2
Dual sport motorcycles	*	*	2	2	2	5	5	5	5	5
All terrain vehicles	*	*	*	1	1	1	1	1	1	1
Equipment trailers	*	*	4	4	4	4	4	4	4	4
Speed trailers	*	*	2	2	2	2	2	2	2	2
Generator trailers	*	*	*	*	*	*	*	2	2	2
Parking vehicles	*	*	4	3	3	3	3	3	3	2
Parking vehicles with ALPR	*	*	*	*	2	2	3	3	3	3
Drones	*	*	*	*	1	1	2	2	2	2
<u>Public works</u>										
Vehicles	*	*	10	11	9	10	10	8	9	9
Water trailers	*	*	*	*	1	1	1	1	1	1
Message signboards	2	2	2	2	2	2	2	2	2	2
Streetlights	*	*	458	458	476	476	476	476	476	478
Traffic signals	*	*	24	24	26	26	26	26	26	26
Trellis lights	*	*	60	60	60	60	60	60	60	60
Landscape acreage	*	*	7	7	7	7	7	7	7	7
Trail miles	*	*	10	10	10	10	10	10	10	10
Pedestrian and advance warning signs	*	*	*	16	18	18	19	19	21	21
<u>Engineering</u>										
Vehicles	*	*	7	6	5	5	6	6	5	6
Streets (centerline miles)	*	*	93	93	93	93	93	93	93	93
<u>Recreation (incl. Sr. Transportation)</u>										
Vehicles	*	*	3	3	2	1	1	1	1	1
Parks acreage	*	*	80	80	80	80	80	100	120	140
<u>Planning</u>										
Vehicles	*	*	3	3	3	2	2	1	3	3

* 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	25,358
Median Age	45.5
Median Household Income	\$192,199
Registered Voters	19,093
Area in Square Miles	15.39
Number of Authorized Full-Time Equivalent City Employees	49.10

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
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Recreation and Culture:

Park Sites	5
Park Acreage	120

Community Facilities:

Lafayette Community Center	1
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Source: Various City of Lafayette Department Records