

**CITY OF LEMOORE**  
**CALIFORNIA**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**  
**JUNE 30, 2020**

**CITY OF LEMOORE**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**TABLE OF CONTENTS**

	<b><u>PAGE</u></b>
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report .....	1
<b>Basic Financial Statements:</b>	
Government-Wide Financial Statements:	
Statement of Net Position .....	4
Statement of Activities .....	5
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	8
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	9
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	10
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	11
Statement of Net Position – Proprietary Funds .....	14
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds .....	15
Statement of Cash Flows – Proprietary Funds .....	16
Statement of Fiduciary Net Position – Fiduciary Funds .....	19
Statement of Changes in Fiduciary Net Position – Fiduciary Funds .....	20
Notes to the Basic Financial Statements .....	21
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund .....	55
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Gasoline Tax Fund .....	56
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Lemoore Housing Authority Fund .....	57
Notes to the Required Supplementary Information .....	58
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan Schedule of the City's Proportionate Share of the Net Pension Liability – Defined Benefit Pension Plan .....	59
Schedule of Contributions – Defined Benefit Pension Plans .....	60

**CITY OF LEMOORE**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**TABLE OF CONTENTS**

	<b><u>PAGE</u></b>
<b>SUPPLEMENTARY INFORMATION</b>	
Combining Balance Sheet – Nonmajor Governmental Funds.....	64
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds .....	65
Combining Balance Sheet – Nonmajor Special Revenue Funds .....	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	67
Combining Balance Sheet – Nonmajor Capital Projects Funds .....	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	69
Combining Statement of Fiduciary Net Position – Private Purpose Trust Funds.....	72
Combining Statement of Changes in Fiduciary Net Position – Private Purpose Trust Funds.....	73
Combining Statement of Fiduciary Net Position – Custodial Funds.....	74
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds.....	75



## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

### Opinion

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

## **Other Matters**

### *Required Supplementary Information*

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules for the general fund, gasoline tax special revenue fund and Lemoore housing authority special revenue fund, schedule of the City's proportionate share of the net pension liability, and schedule of contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

HUDSON HENDERSON & COMPANY, INC.

A handwritten signature in blue ink that reads "Hudson Henderson & Company, Inc." The signature is written in a cursive, flowing style.

Fresno, California  
February 10, 2021

## BASIC FINANCIAL STATEMENTS

**CITY OF LEMOORE**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 24,173,260	\$ 16,328,671	\$ 40,501,931
Restricted cash and investments	665,874	-	665,874
Restricted cash and investments with fiscal agents	-	11,315,961	11,315,961
Receivables:			
Accounts, net	71,274	1,562,792	1,634,066
Interest	33,752	29,286	63,038
Notes	5,727,858	-	5,727,858
Intergovernmental	1,303,824	-	1,303,824
Other	1,001	-	1,001
Prepaid expenses	1,214	100,996	102,210
Internal balances	453,923	(453,923)	-
Inventory	-	49,792	49,792
Assets held for resale	1,485,564	-	1,485,564
Other assets	40,000	-	40,000
Capital assets:			
Nondepreciable	6,179,880	28,713,354	34,893,234
Depreciable, net of accumulated depreciation	<u>56,677,257</u>	<u>30,402,540</u>	<u>87,079,797</u>
Total assets	<u>96,814,681</u>	<u>88,049,469</u>	<u>184,864,150</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources from pensions	<u>2,639,731</u>	<u>983,237</u>	<u>3,622,968</u>
Total deferred outflows of resources	<u>2,639,731</u>	<u>983,237</u>	<u>3,622,968</u>
<b>LIABILITIES</b>			
Accounts payable	1,296,528	2,582,323	3,878,851
Accrued interest payable	-	116,636	116,636
Deposits and other liabilities	787,342	86,081	873,423
Unearned revenue	119,981	-	119,981
Noncurrent liabilities:			
Due within one year	419,840	745,342	1,165,182
Due in more than one year	111,544	34,312,012	34,423,556
Advances from Successor Agency	-	1,789,939	1,789,939
Net pension liability	<u>9,694,187</u>	<u>3,709,550</u>	<u>13,403,737</u>
Total liabilities	<u>12,429,422</u>	<u>43,341,883</u>	<u>55,771,305</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources from pensions	<u>472,316</u>	<u>285,860</u>	<u>758,176</u>
Total deferred inflows of resources	<u>472,316</u>	<u>285,860</u>	<u>758,176</u>
<b>NET POSITION</b>			
Net investment in capital assets	62,857,137	35,532,379	98,389,516
Restricted for:			
General government	260,231	-	260,231
Public safety	116,316	-	116,316
Public works	6,773,400	-	6,773,400
Community development	7,650,513	-	7,650,513
Parks and recreation	3,531	-	3,531
Capital projects and improvements	7,350,722	-	7,350,722
Debt service reserve	-	15,506	15,506
Unrestricted	<u>1,540,824</u>	<u>9,857,078</u>	<u>11,397,902</u>
Total net position	<u>\$ 86,552,674</u>	<u>\$ 45,404,963</u>	<u>\$ 131,957,637</u>

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

**CITY OF LEMOORE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Functions/programs:</b>							
Primary government:							
Governmental activities:							
General government	\$ 1,044,306	\$ 238,006	\$ -	\$ -	\$ (806,300)	\$ -	\$ (806,300)
Public safety	8,494,594	258,240	536,412	17,955	(7,681,987)	-	(7,681,987)
Public works	3,988,326	816,116	1,506,337	809,830	(856,043)	-	(856,043)
Community development	1,263,306	727,436	42,282	-	(493,588)	-	(493,588)
Parks and recreation	<u>1,566,227</u>	<u>185,607</u>	<u>11,268</u>	<u>171,225</u>	<u>(1,198,127)</u>	<u>-</u>	<u>(1,198,127)</u>
Total governmental activities	<u>16,356,759</u>	<u>2,225,405</u>	<u>2,096,299</u>	<u>999,010</u>	<u>(11,036,045)</u>	<u>-</u>	<u>(11,036,045)</u>
Business-type activities:							
Water	6,557,785	8,922,363	-	175,144	-	2,539,722	2,539,722
Sewer	5,013,558	3,392,449	-	253,789	-	(1,367,320)	(1,367,320)
Refuse	3,366,782	3,067,179	-	126,764	-	(172,839)	(172,839)
Golf Course	<u>1,209,646</u>	<u>1,129,166</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(80,480)</u>	<u>(80,480)</u>
Total business-type activities	<u>16,147,771</u>	<u>16,511,157</u>	<u>-</u>	<u>555,697</u>	<u>-</u>	<u>919,083</u>	<u>919,083</u>
Total primary government	<u>\$ 32,504,530</u>	<u>\$ 18,736,562</u>	<u>\$ 2,096,299</u>	<u>\$ 1,554,707</u>	<u>(11,036,045)</u>	<u>919,083</u>	<u>(10,116,962)</u>
General revenues:							
Property taxes					2,864,103	-	2,864,103
Sales taxes					2,275,277	-	2,275,277
Franchise taxes					660,575	-	660,575
Transient taxes					255,477	-	255,477
Other taxes					21,433	-	21,433
Motor vehicle in-lieu					2,225,862	-	2,225,862
Unrestricted investment earnings					379,029	533,933	912,962
Other revenue					363,221	-	363,221
Gain (loss) on sale of assets					<u>(88,782)</u>	<u>(37,211)</u>	<u>(125,993)</u>
Total general revenues					<u>8,956,195</u>	<u>496,722</u>	<u>9,452,917</u>
Changes in net position					(2,079,850)	1,415,805	(664,045)
Net position - beginning, restated					<u>88,632,524</u>	<u>43,989,158</u>	<u>132,621,682</u>
Net position - ending					<u>\$ 86,552,674</u>	<u>\$ 45,404,963</u>	<u>\$ 131,957,637</u>

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



*THIS PAGE IS LEFT BLANK INTENTIONALLY.*

## **FUND FINANCIAL STATEMENTS**

The funds described below were determined to be Major Funds by the City in fiscal year 2020. Individual nonmajor funds may be found in the supplemental section.

### **GENERAL FUND**

This fund is the primary operating fund of the City. It accounts for normal recurring activities traditionally associated with governments, which are not required to be accounted for in another fund. These activities are funded primarily by property taxes, sales and use taxes, interest and rental income, charges for services, and grants.

### **GASOLINE TAX SPECIAL REVENUE FUND**

This fund accounts for revenues and expenditures apportioned to the City under the Streets and Highway Code, Sections 2103, 2105, 2106, 2107, and 2107.5 of the State of California. Expenditures for administration, maintenance, and construction must be street related.

### **LEMOORE HOUSING AUTHORITY SPECIAL REVENUE FUND**

This fund has taken over the assets and associated functions of the Low/Moderate Income Housing Fund of the former Lemoore Redevelopment Agency and is used to account for current and future low-income households for the acquisition, rehabilitation, or new construction of single-family homes.

### **PUBLIC SAFETY DISPATCH CENTER CAPITAL PROJECTS FUND**

This fund is used to account for revenue and expenditures related to construction of the new public safety dispatch center.

**CITY OF LEMOORE**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**

	Special Revenue Funds				Capital Project Fund	Total Governmental Funds
	General Fund	Gasoline Tax Fund	Lemoore Housing Authority Fund	Public Safety Dispatch Center Fund	Nonmajor Governmental Funds	
<b>ASSETS</b>						
Cash and investments	\$ 4,621,060	\$ 1,430,571	\$ 1,844,188	\$ -	\$ 16,277,441	\$ 24,173,260
Restricted cash and investments	665,874	-	-	-	-	665,874
Receivables:						
Accounts, net	71,274	-	-	-	-	71,274
Interest	13,553	1,651	-	-	18,548	33,752
Notes	53,247	-	5,023,411	-	651,200	5,727,858
Intergovernmental	717,259	91,839	-	-	494,726	1,303,824
Other	1,001	-	-	-	-	1,001
Interfund receivables	1,177,711	-	-	-	-	1,177,711
Advances to other funds	197,554	-	-	-	-	197,554
Prepaid items	1,214	-	-	-	-	1,214
Other assets	40,000	-	-	-	-	40,000
Assets held for resale	-	-	1,485,564	-	-	1,485,564
<b>Total assets</b>	<b>\$ 7,559,747</b>	<b>\$ 1,524,061</b>	<b>\$ 8,353,163</b>	<b>\$ -</b>	<b>\$ 17,441,915</b>	<b>\$ 34,878,886</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 266,856	\$ 41,756	\$ -	\$ 868,379	\$ 66,011	\$ 1,243,002
Deposits and other liabilities	787,342	-	-	-	-	787,342
Unearned revenue	119,981	-	-	-	-	119,981
Interfund payables	-	-	-	185,989	-	185,989
<b>Total liabilities</b>	<b>1,174,179</b>	<b>41,756</b>	<b>-</b>	<b>1,054,368</b>	<b>66,011</b>	<b>2,336,314</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	54,103	22,393	-	-	-	76,496
Unavailable revenue - loans	-	-	5,023,411	-	651,200	5,674,611
<b>Total deferred inflows of resources</b>	<b>54,103</b>	<b>22,393</b>	<b>5,023,411</b>	<b>-</b>	<b>651,200</b>	<b>5,751,107</b>
<b>FUND BALANCES (DEFICITS)</b>						
Nonspendable:						
Prepaid items	1,214	-	-	-	-	1,214
Notes receivable	53,247	-	-	-	-	53,247
Long-term interfund advances	197,554	-	-	-	-	197,554
Restricted:						
General government	260,231	-	-	-	-	260,231
Public safety	116,316	-	-	-	-	116,316
Public works	-	1,459,912	-	-	5,313,488	6,773,400
Community development	260,267	-	3,329,752	-	4,060,494	7,650,513
Parks and recreation	3,531	-	-	-	-	3,531
Capital projects and improvements	-	-	-	-	7,350,722	7,350,722
Assigned:						
Subsequent year's budget:						
Appropriation of fund balance	2,796,932	-	-	-	-	2,796,932
Unassigned	2,642,173	-	-	(1,054,368)	-	1,587,805
<b>Total fund balances (deficit)</b>	<b>6,331,465</b>	<b>1,459,912</b>	<b>3,329,752</b>	<b>(1,054,368)</b>	<b>16,724,704</b>	<b>26,791,465</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 7,559,747</b>	<b>\$ 1,524,061</b>	<b>\$ 8,353,163</b>	<b>\$ -</b>	<b>\$ 17,441,915</b>	<b>\$ 34,878,886</b>

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

**CITY OF LEMOORE**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

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

Total fund balances - governmental funds	\$	26,791,465
Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources; therefore, they are not reported in the governmental funds.		62,817,790
Compensated absences are not due and payable in the current period, and therefore are not reported in the funds.		(529,417)
Net pension liability and pension related deferred outflows and inflows of resources are not due in the current period and therefore are not reported in the funds. These amounts consist of:		
Net pension liability	(9,512,656)	
Deferred outflows of resources	2,591,177	
Deferred inflows of resources	<u>(457,308)</u>	(7,378,787)
Certain assets are not available to pay for current period expenditures; therefore, they are unavailable in the governmental funds.		5,751,107
Internal service funds are used by management to charge the costs of fleet maintenance services to individual funds. The assets and liabilities of the internal revenue service funds are included in the governmental activities in the statement of net position.		<u>(899,484)</u>
Net position of governmental activities	\$	<u>86,552,674</u>

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

**CITY OF LEMOORE**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds			Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Gasoline Tax Fund	Lemoore Housing Authority Fund	Public Safety Dispatch Center Fund		
<b>REVENUES</b>						
Property taxes	\$ 2,776,085	\$ -	\$ -	\$ -	\$ -	\$ 2,776,085
Other taxes	3,425,086	-	-	-	-	3,425,086
Licenses and permits	966,746	-	-	-	9,295	976,041
Charges for services	473,551	-	-	-	-	473,551
Intergovernmental	2,614,421	1,034,957	-	-	818,935	4,468,313
Fees and assessments	44,728	-	-	-	1,390,052	1,434,780
Loan repayments	15,000	-	39,482	-	108,490	162,972
Use of money and property	139,270	10,713	-	4,156	-	154,139
Other revenue	316,327	-	76	-	10,434	326,837
<b>Total revenues</b>	<b>10,771,214</b>	<b>1,045,670</b>	<b>39,558</b>	<b>4,156</b>	<b>2,337,206</b>	<b>14,197,804</b>
<b>EXPENDITURES</b>						
Current:						
General government	818,774	-	-	-	17,743	836,517
Public safety	7,686,958	-	-	-	6,529	7,693,487
Public works	1,073,906	5,548	-	-	279,189	1,358,643
Community development	437,011	-	18,312	-	737,794	1,193,117
Parks and recreation	1,526,822	-	-	-	-	1,526,822
Capital outlay	320,520	1,787,412	-	1,824,507	538,048	4,470,487
<b>Total expenditures</b>	<b>11,863,991</b>	<b>1,792,960</b>	<b>18,312</b>	<b>1,824,507</b>	<b>1,579,303</b>	<b>17,079,073</b>
Excess (deficiency) of revenues over (under) expenditures	(1,092,777)	(747,290)	21,246	(1,820,351)	757,903	(2,881,269)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	65,789	65,789
Transfers out	(20,789)	-	-	-	(45,000)	(65,789)
<b>Total other financing sources (uses)</b>	<b>(20,789)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,789</b>	<b>-</b>
Net changes in fund balances	(1,113,566)	(747,290)	21,246	(1,820,351)	778,692	(2,881,269)
Fund balances - beginning, restated	7,445,031	2,207,202	3,308,506	765,983	15,946,012	29,672,734
Fund balances (deficits) - ending	\$ 6,331,465	\$ 1,459,912	\$ 3,329,752	\$ (1,054,368)	\$ 16,724,704	\$ 26,791,465

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

**CITY OF LEMOORE**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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

Net changes in fund balances - total governmental funds	\$ (2,881,269)
Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is capitalized. This is the amount of capital assets recorded.	3,788,761
Depreciation expense on capital assets is reported on the government-wide statement of activities, but it does not require the use of current financial resources; therefore, depreciation expense is not reported as an expenditure in the governmental funds.	(2,243,037)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is a decrease in net position.	(88,782)
Compensated absences expense reported in the statement of activities does not require the use of current financial resources; therefore, it is not reported as an expenditure in the governmental funds.	66,375
Changes to net pension liability and pension related deferred outflows and inflows of resources do not require the use of current financial resources, and therefore are not reported as expenditures in governmental funds.	(894,451)
Other long-term assets are not available to pay for current period expenditures; therefore, they are unavailable in the governmental funds.	167,887
Internal service funds are used by management to charge the costs of fleet maintenance, employee benefits, liability and property insurance and general services to individual funds. The change in net position of certain activities of internal service funds is reported with governmental activities.	<u>4,666</u>
Change in net position of governmental activities	<u>\$ (2,079,850)</u>

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

*THIS PAGE IS LEFT BLANK INTENTIONALLY.*

## **MAJOR PROPRIETARY FUNDS**

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

The City reported all of its Enterprise Funds and its Internal Service Fund as major funds in fiscal year 2020.

### **ENTERPRISE FUNDS**

#### **WATER FUND**

This fund accounts for activities associated with the acquisition or construction of water facilities and the production, distribution, and transmission of potable water to users.

#### **SEWER FUND**

This fund accounts for activities associated with the acquisition or construction, and operations and maintenance of the City's sewer system, including drainage, treatment, and disposal of sanitary wastewater.

#### **REFUSE FUND**

This fund accounts for activities associated with the acquisition of refuse and disposal equipment and vehicles, and the collection and disposal of refuse throughout the City.

#### **GOLF COURSE FUND**

This fund accounts for the resources provided and used in the City's public golf course.

### **INTERNAL SERVICE FUND**

#### **FLEET MAINTENANCE FUND**

This fund is used for the maintenance, service, and repair of the City's fleet. These services are provided to other departments or agencies of the City on a cost reimbursement basis.



**CITY OF LEMOORE  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2020**

	Business-type Activities				Total	Governmental Activities Internal Service Fund
	Water Fund	Sewer Fund	Refuse Fund	Golf Course Fund		
<b>ASSETS</b>						
Current assets:						
Cash and investments	\$ 3,213,488	\$ 12,004,493	\$ 1,110,690	\$ -	\$ 16,328,671	\$ -
Restricted cash and investments with fiscal agents	11,315,961	-	-	-	11,315,961	-
Receivables:						
Accounts	1,040,680	307,822	272,607	-	1,621,109	-
Less: allowance for doubtful accounts	(25,115)	(17,233)	(15,969)	-	(58,317)	-
Interest	12,775	14,318	2,193	-	29,286	-
Interfund receivables	73,454	86,695	384,341	-	544,490	-
Inventory	-	-	-	49,792	49,792	-
Prepaid expenses	100,996	-	-	-	100,996	-
Total current assets	<u>15,732,239</u>	<u>12,396,095</u>	<u>1,753,862</u>	<u>49,792</u>	<u>29,931,988</u>	<u>-</u>
Noncurrent assets:						
Advances to other funds	-	285,883	-	-	285,883	-
Capital assets:						
Nondepreciable	26,625,434	1,094,552	369,355	624,013	28,713,354	-
Depreciable, net of accumulated depreciation	<u>20,022,138</u>	<u>8,483,598</u>	<u>803,334</u>	<u>1,093,470</u>	<u>30,402,540</u>	<u>39,347</u>
Total noncurrent assets	<u>46,647,572</u>	<u>9,864,033</u>	<u>1,172,689</u>	<u>1,717,483</u>	<u>59,401,777</u>	<u>39,347</u>
Total assets	<u>62,379,811</u>	<u>22,260,128</u>	<u>2,926,551</u>	<u>1,767,275</u>	<u>89,333,765</u>	<u>39,347</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred outflows from pensions	<u>415,241</u>	<u>249,945</u>	<u>318,051</u>	<u>-</u>	<u>983,237</u>	<u>48,554</u>
Total deferred outflows of resources	<u>415,241</u>	<u>249,945</u>	<u>318,051</u>	<u>-</u>	<u>983,237</u>	<u>48,554</u>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	2,196,241	220,615	95,823	69,644	2,582,323	53,526
Deposits and other liabilities	67,847	-	-	18,234	86,081	-
Compensated absences	61,945	29,538	42,504	-	133,987	1,967
Interfund payables	-	-	-	703,404	703,404	832,808
Accrued interest payable	116,636	-	-	-	116,636	-
Current portion of long-term liabilities	<u>611,355</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>611,355</u>	<u>-</u>
Total current liabilities	<u>3,054,024</u>	<u>250,153</u>	<u>138,327</u>	<u>791,282</u>	<u>4,233,786</u>	<u>888,301</u>
Noncurrent liabilities:						
Long-term liabilities	34,272,615	-	-	-	34,272,615	-
Advances from other funds	285,883	-	-	197,554	483,437	-
Advances from Successor Agency	-	-	-	1,789,939	1,789,939	-
Compensated absences	6,090	6,755	26,552	-	39,397	-
Net pension liability	<u>1,572,218</u>	<u>936,859</u>	<u>1,200,473</u>	<u>-</u>	<u>3,709,550</u>	<u>181,531</u>
Total noncurrent liabilities	<u>36,136,806</u>	<u>943,614</u>	<u>1,227,025</u>	<u>1,987,493</u>	<u>40,294,938</u>	<u>181,531</u>
Total liabilities	<u>39,190,830</u>	<u>1,193,767</u>	<u>1,365,352</u>	<u>2,778,775</u>	<u>44,528,724</u>	<u>1,069,832</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows from pensions	<u>118,241</u>	<u>75,095</u>	<u>92,524</u>	<u>-</u>	<u>285,860</u>	<u>15,008</u>
Total deferred inflows of resources	<u>118,241</u>	<u>75,095</u>	<u>92,524</u>	<u>-</u>	<u>285,860</u>	<u>15,008</u>
<b>NET POSITION (DEFICIT)</b>						
Net investment in capital assets	23,064,057	9,578,150	1,172,689	1,717,483	35,532,379	39,347
Restricted for:						
Debt service reserve	15,506	-	-	-	15,506	-
Unrestricted	<u>406,418</u>	<u>11,663,061</u>	<u>614,037</u>	<u>(2,728,983)</u>	<u>9,954,533</u>	<u>(1,036,286)</u>
Total net position (deficit)	<u>\$ 23,485,981</u>	<u>\$ 21,241,211</u>	<u>\$ 1,786,726</u>	<u>\$ (1,011,500)</u>	<u>45,502,418</u>	<u>\$ (996,939)</u>
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds					<u>(97,455)</u>	
Net position of business-type activities					<u>\$ 45,404,963</u>	

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

**CITY OF LEMOORE**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN**  
**NET POSITION – PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Business-type Activities				Total	Governmental
	Water Fund	Sewer Fund	Refuse Fund	Golf Course Fund		Activities Internal Service Fund
Operating revenues:						
Charges for services	\$ 9,016,199	\$ 3,552,879	\$ 3,066,008	\$ 1,127,647	\$ 16,762,733	\$ 989,730
Fines and forfeitures	12,349	-	25	-	12,374	-
Other revenues	<u>19,920</u>	<u>93,359</u>	<u>1,146</u>	<u>1,519</u>	<u>115,944</u>	<u>2,652</u>
Total operating revenues	<u>9,048,468</u>	<u>3,646,238</u>	<u>3,067,179</u>	<u>1,129,166</u>	<u>16,891,051</u>	<u>992,382</u>
Operating expenses:						
Salaries and benefits	1,555,060	759,853	1,136,030	-	3,450,943	214,367
Materials and supplies	367,264	269,981	77,322	290,591	1,005,158	356,381
General and administrative	1,153,589	557,281	255,161	135,922	2,101,953	723
Contractual services	668,549	2,499,285	1,137,609	510,792	4,816,235	11,429
Repairs and maintenance	120,183	89,978	29,792	10,355	250,308	365,228
Other expenses	355,641	271,674	612,945	107,328	1,347,588	18,850
Depreciation	<u>1,073,904</u>	<u>566,909</u>	<u>124,145</u>	<u>116,460</u>	<u>1,881,418</u>	<u>10,003</u>
Total operating expenses	<u>5,294,190</u>	<u>5,014,961</u>	<u>3,373,004</u>	<u>1,171,448</u>	<u>14,853,603</u>	<u>976,981</u>
Operating income (loss)	<u>3,754,278</u>	<u>(1,368,723)</u>	<u>(305,825)</u>	<u>(42,282)</u>	<u>2,037,448</u>	<u>15,401</u>
Nonoperating revenues (expenses):						
Intergovernmental - capital	49,039	-	126,764	-	175,803	-
Use of money and property	434,194	90,382	13,455	(4,098)	533,933	-
Interest expense	(1,260,285)	-	-	(38,198)	(1,298,483)	-
Gain (loss) on asset disposal	(2,508)	(29,135)	-	(5,568)	(37,211)	(1,920)
Cost of bond issuance	<u>(4,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,500)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(784,060)</u>	<u>61,247</u>	<u>140,219</u>	<u>(47,864)</u>	<u>(630,458)</u>	<u>(1,920)</u>
Income (loss) before transfers	<u>2,970,218</u>	<u>(1,307,476)</u>	<u>(165,606)</u>	<u>(90,146)</u>	<u>1,406,990</u>	<u>13,481</u>
Changes in net position	2,970,218	(1,307,476)	(165,606)	(90,146)	1,406,990	13,481
Net position (deficit), beginning, restated	<u>20,515,763</u>	<u>22,548,687</u>	<u>1,952,332</u>	<u>(921,354)</u>		<u>(1,010,420)</u>
Net position (deficit) - ending	<u>\$ 23,485,981</u>	<u>\$ 21,241,211</u>	<u>\$ 1,786,726</u>	<u>\$ (1,011,500)</u>		<u>\$ (996,939)</u>
Adjustments to reflect consolidation of internal service fund activities related to enterprise funds					<u>8,815</u>	
Change in net position of business-type activities					<u>\$ 1,415,805</u>	

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

**CITY OF LEMOORE  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

	Business-type Activities				Total	Governmental Activities Internal Service Funds
	Water Fund	Sewer Fund	Refuse Fund	Golf Course Fund		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipt from customers and users	\$ 8,968,934	\$ 3,617,770	\$ 3,051,526	\$ 1,085,908	\$ 16,724,138	\$ 989,730
Payments to suppliers and service providers	(1,803,451)	(3,556,652)	(2,138,277)	(993,375)	(8,491,755)	(758,752)
Payments to employees for salaries and benefits	(1,295,056)	(779,828)	(1,010,782)	-	(3,085,666)	(236,229)
Other receipts	19,920	93,359	1,146	1,519	115,944	2,652
Net cash provided (used) by operating activities	<u>5,890,347</u>	<u>(625,351)</u>	<u>(96,387)</u>	<u>94,052</u>	<u>5,262,661</u>	<u>(2,599)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Loans (to) from other funds	<u>(289,287)</u>	<u>298,797</u>	<u>(106,522)</u>	<u>(51,756)</u>	<u>(148,768)</u>	<u>26,812</u>
Net cash provided (used) by noncapital financing activities	<u>(289,287)</u>	<u>298,797</u>	<u>(106,522)</u>	<u>(51,756)</u>	<u>(148,768)</u>	<u>26,812</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Capital grants	49,039	-	126,764	-	175,803	-
Cost of issuance from capital debt	(4,500)	-	-	-	(4,500)	-
Principal paid on capital debt	(557,683)	-	-	-	(557,683)	-
Interest paid on capital debt	(1,552,168)	-	-	(38,198)	(1,590,366)	-
Acquisition and construction of capital assets	<u>(25,020,734)</u>	<u>(219,847)</u>	<u>(621,877)</u>	<u>-</u>	<u>(25,862,458)</u>	<u>(24,213)</u>
Net cash provided (used) by capital and related financing activities	<u>(27,086,046)</u>	<u>(219,847)</u>	<u>(495,113)</u>	<u>(38,198)</u>	<u>(27,839,204)</u>	<u>(24,213)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest received	<u>440,372</u>	<u>105,725</u>	<u>17,080</u>	<u>(4,098)</u>	<u>559,079</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>440,372</u>	<u>105,725</u>	<u>17,080</u>	<u>(4,098)</u>	<u>559,079</u>	<u>-</u>
Increase (decrease) in cash and investments	(21,044,614)	(440,676)	(680,942)	-	(22,166,232)	-
Cash and investments, July 1	<u>35,574,063</u>	<u>12,445,169</u>	<u>1,791,632</u>	<u>-</u>	<u>49,810,864</u>	<u>-</u>
Cash and investments, June 30	<u>\$ 14,529,449</u>	<u>\$ 12,004,493</u>	<u>\$ 1,110,690</u>	<u>\$ -</u>	<u>\$ 27,644,632</u>	<u>\$ -</u>
Cash and investments	\$ 3,213,488	\$ 12,004,493	\$ 1,110,690	\$ -	\$ 16,328,671	\$ -
Cash and investments with fiscal agents	<u>11,315,961</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,315,961</u>	<u>-</u>
Total cash and investments	<u>\$ 14,529,449</u>	<u>\$ 12,004,493</u>	<u>\$ 1,110,690</u>	<u>\$ -</u>	<u>\$ 27,644,632</u>	<u>\$ -</u>

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

**CITY OF LEMOORE**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**  
(Continued)

**Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities**

	Business-type Activities					Governmental
	Water Fund	Sewer Fund	Refuse Fund	Golf Course Fund	Total	Activities Internal Service Funds
Operating income (loss)	\$ 3,754,278	\$ (1,368,723)	\$ (305,825)	\$ (42,282)	\$ 2,037,448	\$ 15,401
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	1,073,904	566,909	124,145	116,460	1,881,418	10,003
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable	(104,964)	64,892	(14,655)	-	(54,727)	-
(Increase) decrease in inventory	-	-	-	11,384	11,384	-
(Increase) decrease in prepaid expenses	3,453	-	-	-	3,453	-
(Increase) decrease in deferred outflows of resources	(36,160)	41,253	(3,181)	-	1,912	11,845
Increase (decrease) in accounts payable	858,322	131,547	(25,448)	3,892	968,313	(6,141)
Increase (decrease) in deposits and other liabilities	45,350	(1)	148	4,598	50,095	-
Increase (decrease) in compensated absences	9,906	702	1,908	-	12,516	(9,287)
Increase (decrease) in deferred inflows of resources	6,536	(10,706)	(950)	-	(5,120)	(3,729)
Increase (decrease) in net pension liability	279,722	(51,224)	127,471	-	355,969	(20,691)
Net cash provided (used) by operating activities	<u>\$ 5,890,347</u>	<u>\$ (625,351)</u>	<u>\$ (96,387)</u>	<u>\$ 94,052</u>	<u>\$ 5,262,661</u>	<u>\$ (2,599)</u>

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

## **FIDUCIARY FUNDS**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The City administers the activity of a private purpose trust fund and a custodial fund. Fiduciary funds are not reflected in the government-wide statements because the resources of those funds are not available to support the City's own programs.

### **LEMOORE REDEVELOPMENT SUCCESSOR AGENCY PRIVATE PURPOSE TRUST FUND**

This fund is used to account for assets and liabilities of the former Lemoore Redevelopment Agency until they are distributed to other units of state and local government as a result of the dissolution of the redevelopment agency.

### **CUSTODIAL FUNDS**

These funds are used to account for assets held by the City as an agent for the Irrigation District, individuals, private organizations, other governments and/or other funds. The funds are custodial in nature and do not involve measurement of results in operations.

**CITY OF LEMOORE  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2020**

	<u>Lemoore Redevelopment Successor Agency Private Purpose Trust Fund</u>	<u>Custodial Funds</u>
<b>ASSETS</b>		
Cash and investments	\$ 1,009,767	\$ 149,439
Restricted cash and investments with fiscal agent	2,370,451	-
Advances to City of Lemoore	1,789,939	-
Notes receivable	1,117,267	-
Land held for resale	180,494	-
Other assets	<u>-</u>	<u>28,800</u>
Total assets	<u>6,467,918</u>	<u>178,239</u>
<b>LIABILITIES</b>		
Accounts payable	300	636
Impact fees payable	-	10,962
Payable to State Department of Finance	18,050	-
Interest payable	226,213	-
Long-term liabilities:		
Due within one year	901,474	-
Due in more than one year	<u>12,450,005</u>	<u>-</u>
Total liabilities	<u>13,596,042</u>	<u>11,598</u>
<b>NET POSITION (DEFICIT)</b>		
Restricted for:		
Net position (deficit) held in trust for the retirement of obligations of the Lemoore Successor Agency to the former Lemoore Redevelopment Agency	(7,128,124)	-
Organizations and other governments	<u>-</u>	<u>166,641</u>
Total net position (deficit)	<u>\$ (7,128,124)</u>	<u>\$ 166,641</u>

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

**CITY OF LEMOORE  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

	Lemoore Redevelopment Successor Agency Private Purpose Trust Fund	Custodial Funds
<b>ADDITIONS</b>		
Contributions:		
Members	\$ -	\$ 20,000
Total contributions	-	20,000
Investment earnings:		
Interest, dividends, and other	60,342	232
Net investment earnings	60,342	232
Collections on behalf of other governments:		
Property taxes	1,051,580	-
Impact fees	-	926,907
Grants	-	87,177
Other	-	11,449
Total collections on behalf of other governments	1,051,580	1,025,533
Total additions	1,111,922	1,045,765
<b>DEDUCTIONS</b>		
Administrative expense	85,456	-
Interest expense	572,320	-
Payments to other governments	-	1,025,533
Bad debt	38,252	-
Other expenses	-	564
Total deductions	696,028	1,026,097
Net increase (decrease) in fiduciary net position	415,894	19,668
Net position (deficit) - beginning, restated	(7,544,018)	146,973
Net position (deficit) - ending	\$ (7,128,124)	\$ 166,641

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

**CITY OF LEMOORE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Lemoore, California (the “City”) is a charter city operating under a Council-Member form of government. During the year ended June 30, 2000, the voters of the City approved a Charter which gives the City Council greater self-rule, and the Charter was accepted by the California Secretary of State.

The accompanying basic financial statements include the financial activities of the City, the primary government and its component units, the Lemoore Financing Authority (Financing Authority) and the Lemoore Housing Authority (Housing Authority). Financial information for the City and its component units are accounted for in the accompanying financial statements in accordance with principles defining the governmental reporting entity adopted by the Governmental Accounting Standards Board. The City Council members, in separate sessions, serve as the governing board of the component units. These entities are presented on a blended basis.

The **Lemoore Financing Authority** (Financing Authority) was formed in August 1989 for the purpose of assisting the financing or refinancing of certain public capital facilities within the City. The Financing Authority is governed by a five-member board of directors, which consists of the members of the City Council with the City Manager as the Executive Director. The financial transactions for the Financing Authority are recorded in the Water, Sewer, and Golf Course enterprise funds. The Financing Authority does not issue separate financial statements.

The **Lemoore Housing Authority** (Housing Authority) was formed in February 2011 for the purpose of providing sanitary and safe housing for people of very low, low, or moderate income within the City’s territorial jurisdiction. The Housing Authority is governed by a five-member board of directors, which consists of the members of the City Council with the City Manager as the Executive Director. The financial transactions for the Housing Authority are recorded in the Lemoore Housing Authority special revenue fund. The Housing Authority does not issue separate financial statements.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental audits. The Governmental Accounting Standards Board is the accepted standard setting body for governmental accounting and financial reporting principles. The more significant of the City’s accounting policies are described below.

**B. Basis of Presentation**

The accounts of the City are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

*Government-Wide Financial Statements* – The statement of net position and the statement of activities display information about the primary government (the City) and its component unit. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the *governmental and business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.



**CITY OF LEMOORE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation (Continued)**

The statement of activities presents a comparison between direct expenses and program revenues for each different identifiable activity of the City's *business-type activities* and for each function of the City's *governmental activities*. Direct expenses are those that are specifically associated with a program or function and, therefore, are included in the program expense reported for individual function. Certain indirect costs, which cannot be identified and broken down, are included in the program expense reported for individual functions and activities. Program revenues include, 1) fines, fees, and charges paid by the recipients of goods and services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

Certain eliminations have been made as prescribed by GASB Statement No. 34 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 those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated: due to/due from other funds, interfund note receivable/interfund long-term debt, and transfers in/transfers out.

*Fund Financial Statements* – The fund financial statements provide information about the City's funds. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. An accompanying schedule is presented to reconcile and explain the differences in funds and changes in fund balances as presented in these statements to the net position and changes in net position presented in the government-wide financial statements.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures/expenses equal to ten percent fund type total and five percent of the City's funds. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

The City reports the following major governmental funds:

The **General Fund** is the primary operating fund of the City. It accounts for normal recurring activities traditionally associated with government, which are not required to be accounted for in another fund. These activities are funded primarily by property taxes, sales and use taxes, interest and rental income, charges for services, and grants.

The **Gasoline Tax Fund** accounts for revenues and expenditures apportioned to the City under the Streets and Highway Code, Sections 2103, 2105, 2106, 2107, and 2107.5 of the State of California. Expenditures for administration, maintenance, and construction must be street related.

The **Lemoore Housing Authority Fund** has taken over the assets and associated functions of the Low/Moderate Income Housing Fund of the former Lemoore Redevelopment Agency and is used to account for current and future low-income households for the acquisition, rehabilitation, or new construction of single-family homes.

**CITY OF LEMOORE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation (Continued)**

The **Public Safety Dispatch Center Fund** is used to account for the revenue and expenditures related to the construction of the new public safety dispatch center.

Enterprise fund financial statements include a statement of net position, statement of revenues, expenses and changes in net position, a statement of cash flows for each major enterprise fund and nonmajor funds aggregated.

The City has four major enterprise funds, the Water Fund, Sewer Fund, Refuse Fund, and Golf Course Fund, which are used to account for operations that are financed and operated in a manner similar to private business enterprise. In an enterprise fund, the intent of the City Council is that costs (expenses, including depreciation) of providing services to the general public, on a continuing basis, be financed or recovered primarily through user charges.

The City reports the following major enterprise funds:

The **Water Fund** accounts for the activities of the City's water production and distribution operations.

The **Sewer Fund** accounts for the activities of the City's sanitary sewer system operations.

The **Refuse Fund** accounts for the activities of the City's refuse collection and disposal operations.

The **Golf Course Fund** accounts for the resources provided and used in the golf course.

The City's fiduciary funds are used to account for resources held for the benefit of parties outside the government. The fund's activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. Fiduciary funds are not reflected in the government-wide statements because the resources of those funds are not available to support the City's own programs. Fiduciary funds are presented on an economic resources measurement focus and the accrual basis of accounting, similar to the government-wide financial statements.

The City reports the following fiduciary funds:

**Lemoore Redevelopment Successor Agency Private Purpose Trust Fund** is used to account for assets and liabilities of the former redevelopment agency until they are distributed to other units of state and local government as a result of the dissolution of the redevelopment agency.

**Custodial Funds** are used to account for assets held by the City as a custodian for the Laguna Irrigation District, individuals, private organizations, other governments and/or other funds.

Additionally, the City reports the following fund type:

**Internal Service Fund** is used to account for fleet maintenance services provided to other departments or agencies of the City on a cost reimbursement basis.

**CITY OF LEMOORE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified basis of accounting*. Revenues, except for grants, are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal year. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirement, and the amount is received during the period or within the availability period for this revenue resource (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenues items are considered to be measurable and available only when cash is received by the City.

The proprietary and private-purpose trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**CITY OF LEMOORE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balances**

***Cash and Cash Equivalents***

For the purposes of the statement of cash flows, the City considered all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

***Deposits and Investments***

The City maintains a cash and investment pool that is available for use by all funds. This pool utilizes investments authorized by the Government Code and is further defined by the City's investment policy that is approved by the City Council.

Authorized investments include deposits in the State of California administered Local Agency Investment Fund (LAIF), insured certificates of deposits, collateralized certificates of deposits, commercial paper, money market mutual funds, federally sponsored credit agency securities, and securities backed by the U.S. Government. All investments are stated at fair value.

Interest income earned as a result of pooling is distributed to the appropriate funds based on month end cash balances in each fund. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

***Restricted Assets***

Certain proceeds of general obligation debt and enterprise debt are classified as restricted assets on the balance sheet because their use is limited by applicable debt covenants. "Cash with fiscal agent" is used to report resources set aside for potential deficiencies in the repayment ability of the enterprise funds, and for payment of construction projects undertaken by the City.

***Interfund Transactions***

Interfund transactions are reflected as loans, services provided or used, reimbursements or transfers. Loans reported as receivables and payables, as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the noncurrent portion of interfund loans). Any residual balances outstanding between the *governmental activities* and the *business-type activities* are reported in the fund financial statements, and are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

***Receivables***

Enterprise fund statements report an allowance for uncollectible accounts against the account receivables. All customers are billed monthly. The estimated value of services provided, but unbilled at year-end, has been included in the accompanying financial statements.

**CITY OF LEMOORE  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balances  
(Continued)**

***Property Tax Calendar***

Property taxes are assessed, collected and allocated by Kings County throughout the fiscal year according to the following property tax calendar:

Lien Date	January 1
Levy Date	July 1 to June 30
Due Dates	November 1, 1 <sup>st</sup> installment; February 1, 2 <sup>nd</sup> installment
Delinquent Dates	December 10, 1 <sup>st</sup> installment; April 10, 2 <sup>nd</sup> installment

Revenues from taxpayer-assessed taxes (sales and use, business license, transient occupancy, utility users, gas, and franchise fees) are accrued in the governmental funds when they are both measurable and available. The City considers these revenues available if they are received during the period when settlement of prior fiscal year accounts payable occurs. Historically, the majority of these taxes are received within 60 days of the fiscal year-end.

The City accrues as receivable all property taxes received during the first (60) days of the new fiscal year.

***Inventory of Supplies and Prepaid Items***

Inventory is valued at the lower of cost, determined by the first-in, first-out method, or market and consists primarily of golf merchandise and food and beverage items sold at the golf course. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

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

***Assets Held for Resale***

Land and improvements held by the City for the purpose of improving and reselling are accounted for in the account. Property is valued at the lower of cost or net realizable value.

***Capital Assets***

The City's assets are categorized at historical cost or estimated historical cost. City policy has set the capitalization threshold for reporting capital assets at \$5,000. Gifts or contributions of capital assets are recorded at fair value when received. Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

Buildings and improvements .....	40 years
Machinery and equipment .....	5-15 years
Road network.....	25-50 years
Infrastructure.....	10-15 years

In accordance with GASB Statement No. 34, the City is required to account for and report infrastructure capital assets. The City's road network consists of seven subsystems which include sidewalk, curb and gutter, pavement, landscape zones, streetlights, railroad crossings, and traffic signals. Subsystem detail is not presented in these basic financial statements; however, the City maintains detailed information on these subsystems. The assets in these subsystems are depreciated using the straight-line method.

**CITY OF LEMOORE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balances**  
(Continued)

***Risk Management***

The City participates with other public entities in a joint venture under a joint powers agreement which establishes the Central San Joaquin Valley Risk Management Authority (CSJVRMA). The relationship between the City and CSJVRMA is such that CSJVRMA is not a component unit of the City for financial reporting purposes.

***Interest Payable***

In the government-wide financial statements, interest payable for long-term debt is recognized as the liability is incurred for the governmental fund-types and proprietary-fund types.

In the fund financial statements, proprietary fund-types recognize the interest payable when the liability is incurred.

***Compensated Absences Payable***

City employees are granted vacation and sick leave in varying amounts depending on the number of years of service. City employees also accumulate hours of overtime as compensated time off. For governmental funds, earned but unused, vested leave (vacation, compensated time off, holiday) is expensed and established as a liability and is reported in the government-wide statement of net position in the governmental activities column. Vested leave for enterprise funds is recorded as an expense and liability of those funds as the benefits accrue. No liability is recorded for non-vesting leave such as sick leave.

***Unearned Revenue***

Unearned revenue is that for which asset recognition criteria have been met, but for which asset revenue recognition criteria have not been met. The City typically records intergovernmental revenues (primary grants and subventions) received but not earned (qualifying expenditures not yet incurred) as unearned revenue.

***Unavailable Revenue***

In the fund financial statements, unavailable revenue is recorded when transactions have not yet met the revenue recognition criteria based on the modified accrual basis of accounting. The City records unavailable revenue for transactions for which revenues have been earned, but for which funds are not available to meet current financial obligations.

***Long-Term Debt***

In the government-wide financial statements and enterprise fund type statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premiums or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**CITY OF LEMOORE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balances**  
(Continued)

***Pensions***

In government-wide financial statements, pensions are recognized and disclosed using the accrual basis of accounting (see Note 12 and the RSI section immediately following the notes to financial statements), regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The City recognizes a net pension liability of the qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the qualified pension plan, measured as of the City's fiscal year-end or the City's proportionate share thereof in the case of a cost-sharing multiple-employer plan. Changes in the net pension liability during the period are recorded as pension expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants including retirees, in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they arose. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Lemoore California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***Deferred Outflows and Inflows of Resources***

Pursuant to GASB Statement No. 63 and GASB Statement No. 65, the City recognizes deferred outflows and inflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net position by the government that is applicable to a future reporting period. Refer to Notes 10 and 12 for a detailed listing of the deferred outflows and deferred inflows of resources the City has recognized.

***Use of Estimates***

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**CITY OF LEMOORE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balances**  
(Continued)

***Classification of Net Position***

In the government-wide financial statements and proprietary fund statements, net position is classified in the following categories:

**Net investment in capital assets** – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

**Restricted net position** – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

**Unrestricted net position** – This category represents the net position of the City, which is not restricted for any project or other purpose.

When both restricted and unrestricted net position are available, restricted resources are depleted first before the unrestricted resources are used.

***Fund Balances***

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

**Nonspendable** - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

**Restricted** - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

**Committed** - This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

**Assigned** - This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council or through the City Council delegating this responsibility to the City manager through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

**Unassigned** -This classification includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the City.

The City would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.



**CITY OF LEMOORE  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Change in Accounting Principles**

***Governmental Accounting Standards Board Statement No. 84***

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, *Fiduciary Activities*. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes of state and local governments. The requirements of this statement enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities.

As of July 1, 2019, the City adopted the provisions of GASB Statement No. 84 and restated the beginning net position of the City’s fiduciary activities. The restatement is disclosed as part of Note 17.

**F. Subsequent Events**

Management has evaluated and concluded that there are no subsequent events that have occurred from June 30, 2020 through the date of the financial statements were available to be issued on February 10, 2021 that would require disclosure or adjustment.

**NOTE 2 – CASH AND INVESTMENTS**

Cash and investments as of June 30, 2020 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 40,501,931
Restricted cash and investments	665,874
Restricted cash and investments with fiscal agents	11,315,961
Fiduciary Funds:	
Cash and investments	1,159,206
Restricted cash and investments with fiscal agents	<u>2,370,451</u>
 Total cash and investments	 <u>\$ 56,013,423</u>

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

Cash on hand	\$ 5,540
Deposits with financial institutions	24,520,961
Investments	<u>31,486,922</u>
 Total cash and investments	 <u>\$ 56,013,423</u>

**CITY OF LEMOORE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

**A. Investments Authorized by the California Government Code and the City’s Investment Policy**

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City’s investments policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City’s investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. The City’s investment policy does not contain any specific provisions intended to limit the City’s exposure to interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debts proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City’s investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio or Amount	Maximum Investment of One Issuer or Amount
U.S. Treasury obligations	5 years	None	None
U.S. Agency securities	5 years	None	None
Bankers acceptances	180 days	40%	30%
Commercial paper	270 days	25%	10%
National certificates of deposit	5 years	30%	Legal Limit
Repurchase agreements	1 year	None	None
Medium-term notes	5 years	30%	None
Mutual accounts	N/A	20%	10%
Money market accounts	N/A	20%	10%
Local agency investment fund (LAIF)	N/A	None	None

**B. Investments Authorized by Debt Agreements**

Investments of debt proceeds held by the bond trustee are governed by provisions of the debt agreements rather than the general provisions of the California Government Code or the City’s investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risks, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio or Amount	Maximum Investment of One Issuer or Amount
U.S. Treasury obligations	None	None	None
U.S. Agency securities	None	None	None
Bankers acceptances	180 days	None	None
Commercial paper	270 days	None	None
Money market mutual funds	N/A	None	None
Investment contracts	30 years	None	None

**CITY OF LEMOORE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

**C. Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by maintaining funds in liquid, short-term investments which can be converted to cash when necessary to meet disbursement requirements.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Fair Value	Remaining Maturity (in months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
State Investment Pool	\$ 17,061,371	\$ 17,061,371	\$ -	\$ -	\$ -
Certificates of Deposits	739,140	739,140	-	-	-
Held by Bond Trustee:					
Money Market Funds	13,447,825	13,447,825	-	-	-
Guaranteed Investment Contract	<u>238,586</u>	<u>238,586</u>	-	-	-
Total	<u>\$ 31,486,922</u>	<u>\$ 31,486,922</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**D. Disclosures Relating to 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. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Investment Type	Amount	Minimum Legal Rating	Ratings as of Year-End	
			AA+	Not Rated
State Investment Pool	\$ 17,061,371	N/A	\$ -	\$ 17,061,371
Certificates of Deposits	739,140	N/A	-	739,140
Held by Bond Trustee:				
Money Market Funds	13,447,825	N/A	-	13,447,825
Guaranteed Investment Contract	<u>238,586</u>	N/A	-	<u>238,586</u>
Total	<u>\$ 31,486,922</u>		<u>\$ -</u>	<u>\$ 31,486,922</u>

**E. Concentration of Credit Risk**

Concentration of credit risk is the risk that the failure of any one issuer would place an undue financial burden on the City. The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated in the California Government Code. As of June 30, 2020, there were no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of the total pooled investment.

**CITY OF LEMOORE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

**F. Custodial Credit Risk**

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a city will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterpart (e.g. broker-dealer) to a transaction, a city will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: the California Government Code requires that a financial institution secure deposits made by the state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under the state law (unless so waived by the government unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2020, the carrying amount of the City's bank deposits was \$24,520,961, and the respective bank balances totaled \$24,628,010, the total amount of which was collateralized with pooled securities held by the financial institution's trust department. These securities are held in the name of the financial institution and not in the name of the City.

In addition, as of June 30, 2020, none of the City's investments with financial institutions were held in uncollateralized accounts.

Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

**G. Local Agency Investment Fund**

The City of Lemoore is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF is not registered with the Securities and Exchange Commission and is not rated. Deposits and withdrawals to and from LAIF are transferred on the basis of \$1 and not fair value. Accordingly, under the fair value hierarchy, LAIF is uncategorized.

**CITY OF LEMOORE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

**H. Fair Value Hierarchy**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The City has the following recurring fair value measurements as of June 30, 2020:

<u>Investments by Fair Value Level</u>	<u>Amount</u>	<u>Fair Value Measurements Level 2 Inputs</u>
Certificates of Deposit	\$ 739,140	\$ 739,140
	739,140	<u>\$ 739,140</u>
State Investment Pool	17,061,371	
Held by Bond Trustee:		
Money Market Funds	13,447,825	
Guaranteed Investment Contracts	238,586	
	<u>\$ 31,486,922</u>	

In determining fair value, the City’s custodians use various methods including market and income approaches. Based on these approaches, the City’s custodians utilize certain assumptions that market participants would use in pricing the asset or liability. The City’s custodians utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

Various inputs are used in determining the value of the City’s investments and other financial instruments. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. These inputs are summarized in the three broad levels: Level 1 – quoted prices in active markets for identical investments, Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.) and Level 3 – significant unobservable inputs (including the City’s own assumptions in determining the fair value of investments).

According to GASB 72, money market investments and participating interest-earning investment contracts that have a remaining maturity at the time of purchase of one year or less should be measured at amortized cost, and as such, are not shown in the fair value hierarchy. Additionally, the City’s LAIF is not presented, as the amount available for withdrawal is based on amortized cost.

**NOTE 3 – FORGIVABLE LOANS**

The City administers a housing rehabilitation loan program. Under this program, individuals with incomes below certain levels are eligible to receive low interest loans for rehabilitation work on their homes. These performing loans are secured by deeds of trust on the rehabilitation properties.

Forgivable loans are not required to be paid back unless the participating homeowner sells, transfers title to the rehabilitated property, or discontinues residence in the dwelling at which time the full amount of the deferred loan is due. These loans are “non-performing loans” and are not recorded as loans receivable in the financial statements. Such loans totaled \$1,696,689 as of June 30, 2020.

**CITY OF LEMOORE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 4 – INTERFUND ACTIVITIES**

Interfund balances for the purpose of the government-wide statements have been eliminated. The composition of interfund balances in the fund level statements as of June 30, 2020, is as follows:

**A. Current Interfund Receivables/Payables**

Current interfund balances are generally short-term loans to cover temporary cash deficits in various funds and are expected to be repaid shortly after the end of the fiscal year. The City's interfund receivables and payables consisted of the following at June 30, 2020.

	Due from Other Funds	Due to Other Funds
<b>Governmental Funds</b>		
Major Funds:		
General Fund	\$ 1,177,711	\$ -
Public Safety Dispatch Center Capital Projects Fund	-	185,989
<b>Enterprise Funds</b>		
Major Funds:		
Water Fund	73,454	-
Sewer Fund	86,695	-
Refuse Fund	384,341	-
Golf Course Fund	-	703,404
<b>Internal Service Funds</b>		
Major Funds:		
Fleet Maintenance Fund	-	832,808
Total	\$ 1,722,201	\$ 1,722,201

**B. Long-Term Interfund Advances**

Long-term interfund advances are advances to other funds that are not expected to be repaid in one year or less. The City's long-term interfund advances consisted of the following at June 30, 2020:

	Advances to Other Funds	Advances from Other Funds
<b>Governmental Funds</b>		
Major Funds:		
General Fund	\$ 197,554	\$ -
<b>Enterprise Funds</b>		
Major Funds:		
Water Fund	-	285,883
Sewer Fund	285,883	-
Golf Course Fund	-	1,987,493
<b>Fiduciary Funds</b>		
Successor Agency Private Purpose Trust Fund	1,789,939	-
Total	\$ 2,273,376	\$ 2,273,376

On August 5, 2013, the City's General Fund loaned \$1,439,128 to the Golf Course enterprise fund to pay off the 1995 Golf Course Bonds and related expenses. The loan bears 1.35% interest, payable quarterly over an eight-year term. The final payment of the loan is scheduled for June 30, 2021. The loan balance is \$197,554 as of June 30, 2020.

**CITY OF LEMOORE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 4 – INTERFUND ACTIVITIES (Continued)**

**B. Long-Term Interfund Advances (Continued)**

On May 7, 2013, the City’s Sewer Fund loaned \$2,371,883 to the Water Fund for the solar project. The loan is payable annually over a five-year term. The final payment of the loan is scheduled for June 30, 2020. The loan balance is \$285,883 as of June 30, 2020.

On June 30, 2005, the City’s Golf Course Fund obtained a loan from the Lemoore Redevelopment Successor Agency for \$1,039,850 bearing 2.38% interest. This loan incurred interest beginning July 1, 2005. Payments of approximately \$300,000 per year will begin in fiscal year 2021. The loan was obtained to cover both direct expenses and debt service of the golf course. The final payment of the loan is scheduled for June 30, 2027. The loan balance is \$1,789,939 as of June 30, 2020.

**C. Transfers**

Transfers for the year ended June 30, 2020 are summarized as follows:

	Transfers	
	In	Out
Major Funds:		
General Fund	\$ -	\$ 20,789
Nonmajor Funds:		
Traffic Safety Fund	-	45,000
Maintenance Assessment District Fund	20,789	-
Traffic Signal Fund	45,000	-
Total	\$ 65,789	\$ 65,789

**NOTE 5 – EMPLOYEE LOAN PROGRAM**

In March 2004, the City Council approved the Homebuyer Assistance Program (Program), which provides interest-free, forgivable loans to full-time, permanent City employees for the purchase of a single family residence. The amount available to borrow is \$15,000 for sworn personnel and \$10,000 for all other employees and are forgiven incrementally over ten years, beginning at the time of disbursement. All loans are secured by a deed of trust on the property and must be repaid upon the termination of the employee, whether voluntary or involuntary, with certain exceptions, or a lien is placed on the property. During the fiscal year ended June 30, 2020, the City entered into three new loan agreements totaling \$35,000 and did not make any collections. At June 30, 2020, the remaining balance of open loans is \$266,230, \$212,984 of which has been deemed to be uncollectible.

**NOTE 6 – ASSETS HELD FOR RESALE**

The following is a summary of changes in the assets held for resale during the year ended June 30, 2020:

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020
Land held for resale	\$ 1,485,564	\$ -	\$ -	\$ 1,485,564

**CITY OF LEMOORE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 7 – CAPITAL ASSETS**

**A. Governmental Activities**

Capital assets activity of the governmental activities for the year ended June 30, 2020 is as follows:

	Balance June 30, 2019	Additions	Reductions	Transfers/ Adjustments	Balance June 30, 2020
Capital assets, not being depreciated:					
Land	\$ 2,815,713	\$ -	\$ -	\$ -	\$ 2,815,713
Construction in progress	<u>560,633</u>	<u>3,428,337</u>	<u>(624,803)</u>	<u>-</u>	<u>3,364,167</u>
Total capital assets, not being depreciated	<u>3,376,346</u>	<u>3,428,337</u>	<u>(624,803)</u>	<u>-</u>	<u>6,179,880</u>
Capital assets, being depreciated:					
Buildings and improvements	16,681,356	645,603	(14,302)	-	17,312,657
Machinery and equipment	7,421,352	309,338	(830,948)	(34,429)	6,865,313
Road network	46,741,142	54,499	-	-	46,795,641
Infrastructure	<u>5,958,966</u>	<u>-</u>	<u>(6,344)</u>	<u>-</u>	<u>5,952,622</u>
Total capital assets, being depreciated	<u>76,802,816</u>	<u>1,009,440</u>	<u>(851,594)</u>	<u>(34,429)</u>	<u>76,926,233</u>
Less accumulated depreciation for:					
Buildings and improvements	(6,152,115)	(511,207)	9,043	-	(6,654,279)
Machinery and equipment	(4,967,424)	(509,012)	746,866	34,429	(4,695,141)
Road network	(4,597,929)	(944,960)	-	-	(5,542,889)
Infrastructure	<u>(3,073,789)</u>	<u>(287,861)</u>	<u>4,983</u>	<u>-</u>	<u>(3,356,667)</u>
Total accumulated depreciated, net	<u>(18,791,257)</u>	<u>(2,253,040)</u>	<u>760,892</u>	<u>34,429</u>	<u>(20,248,976)</u>
Total capital assets, being depreciated, net	<u>58,011,559</u>	<u>(1,243,600)</u>	<u>(90,702)</u>	<u>-</u>	<u>56,677,257</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 61,387,905</u>	<u>\$ 2,184,737</u>	<u>\$ (715,505)</u>	<u>\$ -</u>	<u>\$ 62,857,137</u>

Depreciation expense was charged to the functions/programs of the governmental activities of the primary government as follows:

Governmental Activities:	
General government	\$ 7,112
Public safety	398,849
Public works	1,732,866
Parks and recreation	104,210
Capital assets held by the Internal Service Funds were charged to the various functions based on their usage	<u>10,003</u>
Total depreciation expense - governmental activities	<u>\$ 2,253,040</u>



**CITY OF LEMOORE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 7 – CAPITAL ASSETS (Continued)**

**B. Business-Type Activities**

Capital assets activity of the business-type activities for the year ending June 30, 2020 is as follows:

	Balance June 30, 2019	Additions	Reductions	Transfers/ Adjustments	Balance June 30, 2020
<b>Water Fund:</b>					
Capital Assets, not being depreciated:					
Land	\$ 427,232	\$ -	\$ -	\$ -	\$ 427,232
Construction in progress	<u>3,571,296</u>	<u>24,712,435</u>	<u>(2,085,529)</u>	<u>-</u>	<u>26,198,202</u>
Total capital assets, not being depreciated	<u>3,998,528</u>	<u>24,712,435</u>	<u>(2,085,529)</u>	<u>-</u>	<u>26,625,434</u>
Capital assets, being depreciated:					
Buildings and improvements	16,795,957	-	-	-	16,795,957
Machinery and equipment	<u>14,753,237</u>	<u>2,393,828</u>	<u>(53,865)</u>	<u>34,429</u>	<u>17,127,629</u>
Total capital assets, being depreciated	<u>31,549,194</u>	<u>2,393,828</u>	<u>(53,865)</u>	<u>34,429</u>	<u>33,923,586</u>
Less accumulated depreciation for:					
Buildings and improvements	(8,354,826)	(395,683)	-	-	(8,750,509)
Machinery and equipment	<u>(4,489,646)</u>	<u>(678,221)</u>	<u>51,357</u>	<u>(34,429)</u>	<u>(5,150,939)</u>
Total accumulated depreciation, net	<u>(12,844,472)</u>	<u>(1,073,904)</u>	<u>51,357</u>	<u>(34,429)</u>	<u>(13,901,448)</u>
Total capital assets, being depreciated, net	<u>18,704,722</u>	<u>1,319,924</u>	<u>(2,508)</u>	<u>-</u>	<u>20,022,138</u>
Water fund capital assets, net	<u>\$ 22,703,250</u>	<u>\$ 26,032,359</u>	<u>\$ (2,088,037)</u>	<u>\$ -</u>	<u>\$ 46,647,572</u>
<b>Sewer Fund:</b>					
Capital assets, not being depreciated:					
Land	\$ 866,691	\$ -	\$ -	\$ -	\$ 866,691
Construction in progress	<u>106,642</u>	<u>121,219</u>	<u>-</u>	<u>-</u>	<u>227,861</u>
Total capital assets, not being depreciated	<u>973,333</u>	<u>121,219</u>	<u>-</u>	<u>-</u>	<u>1,094,552</u>
Capital assets, being depreciated:					
Buildings and improvements	9,644,668	-	-	-	9,644,668
Machinery and equipment	<u>5,881,371</u>	<u>98,628</u>	<u>(87,677)</u>	<u>-</u>	<u>5,892,322</u>
Total capital assets, being depreciated	<u>15,526,039</u>	<u>98,628</u>	<u>(87,677)</u>	<u>-</u>	<u>15,536,990</u>
Less accumulated depreciation for:					
Buildings and improvements	(3,355,236)	(337,607)	-	-	(3,692,843)
Machinery and equipment	<u>(3,189,789)</u>	<u>(229,302)</u>	<u>58,542</u>	<u>-</u>	<u>(3,360,549)</u>
Total accumulated depreciation, net	<u>(6,545,025)</u>	<u>(566,909)</u>	<u>58,542</u>	<u>-</u>	<u>(7,053,392)</u>
Total capital assets, being depreciated, net	<u>8,981,014</u>	<u>(468,281)</u>	<u>(29,135)</u>	<u>-</u>	<u>8,483,598</u>
Sewer fund capital assets, net	<u>\$ 9,954,347</u>	<u>\$ (347,062)</u>	<u>\$ (29,135)</u>	<u>\$ -</u>	<u>\$ 9,578,150</u>

**CITY OF LEMOORE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 7 – CAPITAL ASSETS (Continued)**

**B. Business-Type Activities (Continued)**

	Balance June 30, 2019	Additions	Reductions	Transfers/ Adjustments	Balance June 30, 2020
<b>Refuse Fund:</b>					
Capital assets, not being depreciated:					
Land	\$ 369,355	\$ -	\$ -	\$ -	\$ 369,355
Total capital assets, not being depreciated	<u>369,355</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>369,355</u>
Capital assets, being depreciated:					
Machinery and equipment	2,456,286	621,877	(10,539)	-	3,067,624
Total capital assets, being depreciated	<u>2,456,286</u>	<u>621,877</u>	<u>(10,539)</u>	<u>-</u>	<u>3,067,624</u>
Less accumulated depreciation for:					
Machinery and equipment	(2,150,684)	(124,145)	10,539	-	(2,264,290)
Total accumulated depreciation, net	<u>(2,150,684)</u>	<u>(124,145)</u>	<u>10,539</u>	<u>-</u>	<u>(2,264,290)</u>
Total capital assets, being depreciated, net	<u>305,602</u>	<u>497,732</u>	<u>-</u>	<u>-</u>	<u>803,334</u>
Refuse fund capital assets, net	<u>\$ 674,957</u>	<u>\$ 497,732</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,172,689</u>
<b>Golf Course Fund:</b>					
Capital assets, not being depreciated:					
Land	\$ 624,013	\$ -	\$ -	\$ -	\$ 624,013
Total capital assets, not being depreciated	<u>624,013</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>624,013</u>
Capital assets, being depreciated					
Buildings and improvements	4,417,519	-	(80,104)	-	4,337,415
Machinery and equipment	564,101	-	(249,918)	-	314,183
Total capital assets, being depreciated	<u>4,981,620</u>	<u>-</u>	<u>(330,022)</u>	<u>-</u>	<u>4,651,598</u>
Less accumulated depreciation for:					
Buildings and improvements	(3,234,512)	(106,312)	75,515	-	(3,265,309)
Machinery and equipment	(531,610)	(10,148)	248,939	-	(292,819)
Total accumulated depreciation, net	<u>(3,766,122)</u>	<u>(116,460)</u>	<u>324,454</u>	<u>-</u>	<u>(3,558,128)</u>
Total capital assets, being depreciated, net	<u>1,215,498</u>	<u>(116,460)</u>	<u>(5,568)</u>	<u>-</u>	<u>1,093,470</u>
Golf course fund capital assets, net	<u>\$ 1,839,511</u>	<u>\$ (116,460)</u>	<u>\$ (5,568)</u>	<u>\$ -</u>	<u>\$ 1,717,483</u>
<b>Business-type capital assets, net</b>	<u>\$ 35,172,065</u>	<u>\$ 26,066,569</u>	<u>\$ (2,122,740)</u>	<u>\$ -</u>	<u>\$ 59,115,894</u>

Depreciation expense was charged to the functions/programs of the business-type activities of the primary government as follows:

Business-Type Activities:

Water	\$ 1,073,904
Sewer	566,909
Refuse	124,145
Golf Course	<u>116,460</u>
<b>Total</b>	<u>\$ 1,881,418</u>

**CITY OF LEMOORE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 8 – COMPENSATED ABSENCES**

The City's policy relating to compensated absences is described in Note 1. The noncurrent portion of this debt at fiscal year-end was \$111,544 and \$39,397, for governmental activities and business-type activities, respectively. This obligation is expected to be paid in future years from the available resources derived from the respective funds to which the employee services are rendered.

Because of the nature of compensated absences and uncertainty over when vacations will be taken, a statement of debt service requirements to maturity of compensated absences has not been presented. At June 30, 2020, the balance is \$531,384 for governmental activities and \$173,384 for business-type activities.

**NOTE 9 – LONG-TERM LIABILITIES**

The following is a summary of the long-term liabilities' transactions of the City for governmental activities for the year ended June 30, 2020:

	Balance June 30, 2019	Incurred or Issued	Satisfied or Matured	Balance June 30, 2020	Due Within One Year
<b>Governmental Activities:</b>					
Compensated absences	\$ 607,046	\$ 350,003	\$ (425,665)	\$ 531,384	\$ 419,840
Governmental activities long-term liabilities	<u>\$ 607,046</u>	<u>\$ 350,003</u>	<u>\$ (425,665)</u>	<u>\$ 531,384</u>	<u>\$ 419,840</u>

The following is a summary of the long-term liabilities' transactions of the City for business-type activities for the year ended June 30, 2020:

	Balance June 30, 2019	Incurred or Issued	Satisfied or Matured	Balance June 30, 2020	Due Within One Year
<b>Business-Type Activities:</b>					
<i>Notes from direct borrowings and direct placements:</i>					
Series 2013 Water Revenue Loan	\$ 4,954,496	\$ -	\$ (454,967)	\$ 4,499,529	\$ 466,355
Total notes from direct borrowings and direct placements:	<u>4,954,496</u>	<u>-</u>	<u>(454,967)</u>	<u>4,499,529</u>	<u>466,355</u>
2019 Water Revenue Bond	27,380,000	-	-	27,380,000	145,000
2019 Water Revenue Bond- Premium	3,107,157	-	(102,716)	3,004,441	-
Compensated absences	<u>160,868</u>	<u>143,837</u>	<u>(131,321)</u>	<u>173,384</u>	<u>133,987</u>
Business-type activities long-term liabilities	<u>\$ 35,602,521</u>	<u>\$ 143,837</u>	<u>\$ (689,004)</u>	<u>\$ 35,057,354</u>	<u>\$ 745,342</u>

**CITY OF LEMOORE  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 9 – LONG-TERM LIABILITIES (Continued)**

***Series 2013 Water Revenue Loan***

In May 2013, the City obtained a water revenue loan from Pinnacle Public Finance, Inc. for \$7,068,000 bearing 2.48% interest, payable quarterly over a fifteen-year term. The loan was obtained to finance the acquisition and construction of various capital improvements, which primarily consists of photovoltaic water wells water systems throughout the City, as well as the expansion of a parking complex. The City irrevocably pledged all of the net revenues of the water fund to the punctual payment of the loan. After September 1, 2018, the City has the option to prepay the unpaid principal of the loan in whole or in part on any loan payment date. The final payment of the loan is scheduled for March 1, 2029. There is a provision in the loan whereby in the event of default, the unpaid aggregate principal components of the loan and the interest accrued thereon, will become immediately due and payable. There is also a provision whereby the Lender shall have the right, at its option upon notice to the City, to (i) apply to and obtain from any court of competent jurisdiction such decree or order as may be necessary to require officials of the City to charge and collect rates for services provided by the City and the Enterprise sufficient to meet all requirements of the loan agreement, and (ii) take whatever action at law or in equity as may appear necessary or desirable to collect the loan payments then due or thereafter to become due during the term of the loan agreement.

The following is a schedule of the future estimated minimum payments related to the Series 2013 Water Revenue Loan at June 30, 2020:

<u>Fiscal Years Ending June 30</u>	<u>Series 2013 Water Revenue Loan</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 466,355	\$ 107,274	\$ 573,629
2022	478,029	95,600	573,629
2023	489,995	83,634	573,629
2024	502,260	71,369	573,629
2025	514,832	58,797	573,629
2026-2029	<u>2,048,058</u>	<u>103,049</u>	<u>2,151,107</u>
Totals	<u>\$ 4,499,529</u>	<u>\$ 519,723</u>	<u>\$ 5,019,252</u>

***Series 2019 Water Revenue Bond***

In March 2019, the City obtained a water revenue bond from U.S. Bank National Association for \$27,380,000 bearing between 4-5% interest, payable semiannually over a thirty-year term. The loan was obtained to finance the capital projects of the City's water treatment, production, storage and distribution system. The City irrevocably pledged all of the net revenues of the water fund to the punctual payment of the loan. The final payment of the loan is scheduled for June 1, 2049. There is a provision within the bond agreement whereby in the event of default, the principal may be declared immediately due and payable.

**CITY OF LEMOORE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 9 – LONG-TERM LIABILITIES (Continued)**

**Series 2019 Water Revenue Bond (Continued)**

The following is a schedule of the future estimated minimum payments related to the Series 2019 Water Revenue Bond at June 30, 2020:

Fiscal Years Ending June 30	Series 2019 Water Revenue Bond		
	Principal	Interest	Total
2021	\$145,000	\$ 1,277,306	\$ 1,422,306
2022	150,000	1,271,506	1,421,506
2023	155,000	1,265,506	1,420,506
2024	165,000	1,259,306	1,424,306
2025	170,000	1,252,706	1,422,706
2026-2030	1,680,000	6,147,131	7,827,131
2031-2035	4,585,000	5,401,031	9,986,031
2036-2040	5,845,000	4,134,531	9,979,531
2041-2045	7,350,000	2,636,894	9,986,894
2046-2049	7,135,000	850,606	7,985,606
Subtotal	27,380,000	25,496,523	52,876,523
Plus: unamortized premium	3,004,441	-	3,004,441
Totals	<u>\$ 30,384,441</u>	<u>\$ 25,496,523</u>	<u>\$ 55,880,964</u>

**NOTE 10 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The City has pension related items that qualify to be reported in deferred outflows of resources. The pension related deferred outflows of resources are described in detail in Note 12.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position 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. The City has two types of items that qualify for reporting in this category and they are unavailable revenues and pension deferrals.

Unavailable revenues arise only under a modified accrual basis of accounting and are reported only in the governmental funds balance sheet. Deferred inflows of resources reported in the governmental funds for unavailable revenues are as follows:

	General Fund	Gasoline Tax Fund	Lemoore Housing Authority	Other Governmental Funds	Total Governmental Funds
Intergovernmental revenue	\$ 54,103	22,393	\$ -	\$ -	\$ 76,496
Deferred housing loans	-	-	5,023,411	651,200	5,674,611
Total	<u>\$ 54,103</u>	<u>\$ 22,393</u>	<u>\$ 5,023,411</u>	<u>\$ 651,200</u>	<u>\$ 5,751,107</u>

The City has pension related items that qualify to be reported in deferred inflows of resources. The pension related deferred inflows of resources are described in detail in Note 12.

**CITY OF LEMOORE  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 11 – POST-RETIREMENT BENEFITS**

The City allows its retirees who retire under provisions of a regular service retirement to have the opportunity to continue enrollment in the City’s health insurance program. The retirees have the same choice of insurance plans as those of current employees. The retirees are pooled together separately from the active employee pool and pay the full cost of the insurance premiums without cost to the City.

**NOTE 12 – DEFINED BENEFIT PENSION PLAN**

**A. General Information about the Pension Plan**

**Plan Description** – All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost Sharing Multiple-Employer Plan (Plan) administered by the California Public Employees’ Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other.) Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City of Lemoore’s (City) sponsors four rate plans (two miscellaneous and two safety.) Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**Benefits Provided** – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the Plan are applied as specified by the Public Employees’ Retirement Law.

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

	<b>Miscellaneous</b>	
	<u>Prior to</u> <u>January 1, 2013</u>	<u>On or after</u> <u>January 1, 2013</u>
Hire date		
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7.00%	6.75%
Required employer contribution rates	9.680%	6.985%
	<b>Safety</b>	
	<u>Prior to</u> <u>January 1, 2013</u>	<u>On or after</u> <u>January 1, 2013</u>
Hire date		
Benefit formula	2% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	2.0% to 2.7%
Required employee contribution rates	9.00%	12.00%
Required employer contribution rates	16.636%	13.034%

**CITY OF LEMOORE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 12 – DEFINED BENEFIT PENSION PLAN (Continued)**

**A. General Information about the Pension Plans (Continued)**

***Benefits Provided*** (Continued)

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis. The City's required contribution for the unfunded liability was \$852,933 for the fiscal year ended June 30, 2020.

**Contributions** – Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

The City's contributions to the plan recognized as pension expense for the year ended June 30, 2020 were \$1,577,783.

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

As of June 30, 2020, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$13,403,737.

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018, rolled forward to June 30, 2019, using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2018 and 2019 was as follows:

Proportion - June 30, 2018	0.1272%
Proportion - June 30, 2019	0.1308%
Change - Increase (Decrease)	0.0036%

**CITY OF LEMOORE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 12 – DEFINED BENEFIT PENSION PLAN (Continued)**

**B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

For the year ended June 30, 2020, the City recognized pension expense of \$2,962,658. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$1,728,021	\$ -
Changes of assumptions	602,247	177,498
Differences between actual and expected experience	892,425	26,897
Net differences between projected and actual earnings on plan investments	-	213,803
Change in employer's proportion	400,275	3,780
Differences between the employer's actual contributions and the employer's proportionate share of contributions	-	336,198
Total	\$ 3,622,968	\$ 758,176

\$1,728,021 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflow of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2021	\$968,333
2022	(27,936)
2023	153,747
2024	42,627
2025	-
Therafter	-

**C. Actuarial Assumptions**

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

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry- Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.15% <sup>(1)</sup>
Mortality	Derived using CalPERS' Membership Data for all Funds <sup>(3)</sup>

<sup>(1)</sup>Net of pension plan investment expenses, including inflation

<sup>(2)</sup>The mortality table was developed based on CalPERS specific data. The table includes 15 years of mortality improvements using Society Actuaries Scale 90% of scale MP 2016



**CITY OF LEMOORE  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 12 – DEFINED BENEFIT PENSION PLAN (Continued)**

**C. Actuarial Assumptions (Continued)**

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2017 valuation were based on the results of December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experiences Study can be found on the CalPERS website.

**Change of Assumptions** – None.

**D. Discount Rate**

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected PERF cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows:

<u>Asset Class <sup>(a)</sup></u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10 <sup>(b)</sup></u>	<u>Real Return Years 11+ <sup>(c)</sup></u>
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	<u>100.00%</u>		

<sup>(a)</sup> In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

<sup>(b)</sup> An expected inflation of 2.00% used for this period

<sup>(c)</sup> An expected inflation of 2.92% used for this period

**CITY OF LEMOORE  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 12 – DEFINED BENEFIT PENSION PLAN (Continued)**

**D. Discount Rate (Continued)**

***Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate –***  
The following presents the City’s proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

Discount Rate -1% 6.15%	Current Discount Rate 7.15%	Discount Rate +1% 8.15%
\$20,926,967	\$13,403,737	\$7,211,085

**E. Pension Plan Fiduciary Net Position**

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

**F. Payable to the Pension Plan**

The City had an outstanding amount of contributions payable to the pension plan of \$62,773 required for the year ended June 30, 2020.

**NOTE 13 – DEFERRED COMPENSATION**

The City has established a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan, available to all full-time employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts deferred under the plan and all income attributable to those amounts are solely the property and rights of the plan participants. The City has no liability for losses under the plan. The assets and related liabilities are not reported on the City’s financial statements in accordance with Governmental Accounting Standards Board Statement No. 32, “Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.”

**CITY OF LEMOORE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 14 – RISK MANAGEMENT**

The City is a member of the Central San Joaquin Valley Risk Management Authority (CSJVRMA), a public entity risk pool for workers' compensation and general liability insurance. The CSJVRMA is a consortium of 54 cities located in California's San Joaquin Valley. It was established under the provisions of California Government Code Section 6500 et. seq. CSJVRMA is governed by a Board of Directors consisting of one member appointed by each member city. The day-to-day business operations are handled by a management group employed by CSJVRMA. The relationship between the City and CSJVRMA is such that CSJVRMA is not considered a component unit of the City for financial reporting purposes.

For liability insurance, the risk pool covers the City above its self-insurance retention level of \$50,000 up to \$1,000,000. CSJVRMA participates in the excess pool, which provides general liability coverage from \$1,000,000 to \$29,000,000.

The City maintains a self-insured retention level of \$50,000 for workers' compensation insurance. Coverage between \$50,000 and \$500,000 is provided through the risk pool. CSJVRMA participates in an excess pool, which provides workers' compensation coverage from \$500,000 to \$5,000,000 and purchases excess insurance above \$5,000,000 to the statutory limit.

At the termination of the joint venture agreement and after all claims have been settled, any excess or deficit will be divided among the cities in proportion to the aggregate amount of contribution made by each.

The annual financial report may be obtained from the consortium's executive office at 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833.

**NOTE 15 – CONTINGENT LIABILITIES AND COMMITMENTS**

**A. General Liability**

There are various claims and legal actions pending against the City for which no provision has been made in the financial statements. In the opinion of the City Attorney and City Management, liabilities arising from these claims and legal actions, if any, will not be material to these financial statements.

**B. Federal Awards**

The City has received federal awards for specific purposes that are subject to review and audit by the federal government. Although such audits could result in expenditure disallowances under award terms, any required reimbursements are not expected to be material.

**C. COVID-19**

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic. In response, the State of California has issued Stay At Home Orders which include the temporary closure of all businesses deemed to be nonessential. The most recent Regional Stay At Home Order, effective December 7, 2020 for Fresno County, requires individuals living in the San Joaquin Valley Region to stay at home, except as allowed, to maintain continuity of the federal critical infrastructure sectors. Accordingly, some functions of the City's operations have been limited to protect the health and safety of its employees. The financial impact that could occur as a result of the pandemic is unknown at this time.

**CITY OF LEMOORE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 16 – LEMOORE REDEVELOPMENT SUCCESSOR AGENCY PRIVATE PURPOSE TRUST FUND**

On January 30, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with Assembly Bill 1X26 (the “Bill”) which dissolved all redevelopment agencies in the State of California.

Under the control of an oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution of the redevelopment agency (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

Successor agencies are only allocated revenue in the amount that is necessary to pay estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

**A. Cash and Investments**

A reconciliation of the Lemoore Redevelopment Successor Agency Private Purpose Trust Fund’s cash and investments as of June 30, 2020 is as follows:

Cash on hand	\$ 1,009,767
Restricted cash and investments with fiscal agents	<u>2,370,451</u>
Total cash and investments	<u>\$ 3,380,218</u>

**B. Receivables**

A reconciliation of the Lemoore Redevelopment Successor Agency Private Purpose Trust Fund’s receivables balances as of June 30, 2020 is as follows:

Advances to the City of Lemoore	\$ 1,789,939
Note receivable	<u>1,117,267</u>
Total receivables	<u>\$ 2,907,206</u>

**C. Long-term Liabilities**

The following is a summary of long-term liabilities transactions for the Lemoore Redevelopment Successor Agency Private Purpose Trust Fund at June 30, 2020:

	Balance June 30, 2019	Incurred or Issued	Satisfied or Matured	Balance June 30, 2020	Amounts Due Within One Year	Amounts Due in More Than One Year
<i>Notes from direct borrowings and direct placements:</i>						
Leprino Owner Participation Agreement Obligation	\$ 76,501	\$ -	\$ -	\$ 76,501	\$ -	\$ 76,501
2014 RDA Tax Allocation Refunding	<u>13,445,647</u>	<u>-</u>	<u>675,446</u>	<u>12,770,201</u>	<u>706,474</u>	<u>12,063,727</u>
Total notes from direct borrowings and direct placements:	<u>13,522,148</u>	<u>-</u>	<u>675,446</u>	<u>12,846,702</u>	<u>706,474</u>	<u>12,140,228</u>
<i>Bonds Payable</i>						
2011 RDA Tax Allocation	805,000	-	195,000	610,000	195,000	415,000
Less: bond discount	<u>(131,528)</u>	<u>-</u>	<u>(26,305)</u>	<u>(105,223)</u>	<u>-</u>	<u>(105,223)</u>
Total bonds payable:	<u>673,472</u>	<u>-</u>	<u>168,695</u>	<u>504,777</u>	<u>195,000</u>	<u>309,777</u>
Total long-term liabilities	<u>\$ 14,195,620</u>	<u>\$ -</u>	<u>\$ 844,141</u>	<u>\$ 13,351,479</u>	<u>\$ 901,474</u>	<u>\$ 12,450,005</u>

**CITY OF LEMOORE  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 16 – LEMOORE REDEVELOPMENT SUCCESSOR AGENCY PRIVATE PURPOSE TRUST FUND**  
(Continued)

**C. Long-term Liabilities (Continued)**

***2011 Tax Allocation Bonds***

On March 4, 2011, the Agency issued \$19,150,000 of its 2011 Tax Allocation Bonds (the 2011 Bonds) bearing interest of 3.0% to 7.375%, payable semi-annually on February 1 and August 1, commencing August 1, 2011. Beginning August 2, 2012, principal comes due annually in various sums through August 1, 2040, subject to optimal redemption by the Agency, on whole or in part on August 1, 2018. The 2011 Bonds are payable from and secured by incremental property tax revenue (Pledged Tax Revenues). There is a provision within the bond agreement whereby in the event of default, the principal may be declared immediately due and payable.

On December 5, 2016, the Agency participated in a partial defeasance of the 2011 Tax Allocation Bonds. The Agency's remaining bonds are payable through August 1, 2024.

The following is a schedule of the future estimated minimum payments related to the 2011 Bonds at June 30, 2020:

Fiscal Years Ending June 30	2011 Tax Allocation Refunding Bond		
	Principal	Interest	Total
2021	\$ 195,000	\$ 42,453	\$ 237,453
2022	200,000	31,728	231,728
2023	70,000	20,244	90,244
2024	70,000	11,925	81,925
2025	75,000	2,484	77,484
Totals	<u>\$ 610,000</u>	<u>\$ 108,834</u>	<u>\$ 718,834</u>

***2014 RDA Tax Allocation Refunding Bonds***

The Agency issued \$15,855,465 of its Tax Allocation Refunding Bonds on June 27, 2014 (the 2014 Bonds) to currently fund \$4,160,427 and \$10,269,654 of the Agency's remaining issuances of the 1998 RDA Tax Allocation Refunding Bond and the 2003 RDA Tax Allocations Refunding Bonds, and to fund issuance costs and a reserve account. Beginning February 1, 2015, interest and principal on the 2014 Bonds is payable semi-annually on February 1 and August 1 of each year at an interest rate of 3.960% per annum. Debt Service payments of the 2014 Bonds are secured by a pledge of the property tax revenue increments collected on properties within the redevelopment project area. The debt agreement requires a reserve account to be held by the trustee. The final payment of the loan is scheduled for August 1, 2033. There is a provision within the bond agreement whereby in the event of default, the principal may be declared due and payable. Such declaration and its consequences may be rescinded and annulled as further provided in the indenture.

**CITY OF LEMOORE  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 16 – LEMOORE REDEVELOPMENT SUCCESSOR AGENCY PRIVATE PURPOSE TRUST FUND**  
(Continued)

**C. Long-term Liabilities (Continued)**

The following is a schedule of the future estimated minimum payments related to the 2014 Bonds at June 30, 2020:

Fiscal Years Ending June 30	2014 Tax Allocation Refunding Bond		
	Principal	Interest	Total
2021	\$ 706,474	\$ 491,712	\$ 1,198,186
2022	736,800	463,135	1,199,935
2023	761,297	433,473	1,194,770
2024	795,281	402,652	1,197,933
2025	828,686	370,498	1,199,184
2026-2030	4,583,886	1,330,142	5,914,028
2031-2034	<u>4,357,777</u>	<u>353,478</u>	<u>4,711,255</u>
Totals	<u>\$ 12,770,201</u>	<u>\$ 3,845,090</u>	<u>\$ 16,615,291</u>

***Leprino Owner Participation Agreement Obligation***

On March 7, 2000, the Agency entered into an owner participation agreement with Leprino Foods Company (Leprino) whereby Leprino was to construct a dairy and related products manufacturing and storage facility within the redevelopment project area. The City was to reimburse Leprino \$3 million for the cost of the infrastructure improvements which contributed to the elimination of blight in the project area. Subsequently, due to an expansion of the project scope requiring Leprino to increase its investment from \$125 million to more the \$250 million, the Agency's reimbursement obligation increased to \$6 million, payable in 10 annual installments of \$600,000 each year, subject to the Leprino facility having an assessed value in excess of \$250 million and verification of actual infrastructure costs incurred by Leprino. During the June 30, 2013 fiscal year, a final payment of \$1,613,666 was made. This payment was adjusted from \$600,000 because the facility's assessed value was \$413 million.

On September 4, 2007, the Agency entered into an amendment to the Owner Participation Agreement with Leprino Foods Company (Leprino). Leprino has decided to expand the production capacity of the plant to permit the increase in the milk received on a daily basis from its current level of 6,000,000 pounds of milk per day, to install additional packaging capacity and make other process improvements. The 2007 Expansion Project includes the completion of the addition work at the Expanded Wastewater Pretreatment System.

The City incurred an additional liability of approximately \$6 million for wastewater improvements at the Leprino plant and this liability has been paid from the additional tax increments that the plant would generate based on this expansion. Payments on the liability are being deferred until Kings County completes a reassessment of the value of Leprino Foods Company. At which time, the amount of the City's liability will be reassessed. As of June 30, 2020, a reassessment had not been received from Kings County.

The total liability to Leprino Foods Company at June 30, 2020 was \$76,501.

**CITY OF LEMOORE**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 17 – RESTATEMENT OF BEGINNING NET POSITION/FUND BALANCE**

**A. Prior Period Adjustments**

***Governmental Activities***

Beginning net position of the Governmental Activities in the Government-Wide Statement of Activities has been restated to record a prior period adjustment as presented in the reconciliation below:

Description	Governmental Activities	Business-Type Activities	Total
Beginning net position	\$ 88,544,017	\$ 44,035,495	\$ 132,579,512
Prior period adjustment:			
Cash and investment	34,896	-	34,896
Restricted cash and investments	221,249	-	221,249
Inventory	-	(46,337)	(46,337)
Deposits and other liabilities	(100,238)	-	(100,238)
Unearned revenue	(67,400)	-	(67,400)
Total prior period adjustments	<u>88,507</u>	<u>(46,337)</u>	<u>42,170</u>
Beginning net position, as restated	<u>\$ 88,632,524</u>	<u>\$ 43,989,158</u>	<u>\$ 132,621,682</u>

***Fund Financial Statements***

The City has determined that certain transactions were recorded incorrectly in the prior year. The beginning fund balances/net position of the funds identified below have been restated as presented in the following reconciliation:

Description	Governmental Funds		Enterprise Funds	Fiduciary Funds
	General	Lemoore Housing Authority	Golf Course	Custodial Funds
Beginning fund balance/net position	\$ 7,356,524	\$ 8,023,517	\$ (875,017)	\$ -
Prior period adjustment:				
Cash and investments	34,896	-	-	(255,146)
Restricted cash and investments	221,249	-	-	-
Inventory	-	-	(46,337)	-
Deposits and other liabilities	(100,238)	-	-	-
Unearned revenue	(67,400)	-	-	-
Unavailable revenue	-	(4,715,011)	-	-
Due to others	-	-	-	255,146
Total prior period adjustment	<u>88,507</u>	<u>(4,715,011)</u>	<u>(46,337)</u>	<u>-</u>
Change in accounting principle:				
Record the beginning custodial net position in compliance with GASB 84	-	-	-	146,973
Total change in accounting principle	<u>-</u>	<u>-</u>	<u>-</u>	<u>146,973</u>
Beginning fund balance/net position, as restated	<u>\$ 7,445,031</u>	<u>\$ 3,308,506</u>	<u>\$ (921,354)</u>	<u>\$ 146,973</u>

*THIS PAGE IS LEFT BLANK INTENTIONALLY.*



REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF LEMOORE  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 2,556,080	\$ 2,556,080	\$ 2,776,085	\$ 220,005
Other taxes	2,970,000	2,970,000	3,425,086	455,086
Licenses and permits	832,750	832,750	966,746	133,996
Charges for services	612,326	612,326	473,551	(138,775)
Intergovernmental	2,493,000	2,493,000	2,614,421	121,421
Fees and assessments	25,150	25,150	44,728	19,578
Loan repayments	-	-	15,000	15,000
Use of money and property	150,000	150,000	139,270	(10,730)
Other revenue	33,400	33,400	316,327	282,927
<b>Total revenues</b>	<u>9,672,706</u>	<u>9,672,706</u>	<u>10,771,214</u>	<u>1,098,508</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,101,219	1,148,161	818,774	329,387
Public safety	7,754,323	7,768,698	7,686,958	81,740
Public works	1,897,212	1,826,823	1,073,906	752,917
Community development	390,722	390,722	437,011	(46,289)
Parks and recreation	1,268,875	1,268,875	1,526,822	(257,947)
Capital outlay	481,609	518,436	320,520	197,916
<b>Total expenditures</b>	<u>12,893,960</u>	<u>12,921,715</u>	<u>11,863,991</u>	<u>1,057,724</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,221,254)</u>	<u>(3,249,009)</u>	<u>(1,092,777)</u>	<u>2,156,232</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(20,000)</u>	<u>20,800</u>	<u>(20,789)</u>	<u>(41,589)</u>
<b>Total other financing sources (uses)</b>	<u>(20,000)</u>	<u>20,800</u>	<u>(20,789)</u>	<u>(41,589)</u>
Net changes in fund balances	(3,241,254)	(3,228,209)	(1,113,566)	2,114,643
Fund balances - beginning, restated	<u>7,445,031</u>	<u>7,445,031</u>	<u>7,445,031</u>	<u>-</u>
Fund balances - ending	<u>\$ 4,203,777</u>	<u>\$ 4,216,822</u>	<u>\$ 6,331,465</u>	<u>\$ 2,114,643</u>

**CITY OF LEMOORE  
GASOLINE TAX FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 1,082,193	\$ 1,082,193	\$ 1,034,957	\$ (47,236)
Use of money and property	<u>5,000</u>	<u>5,000</u>	<u>10,713</u>	<u>5,713</u>
Total revenues	<u>1,087,193</u>	<u>1,087,193</u>	<u>1,045,670</u>	<u>(41,523)</u>
<b>EXPENDITURES</b>				
Current:				
Public works	443,600	443,600	5,548	438,052
Capital outlay	<u>2,357,000</u>	<u>2,357,000</u>	<u>1,787,412</u>	<u>569,588</u>
Total expenditures	<u>2,800,600</u>	<u>2,800,600</u>	<u>1,792,960</u>	<u>1,007,640</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,713,407)</u>	<u>(1,713,407)</u>	<u>(747,290)</u>	<u>966,117</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>-</u>	<u>119,000</u>	<u>-</u>	<u>(119,000)</u>
Total other financing sources (uses)	<u>-</u>	<u>119,000</u>	<u>-</u>	<u>(119,000)</u>
Net changes in fund balances	(1,713,407)	(1,594,407)	(747,290)	847,117
Fund balances - beginning	<u>2,207,202</u>	<u>2,207,202</u>	<u>2,207,202</u>	<u>-</u>
Fund balances - ending	<u>\$ 493,795</u>	<u>\$ 612,795</u>	<u>\$ 1,459,912</u>	<u>\$ 847,117</u>

**CITY OF LEMOORE  
LEMOORE HOUSING AUTHORITY FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Loan repayments	\$ 85,000	\$ 85,000	\$ 39,482	\$ (45,518)
Use of money and property	5,000	5,000	-	(5,000)
Other revenue	-	-	76	76
 Total revenues	 <u>90,000</u>	 <u>90,000</u>	 <u>39,558</u>	 <u>(50,442)</u>
<b>EXPENDITURES</b>				
Current:				
Community development	<u>51,109</u>	<u>51,109</u>	<u>18,312</u>	<u>32,797</u>
 Total expenditures	 <u>51,109</u>	 <u>51,109</u>	 <u>18,312</u>	 <u>32,797</u>
Excess (deficiency) of revenues over (under) expenditures	<u>38,891</u>	<u>38,891</u>	<u>21,246</u>	<u>(17,645)</u>
Fund balances - beginning, restated	<u>3,308,506</u>	<u>3,308,506</u>	<u>3,308,506</u>	<u>-</u>
Fund balances - ending	<u>\$ 3,347,397</u>	<u>\$ 3,347,397</u>	<u>\$ 3,329,752</u>	<u>\$ (17,645)</u>

**CITY OF LEMOORE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2020**

**NOTE 1 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. BUDGETARY INFORMATION**

Budgets are established by department and approved by the City Council. The budgets are then managed and controlled by department heads under the supervision of the City Manager. Budgets are adopted annually for the General Funds, special revenue funds, capital projects funds, enterprise funds, and internal service funds. Formal budgetary integration is employed as a management control device during the year for these funds. The annual budgets are prepared on the basis of accounting utilized by the fund.

A two-year capital projects budget is prepared in even years for approval by the City Council and updated in odd years. Capital projects are funded by capital projects funds, impact fees, operating accounts, grant proceeds or loan proceeds.

Expenditures may not legally exceed budgeted appropriations at the fund level. The City Manager is authorized to make budget transfers between accounts within any department. The City Council may transfer funds from reserves to departments or enterprise activities as deemed appropriate during the fiscal year.

**B. BUDGETARY INFORMATION**

As of June 30, 2020, the City incurred expenditures in excess of appropriation as follows:

Major Funds:

General Fund:

Current:

Community development	46,289
Parks and recreation	257,947

**CITY OF LEMOORE  
REQUIRED SUPPLEMENTARY INFORMATION  
COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN  
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
LAST 10 YEARS\*  
AS OF JUNE 30, 2020**

	2015	2016	2017	2018	2019	2020
Proportion of the net pension liability	0.1197%	0.1160%	0.1224%	0.1245%	0.1272%	0.1308%
Proportionate share of the net pension liability	\$ 7,519,752	\$ 7,960,168	\$ 10,592,376	\$ 12,347,424	\$ 12,253,736	\$ 13,403,737
Covered payroll	\$ 5,076,165	\$ 5,273,173	\$ 5,467,395	\$ 5,850,364	\$ 6,279,086	\$ 7,373,773
Proportionate Share of the net pension liability as percentage of covered payroll	148.14%	150.96%	193.74%	211.05%	195.15%	181.78%
Plan fiduciary net position as a percentage of the total pension liability	81.49%	80.97%	76.05%	74.96%	76.25%	75.85%

**Notes to Schedule:**

**Change in Benefit Terms** None

**Changes of Assumptions** - None

\*Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

**CITY OF LEMOORE  
REQUIRED SUPPLEMENTARY INFORMATION  
COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN  
SCHEDULE OF CONTRIBUTIONS  
LAST 10 YEARS\*  
AS OF JUNE 30, 2020**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially determined contribution	\$ 1,048,489	\$ 1,067,105	\$ 1,088,741	\$ 1,035,775	\$ 1,316,527	\$ 1,577,783	\$1,728,021
Contributions in relation to the actuarially determined contributions	<u>1,048,489</u>	<u>1,067,105</u>	<u>1,088,741</u>	<u>1,035,775</u>	<u>1,316,527</u>	<u>1,577,783</u>	<u>1,728,021</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,076,165	\$ 5,273,173	\$ 5,467,395	\$ 5,850,364	\$ 6,279,086	\$ 7,373,773	\$ 6,963,862
Contributions as a percentage of covered payroll	20.66%	20.24%	19.91%	17.70%	20.97%	21.40%	24.81%

\*Schedule is intended to show information for ten years. Additional years will be displayed as they become available

## SUPPLEMENTARY INFORMATION



*THIS PAGE IS LEFT BLANK INTENTIONALLY.*

**CITY OF LEMOORE  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020**

**Nonmajor Special Revenue Funds**

The **Special Revenue Funds** are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

The **Grants Fund** is used to account for the City's receipts and expenditures of the state, federal, and other grants.

The **Traffic Safety Fund** is used to account for proceeds of traffic citations, which may be used for programs promoting traffic safety, such as street improvements, striping, and the like.

The **Local Transportation Fund** is used to account for the maintenance and construction of roadways and for specialized engineering services using transportation development act funds.

The **Maintenance Assessment District Fund** is used to account for City maintenance costs relating to the public improvements within the assessment district area.

The **TE/STP Exchange Fund** is used to account for projects undertaken with federal streets transportation and planning funds received by the City through the State of California.

The **Downtown Improvement Fund** is used to account for economic development and revitalization endeavors by local businesses in the downtown area.

**Nonmajor Capital Projects Funds**

The **Capital Projects Funds** are established to account for resources used for the acquisition and constructions of capital facilities by the City, except for those financed for enterprise funds.

The **Street Improvement Fund** is used to account for improvements to local streets and roads using developer fees, grant proceeds, and other sources designated by the City Council for this purpose.

The **Recreation Improvement Fund** is used to account for the revenue from developer fees to be used for acquisition and development of parks and recreation facilities.

The **Facility Infrastructure Fund** is used to account for improvements to City buildings and improvements using developer fees, grant proceeds, and other sources designated by the City Council for this purpose.

The **Capital Improvement Fees Fund** is used to account for miscellaneous capital projects using developer fees.

The **Traffic Signal Fund** is used to account for the construction of traffic signals and other related projects.

**CITY OF LEMOORE  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020**

	Combined Special Revenue Funds	Combined Capital Projects Funds	Total Nonmajor Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and investments	\$ 8,904,331	\$ 7,373,110	\$ 16,277,441
Receivables:			
Interest	9,890	8,658	18,548
Notes	651,200	-	651,200
Intergovernmental	<u>494,726</u>	<u>-</u>	<u>494,726</u>
 Total assets	 <u>\$ 10,060,147</u>	 <u>\$ 7,381,768</u>	 <u>\$ 17,441,915</u>
<b>LIABILITIES</b>			
Accounts payable	<u>\$ 25,722</u>	<u>\$ 40,289</u>	<u>\$ 66,011</u>
 Total liabilities	 <u>25,722</u>	 <u>40,289</u>	 <u>66,011</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - loans	<u>651,200</u>	<u>-</u>	<u>651,200</u>
 Total deferred inflows of resources	 <u>651,200</u>	 <u>-</u>	 <u>651,200</u>
<b>FUND BALANCES</b>			
Restricted:			
Public works	5,313,488	-	5,313,488
Community development	4,060,494	-	4,060,494
Capital projects and improvements	<u>9,243</u>	<u>7,341,479</u>	<u>7,350,722</u>
 Total fund balances	 <u>9,383,225</u>	 <u>7,341,479</u>	 <u>16,724,704</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 10,060,147</u>	 <u>\$ 7,381,768</u>	 <u>\$ 17,441,915</u>

**CITY OF LEMOORE**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Combined Special Revenue Funds	Combined Capital Projects Funds	Total Nonmajor Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES</b>			
Licenses and permits	\$ 9,295	\$ -	\$ 9,295
Intergovernmental	666,470	152,465	818,935
Fees and assessments	745,752	644,300	1,390,052
Loan repayments	57,253	51,237	108,490
Other revenue	<u>10,434</u>	<u>-</u>	<u>10,434</u>
 Total revenues	 <u>1,489,204</u>	 <u>848,002</u>	 <u>2,337,206</u>
<b>EXPENDITURES</b>			
Current:			
General government	17,743	-	17,743
Public safety	6,529	-	6,529
Public works	1,185	278,004	279,189
Community development	737,794	-	737,794
Capital outlay	<u>12,267</u>	<u>525,781</u>	<u>538,048</u>
 Total expenditures	 <u>775,518</u>	 <u>803,785</u>	 <u>1,579,303</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>713,686</u>	 <u>44,217</u>	 <u>757,903</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	20,789	45,000	65,789
Transfers out	<u>(45,000)</u>	<u>-</u>	<u>(45,000)</u>
 Total other financing sources (uses)	 <u>(24,211)</u>	 <u>45,000</u>	 <u>20,789</u>
 Net changes in fund balances	 689,475	 89,217	 778,692
 Fund balances - beginning	 <u>8,693,750</u>	 <u>7,252,262</u>	 <u>15,946,012</u>
 Fund balances - end of year	 <u>\$ 9,383,225</u>	 <u>\$ 7,341,479</u>	 <u>\$ 16,724,704</u>

**CITY OF LEMOORE  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2020**

	Grants Fund	Traffic Safety Fund	Local Transportation Fund	Maintenance Assessment District Fund	TE/STP Exchange Fund	Downtown Improvement Fund	Totals
<b>ASSETS</b>							
Cash and investments	\$ 501,441	\$ 460,218	\$ 3,148,226	\$ 3,550,661	\$ 1,224,266	\$ 19,519	\$ 8,904,331
Receivables:							
Interest	-	540	3,696	4,191	1,439	24	9,890
Notes	651,200	-	-	-	-	-	651,200
Intergovernmental	-	3,841	471,262	19,623	-	-	494,726
	<u>-</u>	<u>3,841</u>	<u>471,262</u>	<u>19,623</u>	<u>-</u>	<u>-</u>	<u>494,726</u>
Total assets	<u>\$ 1,152,641</u>	<u>\$ 464,599</u>	<u>\$ 3,623,184</u>	<u>\$ 3,574,475</u>	<u>\$ 1,225,705</u>	<u>\$ 19,543</u>	<u>\$ 10,060,147</u>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ 15,422	\$ -	\$ 10,300	\$ 25,722
	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,422</u>	<u>-</u>	<u>10,300</u>	<u>25,722</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,422</u>	<u>-</u>	<u>10,300</u>	<u>25,722</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue - loans	651,200	-	-	-	-	-	651,200
	<u>651,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>651,200</u>
Total deferred inflows of resources	<u>651,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>651,200</u>
<b>FUND BALANCES</b>							
Restricted:							
Public works	-	464,599	3,623,184	-	1,225,705	-	5,313,488
Community development	501,441	-	-	3,559,053	-	-	4,060,494
Capital projects and improvements	-	-	-	-	-	9,243	9,243
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,243</u>	<u>9,243</u>
Total fund balances	<u>501,441</u>	<u>464,599</u>	<u>3,623,184</u>	<u>3,559,053</u>	<u>1,225,705</u>	<u>9,243</u>	<u>9,383,225</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,152,641</u>	<u>\$ 464,599</u>	<u>\$ 3,623,184</u>	<u>\$ 3,574,475</u>	<u>\$ 1,225,705</u>	<u>\$ 19,543</u>	<u>\$ 10,060,147</u>

**CITY OF LEMOORE**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Grants Fund	Traffic Safety Fund	Local Transportation Fund	Maintenance Assessment District Fund	TE/STP Exchange Fund	Downtown Improvement Fund	Totals
<b>REVENUES</b>							
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,295	\$ 9,295
Intergovernmental	10,800	-	471,380	-	184,290	-	666,470
Fees and assessments	-	27,611	-	718,141	-	-	745,752
Loan repayments	-	3,450	22,577	23,536	7,567	123	57,253
Other revenue	-	-	-	10,434	-	-	10,434
<b>Total revenues</b>	<b>10,800</b>	<b>31,061</b>	<b>493,957</b>	<b>752,111</b>	<b>191,857</b>	<b>9,418</b>	<b>1,489,204</b>
<b>EXPENDITURES</b>							
Current:							
General government	-	-	-	-	-	17,743	17,743
Public safety	-	6,529	-	-	-	-	6,529
Public works	-	-	-	-	1,185	-	1,185
Community development	-	-	-	737,794	-	-	737,794
Capital outlay	-	12,267	-	-	-	-	12,267
<b>Total expenditures</b>	<b>-</b>	<b>18,796</b>	<b>-</b>	<b>737,794</b>	<b>1,185</b>	<b>17,743</b>	<b>775,518</b>
Excess (deficiency) of revenues over (under) expenditures	10,800	12,265	493,957	14,317	190,672	(8,325)	713,686
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	-	20,789	-	-	20,789
Transfers out	-	(45,000)	-	-	-	-	(45,000)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(45,000)</b>	<b>-</b>	<b>20,789</b>	<b>-</b>	<b>-</b>	<b>(24,211)</b>
<b>Net change in fund balances</b>	<b>10,800</b>	<b>(32,735)</b>	<b>493,957</b>	<b>35,106</b>	<b>190,672</b>	<b>(8,325)</b>	<b>689,475</b>
<b>Fund balances - beginning</b>	<b>490,641</b>	<b>497,334</b>	<b>3,129,227</b>	<b>3,523,947</b>	<b>1,035,033</b>	<b>17,568</b>	<b>8,693,750</b>
<b>Fund balances - ending</b>	<b>\$ 501,441</b>	<b>\$ 464,599</b>	<b>\$ 3,623,184</b>	<b>\$ 3,559,053</b>	<b>\$ 1,225,705</b>	<b>\$ 9,243</b>	<b>\$ 9,383,225</b>

**CITY OF LEMOORE  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2020**

	Street Improvement Fund	Recreation Improvement Fund	Facility Infrastructure Fund	Capital Improvement Fees Fund	Traffic Signal Fund	Totals
<b>ASSETS</b>						
Cash and investments	\$ 124,302	\$ 2,897,882	\$ 452,134	\$ 3,700,996	\$ 197,796	\$ 7,373,110
Receivables:						
Interest	<u>146</u>	<u>3,402</u>	<u>531</u>	<u>4,347</u>	<u>232</u>	<u>8,658</u>
Total assets	<u>\$ 124,448</u>	<u>\$ 2,901,284</u>	<u>\$ 452,665</u>	<u>\$ 3,705,343</u>	<u>\$ 198,028</u>	<u>\$ 7,381,768</u>
<b>LIABILITIES</b>						
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,289</u>	<u>\$ -</u>	<u>\$ 40,289</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,289</u>	<u>-</u>	<u>40,289</u>
<b>FUND BALANCES</b>						
Restricted:						
Capital projects and improvements	<u>124,448</u>	<u>2,901,284</u>	<u>452,665</u>	<u>3,665,054</u>	<u>198,028</u>	<u>7,341,479</u>
Total fund balances	<u>124,448</u>	<u>2,901,284</u>	<u>452,665</u>	<u>3,665,054</u>	<u>198,028</u>	<u>7,341,479</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 124,448</u>	<u>\$ 2,901,284</u>	<u>\$ 452,665</u>	<u>\$ 3,705,343</u>	<u>\$ 198,028</u>	<u>\$ 7,381,768</u>

**CITY OF LEMOORE**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Street Improvement Fund	Recreation Improvement Fund	Facility Infrastructure Fund	Capital Improvement Fees Fund	Traffic Signal Fund	Totals
<b>REVENUES</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 152,465	\$ 152,465
Fees and assessments	-	192,089	-	452,211	-	644,300
Loan repayments	<u>878</u>	<u>20,106</u>	<u>3,192</u>	<u>26,498</u>	<u>563</u>	<u>51,237</u>
Total revenues	<u>878</u>	<u>212,195</u>	<u>3,192</u>	<u>478,709</u>	<u>153,028</u>	<u>848,002</u>
<b>EXPENDITURES</b>						
Current:						
Public works	-	-	-	278,004	-	278,004
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>525,781</u>	<u>-</u>	<u>525,781</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>803,785</u>	<u>-</u>	<u>803,785</u>
Excess (deficiency) of revenues over (under) expenditures	<u>878</u>	<u>212,195</u>	<u>3,192</u>	<u>(325,076)</u>	<u>153,028</u>	<u>44,217</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,000</u>	<u>45,000</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,000</u>	<u>45,000</u>
Net change in fund balances	878	212,195	3,192	(325,076)	198,028	89,217
Fund balances - beginning	<u>123,570</u>	<u>2,689,089</u>	<u>449,473</u>	<u>3,990,130</u>	<u>-</u>	<u>7,252,262</u>
Fund balances - ending	<u>\$ 124,448</u>	<u>\$ 2,901,284</u>	<u>\$ 452,665</u>	<u>\$ 3,665,054</u>	<u>\$ 198,028</u>	<u>\$ 7,341,479</u>



*THIS PAGE IS LEFT BLANK INTENTIONALLY.*

**CITY OF LEMOORE  
FIDUCIARY FUNDS  
JUNE 30, 2020**

**Fiduciary Funds**

The **Trust and Custodial Funds** are used to account for assets held by a governmental unit in a trustee capacity and/or as an agent for individuals, private organizations, other governmental units, and /or other funds. These include Successor Agency private purpose trust funds and custodial funds.

**Private Purpose Trust Funds**

The **Lemoore Redevelopment Successor Agency Debt Service Fund** is used to retire debt obligations.

The **Lemoore Redevelopment Successor Agency Capital Projects Fund** is used to account for Successor Agency activities approved in the ROPS.

**Custodial Funds**

The **Police Activities League Fund** is used to account for the activities of the Police Activity League.

The **CNG Expansion Project Fund** is used to account for the Congestion Mitigation and Air Quality grant obtained on behalf of the Lemoore Unified School District.

The **School and County Impact Fees Fund** is a passthrough fund used to account for impact fees collected on behalf of Kings County and Lemoore Unified School District.

The **Laguna Irrigation Fund** is used to account for an agreement to benefit water recharge or to purchase water on behalf of the Laguna Irrigation District.

The **Kings Area Rural Transit Fund** is a passthrough fund used to account for bus fees collected on behalf of the Kings County Area Public Transit Agency

The **Strong Motion Fund** is a passthrough fund used to collect impact fees on behalf of the California Department of Conservation.

**CITY OF LEMOORE  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
PRIVATE PURPOSE TRUST FUNDS  
JUNE 30, 2020**

	Lemoore Redevelopment Successor Agency Debt Service Fund	Lemoore Redevelopment Successor Agency Capital Projects Fund	Total Lemoore Redevelopment Successor Agency Private-Purpose Trust Funds
<b>ASSETS</b>			
Cash and investments	\$ (1,418)	\$ 1,011,185	\$ 1,009,767
Restricted cash and investments with fiscal agents	2,370,451	-	2,370,451
Advances to City of Lemoore	-	1,789,939	1,789,939
Notes receivable	-	1,117,267	1,117,267
Land held for resale	-	180,494	180,494
	<u>2,369,033</u>	<u>4,098,885</u>	<u>6,467,918</u>
<b>Total assets</b>			
<b>LIABILITIES</b>			
Accounts payable	-	300	300
Payable to State Department of Finance	-	18,050	18,050
Interest payable	226,213	-	226,213
Long-term liabilities:			
Due within one year	901,474	-	901,474
Due in more than one year	12,373,504	76,501	12,450,005
	<u>13,501,191</u>	<u>94,851</u>	<u>13,596,042</u>
<b>Total liabilities</b>			
<b>NET POSITION (DEFICIT)</b>			
Restricted for:			
Net position (deficit) held in trust for the retirement of obligations of the Lemoore Successor Agency to the former Lemoore Redevelopment Agency	<u>(11,132,158)</u>	<u>4,004,034</u>	<u>(7,128,124)</u>
<b>Total net position (deficit)</b>	<u>\$ (11,132,158)</u>	<u>\$ 4,004,034</u>	<u>\$ (7,128,124)</u>

**CITY OF LEMOORE**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PRIVATE PURPOSE TRUST FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Lemoore Redevelopment Successor Agency Debt Service Fund	Lemoore Redevelopment Successor Agency Capital Projects Fund	Total Lemoore Redevelopment Successor Agency Private-Purpose Trust Funds
<b>ADDITIONS</b>			
Investment earnings:			
Interest, dividends, and other	\$ 26,179	\$ 34,163	\$ 60,342
Net investment earnings	<u>26,179</u>	<u>34,163</u>	<u>60,342</u>
Collections on behalf of other governments:			
Property taxes	<u>-</u>	<u>1,051,580</u>	<u>1,051,580</u>
Total additions	<u>26,179</u>	<u>1,085,743</u>	<u>1,111,922</u>
<b>DEDUCTIONS</b>			
Administrative expense	690	84,766	85,456
Interest expense	572,320	-	572,320
Bad debt	-	38,252	38,252
Interfund transfers	<u>(1,417,497)</u>	<u>1,417,497</u>	<u>-</u>
Total deductions	<u>(844,487)</u>	<u>1,540,515</u>	<u>696,028</u>
Net increase (decrease) in fiduciary net position	870,666	(454,772)	415,894
Net position (deficit) - beginning	<u>(12,002,824)</u>	<u>4,458,806</u>	<u>(7,544,018)</u>
Net position (deficit) - ending	<u>\$ (11,132,158)</u>	<u>\$ 4,004,034</u>	<u>\$ (7,128,124)</u>

**CITY OF LEMOORE  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
JUNE 30, 2020**

	Police Activities League	CNG Expansion Project	School and County Impact Fees	Laguna Irrigation District	Kings Area Rural Transit	Strong Motion	Total Custodial Funds
<b>ASSETS</b>							
Cash and investments	\$ 14,440	\$ -	\$ 10,962	\$ 123,401	\$ 50	\$ 586	\$ 149,439
Other assets	-	-	-	28,800	-	-	28,800
Total assets	<u>14,440</u>	<u>-</u>	<u>10,962</u>	<u>152,201</u>	<u>50</u>	<u>586</u>	<u>178,239</u>
<b>LIABILITIES</b>							
Accounts payable	-	-	-	-	50	586	636
Impact fees payable	-	-	10,962	-	-	-	10,962
Total liabilities	<u>-</u>	<u>-</u>	<u>10,962</u>	<u>-</u>	<u>50</u>	<u>586</u>	<u>11,598</u>
<b>NET POSITION</b>							
Restricted for:							
Organizations and other governments	<u>14,440</u>	<u>-</u>	<u>-</u>	<u>152,201</u>	<u>-</u>	<u>-</u>	<u>166,641</u>
Total net position	<u>\$ 14,440</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 152,201</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 166,641</u>

**CITY OF LEMOORE  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

	Police Activities League	CNG Expansion Project	School and County Impact Fees	Laguna Irrigation District	Kings Area Rural Transit	Strong Motion	Total Custodial Funds
<b>ADDITIONS</b>							
Contributions:							
Members	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ 20,000
Total contributions	-	-	-	20,000	-	-	20,000
Investment earnings:							
Interest, dividends, and other	-	-	-	232	-	-	232
Net investment earnings	-	-	-	232	-	-	232
Collections on behalf of other governments:							
Impact Fees	-	-	926,907	-	-	-	926,907
Grants	-	87,177	-	-	-	-	87,177
Other	-	-	-	-	3,870	7,579	11,449
Total collections on behalf of other governments	-	87,177	926,907	-	3,870	7,579	1,025,533
Total additions	-	87,177	926,907	20,232	3,870	7,579	1,045,765
<b>DEDUCTIONS</b>							
Payments to other governments	-	87,177	926,907	-	3,870	7,579	1,025,533
Other expenses	-	-	-	564	-	-	564
Total deductions	-	87,177	926,907	564	3,870	7,579	1,026,097
Net increase (decrease) in fiduciary net position	-	-	-	19,668	-	-	19,668
Net position - beginning (restated)	14,440	-	-	132,533	-	-	146,973
Net position - ending	\$ 14,440	\$ -	\$ -	\$ 152,201	\$ -	\$ -	\$ 166,641