

City of Lemon Grove Annual Financial Report



Fiscal Year Ended June 30, 2020

**City of Lemon Grove
Financial Statements
June 30, 2020**

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Independent Auditor's Report

The Honorable City Council
City of Lemon Grove, California

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a required 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 an opinion on the financial statements that collectively comprise the City's basic financial statements. The schedules listed in the supplementary information section of the table of contents, and the statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules listed in the supplementary information section 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 schedules listed in the supplementary information section are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated January 12, 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 the 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.

Van Lant & Fankhaed, LLP

January 12, 2021

**CITY OF LEMON GROVE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

As management of the City of Lemon Grove (City) we offer readers of the City's Annual Financial Report this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with the Basic Financial Statements and attached notes.

FINANCIAL HIGHLIGHTS

- The assets plus deferred outflows of the City exceeded its liabilities and deferred inflows of the City by \$82.4 million (net position). A net position value increase from the previous year of \$2.8 million, or 3.5 percent, mainly driven by an increase in business-type activity assets.
- The City's capital assets (net of depreciation) decreased by \$1.3 million, meaning the City is not investing in capital assets at a pace that matches or exceeds the rate of depreciation.
- The City's overall revenue was \$26 million compared to expenses of \$23.1 million.
- The City's governmental funds reported a combined ending fund balance of \$16.1 million, an increase from the previous year of \$1.4 million, or 9 percent.
- At the end of the current fiscal year, the General Fund unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) was \$6.2 million, or approximately 42.9% of total General Fund expenditures.

OVERVIEW OF THE ANNUAL FINANCIAL REPORT

A major component of the Financial Section of the City's Annual Financial Report is the Basic Financial Statements, and is comprised of three components: 1) government-wide financial statements, 2) governmental fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances. They present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting, which means the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, community services, and development services. The business-type activity of the City is the Lemon Grove Sanitation District.

Included in the government-wide financial statements are two blended component units, the Lemon Grove Sanitation District (Sanitation District) and the Lemon Grove Lighting District (Lighting District). While the Sanitation District and Lighting District are legally separate agencies, their governing boards consists entirely of City Council members. These blended component units are in substance part of the primary government's operations and are included as part of the primary government.

Statement of Net Position: This statement presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The following schedule displays a summary of the City's statement of net position:

Comparative Statements of Position
June 30, 2020 and 2019
(In Thousands)

	Governmental Activities			Business-Type Activities			Citywide Total		
	2020	2019	Change	2020	2019	Change	2020	2019	Change
Assets:									
Cash and investments	10,839	9,099	1,740	23,071	20,136	2,935	33,910	29,235	4,675
Other assets	11,294	11,654	(360)	923	323	600	12,217	11,977	241
Capital assets, net	43,712	45,231	(1,519)	7,424	7,174	250	51,136	52,406	(1,269)
Total Assets	65,845	65,984	(139)	31,418	27,633	3,785	97,263	93,617	3,647
Deferred Outflows of Resources:									
Deferred Outflows	2,356	1,962	394	612	453	159	2,968	2,415	553
Total Deferred Outflows	2,356	1,962	394	612	453	159	2,968	2,415	553
Liabilities:									
Long-term liabilities	10,455	9,855	600	3,298	3,310	(12)	13,753	13,165	588
Other Liabilities	2,657	2,336	321	146	231	(85)	2,803	2,567	236
Total Liabilities	13,112	12,191	921	3,444	3,541	(97)	16,556	15,733	823
Deferred Inflows of Resources:									
Deferred inflows	914	439	475	343	247	96	1,258	686	572
Total Deferred Inflows	914	439	475	343	247	96	1,258	686	572
Net Position:									
Net investment in capital assets	43,628	45,064	(1,436)	7,424	7,174	250	51,052	52,238	(1,186)
Restricted	12,081	11,013	1,068	1,141	554	587	13,222	11,567	1,655
Unrestricted	(1,535)	(761)	(774)	19,678	16,570	3,108	18,143	15,809	2,334
Total Net Position	54,174	55,316	(1,142)	28,243	24,298	3,945	82,417	79,614	2,803

The City's total net position increased by 3.5 percent from last year. Net position from governmental activities decreased by 2 percent while net position from business activities increased by 16.2 percent. The City's assets exceeded its liabilities by approximately \$82.4 million.

Approximately 62 percent of the City's net position reflect its investment in capital assets (i.e., land, buildings, infrastructure, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to residents; consequently, these assets are not available for future spending.

Approximately 16 percent of the City's net assets reflect resources that are subject to external restrictions as to how they may be used. These restrictions are typically imposed by parties outside the government, such as creditors, grantors, and laws or regulations of other governments.

Governmental activities had a unrestricted net position of -\$1.5 million, more than double the 2019

amount. A negative amount means the unrestricted assets are less than the liabilities and the negative growth over last year means that liabilities are growing faster than the City's unrestricted assets.

Statement of Activities: This statement presents information showing all of the City's revenues and expenditures and their impact on net position during the most recent fiscal year. All changes in position are reported as soon as the underlying events giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes, and earned but unused vacation leave). The following schedule shows condensed financial information from the statement of activities and changes between the last two fiscal years:

Comparative Statements of Activity

June 30, 2020 and 2019

(In Thousands)

	Governmental Activities			Business-Type Activities			Citywide Total		
	2020	2019	Change	2020	2019	Change	2020	2019	Change
Revenues:									
Program revenues:									
Charges for Services	3,131	2,790	341	6,822	6,846	(24)	9,953	9,636	317
Operating grants & contributions	1,619	1,706	(87)	-	-	-	1,619	1,706	(87)
Capital grants & contributions	965	1,041	(76)	-	-	-	965	1,041	(76)
Total Program Revenues	5,715	5,537	178	6,822	6,846	(24)	12,537	12,383	154
General revenues:									
Taxes:									
General property taxes	2,953	2,861	92	-	-	-	2,953	2,861	92
Sales tax	5,491	5,992	(501)	-	-	-	5,491	5,992	(501)
Franchise tax	1,000	1,022	(22)	-	-	-	1,000	1,022	(22)
Motor Vehicle in Lieu tax	2,769	2,621	148	-	-	-	2,769	2,621	148
Other	506	670	(164)	695	547	148	1,201	1,217	(16)
Total general revenues	12,719	13,166	(447)	695	547	148	13,414	13,713	(299)
Total Revenues	18,434	18,703	(269)	7,517	7,393	124	25,951	26,096	(145)
Expenses:									
General government	2,095	936	1,159	-	-	-	2,095	936	1,159
Public safety	11,348	11,255	93	-	-	-	11,348	11,255	93
Public works	5,378	4,410	968	-	-	-	5,378	4,410	968
Community development	904	752	152	-	-	-	904	752	152
Sanitation	-	-	-	3,422	5,490	(2,068)	3,422	5,490	(2,068)
Interest on long-term debt	-	-	-	-	-	-	-	-	-
Total Expenses	19,725	17,353	2,372	3,422	5,490	(2,068)	23,147	22,843	304
Excess (deficiency) before transfers	(1,291)	1,350	(2,641)	4,095	1,903	2,192	2,804	3,253	(449)
Transfers in (out)	150	(23)	173	(150)	23	(173)	-	-	-
Change in net position	(1,141)	1,327	(2,468)	3,945	1,926	2,019	2,804	3,253	(449)
Beginning net position	55,316	53,808	1,508	24,298	22,371	1,927	79,614	76,179	3,435
Restatement of net position	-	181	(181)	-	-	-	-	181	(181)
Net Position, June 30, 2020	\$ 54,175	\$ 55,316	\$ (1,141)	\$ 28,243	\$ 24,297	\$ 3,946	\$ 82,418	\$ 79,613	\$ 2,805

Governmental Activities:

The governmental activities decreased the City's net position by \$1.1 million. Total expenditures of \$19.7 million exceeded general revenues and transfers of \$18.6 million. In addition, long-term liabilities increased by approximately \$600,000.

Overall, revenues for the year ending June 30, 2020, decreased by \$269,000, or 1.4%. The following is a list of notable changes compared to the prior year:

- ❖ Charges for Services increased by \$341,000 mainly due to more community development permit activity in 2020 than in 2019.
- ❖ Total general revenue decreased 2.1 percent, driven by a 8.4 percent drop in Sales Tax revenue. While total revenues declined from 2019, property tax revenue and motor vehicle in lieu revenue increased by a total of \$240,000.

Total expenditures increased by \$2.4 million, or 13.7 percent. The following are the notable changes compared to the prior year:

- ❖ General Government increased by \$1.2 million primarily due to an increase in costs related to responding to COVID-19, in claims activity, in net pension liability, in OPEB liability, and in compensated absence liability.
- ❖ Public Works increased by \$968,000 mainly due to an expansion of the City's annual road repaving program.

Business-type Activities:

The business-type activities increased the City's net position by \$3.9 million. Business-type program revenues exceeded expenditures, resulting in a 16.2 percent increase to business-type net position. Business-type liability dropped by \$97,000, mainly caused by fewer outstanding bills at the end of 2020 than 2019 (accounts payable). This is the thirteenth year that the Lemon Grove Sanitation District has had staff to maintain the sewers, thus allowing for more control over expenditures and an enhanced ability to grow assets for future needs. The Sanitation District has plans for future capital investments in both local transportation lines and regional treatment facilities. The \$3.8 million increase in assets was primarily due to:

- ❖ Charges for Services of \$6.8 million exceeded expenses of \$3.4 million.
- ❖ Net investment in capital assets of \$250,000, growing capital assets 3.5 percent over the prior year.

Fund Financial Statements

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

Unlike the government-wide financial statements, the fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year, and offer summary information for each major fund. Such information may be useful in evaluating a government's near-term financing requirements. In particular, *unassigned fund balance* serves as a useful measure of a government's net resources available for spending at fiscal year-end.

Governmental Funds: *Governmental funds* are used to account for the functions reported as *governmental activities* in the government-wide financial statements.

As of June 30, 2020, the City's governmental funds reported a combined ending fund balance of \$16.1 million. The unassigned fund balance, which represents the amount that is available for spending at the

City's discretion, is currently at \$6.2 million. The remainder of fund balance is restricted to indicate that it is not available for new spending because it has been committed to a variety of restricted purposes including low and moderate housing and pension obligations.

The City maintains nineteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the major funds – General, Housing, and TransNet. Data from the other sixteen governmental funds are combined into a single, aggregated presentation entitled Non-major Governmental Funds. Individual fund data for each of these non-major governmental funds is provided in the supplementary information section of this report.

The General Fund is the chief operating fund of the City. At June 30, 2020, the total fund balance was \$7.1 million, of which \$6.2 million is considered unassigned fund balance and therefore available for discretionary use.

Proprietary Funds: The City maintains two types of proprietary funds; an enterprise fund to account for the Lemon Grove Sanitation District and an internal service fund to account for the City's self-insurance - function. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, but provide more detail and additional information, such as cash flows. Internal service funds are used to report activities that provide services to the City's other programs and activities and are reported with Governmental activities in the government-wide financial statements.

There is \$1.1 million of restricted net position in the Sanitation Fund, which must be spent on pension expenses. Changes in net position show a growth over last year for Sanitation of 16.2 percent and a decrease of the Internal Service fund of 51.4 percent.

Fiduciary Funds: The City is the trustee, or fiduciary, for certain funds held on behalf of other agencies or organizations. The City maintains one type of fiduciary fund, a private purpose trust fund, which was established with the dissolution of the former Lemon Grove Community Development Agency to report the Successor Agency activity. Fiduciary activity is reported in a separate statement of net position and is excluded from the City's other financial statements because the City cannot use these assets to finance its operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Below are three notes of particular interest.

Note 2 – Cash and Investments: The City's total cash and investments at the end of the fiscal year totaled \$35.9 million. Approximately \$26 million was invested with the Local Agency Investment Fund. Approximately \$5.2 million was invested in Certificates of Deposits, \$2 million was invested in a pension 115 Trust, \$926,694 was held and invested by bond trustees, and the balance was deposited in the City's checking accounts. Cash across the accounting funds are pooled for investment purposes.

Note 5 – Capital Assets: Capital assets for the City's governmental activities were valued at \$43.7 million, net of accumulated depreciation. Capital assets for the City's business-type activities were valued at \$7.4 million. This investment in capital assets includes land, buildings, construction in progress, equipment, vehicles, and infrastructure.

Note 6 – Long-Term Liabilities: The City had a total long-term debt outstanding of \$14 million. The majority of this amount, \$8.3 million is comprised of net pension liability. The City's total long-term debt increased by \$588,000 from the prior year. The increase was driven by increases in compensated absence liability, net pension liability, and claims payable.

Required Supplementary Information

The required supplementary information is comprised of budgetary comparisons for the General Fund, Housing Fund, and TransNet Fund.

The City adopts an annual budget for its General Fund and all other funds. A comparison between budget and actual is incorporated in the financial report to demonstrate compliance with the budget. The original budget was adopted in June 2019. A revised mid-year budget was adopted in February 2020.

The General Fund Budgetary Comparison Schedule shows that, for this fiscal year, the General Fund revenues and transfers exceeded projections by \$850,007, while the expenditures came in \$295,784 under budget. The actual revenues and expenditures resulted in a net surplus of \$854,335.

REQUESTS FOR INFORMATION

The Annual Financial Report is designed to provide a general view of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Administrative Services Director at the City of Lemon Grove, 3232 Main Street, Lemon Grove, CA 91945, (619) 825-3800, or mbrennan@lemongrove.ca.gov.

BASIC FINANCIAL STATEMENTS

**City of Lemon Grove
Statement of Net Position
June 30, 2020**

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and Investments	\$ 9,912,201	\$ 21,930,571	\$ 31,842,772
Receivables:			
Accounts	2,038,857	915,658	2,954,515
Interest	2,210,248	-	2,210,248
Notes and Loans Receivable	7,033,369	-	7,033,369
Prepaid Items	11,195	7,123	18,318
Internal Balances	-	-	-
Cash and Investments with Fiscal Agent	926,722	1,140,549	2,067,271
Capital Assets, Not Being Depreciated	7,520,853	324,982	7,845,835
Capital Assets, Net of Accumulated Depreciation	36,191,500	7,098,934	43,290,434
Total Assets	65,844,945	31,417,817	97,262,762
DEFERRED OUTFLOWS OF RESOURCES			
OPEB Related Amounts	462,137	115,534	577,671
Pension Related Amounts	1,894,132	496,312	2,390,444
Total Deferred Inflows of Resources	2,356,269	611,846	2,968,115
LIABILITIES			
Accounts Payable	2,324,123	59,561	2,383,684
Accrued Liabilities	104,615	19,808	124,423
Deposits Payable	66,142	-	66,142
Unearned Revenue	-	-	-
Noncurrent Liabilities:			
Due Within One Year	162,812	66,744	229,556
Due in More Than One Year	10,454,800	3,297,621	13,752,421
Total Liabilities	13,112,492	3,443,734	16,556,226
DEFERRED INFLOWS OF RESOURCES			
OPEB Related Amounts	545,918	136,480	682,398
Pension Related Amounts	368,409	206,698	575,107
Total Deferred Inflows of Resources	914,327	343,178	1,257,505
NET POSITION			
Net Investment in Capital Assets	43,627,795	7,423,916	51,051,711
Restricted for:			
Pensions	904,422	1,140,548	2,044,970
Transportation	372,755	-	372,755
Community Development	67,958	-	67,958
Public Safety	685,023	-	685,023
Housing	9,724,184	-	9,724,184
Public-access Television	327,275	-	327,275
Unrestricted	(1,535,017)	19,678,287	18,143,270
Total Net Position	\$ 54,174,395	\$ 28,242,751	\$ 82,417,146

The accompanying notes are an integral part of this statement.

**City of Lemon Grove
Statement of Activities
Year Ended June 30, 2020**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 2,094,451	\$ 761,102	\$ 9,386	\$ 64,211
Public Safety	11,348,111	535,471	178,995	-
Public Works	5,378,126	438,199	1,139,450	900,684
Community Development	904,438	1,396,593	290,795	-
Total Governmental Activities	19,725,126	3,131,365	1,618,626	964,895
Business-type Activities:				
Sanitation	3,421,848	6,821,770	-	-
Total Business-type Activities	3,421,848	6,821,770	-	-
Total Primary Government	\$ 23,146,974	\$ 9,953,135	\$ 1,618,626	\$ 964,895

General Revenues:

Taxes:

Property Taxes

Sales Taxes

Transient Occupancy Taxes

Franchise Taxes

Motor Vehicle in Lieu Taxes (Unrestricted)

Investment Earnings

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position, Beginning of Year

Net Position, End of Year

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-type Activities	Totals
\$ (1,259,752)	\$ -	\$ (1,259,752)
(10,633,645)	-	(10,633,645)
(2,899,793)	-	(2,899,793)
782,950	-	782,950
<u>(14,010,240)</u>	<u>-</u>	<u>(14,010,240)</u>
-	3,399,922	3,399,922
-	3,399,922	3,399,922
<u>(14,010,240)</u>	<u>3,399,922</u>	<u>(10,610,318)</u>
2,953,361	-	2,953,361
5,490,759	-	5,490,759
46,322	-	46,322
999,889	-	999,889
2,768,743	-	2,768,743
196,550	695,156	891,706
263,034	-	263,034
150,000	(150,000)	-
<u>12,868,658</u>	<u>545,156</u>	<u>13,413,814</u>
(1,141,582)	3,945,078	2,803,496
<u>55,315,977</u>	<u>24,297,673</u>	<u>79,613,650</u>
<u>\$ 54,174,395</u>	<u>\$ 28,242,751</u>	<u>\$ 82,417,146</u>

The accompanying notes are an integral part of this statement.

**City of Lemon Grove
Balance Sheet
Governmental Funds
June 30, 2020**

	General Fund	Special Revenue		Total Non-major Governmental Funds	Totals
		Housing Fund	Transnet Fund		
ASSETS					
Cash and Investments	\$ 6,454,670	\$ 820,874	\$ 41,903	\$ 1,974,800	\$ 9,292,247
Accounts Receivable	1,490,762	-	48	228,667	1,719,477
Interest Receivable	-	2,210,248	-	-	2,210,248
Notes and Loans	340,307	6,693,062	-	-	7,033,369
Due from Other Funds	30,425	-	-	-	30,425
Prepaid Items	7,479	-	-	3,716	11,195
Property Held for Resale	-	-	-	-	-
Due from Successor Agency	-	-	-	-	-
Cash and Investments with Fiscal Agents	904,422	-	-	-	904,422
Total Assets	\$ 9,228,065	\$ 9,724,184	\$ 41,951	\$ 2,207,183	\$ 21,201,383
LIABILITIES					
Accounts Payable	\$ 1,720,014	\$ -	\$ 13,272	\$ 582,242	\$ 2,315,528
Accrued Liabilities	92,621	-	1,053	10,941	104,615
Due to Other Funds	-	-	-	30,425	30,425
Deposits Payable	12,470	-	-	53,672	66,142
Unearned Revenue	-	-	-	-	-
Total Liabilities	1,825,105	-	14,325	677,280	2,516,710
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	267,702	2,210,248	-	108,324	2,586,274
Total Deferred Inflows of Resources	267,702	2,210,248	-	108,324	2,586,274
FUND BALANCES (DEFICITS)					
Nonspendable	7,479	-	-	-	7,479
Restricted	904,422	7,513,936	27,626	1,482,414	9,928,398
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	6,223,357	-	-	(60,835)	6,162,522
Total Fund Balances (Deficits)	7,135,258	7,513,936	27,626	1,421,579	16,098,399
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 9,228,065	\$ 9,724,184	\$ 41,951	\$ 2,207,183	\$ 21,201,383

The accompanying notes are an integral part of this statement.

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

Fund Balances of Governmental Funds \$ 16,098,399

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds.

Capital Assets	\$ 86,577,138	
Accumulated Depreciation	<u>(42,864,785)</u>	43,712,353

In governmental funds, other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds. 2,586,274

Internal service funds are used by management to charge the cost of risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 203,439

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

Capital Lease Payable		(84,558)
Compensated Absences		(591,630)
Total OPEB Liability		(3,183,889)
Net Pension Liability		(6,007,935)

Amounts for deferred inflows and deferred outflows related to the City's Net Pension Liability are not reported in the funds.

Deferred Outflows - OPEB Related Amounts		462,137
Deferred Outflows - Pension Related Amounts		1,894,132
Deferred Inflows - OPEB Related Amounts		(545,918)
Deferred Inflows - Pension Related Amounts		<u>(368,409)</u>

Net Position of Governmental Activities \$ 54,174,395

The accompanying notes are an integral part of this statement.

City of Lemon Grove
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2020

	General Fund	Special Revenue		Total Non-major Governmental Funds	Totals
		Housing Fund	Transnet Fund		
REVENUES					
Taxes and Special Assessments	\$ 12,237,540	\$ -	\$ -	\$ 356,852	\$ 12,594,392
Licenses, Fees, and Permits	628,891	-	-	-	628,891
Fines, Forfeitures and Penalties	1,056,195	-	-	-	1,056,195
Intergovernmental Revenues	245,473	-	859,230	1,582,282	2,686,985
Charges for Services	528,556	-	-	177,613	706,169
Use of Money and Property	406,546	104,994	285	60,743	572,568
Other Revenues	263,034	-	-	32,775	295,809
Total Revenues	15,366,235	104,994	859,515	2,210,265	18,541,009
EXPENDITURES					
Current:					
General Government	966,366	-	-	34,760	1,001,126
Public Safety	11,047,589	-	-	163,236	11,210,825
Public Works	1,576,174	-	89,216	1,055,177	2,720,567
Community Development	708,922	-	-	68,431	777,353
Capital Outlay	-	-	686,490	754,371	1,440,861
Debt Service:					
Principal	82,479	-	-	-	82,479
Interest	4,209	-	-	-	4,209
Total Expenditures	14,385,739	-	775,706	2,075,975	17,237,420
Excess (Deficiency) of Revenues Over Expenditures	980,496	104,994	83,809	134,290	1,303,589
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	176,161	176,161
Transfers Out	(126,161)	-	-	-	(126,161)
Total Other Financing Sources (Uses)	(126,161)	-	-	176,161	50,000
Net Change in Fund Balances	854,335	104,994	83,809	310,451	1,353,589
Fund Balances, Beginning of Year	6,280,923	7,408,942	(56,183)	1,111,128	14,744,810
Fund Balances, End of Year	\$ 7,135,258	\$ 7,513,936	\$ 27,626	\$ 1,421,579	\$ 16,098,399

The accompanying notes are an integral part of this statement.

City of Lemon Grove
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended June 30, 2020

Net Change in Fund Balances - Total Governmental Funds \$ 1,353,589

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current year.

Capital outlay	\$ 163,573	
Depreciation expense	<u>(1,682,673)</u>	(1,519,100)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (107,465)

The amounts below included in the statement of activities do not provide or require the use of current financial resources and, therefore, are not reported as revenues or expenditures in governmental funds (net change):

Capital Lease	82,479
Compensated Absences	(68,033)
Total OPEB Liability	(46,771)
Net Pension Liability	(539,046)
Loss on Disposal of Capital Assets	-

Amounts for deferred inflows and deferred outflows related to the City's Net Pension Liability and Total OPEB Liability are not reported in the funds. This is the net change in deferred outflows/inflows related to the Net Pension and OPEB liability.

Deferred Outflows - OPEB Related Amounts	344,585
Deferred Outflows - Pension Related Amounts	49,515
Deferred Inflows - OPEB Related Amounts	(469,867)
Deferred Inflows - Pension Related Amounts	(5,356)

Internal service funds are used by management to charge the cost of certain activities, such as risk management, to individual funds. The net revenue (expense) of the internal service funds is recorded with governmental activities. (216,112)

Change in Net Position of Governmental Activities: \$ (1,141,582)

The accompanying notes are an integral part of this statement.

**City of Lemon Grove
Statement of Net Position
Proprietary Funds
June 30, 2020**

	Business-type Activities Sanitation Fund	Governmental Activities Internal Service Fund
ASSETS		
Current Assets:		
Cash and Investments	\$ 21,930,571	\$ 619,954
Accounts Receivable	915,658	319,380
Due from Other Funds	-	-
Prepays	7,123	-
Total Current Assets	<u>22,853,352</u>	<u>939,334</u>
Noncurrent Assets:		
Restricted Cash and Investments	1,140,549	22,300
Capital Assets, Not being depreciated	324,982	-
Capital Assets, Net of Accumulated Depreciation	7,098,934	-
Total Noncurrent Assets	<u>8,564,465</u>	<u>22,300</u>
Total Assets	<u>31,417,817</u>	<u>961,634</u>
DEFERRED OUTFLOWS OF RESOURCES		
OPEB Related Amounts	115,534	-
Pension Related Amounts	496,312	-
Total Deferred Outflows of Resources	<u>611,846</u>	<u>-</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	59,561	8,595
Accrued Liabilities	19,808	-
Due to Other Funds	-	-
Compensated Absences	33,044	-
Claims Payable	33,700	59,970
Total Current Liabilities	<u>146,113</u>	<u>68,565</u>
Noncurrent Liabilities:		
Compensated Absences, Noncurrent	54,116	-
Claims Payable, Noncurrent	153,700	689,630
Total OPEB Liability	795,972	-
Net Pension Liability	2,293,833	-
Total Noncurrent Liabilities	<u>3,297,621</u>	<u>689,630</u>
Total Liabilities	<u>3,443,734</u>	<u>758,195</u>
DEFERRED INFLOWS OF RESOURCES		
OPEB Related Amounts	136,480	-
Pension Related Amounts	206,698	-
Total Deferred Inflows of Resources	<u>343,178</u>	<u>-</u>
NET POSITION		
Net Investment in Capital Assets	7,423,916	-
Restricted for Pensions	1,140,549	-
Unrestricted	19,678,286	203,439
Total Net Position	<u>\$ 28,242,751</u>	<u>\$ 203,439</u>

The accompanying notes are an integral part of this statement.

City of Lemon Grove
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2020

	Business-type Activities Sanitation Fund	Governmental Activities Internal Service Fund
OPERATING REVENUES		
Charges for Sales and Services	\$ 6,821,770	\$ -
Other Revenues	-	367,478
Total Operating Revenue	<u>6,821,770</u>	<u>367,478</u>
OPERATING EXPENSES		
Personnel Costs	1,084,825	-
Contractual Services	208,324	347,724
Materials and Supplies	87,784	-
Repairs and Maintenance	77,309	-
Capacity and Treatment	1,678,078	-
Utilities	7,245	-
Insurance and Claims	34,707	357,744
Depreciation	243,576	-
Total Operating Expenses	<u>3,421,848</u>	<u>705,468</u>
Operating Income (Loss)	<u>3,399,922</u>	<u>(337,990)</u>
NONOPERATING REVENUES (EXPENSES)		
Interest Income	695,156	21,878
Total Nonoperating Revenues (Expenses)	<u>695,156</u>	<u>21,878</u>
Income (Loss) Before Transfers and Capital Contributions	<u>4,095,078</u>	<u>(316,112)</u>
Transfers In	-	100,000
Transfers Out	(150,000)	-
Total Transfers	<u>(150,000)</u>	<u>100,000</u>
Change in Net Position	3,945,078	(216,112)
Net Position - Beginning of Year	<u>24,297,673</u>	<u>419,551</u>
Net Position - End of Year	<u>\$ 28,242,751</u>	<u>\$ 203,439</u>

The accompanying notes are an integral part of this statement.

**City of Lemon Grove
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2020**

	Business-type Activities Sanitation Fund	Governmental Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers and Users	\$ 6,222,918	\$ 53,508
Payments to Suppliers for Goods and Services	(2,198,633)	(605,251)
Payments to Employees for Services	(1,140,579)	-
Net Cash Provided (Used) by Operating Activities	<u>2,883,706</u>	<u>(551,743)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash Paid to/Received from Other Funds	(150,000)	100,000
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(150,000)</u>	<u>100,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and Construction of Capital Assets	(493,386)	-
Capital Grants	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(493,386)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Income Received	695,156	21,878
Net Cash Provided (Used) by Investing Activities	<u>695,156</u>	<u>21,878</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>2,935,476</u>	<u>(429,865)</u>
Cash and Cash Equivalents - Beginning of the Year	20,135,644	1,072,119
Cash and Cash Equivalents - End of the Year	<u>\$ 23,071,120</u>	<u>\$ 642,254</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS		
Cash and Investments	\$ 21,930,571	\$ 619,954
Restricted Cash and Investments	1,140,549	22,300
Total Cash and Cash Equivalents	<u>\$ 23,071,120</u>	<u>\$ 642,254</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ 3,399,922	\$ (337,990)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	243,576	-
(Increase) Decrease in Accounts Receivable	(598,852)	(313,970)
(Increase) Decrease in Prepays	(1,152)	-
(Increase) Decrease in Deferred Outflows	(159,024)	-
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(151,764)	(90,703)
Increase (Decrease) in Compensated Absences Payable	(4,188)	-
Increase (Decrease) in Claims Payable	47,730	190,920
Increase (Decrease) in Net OPEB Liability	(194,697)	-
Increase (Decrease) in Net Pension Liability	205,510	-
Increase (Decrease) in Deferred Inflows	96,645	-
Net Cash Provided by Operating Activities	<u>\$ 2,883,706</u>	<u>\$ (551,743)</u>

The accompanying notes are an integral part of this statement.

**City of Lemon Grove
Statement of Net Position
Fiduciary Funds
June 30, 2020**

	Successor Agency Private-purpose Trust Fund
ASSETS	
Cash and Investments	\$ 1,097,704
Cash and Investments with Fiscal Agent	926,694
Accounts Receivable	-
Interest Receivable	972,754
Notes Receivable	3,200,230
Property Held for Resale	<u>6,535,362</u>
Total Assets	<u>12,732,744</u>
LIABILITIES	
Interest Payable	270,347
Accounts Payable	5,250
Due to the City of Lemon Grove	3,219,687
Bonds Payable, Short-term Portion	978,503
Bonds Payable, Long-term Portion	<u>20,109,559</u>
Total Liabilities	<u>24,583,346</u>
NET POSITION	
Net Position Held in Trust for Successor Agency	<u>\$ (11,850,602)</u>

The accompanying notes are an integral part of this statement.

**City of Lemon Grove
Statement of Changes in Net Position
Fiduciary Funds
Year Ended June 30, 2020**

	Successor Agency Private-purpose Trust Fund
ADDITIONS	
Property Taxes	\$ 2,305,263
Interest Revenue	<u>445,602</u>
Total Additions	<u>2,750,865</u>
DEDUCTIONS	
Administration	100,000
Cost of Issuance	485,643
Interest Expense	<u>1,439,928</u>
Total Deductions	<u>2,025,571</u>
Change in Net Position	725,294
Net Position - Beginning of Year	<u>(12,575,896)</u>
Net Position - End of Year	<u><u>\$ (11,850,602)</u></u>

The accompanying notes are an integral part of this statement.

City of Lemon Grove
Notes to the Financial Statements
Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Financial Reporting Entity

The City of Lemon Grove was incorporated in 1977, under the laws of the State of California.

The accompanying basic financial statements present the financial activities of the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the City's operations and data from these units are combined with data of the City. The City had no discretely presented component units. The blended component units have a June 30 year end. The following entities are reported as blended component units:

The Lemon Grove Sanitation District (Sanitation District): established on June 10, 1982 as part of an annexation/detachment change of organization. The Sanitation District provides sewer services within the City. The City Council acts as the Sanitation District's governing board and exerts significant influence over its operations. The Sanitation District activities are reported in an enterprise fund.

Lemon Grove Landscape and Lighting District (Landscape and Lighting District): established on May 1, 1978 to provide for establishing various street lighting improvements and maintenance for property within the City. The City Council acts as the Landscape and Lighting District's governing board and exerts significant influence over its operations.

Lemon Grove Housing Authority (Housing Authority): established in 2012, subsequent to the dissolution of the former Community Development Agency, to address the City's needs for affordable dwelling accommodations available to persons of low income. The City Council acts as the Housing Authority's Board, and management of the City performs administrative functions of the Authority, and activities are reported in a special revenue fund.

Separate financial statements for these component units are not prepared.

B. Basis of Accounting and Measurement Focus

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

Government-wide Financial Statements

The City's Government-wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-type Activities for the City accompanied by a total column. These financial statements are presented on an economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liabilities are incurred.

Certain types of transactions reported as program revenues include these three categories: Charges for services, Operating grants and contributions, and Capital grants and contributions.

City of Lemon Grove
Notes to the Financial Statements
Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Governmental Fund Financial Statements

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

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

The primary revenue sources that have been treated as susceptible to accrual by the City are property taxes, taxpayer-assessed tax revenues (sales taxes, transient occupancy taxes, franchise taxes, etc.), grant revenues and earnings on investments. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The City reports the following funds as major governmental funds of the City.

General Fund accounts for resources traditionally associated with governmental activities that are not required legally or by sound financial management to be accounted for in another fund.

Housing Fund accounts for the housing assets transferred from the former Redevelopment Agency, and the revenues and expenditures for the project area related to low- and moderate-income housing.

Transnet Fund accounts for Transnet allocation and street related projects eligible for Transnet funding. This fund is specifically used to finance significant right-of-way improvements (streets and sidewalks), storm drain, and traffic related projects.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Change in Net Position, and a Statement of Cash Flows for all proprietary funds. A column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the Government-wide Financial Statements.

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which a liability is incurred.

City of Lemon Grove
Notes to the Financial Statements
Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The City reports the following proprietary funds:

Sanitation Enterprise Fund accounts for the operation and maintenance of the wastewater system within the City's boundaries.

Internal service fund balances and activities have been combined with governmental activities in the Government-wide Financial Statements, and are comprised of the following:

Self-insurance Internal Service Fund accounts for all financial transactions related to the City's self-insurance program. The service is provided to other City funds or agencies of the City on a cost reimbursement basis.

Fiduciary Fund Financial Statements

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

The City reports the following fiduciary fund:

Successor Agency to the Lemon Grove Community Development Agency Private-purpose Trust Fund accounts for the balances and activities relating to the dissolution of the former Community Development Agency (Agency), except those accounted for in the Housing Special Revenue Fund of the City.

C. Cash, Cash Equivalents, and Investments

The City pools cash resources from all funds in order to facilitate the management of cash. The balance in the pooled cash account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments with varying terms.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

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

For purposes of the statement of cash flows, cash equivalents are defined as demand deposits and investments with original maturities of 90 days or less, which are readily convertible to known amounts of cash. The City considers all pooled cash and investments (consisting of cash and investments and restricted cash and investments) held by the City as cash and cash equivalents because the pool is used essentially as a demand deposit account from the standpoint of the funds. The City also considers all non-pooled cash and investments (consisting of cash with fiscal agent and restricted cash and investments held by fiscal agent) as cash and cash equivalents because investments meet the criteria for cash equivalents defined above.

City of Lemon Grove
Notes to the Financial Statements
Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Restricted Cash and Investments

Certain restricted cash and investments are held by fiscal agents for the redemption of bonded debt, pensions, and for the acquisition and construction of capital projects.

E. Compensated Absences

Vacation pay is payable to employees at the time a vacation is taken or upon termination of employment. Normally, an employee cannot accrue more than two times their regular annual entitlement.

Sick leave is payable when an employee is unable to work because of illness. Unused sick leave at termination is lost, unless eligible for conversion to retirement credit as provided by the City contract with CalPERS. For safety employees, upon retirement or termination of employment, suppression employees shall be paid for all accrued unfrozen sick leave at the rate of one-half the accumulated time. Pay shall be based upon vested amounts at the employee's pay rate at the time the hours were earned. Upon retirement, employees have the option to apply sick leave toward retirement credit on an hour-for-hour basis. The General Fund is primarily responsible for the repayment of the governmental portion of compensated absences.

F. Property Taxes

Property taxes in the State of California are administered for all local agencies at the county level, and consist of secured, unsecured, and utility tax rolls, as follows:

Property Valuations are established by the Assessor of the County of San Diego for the secured and unsecured property tax rolls; the utility property tax rolls are valued by the State Board of Equalization. Under the provisions of Article XIII A of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978), properties are assessed at 100% of full value. From this base assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

Tax Levies are limited to 1% of full value which results in a tax rate of \$1.00 per \$100 assessed valuation, under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation. The City's share of the \$1.00 varies depending on the tax rate area and it ranges from \$0.0730 to \$0.125. Tax Levy Dates are attached annually on January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

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

Property Tax Administration Fees: The State of California FY 1990-91 Budget Act authorized counties to collect an administration fee for collection and distribution of property taxes. Property taxes are recorded net of administration fees withheld during the fiscal year.

The following are significant dates relating to the City's property taxes:

Lien date	March 1
Levy date	June 30
Due date	November 1 and February 1
Collection dates	December 10 and April 10

City of Lemon Grove
Notes to the Financial Statements
Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, traffic lights and signals, street lights, and similar items), are reported in the applicable government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 (\$100,000 for infrastructure) or more and an estimated useful life in excess of one year. Such capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value as of the date received. The cost of normal maintenance and repairs that do not add to the value of the capital asset or materially extend capital asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Structures and Improvements	40
Public Domain Infrastructure	50
System Infrastructure	30
Vehicles	3 to 15
Other Equipment and Furnishings	3 to 20
Computer Equipment	3 to 10

H. Interest Payable

In the Government-wide and Proprietary Funds Financial Statements, interest payable on long-term debt is recognized as the liability is incurred.

I. Unavailable and unearned revenue

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

J. Claims and Judgments

The short-term and long-term workers' compensation and general liability claims payable are reported in the Internal Service Fund. The short-term liability which will be liquidated with current financial resources is the amount of settlement reached, but unpaid, related to claims and judgments entered.

K. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and American Institute of Certified Public Accountants (AICPA), requires management to make assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

City of Lemon Grove
Notes to the Financial Statements
Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

L. Long-term Obligations

In the Government-wide Financial Statements and Proprietary Fund Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds statement of net position. Initial-issue bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are expensed when bonds are issued.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and issuance costs during the period issued. The face amount of debt issued is reported as other financing sources. Premiums received are reported as other financing sources, while discounts are reported as other financing uses.

M. Net Position

In the Government-wide Financial Statements, net position is classified in the following categories:

Net Investment in Capital Assets consists of capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position includes amounts restricted by external creditors, grantors, contributors, or laws or regulations of governments.

Unrestricted Net Position represents all other amounts that do not meet the definition of net investment in capital assets or restricted net position as defined above.

N. Fund Balances

Non-spendable Fund Balances

These include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact; e.g., the principal of an endowment fund. Examples of “not in spendable form” include inventory, prepaid amounts, property held for resale and other items not expected to be converted to cash. However, if the proceeds from the eventual sale or liquidation of the items would be considered restricted, committed or assigned (as defined further on) then these amounts would be classified as restricted, committed or assigned rather than non-spendable. A debt service reserve fund held by a trustee is an example of fund balance in non-spendable form that is classified as restricted instead of non-spendable since the reserve is eventually liquidated to make the final debt service principal payment.

Restricted Fund Balances

Restricted fund balances have externally enforceable limitations on use. The limitations on use can be imposed by creditors, grantors, or contributors as well as by constitutional provisions, City charter, enabling legislation, laws and government regulations.

Committed Fund Balances

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (Ordinance) of the City Council are classified as committed fund balances.

Assigned Fund Balances

Fund balance amounts for which the City Council has expressed intent for use but not taken formal action to commit are reported as assigned under GASB 54.

City of Lemon Grove
Notes to the Financial Statements
Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Unassigned Fund Balance

The residual classification for the General Fund is unassigned fund balance. The General Fund is the only fund that may report a positive unassigned fund balance. Negative fund balance reported in Special Revenue Funds is classified as unassigned fund balance.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then followed by unrestricted resources in the following order: committed, assigned, and unassigned, as necessary.

O. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports an unamortized deferred charge on refunding resulting from the difference in carrying value of refunded debt and its reacquisition price, and deferred employer pension contributions as deferred outflows of resources.

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

The City reports two items in this category: unavailable revenues and amounts related to changes in the City's net pension liability that are deferred and amortized over a stated number of years. Unavailable revenues arise only under the modified accrual basis of accounting and, accordingly, are reported only in the governmental funds. The governmental funds report unavailable revenue from grants, sales tax revenues, and other applicable revenues.

These amounts are deferred and will be recognized as inflows of resources in the period that the amounts become available. The City also reports deferred inflows as a result of the City's implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*.

P. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Lemon Grove's 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.

Q. New Accounting Pronouncements

The Governmental Accounting Standards Board has issued the following Statements, which may affect the City's financial reporting requirements in the future:

GASB 84 - Fiduciary Activities: This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB 87 – Leases: This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

City of Lemon Grove
Notes to the Financial Statements
Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

GASB 89 – Accounting for Interest Cost Incurred before the End of a Construction Period: This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

GASB 90 – Majority Equity Interests: The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB 91 – Conduit Debt Obligations: The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

2. CASH AND INVESTMENTS

A. Summary of Cash and Investments

Cash and investments within the basic financial statements are reported as follows:

	Government-wide Statement of Net Position			Total
	Governmental Activities	Business-Type Activities	Fiduciary Funds	
Cash and Investments	\$ 9,912,201	\$ 21,930,571	\$ 1,097,704	\$ 32,940,476
Restricted Cash and Investments	926,722	1,140,549	926,694	2,993,965
Total Cash and Investments	\$ 10,838,923	\$ 23,071,120	\$ 2,024,398	\$ 35,934,441

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

Cash on Hand	\$ 1,700
Deposits with Financial Institutions	1,654,173
Deposits with Fiscal Agent	22,300
Total Cash on Hand and Deposits	1,678,173
Local Agency Investment Fund	26,060,278
Certificates of Deposit	5,224,325
Total Investments	31,284,603
Investments with Fiscal Agent:	
Mutual Funds	2,044,971
Money Market Mutual Funds	339,085
Corporate Debt	587,609
Total Fiscal Agent Investments	2,971,665
Total Cash and Investments	\$ 35,934,441

B. Deposits

The carrying amount of the City's deposits was \$1,678,173 at June 30, 2020. Bank balances before reconciling items amounted to \$1,827,161 at June 30, 2020. The City has not waived the collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. Amounts are collateralized with securities held by the pledging financial institution in the City's name.

City of Lemon Grove
Notes to the Financial Statements
Year Ended June 30, 2020

2. CASH AND INVESTMENTS – Continued

The California Government Code (Code) requires California banks and savings and loan associations to secure the City's deposits by pledging securities as collateral. The Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for deposits is considered to be held in the City's name. The market value of pledged securities must equal at least 110% of the City's deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total deposits.

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

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

The table below identifies the investment types that are authorized for the City of Lemon Grove by the California Government Code (or the City's investment 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. This table does not address investments of debt 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/Amount of Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund (State Pool)	N/A	None	None
Certificates of Deposit	5 years	30%	None
Mutual Funds	N/A	None	None

D. 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 purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time, as necessary, to provide the cash flows and liquidity needed for operations.

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

Investment Type	Total	Remaining Maturity (in Months)		
		12 Months Or Less	13 to 24 Months	25 to 60 Months
Local Agency Investment Fund	\$ 26,060,278	\$ 26,060,278	\$ -	\$ -
Certificate of Deposits	5,224,325	202,632	857,085	4,164,608
Held by Fiscal Agents:				
Mutual Funds	2,044,971	2,044,971	-	-
Money Market Mutual Funds	339,085	339,085	-	-
Corporate Debt	587,609	587,609	-	-
Total	\$ 34,256,268	\$ 29,234,575	\$ 857,085	\$ 4,164,608

City of Lemon Grove
Notes to the Financial Statements
Year Ended June 30, 2020

2. CASH AND INVESTMENTS – Continued

E. Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City's investments (including investments held by bond trustees) do not include any investments that are highly sensitive to interest rate fluctuations.

F. 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 fiscal year end for each investment type.

Investment Type	Amount	Minimum Legal Rating	AAA	A	Unrated
Local Agency Investment Fund	\$ 26,060,278	N/A	\$ -	\$ -	\$ 26,060,278
Cerificates of Deposits	5,224,325	N/A	-	-	5,224,325
Held by Fiscal Agents:					
Mutual Funds	2,044,971	N/A	-	-	2,044,971
Money Market Mutual Funds	339,085	AAA	339,085	-	-
Corporate Debt	587,609	N/A	587,609	-	-
Total	\$ 34,256,268		\$ 926,694	\$ -	\$ 33,329,574

G. Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer. The City has no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments by reporting unit (primary government, governmental activities, business type activities, fiduciary funds, major funds, non-major funds in the aggregate).

H. Custodial Credit Risk

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

I. External Investment Pools

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 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.

J. Investment Valuation

Investments (except for money market accounts, time deposits, and commercial paper) are measured at fair value on a recurring basis. *Recurring* fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period.

City of Lemon Grove
Notes to the Financial Statements
Year Ended June 30, 2020

2. CASH AND INVESTMENTS – Continued

Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Restricted cash and investments included money market accounts and guaranteed investment contracts which are not subject to fair value measurement. The City has the following recurring fair value measurements as of June 30, 2020:

- Mutual Funds of \$2,044,971 are valued using quoted market prices (Level 1 inputs).
- Certificates of Deposit of \$5,224,325 are valued using a matrix pricing model (Level 2 inputs).
- Corporate Debt securities of \$587,609 are valued using a matrix pricing model (Level 2 inputs).

The City's fair value for its investment in the State of California Local Agency Investment Fund (LAIF) is based on the fair market value factors provided by LAIF that are calculated based on the total fair market value of the pool. LAIF includes investments categorized as Level 1 such as United States Treasury securities, Federal Agency securities, and supranational debentures that are valued based on prices quoted in active markets, and investments categorized as Level 2, such as negotiable certificates of deposit and bank notes that are based on market corroborated pricing utilizing inputs such as yield curves and indices derived principally from, or corroborated by, observable market data by correlation to other means.

3. NOTES RECEIVABLE

As of June 30, 2020, Notes Receivable of \$9,893,292 consisted of the following:

Hitzke Development Corporation

During the fiscal year ended June 30, 2009, the City entered into Owner Participation Agreements with Hitzke Development Corporation (Developer) for the development of several projects within the City's project area. In addition, the City executed promissory notes with the Developer with amounts not-to-exceed (excluding accrued interest) \$2,763,292 for Citronica One, \$2,500,000 for Citronica Two, and \$1,500,000 for Citronica Three, all at 3.0% interest and secured by a deed of trust for each note creating a valid lien upon the Developer's interest in the development parcels. The funds are being used to construct a 54-unit mixed-use affordable housing project. The notes call for funds to be advanced to the borrower for the purchase of several parcels to be used for the projects. In addition, the funds can be used for certain pre-development costs.

During the fiscal year ended June 30, 2013, the City executed another promissory note with the Developer in an amount not-to-exceed (excluding interest) \$1,323,031 for Citronica One. The notes are due and payable two (2) years from the date of the execution of the notes or rolled over as additional assistance into the development and disposition agreement. As of June 30, 2020, the City had advanced \$4,263,292 and \$2,500,000 (Citronica One and Two, respectively) to the borrower. In addition, \$1,323,676 and \$836,505 (Citronica One and Two, respectively) of cumulative interest is accrued as of June 30, 2020.

Community Collective

The City issued a Note to Community Collective in an amount not-to-exceed \$3,130,000 at 3.0% interest secured by a deed of trust, assignment of rents, a security agreement and fixture filing. Community Collective is using the funds to construct a mixed-use, multi-family residential housing project for extremely low, very low, and low-income persons. The Note calls for funds to be advanced to the borrower for costs related to the project as the costs are incurred by the borrower. The note is due and payable in full in fifty-five (55) years from the date of the note or upon sale or refinancing of the project. In the event there is surplus cash (as defined in the note), Community Collective shall pay the City one-half of the available surplus cash.

As of June 30, 2020, the City had advanced \$3,130,000 to the borrower. In addition, \$1,127,816 of cumulative interest is accrued as of June 30, 2020.

City of Lemon Grove
Notes to the Financial Statements
Year Ended June 30, 2020

4. DUE FROM SUCCESSOR AGENCY

The General Fund previously advanced the former Lemon Grove Community Development Agency amounts to fund various redevelopment projects. The advances payable had no stated interest rate. During fiscal year 2012, following the dissolution of California redevelopment agencies, the payable was transferred from the former Agency to the Successor Agency Private-purpose Trust Fund. The repayment of the original advances is currently uncertain and is subject to approval by the State Department of Finance under applicable redevelopment agency dissolution law. As of June 30, 2020, the amount due from the Successor Agency was \$3,219,687 and is offset by an allowance for doubtful accounts, except for \$340,307, which was approved for repayment in 2020-21.

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2020, was as follows:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, Not Being Depreciated:				
Land and Improvements	\$ 7,520,853	\$ -	\$ -	\$ 7,520,853
Construction in Progress	-	-	-	-
Total Capital Assets, Not Being Depreciated	7,520,853	-	-	7,520,853
Capital Assets, Being Depreciated:				
Buildings and Improvements	9,850,714	19,267	-	9,869,981
Vehicles and Equipment	2,759,234	-	-	2,759,234
Infrastructure	66,282,764	144,306	-	66,427,070
Total Capital Assets, Being Depreciated	78,892,712	163,573	-	79,056,285
Less Accumulated Depreciation:				
Buildings and Improvements	(7,012,174)	(221,415)	-	(7,233,589)
Vehicles and Equipment	(1,915,288)	(146,640)	-	(2,061,928)
Infrastructure	(32,254,650)	(1,314,618)	-	(33,569,268)
Total Accumulated Depreciation	(41,182,112)	(1,682,673)	-	(42,864,785)
Capital Assets Being Depreciated, Net	37,710,600	(1,519,100)	-	36,191,500
Total Capital Assets - Governmental Activities	\$ 45,231,453	\$ (1,519,100)	\$ -	\$ 43,712,353
Business-type Activities				
Capital Assets, Not Being Depreciated:				
Land and Improvements	\$ 3,724	\$ -	\$ -	\$ 3,724
Construction in Progress	377,408	450,478	(506,628)	321,258
Total Capital Assets, Not Being Depreciated	381,132	450,478	(506,628)	324,982
Capital Assets, Being Depreciated:				
Machinery and Equipment	1,328,854	42,908	-	1,371,762
Infrastructure	14,164,033	506,628	-	14,670,661
Total Capital Assets, Being Depreciated	15,492,887	549,536	-	16,042,423
Less Accumulated Depreciation:				
Machinery and Equipment	(1,091,270)	(62,580)	-	(1,153,850)
Infrastructure	(7,608,643)	(180,996)	-	(7,789,639)
Total Accumulated Depreciation	(8,699,913)	(243,576)	-	(8,943,489)
Capital Assets Being Depreciated, Net	6,792,974	305,960	-	7,098,934
Total Capital Assets - Business-type Activities	\$ 7,174,106	\$ 756,438	\$ (506,628)	\$ 7,423,916

City of Lemon Grove
Notes to the Financial Statements
Year Ended June 30, 2020

5. CAPITAL ASSETS – Continued

Depreciation expense was allocated to the various governmental activities functions as follows:

General Government	\$ 42,240
Public Safety	133,077
Public Works	1,380,271
Community Development	127,085
Total Governmental Depreciation	\$ 1,682,673

6. LONG TERM DEBT

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Direct Borrowing:					
Capital Lease Payable	\$ 167,037	\$ -	\$ (82,479)	\$ 84,558	\$ 84,558
Compensated Absences	523,597	68,033	-	591,630	18,284
Total OPEB Liability	3,137,118	46,771	-	3,183,889	-
Net Pension Liability	5,468,889	539,046	-	6,007,935	-
Claims Payable	558,680	190,920	-	749,600	59,970
Total	\$ 9,855,321	\$ 844,770	\$ (82,479)	\$ 10,617,612	\$ 162,812
Business-type Activities:					
Compensated Absences	\$ 91,348	\$ -	\$ (4,188)	\$ 87,160	\$ 33,044
Total OPEB Liability	990,669	-	(194,697)	795,972	-
Net Pension Liability	2,088,323	205,510	-	2,293,833	-
Claims Payable	139,670	47,730	-	187,400	33,700
Total	\$ 3,310,010	\$ 253,240	\$ (198,885)	\$ 3,364,365	\$ 66,744

For governmental activities, leases payable, compensated absences, the OPEB liability and the net pension liability are generally liquidated by the General Fund.

Capital Lease Payable: In 2013, the City entered into a capital lease for the purchase of a pumper, at a price of \$550,000. Annual payments are to be made on July 5 of each year, with the final payment on July 5, 2020. The payments include interest of approximately 2.5%. The following represents the future debt service requirements for this lease:

Fiscal Year Ending June 30,	Principal	Interest	Total
2021	\$ 84,558	\$ 2,131	\$ 86,689
Total	\$ 84,558	\$ 2,131	\$ 86,689

Fiduciary Fund Long-term Debt

A summary of the Successor Agency Fiduciary Fund long-term debt for the 2019-20 fiscal year is as follows:

City of Lemon Grove
Notes to the Financial Statements
Year Ended June 30, 2020

6. LONG TERM DEBT – Continued

Tax Allocation Bonds:	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Series 2007	\$ 11,960,000	\$ -	\$ (11,960,000)	\$ -	\$ -
Series 2010, Refunding	5,105,000	-	(5,105,000)	-	-
Series 2014, Refunding	5,290,000	-	(125,000)	5,165,000	130,000
Series 2019, Refunding	-	15,500,000	-	15,500,000	825,000
Premium	-	423,062	-	423,062	23,503
Total	<u>\$ 22,355,000</u>	<u>\$ 15,923,062</u>	<u>\$ (17,190,000)</u>	<u>\$ 21,088,062</u>	<u>\$ 978,503</u>

2014 Tax Allocation Refunding Bonds: In August 2014, the Successor Agency issued \$5,740,000 of Tax Allocation Bonds with interest rates varying from 2.00% to 5.00% and payable semi-annually on February 1 and August 1 of each year. The bonds mature annually at various amounts through August 1, 2037. The Bond proceeds were used to refund previously outstanding Tax Allocation Bonds. The scheduled annual minimum debt service requirements at June 30, 2020 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2021	\$ 130,000	\$ 201,136	\$ 331,136
2022	135,000	196,993	331,993
2023	135,000	192,605	327,605
2024	145,000	186,786	331,786
2025	140,000	179,661	319,661
2026	150,000	172,411	322,411
2027	165,000	165,877	330,877
2028	165,000	160,205	325,205
2029	170,000	154,215	324,215
2030	835,000	135,456	970,456
2031	875,000	102,300	977,300
2032	910,000	66,600	976,600
2033	505,000	38,300	543,300
2034	345,000	21,300	366,300
2035	360,000	7,200	367,200
Totals	<u>\$ 5,165,000</u>	<u>\$ 1,981,045</u>	<u>\$ 7,146,045</u>

2019 Tax Allocation Refunding Bonds: In December 2019, the Successor Agency issued \$15,500,000 of Tax Allocation Refunding Bonds (2019 Bonds) with interest rates varying from 2.2% to 4.00%, payable semi-annually on February 1 and August 1 of each year. The bonds mature annually at various amounts through August 1, 2037. The 2019 Bond proceeds were placed in escrow to fully refund previously outstanding 2007 and 2010 Tax Allocation Bonds. As a result, the 2007 and 2010 Tax Allocation Bonds have been removed from the Successor Agency financial statements.

The Successor Agency advance refunded the 2007 and 2010 Bonds to decrease total debt service payments by approximately \$3.1 million, and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$1.4 million.

Future debt service requirements for the 2019 Bonds are as follows:

City of Lemon Grove
Notes to the Financial Statements
Year Ended June 30, 2020

6. LONG TERM DEBT – Continued

Fiscal Year Ending June 30,	Principal	Interest	Total
2021	\$ 825,000	\$ 545,392	\$ 1,370,392
2022	640,000	522,121	1,162,121
2023	665,000	500,626	1,165,626
2024	675,000	478,195	1,153,195
2025	725,000	454,433	1,179,433
2026	745,000	429,040	1,174,040
2027	765,000	402,434	1,167,434
2028	795,000	374,556	1,169,556
2029	815,000	345,411	1,160,411
2030	350,000	324,912	674,912
2031	350,000	312,903	662,903
2032	370,000	299,832	669,832
2033	845,000	277,774	1,122,774
2034	1,055,000	243,279	1,298,279
2035	1,095,000	204,246	1,299,246
2036	1,535,000	154,794	1,689,794
2037	1,590,000	94,591	1,684,591
2038	1,660,000	31,980	1,691,980
Totals	<u>\$ 15,500,000</u>	<u>\$ 5,996,519</u>	<u>\$ 21,496,519</u>

7. DEFINED BENEFIT PENSION PLAN

General Information about the Defined Benefit Pension Plan

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension 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 and a miscellaneous risk pool. 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 sponsors five rate plans (three 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 – The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2018 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2018 actuarial valuation report. This report is a publicly available valuation report that can be obtained at the CalPERS’ website under Forms and Publications.

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

City of Lemon Grove
Notes to the Financial Statements
Year Ended June 30, 2020

7. DEFINED BENEFIT PENSION PLAN – Continued

	Miscellaneous	Miscellaneous Tier II	Miscellaneous PEPRA
	Prior to November 12, 2005	Prior to January 1, 2013	On or after January 1, 2013
Hire date			
Benefit formula	2.5% @ 55 single highest year	2% @ 60 36 month average	2% @ 62 36 month average
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50	52
Monthly benefits, as a % of eligible compensation	2% to 2.5%	1.092% to 2.418%	1% to 2.5%
Required employee contribution rates	8%	7%	6.25%
Required employer contribution rates	11.432% + \$367,049	8.081% + \$677	6.985% + \$1,102
	Safety	Safety PEPRA	
	Prior to January 1, 2013	On or after January 1, 2013	
Hire date			
Benefit formula	3% @ 55 single highest year	2.7% @ 57 36 month average	
Benefit vesting schedule	5 years service	5 years service	
Benefit payments	monthly for life	monthly for life	
Retirement age	50	50	
Monthly benefits, as a % of eligible compensation	2.4% to 3%	2% to 2.7%	
Required employee contribution rates	9%	12%	
Required employer contribution rates	20.073% + \$155,634	13.034% + \$1,865	

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

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 \$526,327 in fiscal year 2020.

The City’s contributions to the Plan for the year ended June 30, 2020 were \$1,049,105.

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

As of June 30, 2020, the City reported a liability of \$8,301,768 for its proportionate share of the net pension liability. The City’s net pension liability for 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.

City of Lemon Grove
Notes to the Financial Statements
Year Ended June 30, 2020

7. DEFINED BENEFIT PENSION PLAN – Continued

The City's proportionate share of the Plan's net pension liability as of June 30, 2018 and 2019 was as follows:

Proportion - June 30, 2018	0.07842%
Proportion - June 30, 2019	0.08102%
Change - Increase (Decrease)	0.00260%

For the year ended June 30, 2020, the City recognized pension expense of \$1,653,070. 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	\$ 1,049,105	\$ -
Differences between actual and expected experience	534,678	-
Changes in assumptions	260,538	-
Change in employer's proportion	367,552	-
Differences between the employer's contributions and the employer's proportionate share of contributions	178,571	(438,408)
Net differences between projected and actual earnings on plan investments	-	(136,699)
Total	\$ 2,390,444	\$ (575,107)

The \$1,049,105 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	
2021	\$ 690,128
2022	(26,647)
2023	75,362
2024	27,389
2025	-
Thereafter	-

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
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Projected salary increase	(1)
Investment rate of return	7.15%
Mortality	(2)

(1) Depending on age, service and type of employment

(2) Derived using CalPERS' Membership Data for all Funds.

**City of Lemon Grove
Notes to the Financial Statements
Year Ended June 30, 2020**

7. DEFINED BENEFIT PENSION PLAN – Continued

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Long-term Expected Rate of Return - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund.

The expected rate of return was set by calculating the rounded 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 equal 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:

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	50%	4.80%	5.98%
Global Fixed Income	28%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Assets	13%	3.75%	4.93%
Liquidity	1%	-	-0.92%

(1) An expected inflation of 2.0% used for this period.

(2) An expected inflation of 2.92% used for this period.

Discount Rate – The discount rate used to measure the total pension liability for PERF C 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.

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 the Plan, calculated using the discount rate for the 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:

**City of Lemon Grove
Notes to the Financial Statements
Year Ended June 30, 2020**

7. DEFINED BENEFIT PENSION PLAN – Continued

1% Decrease		6.15%
Net Pension Liability	\$	13,230,814
Current Discount Rate		7.15%
Net Pension Liability	\$	8,301,768
1% Increase		8.15%
Net Pension Liability	\$	4,241,901

Pension Plan Fiduciary Net Position – Detailed information about the Plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan

At June 30, 2020, the City reported no payables to the pension plan, for outstanding contributions required for the year ended June 30, 2020.

8. OTHER POST EMPLOYMENT BENEFITS

General Information About the OPEB Plan

Plan Description - The City provides medical coverage for retirees and their spouses. This coverage is available for employees who satisfy the requirements for retirement under the California Public Employees Retirement System (PERS). The plan is a single-employer defined benefit post-employment healthcare benefits plan. The City’s health plan does not issue a publicly available financial report, and no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided - Employees are eligible for retiree health benefits if they retire from the City on or after age 50 and 5 years of service (age 52 for Miscellaneous PEPRA employees), and continue health insurance through a City-sponsored health insurance plan. The City will contribute set amounts (as required by CalPERS) towards the health insurance premiums (currently \$255 for Miscellaneous employees and \$350 for Safety employees).

Employees Covered by Benefit Terms – As of the July 1, 2019 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Retirees or spouses of retirees		
currently receiving benefits		39
Active employees		46
		85

Contributions – The Plan and its contribution requirements are established by Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreements between the City and the bargaining units. The annual contributions to the Plan are based on the costs to provide the benefits as described above on a pay as you go basis. For the fiscal year ended June 30, 2020, the City’s pay-as-you-go costs were \$217,799.

Total OPEB Liability - The City’s Total OPEB liability was measured as of June 30, 2020 and was determined by an actuarial valuation dated July 1, 2019, based on the following actuarial methods and assumptions:

City of Lemon Grove
Notes to the Financial Statements
Year Ended June 30, 2020

8. OTHER POST EMPLOYMENT BENEFITS – Continued

Valuation Date	July 1, 2019
Actuarial Cost Method	Entry-age, Level Percent of Pay
Mortality	RP-2014 Employee Healthy Annuitant Mortality Tables
Age at Retirement	50
Health Care Trend Rate	6.00% initial, 4.5% ultimate
Inflation Rate	2.25%
Salary Changes	3.00%
Discount Rate:	
As of 6/30/17	3.60%, net of investment expense, including inflation
As of 6/30/18	3.90%, net of investment expense, including inflation
As of 6/30/19	3.50%, net of investment expense, including inflation
As of 6/30/20	2.60%, net of investment expense, including inflation
Medical CPI	3.50%

Discount Rate – The discount rate used to measure the total OPEB liability was 2.60 percent and is based on the Bond Buyer 20-Bond GO index.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2019	\$ 4,127,787
Changes in the year:	
Service cost	116,516
Interest on the total OPEB liability	144,633
Differences between expected and actual experience	(768,359)
Changes in assumptions	577,083
Benefit payments, including implicit subsidy	(217,799)
Net changes	(147,926)
Balance at June 30, 2020	\$ 3,979,861

Changes of assumptions reflect a change in the discount rate from 3.60 percent at July 1, 2017 to 3.90 percent at June 30, 2018, 3.50 percent at June 30, 2019, and 2.20 percent at June 30, 2020.

Sensitivity of the Total OPEB Liability to changes in the Discount Rate - The following presents the Total OPEB liability of the City if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (1.20%)	Discount Rate (2.20%)	1% Increase (3.20%)
Total OPEB liability	\$ 4,579,808	\$ 3,979,861	\$ 3,497,431

Sensitivity of the Total OPEB Liability to changes in the Healthcare Cost Trend Rates - The following presents the Total OPEB liability, as well as what the City's Total OPEB would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

City of Lemon Grove
Notes to the Financial Statements
Year Ended June 30, 2020

8. OTHER POST EMPLOYMENT BENEFITS – Continued

	1% Decrease (5.0% decreasing to 3.5%)	Current Rates (6.0% decreasing to 4.5%)	1% Increase (7.0% decreasing to 5.5%)
Total OPEB liability	\$ 3,879,889	\$ 3,979,861	\$ 4,098,961

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB - For the year ended June 30, 2020, the City recognized OPEB expense of \$229,207. As of June 30, 2020, the City reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ -	\$ 626,446
Changes in assumptions	577,671	55,952
Total	\$ 577,671	\$ 682,398

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

Year Ending June 30,		
2021	\$	(31,942)
2022		(31,941)
2023		(2,588)
2024		(38,256)
2025		-
Thereafter		-

9. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City currently carries insurance. In years prior to the 2016-17 fiscal year the City was a member of an insurance pool (San Diego Pooled Insurance Program Authority) which provided various levels of pooled liability coverage and property insurance, subject to self-insured retention levels and deductibles. The City's current insurance coverage is provided through the CSAC Excess Insurance Authority, as follows:

Program	Limits	SIR/ Deductible
Excess Workers' Compensation	Statutory	\$ 125,000
General Liability	\$ 25,000,000	100,000
Property	Various	5,000
Crime	15,000,000	2,500
Cyber Liability	Various	50,000
Excess Liability	25,000,000	25,000
Pollution	10M/100M	75,000

Claims liabilities of the City are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR).

City of Lemon Grove
Notes to the Financial Statements
Year Ended June 30, 2020

9. RISK MANAGEMENT – Continued

The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and pay-out amounts), and other economic and social factors. Settlements have not exceeded coverage for each of the past three fiscal years. The City's claims activity is reported in internal service funds. The following is a summary of changes in claims liabilities for the past three years:

	Fiscal Year Ending June 30,		
	2020	2019	2018
Beginning of Year	\$ 698,350	\$ 554,327	\$ 689,395
Incurred Claims	397,163	599,526	165,673
Claim Payments	(158,513)	(455,503)	(300,831)
End of Year	\$ 937,000	\$ 698,350	\$ 554,237

10. FUND BALANCES

The details of fund balances as of June 30, 2020 are as follows:

	General Fund	Housing Fund	Transnet Fund	Nonmajor Governmental Funds	Total
Nonspendable:					
Prepaid Items	\$ 7,479	\$ -	\$ -	\$ -	\$ 7,479
Restricted for:					
Pensions	904,422	-	-	-	904,422
Housing	-	7,513,936	-	-	7,513,936
Public Safety	-	-	-	628,296	628,296
Streets and Transportation	-	-	27,626	345,129	372,755
Community Development	-	-	-	77,196	77,196
Parks and Recreation	-	-	-	104,518	104,518
Public Access Television	-	-	-	327,275	327,275
Unassigned	6,223,357	-	-	(60,835)	6,162,522
Total Fund Balances	\$ 7,135,258	\$ 7,513,936	\$ 27,626	\$ 1,421,579	\$ 16,098,399

11. JOINT POWERS AUTHORITY

The City is a member of the Heartland Communications Facility Authority (HCFA). HCFA was created to equip, maintain, operate and staff a facility which provides emergency call receiving and dispatching services to participating agencies. No determination has been made as to each participant's proportionate share of fund equity as of June 30, 2020. Complete financial statements may be obtained at the City of El Cajon, Finance City, 200 E. Main Street, El Cajon, CA 92020.

The Lemon Grove Sanitation District is a participant in the Metropolitan Wastewater Joint Powers Authority (JPA), a coalition of municipalities and special districts that share the use of the City of San Diego's Metropolitan Sewerage System. The Sanitation District pays a quarterly amount based on estimates of the District's cost to use the wastewater facilities in advance of each fiscal year. The estimated payments are subject to adjustment once the actual usage figures are known and may result in a refund or an additional payment due to the City of San Diego. Complete financial statements may be obtained at 276 Fourth Avenue, Chula Vista, CA 91910.

City of Lemon Grove
Notes to the Financial Statements
Year Ended June 30, 2020

12. SUCCESSOR AGENCY FOR THE FORMER REDEVELOPMENT AGENCY

A. Background

On December 29, 2011, the California Supreme Court upheld Assembly Bill X126 (the Bill) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City since the City had previously reported its redevelopment agency as a blended component unit in the City's financial statements.

The Bill provides that upon dissolution of the redevelopment agency, either the City or another unit of local government will agree to serve as the "Successor Agency" to hold the assets of the dissolved redevelopment agency until they are distributed to other units of state and local government. On January 17, 2012, the City Council adopted Resolution No. 3071, electing to become the Successor Agency for the former redevelopment agency in accordance with the Bill.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California were prohibited from entering into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution, including the completion of any unfinished projects that were subject to legally enforceable contractual commitments.

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

The California Department of Finance has approved the Lemon Grove Successor Agency's Long-range Management Plan and has also issued a Finding of Completion. The State continues to monitor the Recognized Obligation Payment Schedule (ROPS) that is filed annually by the Successor Agency.

13. COMMITMENTS AND CONTINGENCIES

A. Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that maybe disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

B. Successor Agency

Amounts paid and accrued for the year ended June 30, 2020 (and subsequent years in which the Successor Agency is in operation) are subject to review by various State agencies and the County in which the Successor Agency resides. If any expenses incurred by the Successor Agency are disallowed by the State agencies or County, the City, acting as the fiduciary for the Successor Agency could be liable for the repayment of the disallowed costs from either its own funds or by the State withholding remittances normally paid to the City. The amount, if any, of expenses that may be disallowed by the State agencies or County cannot be determined at this time, although the Successor Agency expects such amounts, if any, to be immaterial.

C. Other Commitments and Contingencies

As of June 30, 2020, the City had no significant outstanding construction contracts. In addition, the City is a defendant in various pending lawsuits of a nature common to many similar jurisdictions. City management and legal counsel estimates that the potential claims against the City not covered by insurance resulting from such litigation would not materially affect the City's financial statements.

City of Lemon Grove
Notes to the Financial Statements
Year Ended June 30, 2020

14. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The \$30,425 reported in the General Fund as due from other funds consists \$30,425 due from nonmajor governmental funds. These represent temporary, interfund borrowings resulting from routine cash flows and are expected to be repaid within the next fiscal year.

The following is a summary of interfund transfers for the 2019-20 fiscal year:

Transfers In	Transfers Out	Amount
Other Governmental Funds	General Fund	\$ 126,161
	Sanitation Fund	50,000
Internal Service Fund	Sanitation Fund	100,000
		\$ 276,161

Transfers of \$126,161 and \$50,000 were made from the General Fund and Sanitation Fund, respectively, to nonmajor governmental funds to fund various project costs. Additional transfers of \$100,000 were made to the Internal Service Fund from the Sanitation Fund for insurance costs.

15. SUBSEQUENT EVENTS

In FY 2020-2021, the City and a former property owner entered into a settlement agreement where the former property owner agreed to pay the City a lump sum settlement amount of \$1,075,000 on or before February 1, 2021.

16. DEFICIT FUND BALANCES

Deficit fund balances of \$15,867 in the CDBG Fund, \$39,858 in the TDA Fund, and \$5,110 in the Wildflower Assessment Fund, will be eliminated through future collection and recognition of applicable revenues.

REQUIRED SUPPLEMENTARY INFORMATION

City of Lemon Grove
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes and Special Assessments	\$ 12,265,727	\$ 12,455,727	\$ 12,237,540	\$ (218,187)
Licenses, Fees, and Permits	444,478	512,478	628,891	116,413
Fines, Forfeitures and Penalties	334,300	361,204	1,056,195	694,991
Intergovernmental Revenues	34,000	34,000	245,473	211,473
Charges for Services	475,819	587,819	528,556	(59,263)
Use of Money and Property	270,000	318,000	406,546	88,546
Other Revenues	240,000	247,000	263,034	16,034
Total Revenues	<u>14,064,324</u>	<u>14,516,228</u>	<u>15,366,235</u>	<u>850,007</u>
EXPENDITURES				
Current:				
General Government	1,157,709	1,158,975	966,366	192,609
Public Safety	10,921,636	11,142,943	11,047,589	95,354
Public Works	1,580,741	1,666,041	1,576,174	89,867
Community Development	626,876	626,876	708,922	(82,046)
Capital Outlay	-	-	-	-
Debt Service	86,690	86,688	86,688	-
Total Expenditures	<u>14,373,652</u>	<u>14,681,523</u>	<u>14,385,739</u>	<u>295,784</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(309,328)</u>	<u>(165,295)</u>	<u>980,496</u>	<u>1,145,791</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	20,000	20,096	-	(20,096)
Transfers Out	<u>(182,304)</u>	<u>(182,304)</u>	<u>(126,161)</u>	<u>56,143</u>
Total Other Financing Sources (Uses)	<u>(162,304)</u>	<u>(162,208)</u>	<u>(126,161)</u>	<u>36,047</u>
Net Change in Fund Balances	(471,632)	(327,503)	854,335	1,181,838
Fund Balance, Beginning of Year	<u>6,280,923</u>	<u>6,280,923</u>	<u>6,280,923</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 5,809,291</u></u>	<u><u>\$ 5,953,420</u></u>	<u><u>\$ 7,135,258</u></u>	<u><u>\$ 1,181,838</u></u>

City of Lemon Grove
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Housing Special Revenue Fund
Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -
Use of Money and Property	-	-	104,994	104,994
Other Revenues	-	-	-	-
Total Revenues	-	-	104,994	104,994
EXPENDITURES				
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	104,994	104,994
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	-	104,994	104,994
Fund Balance, Beginning of Year	7,408,942	7,408,942	7,408,942	-
Fund Balance, End of Year	<u>\$ 7,408,942</u>	<u>\$ 7,408,942</u>	<u>\$ 7,513,936</u>	<u>\$ 104,994</u>

City of Lemon Grove
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Transnet Special Revenue Fund
Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 737,000	\$ 782,100	\$ 859,230	\$ 77,130
Use of Money and Property	-	-	285	285
Total Revenues	<u>737,000</u>	<u>782,100</u>	<u>859,515</u>	<u>77,415</u>
EXPENDITURES				
Current:				
Public Works	86,598	86,598	89,216	(2,618)
Capital Outlay	647,580	743,515	686,490	57,025
Total Expenditures	<u>734,178</u>	<u>830,113</u>	<u>775,706</u>	<u>54,407</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,822</u>	<u>(48,013)</u>	<u>83,809</u>	<u>131,822</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	2,822	(48,013)	83,809	131,822
Fund Balance, Beginning of Year	<u>(56,183)</u>	<u>(56,183)</u>	<u>(56,183)</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (53,361)</u>	<u>\$ (104,196)</u>	<u>\$ 27,626</u>	<u>\$ 131,822</u>

**City of Lemon Grove
Required Supplementary Information
Year Ended June 30, 2020**

**Schedule of the City's Proportionate Share of the Net Pension Liability
Last 10 Years***

Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a % of Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
2019	0.081020%	\$ 8,301,768	\$ 3,915,557	212.02%	77.21%
2018	0.077492%	7,557,212	4,285,339	176.35%	77.89%
2017	0.077492%	7,685,061	4,129,783	186.09%	76.39%
2016	0.077112%	6,672,556	3,966,818	168.21%	74.06%
2015	0.102377%	7,027,037	4,140,577	169.71%	78.40%
2014	0.101819%	6,335,672	3,916,214	161.78%	79.82%

*Fiscal year 2015 was the first year of implementation; therefore, 10 years of information are not yet available.

Notes to the Schedule of the City's Proportionate Share of the Net Pension Liability

Benefit Changes: None

Changes in Assumptions: In 2017, the accounting discount rate changed from 7.65% to 7.15%

**City of Lemon Grove
Required Supplementary Information
Year Ended June 30, 2020**

**Schedule of Pension Plan Contributions
Last 10 Years***

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2020	\$ 1,049,105	\$ (1,049,105)	\$ -	\$ 3,993,095	26.27%
2019	962,913	(962,913)	-	3,915,557	24.59%
2018	894,949	(894,949)	-	4,285,339	20.88%
2017	813,911	(813,911)	-	4,129,783	19.71%
2016	909,279	(2,737,595)	(1,828,316)	3,966,818	69.01%
2015	929,245	(1,194,245)	(265,000)	3,854,444	30.98%

*Fiscal year 2015 was the first year of implementation; therefore, 10 years of information are not yet available.

Notes to the Schedule of Plan Contributions

Valuation Date: 6/30/13, 6/30/14, 6/30/15, 6/30/16, 6/30/17 and 6/30/18

**City of Lemon Grove
Required Supplementary Information
Year Ended June 30, 2020**

**Schedule of Changes in the City's
Total OPEB Liability and Related Ratios
Last Ten Years (or years for which information is available)**

	Measurement Period		
	2020	2019	2018
Total OPEB Liability			
Service cost	\$ 116,516	\$ 114,804	\$ 111,460
Interest on total OPEB liability	144,633	152,187	144,569
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(768,359)	(14,999)	(6,897)
Changes of assumptions	577,083	193,343	(139,883)
Benefit payments	(217,799)	(224,968)	(219,256)
Net change in total OPEB liability	(147,926)	220,367	(110,007)
Total OPEB liability - beginning	4,127,787	3,907,420	4,017,427
Total OPEB liability - ending (a)	<u>\$ 3,979,861</u>	<u>\$ 4,127,787</u>	<u>\$ 3,907,420</u>
Covered-employee payroll	\$ 3,995,000	\$ 4,347,161	\$ 4,220,545
Total OPEB liability as a percentage of covered-employee payroll	99.62%	94.95%	92.58%

Notes to the schedule:

No assets are accumulated in a trust that meets the criteria in GASBS No. 75, paragraph 4, to pay related benefits.

Changes of assumptions - Changes of assumptions reflect a change in the discount rate from 3.60 percent at July 1, 2017 to 3.90 percent at June 30, 2018, 3.50 percent at June 30, 2019, and 2.20 percent at June 30, 2020.

**City of Lemon Grove
Required Supplementary Information
Year Ended June 30, 2020**

1. BUDGETS AND BUDGETARY ACCOUNTING

A. *Budgetary Control and Budgetary Accounting*

The City Council approves each fiscal year's budget submitted by the City Manager prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by the council. Supplemental appropriations, where required during the period, are also approved by the Council. Budget transfers that affect the total appropriations for any fund require City Council approval. Budget transfers within a budget code with no change in appropriation within the budget code are approved by the City Manager only and do not require approval by the City Council. A budget code could be a program, or a division of a City, or a City. In most cases, expenditures may not legally exceed appropriations at the budget code level for the General Fund, and fund level for Special Revenue, Capital Projects, and Debt Service Funds.

At fiscal year-end, all operating budget appropriations lapse with the exception of encumbered and continuing appropriations.

Budgets are adopted for all funds.

B. *Encumbrances*

Encumbrances are estimations of costs related to unperformed contracts for goods and services. These commitments are recorded for budgetary control purposes in the General, Special Revenue, and Capital Projects funds. They represent the estimated amount of the expenditure ultimately to result if unperformed contracts in-process at fiscal year-end are completed. They do not constitute expenditures or estimated liabilities.

C. *Continuing Appropriations*

The unexpected and unencumbered appropriations that are available and recommended for continuation are approved by the City Council for carryover to the following fiscal year.

D. *Budget Basis of Accounting*

Budgets for governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (US GAAP).

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SUPPLEMENTARY INFORMATION

**City of Lemon Grove
Non-major Governmental Funds
Year Ended June 30, 2020**

Special Revenue Funds

Gas Tax Fund is supported by revenue from the State gas tax fund. Fund proceeds may be used to research, plan, construct, improve, maintain and operate local streets.

Parkland Dedication Fund accounts for fees in-lieu of dedicating park land that are to be used for the purchase of park land, the development of new parks, or the major rehabilitation of existing parks.

Supplemental Law Enforcement Service Fund accounts for State grant proceeds to be used to augment the staffing level of Sheriff deputies.

Sundry Grants Fund accounts for grants currently being administered by the City.

CDBG Fund accounts for grant proceeds from the Community Development Block Grant program. Funds are expended and then reimbursed by the County of San Diego.

TDA Fund accounts for transit proceeds allocated from MTS for maintenance of landscaping along the trolley corridor and maintenance of trolley stations and bus shelters throughout the City.

Lighting District Fund accounts for activities relating to the Roadway Lighting District which provides for street light benefits and enhanced lighting benefits.

Storm Water Fund accounts for designated storm water program fees and support the City's storm water program - a State and Federal mandated program.

Household Hazardous Waste Fund accounts for the City's household hazardous waste disposal program. This program is supported by AB 939 funds which are collected for this and recycling related programs. The City relies on this fund for contractual services to provide household hazardous waste events and to promote a higher level of recycling within the City.

Wild Flower Assessment Fund accounts for the Wildflower Landscaping Maintenance Assessment District.

PEG (Public/Education/Government) Fund accounts for designated monies from cable franchisees that operate within the City. The use of these monies is restricted to capital items that enhance or facilitate public access to government information.

Serious Traffic Offender Fund accounts for impound fees to pay for Sheriff traffic division overtime and other traffic related expenses.

Capital Project Funds

Sidewalk Reserve Fund accounts for amounts restricted for larger sidewalk projects.

Main Street Promenade CFD Fund accounts for voter-approved assessments for capital improvements.

Safety Capital Purchases Fund accounts for one-time "SAFE" program monies restricted for public safety capital expenditures.

Transportation Mitigation Fund accounts for fees related to the passage of the Transnet extension. These fees represent per housing unit fees for new residential development. Expenditures from this fund are to be used to initiate street improvement projects on a major arterial within the City.

**City of Lemon Grove
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2020**

	Special Revenue			
	Gas Tax	Parkland Dedication	Supplemental Law Enforcement Service	Sundry Grants
ASSETS				
Cash and Investments	\$ 703,422	\$ 104,215	\$ 39,410	\$ 82,172
Accounts Receivable	74,004	303	70,727	12,991
Prepays	158	-	-	-
Total Assets	<u>\$ 777,584</u>	<u>\$ 104,518</u>	<u>\$ 110,137</u>	<u>\$ 95,163</u>
LIABILITIES				
Accounts Payable	\$ 490,340	\$ -	\$ -	\$ 6,228
Accrued Liabilities	7,912	-	-	-
Deposits	-	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	<u>498,252</u>	<u>-</u>	<u>-</u>	<u>6,228</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - Grants Receivable	-	-	56,727	11,739
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>56,727</u>	<u>11,739</u>
FUND BALANCE (DEFICITS)				
Restricted	279,332	104,518	53,410	77,196
Committed	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>279,332</u>	<u>104,518</u>	<u>53,410</u>	<u>77,196</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 777,584</u>	<u>\$ 104,518</u>	<u>\$ 110,137</u>	<u>\$ 95,163</u>

Special Revenue

CDBG	TDA	Lighting District	Storm Water	Household Hazardous Waste	Wild Flower Assessment
\$ -	\$ -	\$ 315,205	\$ 7,262	\$ 251,313	\$ -
-	39,858	4,165	-	2,475	3
-	-	-	3,558	-	-
<u>\$ -</u>	<u>\$ 39,858</u>	<u>\$ 319,370</u>	<u>\$ 10,820</u>	<u>\$ 253,788</u>	<u>\$ 3</u>
\$ 8,867	\$ 19,287	\$ 21,835	\$ 10,361	\$ 1,863	\$ 1,066
766	364	900	459	429	63
-	-	-	-	53,672	-
6,234	20,207	-	-	-	3,984
-	-	-	-	-	-
<u>15,867</u>	<u>39,858</u>	<u>22,735</u>	<u>10,820</u>	<u>55,964</u>	<u>5,113</u>
-	39,858	-	-	-	-
-	39,858	-	-	-	-
-	-	296,635	-	197,824	-
-	-	-	-	-	-
<u>(15,867)</u>	<u>(39,858)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,110)</u>
<u>(15,867)</u>	<u>(39,858)</u>	<u>296,635</u>	<u>-</u>	<u>197,824</u>	<u>(5,110)</u>
<u>\$ -</u>	<u>\$ 39,858</u>	<u>\$ 319,370</u>	<u>\$ 10,820</u>	<u>\$ 253,788</u>	<u>\$ 3</u>

Continued

**City of Lemon Grove
Combining Balance Sheet
Non-major Governmental Funds - Continued
June 30, 2020**

	Special Revenue		Capital Projects	
	PEG (Public/ Education/ Government)	Serious Traffic Offender Program	Sidewalk Reserve	Main Street Promenade CFD
ASSETS				
Cash and Investments	\$ 316,158	\$ 37,198	\$ 24,877	\$ 19,454
Accounts Receivable	14,014	268	76	63
Prepays	-	-	-	-
Total Assets	<u>\$ 330,172</u>	<u>\$ 37,466</u>	<u>\$ 24,953</u>	<u>\$ 19,517</u>
LIABILITIES				
Accounts Payable	\$ 2,897	\$ -	\$ 19,035	\$ 463
Accrued Liabilities	-	48	-	-
Deposits	-	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	<u>2,897</u>	<u>48</u>	<u>19,035</u>	<u>463</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - Grants Receivable	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICITS)				
Restricted	327,275	37,418	5,918	19,054
Committed	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>327,275</u>	<u>37,418</u>	<u>5,918</u>	<u>19,054</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 330,172</u>	<u>\$ 37,466</u>	<u>\$ 24,953</u>	<u>\$ 19,517</u>

Capital Projects		Total Non-major Governmental Funds
Safety Capital Purchases	Transportation Mitigation	
\$ 33,375	\$ 40,739	\$ 1,974,800
9,634	86	228,667
-	-	3,716
<u>\$ 43,009</u>	<u>\$ 40,825</u>	<u>\$ 2,207,183</u>
\$ -	\$ -	\$ 582,242
-	-	10,941
-	-	53,672
-	-	30,425
-	-	-
-	-	677,280
-	-	108,324
-	-	108,324
43,009	40,825	1,482,414
-	-	-
-	-	(60,835)
<u>43,009</u>	<u>40,825</u>	<u>1,421,579</u>
<u>\$ 43,009</u>	<u>\$ 40,825</u>	<u>\$ 2,207,183</u>

City of Lemon Grove
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
Year Ended June 30, 2020

	Special Revenue			
	Gas Tax	Parkland Dedication	Supplemental Law Enforcement Service	Sundry Grants
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	1,102,334	-	145,948	70,516
Charges for Services	-	17,100	-	-
Use of Money and Property	16,240	2,968	-	2,391
Other	-	-	-	-
Total Revenues	<u>1,118,574</u>	<u>20,068</u>	<u>145,948</u>	<u>72,907</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	130,000	28,939
Public Works	524,428	-	-	-
Community Development	-	-	-	24,362
Capital Outlay	<u>646,976</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>1,171,404</u>	<u>-</u>	<u>130,000</u>	<u>53,301</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(52,830)</u>	<u>20,068</u>	<u>15,948</u>	<u>19,606</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	100,000	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	47,170	20,068	15,948	19,606
Fund Balances, Beginning of Year	<u>232,162</u>	<u>84,450</u>	<u>37,462</u>	<u>57,590</u>
Fund Balances, End of Year	<u>\$ 279,332</u>	<u>\$ 104,518</u>	<u>\$ 53,410</u>	<u>\$ 77,196</u>

Special Revenue

CDBG	TDA	Lighting District	Storm Water	Household Hazardous Waste	Wild Flower Assessment
\$ -	\$ -	\$ 310,159	\$ -	\$ 24,646	\$ 10,352
173,108	90,376	-	-	-	-
-	-	-	65,642	-	-
-	260	18,601	-	7,723	26
-	-	-	-	28,095	-
<u>173,108</u>	<u>90,636</u>	<u>328,760</u>	<u>65,642</u>	<u>60,464</u>	<u>10,378</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	29,784	331,323	141,538	-	18,207
15,867	-	-	-	28,202	-
-	88,361	-	-	-	-
<u>15,867</u>	<u>118,145</u>	<u>331,323</u>	<u>141,538</u>	<u>28,202</u>	<u>18,207</u>
<u>157,241</u>	<u>(27,509)</u>	<u>(2,563)</u>	<u>(75,896)</u>	<u>32,262</u>	<u>(7,829)</u>
-	-	-	76,161	-	-
-	-	-	-	-	-
-	-	-	76,161	-	-
157,241	(27,509)	(2,563)	265	32,262	(7,829)
<u>(173,108)</u>	<u>(12,349)</u>	<u>299,198</u>	<u>(265)</u>	<u>165,562</u>	<u>2,719</u>
<u>\$ (15,867)</u>	<u>\$ (39,858)</u>	<u>\$ 296,635</u>	<u>\$ -</u>	<u>\$ 197,824</u>	<u>\$ (5,110)</u>

Continued

City of Lemon Grove
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
Year Ended June 30, 2020

	Special Revenue		Capital Projects	
	PEG (Public/ Education/ Government)	Serious Traffic Offender Program	Sidewalk Reserve	Main Street Promenade CFD
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 11,695
Intergovernmental Revenues	-	-	-	-
Charges for Services	54,520	-	-	-
Use of Money and Property	9,690	1,138	782	469
Other	-	4,680	-	-
Total Revenues	64,210	5,818	782	12,164
EXPENDITURES				
Current:				
General Government	34,760	-	-	-
Public Safety	-	4,297	-	-
Public Works	-	-	-	4,243
Community Development	-	-	-	-
Capital Outlay	-	-	19,034	-
Total Expenditures	34,760	4,297	19,034	4,243
Excess (Deficiency) of Revenues Over Expenditures	29,450	1,521	(18,252)	7,921
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	29,450	1,521	(18,252)	7,921
Fund Balances, Beginning of Year	297,825	35,897	24,170	11,133
Fund Balances, End of Year	\$ 327,275	\$ 37,418	\$ 5,918	\$ 19,054

<u>Capital Projects</u>		<u>Total Non-major Governmental Funds</u>
<u>Safety Capital Purchases</u>	<u>Transportation Mitigation</u>	
\$ -	\$ -	\$ 356,852
-	-	1,582,282
-	40,351	177,613
-	455	60,743
-	-	32,775
-	40,806	2,210,265
-	-	34,760
-	-	163,236
5,654	-	1,055,177
-	-	68,431
-	-	754,371
5,654	-	2,075,975
(5,654)	40,806	134,290
-	-	176,161
-	-	-
-	-	176,161
(5,654)	40,806	310,451
48,663	19	1,111,128
<u>\$ 43,009</u>	<u>\$ 40,825</u>	<u>\$ 1,421,579</u>

City of Lemon Grove
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Gas Tax Special Revenue Fund
Year Ended June 30, 2020

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental Revenue	\$ 1,154,682	\$ 1,102,334	\$ (52,348)
Use of Money and Property	2,000	16,240	14,240
Total Revenues	<u>1,156,682</u>	<u>1,118,574</u>	<u>(38,108)</u>
EXPENDITURES			
Current:			
Public Works	600,712	524,428	76,284
Capital Outlay	723,000	646,976	76,024
Total Expenditures	<u>1,323,712</u>	<u>1,171,404</u>	<u>152,308</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(167,030)</u>	<u>(52,830)</u>	<u>114,200</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	100,000	100,000	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net Change in Fund Balances	(67,030)	47,170	114,200
Fund Balance, Beginning of Year	<u>232,162</u>	<u>232,162</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 165,132</u></u>	<u><u>\$ 279,332</u></u>	<u><u>\$ 114,200</u></u>

City of Lemon Grove
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Parkland Dedication Special Revenue Fund
Year Ended June 30, 2020

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Charges for Services	\$ 15,000	\$ 17,100	\$ 2,100
Use of Money and Property	700	2,968	2,268
Total Revenues	<u>15,700</u>	<u>20,068</u>	<u>4,368</u>
EXPENDITURES			
Capital Outlay	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total Expenditures	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,300)</u>	<u>20,068</u>	<u>24,368</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(4,300)	20,068	24,368
Fund Balance, Beginning of Year	<u>84,450</u>	<u>84,450</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 80,150</u></u>	<u><u>\$ 104,518</u></u>	<u><u>\$ 24,368</u></u>

City of Lemon Grove
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Supplemental Law Enforcement Special Revenue Fund
Year Ended June 30, 2020

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ 155,948	\$ 145,948	\$ (10,000)
Total Revenues	<u>155,948</u>	<u>145,948</u>	<u>(10,000)</u>
EXPENDITURES			
Current:			
Public Safety	<u>130,000</u>	<u>130,000</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>25,948</u>	<u>15,948</u>	<u>(10,000)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	25,948	15,948	(10,000)
Fund Balance, Beginning of Year	<u>37,462</u>	<u>37,462</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 63,410</u>	<u>\$ 53,410</u>	<u>\$ (10,000)</u>

City of Lemon Grove
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Sundry Grants Special Revenue Fund
Year Ended June 30, 2020

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ 112,043	\$ 70,516	\$ (41,527)
Use of Money and Property	750	2,391	1,641
Total Revenues	<u>112,793</u>	<u>72,907</u>	<u>(39,886)</u>
EXPENDITURES			
Current:			
Public Safety	79,895	28,939	50,956
Community Development	39,945	24,362	15,583
Total Expenditures	<u>119,840</u>	<u>53,301</u>	<u>66,539</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(7,047)</u>	<u>19,606</u>	<u>26,653</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(7,047)	19,606	26,653
Fund Balance, Beginning of Year	<u>57,590</u>	<u>57,590</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 50,543</u>	<u>\$ 77,196</u>	<u>\$ 26,653</u>

City of Lemon Grove
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - CDBG Special Revenue Fund
Year Ended June 30, 2020

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental Revenue	\$ -	\$ 173,108	\$ 173,108
Total Revenues	-	173,108	173,108
EXPENDITURES			
Community Development	-	15,867	(15,867)
Total Expenditures	-	15,867	(15,867)
Excess (Deficiency) of Revenues over Expenditures	-	157,241	157,241
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	-	157,241	157,241
Fund Balance, Beginning of Year	(173,108)	(173,108)	-
Fund Balance, End of Year	<u>\$ (173,108)</u>	<u>\$ (15,867)</u>	<u>\$ 157,241</u>

City of Lemon Grove
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - TDA Special Revenue Fund
Year Ended June 30, 2020

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental Revenue	\$ 90,376	\$ 90,376	\$ -
Use of Money and Property	50	260	210
Total Revenues	<u>90,426</u>	<u>90,636</u>	<u>210</u>
EXPENDITURES			
Current:			
Public Works	32,129	29,784	2,345
Capital Outlay	89,365	88,361	1,004
Total Expenditures	<u>121,494</u>	<u>118,145</u>	<u>3,349</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(31,068)</u>	<u>(27,509)</u>	<u>3,559</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(31,068)	(27,509)	3,559
Fund Balance, Beginning of Year	<u>(12,349)</u>	<u>(12,349)</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (43,417)</u>	<u>\$ (39,858)</u>	<u>\$ 3,559</u>

City of Lemon Grove
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Lighting District Special Revenue Fund
Year Ended June 30, 2020

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 273,000	\$ 310,159	\$ 37,159
Use of Money and Property	7,050	18,601	11,551
Total Revenues	<u>280,050</u>	<u>328,760</u>	<u>48,710</u>
EXPENDITURES			
Current:			
Public Works	<u>350,246</u>	<u>331,323</u>	<u>18,923</u>
Total Expenditures	<u>350,246</u>	<u>331,323</u>	<u>18,923</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(70,196)</u>	<u>(2,563)</u>	<u>67,633</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(70,196)	(2,563)	67,633
Fund Balance, Beginning of Year	<u>299,198</u>	<u>299,198</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 229,002</u></u>	<u><u>\$ 296,635</u></u>	<u><u>\$ 67,633</u></u>

City of Lemon Grove
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Storm Water Special Revenue Fund
Year Ended June 30, 2020

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Charges for Services	\$ 59,500	\$ 65,642	\$ 6,142
Total Revenues	<u>59,500</u>	<u>65,642</u>	<u>6,142</u>
EXPENDITURES			
Current:			
Public Works	<u>191,804</u>	<u>141,538</u>	<u>50,266</u>
Total Expenditures	<u>191,804</u>	<u>141,538</u>	<u>50,266</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(132,304)</u>	<u>(75,896)</u>	<u>56,408</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	132,304	76,161	(56,143)
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>132,304</u>	<u>76,161</u>	<u>(56,143)</u>
Net Change in Fund Balances	-	265	265
Fund Balance, Beginning of Year	<u>(265)</u>	<u>(265)</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (265)</u>	<u>\$ -</u>	<u>\$ 265</u>

City of Lemon Grove
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Household Hazardous Waste Special Revenue Fund
Year Ended June 30, 2020

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 24,000	\$ 24,646	\$ 646
Use of Money and Property	1,000	7,723	6,723
Other	-	28,095	28,095
Total Revenues	<u>25,000</u>	<u>60,464</u>	<u>35,464</u>
EXPENDITURES			
Current:			
General Government	-	-	-
Community Development	36,460	28,202	8,258
Total Expenditures	<u>36,460</u>	<u>28,202</u>	<u>8,258</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(11,460)</u>	<u>32,262</u>	<u>43,722</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(11,460)	32,262	43,722
Fund Balance, Beginning of Year	<u>165,562</u>	<u>165,562</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 154,102</u>	<u>\$ 197,824</u>	<u>\$ 43,722</u>

City of Lemon Grove
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Wildflower Assessment Special Revenue Fund
Year Ended June 30, 2020

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 10,750	\$ 10,352	\$ (398)
Use of Money and Property	20	26	6
Total Revenues	<u>10,770</u>	<u>10,378</u>	<u>(392)</u>
EXPENDITURES			
Current:			
Public Works	18,233	18,207	26
Community Development	-	-	-
Total Expenditures	<u>18,233</u>	<u>18,207</u>	<u>26</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(7,463)</u>	<u>(7,829)</u>	<u>(366)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(7,463)	(7,829)	(366)
Fund Balance, Beginning of Year	<u>2,719</u>	<u>2,719</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (4,744)</u></u>	<u><u>\$ (5,110)</u></u>	<u><u>\$ (366)</u></u>

City of Lemon Grove
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - PEG Special Revenue Fund
Year Ended June 30, 2020

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Charges for Services	\$ 58,000	\$ 54,520	\$ (3,480)
Use of Money and Property	5,000	9,690	4,690
Total Revenues	<u>63,000</u>	<u>64,210</u>	<u>1,210</u>
EXPENDITURES			
Current:			
General Government	40,000	34,760	5,240
Capital Outlay	5,400	-	5,400
Total Expenditures	<u>45,400</u>	<u>34,760</u>	<u>10,640</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>17,600</u>	<u>29,450</u>	<u>11,850</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	17,600	29,450	11,850
Fund Balance, Beginning of Year	<u>297,825</u>	<u>297,825</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 315,425</u></u>	<u><u>\$ 327,275</u></u>	<u><u>\$ 11,850</u></u>

City of Lemon Grove
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Serious Traffic Offender Special Revenue Fund
Year Ended June 30, 2020

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Use of Money and Property	\$ 300	\$ 1,138	\$ 838
Other	4,250	4,680	430
Total Revenues	4,550	5,818	1,268
EXPENDITURES			
Current:			
Public Safety	4,776	4,297	479
Total Expenditures	4,776	4,297	479
Excess (Deficiency) of Revenues Over Expenditures	(226)	1,521	1,747
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(226)	1,521	1,747
Fund Balance, Beginning of Year	35,897	35,897	-
Fund Balance, End of Year	\$ 35,671	\$ 37,418	\$ 1,747

City of Lemon Grove
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Sidewalk Reserve Capital Projects Fund
Year Ended June 30, 2020

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Use of Money and Property	\$ 250	\$ 782	\$ 532
Total Revenues	250	782	532
EXPENDITURES			
Capital Outlay	-	19,034	(19,034)
Total Expenditures	-	19,034	(19,034)
Excess (Deficiency) of Revenues over Expenditures	250	(18,252)	(18,502)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	250	(18,252)	(18,502)
Fund Balance, Beginning of Year	24,170	24,170	-
Fund Balance, End of Year	<u>\$ 24,420</u>	<u>\$ 5,918</u>	<u>\$ (18,502)</u>

City of Lemon Grove
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Main Street Promenade Community Facilities District
Year Ended June 30, 2020

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 11,750	\$ 11,695	\$ (55)
Use of Money and Property	100	469	369
Total Revenues	<u>11,850</u>	<u>12,164</u>	<u>314</u>
EXPENDITURES			
Current:			
Public Works	8,225	4,243	3,982
Total Expenditures	<u>8,225</u>	<u>4,243</u>	<u>3,982</u>
Excess (Deficiency) of Revenues over Expenditures	<u>3,625</u>	<u>7,921</u>	<u>4,296</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	3,625	7,921	4,296
Fund Balance, Beginning of Year	<u>11,133</u>	<u>11,133</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 14,758</u></u>	<u><u>\$ 19,054</u></u>	<u><u>\$ 4,296</u></u>

City of Lemon Grove
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Safety Capital Purchases Capital Projects Fund
Year Ended June 30, 2020

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ -	\$ -	\$ -
Total Revenues	-	-	-
EXPENDITURES			
Current:			
Public Works	-	5,654	(5,654)
Capital Outlay	-	-	-
Total Expenditures	-	5,654	(5,654)
Excess (Deficiency) of Revenues over Expenditures	-	(5,654)	(5,654)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	-	(5,654)	(5,654)
Fund Balance, Beginning of Year	48,663	48,663	-
Fund Balance, End of Year	<u>\$ 48,663</u>	<u>\$ 43,009</u>	<u>\$ (5,654)</u>

City of Lemon Grove
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Transportation Mitigation Capital Project Fund
Year Ended June 30, 2020

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Charges for Services	\$ 10,000	\$ 40,351	\$ 30,351
Use of Money and Property	40	455	415
Total Revenues	<u>10,040</u>	<u>40,806</u>	<u>30,766</u>
EXPENDITURES			
Capital Outlay	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>10,040</u>	<u>40,806</u>	<u>30,766</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	10,040	40,806	30,766
Fund Balance, Beginning of Year	<u>19</u>	<u>19</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 10,059</u>	<u>\$ 40,825</u>	<u>\$ 30,766</u>

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Statistical Section

This part of the City of Lemon Grove's Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the City's overall financial health.

Contents

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

- Net Position by Component
- Changes in Net Position
- Tax Revenue by Source
- Fund Balances of Governmental Funds
- Changes in Fund Balances of Governmental Funds

Revenue Capacity: these schedules contain information to help the reader assess the factors affecting the City's ability to generate its property taxes.

- Assessed Value of Taxable Property
- Principal Property Tax Payers
- Property Tax Levies and Collections - General

Debt Capacity: these schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

- Ratios of Outstanding Debt by Type
- Legal Debt Margin Information - City

Demographic and Economic Information: these schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

- Demographic and Economic Statistics
- Principal Employers

Operating Information: these schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides.

- Full-Time Equivalent Employees by Function
- Operating Indicators by Function
- Capital Assets Statistics by Function

Sources: Unless otherwise notes, the information in these schedules is derived from the annual financial report for the relevant year.

City of Lemon Grove

Net Position by Component

Last Eight Fiscal Years

(accrual basis of accounting)

	Fiscal Year		
	2013	2014	2015
Governmental Activities			
Invested in capital assets, net of related debt	42,884,125	\$42,652,240	\$ 41,846,096
Restricted	9,048,663	8,040,322	13,303,682
Unrestricted	5,782,409	6,357,413	(292,780)
Total governmental activities net position	<u>57,715,197</u>	<u>57,049,975</u>	<u>54,856,998</u>
Business-type Activities			
Invested in capital assets, net of related debt	5,287,794	5,850,826	5,650,270
Restricted		-	-
Unrestricted	13,849,119	15,314,047	14,949,807
Total business-type activities net position	<u>19,136,913</u>	<u>21,164,873</u>	<u>20,600,077</u>
Primary Government			
Net investment in capital assets	48,171,919	48,503,066	47,496,366
Restricted	9,048,663	8,040,322	13,303,682
Unrestricted	19,631,528	21,671,460	14,657,027
Total primary government net position	<u>\$ 76,852,110</u>	<u>\$78,214,848</u>	<u>\$ 75,457,075</u>

City of Lemon Grove

Net Position by Component (continued)

Last Eight Fiscal Years

(accrual basis of accounting)

Fiscal Year				
2016	2017	2018	2019	2020
\$ 41,548,007	\$ 43,454,713	\$ 44,357,536	\$ 45,064,416	\$ 43,627,795
10,320,943	10,630,122	11,151,485	11,012,460	12,081,617
5,342,344	2,132,098	(1,700,781)	(760,899)	(1,535,017)
<u>57,211,294</u>	<u>56,216,933</u>	<u>53,808,240</u>	<u>55,315,977</u>	<u>54,174,395</u>
5,708,030	6,589,829	7,056,706	7,174,106	7,423,916
-	-	-	553,967	1,140,548
<u>15,409,379</u>	<u>15,351,794</u>	<u>15,314,047</u>	<u>16,569,600</u>	<u>19,678,287</u>
<u>21,117,409</u>	<u>21,941,623</u>	<u>22,370,753</u>	<u>24,297,673</u>	<u>28,242,751</u>
47,256,037	50,044,542	51,414,242	52,238,522	51,051,711
10,320,943	10,630,122	11,151,485	11,566,427	13,222,165
<u>20,751,723</u>	<u>17,483,892</u>	<u>13,613,266</u>	<u>15,808,701</u>	<u>18,143,270</u>
<u>\$ 78,328,703</u>	<u>\$ 78,158,556</u>	<u>\$ 76,178,993</u>	<u>\$ 79,613,650</u>	<u>\$ 82,417,146</u>

City of Lemon Grove

Changes in Net Position

Last Eight Fiscal Years

(accrual basis of accounting)

	Fiscal Year		
	2013	2014	2015
Expenses			
Governmental activities:			
General Government	922,962	1,990,375	1,995,938
Public Safety	8,681,889	8,802,464	9,146,101
Public Works	1,821,778	3,386,086	1,613,433
Community Development	495,097	974,490	2,226,068
Interest on long-term debt	3,133	2,766	789
Total governmental activities expenses	<u>11,924,859</u>	<u>15,156,181</u>	<u>14,982,329</u>
Business-type activities:			
Sanitation	4,364,996	4,657,485	3,948,291
Total business-type activities expenses	<u>4,364,996</u>	<u>4,657,485</u>	<u>3,948,291</u>
Total primary government expenses	<u><u>16,289,855</u></u>	<u><u>\$ 19,813,666</u></u>	<u><u>\$ 18,930,620</u></u>
Program Revenues			
Governmental activities:			
Charges for Services			
General Government	87,334	415,728	359,414
Public Safety	406,164	395,513	943,754
Public Works	334,038	353,144	708,119
Community Development	339,475	306,285	250,573
Operating Grants and Contributions	535,785	1,609,715	2,329,068
Capital Grants and Contributions	1,805,280	4,578,565	1,540,883
Total governmental activities program revenues	<u>3,508,076</u>	<u>7,658,950</u>	<u>6,131,811</u>
Business-type activities:			
Charges for Services	<u>5,571,705</u>	<u>5,872,436</u>	<u>6,573,926</u>
Total business-type activities program revenues	<u>5,571,705</u>	<u>5,872,436</u>	<u>6,573,926</u>
Total primary government program revenues	<u><u>9,079,781</u></u>	<u><u>\$ 13,531,386</u></u>	<u><u>\$ 12,705,737</u></u>
Net (Expense)/Revenue			
Governmental activities	(8,416,783)	(7,497,231)	(8,850,518)
Business-type activities	<u>1,206,709</u>	<u>1,214,951</u>	<u>2,625,635</u>
Total primary government net (expense)/revenue	<u>(7,210,074)</u>	<u>(6,282,280)</u>	<u>(6,224,883)</u>

City of Lemon Grove

Changes in Net Position (continued)

Last Eight Fiscal Years

(accrual basis of accounting)

		Fiscal Year				
2016	2017	2018	2019	2020		
913,892	1,543,159	2,788,081	935,586	2,094,451		
8,858,907	9,884,392	10,703,373	11,255,122	11,348,111		
3,975,465	4,990,867	3,129,413	4,410,543	5,378,126		
1,299,116	882,340	767,367	751,601	904,438		
-	-	-	-	-		
<u>15,047,380</u>	<u>17,300,758</u>	<u>17,388,234</u>	<u>17,352,852</u>	<u>19,725,126</u>		
5,194,291	4,690,722	4,642,513	5,489,606	3,421,848		
5,194,291	4,690,722	4,642,513	5,489,606	3,421,848		
<u>\$ 20,241,671</u>	<u>\$ 21,991,480</u>	<u>\$ 22,030,747</u>	<u>\$ 22,842,458</u>	<u>\$ 23,146,974</u>		
468,405	419,353	329,566	768,795	761,102		
518,866	744,377	1,080,647	752,784	535,471		
637,507	109,556	114,917	501,379	438,199		
216,744	583,702	778,438	767,271	1,396,593		
1,424,488	712,587	1,190,544	1,705,356	1,618,626		
2,043,592	4,991,543	1,851,065	1,041,111	964,895		
<u>5,309,602</u>	<u>7,561,118</u>	<u>5,345,177</u>	<u>5,536,696</u>	<u>5,714,886</u>		
6,312,436	6,121,851	6,470,933	6,846,373	6,821,770		
6,312,436	6,121,851	6,470,933	6,846,373	6,821,770		
<u>\$ 11,622,038</u>	<u>\$ 13,682,969</u>	<u>\$ 11,816,110</u>	<u>\$ 12,383,069</u>	<u>\$ 12,536,656</u>		
(9,737,778)	(9,739,640)	(12,043,057)	(11,816,156)	(14,010,240)		
1,118,145	1,431,129	1,828,420	1,356,767	3,399,922		
<u>(8,619,633)</u>	<u>(8,308,511)</u>	<u>(10,214,637)</u>	<u>(10,459,389)</u>	<u>(10,610,318)</u>		

	Fiscal Year		
	2013	2014	2015
General Revenues and Other Changes in Net Position			
Governmental Activities:			
Taxes:			
Property Taxes	4,082,435	4,013,905	3,786,926
Sales Taxes	3,897,070	4,294,760	3,800,925
Transient Occupancy Taxes	36,756	39,392	44,525
Franchise Taxes	889,320	923,592	962,845
Motor Vehicle in Lieu Taxes	13,395	11,086	2,027,437
Investment Earnings	374,463	38,158	10,795
Miscellaneous	144,389	27,986	-
Transfers	-	1,506,682	648,500
Total governmental activities	<u>9,437,828</u>	<u>10,855,561</u>	<u>11,281,953</u>
Business-type Activities:			
Investment Earnings	33,710	33,680	36,677
Transfers	-	-	(648,500)
Total business-type activities	<u>33,710</u>	<u>33,680</u>	<u>(611,823)</u>
Total primary government	<u>9,471,538</u>	<u>10,889,241</u>	<u>10,670,130</u>
Change in Net Position			
Governmental activities	1,021,045	3,358,330	2,431,435
Business-type activities	1,240,419	1,248,631	2,013,812
Total primary government	<u>\$ 2,261,464</u>	<u>\$ 4,606,961</u>	<u>\$ 4,445,247</u>

Fiscal Year				
2016	2017	2018	2019	2020
2,650,773	2,454,561	2,643,372	2,860,769	2,953,361
5,388,718	5,176,561	5,430,108	5,991,547	5,490,759
53,184	52,043	53,413	53,761	46,322
965,068	938,714	994,365	1,021,549	999,889
2,135,491	2,272,050	2,443,116	2,621,478	2,768,743
261,750	28,321	51,876	150,581	196,550
131,113	497,209	64,370	465,704	263,034
652,400	652,400	589,294	(22,536)	150,000
<u>12,238,497</u>	<u>12,071,859</u>	<u>12,269,914</u>	<u>13,142,853</u>	<u>12,868,658</u>
131,711	103,386	154,186	547,617	695,156
<u>(652,400)</u>	<u>(652,400)</u>	<u>(589,294)</u>	<u>22,536</u>	<u>(150,000)</u>
<u>(520,689)</u>	<u>(549,014)</u>	<u>(435,108)</u>	<u>570,153</u>	<u>545,156</u>
<u>11,717,808</u>	<u>11,522,845</u>	<u>11,834,806</u>	<u>13,713,006</u>	<u>13,413,814</u>
2,500,719	2,332,219	226,857	1,326,697	(1,141,582)
597,456	882,115	1,393,312	1,926,920	3,945,078
<u>\$ 3,098,175</u>	<u>\$ 3,214,334</u>	<u>\$ 1,620,169</u>	<u>\$ 3,253,617</u>	<u>\$ 2,803,496</u>

City of Lemon Grove

Tax Revenues by Source, Governmental Activities

Last Eight Fiscal Years

(accrual basis of accounting)

<u>Fiscal Year</u>	<u>Property</u>	<u>Sales</u>	<u>Transient Occupancy</u>	<u>Franchises</u>	<u>Motor Vehicle In Lieu</u>	<u>Total</u>
2013	2,035,659	3,897,070	36,756	889,320	1,886,844	8,745,649
2014	2,064,568	4,294,760	39,392	923,592	1,940,667	9,262,979
2015	3,786,926	3,800,925	44,525	962,845	2,027,437	10,622,658
2016	2,650,773	5,388,718	53,184	965,068	2,135,491	11,193,234
2017	2,454,561	5,176,561	52,043	938,714	2,272,050	10,893,929
2018	2,643,372	5,430,108	53,413	994,365	2,443,116	11,564,374
2019	2,860,769	5,991,547	53,761	1,021,549	2,621,478	12,549,104
2020	2,953,361	5,490,759	46,322	999,889	2,768,743	12,259,074
Change 2013-2020	45%	41%	26%	12%	47%	40%

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City of Lemon Grove

Fund Balances, Governmental Funds

Last Eight Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year			
	2013	2014	2015	2016
General Fund				
Nonspendable	3,191,052	3,210,420	3,272,823	3,820,517
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	2,894,023	3,411,395	4,234,784	4,641,085
Total General Fund	<u>6,085,075</u>	<u>6,621,815</u>	<u>7,507,607</u>	<u>8,461,602</u>
All Other Governmental Funds				
Nonspendable	-	-	-	-
Restricted	1,228,606	1,028,146	8,613,964	8,665,398
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	(1,379,913)	(1,202,533)	(128,680)	(933,889)
Total all other governmental funds	<u>(151,307)</u>	<u>(174,387)</u>	<u>8,485,284</u>	<u>7,731,509</u>
Total Governmental Funds	<u>\$ 5,933,768</u>	<u>\$ 6,447,428</u>	<u>\$ 15,992,891</u>	<u>\$ 16,193,111</u>

City of Lemon Grove

Fund Balances, Governmental Funds (continued)

Last Eight Fiscal Years

(modified accrual basis of accounting)

Fiscal Year			
2017	2018	2019	2020
8,578	20,828	110,275	7,479
-	-	94,048	904,422
-	-	-	-
-	-	-	-
<u>5,288,540</u>	<u>5,455,171</u>	<u>6,076,600</u>	<u>6,223,357</u>
<u>5,297,118</u>	<u>5,475,999</u>	<u>6,280,923</u>	<u>7,135,258</u>
-	-	-	-
9,111,912	9,250,604	8,705,792	9,023,976
-	-	-	-
-	-	-	-
<u>(789,480)</u>	<u>(1,490,516)</u>	<u>(241,905)</u>	<u>(60,835)</u>
<u>8,322,432</u>	<u>7,760,088</u>	<u>8,463,887</u>	<u>8,963,141</u>
<u>\$ 13,619,550</u>	<u>\$ 13,236,087</u>	<u>\$ 14,744,810</u>	<u>\$ 16,098,399</u>

City of Lemon Grove

Changes in Fund Balances, Governmental Funds

Last Eight Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year		
	2013	2014	2015
Revenues:			
Taxes and Special Assessments	8,977,850	9,579,850	10,622,661
Licenses and Permits	405,363	415,580	743,558
Fines, Forfeitures and Penalties	72,081	83,373	112,387
Intergovernmental Revenues	2,089,065	2,773,635	3,345,711
Charges for Services	951,298	553,785	807,764
Use of Money and Property	337,227	340,992	259,035
Other	145,296	152,180	874,148
Total Revenues	12,978,180	13,899,395	16,765,264
Expenditures:			
Current:			
General Government	868,059	1,878,121	1,811,784
Public Safety	8,608,385	8,800,837	9,146,101
Public Works	1,890,995	2,043,575	1,613,433
Community Development	2,084,534	879,634	1,248,142
Capital Outlay	941,622	1,217,629	719,280
Debt Service:			
Principal	18,916	19,391	22,622
Interest	3,675	3,231	-
Pass-through payments	-	-	-
Total Expenditures	14,416,186	14,842,418	14,561,362
Excess of Revenues over (under) Expenditures	(1,438,006)	(943,023)	2,203,902
Other Financing Sources (Uses)			
Transfers In	-	1,506,682	828,500
Transfers Out	-	(50,000)	(180,000)
Total Other Financing Sources (Uses)	-	1,456,682	648,500
Net Change in Fund Balances	(1,438,006)	\$ 513,659	\$ 2,852,402
Debt service as percentage of noncapital expenditures	0.1%	0.1%	0.2%

City of Lemon Grove

Changes in Fund Balances, Governmental Funds (continued)

Last Eight Fiscal Years

(modified accrual basis of accounting)

		Fiscal Year				
2016	2017	2018	2019	2020		
11,193,234	11,202,092	11,882,362	12,884,470	12,594,392		
673,798	464,877	549,632	600,647	628,891		
125,713	229,624	277,486	260,211	1,056,195		
2,511,161	5,527,465	1,984,927	3,750,197	2,686,985		
760,934	628,332	1,013,845	936,030	706,169		
291,651	290,784	317,528	460,303	572,568		
319,463	504,153	89,166	508,735	295,809		
<u>15,875,954</u>	<u>18,847,327</u>	<u>16,114,946</u>	<u>19,400,593</u>	<u>18,541,009</u>		
1,863,692	1,172,468	1,541,965	925,148	1,001,126		
9,281,387	9,734,317	10,569,610	11,117,735	11,210,825		
2,611,575	2,914,942	2,530,657	2,975,335	2,720,567		
1,173,838	750,176	628,428	624,516	777,353		
1,400,021	4,152,944	1,730,355	2,181,072	1,440,861		
22,621	76,545	78,474	80,452	82,479		
-	10,143	8,214	6,236	4,209		
-	-	-	-	-		
<u>16,353,134</u>	<u>18,811,535</u>	<u>17,087,703</u>	<u>17,910,494</u>	<u>17,237,420</u>		
(477,180)	35,792	(972,757)	1,490,099	1,303,589		
890,035	1,011,863	869,589	107,340	176,161		
<u>(212,635)</u>	<u>(359,463)</u>	<u>(280,295)</u>	<u>(88,716)</u>	<u>(126,161)</u>		
677,400	652,400	589,294	18,624	50,000		
<u>\$ 200,220</u>	<u>\$ 688,192</u>	<u>\$ (383,463)</u>	<u>\$ 1,508,723</u>	<u>\$ 1,353,589</u>		
0.2%	0.5%	0.5%	0.5%	0.5%		

City of Lemon Grove

Schedule of Assessed Valuation Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Dry Farm</u>	<u>Institutional</u>	<u>Recreational</u>
2011	1,185,410,452	254,793,833	49,682,820	48,707	6,447,463	559,029
2012	1,212,005,662	252,141,378	48,966,060	49,073	6,265,085	551,145
2013	1,224,815,038	249,255,589	49,342,083	50,054	1,526,895	562,164
2014	1,267,321,315	248,065,737	48,706,700	51,054	2,148,703	573,402
2015	1,335,707,940	253,580,009	49,419,280	51,285	2,984,786	576,000
2016	1,416,970,329	260,281,533	50,122,395	52,308	3,046,070	661,045
2017	1,513,015,900	267,766,616	52,321,004	53,105	1,440,009	596,460
2018	1,640,935,901	280,511,732	55,264,075	54,166	1,401,823	608,386
2019	1,768,300,999	306,952,073	58,396,558	55,249	1,429,855	620,550
2020	1,868,579,982	315,378,878	59,081,156	56,353	1,458,450	712,183

Source: San Diego County Assessor 2010/11 - 2019/20 Combined Tax Rolls

City of Lemon Grove

Schedule of Assessed Valuation (continued) Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Vacant</u>	<u>SBE Nonunitary</u>	<u>Unsecured</u>	<u>Total</u>	<u>Total Direct Rate</u>
2011	20,790,695	185,698	54,479,233	1,572,399,941	0.3202%
2012	20,513,105	185,698	53,101,284	1,593,780,502	0.3184%
2013	20,793,432	185,698	55,502,436	1,602,035,402	0.3179%
2014	26,370,679	185,698	54,255,944	1,647,681,246	0.1577%
2015	25,721,861	185,698	53,060,383	1,721,289,257	0.1529%
2016	29,711,514	185,698	52,105,351	1,813,138,259	0.1527%
2017	30,538,789	185,698	53,011,755	1,918,931,353	0.1521%
2018	28,155,314	185,698	55,245,950	2,062,365,063	0.1517%
2019	21,703,893	310,770	57,193,680	2,214,965,646	0.1517%
2020	24,732,809	310,770	62,404,902	2,332,717,503	0.1502%

City of Lemon Grove

Principal Property Owners Current and Ten Years Ago

	2020		2011	
	Taxable Assessed Value	% of Total Assessed Valuation	Taxable Assessed Value	% of Total Assessed Valuation
Principal Taxpayers				
Home Depot USA Inc	21,414,485	0.92%		
ASP Realty			17,433,999	1.11%
HD Development of Maryland Inc			16,471,857	1.05%
EDCO Disposal Corporation	20,025,070	0.86%	16,074,166	1.02%
Starboard Lemon Grove Dst	19,975,680	0.86%		
Celsius Lemon Grove LLC	19,877,588	0.85%		
Retail Portfolio 30-1 LLC	16,366,136	0.70%	14,104,013	0.90%
ABS California -O LLC	15,466,270	0.66%		
Pamela K. Kobusch Trust			13,298,946	0.85%
TRCMM LLC			13,254,326	0.84%
Terrace Gardens LLC	13,789,846	0.59%	11,917,058	0.76%
William O Kobusch Revocable Trust	11,656,950	0.50%		
Miller Family Real Estate	10,200,000	0.44%		
Lemon Grove Holdings LLC			9,382,919	0.60%
Food 4 Less of California Inc	9,714,992	0.42%	8,142,615	0.52%
Morelli Brothers Enterprises LLC			6,783,884	0.43%
Principal Taxpayer's Totals	<u>\$ 158,487,017</u>	<u>6.80%</u>	<u>\$ 126,863,783</u>	<u>8.08%</u>

Source: San Diego County Assessor Tax Rolls and HdL Coren & Cone

City of Lemon Grove

Property Tax Levies and Collections Last Nine Fiscal Years

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections	Total Collections	
		Amount	% of Levy		Amount	% of Levy
2012	1,897,594	1,849,484	97.5%	39,850	1,889,334	99.6%
2013	1,948,684	1,903,574	97.7%	40,561	1,944,135	99.8%
2014	2,039,893	1,986,818	97.4%	34,829	2,021,648	99.1%
2015	2,075,906	2,040,187	98.3%	28,944	2,069,131	99.7%
2016	2,199,719	2,163,332	98.3%	26,963	2,190,295	99.6%
2017	2,341,473	2,298,563	98.2%	26,163	2,324,726	99.3%
2018	2,490,166	2,449,526	98.4%	28,992	2,478,518	99.5%
2019	2,651,596	2,601,502	98.1%	24,641	2,626,144	99.0%
2020	3,002,906	2,933,825	97.7%	30,888	2,964,713	98.7%

Source: County of San Diego Tax/Revenue Accountability Report

City of Lemon Grove

Ratios of Outstanding Debt by Type Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Capital Lease</u>	<u>Redevelopment Bonds</u>	<u>Total</u>	<u>Population</u>	<u>Debt Per Capita</u>	<u>Percent of Assessed Value¹</u>
2011	99,505	27,175,000	27,274,505	25,445	1,072	1.73%
2012	81,446	-	81,446	25,481	3	0.01%
2013	62,500	-	62,500	25,590	2	0.00%
2014	42,644	-	42,644	25,928	2	0.00%
2015	21,833	-	21,833	26,573	1	0.00%
2016	-	-	-	26,647	0	0.00%
2017	325,963	-	325,963	26,959	12	0.02%
2018	247,489	-	247,489	27,068	9	0.01%
2019	167,037	-	167,037	27,208	6	0.01%
2020	84,557	-	84,557	26,887	3	0.00%

¹Assessed value has been used because the value or personal income is not readily available in California

City of Lemon Grove

Legal Debt Margin June 30, 2020

Net assessed value of all taxable property	\$ 2,332,717,503
Conversion percentage	<u>25.00%</u>
Adjusted assessed valuation	583,179,376
Debt limit percentage	<u>15.00%</u>
Debt limit	87,476,906
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u><u>\$ 87,476,906</u></u>

The City of Lemon Grove has had no indebtedness applicable to the limit during the past ten fiscal years

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with 1981-82 fiscal year, each parcel is assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data from the current full valuation to the 25% level that was in effect at the time that the legal debt was enacted by the State of California for local governments located within the state.

**Demographic and Economic Statistics
Last Nine Years**

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2010	25,320	416,054,844	16,432	13.9%
2011	25,445	425,558,128	16,725	13.3%
2012	25,481	443,234,499	17,395	11.8%
2013	25,590	283,282,855	11,070	10.2%
2014	25,928	483,605,562	18,652	8.4%
2015	26,573	517,733,441	19,483	6.9%
2016	26,647	543,714,738	20,404	5.5%
2017	26,959	572,782,338	21,246	4.8%
2018	27,068	588,883,888	21,756	3.9%

Source: State of California Franchise Tax Board & U.S. Bureau of Labor Statistics

City of Lemon Grove

Principal Employers by Employee Size Last Two Calendar Years

Employer	2018	2019
EDCO Waste Services	1,000 - 4,999	1,000 - 4,999
Home Depot	250 - 499	250 - 499
Lemon Grove School District	250 - 499	250 - 499
Albertsons	100 - 249	100 - 249
Aztec Landscaping	100 - 249	100 - 249
Bella Vista Health Center	100 - 249	100 - 249
Lemon Grove Care & Rehab Center	100 - 249	100 - 249
Trident Maritime Systems	100 - 249	100 - 249
Larry H Miller Toyota	50 - 99	50 - 99
Mossy Honda Lemon Grove	50 - 99	50 - 99

Source: City of Lemon Grove and Reference Solutions

City of Lemon Grove

Full-Time Equivalent City Government Employees by Function Last Three Fiscal Years

Function	Fiscal Year		
	2018	2019	2020
General Government	12	12	12
Public Safety (Fire)	22.5	21.5	21.5
Community Development	6	6	6
Public Works	18.5	17.5	17.5
Community Services	7.5	7.5	7.5
Sanitation District	<u>5</u>	<u>5</u>	<u>5</u>
Total	71.5	69.5	69.5

Source: City Classification Summary published in the Annual Budget

City of Lemon Grove

Operating Indicators by Function Last Two Fiscal Years

	Fiscal Year	
	2019	2020
Public Safety		
Calls for Service	13,102	12,660
Deputy Initiated Actions	7,508	6,886
Misdemeanor Arrests	726	805
Felony Arrests	639	623
Traffic Citations Written	1,215	641
Fire		
Fire Calls	114	35
EMS Calls	3,289	3,174
<u>Other Calls</u>	<u>321</u>	<u>556</u>
Total Emergency Calls	3,724	3,765
Fire Inspections	433	736
Community Development		
Engineering Permits Issued	127	82
Planning Permits Issued	52	60
Building Permits Issued	756	653
Public Works		
Street Resurfacing (lane miles)	10.86	27
Potholes Patched	249	236
Graffiti Removal	443	219
Illegal Dumps Cleared	457	394
Wastewater		
Average Daily Transportation & Treatment (million gallons)	2.285	2.000

Source: City of Lemon Grove Operating Departments & Lemon Grove Sheriff Substation

City of Lemon Grove

Capital Asset Statistics by Function Last Two Fiscal Years

	Fiscal Year	
	2019	2020
Public Safety		
Number of Law Enforcement Stations	1	1
Number of Fire Stations	1	1
Public Works		
Miles of Streets	62	62
Number of St Lights (city owned)	450	450
Community Services		
Number of Parks	6	6
Acres of Parks	14.2	14.2
Recreation & Senior Centers	2	2
Utilities		
Miles of Sanitary Sewer	67	67
Miles of Storm Sewer System	25	25

Source: City of Lemon Grove Operating Departments