



# FISCAL YEAR 2018-19 COMPREHENSIVE ANNUAL FINANCIAL REPORT



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FISCAL YEAR ENDED JUNE 30, 2019  
CITY OF LOMPOC, CA



# **City of Lompoc, California**

Comprehensive Annual Financial Report

**FISCAL YEAR ENDED JUNE 30, 2019**

**Prepared by the Finance Division of  
Management Services Department**

**Dean Albro, Management Services Director**

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# Introductory Section

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**The Introductory Section of the Comprehensive Annual Financial Report provides general information of the City of Lompoc, California’s structure, its personnel, and information useful in assessing the City’s financial condition. This section includes the:**

- **Letter of Transmittal**
- **City’s Organizational Chart**
- **Directory of Officials**
- **City Council**



## Letter of Transmittal

100 Civic Center Plaza, Lompoc, CA 93436

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December 30, 2019

Honorable Mayor, Members of the City Council  
Lompoc, California 93436

Honorable Members:

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) of the City of Lompoc for the fiscal year ending June 30, 2019, which has been prepared by the City's Finance Division of the Management Services Department. State law requires that all general-purpose local governments publish, within six months of the close of the fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (US GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a licensed certified public accountant(s). Pursuant to that requirement, we hereby issue the CAFR of the City of Lompoc for the fiscal year ended June 30, 2019.

The City of Lompoc's financial statements, a component of the CAFR, have been audited by Glenn Burdette Attest Corporation, Certified Public Accountants (Glenn Burdette). The goal of the audit is to obtain reasonable assurance that the financial statements are free of material misstatements and are fairly presented in accordance with US GAAP. Management takes sole responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive internal control framework established for this purpose. The objective of internal controls is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The independent auditor's report is located at the front of the financial section. Glenn Burdette Attest Corporation has issued an unmodified ("clean") opinion on the City's financial statements for the year ended June 30, 2019. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.



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## Letter of Transmittal

In addition, Glenn Burdette conducted the federal mandated “Single Audit” designed to meet the regulatory requirements of federal grantor agencies. The standards governing the Single Audit require the independent auditor to report on the fair presentation of the financial statements, the government’s internal controls, and compliance with legal requirements. The Single Audit report is reported, and published, separately from the CAFR.

### City of Lompoc Profile

The City of Lompoc is a general law city, incorporated under the laws of the State of California in 1888. The City has a council-manager form of government with a five-member council. The council consists of four council members elected to four-year overlapping terms and the mayor elected to a two-year term. The position of City Manager is filled by appointment of the Council to serve as manager of the staff and to carry out the policies of the Council.

Lompoc is a full service City with 384 budgeted full-time employees. Services include public safety (police and fire), public works (highways and streets, public improvements, and engineering), planning and zoning, building inspections, airport, public transit, library, parks and recreation, utilities (water, electric, wastewater, refuse collection, and landfill), and general administrative services.

Lompoc is located in northern Santa Barbara County, approximately ten miles inland from the Pacific Ocean. The City is 150 miles northwest of Los Angeles and 290 miles southeast of San Francisco. The City has an estimated population of 43,599 at January 1, 2019, and its boundaries encompass 10.5 square miles. Lompoc also has three neighboring areas within 10 miles of the City: Vandenberg Village, Mission Hills, and the Vandenberg Air Force Base with an estimated population of 9,835 at January 1, 2019.



The City enjoys a mild climate. Average temperatures range from 64 degrees in the winter to 72 degrees in the summer, with an average of over 300 clear or partly cloudy days per year. Precipitation averages 16 inches per year, with most rainfall occurring from December through March.

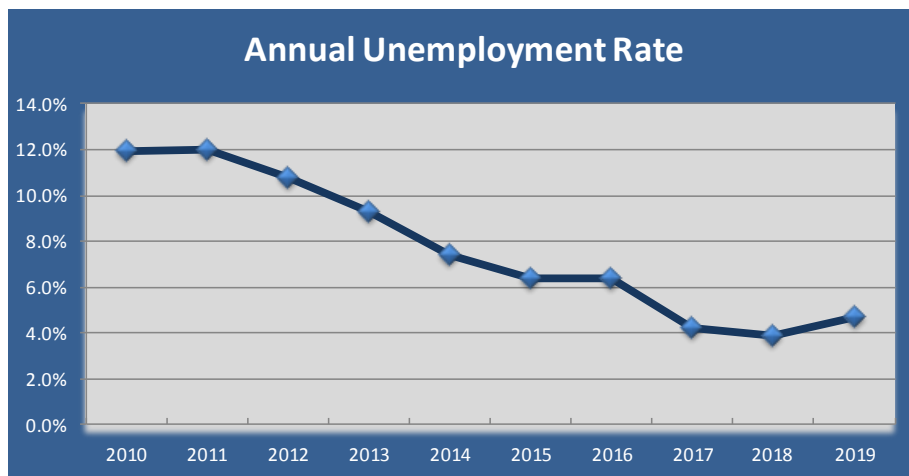
### The Local Economy

The City of Lompoc currently enjoys a favorable but modest economic environment and local indicators point to continued stability. The City has a diversified economy based on commerce, agriculture, and natural resources industries. The key economic areas vital to the City's tax base are: general consumer goods, auto sales and transportation, restaurants and hotels, and fuel and service stations. Additionally, government activities at Vandenberg Air Force Base and the Federal Correctional Complex are important factors with regards to the economic well-being of the City. Vandenberg Air Force Base employs approximately 3,636 military, civilian, and contract personnel. The Federal Correctional Complex employs 547 personnel.

### Employment

The County of Santa Barbara (which includes the City of Lompoc) has an employed labor force of 219,100 as of June 30, 2019. Labor market conditions in Santa Barbara County, also known as the Santa Barbara-Santa Maria Metropolitan Statistical Area, have been steadily improving over the last 9 years. The City continues to record job growth and declining unemployment rates. The unemployment rate in Santa Barbara County was 3.9 percent at June 30, 2019. This compares with the unemployment rate of 4.2 percent for California and 3.7 percent for the nation during the same period. The City of Lompoc has an employed labor force of 17,600 with an unemployment rate of 4.7 percent as of June 30, 2019.

Following is the unemployment rate noted for the City of Lompoc from June 2010 through June 2019.



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## Letter of Transmittal

### Budgetary Control

The biennial budget serves as the foundation for the City's financial planning and control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the biennial appropriated budget approved by the City Council. Budgetary control is at the department level. The City Manager may approve transfer of funds between departments within any fund; however, any revision that requires new appropriations in any fund by more than one thousand dollars must be approved by the City Council.

The City utilizes the encumbrance accounting system as an additional management control over expenditures.

### Cash Management

Cash resources of individual funds are combined and managed as a pool of cash and investments. Idle pool cash and investments during the year was invested in obligations of the U.S. Government or its agencies, certificates of deposit, passbook savings demand deposits, corporate notes, and the State Local Agency Investment Fund, consistent with the City Council adopted investment policy.

The City's investment policy is designed to maximize the productive use of assets entrusted to its care and to invest and manage those funds wisely and prudently. Criteria for selecting investments and the order of priority are: (1) safety, (2) liquidity, and (3) yield. The basic premise underlying the City's investment policy is to ensure that money is always available when needed while at the same time reaping the greatest return. Accordingly, deposits were either insured by federal depository insurance or collateralized.

### Long-Term Financial Planning

The City of Lompoc produces a 10 year General Fund Long-Range Financial Forecast during each biennial budget. This forecast is a comprehensive review of long-term revenues and expense trends and is a tool to assist with addressing challenges such as long-term retirement and health care cost. The forecast is designed to help policymakers address funding needs and set priorities by being proactive in the City's financial planning. The most recent long-term analysis indicates financial challenges for the fiscal years 2020 through 2032 due to rising pension costs which will lead to future budget challenges. Health care costs are expected to stabilize at current levels and remain at those levels through 2027-28.

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## Letter of Transmittal

### Major Initiatives

On October 2, 2017, the City implemented a new enterprise wide Financial Management System (FMS). This replacement project, scheduled to be a multiple year project, will help provide a fully integrated accounting software solution once fully implemented. The FMS will provide utility customers with online access to their account information and additional convenient methods to pay their bills.

### Awards and Acknowledgements

During the past year, the City received an award for the City's 2018 CAFR from the Government Finance Officers Association (GFOA) for "excellence in financial reporting." This 2019 CAFR will be submitted to the GFOA award program to be considered for the distinguished financial reporting award.

The preparation of the CAFR on a timely basis was made possible by the dedicated service of the Financial Division of the Management Services Department. Each member of the division has my sincere appreciation for the contribution made in the generation of this report. We would also like to thank the Mayor and the City Council for their ongoing support of the financial operations of the City.

Respectfully submitted,



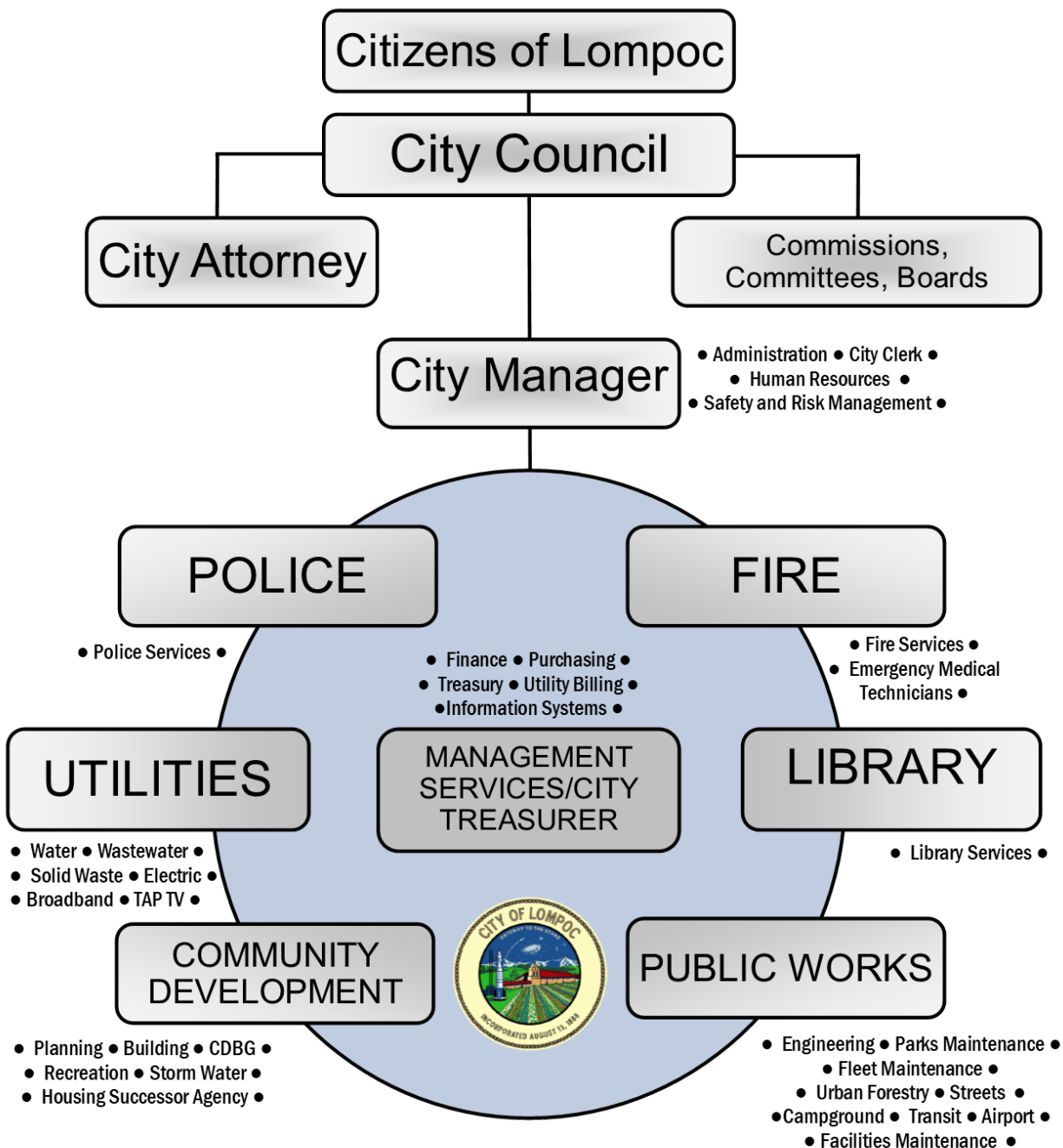
Dean Albro  
Management Services Director



Jim Throop  
City Manager



# ORGANIZATIONAL CHART



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**Government Finance Officers Association of the United States  
and Canada—Award**



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Lompoc  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morrill*

Executive Director/CEO

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## Directory of Officials

### EXECUTIVE MANAGEMENT

City Manager.....Jim Throop

City Attorney .....Jeff Malawy

City Clerk.....Stacey Haddon

Police Chief..... Joseph Mariani

Fire Chief.....Gerald Kuras

Management Services Director .....Dean Albro

Public Utilities Director .....Brad Wilkie

Public Works Director .....Michael Luther

Community Development Director.....Christie Alarcon

Library Director.....Sarah Bleyl

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# City Council

Mayor  
**Jenelle Osborne**



Councilmember  
**Dirk Starbuck**



Councilmember  
**Jim Mosby**



Councilmember  
**Gilda Cordova**



Councilmember  
**Victor Vega**



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# Financial Section

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**The Financial Section of the Comprehensive Annual Financial Report contains the following:**

- **Independent Auditors' Report**
- **Management's Discussion and Analysis (MD&A)**  
(Required Supplementary Information - Unaudited)
- **City's basic financial statements, which include the following:**
  - ⇒ **The Government-wide Financial Statements**
  - ⇒ **Fund Financial Statements**
  - ⇒ **Notes to the Financial Statements**
- **Required Supplementary Information**
- **Other Supplementary Information**
  - ⇒ **Other Governmental Funds**
  - ⇒ **Other Enterprise Funds**
  - ⇒ **Internal Services Funds**



## Independent Auditors' Report

Honorable Mayor and City Council  
City of Lompoc  
Lompoc, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lompoc, California (the City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express an opinion 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 of 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.

#### SAN LUIS OBISPO

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f 805 544 4351

#### PASO ROBLES

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Paso Robles, CA 93446  
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f 805 239 9332

#### SANTA MARIA

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Santa Maria, CA 93454  
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f 805 922 4286

[GLENNBURDETTE.COM](http://GLENNBURDETTE.COM)

**Honorable Mayor and City Council**

**City of Lompoc**

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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 Lompoc, California, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that 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 part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

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

The combining and individual nonmajor fund financial statements and schedules, as listed in the table of contents, 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

**Honorable Mayor and City Council**

**City of Lompoc**

**Page 3**

standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2019, 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 effectiveness of the City's 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.

*Glenn Burdette Attest Corporation*

Glenn Burdette Attest Corporation  
San Luis Obispo, California

December 30, 2019

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## **Management's Discussion and Analysis (MD&A)**

**The MD&A contains the following:**

- **Executive Summary - Financial Highlights**
- **Overview of the Basic Financial Statements**
- **Financial Analysis of the City as a Whole**
- **Financial Analysis of the City's Funds**
- **Capital Asset and Debt Administration**
- **Significant Accomplishments - Fiscal Year Ending June 30, 2019**
- **Economic Factors and Next Cycle's Budget and Rates**
- **Requests for Information**

## Management's Discussion and Analysis

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This Management's Discussion and Analysis provides an overview of the City of Lompoc's financial activities for the fiscal year ended June 30, 2019. Readers are encouraged to consider this discussion and analysis in conjunction with the letter of transmittal, which can be found on page 8, and with the Basic Financial Statements, which begin on page 40.

The information in this section is not covered by the Independent Auditors' Report. All dollar amounts are expressed in thousands unless otherwise stated.

### EXECUTIVE SUMMARY – FINANCIAL HIGHLIGHTS

- City total assets and deferred outflows decreased by \$1.8 million or 0.5% to \$388.4 million compared with the prior fiscal year. Of this total, \$146.0 million represented governmental assets and deferred outflows and \$242.4 million represented business-type assets and deferred outflows.
- City total liabilities and deferred inflows decreased by \$8.3 million or 3.9% to \$204.7 million compared with the prior fiscal year, of which \$91.8 million were governmental liabilities and deferred inflows and \$112.9 million were business-type liabilities and deferred inflows.
- The City's total net position increased by \$6.4 million or 3.7% to \$183.7 million compared with the prior fiscal year. Of this amount, a negative \$29.5 million represents unrestricted government-wide net position. Implementation of Governmental Accounting Standards Board (GASB) Statement No. 68 for the fiscal year ended June 30, 2015 accounts for a significant portion of the negative balance of unrestricted net position.
- City-wide revenues were \$106.3 million, an increase of \$3.1 million or 3.0% compared with the prior fiscal year, of which \$38.7 million were generated by governmental activities and \$67.7 million were generated by business-type activities.
- City-wide expenses were \$99.8 million, an increase of \$0.3 million or 0.3% compared with the prior fiscal year, of which \$43.5 million were incurred by governmental activities and \$56.3 million were incurred by business-type activities.

### OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This annual report consists of six parts:

1. *Introduction section with Transmittal Letter*
2. *Management's Discussion and Analysis* (required supplementary information)
3. *The Basic Financial Statements*
4. *Required supplementary information (other than MD&A)*
5. *Supplementary information*
6. *Statistical Information*

The Basic Financial Statements include two types of statements that present different financial pictures of the City:

- The *government-wide financial statements* provide both long-term and short-term information about the City's overall financial status.

## Management's Discussion and Analysis (Continued)

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- *Fund financial statements* focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
  - *Governmental funds statements* tell how general government services such as police, fire, and public works were financed in the short-term as well as what remains for future spending.
  - *Proprietary fund statements* offer short-term and long-term financial information about the activities the City operates like businesses, such as utility services.
  - *Fiduciary fund statements* provide information about the financial relationships in which the City acts solely as a trustee or agent for the benefit of others, to whom the resources belong.

The Basic Financial Statements also include notes to the financial statements which provide detailed information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The Supplementary information includes combining and individual statements that provide detail about the City's non-major governmental funds, non-major enterprise funds, and internal service funds. Each of these funds is presented as a column in the Basic Financial Statements.

### Government-Wide Financial Statements

The *Government-wide financial statements* report information about the City as a whole using the full accrual basis of accounting similar to that used by private-sector companies.

The *Statement of Net Position* is designed to be similar to a bottom line for the City and its governmental and business-type activities. The statement of net position presents information on all the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources with the difference reported as net position as shown in the following equation:

$$\text{Net Position} = (\text{Assets} + \text{Deferred outflows of resources}) - (\text{Liabilities} + \text{Deferred inflows of resources})$$

This statement combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations. 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 *Statement of Activities* presents information showing how the government's net position changed during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements of the City are divided as follows:

- *Governmental activities* – Most of the City's basic services are included here, such as general government, public safety, highways and streets, parks and recreation, and community development. Taxes, state and federal grants, and intergovernmental revenues finance most of these activities.



## Management's Discussion and Analysis (Continued)

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- *Business-type activities* – Certain services provided by the City are intended to recover all or a significant portion of their costs through user fees and charges. Among these are electric distribution, water, sewer, solid waste services, transit, airport services, and broadband.
- *Component Units* – The City currently has no discretely presented component units.

### Fund Financial Statements

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

*Governmental funds* – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps readers determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds are described in the reconciliations to the fund financial statements.

*Proprietary funds* – Proprietary funds are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. The City maintains two different types of proprietary funds:

- *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses *enterprise funds* to separately account for its Water, Electric, Wastewater, Solid Waste, Airport, Broadband, and Transit services.
- *Internal service funds* are used to report activities that provide supplies and services to the City's other programs. The City uses *internal service funds* to account for activity of its fleet of vehicles, insurance, communications, and central stores programs. The City's *internal service funds* predominantly provide services to governmental activity functions and therefore are included within the *governmental activities* of the government-wide financial statements.

*Fiduciary funds* – Fiduciary funds are used to account for resources held by the City as a trustee on behalf of other agencies or individuals outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting method used for fiduciary funds is the full accrual basis of accounting. In addition to agency funds, the City uses a Private Purpose Trust Fund to account for assets and liabilities held in trust for the Successor Agency to the former Lompoc Redevelopment Agency.

## Management's Discussion and Analysis (Continued)

### FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

As previously noted, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$183.7 million as of June 30, 2019. The largest portion of the City's net position, 93.1%, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses its capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

During the current fiscal year, the City's governmental activities net position decreased by \$2.7 million or 4.8% compared with the prior fiscal year. The City's business-type activities net position increased by \$9.2 million or 7.7% compared with the prior fiscal year. The total City-wide increase in net position was \$6.5 million or 3.7% compared with the prior fiscal year. The City's increase in net position is primarily attributable to positive variances in the business type activities.

	Governmental Activities		Business-Type Activities		Total	
	2018	2019	2018	2019	2018	2019
Current and other assets	\$ 39,938,816	\$ 38,659,552	\$ 65,777,913	\$ 78,632,638	\$ 105,716,729	\$ 117,292,190
Capital assets	92,238,697	92,624,137	165,138,706	158,131,998	257,377,403	250,756,135
<b>Total assets</b>	<b>132,177,513</b>	<b>131,283,689</b>	<b>230,916,619</b>	<b>236,764,636</b>	<b>363,094,132</b>	<b>368,048,325</b>
<b>Deferred outflow of resources</b>	<b>20,053,831</b>	<b>14,729,223</b>	<b>7,065,304</b>	<b>5,667,729</b>	<b>27,119,135</b>	<b>20,396,952</b>
Current liabilities	9,024,032	8,071,808	8,968,982	9,255,916	17,993,014	17,327,724
Long-term liabilities	82,412,664	82,049,078	108,222,272	103,174,222	190,634,936	185,223,300
<b>Total liabilities</b>	<b>91,436,696</b>	<b>90,120,886</b>	<b>117,191,254</b>	<b>112,430,138</b>	<b>208,627,950</b>	<b>202,551,024</b>
<b>Deferred Inflow of resources</b>	<b>3,843,401</b>	<b>1,672,292</b>	<b>509,356</b>	<b>502,201</b>	<b>4,352,757</b>	<b>2,174,493</b>
Invested in capital assets, net of related debt	84,693,598	86,079,017	87,725,556	84,970,930	172,419,154	171,049,947
Restricted	24,972,264	24,698,934	16,205,123	17,506,680	41,177,387	42,205,614
Unrestricted	(52,714,615)	(56,558,217)	16,350,634	27,022,416	(36,363,981)	(29,535,801)
<b>Total net position</b>	<b>\$ 56,951,247</b>	<b>\$ 54,219,734</b>	<b>\$ 120,281,313</b>	<b>\$ 129,500,026</b>	<b>\$ 177,232,560</b>	<b>\$ 183,719,760</b>

Unrestricted net position represents the amount that may be used to meet the City's ongoing obligations to citizens and creditors. Implementation of GASB Statement No. 68 beginning for the fiscal year ended June 30, 2015 provides for recording net pension liabilities in the government-wide financial statements. The implementation of GASB Statement No. 75 beginning with the fiscal year ending June 30, 2018 provides for recording net other post-employment benefit (OPEB) liabilities in the government-wide financial statements. The implementation of both GASB Statement No. 68 and GASB Statement No. 75 are primary drivers of the City's resulting unrestricted net position of a negative \$29.5 million at June 30, 2019. While positive unrestricted net positions represent amounts that may be used to meet the City's ongoing obligations to citizens and creditors, the majority of the City's negative unrestricted net position is primarily attributed to \$98.7 million of pension and OPEB obligations. Net pension and net OPEB liabilities, while they are obligations, are expected to be liquidated over a span of decades.

## Management's Discussion and Analysis (Continued)

As of June 30, 2019, the City is able to report positive balances in all categories of net position for the government as a whole except for \$56.6 million of unrestricted net position in governmental activities due to the recognition of \$85.0 million of net pension liabilities and \$13.8 million of net OPEB liabilities.

The following summary of activities (condensed) shows total net position increased by \$6.5 million or 3.7%.

	Governmental Activities		Business-Type Activities		Total	
	2018	2019	2018	2019	2018	2019
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 12,801,176	\$ 13,084,172	\$ 59,690,311	\$ 58,747,736	\$ 72,491,487	\$ 71,831,908
Operating grants and contributions	1,650,495	1,776,234	7,343,980	7,208,521	8,994,475	8,984,755
Capital grants and contributions	268,629	591,527	434,946	33,842	703,575	625,369
<b>General revenues:</b>						
Property taxes	4,838,386	4,846,361	8,667	8,667	4,847,053	4,855,028
Sales taxes	7,367,331	7,856,536			7,367,331	7,856,536
Other taxes	7,093,289	7,975,368	32,519	28,919	7,125,808	8,004,287
Grants and contributions not restricted to specific programs	646,044	625,164			646,044	625,164
Unrestricted investment earnings	71,391	1,204,626	287,193	1,634,557	358,584	2,839,183
Other revenue	712,798	709,629			712,798	709,629
<b>Total revenues</b>	<b>35,449,539</b>	<b>38,669,617</b>	<b>67,797,616</b>	<b>67,662,242</b>	<b>103,247,155</b>	<b>106,331,859</b>
<b>Expenses:</b>						
<b>Governmental activities:</b>						
General government	5,047,209	6,066,111			5,047,209	6,066,111
Police protection	11,780,159	11,917,441			11,780,159	11,917,441
Fire protection	6,634,563	7,116,988			6,634,563	7,116,988
Engineering/streets	6,980,867	7,196,678			6,980,867	7,196,678
Building	562,336	506,442			562,336	506,442
Community development	1,902,383	2,247,921			1,902,383	2,247,921
Parks and recreation	6,043,469	6,731,368			6,043,469	6,731,368
Nondepartmental	1,529,265	1,609,841			1,529,265	1,609,841
Interest on long-term debt	135,679	121,780			135,679	121,780
<b>Business-type activities:</b>						
Water			10,806,092	10,647,706	10,806,092	10,647,706
Electric			21,871,699	20,620,939	21,871,699	20,620,939
Wastewater			14,506,100	13,296,874	14,506,100	13,296,874
Solid Waste			8,338,840	8,850,275	8,338,840	8,850,275
Airport			620,794	709,158	620,794	709,158
Transit			2,660,240	2,117,274	2,660,240	2,117,274
Broadband			137,152	87,863	137,152	87,863
<b>Total expenses</b>	<b>40,615,930</b>	<b>43,514,570</b>	<b>58,940,917</b>	<b>56,330,089</b>	<b>99,556,847</b>	<b>99,844,659</b>
Increase (decrease) in net assets before transfers	(5,166,391)	(4,844,953)	8,856,699	11,332,153	3,690,308	6,487,200
Transfers	2,048,467	2,113,440	(2,048,467)	(2,113,440)		
<b>Increase (decrease) in net position</b>	<b>(3,117,924)</b>	<b>(2,731,513)</b>	<b>6,808,232</b>	<b>9,218,713</b>	<b>3,690,308</b>	<b>6,487,200</b>
Beginning net position	74,105,528	56,951,247	117,566,904	120,281,313	191,672,432	177,232,560
Prior year restatements	(14,036,357)		(4,093,823)		(18,130,180)	
Ending net position	<b>\$ 56,951,247</b>	<b>\$ 54,219,734</b>	<b>\$ 120,281,313</b>	<b>\$ 129,500,026</b>	<b>\$ 177,232,560</b>	<b>\$ 183,719,760</b>

## Management's Discussion and Analysis (Continued)

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The City's current fiscal year total revenues were \$106.3 million, with the majority of it, 67.6%, generated from charges for services. Current fiscal year revenues increased \$3.1 million or 3.0% compared with the prior fiscal year. The majority of the increased revenues, 80.4%, was attributed to increased investment earnings of \$2.5 million, of which \$1.4 million was an unrealized gain. Unrealized gains are sometimes referred to as "paper" gains and are recognized only when sold. The City's policy is to hold investments until maturity, so these gains aren't normally realized.

The City's current fiscal year total expenses were \$99.8 million. Current fiscal year expenses increased \$0.3 million or 0.3% compared with the prior fiscal year.

The following provides additional information regarding the comparative results for governmental and business-type revenues, expenses, and changes in fund position.

### Governmental Activities

The City's current fiscal year governmental activities' net position decreased by \$2.7 million or 4.8% to \$54.2 million compared with the prior fiscal year. Following are comparatives of current fiscal year revenues and expenditures for governmental activities to the prior fiscal year:

Total revenues for governmental activities increased by \$3.2 million or 9.1% compared with the prior fiscal year. Changes in revenues occurred in the following areas:

- Charges for services - \$0.3 million increase.
- Sales tax - \$0.5 million increase.
- Property tax, including property tax in-lieu of vehicle license fees - \$0.1 million increase.
- Capital grants and contribution - \$0.3 million increase.
- Gas tax - \$0.5 million increase.
- Operating grants and contributions for police and community development – less than \$0.1 million increase.
- Business license tax, property transfer tax, and licenses and permits – less than \$0.1 million increase.

The City's \$38.7 million of total revenues for the current fiscal year were derived from:

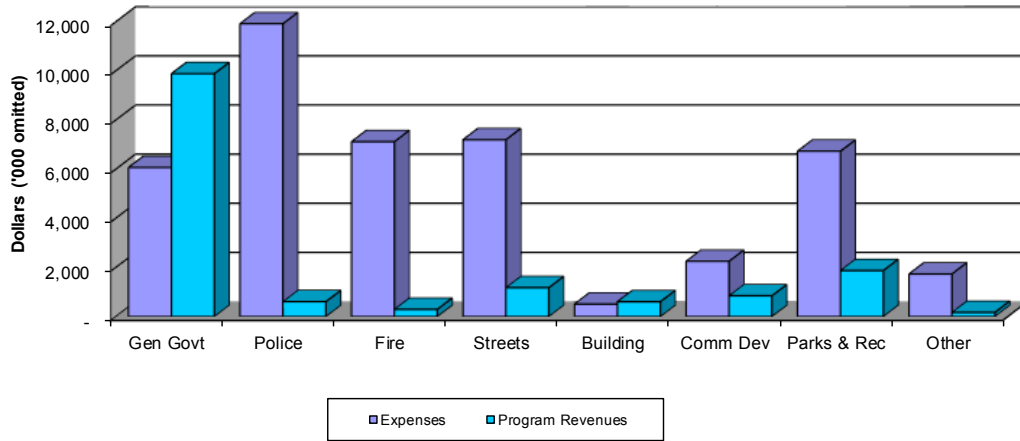
- Taxes - \$20.7 million or 53.5% - Traditional services provided by a city such as public safety, parks, recreation, and public works are primarily funded from property, sales, transient occupancy, motor vehicle, and other local taxes.
- Charges for services - \$13.1 million or 33.8% - represents fees charged for various services, including planning, engineering, and recreation.
- Other sources such as grants and investment earnings - \$4.9 million or 12.7%.

More than 75.8% of total governmental expenses are attributable to public safety, public works, and parks and recreation activities. Total expenses for governmental activities were \$43.5 million for the current fiscal year, which was a \$2.9 million or 7.1% increase compared with the prior year. The largest component of total expenses was for public safety (police and fire) at \$19.0 million, which represented 43.7% of the total governmental activities' expenses. The next largest components of total expenses was engineering/streets at \$7.2 million, or 16.5%, followed by parks and recreation at \$6.7 million, or 15.5%, and general government at \$6.1 million, or 13.9% of total expenses of governmental activities.

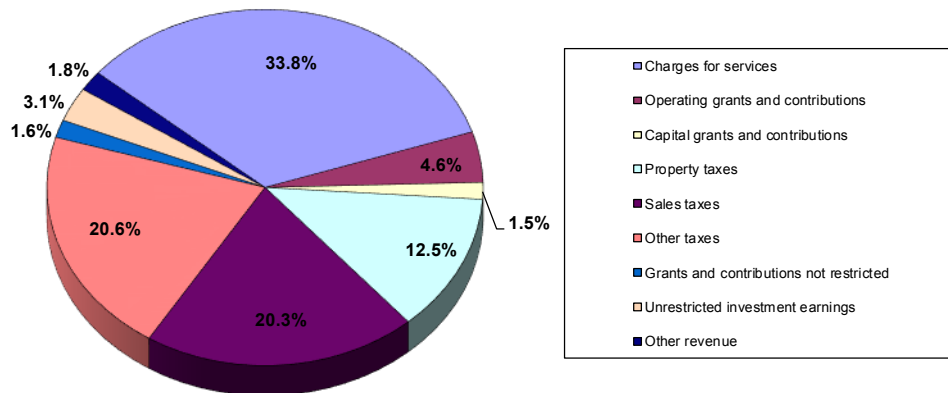
## Management’s Discussion and Analysis (Continued)

Following are graphical displays of governmental activities. The first shows revenues and expenses by functions and programs while the second shows revenues by source.

**Expenses & Program Revenues - Governmental Activities**



**Revenue by Source - Governmental Activities**



### Business-Type Activities

The City’s current fiscal year business-type activities’ net position increased by \$9.2 million or 7.7% to \$129.5 million compared with the prior fiscal year. Following are comparatives of current fiscal year revenues and expenses for business-type activities to the prior fiscal year:

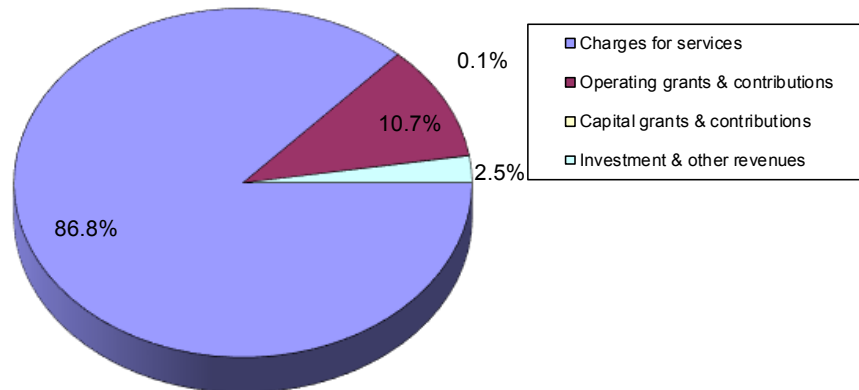
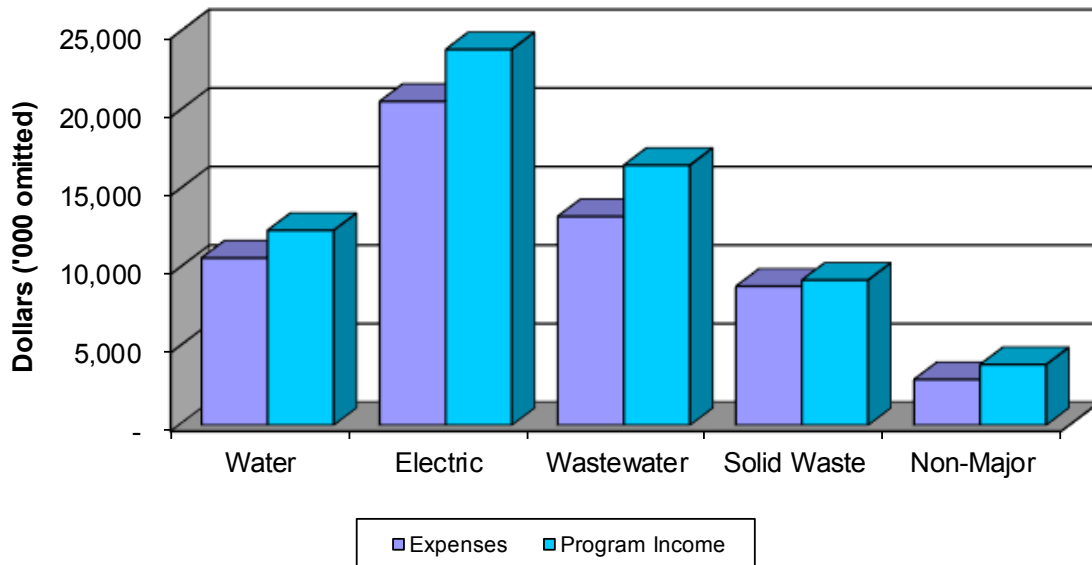
Total revenues for the City’s business-type activities were \$67.7 million for the current fiscal year, a decrease of \$0.1 million or 0.2% compared with the prior fiscal year. Of this total, \$58.7 million or 86.8% was derived from charges for services. As mentioned previously, business-type activities include enterprise fund operations such as Water, Wastewater, Electric, and Solid Waste funds, all of which recover their costs through user fees and charges. Other significant revenues are from operating grants and contributions of \$7.2 million or 10.7%.

## Management’s Discussion and Analysis (Continued)

More than 94.8% of total business-type activities’ expenses are attributable to the Water, Electric, Wastewater and Solid Waste utilities. Total expenses for business-type activities were \$56.3 million for the current fiscal year, a decrease of \$2.6 million or 4.4% compared with the prior fiscal year. The Electric utility’s expenses are the largest individual component of business-type activities’ expenses, representing \$20.6 million or 36.6% of the total business-type activities’ expenses. The Wastewater utility’s expenses are \$13.3 million or 23.6% of total business-type activities’ expenses while expenses of the Water and Solid Waste utilities combined account for \$19.5 million or 34.6% of total business-type activities’ expense.

Following are graphical displays of business-type activities. The first shows revenues and expenses by individual major fund and non-major funds in total while the second shows revenues by source for all business-type activities. Business-type activities expenses include any interest component of debt service payment obligations; however, the principal component of debt service is excluded from expenses.

### Expenses & Program Revenues - Business-Type Activities



## Management's Discussion and Analysis (Continued)

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### FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

#### Governmental Funds

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

With the implementation of GASB Statement No. 68 in the City's financial statements beginning in 2015, net pension liabilities are recorded in the balance sheet of *proprietary funds* and in the government-wide financial statements. With the implementation of GASB Statement No. 75 in the City's financial statements beginning in 2018, net OPEB liabilities are now recorded in the balance sheet of *proprietary funds* and in the government-wide financial statements. However, as *governmental funds* are to provide information on near-term inflows, outflows, and balances of *spendable* resources, accounting for net pension liabilities and net OPEB liabilities are *not* recognized at the *governmental fund* level of reporting. Significant additional information related to pension and OPEB liabilities are included in the notes to the Basic Financial Statements and in the Required Supplementary Information sections of this report.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$26.3 million, or a decrease of 3.8% compared to the prior fiscal year. Of the ending fund balances, \$1.6 million or 6.0% is attributed to unassigned fund balance, which is available for spending at the City's discretion. Of the remaining fund balance, \$41 thousand is held in *non-spendable form* and \$24.7 million is *restricted* for particular purposes.

#### General Fund

The General Fund is the primary operating fund of the City for activities funded with discretionary resources. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1.6 million, while the total fund balance was \$2.7 million. With the implementation of GASB Statement No. 54, the presentation of City financial statements has been consolidated to combine all governmental activity with characteristics similar to the General Fund with the General Fund. In addition to the traditional General Fund, other funds such as the Traffic Safety, Traffic Offender, State COPS, and Library operating funds were combined with the General Fund beginning in 2011 and are reported with the General Fund. In addition, the City's Aquatic Center, Revolving Recreation, River Park Campground, and the Dick DeWees Community and Senior Center activities were combined with the General Fund beginning in 2017 and are reported with the General Fund.

## Management's Discussion and Analysis (Continued)

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As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance with total General Fund expenditures. For the year ended June 30, 2019 unassigned fund balance represents 4.5% of total General Fund expenditures, while total fund balance represents 7.6% of that same amount.

Current year operations decreased the fund balance of the City's General Fund at June 30, 2019 by \$1.0 million or 27.5% over the ending fund balance of the prior fiscal year. Key factors in this decrease are as follows:

- Total revenues increased \$1.1 million or 3.7% compared with the prior fiscal year. The net increase in revenues is attributed to:
  - Increases in taxes of \$0.7 million or 4.7% over the prior fiscal year.
  - The remaining categories of licenses and permits, fines and penalties, revenue from other agencies, charges for services, interest, rental income, and other revenues combined for a total increase of \$0.3 million or an aggregate 2.5% over the prior fiscal year.
- Total expenditures increased \$1.6 million or 4.6% compared with the prior fiscal year. The increase in expenditures is attributable to:
  - Personnel services increased \$1.0 million or 4.2%, maintenance and operations increased \$0.3 million or 3.7%, and capital outlay expenses increased by \$0.2 million or 177.5% compared with the prior fiscal year.
  - Expenditures increased in approximately 64.3% of the expenditure categories compared with the same categories in the prior fiscal year as shown below (in thousands):
    - City Council decreased \$11.6 or 11.7%.
    - City Administration increased \$76.0 or 15.9%.
    - City Attorney increased \$88.3 or 14.5%.
    - City Clerk increased \$26.9 or 14.9%.
    - Finance and City Treasury decreased \$236.4 or 6.5%.
    - Human Resources decreased \$0.8 or 0.1%.
    - Planning increased \$254.6 or 34.5%.
    - Building and Building Inspection Services decreased \$77.2 or 14.5%.
    - Police Services increased \$475.2 or 4.7%.
    - Fire Services increased \$478.3 or 7.9%.
    - Recreation increased \$193.4 or 9.6%.
    - Parks decreased \$55.0 or 2.8%.
    - Public Works (City Engineering/Streets) increased \$124.5 or 3.4%.
    - Library increased \$225.4 or 18.1%.

### Proprietary Funds

The information provided relating to the City's proprietary funds provides the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the enterprise funds at the end of the current fiscal year was \$27.0 million, an increase of \$10.7 million or 65.3% compared with the prior fiscal year. The unrestricted net position in the Electric Utility proprietary fund was \$21.4 million, the single largest component of proprietary net position. The primary cause of the increase of unrestricted net position of the enterprise funds is the positive operating income in the major enterprise funds.



## Management's Discussion and Analysis (Continued)

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Total net position for all business-type activities increased by \$9.2 million or 7.7% compared with the prior fiscal year. Net operating activities increased the net position of all business-type activities by \$11.4 million while net non-operating activities, capital contributions, and transfers decreased the net position by \$2.2 million. The main factors contributing to the net operating increases are increases in operating revenues over operating expenses in all significant utilities with cumulative increases of \$10.5 million.

Each of the significant Utilities (Water, Electric, Wastewater, and Solid Waste) are owned by the City and are regulated by the Lompoc City Council. None of these utilities are regulated by the California Public Utilities Commission. Following you will find additional information about the four significant utilities:

### Water Utility

The City's current water supply consists almost entirely of groundwater pumped from City-owned wells.

The Water Fund's net position at June 30, 2019 increased by \$1.4 million or 8.0% compared with net position in the prior fiscal year. Current fiscal year operating revenues decreased \$0.5 million or 4.0%, while operating expenses increased by \$0.3 million, or 2.6%, compared to the prior fiscal year. Current fiscal year operating revenues exceeded operating expenses by \$2.1 million, a decrease of \$.8 million or 49.5% compared with the prior fiscal year. Current fiscal year non-operating activities increased net position by less than \$0.1 million, an increase of \$0.8 million or 100.3% compared to the prior fiscal year.

In the prior fiscal year, along with the Wastewater Utility, the Water Utility refunded \$10.9 million of direct borrowing revenue bonds originally issued in 1998, 2005 and 2007. The sale of \$9.9 million of Water Refunding Revenue Bonds, 2018 Series A occurred on February 13, 2018 resulting in a net present value savings of \$1.0 million or 8.98%. The refunding resulted in cash flow savings over the remaining terms of the original bond of \$1.9 million. The redemption of the 1998, 2005, and 2007 revenue bonds occurred on April 6, 2018 as prescribed by the bond refunding documentation.

### Electric Utility

The City secures wholesale electricity through a joint powers authority, the Northern California Power Agency (NCPA). The City, a founding member of NCPA when it was established in 1968, is able to secure purchased power supplies at bulk power rates for customers within the City through NCPA. Without the resources of NCPA, a relatively small electric utility like the City would be at a significant disadvantage in today's wholesale power market.

The Electric Fund's net position at June 30, 2019 decreased by \$0.7 million or 1.4% compared with net position in the prior fiscal year. Current fiscal year operating revenues increased by less than \$0.1 million while operating expenses decreased by \$1.2 million or 5.7% compared with the prior fiscal year due to more capital outlays being completed and capitalized over the useful life of the projects. Current fiscal year operating revenues exceeded operating expenses by \$3.3 million, an increase of \$1.3 million or 60.2% compared with the prior fiscal year. Current fiscal year non-operating activities decreased net position by \$1.7 million or 11.0% from the prior fiscal year.

## Management's Discussion and Analysis (Continued)

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### Wastewater Utility

The Wastewater Utility's Regional Reclamation Plant provides treatment services to the City of Lompoc and, via long-term contracts, to Vandenberg Air Force Base and the Vandenberg Village Community Services District (VVCSD).

The Wastewater Fund's net position at June 30, 2019, increased by \$2.4 million or 6.1% compared with net position in the prior fiscal year. Current fiscal year operating revenues increased \$0.2 million or 1.5% while operating expenses increased by \$0.6 million or 5.5% compared to the prior fiscal year. Current fiscal year operating revenues exceeded operating expenses by \$4.6 million, a decrease of \$0.4 million or 7.5% compared with the prior fiscal year. Current fiscal year non-operating activities decreased net position by \$1.1 million, an increase of \$0.9 million or 87.0% compared with the prior fiscal year.

In the prior fiscal year, along with the Water Utility, the Wastewater Utility refunded \$15.9 million of revenue bonds originally issued in 1998, 2005 and 2007. The sale of \$15.2 million of Wastewater Refunding Revenue Bonds, 2018 Series A occurred on February 13, 2018 resulting in a net present value savings of \$1.5 million or 9.64%. The refunding resulted in cash flow savings over the remaining terms of the original bond of \$2.1 million. The redemption of the 1998, 2005, and 2007 revenue bonds occurred on April 6, 2018 as prescribed by the bond refunding documentation.

### Solid Waste Utility

The Solid Waste Utility generally consists of City-provided collection services and a municipally owned sanitary landfill. While owned and operated by the City, the landfill accepts waste from outside the City limits, generally from waste originating in the greater Lompoc Valley.

The Solid Waste Fund's net position at June 30, 2019 increased by \$0.8 million or 42.4% compared with net position in the prior fiscal year. Current fiscal year operating revenues increased only slightly while operating expenses increased \$0.5 million or 6.2% compared to the prior fiscal year. Current fiscal year operating revenues exceeded operating expenses by \$0.4 million, a decrease of \$0.5 million or 53.8% compared with the prior fiscal year. Current fiscal year non-operating activities increased net position by \$0.3 million, or 105.5% from the prior year.

While design, planning, permitting, and engineering services have been utilized on the project since 2008, construction of the Solid Waste Utility's State-mandated project to install a gas collection and monitoring system was approved with the award of a contract on September 6, 2016. By June 30, 2019, the City had expended \$1.6 million on the project of the estimated \$1.6 million project cost. As of June 30, 2019, the City had requested a draw of \$948,000 on the financing commitment from CalRecycle of \$1.0 million of project costs. As a condition of the financing commitment, the City's local share of project costs was \$0.5 million.

## Management's Discussion and Analysis (Continued)

### General Fund Budgetary Highlights

Final expenditures for the General Fund at year-end were \$2.6 million or 7.0% less than the final budget and \$1.0 million or 2.8% less than the original budget. These positive variances over the original and final budgets are primarily due to budgeting street and road projects higher than the realized funding sources and vacant budgeted positions held open for salary savings.

Final revenues were \$0.8 million or 2.8% less than the final budget with only a slight variance from the original budget. Taxes were more than the original budget by \$0.2 million or 1.0% and less than the final budget by \$0.1 million or 0.8%. Licenses and permits revenues were less than the final and original budget by \$0.1 million or 22.6%. Charge for current services were less than the original budget by \$0.1 million or 1.4% and less than the final budget by \$0.3 million or 2.5%. Fines and penalties, revenues from other agencies, interest, and rental income, cumulatively, were \$59 thousand or 3.8% more than the original budget and \$0.3 million or 17.4% less than the final budget. Other revenues were \$34 thousand or 21.2% less than the original budget and \$81 thousand or 38.7% less than the final budget.

For more detailed information on the General Fund budgetary comparison, see the Required Supplementary Information section of this report.

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

As of the June 30, 2019 year-end, the City had \$250.6 million invested in a broad range of capital assets, net of accumulated depreciation. This amount represents a net decrease (including additions, deductions and transfers) of \$8.3 million or 3.2% from the prior fiscal year.

	Governmental Activities		Business-Type Activities		Total	
	2018	2019	2018	2019	2018	2019
Land and land rights	\$ 28,541,615	\$ 28,541,615	\$ 6,937,748	\$ 6,937,748	\$ 35,479,363	\$ 35,479,363
Buildings and improvements	19,897,697	19,567,860	107,309,390	103,686,192	127,207,087	123,254,052
Vehicle, equipment and machinery	7,328,068	6,734,360	13,296,075	13,438,091	20,624,143	20,172,451
Construction in process	2,311,167	3,916,779	5,059,642	3,759,726	7,370,809	7,676,505
Infrastructure	33,960,150	33,663,523	32,535,851	30,310,241	66,496,001	63,973,764
Totals	\$ 92,038,697	\$ 92,424,137	\$ 165,138,706	\$ 158,131,998	\$ 257,177,403	\$ 250,556,135

Capital Assets for governmental activities as of June 30, 2019 totaled \$92.4 million (net of accumulated depreciation). This was a \$0.4 million increase from the prior fiscal year, after \$5.0 million in depreciation, resulting in additions totaling \$5.4 million. Major capital asset additions during the fiscal year included the following:

- ❑ Vehicle acquisitions \$1.0 million
- ❑ Streets and roads improvements \$2.8 million
- ❑ Network and communications enhancements \$0.5 million
- ❑ Parks and recreational improvements \$0.6 million
- ❑ Library improvements \$133 thousand

## Management's Discussion and Analysis (Continued)

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Capital Assets for business-type activities as of June 30, 2019 totaled \$158.1 million (net of accumulated depreciation). This was an \$7.0 million decrease from the prior fiscal year which, after \$8.5 million in depreciation, resulted in additions totaling \$1.5 million. Major additions include the following:

- ❑ Transit facility project \$0.3 million
- ❑ Electric system improvements \$0.9 million
- ❑ Wastewater improvement \$0.1 million

For more detailed information on capital assets, see Note 4 in the Basic Financial Statements.

### Long-Term Debt

Effective for fiscal years beginning after June 15, 2014, GASB Statement No. 68 provides the recognition of net pension liabilities in the government-wide financial statements along with proprietary fund financial statements. The City's overall net pension liability reported at June 30, 2019 was \$85.3 million with \$61.7 million reported in governmental activities, \$23.3 million reported in business-type activities, and \$0.3 million reported in fiduciary funds. This compares with overall net pension liabilities reported at June 30, 2018 of \$83.8 million, with \$59.8 million, \$23.7 million, and \$0.3 million in the same categories. The \$85.3 million net pension liability is the net of reportable pension assets of \$206.8 million resulting in a funding ratio of 68.6% at June 30, 2019 for all City plans combined. The prior fiscal year net pension liability for all City plans combined was \$83.8 million with a funding ratio of 70.1%. While net pension liabilities are long-term in nature, the long-term debt note (Note 5) does not include a discussion related to pension costs. For more information related to pension costs as required by GASB Statement No. 68, see Note 6 in the Basic Financial Statements as well as the Required Supplementary Information of the Basic Financial Statements.

Effective for fiscal years beginning after June 15, 2017, GASB Statement No. 75 provides the recognition of net OPEB liabilities in the government-wide financial statements along with proprietary fund financial statements. The City's overall net OPEB liability reported at June 30, 2019 was \$13.8 million with \$9.6 million reported in governmental activities, \$4.2 million reported in business-type activities, and \$17 thousand reported in fiduciary funds. This compares with overall net OPEB liabilities reported at June 30, 2018 of \$15.0 million, with \$10.4 million, \$4.6 million, and \$19 thousand in the same categories. The \$13.8 million net OPEB liability is net of reportable OPEB assets of \$12.9 million resulting in a funding ratio of 48.2% at June 30, 2019. While net OPEB liabilities are long-term in nature, the long-term debt note (Note 5) does not include a discussion related to the OPEB plan. For more information related to the OPEB plan as required by GASB Statement No. 75, see Note 7 in the Basic Financial Statements as well as the Required Supplementary Information of the Basic Financial Statements.

On February 13, 2018, the City sold \$25.1 million of refunding bonds related to the Water and Wastewater utilities. On April 6, 2018, the proceeds from the sale of the bonds were used to fully pay off \$28.1 million of existing bond obligations of the Water and Wastewater utilities. The sale and subsequent refunding realized \$2.5 million of aggregate net present value savings and \$4.0 million of aggregate cash flow savings over the remaining terms of the refunded bonds. Two bonds were issued: a Water Refunding Revenue Bond, 2018 Series A bond (2018 Water Bond) for \$9.9 million and a Wastewater Refunding Revenue Bond, 2018 Series A bond (2018 Wastewater Bond) for \$15.2 million. The 2018 Water Bond and 2018 Wastewater Bond were issued with bond insurance with an insured rating of "AA" for both issues.

## Management's Discussion and Analysis (Continued)

At the end of the current fiscal year, the City had long-term debt outstanding of \$97.0 million, not including pension and OPEB liabilities reported separately above. Of this amount, \$2.7 million represents earned but unpaid compensated absences, \$7.5 million represents future landfill closure and post-closure costs, \$6.9 million represents claims payable related to the City's liability and workers' compensation self-insurance programs, \$6.2 million represents long-term leases outstanding backed by the equipment purchased, \$27.3 million represents assessment district and enterprise fund bonds secured solely by specified revenue sources, and \$46.3 million represents long-term loans payable. Outstanding debt associated with the upgrade of the Wastewater Plant accounts for \$59.9 million of the \$97.0 million, or 61.8%, total outstanding long-term debt of the City.

Overall, compensated absences debt (both short-term and long-term) decreased by \$0.7 million or 21.2% between June 30, 2018 and June 30, 2019 to \$2.7 million. Uses of accrued leaves such as vacation and sick leave during the 2018-19 fiscal year totaled \$4.1 million while the accumulation of accrued leave during the 2018-19 fiscal year totaled \$3.4 million. Use of accrued leave includes the payout of leave upon separation (including retirements) of an employee in accordance with the employee's rights to the accrued leave.

	Governmental Activities		Business-Type Activities		Total	
	2018	2019	2018	2019	2018	2019
Compensated absences	\$ 3,455,002	\$ 2,722,890	\$	\$	\$ 3,455,002	\$ 2,722,890
Accrued liabilities	7,466,000	6,932,000			7,466,000	6,932,000
Revenue bonds	1,920,000	1,845,000	26,828,580	25,479,609	28,748,580	27,324,609
Loans payable			49,075,747	46,320,840	49,075,747	46,320,840
Long term capital leases	5,425,099	4,500,120	1,897,331	1,705,728	7,322,430	6,205,848
Landfill closure and post-closure costs			7,329,697	7,527,925	7,329,697	7,527,925
<b>Totals</b>	<b>\$ 18,266,101</b>	<b>\$ 16,000,010</b>	<b>\$ 85,131,355</b>	<b>\$ 81,034,102</b>	<b>\$ 103,397,456</b>	<b>\$ 97,034,112</b>

Total debt decreased by \$6.4 million during the current fiscal year. The key factors in this decrease are:

- Decrease of \$3.8 million in the principal balance of the Wastewater System's State Revolving Loan due to payments.
- Increase of \$0.9 million due to new loan for Landfill Gas Collection System.
- Decrease of \$1.4 million due to scheduled payments on principal of bonds.
- Decrease of \$1.1 million due to scheduled payments on capital leases.
- Aggregate decreases of \$1.1 million due to scheduled payments on principal of assessment district debt and change in accrued claims liabilities and accrued landfill closure costs.

The City currently has no general obligation debt outstanding. For more detailed information on long-term debt, see Notes 5, 6, 7, 10, and 16 in the Basic Financial Statements.

### Credit rating

The City's bonded debt ratings at June 30, 2019, as determined by S&P, are as follows:

Bond issues:	Rating
○ 2018 Water Refunding Revenue Bonds, 2018 Series A	A+
○ 2018 Wastewater Refunding Revenue Bonds, 2018 Series A	A

## Management's Discussion and Analysis (Continued)

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### SIGNIFICANT ACCOMPLISHMENTS - FISCAL YEAR ENDING JUNE 30, 2019

The City continued the implementation project to replace its legacy financial management software (FMS) during fiscal year 2018-19 with completion targeted during the 2019-21 biennial budget cycle. Following are significant accomplishments and target implementation dates for the FMS project:

- ❑ On September 20, 2016, the City Council approved the purchase and installation of a replacement FMS.
- ❑ Capital equipment financing for the project was secured with City Council approval of \$1.5 million on January 3, 2017.
- ❑ The installation process began on November 29, 2016 and includes five distinct module implementations:
  - The first module for the financial system including the General Ledger and Purchasing was implemented on October 1, 2017.
  - The second module for Payroll and Human Resources was implemented on October 1, 2018.
  - The third module for Utility Billing and Customer Self-Service & Cashiering has an estimated implementation date of June 2020.
  - The fourth module for Work Orders and the fifth module for Community Development will be scheduled after the completion of the third module.

Park improvements for fiscal year ending June 30, 2019, included improvements to Thompson Park totaling \$0.2 million. In coordination with volunteers, the city has transformed the park and ballfield including: new restrooms, sewer lateral for restrooms, concrete surrounding the ball field, new score booth, score board, PA system, new bleachers and bleacher shade structures, new dugouts, dugout seating and shade structures, new fencing of entire park, tot-lot resurfacing, addition of park pathways, and installation of BBQ shade structure for a total of over \$1.0 million in park improvements year-to-date.

Improvements to Pioneer Park totaled \$0.3 for the year ending June 30, 2019. The funding was from Community Development Block Grant (CDBG) and Housing-related Parks Program (HRPP) grant funds to install brand new restrooms and a storage room.

The City assisted 30 first-time homebuyers with purchasing their first homes in the City with \$1.7 million in loans from the Lompoc Affordable Housing Trust Fund

### ECONOMIC FACTORS AND NEXT CYCLE'S BUDGET AND RATES

While secured property tax revenue and property tax in-lieu of vehicle license fees increased 1.7% over the prior fiscal year, a 4% increase is anticipated for 2019-20 reflecting Proposition 13's cost of living maximum annual base increase. Property tax growth beyond 2020 is also anticipated to be 2% per year.

The City's Bradley-Burns 1% Sales Tax revenue increased 6.6% over the prior year and is anticipated to grow by 2% to 4% in fiscal year 2020-21 over fiscal year 2019-20. Sales Tax growth beyond 2021 is anticipated to be in the 2% to 3% range annually.

## Management's Discussion and Analysis (Continued)

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Transient Occupancy Tax (TOT) receipts increased 8.6% over the prior fiscal year. The greater than historical increase is likely due to the opening of a hotel on November 1, 2017. TOT is anticipated to increase by 2% for 2019-20 and 1% to 3% for 2020-21. Beyond 2021, TOT growth is anticipated to be in the 2% to 3% range annually.

The City's Fund Balance policy, adopted November 1, 2011, sets a target of no less than two months of operating revenues or operating expenditures (whichever is less volatile) for unrestricted fund balance. The General Fund's unassigned fund balance decreased during the fiscal year ending June 30, 2019 by \$0.8 million or 4.5% to \$1.6 million. Unassigned fund balance is below the City's Fund Balance policy target of 2 months of operating revenue or expenditures using either actual revenues or expenditures of 2018-19 or budgeted revenues or appropriations of 2019-20. The long-range General Fund projection in the 2019-21 biennial budget anticipated the reduction of unassigned fund balance. The primary cause of the anticipated decrease is due to projected California Public Employees' Retirement System (CalPERS) increases in pension contributions in excess of anticipated growth of existing revenue sources.

On August 23, 2019, during a special meeting, the City Council voted 5-0 to put a 1% transaction and use tax that will increase the City's general sales tax on the March 2020 primary election ballot from 7.75% to 8.75%. The vote requires approval of more than 50% and will generate an estimated \$4.9 million annually. These funds are to be used to pay existing unfunded liabilities while stabilizing revenue resources for governmental services such as public safety, and to restore the General Fund's unrestricted fund balance to the City's targeted goals within the next 8 to 15 years.

Expenditure increases continue to challenge many local governments, including the City of Lompoc. A primary cause of rising costs is related to mandatory retirement contributions to CalPERS. CalPERS enacted contribution policy changes since 2013 have significantly increased annual contributions of many California agencies which have retirement contracts with CalPERS, including the City of Lompoc. The recent contribution policy decisions by the CalPERS Board will make the system more sustainable over time. For the City of Lompoc, the CalPERS increases are projected to continue through fiscal year 2031-32 and CalPERS contributions are not anticipated to return to historical levels until approximately 2045.

### REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the attention of the City of Lompoc's Finance Division at 100 Civic Center Plaza, Lompoc, CA 93436.

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# Basic Financial Statements

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# **Government-Wide Financial Statements**

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**City of Lompoc**  
**Statement of Net Position**  
**June 30, 2019**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and investments	\$ 32,101,165	\$ 50,231,686	\$ 82,332,851
Cash with fiscal agents	1,594,187	12,703,055	14,297,242
Restricted cash with fiscal agents		1,322	1,322
Accounts receivable	123,480	8,140,514	8,263,994
Tax receivable	1,335,148	202,001	1,537,149
Interest receivable	60,113	94,350	154,463
Due from other governments	584,335	352,628	936,963
Prepays	135,795	413,373	549,168
Due from other funds	(4,181,643)	4,181,643	-
Inventories	410,043	2,312,066	2,722,109
Loans receivable	6,496,930		6,496,930
Land held for resale	200,000		200,000
Land	28,541,615	6,937,748	35,479,363
Construction in progress	3,916,779	3,759,726	7,676,505
Depreciable capital assets, net of accumulated depreciation	59,965,743	147,434,524	207,400,267
Total assets	<u>131,283,690</u>	<u>236,764,636</u>	<u>368,048,326</u>
<b>Deferred Outflows of Resources</b>			
Pension related	12,698,564	4,425,934	17,124,498
Other post-employment benefits related	2,030,659	896,686	2,927,345
Unamortized loss on refunding		345,109	345,109
Total deferred outflows of resources	<u>14,729,223</u>	<u>5,667,729</u>	<u>20,396,952</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 2,329,823	\$ 1,249,172	\$ 3,578,995
Unearned revenue	320,028	742,558	1,062,586
Interest payable	44,927	1,009,477	1,054,404
Deposits and retentions payable	171,629	906,680	1,078,309
Long-term liabilities:			
Portion due within one year:			
Bonds and loan payables	80,000	5,151,407	5,231,407
Capital lease obligations	935,359	196,622	1,131,981
Claims liabilities	1,733,000		1,733,000
Compensated absences	2,457,042		2,457,042
Portion due in more than one year:			
Bonds and loan payables	1,765,000	66,649,041	68,414,041
Capital lease obligations	3,564,761	1,509,107	5,073,868
Claims liabilities	5,199,000		5,199,000
Compensated absences	265,848		265,848
Landfill closure and post-closure costs		7,527,925	7,527,925
Net other post-employment benefits (OPEB) liability	9,553,017	4,218,170	13,771,187
Net pension liability	61,701,452	23,269,979	84,971,431
Total liabilities	<u>90,120,886</u>	<u>112,430,138</u>	<u>202,551,024</u>

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Deferred Inflows of Resources</b>			
Pension related	1,476,663	415,817	1,892,480
Other post-employment benefits related	195,629	86,384	282,013
Total deferred inflows of resources	<u>1,672,292</u>	<u>502,201</u>	<u>2,174,493</u>
<b>Net Position</b>			
Net investment in capital assets	86,079,017	84,970,930	171,049,947
Restricted:			
Inventories	41,380		41,380
Road surface repairs	11,585,039		11,585,039
Capital projects	3,753,339		3,753,339
Debt service	407,787	4,230,484	4,638,271
Library services	536,843		536,843
Vandenberg Village capital		730,914	730,914
Electrical capital projects		2,957,317	2,957,317
Landfill closure		3,386,240	3,386,240
Transit projects		6,201,726	6,201,726
Community services	65,880		65,880
Housing	8,291,631		8,291,631
Health and welfare	17,036		17,036
Unrestricted	<u>(56,558,217)</u>	<u>27,022,415</u>	<u>(29,535,802)</u>
Total net position	<u>\$ 54,219,735</u>	<u>\$ 129,500,026</u>	<u>\$ 183,719,761</u>

**City of Lompoc**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2019**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
General government	\$ 6,066,111	\$ 9,618,327	\$ 104,063	\$
Police protection	11,917,441	345,076	260,743	
Fire protection	7,116,988	277,132	15,297	
Engineering/streets	7,196,678	584,997		591,527
Building	506,442	603,996		
Community development	2,247,921	162,167	844,206	
Parks and recreation	6,731,368	1,319,886	551,925	
Nondepartmental	1,609,841	167,154		
Health and welfare		5,437		
Interest on long-term debt	121,780			
Total governmental activities	43,514,570	13,084,172	1,776,234	591,527
<b>Business-type activities:</b>				
Water	10,647,706	12,382,671		25,440
Electric	20,620,939	23,156,616	761,211	8,402
Wastewater	13,296,874	13,218,673	3,334,172	
Solid Waste	8,850,275	9,205,074	34,502	
Other	2,914,295	784,702	3,078,636	
Total business-type activities	56,330,089	58,747,736	7,208,521	33,842
<b>General revenues:</b>				
Sales taxes				
Property taxes				
Transient occupancy tax (TOT)				
Property taxes in lieu of VLF				
Gas tax				
Business tax				
Franchise fees				
State of California in-lieu				
Property transfer tax				
Interest income				
Other revenues				
Transfers				
<b>Total general revenues and transfers</b>				
Change in net position				
<b>Net position - beginning of year</b>				
<b>Prior year restatements</b>				
<b>Net position - beginning of year, restated</b>				
<b>Net position - end of year</b>				

**Net Revenues (Expenses) and Changes in Net Position**

<b>Total Governmental Activities</b>	<b>Total Business-Type Activities</b>	<b>Total</b>
\$ 3,656,279	\$	\$ 3,656,279
(11,311,622)		(11,311,622)
(6,824,559)		(6,824,559)
(6,020,154)		(6,020,154)
97,554		97,554
(1,241,548)		(1,241,548)
(4,859,557)		(4,859,557)
(1,442,687)		(1,442,687)
5,437		5,437
(121,780)		(121,780)
<u>(28,062,637)</u>		<u>(28,062,637)</u>
	1,760,405	1,760,405
	3,305,290	3,305,290
	3,255,971	3,255,971
	389,301	389,301
	949,043	949,043
	<u>9,660,010</u>	<u>9,660,010</u>
7,856,536		7,856,536
4,846,361	8,667	4,855,028
2,172,782		2,172,782
3,608,995		3,608,995
1,706,021	28,919	1,734,940
374,397		374,397
625,164		625,164
982		982
112,191		112,191
1,277,118	1,634,557	2,911,675
637,138		637,138
2,113,440	(2,113,440)	-
<u>25,331,125</u>	<u>(441,297)</u>	<u>24,889,828</u>
<u>(2,731,512)</u>	<u>9,218,713</u>	<u>6,487,201</u>
55,093,079	123,966,334	179,059,413
<u>1,858,168</u>	<u>(3,685,021)</u>	<u>(1,826,853)</u>
<u>56,951,247</u>	<u>120,281,313</u>	<u>177,232,560</u>
<u>\$ 54,219,735</u>	<u>\$ 129,500,026</u>	<u>\$ 183,719,761</u>

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# Fund Financial Statements

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# **Governmental Fund Financial Statements**

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**City of Lompoc  
Balance Sheet  
Governmental Funds  
June 30, 2019**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>			
Cash and investments	\$ 2,598,672	\$ 16,574,546	\$ 19,173,218
Cash with fiscal agents	761,454		761,454
Receivables, net:			
Accounts receivable	107,630	1,596	109,226
Tax receivable	1,279,650	55,498	1,335,148
Interest receivable	4,919	30,815	35,734
Due from other governments	176,743	379,429	556,172
Inventories	36,117	5,263	41,380
Property held for resale		200,000	200,000
Loans receivable		6,496,930	6,496,930
	<u>\$ 4,965,185</u>	<u>\$ 23,744,077</u>	<u>\$ 28,709,262</u>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities:</b>			
Accounts payable and accruals	\$ 908,854	\$ 114,423	\$ 1,023,277
Due to other funds	419,549		419,549
Deposits payable	171,629		171,629
Accrued wages and benefits	484,448	9,835	494,283
Unearned revenue	310,903	9,125	320,028
	<u>2,295,383</u>	<u>133,383</u>	<u>2,428,766</u>



	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Fund balance:</b>			
Nonspendable:			
Inventories	\$ 36,117	\$ 5,263	\$ 41,380
Restricted for:			
Road surface repairs		11,585,039	11,585,039
Library services	210,737		210,737
Debt service		407,787	407,787
Capital projects	761,454	2,911,952	3,673,406
Committed for:			
Community services		65,880	65,880
Library acquisitions		326,106	326,106
Health and welfare		17,036	17,036
Housing		8,291,631	8,291,631
Assigned for:			
Capital projects	79,933		79,933
Unassigned:	<u>1,581,561</u>		<u>1,581,561</u>
Total fund balance	<u>2,669,802</u>	<u>23,610,694</u>	<u>26,280,496</u>
Total liabilities and fund balance	<u>\$ 4,965,185</u>	<u>\$ 23,744,077</u>	<u>\$ 28,709,262</u>

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

Total fund balance - governmental funds \$ 26,280,496

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

**Capital assets:** In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation. Net capital assets relating to governmental activities consisted of:

Capital assets at estimated historical cost	162,638,539	
Accumulated depreciation	<u>(77,096,331)</u>	
		85,542,208

**Interest payable:** In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the statement of net position, it is recognized in the period that it is incurred. The additional liability for unmatured interest owed at year-end was: (28,159)

**Long-term liabilities:** In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consisted of:

Direct borrowing - Tax Allocation Bonds 2004	1,845,000	
Direct borrowing - Capital leases payable	1,261,166	
Net other post-employment benefits liability	8,608,201	
Net pension liabilities	<u>58,075,087</u>	
		(69,789,454)

**Deferred Inflows and Outflows:** The deferred inflow and outflows are not current assets or resources; and they are not due in the current period and therefore are not reported in the governmental funds.

Deferred outflows		13,624,439
Deferred inflows		(1,581,898)

**Internal service funds:** Internal service funds are used to conduct activities for which costs are charged to other funds on a full cost-recovery basis. Because internal service funds are presumed to operate for the benefit of governmental activities, assets and liabilities of internal service funds are reported with governmental activities in the statement of net position. Net position for internal service funds was: 172,103

Total net position - governmental activities \$ 54,219,735

**City of Lompoc**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2019**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
Taxes	\$ 16,603,441	\$ 4,699,987	\$ 21,303,428
Licenses and permits	413,429		413,429
Fines and penalties	207,540		207,540
Revenues from other agencies	929,718	1,438,043	2,367,761
Charges for current services	10,506,901	1,463,661	11,970,562
Interest	141,730	687,856	829,586
Rental income	479,283	13,358	492,641
Other revenues	127,938	502,088	630,026
Total revenues	<u>29,409,980</u>	<u>8,804,993</u>	<u>38,214,973</u>
<b>Expenditures:</b>			
Personnel services	25,271,027	661,173	25,932,200
Maintenance and operations	9,718,216	1,602,416	11,320,632
Capital outlay	276,908	3,473,396	3,750,304
Debt service:			
Principal		210,470	210,470
Interest and fiscal charges		123,205	123,205
Total expenditures	<u>35,266,151</u>	<u>6,070,660</u>	<u>41,336,811</u>
Excess of revenues over (under) expenditures	<u>(5,856,171)</u>	<u>2,734,333</u>	<u>(3,121,838)</u>
<b>Other financing sources (uses):</b>			
Transfers in	4,983,085	321,300	5,304,385
Transfers out	<u>(140,354)</u>	<u>(3,113,786)</u>	<u>(3,254,140)</u>
Total other financing sources (uses)	<u>4,842,731</u>	<u>(2,792,486)</u>	<u>2,050,245</u>
Net change in fund balance	<u>(1,013,440)</u>	<u>(58,153)</u>	<u>(1,071,593)</u>
<b>Fund balance - beginning of year</b>	<u>3,683,242</u>	<u>23,668,847</u>	<u>27,352,089</u>
<b>Fund balance - end of year</b>	<u>\$ 2,669,802</u>	<u>\$ 23,610,694</u>	<u>\$ 26,280,496</u>

**City of Lompoc**  
**Reconciliation of Statement of Revenues, Expenditure, and Changes in Fund Balance of**  
**Governmental Funds to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2019**

Total net change in fund balance - governmental funds		\$ (1,071,593)
Amounts reported for governmental activities in the statement of activities are different because:		
<b>Capital outlay:</b> In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the year was:		
Expenditures for capital outlay - governmental funds	3,750,305	
Depreciation expense	<u>(3,530,411)</u>	
		219,894
<b>Principal payments on long-term debt:</b> In governmental funds, repayments of long-term debt are recognized as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:		
		210,470
<b>OPEB expense:</b> In governmental funds, OPEB expenses are included in the Statement of Activities, however they do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds (net change):		
		(530,570)
<b>Pension expense:</b> In governmental funds, pension expenses are included in the Statement of Activities, however they do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds (net change):		
		(3,610,963)
<b>Interest expense:</b> Interest on long-term debt is recognized as an expenditure in governmental funds when it is due. In the statement of activities, interest expense is recognized as the interest accrues, regardless of when it is due. The difference in interest expense paid and interest accrued was:		
		977
<b>Internal service funds:</b> Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Because internal service funds are presumed to operate for the benefit of governmental activities, internal service activities are reported with governmental activities in the statement of activities. The net increase in the internal service funds was:		
		<u>2,050,273</u>
Total change in net position - governmental activities		<u>\$ (2,731,512)</u>

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# Proprietary Fund Financial Statements

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**City of Lompoc**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2019**

	<b>Business-Type Activities Enterprise Funds</b>		
	<b>Water Utility</b>	<b>Electric Utility</b>	<b>Wastewater Utility</b>
<b>Assets</b>			
<b>Current assets:</b>			
Cash and investments	\$ 11,303,464	\$ 10,179,294	\$ 13,288,983
Cash with fiscal agents		12,703,055	
Restricted cash with fiscal agent	620		702
Accounts receivable, net	1,392,541	2,787,854	2,932,871
Tax receivable			
Interest receivable	21,450	18,615	25,215
Due from other governments			
Prepays		413,373	
Due from other funds	54,681	4,266,362	
Inventories	254,926	1,908,640	135,840
Total current assets	<u>13,027,682</u>	<u>32,277,193</u>	<u>16,383,611</u>
<b>Noncurrent assets:</b>			
Capital assets:			
Land	100,191	138,657	314,486
Construction in progress	267,521	1,291,335	118,565
Building and improvements	16,782,011	10,172,372	127,462,401
Infrastructure	28,838,090	32,333,593	12,536,558
Equipment	7,344,176	9,825,560	11,764,041
Vehicles and machinery	4,640,029	5,052,168	1,424,684
Less accumulated depreciation	<u>(35,327,447)</u>	<u>(31,945,069)</u>	<u>(61,461,420)</u>
Total capital assets, net of accumulated depreciation	<u>22,644,571</u>	<u>26,868,616</u>	<u>92,159,315</u>
Total noncurrent assets	<u>22,644,571</u>	<u>26,868,616</u>	<u>92,159,315</u>
Total assets	<u>35,672,253</u>	<u>59,145,809</u>	<u>108,542,926</u>
<b>Deferred Outflows of Resources</b>			
Pension related	1,192,733	1,251,384	883,477
Other post-employment benefits related	250,436	179,518	188,336
Unamortized loss on refunding	145,036		200,073
Total deferred outflows of resources	<u>1,588,205</u>	<u>1,430,902</u>	<u>1,271,886</u>

Business-Type Activities Enterprise Funds			Governmental Activities
Solid Waste Disposal	Other Enterprise Funds	Total Enterprise	Internal Service Funds
\$ 8,702,470	\$ 6,757,475	\$ 50,231,686	\$ 12,927,947
		12,703,055	832,733
		1,322	
947,021	80,227	8,140,514	14,254
	202,001	202,001	
16,493	12,577	94,350	24,379
	352,628	352,628	28,163
		413,373	135,795
		4,321,043	419,549
	12,660	2,312,066	368,663
<u>9,665,984</u>	<u>7,417,568</u>	<u>78,772,038</u>	<u>14,751,483</u>
515,527	5,868,887	6,937,748	
	2,082,305	3,759,726	1,702,629
800,203	6,231,141	161,448,128	271,196
644,532	1,754,809	76,107,582	58,786
3,768,729	1,832,213	34,534,719	2,814,329
230,274	2,320,729	13,667,884	21,543,809
(3,286,326)	(6,303,527)	(138,323,789)	(19,508,820)
<u>2,672,939</u>	<u>13,786,557</u>	<u>158,131,998</u>	<u>6,881,929</u>
2,672,939	13,786,557	158,131,998	6,881,929
<u>12,338,923</u>	<u>21,204,125</u>	<u>236,904,036</u>	<u>21,633,412</u>
967,173	131,167	4,425,934	903,938
249,833	28,563	896,686	200,846
		345,109	
<u>1,217,006</u>	<u>159,730</u>	<u>5,667,729</u>	<u>1,104,784</u>

**City of Lompoc**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2019**

<b>Liabilities</b>	<b>Business-Type Activities Enterprise Funds</b>		
	<b>Water Utility</b>	<b>Electric Utility</b>	<b>Wastewater Utility</b>
<b>Current liabilities:</b>			
Accounts payable	\$ 292,108	\$ 198,335	\$ 239,534
Due to other funds			
Accrued wages and benefits	60,342	61,127	46,492
Unearned revenue			742,558
Interest payable	126,420	10,865	862,791
Deposits payable	10,156	179,000	
Trust deposits			
Reserve fund - VVCS			705,624
Current portion of claims payable			
Current portion of compensated absences			
Current portion of capital leases payable	5,740	141,642	9,897
Current portion of loans payable			3,769,108
Current portion of revenue bonds	640,000		645,000
Total current liabilities	1,134,766	590,969	7,021,004
<b>Noncurrent liabilities:</b>			
Claims payable, net of current portion			
Compensated absences, net of current portion			
Landfill closure and post-closure costs			
Capital leases payable, net of current portion	48,633	1,200,031	86,534
Loans payable, net of current portion			41,603,732
Revenue bonds, net of current portion	9,367,864		14,826,744
Net other post-employment benefits (OPEB) liability	1,178,095	844,485	885,965
Net pension liability	5,863,041	7,925,637	4,350,903
Total noncurrent liabilities	16,457,633	9,970,153	61,753,878
Total liabilities	17,592,399	10,561,122	68,774,882
<b>Deferred Inflows of Resources</b>			
Pension related	108,652	136,036	76,921
Other post-employment benefits related	24,126	17,294	18,144
Total deferred outflows of resources	132,778	153,330	95,065
<b>Net Position</b>			
Net investment in capital assets	12,727,370	25,526,943	31,418,373
Restricted for:			
Vandenberg Village capital			730,914
Debt service	126,640		4,103,844
Electrical capital projects		2,957,317	
Landfill closure			
Transit projects			
Unrestricted	6,681,271	21,377,999	4,691,734
Total net position	\$ 19,535,281	\$ 49,862,259	\$ 40,944,865



<b>Business-Type Activities Enterprise Funds</b>			<b>Governmental</b>
<b>Solid Waste Disposal</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise</b>	<b>Internal Service Funds</b>
\$ 164,132	\$ 128,007	\$ 1,022,116	\$ 452,786
	139,400	139,400	4,181,643
51,699	7,396	227,056	359,477
		742,558	
7,044	2,357	1,009,477	16,768
		189,156	
	11,900	11,900	
		705,624	
			1,733,000
			2,457,042
35,614	3,729	196,622	789,510
97,299		3,866,407	
		1,285,000	
<u>355,788</u>	<u>292,789</u>	<u>9,395,316</u>	<u>9,990,226</u>
			5,199,000
			265,848
7,527,925		7,527,925	
142,319	31,590	1,509,107	2,449,444
850,701		42,454,433	
		24,194,608	
1,175,259	134,366	4,218,170	944,816
4,532,343	598,055	23,269,979	3,626,365
<u>14,228,547</u>	<u>764,011</u>	<u>103,174,222</u>	<u>12,485,473</u>
<u>14,584,335</u>	<u>1,056,800</u>	<u>112,569,538</u>	<u>22,475,699</u>
84,167	10,041	415,817	71,045
24,068	2,752	86,384	19,349
<u>108,235</u>	<u>12,793</u>	<u>502,201</u>	<u>90,394</u>
1,547,006	13,751,238	84,970,930	3,642,975
		730,914	
		4,230,484	
		2,957,317	
3,386,240		3,386,240	
	6,201,726	6,201,726	66,902
(6,069,887)	341,298	27,022,415	(3,537,774)
<u>\$ (1,136,641)</u>	<u>\$ 20,294,262</u>	<u>\$ 129,500,026</u>	<u>\$ 172,103</u>

**City of Lompoc**  
**Statement of Revenues, Expenditures, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2019**

	<b>Business-Type Activities Enterprise Funds</b>		
	<b>Water Utility</b>	<b>Electric Utility</b>	<b>Wastewater Utility</b>
<b>Operating revenues:</b>			
User fees and charges for services	\$ 12,284,689	\$ 22,919,600	\$ 13,121,576
Revenue from other agencies		761,211	3,334,172
Other operating revenues	97,982	236,916	91,097
Facilities rental		100	6,000
Total operating revenues	<u>12,382,671</u>	<u>23,917,827</u>	<u>16,552,845</u>
<b>Operating expenses:</b>			
Personnel services	2,936,896	3,483,325	2,747,808
Maintenance and operations	6,101,642	14,876,224	4,737,165
Depreciation and amortization	1,227,743	2,220,446	4,446,026
Total operating expenses	<u>10,266,281</u>	<u>20,579,995</u>	<u>11,930,999</u>
Operating income	<u>2,116,390</u>	<u>3,337,832</u>	<u>4,621,846</u>
<b>Nonoperating revenues, expenses, and transfers:</b>			
Interest earnings	358,066	482,423	303,639
Interest expense	(381,425)	(40,944)	(1,365,875)
Gas taxes			
Total nonoperating revenues and expenses	<u>(23,359)</u>	<u>441,479</u>	<u>(1,062,236)</u>
Income before capital contributions and transfers	<u>2,093,031</u>	<u>3,779,311</u>	<u>3,559,610</u>
Capital contributions	25,440	8,402	
Transfers in			
Transfers out		<u>(2,113,440)</u>	
Change in net position	<u>2,118,471</u>	<u>1,674,273</u>	<u>3,559,610</u>
<b>Net Position (Deficit) - beginning of year</b>	18,088,705	50,592,993	38,584,082
<b>Prior year restatements</b>	<u>(671,895)</u>	<u>(2,405,007)</u>	<u>(1,198,827)</u>
<b>Net Position (Deficit) - beginning of year, restated</b>	<u>17,416,810</u>	<u>48,187,986</u>	<u>37,385,255</u>
<b>Net Position (Deficit) - end of year</b>	<u>\$ 19,535,281</u>	<u>\$ 49,862,259</u>	<u>\$ 40,944,865</u>

<b>Business-Type Activities Enterprise Funds</b>			<b>Governmental Activities</b>
<b>Solid Waste Disposal</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise</b>	<b>Internal Service Funds</b>
\$ 9,102,370	\$ 454,100	\$ 57,882,335	\$ 27,917,390
34,502	3,078,636	7,208,521	
102,704	15,604	544,303	7,112
	323,665	329,765	
<u>9,239,576</u>	<u>3,872,005</u>	<u>65,964,924</u>	<u>27,924,502</u>
2,843,545	391,580	12,403,154	10,124,379
5,865,820	2,018,266	33,599,117	14,746,294
129,379	494,331	8,517,925	1,420,563
<u>8,838,744</u>	<u>2,904,177</u>	<u>54,520,196</u>	<u>26,291,236</u>
400,832	967,828	11,444,728	1,633,266
283,649	206,780	1,634,557	447,532
(11,531)	(10,118)	(1,809,893)	(93,720)
	28,919	28,919	
<u>272,118</u>	<u>225,581</u>	<u>(146,417)</u>	<u>353,812</u>
672,950	1,193,409	11,298,311	1,987,078
		33,842	63,195
		(2,113,440)	
<u>672,950</u>	<u>1,193,409</u>	<u>9,218,713</u>	<u>2,050,273</u>
(1,974,281)	18,674,835	123,966,334	(2,537,450)
164,690	426,018	(3,685,021)	659,280
<u>(1,809,591)</u>	<u>19,100,853</u>	<u>120,281,313</u>	<u>(1,878,170)</u>
<u>\$ (1,136,641)</u>	<u>\$ 20,294,262</u>	<u>\$ 129,500,026</u>	<u>\$ 172,103</u>

**City of Lompoc**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2019**

	<b>Business-Type Activities Enterprise Funds</b>		
	<b>Water Utility</b>	<b>Electric Utility</b>	<b>Wastewater Utility</b>
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 12,353,776	\$ 23,161,555	\$ 13,155,193
Cash received from other agencies		761,211	3,334,172
Cash received from interfund services provided			
Internal activity - cash paid from (to) other funds	9,151	170,600	
Cash paid to suppliers for goods and services	(6,010,615)	(15,206,036)	(4,570,322)
Cash paid to employees	(2,773,182)	(3,190,782)	(2,648,001)
Net cash provided by operating activities	<u>3,579,130</u>	<u>5,696,548</u>	<u>9,271,042</u>
<b>Cash flows from noncapital financing activities:</b>			
Cash received from (paid to) other agencies			(37,018)
Transfers in			
Transfers out		(2,113,440)	
Net cash provided (used) by non-capital financial activities		<u>(2,113,440)</u>	<u>(37,018)</u>
<b>Cash flows from capital and related financing activities:</b>			
Acquisition and construction of capital assets	(145,349)	(992,402)	(107,551)
Borrowing on long-term debt			
Principal payments on long-term debt	(662,674)	(137,696)	(4,404,684)
Interest payments on long-term debt	(361,778)	(41,117)	(1,406,980)
Cash from capital grants and contributions	25,440	8,402	
Net cash provided (used) by capital and related financial activities	<u>(1,144,361)</u>	<u>(1,162,813)</u>	<u>(5,919,215)</u>
<b>Cash flows from investing activities:</b>			
Interest on investments	354,383	479,426	298,599
Net cash provided by investing activities	<u>354,383</u>	<u>479,426</u>	<u>298,599</u>
Net increase (decrease) in cash and investments	2,789,152	2,899,721	3,613,408
<b>Cash and investments - beginning of year</b>	<u>8,514,932</u>	<u>19,982,628</u>	<u>9,676,277</u>
<b>Cash and investments - end of year</b>	<u>\$ 11,304,084</u>	<u>\$ 22,882,349</u>	<u>\$ 13,289,685</u>
<b>Summary of cash investments - end of year:</b>			
Cash and investments	\$ 11,303,464	\$ 10,179,294	\$ 13,288,983
Restricted cash with fiscal agent	620		702
Cash with fiscal agents		<u>12,703,055</u>	
Total cash and investments - end of year	<u>\$ 11,304,084</u>	<u>\$ 22,882,349</u>	<u>\$ 13,289,685</u>

Business-Type Activities Enterprise Funds			Governmental Activities
Solid Waste Disposal	Other Enterprise Funds	Total Enterprise	Internal Service Funds
\$ 8,994,301	\$ 1,359,701	\$ 59,024,526	\$
34,502	3,078,636	7,208,521	
	(24,489)	155,262	27,890,754
(5,592,020)	(2,080,977)	(33,459,970)	(178,162)
(2,749,050)	(379,518)	(11,740,533)	(15,591,744)
687,733	1,953,353	21,187,806	(10,596,725)
			1,524,123
	28,919	(8,099)	
		(2,113,440)	63,195
	28,919	(2,121,539)	63,195
(20,945)	(320,348)	(1,586,595)	(1,586,109)
948,000		948,000	
(34,802)	(3,625)	(5,243,481)	(789,509)
(4,900)	(10,531)	(1,825,306)	(96,951)
		33,842	
887,353	(334,504)	(7,673,540)	(2,472,569)
281,513	206,893	1,620,814	451,282
281,513	206,893	1,620,814	451,282
1,856,599	1,854,661	13,013,541	(433,969)
6,845,871	4,902,814	49,922,522	14,194,649
\$ 8,702,470	\$ 6,757,475	\$ 62,936,063	\$ 13,760,680
\$ 8,702,470	\$ 6,757,475	\$ 50,231,686	\$ 12,927,947
		1,322	
		12,703,055	832,733
\$ 8,702,470	\$ 6,757,475	\$ 62,936,063	\$ 13,760,680

**City of Lompoc**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2019**  
**Page 2**

	<b>Business-Type Activities Enterprise Funds</b>		
	<b>Water Utility</b>	<b>Electric Utility</b>	<b>Wastewater Utility</b>
Operating income (loss)	\$ 2,116,390	\$ 3,337,832	\$ 4,621,846
<b>Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:</b>			
Depreciation and amortization	1,227,743	2,220,446	4,446,026
Accounts receivable	(28,895)	4,939	(63,480)
Due from other funds	9,151	170,600	
Prepaid expenses	7,531	(154,805)	667
Inventories	34,883	(278,346)	116,517
Accounts payable	47,717	103,339	49,659
Due to other funds			
Accrued wages and benefits	163,714	292,543	99,807
Deposits payable	896		
Trust deposits			
Compensated absences			
Landfill closure and post-closure costs			
Claim liabilities			
 Total adjustments	 1,462,740	 2,358,716	 4,649,196
 Net cash provided by operating activities	 \$ 3,579,130	 \$ 5,696,548	 \$ 9,271,042

<b>Business-Type Activities Enterprise Funds</b>			<b>Governmental Activities</b>
<b>Solid Waste Disposal</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise</b>	<b>Internal Service Funds</b>
<u>\$ 400,832</u>	<u>\$ 967,828</u>	<u>\$ 11,444,728</u>	<u>\$ 1,633,266</u>
129,379	494,331	8,517,925	1,420,563
(210,773)	565,632	267,423	(41,928)
		179,751	(178,162)
667		(145,940)	57,725
	34,959	(91,987)	4,767
74,905	(97,670)	177,950	(365,762)
	(24,489)	(24,489)	
94,495	12,062	662,621	(423,966)
		896	
	700	700	
			(48,380)
198,228		198,228	
			(534,000)
<u>286,901</u>	<u>985,525</u>	<u>9,743,078</u>	<u>(109,143)</u>
<u>\$ 687,733</u>	<u>\$ 1,953,353</u>	<u>\$ 21,187,806</u>	<u>\$ 1,524,123</u>

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# **Fiduciary Fund Financial Statements**

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**City of Lompoc**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2019**

	<b>Successor Agency Private-Purpose Trust Fund</b>	<b>Agency Funds</b>
<b>Assets</b>		
Cash and investments	\$ 651,454	\$ 1,610,705
Cash with fiscal agent	1,414,694	
Accounts receivable, net		591,535
Interest receivable	1,236	3,273
Total assets	2,067,384	2,205,513
<b>Deferred Outflows of Resources</b>		
Other post-employment benefits related	3,768	
Pension related	39,231	
Total deferred outflows of resources	42,999	
<b>Liabilities</b>		
Accounts payable		392,558
Accrued wages and benefits	1,270	
Interest payable	212,538	
Long-Term Liabilities:		
Portion due within one year:		
Direct borrowing bonds payables	415,000	
Compensated absences	5,820	
Amounts due to others		1,812,955
Portion due in more than one year:		
Direct borrowing bonds payables	11,825,000	
Net other post-employment benefits liability	17,726	
Net pension liability	278,972	
Total liabilities	12,756,326	\$ 2,205,513
<b>Deferred Inflows of Resources</b>		
Pension related	4,977	
Other post-employment benefits related	363	
Total deferred inflows of resources	5,340	
<b>Net Position</b>		
Held in trust for successor agency activities	\$ (10,651,283)	

**City of Lompoc**  
**Statement of Change in Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2019**

	<b>Successor Agency Private-Purpose Trust Fund</b>
<b>Additions:</b>	
Property taxes	\$ 1,130,664
Other revenues	44,492
Total additions	1,175,156
<b>Deductions:</b>	
Administrative expenses	134,256
Interest on long-term debt	651,281
Total deductions	785,537
Change in net position	389,619
<b>Net position - beginning of year</b>	(11,194,411)
Prior year restatement	153,509
<b>Net position - beginning of year, restated</b>	(11,040,902)
<b>Net position - end of year</b>	\$ (10,651,283)

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**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

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The notes are an integral part and essential to present fairly the information contained in the overview level of the basic financial statements. Narrative explanations are intended to communicate information that is not readily apparent or cannot be included in the statements themselves, and to provide additional disclosures as required by the Governmental Accounting Standards Board.

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**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 1: Summary of Significant Accounting Policies**

**The Reporting Entity**

The City of Lompoc (the City) was incorporated in 1888. The City is a general law city under the laws of the State of California and operates under a Council-Manager form of government. The City provides the following services: public safety (police and fire), construction and maintenance of highways and streets, sanitation, culture and recreation, public improvements, planning, zoning and general administration. Enterprise funds, operated in a manner similar to a private business, include water, electric, wastewater, solid waste, transit, and other business-type enterprises.

The City has defined its reporting entity in accordance with the Governmental Accounting Standards Board (GASB). These standards provide guidance for determining which organizations, functions and activities of a government should be included in the general purpose financial statements.

The accompanying financial statements include all activities and reporting entities over which the City exercises oversight responsibility. The criteria for inclusion in the basic financial statements are generally based upon the ability of the City to exercise operational responsibility over such organization, function, and activities which includes appointing governing boards, designating management, significantly influencing operations, and approving operating budgets or controlling day-to-day activities. Effective January 31, 2012, the Lompoc Redevelopment Agency of the City of Lompoc (the Agency) was dissolved through the State Supreme Court decision on Assembly Bill IX 26. This action impacted the reporting entity of the City that previously had reported the Agency as a blended component unit. See Note 15 for additional information on the dissolution and reporting of the Agency as a private-purpose trust fund.

In determining the financial reporting entity for the City, the following governmental unit has met the criteria for inclusion in the City's financial statements.

*Lompoc Public Financing Authority*

The Lompoc Public Financing Authority (the Authority) was established in 1984, and is a separate governmental entity under the laws of the State of California. The purpose of the Authority is to provide financing for the construction and acquisition of selected City facilities. The City Council and the Board of Directors of the Authority are legally separate boards; however, they share a common membership. Activities of the Authority are accounted for in the applicable City governmental or enterprise funds. Separate financial statements are not prepared for the Authority, as it is included in the accompanying financial statements as a blended component unit.

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**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 1: Summary of Significant Accounting Policies (Continued)**

*Other Governmental Agencies*

Other governmental agencies provide various levels of services to residents of the City, either entirely or partially. The entities include, but are not limited to, the State of California, the County of Santa Barbara, and several school districts. Each of these agencies has an independently elected governing board or is dependent on an independently elected governing board other than the City Council.

The City has no ability to appoint or control the management of any of these entities and is not responsible for any operating losses or debts incurred. As a result of the above analysis, financial information for these agencies is not included within the scope of this report.

**Basis of Presentation**

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applied to governmental agencies. The following summary of the City's more significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies should be viewed as an integral part of the accompanying financial statements.

The City's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The GASB is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on the primary government and its blended component unit. To minimize the double counting of internal activities, the effect of interfund activity has been removed from these statements. However, interfund services provided and used have not been eliminated in the consolidation process. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 1: Summary of Significant Accounting Policies (Continued)**

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**Major Funds and Other Funds**

GASB requires that the City's major governmental funds be identified and presented separately in the fund financial statements. All other funds, called non-major funds, are combined and reported in a single column, regardless of their fund type.

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

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

*General Fund:* This fund accounts for all financial resources except those to be accounted for in another fund. It is the general operating fund of the City.

The City reported the following major proprietary funds in the accompanying financial statements:

*Water Utility Fund:* This fund accounts for the operation of the City's water utility, a self-supporting activity, which renders service on a user charge basis to residents and businesses.

*Electric Utility Fund:* This fund accounts for the operations of the City's electric utility, a self-supporting activity, which renders service on a user charge basis to residents and businesses.

*Wastewater Utility Fund:* This fund accounts for the operations of the City's wastewater utility, a self-supporting activity, which renders service on a user charge basis to residents and businesses.

*Solid Waste Fund:* This fund accounts for the operations of the City's solid waste collection and disposal services, a self-supporting activity, which renders service on a user charge basis to residents and businesses.

The City also reports the following funds:

*Internal Service Funds:* Internal Service Funds are used to finance and account for special activities and services performed by designated departments of the City for other departments in the City on a cost reimbursement basis. The internal service funds include the employment benefits and insurance control, vehicle, communications, and stores funds.

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**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 1: Summary of Significant Accounting Policies (Continued)**

*Fiduciary Funds:* These funds are custodial in nature and do not involve measurement of results of operation. The City maintains the Successor Agency Trust Fund, a Private Purpose Trust Fund, and Agency Funds used to account for resources held by the City in a purely custodial capacity. The financial activities of funds are excluded from the government-wide financial statements, but are presented in separate fiduciary fund statements. Fiduciary funds apply the accrual basis of accounting but do not have a measurement focus.

*Agency Funds* are used to receipt fiduciary resources from individuals and private organizations, such as deposits for utilities.

*The Successor Agency Trust Fund* accounts for the assets and activities of the dissolved redevelopment agency. The Successor Agency is comprised seven-member representatives from local government bodies. The Successor Agency's assets can only be used to pay enforceable obligations in existence at the date of dissolution.

**Basis of Accounting**

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after fiscal year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent that they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Other revenues susceptible to accrual include other taxes, intergovernmental revenues, interest, and charges for services.



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**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 1: Summary of Significant Accounting Policies (Continued)**

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted Net Position may be available to finance program expenditures/expenses. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

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

The City has established agency funds, which are used to account for funds held by the City as an agent for private individuals or organizations. The agency funds are accounted for using the accrual basis of accounting.

**Budgetary Information**

A two-year budget is legally adopted for all funds by the City Council prior to July 1 of odd years, on a basis consistent with accounting principles generally accepted in the United States of America. After adoption of the final budget, transfers of appropriations within a General Fund department, or within other funds, can be made by the Management Services Director. Budget modifications between funds and increases or decreases to a fund's overall budget, must be approved by the City Manager or City Council. Numerous properly authorized amendments were made during the fiscal year. The appropriations are legally adopted at the major expenditure classification level for each department within each fund. Expenditures may not legally exceed appropriations at the department level.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the City considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. The proprietary funds' deposits in the City-wide cash management pool are, in substance, demand deposits and are, therefore, considered cash equivalents for purposes of the statement of cash flows.

**Fair Value Measurements**

The City's investments are carried at fair value and its fair value measurements are categorized within the fair value hierarchy established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City uses valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

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**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 1: Summary of Significant Accounting Policies (Continued)**

For fiscal year ended June 30, 2019, the application of valuation techniques applied to the City's financial statements has been consistent.

**Receivables and Payables**

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds".

All trade and property tax receivables are shown net of any allowance for uncollectible accounts, if material. Property tax assessment and collection is administered by the County of Santa Barbara.

**Property Taxes**

California Constitution Article XIII A limits the combined property tax rate to 1% of a property's assessed valuation. Additional taxes may be imposed with voter approval. Assessed value is calculated at 100% of a property's fair value, as defined by Article XIII A, and may be increased no more than 2% percent per year unless a change in ownership occurs. The state legislature has determined the method of distributing the 1% tax levy among the various taxing jurisdictions.

In 2011 the City elected to receive property tax revenue in accordance with the County's Teeter plan whereby the County remits 100% of taxes levied without regard to delinquencies. The County then pursues collection, retaining any delinquent taxes and related penalties and interest. Property taxes are billed and collected by the County on behalf of the City. Property taxes attach as an enforceable lien on the property on March 1. Taxes levied on July 1 are due on November 1 and February 1, and become delinquent after December 10 and April 10, respectively.

**Inventories**

Inventories are valued at weighted average cost for all funds under the consumption method of accounting. Under this method, purchases are recorded as increases in inventory and charged to expenditures when used.

**Prepaid Expenses/Expenditures**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in the financial statements.

**Capital Assets**

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated acquisition value on the date contributed. The City's policy is to capitalize all capital assets with costs exceeding \$5,000 and with useful lives exceeding one year. Donated capital assets, donated works of art, and similar items, and capital assets received in service concession arrangements are reported at acquisition value when received.

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**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 1: Summary of Significant Accounting Policies (Continued)**

With the implementation of GASB Statement No. 34, the City has recorded all its public domain (infrastructure) capital assets, which include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems.

The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each fiscal year represents that fiscal year's pro rata share of the cost of capital assets. GASB Statement No. 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives. Depreciation is provided using the straight-line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each fiscal year until the asset is fully depreciated.

The City has assigned the useful lives listed below to capital assets:

Buildings and utility plants	10-50 years
Improvements other than buildings	5-10 years
Equipment, machinery and vehicles	6-30 years
Infrastructure	10-50 years

**Deferred Outflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. The deferred outflows of resources is a separate financial statement element. It represents 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. In the government-wide and proprietary funds statement of net position, the City reported three items in this category:

1. Pension related – A deferred resource is defined as an acquisition of net pension applicable to a future reporting period. These balances represent current fiscal year contributions to the pension plan that will be applied as a reduction in net pension liability in the next fiscal year; or other items arising from changes in actuarial assumptions, differences between actual and projected experience, or differences between actual and projected investment gains/losses. These amounts will be amortized and reported as a component of pension expense in future fiscal years.
2. Other post-employment benefits (OPEB) – A deferred resource is defined as an acquisition of net OPEB applicable to a future reporting period. These balances represent current fiscal year OPEB contributions to the OPEB plan that will be applied as a reduction in net OPEB liability in the next fiscal year; or other items arising from changes in actuarial assumptions, differences between actual and projected experience, or differences between actual and projected investment gains/losses. These amounts will be amortized and reported as a component of OPEB expense in future fiscal years.

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**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 1: Summary of Significant Accounting Policies (Continued)**

3. Unamortized loss on refunding - A deferred charge on refunding bonds results from the difference in the carrying value of debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

**Deferred Inflows of Resources**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources is a separate financial statement element, represents acquisitions of fund balance or 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 reported the following in the government-wide and proprietary funds statement of net position:

1. Pension related - A deferred resource is defined as the balance that arises from changes in actuarial assumptions; differences between actual and projected experience; and differences between actual and projected investment gains/losses. These amounts will be amortized and reported as a component of pension expense in future fiscal years.
2. Other post-employment benefits (OPEB) related - A deferred resource is defined as the balance that arises from changes in actuarial assumptions; differences between actual and projected experience; and differences between actual and projected investment gains/losses. These amounts will be amortized and reported as a component of OPEB expense in future fiscal years

**Compensated Absences**

In compliance with GASB Statement No. 16, the City has established a liability for accrued sick leave and vacation, compensated absences, in the Employment Benefit and Insurance Control Fund, an Internal Service Fund. The Employment Benefit and Insurance Control Fund is reimbursed through payroll charges to all other funds based on estimates of benefits to be earned and used during the fiscal year. This liability is set up for current employees at the current rates of pay. If sick leave and vacation are not used by the employee during the term of employment, vested compensation is payable to the employee at the time of retirement. It is the policy of the City to pay all accumulated vacation pay when an employee retires or separates from employment. Accumulated sick pay is payable according to a schedule based on years of service when an employee retires from the City. Such compensation is calculated at the employee's prevailing rate at the time of retirement or separation. Each fiscal year, an adjustment to the liability is made based on pay rate changes and adjustments for the current portion of the liability.

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**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 1: Summary of Significant Accounting Policies (Continued)**

**Net Pension Liability**

The City recognizes a net pension liability, which represents the City's proportionate share of the excess of the total pension liability over the fiduciary net position of the pension reflected in the actuarial reports provided by the California Public Employees' Retirement System (CalPERS) plans (Plans). The net pension liability is measured as of the City's prior fiscal year-end. Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in the net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expensed or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred.

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's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Other Post-employment Benefits (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes.

For this report, the following timeframes are used:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018

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**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 1: Summary of Significant Accounting Policies (Continued)**

**Net Position**

GASB Statement No. 34, amended by GASB Statement No. 63, adds the concept of net position, which is measured on the full accrual basis, to the concept of fund balance, which is measured on the modified accrual basis.

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

*Net Investment in Capital Assets:* Describes the portion of net position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance those assets.

*Restricted Net Position:* Describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and funds restricted to low and moderate income purposes.

*Unrestricted Net Position:* Describes the portion of net position which is not restricted to use.

**Fund Equity**

The City's financial statements report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, identifies five components of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

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

*Restricted:* This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes legally enforceable requirements (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

*Committed:* This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest authority, the City Council of the City of Lompoc. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution by the City Council of the City of Lompoc.

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**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 1: Summary of Significant Accounting Policies (Continued)**

*Assigned:* This component consists of amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Such intent should be expressed by the City Council or its designated officials to assign amounts to be used. Constraints imposed on the use of assigned amounts can be removed with no formal Council actions.

*Unassigned:* This component consists of amounts that have not been restricted, committed or assigned to specific purposes. The general fund is the only fund that reports a positive unassigned fund balance amount. On other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in the governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

**Fund Balance Spending Policy**

The City has formally adopted a spending policy regarding the order in which restricted, committed, assigned, and unassigned fund balances are spent when more than one amount is available for a specific purpose. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the City's policy to use committed resources first, then assigned, and then unassigned as they are needed.

**Estimates**

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

**Note 2: Cash and Investments**

At June 30, 2019, cash and investments held by the City Treasury are reflected in the financial statements as follows:

Cash and investments held in City Treasury	\$ 100,308,268
Less cash and investments held in fiduciary funds	<u>(3,676,853)</u>
Total government-wide	<u><u>\$ 96,631,415</u></u>

**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 2: Cash and Investments (Continued)**

At June 30, 2019, cash investments consisted of the following:

	<b>Fair Value</b>	<b>Percent of Portfolio</b>
Cash and cash equivalents:		
Cash on hand (petty cash and change funds)	\$ 4,785	<0.1%
Deposits with financial institutions	8,061,731	8.3%
Cash with fiscal agents	14,298,564	14.8%
Investments:		
Local Agency Investment Fund (LAIF)	29,884,710	30.9%
Certificates of Deposits	2,936,020	3.0%
Corporate Bonds	4,917,110	5.1%
US Government Securities	36,528,495	37.8%
Total	\$ 96,631,415	100.0%

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted in active market;
- Level 2: Investments reflect prices that are based on similar observable assets either directly or indirectly, which may include inputs in markets that are not considered to be active; and,
- Level 3: Investments reflect prices based upon unobservable sources.

<b>Types of Investments</b>	<b>June 30, 2019</b>	<b>Level 2</b>
Investments by fair value hierarchy		
US Government Securities	\$ 36,528,495	\$ 36,528,495
Corporate Bonds	4,917,110	4,917,110
Certificate of Deposits	2,936,020	2,936,020
Total investments by fair value hierarchy	44,381,625	\$ 44,381,625
Investment not subject to fair value hierarchy		
Local Agency Investment Fund (LAIF)	29,884,710	
Total investments not subject to fair value hierarchy	29,884,710	
Total investment measured at fair value	\$ 74,266,335	

The valuation technique used was indirect matrix pricing by the City's vendor in comparable benchmark quoted markets.



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**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 2: Cash and Investments (Continued)**

**Investment Policy**

Cash balances from all funds are combined and invested to the extent possible, pursuant to the City's investment policy, and State Government Code. The earnings from these investments are allocated monthly to each fund, based on an average of monthly opening and closing balances of cash and investments. Interest earned from cash and investments with fiscal agents is credited directly to such funds.

As defined in the California Government Code Section 53601 and the City's investment policy, the following investment instruments are authorized:

- Securities issued or guaranteed by the federal government or its agencies
- Repurchase and reverse repurchase agreements
- Bankers' acceptances
- Commercial paper
- Corporate notes and money market mutual funds
- Negotiable certificates of deposit
- State Local Agency Investment Fund (LAIF)

The policy, in addition to State statutes, establishes that funds on deposit in banks must be federally insured or collateralized and investments shall have maximum maturity not to exceed five years and be subject to limitations to a certain percent of the portfolio for each of the authorized investments.

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 based on quoted market prices, in accordance with GASB standards.

The City maintains investments with the State of California Local Agency Investment Fund (LAIF). The LAIF is an external investment pool sponsored by the State of California. These pooled funds approximate fair value is based upon the City's share for the entire LAIF portfolio, in relation to the amortized cost of that portfolio. The administration of the LAIF is provided by the California State Treasurer and regulatory oversight is provided by the Pooled Money Investment Board and the Local Investment Advisory Board. State statutes, bond resolutions, and LAIF investment policy resolutions allow investments in United States government securities, negotiable certificates of deposit, bankers' acceptances, commercial paper, corporate bonds, bank notes, mortgage loans and notes, other debt securities, repurchase agreements, reverse repurchase agreements, equity securities, real estate, mutual funds and other investments. The State LAIF pool credit quality is unrated.

**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 2: Cash and Investments (Continued)**

**Cash with Fiscal Agents**

The City had \$14,298,564 of funds held by fiscal agents pledged for the payment or security of certain liabilities, bonds and capital leases. The California Government code provides that these monies, in the absence of specific statutory provisions governing the issuance of bonds, certificates, or leases, may be invested in accordance with the ordinance, resolutions, or indentures specifying the types of investments its fiscal agents may make. These ordinances, resolutions, and indentures are generally more restrictive than the City's general investment policy. In no instance have additional types of investments, not permitted by the City's general investment policy, been authorized.

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a formal deposit policy for custodial credit risk in addition to the California Government Code collateral requirements. All deposits held by financial institutions are fully insured or collateralized with securities, held by the pledging financial institutions' trust departments in the City's name.

For custodial credit risk associated with deposits, the City's policy is to follow the California Government Code which required California financial institutions to secure the City's deposits by pledging government securities as collateral. The fair value of the pledge securities must equal 110% of the City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes equal to 150% of the City's deposits.

**Interest Rate Risk**

The City's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the City's investment portfolio shall remain sufficiently liquid to enable the City to meet its cash flow requirements. An adequate portion of the portfolio shall be maintained in liquid short-term securities which can be converted to cash and guarantee the City's ability to meet operating expenditures.

At June 30, 2019, investments by maturities was as follows:

	<b>Fair Value</b>	<b>Less Than One Year</b>	<b>One to Three Years</b>	<b>Three to Five Years</b>
State LAIF	\$ 29,884,710	\$ 29,884,710	\$	\$
U.S. Government Securities	36,528,495		32,569,083	3,959,413
U.S corporate bonds	4,917,110			4,917,110
Collateralized certificates of deposit	2,936,020	729,353	1,458,377	748,291
Total	<u>\$ 74,266,335</u>	<u>\$ 30,614,063</u>	<u>\$ 34,027,460</u>	<u>\$ 9,624,814</u>

Investments held by fiscal agents are structured with maturity dates that correspond to the payment of final debt service of the respective liability.

**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 2: Cash and Investments (Continued)**

**Credit Risk**

State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The City has no investment policy that would further limit its investment choices.

The following identifies the Standard & Poor's credit quality ratings for those investments requiring disclosures as of June 30, 2019:

	<u>Fair Value</u>	<u>AA+</u>	<u>AA-</u>	<u>Not Rated</u>
State LAIF	\$ 29,884,710	\$	\$	\$ 29,884,710
U.S. Government securities	36,528,495	36,528,495		
U.S corporate bonds	4,917,110	2,950,075	1,967,035	
Collateralized certificates of deposit	2,936,020			2,936,020
	<u>\$ 74,266,335</u>	<u>\$ 39,478,570</u>	<u>\$ 1,967,035</u>	<u>\$ 32,820,730</u>

The City places no limit on the amount the City may invest in any one issuer. The City is unlimited in the amount and percentage of the total portfolio it may invest in Certificates of Deposit. The City's investments in the LAIF represented 40.2% of total investments at June 30, 2019.

Investments that exceed 5% of the portfolio by issuer are summarized below:

	<u>Fair Value</u>	<u>Percent of Portfolio</u>
Federal Home Loan Mortgage Corporation	\$ 12,186,649	33%
Federal National Mortgage Association	5,829,720	16%
Federal Farm Credit Banks	8,747,412	24%
Federal Home Loan Banks	9,764,714	27%

**Note 3: Loans Receivable**

**Community Development Loans Receivable**

Community Development Block Grants provide for low-income housing assistance; first time home buyers assistance; and single and multi-family rehabilitation loans. The City of Lompoc Single Family Rehabilitation Loan Program (the Program) assists low and moderate income homeowners within the City by providing low interest rate loans for home rehabilitation projects. Loans are collateralized by a Deed of Trust recorded on the property. The Program's goals are to provide income qualified homeowners the opportunity to make home improvements and repairs at minimal cost and allow them to protect and/or increase the value of their investment. The Program is designed to improve the quality of life for low-income families and seniors by maintaining and upgrading the City's housing stock. The Program also provides for loans to individuals and other organizations that provide benefits to low-income households

**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 3: Loans Receivable (Continued)**

or neighborhoods. The loans' principal and interest amounts are typically deferred and due at maturity. Some loan terms provide for maturity upon the sale of the property. Interest rates range from 0% - 4% per annum. At June 30, 2019, the outstanding loans receivable was \$1,699,786.

**Affordable Housing-In-Lieu Loans Receivable**

The City established an Affordable Housing In-Lieu Fee Program (the Program) to allow a developer of a residential development to elect to pay a fee as an alternative to providing affordable housing units on-site, if on-site units are determined to be infeasible. The Program was originally established for residential developments located outside the boundaries of the Old Town Lompoc Redevelopment Project Area. At June 30, 2019, the outstanding loans receivable was \$230,000.

The City manages low and moderate income housing loans in its various programs. The loans are collateralized by a Deed of Trust recorded on the property. The loans' principal and interest amounts are typically deferred and due at maturity. Some of the loans provide for maturity upon the sale of the property. Interest rates range from 0% - 4% per annum. At June 30, 2019, the outstanding loans receivable was \$2,427,818.

The City also manages the Homebuyers Assistance Program, in collaboration with the Housing Trust Fund of Santa Barbara (HTF) and Peoples' Self Help Housing Corporation. The program helps bridge the affordability gap by providing 30 years deferred payment loans up to \$50,000. The interest is a 3% simple interest rate compounded annually and is repaid upon sale. At June 30, 2019, the outstanding loans receivable was \$2,139,326.

At June 30, 2019, the aggregate maturities of loans receivable were as follows:

<u>For the Year Ending June 30,</u>		
2020	\$	120,638
2021		7,175
2022		7,393
2023		7,616
2024		7,432
Thereafter		6,346,676
Total	\$	6,496,930

**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 4: Capital Assets**

Capital assets activity for the year ended June 30, 2019, was as follows:

<b>Governmental activities</b>	<b>Balance June 30, 2018</b>	<b>Additions</b>	<b>Deductions</b>	<b>Transfers</b>	<b>Balance June 30, 2019</b>
Capital assets not being depreciated:					
Land	\$ 28,541,615	\$	\$	\$	\$ 28,541,615
Construction in progress	2,311,167	1,953,158		(347,546)	3,916,779
Total capital assets not being depreciated	<u>30,852,782</u>	<u>1,953,158</u>		<u>(347,546)</u>	<u>32,458,394</u>
Capital assets being depreciated:					
Buildings and improvements	39,182,384	515,386		259,446	39,957,216
Vehicles, equipment and machinery	32,563,821	1,197,075	(115,729)	74,291	33,719,458
Infrastructure	81,209,616	1,607,593		77,011	82,894,220
Total capital assets being depreciated	<u>152,955,821</u>	<u>3,320,054</u>	<u>(115,729)</u>	<u>410,748</u>	<u>156,570,894</u>
Less accumulated depreciation for:					
Buildings and improvements	19,284,687	1,086,283		18,386	20,389,356
Vehicles, equipment and Machinery	25,235,753	1,929,523	(115,729)	(64,449)	26,985,098
Infrastructure	47,249,466	1,935,168		46,063	49,230,697
Total accumulated depreciation	<u>91,769,906</u>	<u>4,950,974</u>	<u>(115,729)</u>	<u>-</u>	<u>96,605,151</u>
Total capital assets being depreciated, net	<u>61,185,915</u>	<u>(1,630,920)</u>		<u>410,748</u>	<u>59,965,743</u>
Governmental activities capital assets, net	<u>\$ 92,038,697</u>	<u>\$ 322,238</u>	<u>\$</u>	<u>\$ 63,202</u>	<u>\$ 92,424,137</u>

Depreciation expense charged to functions/programs for the government activities was as follows:

Governmental activities:	
General government	\$ 252,890
Police protection	163,083
Fire protection	17,897
Engineering/streets	1,999,851
Building	124,292
Community development	103,696
Parks and recreation	868,702
Internal service funds	
Vehicle	1,177,757
Communications	224,520
Stores	18,286
Total governmental activities depreciation expense	<u>\$ 4,950,974</u>

Governmental activities capital assets include assets under capital leases. The amount of assets under capital leases included in buildings and improvements was \$1,366,398 and in equipment was \$2,590,074, and related accumulated depreciation was \$713,593 and \$709,690, respectively, as of June 30, 2019.

**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 4: Capital Assets (Continued)**

Capital assets activity for the year ended June 30, 2019 was as follows:

<b>Business activities</b>	<b>Balance June 30, 2018</b>	<b>Additions</b>	<b>Deductions</b>	<b>Transfers</b>	<b>Balance June 30, 2019</b>
Capital assets not being depreciated:					
Land	\$ 6,937,748	\$	\$	\$	\$ 6,937,748
Construction in progress	5,059,642	1,360,836	(164,979)	(2,495,774)	3,759,726
Total capital assets not being depreciated	<u>11,997,390</u>	<u>1,360,836</u>	<u>(164,979)</u>	<u>(2,495,774)</u>	<u>10,697,474</u>
Capital assets being depreciated:					
Buildings and improvements	161,450,712		(2,584)		161,448,128
Infrastructure	76,043,363	64,219			76,107,582
Equipment	31,862,331	183,975	(7,361)	2,495,774	34,534,719
Vehicles and machinery	13,591,405	139,680		(63,202)	13,667,884
Total capital assets being depreciated	<u>282,947,811</u>	<u>387,875</u>	<u>(9,945)</u>	<u>2,432,572</u>	<u>285,758,313</u>
Less accumulated depreciation for:					
Buildings and improvements	54,141,322	3,620,614			57,761,936
Infrastructure	43,507,512	2,289,829			45,797,341
Equipment	19,707,778	2,439,150			22,146,928
Vehicles and machinery	12,449,883	168,332	(631)		12,617,584
Total accumulated depreciation	<u>129,806,495</u>	<u>8,517,925</u>	<u>(631)</u>	<u>-</u>	<u>138,323,789</u>
Total capital assets being depreciated, net	<u>153,141,316</u>	<u>(8,130,050)</u>	<u>(9,314)</u>	<u>2,432,572</u>	<u>147,434,524</u>
Business-type activities capital assets, net	<u>\$ 165,138,706</u>	<u>\$ (6,769,214)</u>	<u>\$ (174,293)</u>	<u>\$ (63,202)</u>	<u>\$ 158,131,998</u>

Depreciation expense was charged to funds as follows:

Business-type activities:

Water	\$ 1,227,743
Wastewater	4,446,026
Transit	294,597
Electric	2,220,446
Solid Waste	129,379
Airport	196,315
Broadband	<u>3,419</u>
Total business-type activities depreciation expense	<u>\$ 8,517,925</u>

Business-type activities capital assets include assets under capital leases. The amount of assets under capital leases included in buildings and improvements was \$2,915,638 and in equipment was \$3,493,117, and related accumulated depreciation was \$1,522,611 and \$1,469,774, respectively, as of June 30, 2019.

**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 5: Long-Term Liabilities**

The City's long-term debt for the year ended June 30, 2019 was as follows:

<b>Governmental Activities</b>	<b>Balance June 30, 2018</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2019</b>	<b>Due Within One Year</b>
Direct borrowing 2004 tax allocation bonds	\$ 1,920,000	\$	\$ (75,000)	\$ 1,845,000	\$ 80,000
Direct borrowing Capital leases payable	5,425,099		(924,979)	4,500,120	935,359
Claims liabilities	7,466,000	474,007	(1,008,007)	6,932,000	1,733,000
Compensated absences	3,455,002	3,403,025	(4,135,137)	2,722,890	2,457,042
<b>Total</b>	<b>\$ 18,266,101</b>	<b>\$ 3,877,032</b>	<b>\$ (6,143,123)</b>	<b>\$ 16,000,010</b>	<b>\$ 5,205,401</b>

**Direct Borrowing 2004 Tax Allocation Bonds**

During the year ended June 30, 2004, direct borrowing tax allocation bonds in the amount of \$9,955,000 were issued to finance the construction and maintenance of the Aquatic Center, park improvements and other capital improvements. The City has pledged its tax increment and property assessment for repayment of the bonds. The City's former Redevelopment Agency secured \$7,350,000 of the issue amount from future tax increments while the City's Park Maintenance and City Pool Assessment District secured the remaining amount of \$2,605,000 from annual property assessments. The portion of the bonds related to the former Redevelopment Agency have been transferred to the Successor Agency Trust Fund as of February 1, 2012 (See Note 16). The bonds bear interest rates from 2.75% to 4.85%. Principal and interest payments are due each March 2 and September 2 through September 2, 2034. The bonds contain a provision in the event of default, the outstanding principal balance and accrued interest are due and payable immediately. At June 30, 2019, the principal balance outstanding on the City's portion of the bonds was \$1,845,000.

At June 30, 2019, the aggregate maturities of the direct borrowing 2004 tax allocation bonds were as follows:

<b>For the Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 80,000	\$ 84,705	\$ 164,705
2021	85,000	81,270	166,270
2022	90,000	77,550	167,550
2023	90,000	73,635	163,635
2024	95,000	69,518	164,518
2025-2029	550,000	274,705	824,705
2030-2034	695,000	126,578	821,578
2035	160,000	3,880	163,880
<b>Total</b>	<b>\$ 1,845,000</b>	<b>\$ 791,841</b>	<b>\$ 2,636,841</b>

**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 5: Long-Term Liabilities (Continued)**

**Direct Borrowing Capital Leases Payable**

The City leases vehicles and equipment under direct borrowing capital leases that expire through September 2028 and are reported as financed purchases of the underlying assets. The city has pledged the underlying assets as collateral on the leases, for a total value of \$2,533,219. The leases contain the provision that in the event of default, the lessor may retake possession of the underlying asset or require payment for the entire balance of the remaining lease term. At June 30, 2019, future minimum payments on direct borrowing capital leases were as follows:

<u>For the Year Ending June 30,</u>	
2020	\$ 1,021,145
2021	920,640
2022	825,585
2023	512,172
2024	414,458
Thereafter	<u>1,130,215</u>
Total minimum lease payments	4,824,215
Less amounts representing interest	<u>(324,095)</u>
Principal portion of capital lease obligation	4,500,120
Less current principal portion	<u>(935,359)</u>
Capital lease obligation, net of current portion	<u><u>\$ 3,564,761</u></u>

The City's business-type long-term debt for the year ended June 30, 2019 was as follows:

<u>Business-type Activities</u>	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2019</u>	<u>Due Within</u> <u>One Year</u>
Direct borrowing 2018 Revenue Bonds - Water	\$ 9,875,000	\$	\$ (615,000)	\$ 9,260,000	\$ 640,000
Direct borrowing 2018 Revenue Bonds - Wastewater	<u>15,190,000</u>		<u>(640,000)</u>	<u>14,550,000</u>	<u>645,000</u>
	25,065,000		(1,255,000)	23,810,000	1,285,000
Plus: Unamortized bond premium	<u>1,763,580</u>		<u>(93,971)</u>	<u>1,669,609</u>	<u>(93,972)</u>
Total revenue bonds	26,828,580		(1,348,971)	25,479,609	1,191,028
Direct placement Wastewater state loan payable	49,075,747		(3,702,907)	45,372,840	3,769,108
Direct placement Landfill state loan payable		948,000		948,000	97,299
Direct borrowing capital leases payable	1,897,331		(191,602)	1,705,729	196,622
Landfill closure and post-closure costs	<u>7,329,697</u>	<u>198,228</u>		<u>7,527,925</u>	
Total	<u>\$ 85,131,355</u>	<u>\$ 1,146,228</u>	<u>\$ (5,243,480)</u>	<u>\$ 81,034,103</u>	<u>\$ 5,254,058</u>



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**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 5: Long-Term Liabilities (Continued)**

**Direct Borrowing Revenue Bonds**

**Wastewater Refunding Revenue Bonds, 2018 Series A**

On April 6, 2018, the City issued \$15,190,000 in direct borrowing Wastewater Refunding Revenue Bonds, 2018 Series A. The proceeds of the bond issue was used to fully extinguish the Wastewater Enterprise's portion of the 1998, 2005, and 2007 revenue bond issues. The refunding resulted in a difference of \$168,029 between the reacquisition price and the net carrying amount of the old debt. This unamortized loss on refunding is reported in the accompanying financial statements as deferred outflows of financial resources and is being amortized as additional interest expense through the year 2037 using the straight-line method and was \$200,073 as of June 30, 2019. The City completed the refunding to reduce its total debt service payment by \$2,101,908 and obtained an economic gain (difference between the present value of the old debt and the new debt service payments) of \$1,528,636. The bonds bear interest from 2.00% to 5.00% and are due in semi-annual installments on March 1 and September 1 through March 1, 2037. At June 30, 2019, the principal amount outstanding on the bond was \$14,550,000. The City has pledged future wastewater system revenues, net of specific operating expenses, to repay the bonds on parity with a pledge that services all parity obligations. The bonds are solely from wastewater customers' net revenues and any moneys in the bond service fund and the reserve fund. For the year ended June 30, 2019, principal and interest paid and total customer net revenues were \$-0- and \$3,344,133, respectively.

**Water Refunding Revenue Bonds, 2018 Series A**

On April 6, 2018 the City issued \$9,875,000 in direct borrowing Water Refunding Revenue Bonds, 2018 Series A. The proceeds of the bond issue were used to fully extinguish the Water Enterprise's portions of the 1998, 2005, and 2007 revenue bond issues. The refunding resulted in a difference of \$153,693 between the reacquisition price and the net carrying amount of the old debt. This unamortized loss on refunding is reported in the accompanying financial statements as deferred outflows of financial resources and is being amortized as additional interest expense through the year 2037 using the straight-line method and was \$145,036 as of June 30, 2019. The City completed the refunding to reduce its total debt service payment by \$1,866,140 and obtained an economic gain (difference between the present value of the old debt and the new debt service payments) of \$979,951. The bonds bear interest from 3.00% to 5.00% and are due in semi-annual installments on March 1 and September 1 through March 1, 2037. At June 30, 2019, the principal amount outstanding on the bond was \$9,260,000. The City has pledged future water system revenues, net of specific operating expenses, to repay the bonds. The bonds are solely from water customers' net revenues and any moneys in the bond service fund and the reserve fund. For the year ended June 30, 2019, principal and interest paid and total customer net revenues were \$-0- and \$9,067,872 respectively.

**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 5: Long-Term Liabilities (Continued)**

At June 30, 2019, the aggregate maturities of the direct borrowing revenue bonds were as follows:

<u>For the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,285,000	\$ 957,138	\$ 2,242,138
2021	1,315,000	918,638	2,233,638
2022	1,375,000	866,038	2,241,038
2023	1,160,000	811,038	1,971,038
2024	1,210,000	764,638	1,974,638
2025-2029	6,785,000	2,854,938	9,639,938
2030-2034	7,480,000	1,274,456	8,754,456
2035-2038	3,200,000	183,519	3,383,519
Total	<u>\$ 23,810,000</u>	<u>\$ 8,630,403</u>	<u>\$ 32,440,403</u>

**Direct Placement Wastewater State Loan Payable**

On May 3, 2007, the City entered into a direct placement financing contract for the Wastewater Treatment Plant upgrade project from the State Water Resources Control Board (SWRCB). Proceeds borrowed during the construction phase that were converted to the loan payable were \$76,337,875. Under the terms of the agreement, the loan was considered to be interest free during the construction phase with a required matching portion of \$15,267,940 which was equal to 16.667% of the total estimated cost of the project. The total repayment obligation, including imputed interest, to the SWRCB loan was \$91,605,815. Repayment on the loan began during the year ended June 30, 2011 and is due in equal annual payments of \$4,580,291 through 2030. The imputed interest rate on the loan is approximately 1.77%. The note contains a provision that in the event of default, the outstanding principal balance and accrued interest are due and payable immediately. At June 30, 2019, the principal balance outstanding was \$45,372,840.

At June 30, 2019, the aggregate maturities of the direct placement wastewater state loan payable were as follows:

<u>For the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 3,769,108	\$ 811,183	\$ 4,580,291
2021	3,836,493	743,798	4,580,291
2022	3,905,083	675,208	4,580,291
2023	3,974,898	605,393	4,580,291
2024	4,045,962	534,329	4,580,291
2025-2029	21,341,038	1,560,415	22,901,453
2030	4,500,258	80,456	4,580,714
Total	<u>\$ 45,372,840</u>	<u>\$ 5,010,781</u>	<u>\$ 50,383,621</u>

**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 5: Long-Term Liabilities (Continued)**

**Direct Placement Landfill State Loan Payable**

On March 1, 2017, the City entered into a direct placement financing contract with the State of California, Department of Resources Recycling and Recovery (CalRecycle) and on July 23, 2018 the City secured \$1,000,000 in financing for the Solid Waste Disposal and Codisposal Site Cleanup Program for the City of Lompoc Landfill Gas Collection and Control System (LGCCS) project from CalRecycle. Proceeds borrowed in fiscal year 2018-19 for the LGCCS project that were converted to the loan payable were \$948,000, and the remaining \$52,000 approved financing remains available for future disbursement. The total repayment obligation, including interest, to the CalRecycle loan is \$1,033,723. Repayment on the loan begins during the year ending June 30, 2020, and is due in equal annual payments of \$103,372 through fiscal year 2029. The interest rate on the loan is 0.599% per annum. The note contains a provision that in the event of default, the outstanding principal balance and accrued interest are due and payable immediately. At June 30, 2019, the principal balance outstanding was \$948,000.

At June 30, 2019, the aggregate maturities of the direct placement landfill state loan payable were as follows:

<u>For the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 97,299	\$ 6,073	\$ 103,372
2021	97,890	5,482	103,372
2022	98,485	4,888	103,373
2023	99,071	4,301	103,372
2024	99,684	3,688	103,372
2025-2029	455,571	9,290	464,861
Total	<u>\$ 948,000</u>	<u>\$ 33,722</u>	<u>\$ 981,722</u>

**Direct Borrowing Capital Leases Payable**

The City leases vehicles and equipment under direct borrowing capital leases that expire through June 2027 and are reported as financed purchases of the underlying assets. The city has pledged the underlying assets as collateral on the leases, for a total value of \$3,416,857. The leases contain the provision that in the event of default, the lessor may retake possession of the underlying asset or require payment for the entire balance of the remaining lease term.

**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 5: Long-Term Liabilities (Continued)**

At June 30, 2019, future minimum payments on direct borrowing capital leases were as follows:

<u>For the Year Ending June 30,</u>	
2020	\$ 243,319
2021	243,319
2022	243,319
2023	243,319
2024	210,862
Thereafter	<u>738,030</u>
Total minimum lease payments	1,922,168
Less amounts representing interest	<u>(216,439)</u>
Principal portion of capital lease obligation	1,705,729
Less current principal portion	<u>(196,622)</u>
Capital lease obligation, net of current portion	<u><u>\$ 1,509,107</u></u>

**Landfill Closure and Post-Closure Costs**

State and federal laws and regulations require the City to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The landfill closure and post-closure care liability is \$7,527,925 at June 30, 2019, and represents the cumulative amount based on the use of 45.0% of the estimated capacity of the landfill used to date. This amount is based on what it would cost to perform all closure and post-closure care in 2019. The estimated total current cost of closure and post-closure care remaining to be recognized is \$9,207,350. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. The City expects to close the landfill in the year 2047.

The City is required by state and federal laws and regulations to make annual contributions to the reserve account to finance closure and post-closure care. The City is in compliance with these requirements, and at June 30, 2019, restricted net position in the amount of \$3,386,240 was designated for this purpose. The City expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these cost may need to be covered by charges to future landfill users.

**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 6: Pension Plans**

The City contributes to CalPERS for its employees. The City participates in one agent-multiple employer plan for its miscellaneous employees (Miscellaneous Plan) and one cost-sharing employer plan with five tier groups for its safety employees (Safety Plan). The Miscellaneous Plan is described in the first section of this footnote under Agent-Multiple Employer Plan and the Safety Plan follows and is described in the second section of this footnote under Cost-Sharing Employer Plan. The portion of the Miscellaneous Plan that has been allocated to the Successor Agency Trust Fund, a Private-purpose Trust Fund, is included in the Miscellaneous Plan summaries in this footnote. A summary of the government-wide balances for all Plans at June 30, 2019 are as follows:

	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
Miscellaneous Plan	\$ 54,946,110	\$ 10,383,558	\$ 931,441	\$ 8,782,668
Safety Plan	30,304,293	6,780,171	966,016	4,767,115
Less Successor Agency Fund	(278,972)	(39,231)	(4,977)	(32,269)
Total Government-Wide	<u>\$ 84,971,431</u>	<u>\$ 17,124,498</u>	<u>\$ 1,892,480</u>	<u>\$ 13,517,514</u>

**Agent-Multiple Employer Plan**

**General Information about the Pension Plans**

**Plan Description.** As noted above, the City contributes to CalPERS for a defined benefit pension plan for all qualified permanent and probationary employees. CalPERS acts as a common investment and administrative agent for its participating member employers. 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 plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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

**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 6: Pension Plans (Continued)**

The Miscellaneous Plan's provisions and benefits in effect at June 30, 2019, are summarized as follows:

	<b>Miscellaneous</b>		
	<b>Prior to November 19, 2011</b>	<b>November 19, 2011 to December 31, 2012</b>	<b>On or after January 1, 2013</b>
Hire date			
Benefit formula	2.7% @ 55	2% @ 60	2% @ 62
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 - 55	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8%	7%	6.25%
Required employer contribution rates	27.563%	27.563%	27.563%

While the City's Miscellaneous Plan is not closed to new entrants, the component option of 2.7% @ 55 is closed to new entrants. Classic Members, as defined by CalPERS, entering the City's Miscellaneous Plan would enter the 2% @ 60 option while New Members, as defined by CalPERS, entering the City's Miscellaneous Plan would enter the 2% @ 62 option.

**Employees Covered**

At June 30, 2018, the measurement date, the following employees were covered by the benefit terms for the Miscellaneous plan.

	<b>Miscellaneous</b>
Inactive employees or beneficiaries currently receiving benefits	350
Inactive employees entitled to but not yet receiving benefits	207
Active employees	295
<b>Total</b>	<b>852</b>

**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 to CalPERS the difference between the actuarially determined rate and the contribution rate of employees.

**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 6: Pension Plans (Continued)**

**Net Pension Liability**

The City's net pension liability for the Miscellaneous Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2018, using an annual actuarial valuation as of June 30, 2017. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**Actuarial Assumptions.** The total pension liabilities were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	Varies by Entry Age and Service
Post Retirement Benefit Increase	(1)
Mortality Rate Table	(2)

(1) Contract Cola up to 2% until Purchasing Power Applies, 2.5% thereafter.

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

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

**Change in Assumption.** In 2018, demographic assumptions and the inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017.

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

**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 6: Pension Plans (Continued)**

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds asset classes, expected compounded returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The following table reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>Miscellaneous</u>		
	<u>Current Target Allocation</u>	<u>Real Return Years 1 - 10 (a)</u>	<u>Real Return Years 11 + (b)</u>
Global equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation sensitive	0.0%	0.77%	1.81%
Private equity	8.0%	6.30%	7.23%
Real assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	<u>100.0%</u>		

(a) An expected inflation of 2.00% used for this period

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



**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 6: Pension Plans (Continued)**

**Changes in the Net Pension Liability**

The change in the Net Pension Liability for the Miscellaneous Plan follows:

	<b>Increase (Decrease)</b>		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(c) = (a) - (b)
<b>Balance at June 30, 2017</b>	\$ 187,332,521	\$ 133,526,049	\$ 53,806,472
<b>Changes in the year:</b>			
Service Cost	3,376,530		3,376,530
Interest on the Total Pension Liability	13,252,111		13,252,111
Change in Assumptions	(1,001,751)		(1,001,751)
Difference between Expected and Actual Experience	1,940,348		1,940,348
Net Plan to Plan Resource Movement		(327)	327
Contributions - Employer		4,354,813	(4,354,813)
Contributions - Employees		1,421,041	(1,421,041)
Net Investments Income		11,255,272	(11,255,272)
Contributions	(9,230,340)	(9,230,340)	-
Administrative Expense		(208,070)	208,070
Other Miscellaneous Income/(Expense) (1)		(395,129)	395,129
<b>Net Change</b>	<b>8,336,898</b>	<b>7,197,260</b>	<b>1,139,638</b>
<b>Balance at June 30, 2018</b>	<b>\$ 195,669,419</b>	<b>\$ 140,723,309</b>	<b>\$ 54,946,110</b>

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate.** The following presents the net pension liability of the City for the Miscellaneous Plan, calculated using the discount rate for the Miscellaneous Plan, as well as what the City's 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:

	<b>Discount Rate</b>		
	<b>6.15%</b> <b>(1% Decrease)</b>	<b>7.15%</b> <b>(Current Rate)</b>	<b>8.15%</b> <b>(1% Increase)</b>
Miscellaneous Plan Net Pension Liability	\$80,211,232	\$54,949,110	\$34,007,273

**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 6: Pension Plans (Continued)**

**Pension Plan Fiduciary Net Position.** Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

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

For the year ended June 30, 2019, the City's pension expense for the Miscellaneous Plan was \$8,782,668 of which \$8,750,399 was recognized as pension expense for the City and \$32,269 was recognized as pension expense for the Successor Agency Trust Fund. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of related to pensions from the following sources:

	<b>Miscellaneous</b>	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 4,811,211	\$
Change of assumptions	3,857,288	(688,704)
Difference between expected and actual experiences	1,333,989	(242,737)
Net difference between projected and actual earnings on plan investments	381,070	
<b>Total</b>	<b>\$ 10,383,558</b>	<b>\$ (931,441)</b>

The deferred outflows of resources related to contributions subsequent to the measurement date of \$4,811,211 will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense (income) as follows:

<b>Miscellaneous</b>	
Measurement Periods	Amount
Ended June 30:	
2019	\$ 5,033,127
2020	1,290,224
2021	(1,307,671)
2022	(374,774)
	<b>\$ 4,640,906</b>

**Payable to the Pension Plan**

For the year ended June 30, 2019, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan as required.

**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 6: Pension Plan (Continued)**

**Cost-Sharing Employer Plan**

**General Information about the Pension Plan**

**Plan Description.** As noted above, the City contributes to CalPERS for a defined benefit pension plan for all qualified permanent and probationary employees. CalPERS acts as a common investment and administrative agent for its participating member employers. 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 plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

The City participates in one safety cost-sharing multiple-employer plan with five tiers. The Safety Plan consists of Police and Fire Tier 1, Police Tier 2, Fire Tier 2, Police PEPRA and Fire PEPRA.

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

The Plan's provisions and benefits in effect at June 30, 2019, are summarized as follows:

	<b>Safety</b>		
	<b>Police Tier 1</b>	<b>Fire Tier 1</b>	<b>Police Tier 2</b>
	<b>Prior to November 19, 2011</b>	<b>Prior to September 24, 2011</b>	<b>November 19, 2011 to December 31, 2012</b>
Hire date			
Benefit formula	3.0% @ 50	3.0% @ 50	3.0% @ 55
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 - 55	50 - 55	50 - 55
Monthly benefits, as a % of eligible compensation	3.00%	3.00%	2.4% to 3.0%
Required employee contribution rates	9%	9%	9%
Required employer contribution rates	52.3%	52.3%	18.5%
	<b>Fire Tier 2</b>	<b>Police &amp; Fire PEPRA</b>	
	<b>September 24, 2011 to December 31, 2012</b>	<b>On or after January 1, 2013</b>	
Hire date			
Benefit formula	3.0% @ 55	2.7% @ 57	
Benefit vesting schedule	5 years service	5 years service	
Benefit payments	monthly for life	monthly for life	
Retirement age	50 - 55	50 - 57	
Monthly benefits, as a % of eligible compensation	2.4% to 3.0%	2.0% to 2.7%	
Required employee contribution rates	9%	12.25%	
Required employer contribution rates	18.5%	12.8%	

**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 6: Pension Plans (Continued)**

The Police Tier 1 effective prior to November 19, 2011 and the Fire Tier 1 effective prior to September 24, 2011 are closed to new entrants.

**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 July 1 following notice of a change in the rate. Funding contribution for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Employer contributions for years ended June 30, were as follows:

Annual Employer Contributions	Fiscal Year Paid		
	2016/17	2017/18	2018/19
Safety Police & Fire Tier 1	\$ 1,953,729	\$ 2,149,445	\$ 2,460,765
Safety Police Tier 2	80,446	77,233	90,668
Safety Fire Tier 2	68,799	40,789	48,583
Safety Police PEPRAs	90,117	106,218	123,496
Safety Fire PEPRAs	79,321	115,605	129,363
	<u>\$ 2,272,412</u>	<u>\$ 2,489,290</u>	<u>\$ 2,852,875</u>

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

The City reported net pension liabilities for its proportionate share of the net pension liability for the year ended June 30, 2019 was as follows:

City Proportionate Share of the Net Pension Liability	\$ 30,304,293
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The City's net pension liability for Safety Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 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 plans relative to the projected contributions of all participating employers, actuarially determined.

**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 6: Pension Plans (Continued)**

The City's proportionate share of the net pension liability for its Safety Plan was as follows:

	<u>Percentage Share of Risk Pool</u>		<u>Change</u>
	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>Increase/(Decrease)</u>
<b>Net Pension Liability Ended June 30</b>			
Measurement Date	6/30/2017	6/30/2018	
<b>Percentage</b>	<b>0.302%</b>	<b>0.314%</b>	<b>0.012%</b>

For the year ended June 30, 2019, the City recognized pension expense of \$4,767,115 for the Safety Plans.

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

	<u>Safety</u>	
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
	<u>of Resources</u>	<u>of Resources</u>
Pension contributions subsequent to measurement date	\$ 2,852,875	\$
Difference between expected and actual experience	651,137	(2,470)
Change in assumptions	2,973,380	(401,162)
Net differences between projected and actual earnings on plan investments	205,174	
Change in employer's proportion	28,273	(343,017)
Difference between the employer's contribution and the employer's proportionate share of contributions	69,332	(219,367)
<b>Total</b>	<u>\$ 6,780,171</u>	<u>\$ (966,016)</u>

The deferred outflows of resources related to contributions subsequent to the measurement date of \$2,852,875 will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense (income) as follows:

<u>Safety</u>	
<u>Measurement Periods</u>	
<u>Ended June 30:</u>	<u>Amount</u>
2019	\$ 2,623,278
2020	1,461,316
2021	(913,411)
2022	(209,903)
	<u>\$ 2,961,280</u>

**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 6: Pension Plans (Continued)**

**Actuarial Assumptions.** The total pension liabilities in the June 30, 2017 actuarial valuations for the Safety Plan was determined using the following actuarial assumptions:

	<u>Safety</u>
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actual Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	Varies by Entry Age and Service
Post Retirement Benefit Increase	(1)
Mortality	(2)

(1) Contract COLA up to 2.50% until purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter.

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

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 HP 2016. For more details on this table, please refer to the December 2017 experience study report.

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

**Change in Assumption** In 2018, demographic assumptions and inflation rate were changed in accordance with the CalPERS Experience Study and Review of Actuarial Assumptions published in December 2017.

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

**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 6: Pension Plans (Continued)**

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The following table reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>Safety</u>		
	<u>Current Target Allocation</u>	<u>Real Return Years 1 - 10 (a)</u>	<u>Real Return Years 11 + (b)</u>
Global equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation sensitive	0.0%	0.77%	1.81%
Private equity	8.0%	6.30%	7.23%
Real assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	<u>100.0%</u>		

(a) An expected inflation of 2.00% used for this period

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

**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 6: Pension Plans (Continued)**

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.** The following presents the City's proportionate share of the net pension liability for the Safety Plan, calculated using the discount rate for the safety 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 as follows:

	<b>Discount Rate</b>		
	6.15% (1% Decrease)	7.15% (Current Rate)	8.15% (1% Increase)
Risk Pool Total Pension Liability (TPL)	\$25,093,946,327	\$22,053,702,155	\$19,562,766,437
Employer's Actuarial Accrued Liability	0.43697%	0.43697%	0.43697%
Proportionate share of TPL	109,653,017	96,368,062	85,483,420
Proportionate share of Fiduciary Net Position (FNP)	66,063,769	66,063,769	66,063,769
<b>Net Pension Liability</b>	<b>\$ 43,589,248</b>	<b>\$ 30,304,293</b>	<b>\$ 19,419,651</b>

**Pension Plan Fiduciary Net Position.** Detailed information about each safety plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**Payable to the Pension Plan**

For the year ended June 30, 2019, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan as required.

**Note 7: Other Post-Employment Benefits**

**General Information about Other Post-Employment Benefits**

The City participates in one agent-multiple employer plan to provide other post-employment benefits (OPEB) for its employees (OPEB plan). A portion of the OPEB plan has been allocated to the Successor Agency Trust Fund, a private-purpose trust fund, and is included in the OPEB plan summaries in this footnote. A summary of the governmental-wide balances for the OPEB plan at June 30, 2019 is as follows:

	<b>Net OPEB Liability</b>	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>
OPEB Plan	\$ 13,788,913	\$ 2,931,113	\$ 282,376
Less Successor Agency Fund	(17,726)	(3,768)	(363)
<b>Total Government-Wide</b>	<b>\$ 13,771,187</b>	<b>\$ 2,927,345</b>	<b>\$ 282,013</b>



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**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 7: Other Post-Employment Benefits (Continued)**

**Plan Description.** The City's primary other post-employment benefits (OPEB) cost obligation is for retiree health benefits under its election to participate in the CALPERS Health Benefit Program, an agent multiple-employer defined benefits OPEB (the Plan), under the unequal contribution option. The City entered the CALPERS medical insurance program in 2000 under the Public Employees' Medical and Hospital Care Act (PEMHCA). The required employer contribution was \$133 per month for the measurement period. The City changed health care providers effective December 31, 2018. In conjunction with this change, the required employer contribution was eliminated. Because this change occurred after the June 30, 2018 measurement date, it will be reflected in subsequent OPEB valuations.

**Benefits Provided.** In addition to the pension benefits described in Note 6, the City provides post-employment health care insurance, in accordance with Memorandums of Understanding, to all employees who retire on or after age 55 with at least 15 years of service. Currently, 162 retirees meet those eligibility requirements while 136 retirees are receiving benefits under the plan. The City pays a percentage of the cost incurred by pre-Medicare retirees, toward health and dental insurance, beginning with 50% with 15 years of service and increasing 2.5% with each year, to a maximum of 75% with 25 years of service. The City also reimburses a fixed amount up to \$100 per month for a Medicare supplement for the 30 retirees eligible for Medicare.

During the fiscal year ended June 30, 2009, the City entered into an agreement with California Employers' Retiree Benefit Trust (CERBT) to pre-fund the City's OPEB liability. CERBT is a tax-qualified irrevocable trust organized under Internal Revenue Code Section 115 and established to pre-fund retiree healthcare benefits. CERBT issues a publicly available financial report including GASB Statement No. 74 disclosure information in aggregate with other CERBT participating employers. That report may be obtained by contacting PERS, 400 P Street, Sacramento, California 95814.

The Plan's provisions and benefits in effect at June 30, 2019, are summarized as follows:

Benefit vesting	15 years of continuous City service plus non-disability retirement into the CalPERS retirement system.
Monthly benefit	PEMHCA minimum or fixed \$100 per month upon entrance to Medicare.
Additional benefit	Minimum of 50% of monthly covered premium, increasing 2.5% per year of service to a maximum of 75% of monthly covered premium.
Benefit age	65+ for Medicare benefit 50 – 65 for additional benefit

Required employee contribution rate: 0.0%

Required employer contribution rate: 9.9%

**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 7: Other Post-Employment Benefits (Continued)**

**Employees Covered**

At June 30, 2018, the measurement date, the following employees were covered by the benefit terms for the Plan:

	OPEB Plan
Inactive employees or beneficiaries currently receiving benefits	136
Inactive employees entitled to but not yet receiving benefits	26
Active employees	327
<b>Total</b>	<b>489</b>

**Contributions.** The contribution requirements of the plan members and the City are established and may be amended by the City. The City prefunds the plan through CERBT by contributing at least 100% of the actuarially determined contribution.

**Net OPEB Liability**

The City's net OPEB liability for the Plan is measured as the total OPEB liability, less the Plan's fiduciary net position. The net OPEB liability of the Plan is measured as of June 30, 2018, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. A summary of principal assumptions and methods used to determine the net liability is shown below.

**Actuarial Assumptions.** The total OPEB liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

	<b>Plan</b>
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018
Discount Rate	6.75%
Inflation	2.75%
PEMHCA Minimum	4.25%
Dental & Vision trend	3.75%
Medical Trend	
Pre-Medicare	7.5% for 2019 decreasing to 4.0% for 2076 and later
Medicare	6.5% for 2019 decreasing to 4.0% for 2076 and later
PEMHCA minimum	4.25% after 2019
Projected Salary Increase	3.00%
Investment rate	6.75%
Mortality, Termination, Disability, Service Retirement	[1]
Participation at Retirement for future retirees	
PEMHCA minimum	50%
Additional benefit:	95% age < 65
	65% age >= 65

**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 7: Other Post-Employment Benefits (Continued)**

Dependent coverage at retirement	
Future retirees under 65	10% Miscellaneous 25% Safety

[1] The underlying mortality, termination, disability, and service retirement assumptions used in the June 30, 2018 valuation were based on the results of the CalPERS 1997-2015 Experience Study. Further details of the Experience study can be found on the CalPERS website.

**Change in Assumption.** There were no changes in assumptions.

**Discount Rate.** The discount rate used to measure the total OPEB liability was 6.75% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, the actuary stress tested the Plan that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, the Plan does not run out of assets. Therefore, the current 6.75% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 6.75% is applied to the Plan. The stress test results are presented in the detailed actuarial report that can be obtained from the City of Lompoc.

**Investments.** The following table reflects the expected real rate of return by asset class. The rates of return are presented as geometric means developed over a 20 year period. The current target allocations are from the CERBT Fund Policy Effective October 13, 2014. These rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>Current Target Allocation *</u>	<u>Expected Real Rate of Return</u>
Equities	57%	4.82%
Fixed income	27%	1.47%
Treasury Inflation-Protected Sec	5%	1.29%
Commodities	3%	0.84%
Real Estate Investment Trusts	8%	3.76%
	<u>100%</u>	
Assumed Long-Term Rate of Inflation		2.75%
Expected Long-Term Net Rate of Return		6.75%
Discount Rate		6.75%

\* CERBT Strategy 1. Provided by CalPERS' Strategic Asset Allocation Analysis Review in August 2014

**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 7: Other Post-Employment Benefits (Continued)**

**Changes in Net OPEB Liability**

The changes in the net OPEB liability are as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2018 **	\$ 25,367,000	\$ 10,381,000	\$ 14,986,000
Changes for the year:			
Services cost	938,467		938,467
Interest	1,728,568		1,728,568
Contributions - employer		3,076,552	(3,076,552)
Net investment income		828,695	(828,695)
Benefit payments *	(1,394,141)	(1,394,141)	
Administrative expense		(41,125)	41,125
Net change	1,272,894	2,469,981	(1,197,087)
Balance at June 30, 2019 **	\$ 26,639,894	\$ 12,850,981	\$ 13,788,913

\* Includes implied subsidy benefit payments of \$558,000.

\*\* Measurement date of June 30, 2018.

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate.** The following presents the net OPEB liability of the City for the Plan, calculated using the discount rate for the Plan, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Discount Rate		
	1% Decrease (5.75%)	Current Rate (6.75%)	1% Increase (7.75%)
Plan's Net OPEB Liability	\$ 16,613,735	\$ 13,788,913	\$ 11,366,741

**Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates.** The following presents the net OPEB liability, as well as what the net OPEB would be if it were calculated using healthcare cost trends rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost:

	Healthcare Trend Rate		
	1% Decrease	Current Rate	1% Increase
Plan's Net OPEB Liability	\$ 10,810,195	\$ 13,788,913	\$ 17,378,798

**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 7: Other Post-Employment Benefits (Continued)**

**OPEB Plan Fiduciary Net Position.** Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CalPERS financial reports on the CERBT.

**OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB**

For the year ended June 30, 2019, the City's OPEB expense for the Plan was \$1,860,289 of which \$1,857,898 was recognized as OPEB expense for the City and \$2,391 was recognized as an OPEB expense for the Successor Agency Trust Fund. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on plan investments	\$	\$ 282,376
City contributions subsequent to the measurement date	2,931,113	
	\$ 2,931,113	\$ 282,376

The deferred outflows of resources related to contributions subsequent to the measurement date of \$2,931,113 will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as pension expense (income) as follows:

Plan	
Measurement Periods Ending June 30:	Deferred Outflows/ (Inflows) of Resources
2019	\$ (88,844)
2020	(88,844)
2021	(90,844)
2022	(13,844)
	\$ (282,376)

**Payable to the OPEB Plan**

For the year ended June 30, 2019, the City reported a payable of \$0 for the outstanding amount of contributions to the OPEB plan as required.

**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 8: Interfund Transactions**

**Interfund Receivables and Payables (Due to/Due From)**

Interfund receivables and payables include temporary negative cash balances that result from the timing of cash flows at year end and the time lag between the dates that transactions are recorded in the accounting system and payment between funds are made. Liquidation of interfund receivables and payables typically occurs in the first quarter of the subsequent fiscal year. Interfund balances between governmental funds are not included in the government-wide Statement of Net Position.

At June 30, 2019, interfund receivables and payables were as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 419,549	\$ 419,549
Internal Service Funds	419,549	4,181,644
Enterprise Funds	4,321,044	
Other Enterprise Funds		139,400
Total	<u>\$ 4,740,593</u>	<u>\$ 4,740,593</u>

Interfund receivables and payables within the same fund type of \$558,950 are excluded from the Statement of Net Position. The interfund balance on the Statement of Net Position excludes this amount, as it nets to zero.

Included within the Electric Utility Fund and the Communication Fund is an interfund balance of \$4,181,643 that will not be repaid within one year. The arrangement was established to develop broadband services and repayment will be as revenues become available in the Communication Fund.

**Interfund Transfers**

Interfund transfers are used to move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due and to move unrestricted fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as matching funds for various grant programs.

For the year ended June 30, 2019, interfund transfers were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 4,983,085	\$ 140,354
Other Governmental Funds	321,300	3,113,786
Internal Service Funds	63,195	
Enterprise Funds		2,113,440
Total	<u>\$ 5,367,580</u>	<u>\$ 5,367,580</u>

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**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 8: Interfund Transactions (Continued)**

Interfund transfers within the same fund type, which net to zero, of \$3,254,140 are excluded from the Statement of Activities which reports a transfers balance \$2,113,440.

**Note 9 : Revenue Limitations Imposed By California Proposition 218**

Proposition 218, which was approved by voters in November 1996, regulates the City's ability to impose, increase and extend taxes, assessments, and fees. Any new, increased, or extended taxes, assessments, and fees subject to the provisions of Proposition 218, require voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes, assessments, and fees are subject to the voter initiative process and may be rescinded in future years by the voters. Therefore, the City's ability to finance the services for which the taxes, assessments, and fees were imposed may be significantly impaired.

**Note 10 : Risk Management**

The City is partially self-insured for workers' compensation, liability claims, and property losses and fully self-insured for unemployment claims. The City has been partially self-insured for workers' compensation since 1976.

The Self-Insured Retention (SIR) for property insurance is \$25,000. Insurable property is generally covered for all risks, excluding earthquake and flood, by a policy with an aggregate limit of \$119.48 million. Various unique risks, such as boilers, machinery and data processing equipment are also insured.

On July 1, 2003, the City joined the California Public Entity Insurance Authority (CPEIA) for the purpose of purchasing excess liability and workers' compensation insurance. The CPEIA was formed under the Joint Powers Agreement (JPA) provision of state law (Government Codes 990, 990.4, 990.8, and 6500-6515). In addition, CPEIA is governed by bylaws adopted by the JPA members. The fund is directed by a board of directors comprised of representatives elected from the various participating municipal agencies. The allocation of the liability insurance policy costs are calculated based on the recommendations of insurance brokers/consultants using recognized insurance experience rating techniques. Separate financial statements of CPEIA may be obtained by writing the Accounting Department, CSAC-Excess Insurance Authority, 75 Iron Point Circle, Suite 200, Folsom, CA 95630, or by phoning (916) 850-7300.

The City's self-insured liability retention (SIR) is \$100,000 per occurrence, and excess insurance through CPEIA provides coverage to a maximum of \$15,000,000 per occurrence. The City's self-insured retention (SIR) for workers' compensation is \$300,000 per occurrence and excess insurance through CPEIA provides coverage to a maximum of \$50,000,000 per occurrence. There were no significant reductions in insurance coverage from the prior year. For fiscal years ended June 30, 1996 through 2019, no claims settlements have exceeded insurance coverage.

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**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 10 : Risk Management (Continued)**

The City's self-insurance fund is financed through contributions made by the City's general fund and enterprise funds. Third-party administration provides data on estimated claims liabilities that are paid and reserves. As of June 30, 2019, the estimated outstanding liability was \$6,251,000 for workers' compensation and \$681,000 for general liability. The estimated liabilities for incurred but not reported (IBNR) claims for both programs was \$3,614,086 at June 30, 2019. Such amounts have been accrued in the accompanying financial statements in the self-insurance internal service fund.

Changes in balances of claims liabilities for general liability and workers' compensation insurance were as follows:

Estimated unpaid claims liability 6/30/17	\$ 7,373,001
Incurred claims and increase in estimated claims liability at 6/30/18	1,713,863
Claim payments	<u>(1,620,864)</u>
Estimated unpaid claims liability 6/30/18	7,466,000
Incurred claims and increase in estimated claims liability at 6/30/19	474,007
Claim payments	<u>(1,008,007)</u>
Estimated unpaid claims liability 6/30/19	<u><u>\$ 6,932,000</u></u>

**Note 11 : Joint Venture (Joint Power Agreements)**

The City of Lompoc participates in two joint ventures under joint powers agreements, Northern California Power Agency (NCPA) and Transmission Agency of Northern California (TANC).

NCPA is a nonprofit, joint powers agency of the State of California and is comprised of 11 cities, one port authority, a transit authority, and two other associate member entities. The Agency is generally empowered to purchase, generate, transmit, distribute, and sell electrical energy. The Agency is governed by a Commission comprised of one representative for each member. The Commission is responsible for the general management of the affairs, property and business of the Agency. Separate financial statements of the agency may be obtained by writing NCPA, 651 Commerce Dr., Roseville, California 95678-6411.



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**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 11 : Joint Venture (Joint Power Agreements) (Continued)**

TANC was organized under the California government code pursuant to a joint powers agreement entered into by 15 northern California utilities, of which the City is a part of under NCPA. Each TANC member has agreed to pay a pro rata share of the cost to operate TANC and has the right to participate in future project agreements. TANC is the project manager for the California-Oregon Transmission Project. The purpose of the project is to upgrade certain facilities and construct new facilities as needed to allow mutually beneficial power sales between the Pacific Northwest and California. Separate financial statements of the agency may be obtained by writing TANC, PO Box 15129, Sacramento, California 95851-0129.

While the City is in part contingently liable for a certain portion of the long-term debt of each agency, the joint venture's continued existence does not depend upon the continued funding and/or participation by the City. The City's participating percentage in each agency is 3.649% and .185% for NCPA and TANC, respectively, and is below that which would be considered a "controlling or significant influence." Therefore, the City's interests in NCPA and TANC are not equity interests.

Under the terms of the NCPA and TANC joint power agency agreements, the City is contingently liable, directly or indirectly, for a portion of the long-term debt of these agencies under a take-or-pay or guarantee arrangement. The participation percentage for NCPA was 3.649% and .009% for TANC.

The NCPA's Geothermal Project has experienced greater than anticipated declines in steam production from existing geothermal wells on its leasehold property. Recent results of the continuing well analysis program indicate that the potential productive capacity for the geothermal steam reservoir is less than previously estimated. Therefore, NCPA has modified the operations of the Geothermal Project to reduce the average annual output from past levels. As a result, the per-unit cost of power generated by the projects will be higher than anticipated.

**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 11 : Joint Venture (Joint Power Agreements) (Continued)**

For the year ended June 30, 2018, the most recent information available, the combined financial information for the joint power agencies (in thousands) were as follows:

	<b>2018</b>	<b>2018</b>
	<b>NCPA</b>	<b>TANC</b>
	<u>          </u>	<u>          </u>
<b>Assets</b>		
Current assets	\$ 89,908	\$ 64,077
Property, equipment and capital project costs	531,337	271,866
Restricted assets and other assets	451,335	6,161
Deferred outflows of resources	61,076	2,394
Total assets and deferred outflows	<u>\$ 1,133,656</u>	<u>\$ 344,498</u>
<b>Liabilities and Capitalization</b>		
Current liabilities	\$ 94,321	\$ 20,954
Member advances	1,068	7,424
Long-term debt and other liabilities	926,114	291,974
Deferred inflows of resources	74,085	
Members' capital	38,068	24,146
Total liabilities, deferred inflows, and capitalization	<u>\$ 1,133,656</u>	<u>\$ 344,498</u>
<b>Revenues:</b>		
Interest	\$ 1,245	\$ 2,334
Operating revenues and other revenues	568,807	44,496
Total revenues	<u>570,052</u>	<u>46,830</u>
<b>Costs and expenses:</b>		
General and other operating costs	509,190	28,110
Interest and other financing costs	34,728	8,658
Total costs and expenses	<u>543,918</u>	<u>36,768</u>
Reserve additions and refunds	<u>(22,126)</u>	<u>(6,727)</u>
Net income	4,008	3,336
<b>Net Position</b>		
Beginning of year	<u>34,060</u>	<u>20,810</u>
End of year	<u>\$ 38,068</u>	<u>\$ 24,146</u>

**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 12: Net Position and Fund Balance Deficiencies**

As of June 30, 2019, the City had negative net positions and fund balance in the following funds:

	<b>Ending Fund Balance/Net Position</b>
Solid Waste Disposal	\$ (1,136,641)
Broadband	(160,529)
Insurance Control	(1,649,081)
Communications	(3,161,224)
Federal Roads	(130,807)

**Note 13: Airport Operating Leases**

The City acquired the airport in 1991. As of June 30, 2019, there were 21 long-term lease agreements with the City. The leases include rental of airport hangars, a land lease with the City's wastewater fund, a land and mineral lease, two land leases with private parties and tie down revenues. Each lease is set with terms specific to the rates set at the time of the lease and the size of the hanger or land. A majority of the leases have a consumer price index (CPI) inflator in the lease. The most common inflator has a 1% above the CPI with minimum of a 3% increase. Leases range from 5 years to 40 years.

Amounts collected for rentals and leases for the year ended June 30, 2019 were \$323,665.

At June 30, 2019, the future minimum long-term lease revenues were as follows:

<b><u>For the Year Ending June 30</u></b>	
2020	\$ 178,527
2021	155,281
2022	139,229
2023	143,110
2024	129,117
2025-2029	550,265
Thereafter	<u>1,489,539</u>
Total	<u>\$ 2,785,068</u>

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**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 14 : Contingencies and Commitments**

**Contingent Liabilities**

The City is presently involved in certain matters of litigation that have arisen in the normal course of conducting City business. City management believes, based upon consultation with the City Attorney, that these cases, in the aggregate, are adequately covered by insurance and not expected to result in a material adverse financial impact on the City, except for one ongoing case. As of the report date, the City remains involved in a lawsuit with an individual. The case is awaiting a trial date or settlement and the attorneys representing the City are actively defending the claims. As this case is not covered by insurance, any risk of loss remains with the City. While the impact and outcome of this litigation on these financial statements is currently unknown, the settlement of this matter could be material to the financial statements.

**Grant Commitments**

The City had received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material.

**Construction Commitments**

Construction and other significant commitments were \$847,974 as of June 30, 2019. Long-term construction contracts are billed and paid on a percentage of completion basis by construction phase.

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**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 15: Successor Agency Trust for Assets of Former Redevelopment Agency**

On December 29, 2011, the California Supreme Court upheld Assembly Bill IX 26 (the Bill) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Lompoc that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the City or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On February 1, 2011, the City of Lompoc became the Successor Agency for the Lompoc Redevelopment Agency and assumed the assets and liabilities of the Lompoc Redevelopment Agency. This assumption is by operation of law pursuant to California Health and Safety Code subsections 34171(j) and 34173(d)(1).

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third-party for the expenditure of encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and therefore is a considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 15: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as legal entities as of February 1, 2012. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund, the Trust Fund) in the financial statements of the City.

**Local Agency Investment Fund (LAIF)**

The Trust Fund had \$236,842 in cash and investments as of June 30, 2019, that was held in LAIF which represented 11.5% of total cash and investments. The City manages the Trust Fund's cash and investments in a manner consistent with the rest of its cash and investment pool. Refer to Note 2 for additional information regarding LAIF.

**Cash with Fiscal Agent**

The California Government code provides that these monies, in the absence of specific statutory provisions governing the issuance of bonds, certificates, or leases, may be invested in accordance with the ordinance, resolutions, or indentures specifying the types of investments its fiscal agents may make. These ordinances, resolutions, and indentures are generally more restrictive than the Trust Fund's general investment policy. In no instance have additional types of investments, not permitted by the Trust Fund's general investment policy, been authorized.

At June 30, 2019, cash and investments consisted of the following:

	<u>Fair Value</u>	<u>Percent of Portfolio</u>
Cash and cash equivalents:		
Deposits with financial institutions	\$ 62,931	3.0%
Investments:		
Local Agency Investment Fund (LAIF)	236,842	11.5%
Cash with fiscal agents	1,414,694	68.5%
Certificates of Deposits	23,265	1.1%
Corporate Bonds	38,963	1.9%
US Government Securities	289,449	14.0%
Total	<u>\$ 2,066,144</u>	<u>100.0%</u>

**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 15: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

**Long-term Debt**

The changes in long-term liabilities for the year ended June 30, 2019 were as follows:

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019	Due within One Year
Direct borrowing 2004 tax allocation bonds	\$ 5,290,000	\$	\$ 215,000	\$ 5,075,000	\$ 220,000
Direct borrowing 2010 tax allocation bonds	7,345,000		180,000	7,165,000	195,000
Compensated absences	6,254		434	5,820	5,820
Total	<u>\$ 12,641,254</u>	<u>\$</u>	<u>\$ 395,434</u>	<u>\$12,245,820</u>	<u>\$ 420,820</u>

**Direct Borrowing 2004 Tax Allocation Bonds**

During the year ended June 30, 2004, the former redevelopment agency issued \$7,350,000 of direct borrowing tax allocation bonds to finance the construction projects relating to the Aquatic Center. The former Agency had pledged its tax increment for the repayment of the bonds. The bonds bear interest rates from 2.75% to 4.85%. Principal and interest payments are due each March 2 and September 2 through September 2, 2034. The bonds contain a provision that in the event of default, the outstanding principal balance and accrued interest are due and payable immediately. At June 30, 2019, the principal balance outstanding was \$5,075,000.

At June 30, 2019, the aggregate maturities of the direct borrowing 2004 tax allocation bonds were as follows:

<u>For the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 220,000	\$ 233,035	\$ 453,035
2021	230,000	223,668	453,668
2022	240,000	213,678	453,678
2023	250,000	203,018	453,018
2024	265,000	191,555	456,555
2025-2029	1,510,000	757,108	2,267,108
2030-2034	1,920,000	347,626	2,267,626
2035	440,000	10,668	450,668
Total	<u>\$ 5,075,000</u>	<u>\$2,180,356</u>	<u>\$ 7,255,356</u>

**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 15: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

**Direct Borrowing 2010 Tax Allocation Bonds**

During 2010, the former redevelopment agency issued \$8,385,000 of direct borrowing tax allocation bonds to finance the construction projects relating to the Community and Senior Center and a dehumidification system for the Aquatic Center. The former Agency had pledged its tax increment for the repayment of the bonds. The bonds bear interest rates from 2.00% to 5.75%. Principal and interest payments are due each March 1 and September 1 through September 1, 2039. The bonds contain a provision that in the event of default, the outstanding principal balance and accrued interest are due and payable immediately. At June 30, 2019, the principal balance outstanding was \$7,165,000.

At June 30, 2019, the aggregate maturities of the direct borrowing 2010 tax allocation bonds were as follows:

<u>For the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 195,000	\$ 406,034	\$ 601,034
2021	200,000	396,281	596,281
2022	210,000	386,031	596,031
2023	225,000	375,016	600,016
2024	230,000	363,213	593,213
2025-2029	1,360,000	1,610,081	2,970,081
2030-2034	1,780,000	1,165,231	2,945,231
2035-2039	2,395,000	546,750	2,941,750
2040	570,000	17,100	587,100
	<u>\$ 7,165,000</u>	<u>\$5,265,737</u>	<u>\$ 12,430,737</u>

**Pensions**

The City has allocated a proportion of the Miscellaneous Plan that relates to the Trust Fund. The portion of the net pension liability allocated to the Trust Fund is \$278,972. The portion of the deferred outflows of resources and deferred inflows of resources allocated to the Trust Fund are \$39,231 and \$4,977, respectively. See Note 6 for further information on the Miscellaneous Pension Plan. Also see Note 17 for further information on the prior year restatement.

**OPEB**

The City has allocated a proportion of the OPEB Plan that relates to the Trust Fund. The portion of the net OPEB liability allocated to the Trust Fund is \$17,726. The portion of the deferred outflows of resources and deferred inflows of resources allocated to the Trust Fund are \$3,768 and \$363, respectively. See Note 7 for further information on the OPEB Plan.



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**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 16: Accounting Pronouncements**

**New Accounting Pronouncements**

The following Governmental Accounting Standards Board (GASB) Statements have been implemented in the current financial statements:

***GASB Statement No. 83, Certain Asset Retirement Obligations.*** This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital asset should recognize a liability based on the guidance in this Statement. This Statement also requires disclosure of information about the nature of a government's ARO, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. This statement was implemented effective July 1, 2018 and did not have a material effect on the City's financial statements.

***GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements.*** This Statement requires that additional information related to debt be disclosed, including assets pledged as collateral and terms specified in debt agreements related to significant events of default. The requirements of this statement are effective for the periods beginning after June 15, 2018. For the City, the effect of implementation of this standard was to review all debt agreements and to update its disclosures regarding debt in Note 5: Long-Term Liabilities. This statement was implemented effective July 1, 2018.

***GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period.*** The requirements of this Statement are effective for periods beginning after December 15, 2019 with early application encouraged. The objective of this Statement is to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for certain interest costs. This Statement requires that interest costs incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical costs of a capital asset reported in the financial statements. This Statement was implemented effective July 1, 2018.

**Future Accounting Pronouncements**

The following GASB Statements will be implemented in future financial statements:

***GASB Statement No. 84, Fiduciary Activities*** becomes effective for fiscal years beginning after December 15, 2018. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Management has not yet determined the impact of this statement on its financial statements.

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**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 16: Accounting Pronouncements (continued)**

**GASB Statement No. 87, Leases** becomes effective for fiscal year beginning after December 15, 2019. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement 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. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Management has not yet determined the impact of this statement on its financial statements.

**GASB Statement No. 90, Majority Equity Interests, an amendment of GASB Statement No. 14 and No. 61.** The requirements of this Statement are effective for the reporting periods beginning after December 15, 2018. The objective of this Statement is to improve how majority equity interest is reported. The Statement explains that a government's majority equity interest in a legally separate organization should be reported as an investment if that equity interest meets GASB's definition of an investment. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit. Management has not yet determined the impact of this statement on its financial statements.

**GASB Statement No. 91, Conduit Debt Obligations.** The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Management has not yet determined the impact of this statement on its financial statements.

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**City of Lompoc**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**Note 17: Prior Year Restatements**

During 2019 the City determined an adjustment was required due to the recalculation of amortization and allocations of pension related amounts within various funds. The result of correcting the allocation error from the prior year was a restatement to reclassify net pension liability, pension related deferred outflows of resources and pension related deferred inflows of resources between governmental activities, Enterprise Funds, Internal Service Funds and a Fiduciary Fund of the City for the year ended June 30, 2018. There was no change to the total pension related amounts for the City's pension plans.

The effect to pension related deferred outflows of resources was an increase of \$1,603,272 in governmental activities and a decrease of \$742,462 in business-type activities. The effect to net pension liability was an increase of \$2,444,793 in governmental activities and a decrease of \$3,450,823 in business-type activities. The effect to pension related deferred inflows of resources was a decrease of \$2,189,898 in governmental activities and an increase of \$2,181,610 in business-type activities.

The effect to net position due to pension-related restatement to was an increase of \$1,858,168 in governmental activities and a decrease of \$2,011,676 to business-type activities for net decrease to government-wide beginning net position of \$153,509. There was a corresponding increase in net position for the prior year restatement in the Fiduciary Fund.

In addition, during the implementation and conversion to replace its legacy financial management software (FMS) in 2019, the City determined an adjustment to accumulated depreciation was required due to the recalculation of prior year depreciation expense within various business-type funds. The effect to net position due to accumulated depreciation restatement was a decrease of \$1,673,344 to business-type activities.

Together, pension-related and depreciation-related restatements resulted in a net decrease to government-wide beginning net position of \$1,826,853.

**Note 18: Subsequent Events**

Events subsequent to June 30, 2019, have been evaluated through December 30, 2019, which is the date the financial statements were available to be issued. Management did not identified any subsequent events for the year ending June 30, 2019 that required disclosure.

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**Required Supplementary Information**  
**(Unaudited)**

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**City of Lompoc**  
**Budgetary Comparison Schedule—General Fund**  
**For the Year Ended June 30, 2019**

**General Fund**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual (GAAP Basis)</b>	<b>Variance with Budget Positive (Negative)</b>
<b>Revenues:</b>				
Taxes	\$ 16,437,723	\$ 16,737,723	\$ 16,603,441	\$ (134,282)
Licenses and permits	534,095	534,095	413,429	(120,666)
Fines and penalties	247,450	247,450	207,540	(39,910)
Revenues from other agencies	844,450	1,235,394	929,718	(305,676)
Charges for current services	10,652,270	10,779,355	10,506,901	(272,454)
Interest	28,572	28,572	141,730	113,158
Rental income	465,836	473,123	479,283	6,160
Other revenues	162,354	208,746	127,938	(80,808)
Total revenues	<u>29,372,750</u>	<u>30,244,458</u>	<u>29,409,980</u>	<u>(834,478)</u>
<b>Expenditures:</b>				
City council	102,674	107,222	87,504	19,718
Administration	637,407	686,051	552,429	133,622
City attorney	583,189	698,549	697,424	1,125
City clerk	190,573	228,898	206,844	22,054
Finance and city treasurer	3,719,572	3,643,386	3,385,095	258,291
Human resources	702,810	724,965	618,087	106,878
Planning	862,373	1,141,932	991,976	149,956
Non-departmental	(86,552)	103,058	371,750	(268,692)
Building and building inspections	548,945	550,230	455,361	94,869
Police	10,633,420	11,018,277	10,569,726	448,551
Fire	6,020,833	6,068,071	6,522,628	(454,557)
Recreation	2,232,735	2,216,839	2,207,673	9,166
Parks	2,112,160	2,179,116	1,891,897	287,219
City engineer and streets	5,069,195	5,104,130	3,776,629	1,327,501
Library	1,318,261	1,712,139	1,472,841	239,298
Other	1,633,958	1,718,458	1,458,287	260,171
Total expenditures	<u>36,281,553</u>	<u>37,901,321</u>	<u>35,266,151</u>	<u>2,635,170</u>
Deficiency of revenues over expenditures	<u>(6,908,803)</u>	<u>(7,656,863)</u>	<u>(5,856,171)</u>	<u>1,800,692</u>
<b>Other financing sources (uses):</b>				
Operating transfers in	6,374,226	6,374,226	4,983,085	(1,391,141)
Operating transfers out	(9,264)	(9,264)	(140,354)	(131,090)
Total other financing sources (uses)	<u>6,364,962</u>	<u>6,364,962</u>	<u>4,842,731</u>	<u>(1,522,231)</u>
Net change in fund balance	(543,841)	(1,291,901)	(1,013,440)	278,461
<b>Fund balance - beginning of year</b>	<u>3,683,242</u>	<u>3,683,242</u>	<u>3,683,242</u>	<u>-</u>
<b>Fund balance - end of year</b>	<u>\$ 3,139,401</u>	<u>\$ 2,391,341</u>	<u>\$ 2,669,802</u>	<u>\$ 278,461</u>

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**City of Lompoc**  
**Budgetary Comparison Schedule—General Fund**  
**For the Year Ended June 30, 2019**

**Budgetary Comparison Schedule**

1. The budget is prepared using the modified accrual basis of accounting consistent with U.S. generally accepted accounting principles.
2. Outstanding encumbrances from the prior fiscal year are not reflected in the original budget column but are included in the final budget amounts.
3. All the City's general government and engineering programs are initially accounted and budgeted for in the General Fund. However, certain of these support service programs also benefit the City's enterprise and agency fund operations, and accordingly, transfers are made from these funds to reimburse the General Fund for these services. The transfers are based on a Cost Allocation Plan prepared for this purpose which distributes the shared costs in a uniform, consistent manner in accordance with U.S. generally accepted accounting principles.

**Excess of Expenditures Over Appropriations**

1. At June 30, 2019, expenditures exceeded appropriations in the General Fund as noted below. This does not represent a violation of City budget policies because all department expenditures did not exceed the total appropriations within the General Fund.

General Fund:	Excess
	<u>Expenditures</u>
Non-departmental	\$ (268,692)
Fire	(454,557)

**City of Lompoc**  
**Schedule of the Changes in Net Pension Liability and Related Ratios**  
**Miscellaneous Agent Multiple-Employer Plan**  
**For the Year Ended June 30, 2019**  
**Last 10 Years\***

Fiscal Year	2018-19	2017-18	2016-17	2015-16	2014-15
Measurement Date	2017-18	2016-17	2015-16	2014-15	2013-14
<b>Total Pension Liability</b>					
Service Cost	\$ 3,376,530	\$ 3,283,059	\$ 2,793,654	\$ 2,837,509	\$ 2,970,875
Change of Assumptions	(1,001,751)	10,286,100		(2,823,325)	
Difference between expected and actual experience	1,940,348	(647,297)	(1,114,812)	(1,957,610)	
Interest on total pension liability	13,252,111	12,672,416	12,273,996	11,831,510	11,428,244
Benefit payment, including refunds of employee contributions	(9,230,340)	(8,436,056)	(7,881,803)	(7,614,518)	(6,921,136)
<b>Net Change on total pension liability</b>	<b>8,336,898</b>	<b>17,158,222</b>	<b>6,071,035</b>	<b>2,273,566</b>	<b>7,477,983</b>
Total pension liability - beginning	187,332,521	170,174,299	164,103,264	161,829,698	154,351,715
<b>Total pension liability - ending (a)</b>	<b>\$ 195,669,419</b>	<b>\$ 187,332,521</b>	<b>\$ 170,174,299</b>	<b>\$ 164,103,264</b>	<b>\$ 161,829,698</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 4,354,813	\$ 4,314,897	\$ 3,762,654	\$ 3,250,690	\$ 3,289,224
Contributions - employee	1,421,041	1,371,344	1,348,807	1,269,810	1,343,721
Net investment income	11,255,272	13,613,220	631,898	2,789,070	18,835,132
Benefit payments	(9,230,340)	(8,436,056)	(7,881,803)	(7,614,518)	(6,921,136)
Administrative expense	(208,070)	(181,371)	(76,217)	(140,729)	
Other Miscellaneous Income/(Expense)	(395,456)				
<b>Net change in plan fiduciary net position</b>	<b>7,197,260</b>	<b>10,682,034</b>	<b>(2,214,661)</b>	<b>(445,677)</b>	<b>16,546,941</b>
Plan fiduciary net position - beginning	133,526,048	122,844,014	125,058,675	125,504,352	108,957,411
Plan fiduciary net position - ending (b)	<b>\$ 140,723,308</b>	<b>\$ 133,526,048</b>	<b>\$ 122,844,014</b>	<b>\$ 125,058,675</b>	<b>\$ 125,504,352</b>
<b>Plan net pension liability (assets) - ending (a) - (b)</b>	<b>\$ 54,946,111</b>	<b>\$ 53,806,473</b>	<b>\$ 47,330,285</b>	<b>\$ 39,044,589</b>	<b>\$ 36,325,346</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>71.92%</b>	<b>71.28%</b>	<b>72.19%</b>	<b>76.21%</b>	<b>77.55%</b>
Covered payroll	17,979,392	17,458,438	15,852,318	15,724,628	15,540,484
<b>Plan net pension liability (assets) as a percentage of covered payroll</b>	<b>305.61%</b>	<b>308.20%</b>	<b>298.57%</b>	<b>248.30%</b>	<b>233.75%</b>

\* Fiscal year 2019 was the fifth year of the implementation therefore only five years are shown. Historical Information is required only for measurements periods for which GASB Statement No. 68 is applicable. The current measurement period is the year ended June 30, 2018.



**City of Lompoc**  
**Schedule of the Pension Contributions**  
**Miscellaneous Agent Multiple-Employer Plan**  
**For the Year Ended June 30, 2019**  
**Last 10 Years\***

Fiscal Year	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>
<b>Actuarially determined contribution</b>	\$ 4,811,211	\$ 4,354,813	\$ 4,314,896	\$ 3,762,654	\$ 3,250,690
Contributions in relation to the actuarially determined contributions	<u>(4,811,211)</u>	<u>(4,354,813)</u>	<u>(4,314,896)</u>	<u>(3,762,654)</u>	<u>(3,250,690)</u>
<b>Contribution deficiency (Excess)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll	17,080,197	17,979,392	17,458,438	15,852,318	15,724,628
Contributions as a percentage of covered payroll	<b>28.17%</b>	<b>24.22%</b>	<b>24.72%</b>	<b>23.74%</b>	<b>20.67%</b>

\* Fiscal year 2019 was the fifth year of the implementation therefore only five years are shown. Historical information is required only for measurements periods for which GASB Statement No. 68 is applicable. The current measurement period is the year ended June 30, 2019.

**City of Lompoc**  
**Schedule of the City's Proportionate Share of the Net Pension Liability and**  
**Related Ratios**  
**Safety Cost-Sharing Plan**  
**For the Year Ended June 30, 2019**  
**Last 10 Years\***

<b>Fiscal Year</b>	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>
<b>Measurement Date</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>
City's proportion of net pension liability	0.3145%	0.3020%	0.3057%	0.3490%	0.3085%
<b>City's proportionate share of net pension liability</b>	<b>\$ 30,304,293</b>	<b>\$ 29,947,846</b>	<b>\$ 26,452,330</b>	<b>\$ 21,717,971</b>	<b>\$ 19,193,402</b>
City's covered payroll	5,041,930	6,062,138	6,061,433	5,656,523	5,713,483
City's proportionate share of net pension liability as a percentage of covered payroll	601.05%	494.01%	436.40%	383.95%	335.93%
Plan's fiduciary net position as a percentage of the plan's total pension liability	75.26%	73.31%	74.06%	78.40%	79.82%

\* Fiscal year 2019 was the fifth year of the implementation therefore only five years are shown. Historical information is required only for measurements periods for which GASB Statement No. 68 is applicable. The current measurement period is the year ended June 30, 2018.

**City of Lompoc**  
**Schedule of Pension Contributions**  
**Safety Cost Sharing Plan**  
**For the Year Ended June 30, 2019**  
**Last 10 Years\***

Fiscal Year	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>
<b>Actuarially determined contribution</b>	\$ 2,852,875	\$ 2,489,290	\$ 2,272,412	\$ 2,073,074	\$ 1,784,713
Contributions in relation to the actuarially determined contributions	<u>(2,852,875)</u>	<u>(2,489,290)</u>	<u>(2,272,412)</u>	<u>(2,073,074)</u>	<u>(1,784,713)</u>
<b>Contribution deficiency (Excess)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll	5,451,306	5,041,930	6,062,138	6,061,433	5,656,523
<b>Contributions as a percentage of covered payroll</b>	<b>52.33%</b>	<b>49.37%</b>	<b>37.49%</b>	<b>34.20%</b>	<b>31.55%</b>

\* Fiscal year 2019 was the fifth year of the implementation therefore only five years are shown. Historical information is required only for measurements periods for which GASB Statement No. 68 is applicable. The current measurement period is the year ended June 30, 2018.

**City of Lompoc**  
**Schedule of Employer Contributions OPEB**  
**For the Year Ended June 30, 2019**  
**Last 10 Years \***

Fiscal Year	<u>2019</u>	<u>2018</u>
Measurement Date	<b>2018</b>	<b>2017</b>
Actuarially determined contribution (ADC)	\$ 2,130,000	\$ 2,265,000
Contributions in relation to actuarially determined contribution	<u>2,931,113</u>	<u>3,077,000</u>
Contribution deficiency / (excess)	<u>(801,113)</u>	<u>(812,000)</u>
Covered payroll	23,752,284	24,532,000
Contributions as a percentage of covered payroll	12%	13%

**Methods and assumptions used to determine contributions for the 2018/19 Fiscal Year:**

Valuation date	June 30, 2017
Actuarial cost method	Entry-age normal, level percentage of payroll
Amortization method	Level percent of payroll over closed 16.4 (average) period
Asset valuation methods	5 year smoothing
Discount Rate	6.75%
General inflation	2.75%
Medical trend	Non-Medicare: 7.5% for 2019, decreasing to 4.0% in 2076 Medicare: 6.5% for 2019, decreasing to 4.0% in 2076
Mortality Improvement	Mortality projected fully generational with Scale MP-17
Other assumptions	Based on CalPERS 1997-2015 experience study The implied subsidy was included in this valuation

\* Historical information is required only for the measurement periods for which GASB 75 is applicable. The current measurement period is the year ended June 30, 2018. Future years information will be displayed up to 10 years as information becomes available.

**City of Lompoc**  
**Schedule of Changes in Net OPEB Liability and Related Ratios**  
**For the Year Ended June 30, 2019**  
**Last 10 Years \***

Fiscal year	<u>2019</u>	<u>2018</u>
Measurement Period	<u>2017-18</u>	<u>2016-17</u>
<b>Total OPEB Liability</b>		
Service cost	\$ 938,467	\$ 911,000
Interest on the total OPEB liability	1,728,568	1,645,000
Benefit payments	(1,394,141)	(1,315,000)
<b>Net change in total OPEB Liability</b>	<u><b>1,272,894</b></u>	<u><b>1,241,000</b></u>
<b>Total OPEB liability - beginning</b>	<u><b>25,367,000</b></u>	<u><b>24,126,000</b></u>
<b>Total OPEB liability - ending (a)</b>	<u><b>\$ 26,639,894</b></u>	<u><b>\$ 25,367,000</b></u>
<b>Plan Fiduciary Net Position</b>		
Contribution - employer	\$ 3,076,552	\$ 2,993,000
Net investment income	828,695	958,000
Benefits payments	(1,394,141)	(1,315,000)
Administrative expense	(41,125)	(4,000)
<b>Net change in plan fiduciary net position</b>	<u><b>2,469,981</b></u>	<u><b>2,632,000</b></u>
<b>Plan Fiduciary Net Position - beginning</b>	<u><b>10,381,000</b></u>	<u><b>7,750,000</b></u>
<b>Plan Fiduciary Net Position - ending (b)</b>	<u><b>\$ 12,850,981</b></u>	<u><b>\$ 10,382,000</b></u>
<b>Net OPEB liability/(Asset) - ending (a) - (b)</b>	<u><b>\$ 13,788,913</b></u>	<u><b>\$ 14,985,000</b></u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	<b>48.2%</b>	<b>40.9%</b>
Covered payroll	\$ 24,532,290	\$ 24,697,000
Net OPEB liability as a percentage of covered payroll	56.2%	61.0%

\* Historical information is required only for the measurement periods for which GASB 75 is applicable. The current measurement period is the year ended June 30, 2018. Future years information will be displayed up to 10 years as information becomes available.

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**City of Lompoc**  
**Notes to Required Supplementary Information**  
**For the Year Ended June 30, 2019**

**Schedule of the Changes in Net Pension Liability and Related Ratios - Miscellaneous**

1. **Benefit changes.** The figures shown do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2017 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).
2. **Change in Assumption.** In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes to the discount rate.

**Schedule of the Plan Contributions - Miscellaneous Plan**

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2017-18 were from the June 30, 2015 funding valuation report.

Actuarial cost method	Entry-Age Normal Cost Method
Amortization method	For Details, see June 30, 2015 Funding Valuation Report
Remaining amortization period	For Details, see June 30, 2015 Funding Valuation Report
Asset valuation method	Market Value of Assets. For Details, see June 30, 2015 Actuarial Valuation Report
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Payroll growth	3.00%
Investment rate of return	7.50% net of pension plan investment and administrative expenses; includes inflation.
Retirement age	The probabilities of mortality are based on the 2014 CALPERS Experience Study for the period from 1997 to 2011.
Mortality	The probability of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and post-retirement mortality rates include 20 years of projected mortality improvements using Scale BB published by Society of Actuaries.

**Schedule of the City's Proportionate Share of the Net Pension Liability - Cost Sharing Plans**

The plan's proportionate share of aggregate contributions may not match the actual contributions made by the employer during the measurement period. The plan's proportionate share of aggregate contributions is based on the plan's proportion of fiduciary net position as well as any additional side fund (or unfunded liability) contributions made by the employer during the measurement period. This data is not required to be displayed by GASB Statement No. 68 for employers participating in cost-sharing plans, but it is being shown here because it is used in the calculation of the Plan's pension expense.

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**City of Lompoc**  
**Notes to Required Supplementary Information**  
**For the Year Ended June 30, 2019**

**Schedule of the City's Contribution - Cost Sharing**

1. **Benefit changes.** The figures shown do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2017 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).
2. **Change in Assumption.** In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes to the discount rate.

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**City of Lompoc**  
**Other Supplementary Information**  
**For the Year Ended June 30, 2019**

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**City of Lompoc**  
**Other Governmental Funds (Non-Major)**  
**For the Year Ended June 30, 2019**

**SPECIAL REVENUE FUNDS**

**Special Gas Tax** – This fund accounts for revenues received from Highway Users Tax (Motor Vehicle Fuel Tax) gas tax which allocation must be spent on maintenance of or construction of streets and roads under the jurisdiction of the City.

**Local Transportation** – This fund is used to account for funds provided from the Transportation Development Act derived from the dedicated \$0.0025 general California Sales Tax available for maintenance of streets and roads under the jurisdiction of the City.

**Jailer-Dispatcher Training** – This fund accounts for funds allocated by and received from the California Department of Corrections and Rehabilitation to provide training of jailers and correctional officers.

**Community Development** - This fund is used to account for revenues received from federal and state housing grants to provide decent housing, suitable living environments, and economic development principally for very-low to moderate income families through public services.

**PEG/TAP Cable Access** - This fund is used to account for revenue received for the Public, Education, and Government (PEG) and Television Access Partner (TAP) TV radio and cable programming facility for operating and maintenance of the cable access facility. Revenue is derived from the City's ordinance under the Digital Infrastructure and Video Competition Act (DIVCA) of 2006.

**Human Services** – This fund is used to account for the contributions made to aid human services and non-profit organizations that primarily benefit very-low to moderate income persons.

**Beatification** - This fund is used to account for contributions and fundraisers that provide funding for City beautification projects.

**SLTPP** – The State and Local Transportation Partnership Program (SLTPP), established in 1989, is used to account for the revenues received from the State Highway Account. Funding is used to improve the City's streets and roads.

**Federal Roads** – This fund is used to account for street and road projects funded with Federal Road funds. Funding, generally through a competitive process, allows for the improvement of City sidewalks, bridges, and streets and roads.

**Local STP** – This fund accounts for expenditures allocated to City from the Surface Transportation Program (STP), which provides funding for Federal-aid highways, bridges, tunnel, and other eligible projects.

**Right-of-Way Maintenance** - This fund is used to account for the collection of Right-of-Way reimbursements for services provided to enterprise activities.

**City of Lompoc**  
**Other Governmental Funds (Non-Major)**  
**For the Year Ended June 30, 2019**

**SPECIAL REVENUE FUNDS (Continued)**

**Measure A Transportation Improvement** – This fund accounts for streets and road maintenance expenditures funded from revenues received by the City due to the passage of Measure “A”, passed by the voters of Santa Barbara County in November, 2009. Measure “A” continued the \$0.005 sales tax initiated with the passage of Measure “D” by voters of Santa Barbara County in 1988. Measure “A” was implemented on April 1, 2010 and sales tax collections under Measure “A” will continue for 30 years.

**Affordable Housing In-Lieu** – This fund accounts for revenues received from commercial and residential developers to provide affordable housing for very-low to moderate income families. Developers who do not provide affordable housing can pay an in-lieu payment to the City which would then be responsible to develop the required housing.

**CAPITAL PROJECT FUNDS**

**Civic Center** – This fund accounts for revenue received from developer impact fees and expenditures for capital projects to improve and expand police facilities and provide equipment for expanded police service delivery.

**Capital Development** – This fund accounts for revenues received from a variety of developer fees including development impact fees for capital projects to improve and expand park, recreational, and fire facilities.

**Street Development** - This fund accounts for revenues received from grants, developer impact fees, and other developer fees to be used for capital projects to improve and expand streets and roads, and other right-of way facilities and assets.

**Park Assessment District** – This fund accounts for revenues received from a special assessment approved by district voters in 2002 to be used for improving and maintaining park and recreational facilities within the district. The formal name of the district is the Park Maintenance and Pool Operations Assessment District No. 2002-1.

**Library Impact Fees** - This fund is used to account for developer impact fees that are used to meet the capital improvement needs of library facilities and the capital outlay needs for equipment and materials for library operations.

**Children’s Library** – This fund was initially established to account for funds received from foundation and trust contributions to be used toward the capital development of a children’s mobile library. With the acquisition of the children’s mobile library, restricted trust fund contributions provide annual grant revenues to provide for the operations of the children’s mobile library services, including operations of the mobile library itself.

**City of Lompoc**  
**Other Governmental Funds (Non-Major)**  
**For the Year Ended June 30, 2019**

**DEBT SERVICE FUNDS**

***Lease Purchase*** – This fund is used to account for financing proceeds to be used toward the purchase of capital assets that are acquired under lease agreements and to account for the annual debt service obligations during the term of the financing.

***Assessment District*** – This fund is used to account for the debt service payments to meet the requirements and terms of the 2004 Aquatic Center Bonds issued by the Lompoc Financing Authority. Revenues required for the payment obligations are provided from the revenues of the Park Assessment District.

**City of Lompoc**  
**Combining Balance Sheet**  
**Other Governmental Funds**  
**June 30, 2019**

	Special Revenue		
	Special Gas Tax	Local Transportation	Jailer-Dispatcher Training
<b>Assets</b>			
Cash and investments	\$ 810,504	\$ 186,262	\$ 931
Accounts receivable			
Tax receivable		3,443	
Interest receivable	1,856	350	2
Due from other governments	142,692		
Inventories	5,263		
Property held for resale			
Loans receivable			
Total assets	\$ 960,315	\$ 190,055	\$ 933
<b>Liabilities and Fund Balance</b>			
<b>Liabilities:</b>			
Accounts payable and accruals	\$ 14,505	\$	\$
Accrued wages and benefits			
Deferred revenue			
Total liabilities	14,505		
<b>Fund balance:</b>			
Nonspendable:			
Inventories	5,263		
Restricted for:			
Road surface repairs	940,547	190,055	
Debt service			
Capital projects			
Committed for:			
Community services			933
Library acquisitions			
Health and welfare			
Housing			
Total fund balance (deficit)	945,810	190,055	933
Total liabilities and fund balance	\$ 960,315	\$ 190,055	\$ 933

**Special Revenue**

<b>Community Development</b>	<b>PEG / TAP Cable Access</b>	<b>Human Services</b>	<b>Beautification</b>	<b>SLTPP</b>	<b>Federal Road</b>
\$ 302,682	\$	\$ 23,841	\$ 16,661	\$	\$ (128,707)
		1,525	71		
575	52,055	45	32		
<u>1,699,786</u>					
<u>\$ 2,003,043</u>	<u>\$ 52,055</u>	<u>\$ 25,411</u>	<u>\$ 16,764</u>	<u>\$</u>	<u>\$ (128,707)</u>
\$ 37,361	\$ 754	\$ 8,375	\$	\$	\$ 2,100
1,107	3,118				
<u>38,468</u>	<u>3,872</u>	<u>8,375</u>			<u>2,100</u>
					(130,807)
	48,183		16,764		
		17,036			
<u>1,964,575</u>					
<u>1,964,575</u>	<u>48,183</u>	<u>17,036</u>	<u>16,764</u>		<u>(130,807)</u>
<u>\$ 2,003,043</u>	<u>\$ 52,055</u>	<u>\$ 25,411</u>	<u>\$ 16,764</u>	<u>\$ -</u>	<u>\$ (128,707)</u>

**City of Lompoc**  
**Combining Balance Sheet**  
**Other Governmental Funds, continued**  
**June 30, 2019**  
**Page 2**

	Special Revenue			
	Local STP	Right-of-Away Maintenance	Measure A Transportation Improvement	Affordable Housing In-Lieu
<b>Assets</b>				
Cash and investments	\$ 84,357	\$ 1,697,675	\$ 2,998,238	\$ 1,328,642
Accounts receivable				
Tax receivable				
Interest receivable	160	3,220	4,483	2,521
Due from other governments			236,737	
Inventories				
Property held for resale				200,000
Loans receivable				4,797,144
	<u>84,517</u>	<u>1,700,895</u>	<u>3,239,458</u>	<u>6,328,307</u>
Total assets	<u>\$ 84,517</u>	<u>\$ 1,700,895</u>	<u>\$ 3,239,458</u>	<u>\$ 6,328,307</u>
<b>Liabilities and Fund Balance</b>				
<b>Liabilities:</b>				
Accounts payable and accruals	\$	\$	\$ 45,505	\$
Accrued wages and benefits				1,252
Deferred revenue				
Total liabilities			<u>45,505</u>	<u>1,252</u>
<b>Fund balance:</b>				
Nonspendable:				
Inventories				
Restricted for:				
Road surface repairs	84,517	1,700,895	3,193,953	
Debt service				
Capital projects				
Committed for:				
Community services				
Library acquisitions				
Health and welfare				
Housing				6,327,055
Total fund balance (deficit)	<u>84,517</u>	<u>1,700,895</u>	<u>3,193,953</u>	<u>6,327,055</u>
Total liabilities and fund balance	<u>\$ 84,517</u>	<u>\$ 1,700,895</u>	<u>\$ 3,239,458</u>	<u>\$ 6,328,307</u>

**Capital Projects**

<b>Civic Center</b>	<b>Capital Development</b>	<b>Street Development</b>	<b>Park Assessment District</b>	<b>Library Impact Fees</b>	<b>Children's Library</b>
\$ 62,323	\$ 2,848,348	\$ 5,595,266	\$ 2,288	\$ 225,757	\$ 112,460
119	5,403	10,613		428	238
<u>\$ 62,442</u>	<u>\$ 2,853,751</u>	<u>\$ 5,605,879</u>	<u>\$ 2,288</u>	<u>\$ 226,185</u>	<u>\$ 112,698</u>
\$	\$ 4,241	\$	\$ 67	\$	\$ 1,515
			2,221		2,137
					9,125
	<u>4,241</u>		<u>2,288</u>		<u>12,777</u>
		5,605,879			
62,442	2,849,510				
				226,185	99,921
<u>62,442</u>	<u>2,849,510</u>	<u>5,605,879</u>		<u>226,185</u>	<u>99,921</u>
<u>\$ 62,442</u>	<u>\$ 2,853,751</u>	<u>\$ 5,605,879</u>	<u>\$ 2,288</u>	<u>\$ 226,185</u>	<u>\$ 112,698</u>

**City of Lompoc**  
**Combining Balance Sheet**  
**Other Governmental Funds, continued**  
**June 30, 2019**  
**Page 3**

	<u>Debt Service</u>		<u>Total Other Governmental Funds</u>
	<u>Lease Purchase</u>	<u>Assessment District</u>	
<b>Assets</b>			
Cash and investments	\$ 283,739	\$ 123,279	\$ 16,574,546
Accounts receivable			1,596
Tax receivable			55,498
Interest receivable	538	231	30,814
Due from other governments			379,429
Inventories			5,263
Property held for resale			200,000
Loans receivable			6,496,930
	<u>\$ 284,277</u>	<u>\$ 123,510</u>	<u>\$ 23,744,076</u>
<b>Total assets</b>	<u>\$ 284,277</u>	<u>\$ 123,510</u>	<u>\$ 23,744,076</u>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities:</b>			
Accounts payable and accruals	\$	\$	\$ 114,423
Accrued wages and benefits			9,835
Deferred revenue			9,125
			<u>133,383</u>
<b>Total liabilities</b>			<u>133,383</u>
<b>Fund balance:</b>			
Nonspendable:			
Inventories			5,263
Restricted for:			
Road surface repairs			11,585,039
Debt service	284,277	123,510	407,787
Capital projects			2,911,952
Committed for:			
Community services			65,880
Library acquisitions			326,106
Health and welfare			17,036
Housing			8,291,630
	<u>284,277</u>	<u>123,510</u>	<u>23,610,693</u>
<b>Total fund balance (deficit)</b>	<u>284,277</u>	<u>123,510</u>	<u>23,610,693</u>
<b>Total liabilities and fund balance</b>	<u>\$ 284,277</u>	<u>\$ 123,510</u>	<u>\$ 23,744,076</u>



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**City of Lompoc**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances (Deficit)**  
**Other Governmental Funds**  
**For the Year Ended June 30, 2019**

	<u>Special Revenue</u>		
	<u>Special Gas Tax</u>	<u>Local Transportation</u>	<u>Jailer-Dispatcher Training</u>
<b>Revenues:</b>			
Taxes	\$ 1,669,550	\$ 36,470	\$
Revenues from other agencies			2,310
Charges for current services			
Interest	51,923	6,237	131
Rental income			
Other revenues			
Total revenues	<u>1,721,473</u>	<u>42,707</u>	<u>2,441</u>
<b>Expenditures:</b>			
Personnel services			
Maintenance and operations	858,120	15	1,380
Capital outlay	1,019,257		
Debt service:			
Principal			
Interest and fiscal charges			
Total expenditures	<u>1,877,377</u>	<u>15</u>	<u>1,380</u>
Excess of revenues over (under) expenditures	<u>(155,904)</u>	<u>42,692</u>	<u>1,061</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out	<u>(569,109)</u>		
Total other financing sources (uses)	<u>(569,109)</u>		
Net change in fund balance (deficit)	(725,013)	42,692	1,061
<b>Fund balance (deficit) - beginning of year</b>	<u>1,670,823</u>	<u>147,363</u>	<u>(128)</u>
<b>Fund balance (deficit) - end of year</b>	<u>\$ 945,810</u>	<u>\$ 190,055</u>	<u>\$ 933</u>

**City of Lompoc**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances (Deficit)**  
**Other Governmental Funds**  
**For the Year Ended June 30, 2019**

Special Revenue					
Community Development	PEG / TAP Cable Access	Human Services	Beautification	SLTPP	Federal Road
\$ 557,260	\$ 207,914	\$	\$	\$ 116,870	\$ 474,657
120	358				
38,303	319	1,112	633	1,680	5,317
(6,611)	1,208	19,071	857		
589,072	209,799	20,183	1,490	118,550	479,974
211,533	169,348				
171,820	46,471	27,041	325		
224,356				116,870	594,024
607,709	215,819	27,041	325	116,870	594,024
(18,637)	(6,020)	(6,858)	1,165	1,680	(114,050)
	2,886				
	2,886				
(18,637)	(3,134)	(6,858)	1,165	1,680	(114,050)
1,983,213	51,317	23,894	15,599	(1,680)	(16,757)
\$ 1,964,576	\$ 48,183	\$ 17,036	\$ 16,764	\$ -	\$ (130,807)

**City of Lompoc**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances (Deficit)**  
**Other Governmental Funds, continued**  
**For the Year Ended June 30, 2019**  
**Page 2**

	Special Revenue			
	Local STP	Right-of-Away Maintenance	Measure A Transportation Improvement	Affordable Housing In-Lieu
<b>Revenues:</b>				
Taxes	\$	\$	\$ 2,463,075	\$
Revenues from other agencies				16,238
Charges for current services		1,457,746		5,437
Interest	1,583	26,746	104,119	101,632
Rental income				
Other revenues				18,689
Total revenues	<u>1,583</u>	<u>1,484,492</u>	<u>2,567,194</u>	<u>141,996</u>
<b>Expenditures:</b>				
Personnel services				101,484
Maintenance and operations			147,895	249,570
Capital outlay			1,054,531	
Debt service:				
Principal				
Interest and fiscal charges				
Total expenditures			<u>1,202,426</u>	<u>351,054</u>
Excess of revenues over (under) expenditures	<u>1,583</u>	<u>1,484,492</u>	<u>1,364,768</u>	<u>(209,058)</u>
<b>Other financing sources (uses):</b>				
Transfers in				
Transfers out	<u>(172,000)</u>	<u>(832,019)</u>	<u>(1,309,749)</u>	
Total other financing sources (uses)	<u>(172,000)</u>	<u>(832,019)</u>	<u>(1,309,749)</u>	
Net change in fund balance (deficit)	(170,417)	652,473	55,019	(209,058)
<b>Fund balance (deficit) - beginning of year</b>	<u>254,934</u>	<u>1,048,422</u>	<u>3,138,934</u>	<u>6,536,113</u>
<b>Fund balance (deficit) - end of year</b>	<u>\$ 84,517</u>	<u>\$ 1,700,895</u>	<u>\$ 3,193,953</u>	<u>\$ 6,327,055</u>

**City of Lompoc**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances (Deficit)**  
**Other Governmental Funds**  
**For the Year Ended June 30, 2019**

Capital Projects					
Civic Center	Capital Development	Street Development	Park Assessment District	Library Impact Fees	Children's Library
\$	\$ 270,708	\$	\$	\$	\$
2,643	114,498	209,600	156	8,784	3,632
589	13,358	332,177		870	121,648
<u>3,232</u>	<u>412,154</u>	<u>541,777</u>	<u>156</u>	<u>9,654</u>	<u>125,280</u>
10,002	2,966		72,756		103,086
	11,319		25,165		43,061
	464,358				
<u>10,002</u>	<u>478,643</u>		<u>97,921</u>		<u>146,147</u>
<u>(6,770)</u>	<u>(66,489)</u>	<u>541,777</u>	<u>(97,765)</u>	<u>9,654</u>	<u>(20,867)</u>
			147,594		
	<u>(33,353)</u>		<u>(49,962)</u>		
	<u>(33,353)</u>		<u>97,632</u>		
(6,770)	(99,842)	541,777	(133)	9,654	(20,867)
<u>69,212</u>	<u>2,949,352</u>	<u>5,064,102</u>	<u>133</u>	<u>216,531</u>	<u>120,788</u>
<u>\$ 62,442</u>	<u>\$ 2,849,510</u>	<u>\$ 5,605,879</u>	<u>\$ -</u>	<u>\$ 226,185</u>	<u>\$ 99,921</u>

**City of Lompoc**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances (Deficit)**  
**Other Governmental Funds, continued**  
**For the Year Ended June 30, 2019**  
**Page 3**

	<u>Debt Service</u>		<u>Total Other Governmental Funds</u>
	<u>Lease Purchase</u>	<u>Assessment District</u>	
<b>Revenues:</b>			
Taxes	\$	\$ 322,978	\$ 4,699,987
Revenues from other agencies			1,438,043
Charges for current services			1,463,661
Interest	5,291	3,517	687,856
Rental income			13,358
Other revenues			502,088
Total revenues	<u>5,291</u>	<u>326,495</u>	<u>8,804,993</u>
<b>Expenditures:</b>			
Personnel services			661,173
Maintenance and operations		10,232	1,602,416
Capital outlay			3,473,396
Debt service:			
Principal	135,470	75,000	210,470
Interest and fiscal charges	35,350	87,855	123,205
Total expenditures	<u>170,820</u>	<u>173,087</u>	<u>6,070,660</u>
Excess of revenues over (under) expenditures	<u>(165,529)</u>	<u>153,408</u>	<u>2,734,333</u>
<b>Other financing sources (uses):</b>			
Transfers in	170,820		321,300
Transfers out		(147,594)	(3,113,786)
Total other financing sources (uses)	<u>170,820</u>	<u>(147,594)</u>	<u>(2,792,486)</u>
Net change in fund balance (deficit)	5,291	5,814	(58,153)
<b>Fund balance (deficit) - beginning of year</b>	<u>278,986</u>	<u>117,696</u>	<u>23,668,847</u>
<b>Fund balance (deficit) - end of year</b>	<u>\$ 284,277</u>	<u>\$ 123,510</u>	<u>\$ 23,610,694</u>

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**City of Lompoc**  
**Non-major Special Revenue Funds**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**Other Governmental Funds**  
**For the Year Ended June 30, 2019**

**Special Gas Tax**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
<b>Revenues:</b>				
Taxes	\$ 1,738,266	\$ 1,738,266	\$ 1,669,550	\$ (68,716)
Interest			51,923	51,923
Total revenue	<u>1,738,266</u>	<u>1,738,266</u>	<u>1,721,473</u>	<u>(16,793)</u>
<b>Expenditures:</b>				
Maintenance and operations	1,169,157	1,184,507	858,120	(326,387)
Capital outlays		1,167,795	1,019,257	(148,538)
Total expenditures	<u>1,169,157</u>	<u>2,352,302</u>	<u>1,877,377</u>	<u>(474,925)</u>
Excess of revenues over (under) expenditures	<u>569,109</u>	<u>(614,036)</u>	<u>(155,904)</u>	<u>458,132</u>
<b>Other financing uses</b>				
Transfers out	<u>(569,109)</u>	<u>(569,109)</u>	<u>(569,109)</u>	
Total other financing uses	<u>(569,109)</u>	<u>(569,109)</u>	<u>(569,109)</u>	
Net change in fund balance	<u>\$ -</u>	<u>\$ (1,183,145)</u>	<u>(725,013)</u>	<u>\$ 458,132</u>
<b>Fund balance - beginning of year</b>			<u>1,670,823</u>	
<b>Fund balance - end of year</b>			<u>\$ 945,810</u>	



**City of Lompoc**  
**Non-major Special Revenue Funds**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**Other Governmental Funds**  
**For the Year Ended June 30, 2019**

**Local Transportation**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
<b>Revenues:</b>				
Taxes	\$	\$	\$ 36,470	\$ 36,470
Interest	1,350	1,350	6,237	4,887
Total revenue	<u>1,350</u>	<u>1,350</u>	<u>42,707</u>	<u>41,357</u>
<b>Expenditures:</b>				
Maintenance and operations	1,350	1,350	15	(1,335)
Capital outlays		43,776		(43,776)
Total expenditures	<u>1,350</u>	<u>45,126</u>	<u>15</u>	<u>(45,111)</u>
Excess of revenues over expenditures		<u>(43,776)</u>	<u>42,692</u>	<u>86,468</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (43,776)</u>	<u>42,692</u>	<u>\$ 86,468</u>
<b>Fund balance - beginning of year</b>			<u>147,363</u>	
<b>Fund balance - end of year</b>			<u><u>\$ 190,055</u></u>	

**City of Lompoc**  
**Non-major Special Revenue Funds**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**Other Governmental Funds**  
**For the Year Ended June 30, 2019**

**Jailor-Dispatcher Training**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Budget Positive (Negative)</b>
<b>Revenues:</b>				
Revenues from other agencies	\$ 5,206	\$ 5,206	\$ 2,310	\$ (2,896)
Interest			131	131
Total revenue	5,206	5,206	2,441	(2,765)
<b>Expenditures:</b>				
Maintenance and operations	5,206	5,206	1,380	(3,826)
Total expenditures	5,206	5,206	1,380	(3,826)
Excess of revenues over expenditures			1,061	1,061
Net change in fund balance (deficit)	\$ -	\$ -	1,061	\$ 1,061
<b>Fund balance (deficit) - beginning of year</b>			(128)	
<b>Fund balance - end of year</b>			\$ 933	

**City of Lompoc**  
**Non-major Special Revenue Funds**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**Other Governmental Funds**  
**For the Year Ended June 30, 2019**

**Community Development**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
<b>Revenues:</b>				
Revenues from other agencies	\$ 420,000	\$ 420,000	\$ 557,260	\$ 137,260
Charges for current services			120	120
Interest	4,575	4,575	38,303	33,728
Other revenues			(6,611)	(6,611)
Total revenue	<u>424,575</u>	<u>424,575</u>	<u>589,072</u>	<u>164,497</u>
<b>Expenditures:</b>				
Personnel services	253,683	291,965	211,533	(80,432)
Maintenance and operations	267,085	604,084	171,820	(432,264)
Capital outlays		124,738	224,356	99,619
Total expenditures	<u>520,768</u>	<u>1,020,787</u>	<u>607,709</u>	<u>(413,078)</u>
Excess of revenues over (under) expenditures	<u>(96,193)</u>	<u>(596,212)</u>	<u>(18,637)</u>	<u>577,575</u>
Net change in fund balance	<u>\$ (96,193)</u>	<u>\$ (596,212)</u>	<u>(18,637)</u>	<u>\$ 577,575</u>
<b>Fund balance - beginning of year</b>			<u>1,983,213</u>	
<b>Fund balance - end of year</b>			<u><u>\$ 1,964,576</u></u>	

**City of Lompoc**  
**Non-major Special Revenue Funds**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**Other Governmental Funds**  
**For the Year Ended June 30, 2019**

**PEG / TAP Cable Access**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
<b>Revenues:</b>				
Taxes	\$ 219,467	\$ 219,467	\$ 207,914	\$ (11,553)
Charges for current services	800	800	358	(442)
Interest	5,015	5,015	319	(4,696)
Other revenues			1,208	
Total revenue	<u>225,282</u>	<u>225,282</u>	<u>209,799</u>	<u>(16,691)</u>
<b>Expenditures:</b>				
Personnel services	173,295	163,367	169,348	5,981
Maintenance and operations	54,797	54,797	46,471	(8,326)
Total expenditures	<u>228,092</u>	<u>218,164</u>	<u>215,819</u>	<u>(2,345)</u>
Excess of revenues over (under) expenditures	<u>(2,810)</u>	<u>7,118</u>	<u>(6,020)</u>	<u>(14,346)</u>
<b>Other financing sources</b>				
Transfers in	2,826	2,826	2,886	60
Total other financing sources	<u>2,826</u>	<u>2,826</u>	<u>2,886</u>	<u>60</u>
Net change in fund balance	<u>\$ 16</u>	<u>\$ 9,944</u>	<u>(3,134)</u>	<u>\$ (14,406)</u>
<b>Fund balance - beginning of year</b>			<u>51,317</u>	
<b>Fund balance - end of year</b>			<u>\$ 48,183</u>	

**City of Lompoc**  
**Non-major Special Revenue Funds**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**Other Governmental Funds**  
**For the Year Ended June 30, 2019**

**Human Services**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
<b>Revenues:</b>				
Interest	\$	\$	\$ 1,112	\$ 1,112
Other revenues	18,355	18,355	19,071	716
Total revenue	<u>18,355</u>	<u>18,355</u>	<u>20,183</u>	<u>1,828</u>
<b>Expenditures:</b>				
Maintenance and operations	18,355	42,487	27,041	(15,446)
Total expenditures	<u>18,355</u>	<u>42,487</u>	<u>27,041</u>	<u>(15,446)</u>
Excess of revenues over (under) expenditures		<u>(24,132)</u>	<u>(6,858)</u>	<u>17,274</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (24,132)</u>	<u>(6,858)</u>	<u>\$ 17,274</u>
<b>Fund balance - beginning of year</b>			<u>23,894</u>	
<b>Fund balance - end of year</b>			<u><u>\$ 17,036</u></u>	

**City of Lompoc**  
**Non-major Special Revenue Funds**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**Other Governmental Funds**  
**For the Year Ended June 30, 2019**

**Beautification**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Budget Positive (Negative)</b>
<b>Revenues:</b>				
Interest	\$	\$	\$ 633	\$ 633
Other revenues	860	860	857	(3)
Total revenue	<u>860</u>	<u>860</u>	<u>1,490</u>	<u>630</u>
<b>Expenditures:</b>				
Maintenance and operations	<u>1,068</u>	<u>1,068</u>	<u>325</u>	<u>(743)</u>
Total expenditures	<u>1,068</u>	<u>1,068</u>	<u>325</u>	<u>(743)</u>
Excess of revenues over expenditures	<u>(208)</u>	<u>(208)</u>	<u>1,165</u>	<u>1,373</u>
Net change in fund balance	<u>\$ (208)</u>	<u>\$ (208)</u>	<u>1,165</u>	<u>\$ 1,373</u>
<b>Fund balance - beginning of year</b>			<u>15,599</u>	
<b>Fund balance - end of year</b>			<u><u>\$ 16,764</u></u>	

**City of Lompoc**  
**Non-major Special Revenue Funds**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**Other Governmental Funds**  
**For the Year Ended June 30, 2019**

**SLTPP**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
<b>Revenues:</b>				
Revenues from other agencies	\$	\$	\$ 116,870	\$ 116,870
Total revenue			<u>118,550</u>	<u>118,550</u>
<b>Expenditures:</b>				
Capital outlays		120,219	116,870	(3,349)
Total expenditures		<u>120,219</u>	<u>116,870</u>	<u>(3,349)</u>
Excess of revenues over expenditures		<u>(120,219)</u>	1,680	121,899
Net change in fund balance (deficit)	<u>\$ -</u>	<u>\$ (120,219)</u>	<u>1,680</u>	<u>\$ 121,899</u>
<b>Fund balance (deficit) - beginning of year</b>			<u>(1,680)</u>	
<b>Fund balance - end of year</b>			<u><u>\$ -</u></u>	

**City of Lompoc**  
**Non-major Special Revenue Funds**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances (Deficit) - Budget and Actual**  
**Other Governmental Funds**  
**For the Year Ended June 30, 2019**

**Federal Road**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Budget Positive (Negative)</b>
<b>Revenues:</b>				
Revenues from other agencies	\$	\$	\$ 474,657	\$ 474,657
Interest			5,317	5,317
Total revenue			479,974	479,974
<b>Expenditures:</b>				
Capital outlays		615,003	594,024	(20,979)
Total expenditures		615,003	594,024	(20,979)
Excess of revenues over (under) expenditures		(615,003)	(114,050)	500,953
Net change in fund balance (deficit)	\$ -	\$ (615,003)	(114,050)	\$ 500,953
<b>Fund balance (deficit) - beginning of year</b>			(16,757)	
<b>Fund balance (deficit) - end of year</b>			\$ (130,807)	



**City of Lompoc**  
**Non-major Special Revenue Funds**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**Other Governmental Funds**  
**For the Year Ended June 30, 2019**

**Local STP**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Budget Positive (Negative)</b>
<b>Revenues:</b>				
Revenues from other agencies	\$ 172,000	\$ 172,000	\$	\$ (172,000)
Interest			1,583	1,583
Total revenue	<u>172,000</u>	<u>172,000</u>	<u>1,583</u>	<u>(170,417)</u>
<b>Expenditures:</b>				
Maintenance and operations		<u>51,000</u>		<u>(51,000)</u>
Total expenditures		<u>51,000</u>		<u>(51,000)</u>
Excess of revenues over expenditures	<u>172,000</u>	<u>121,000</u>	<u>1,583</u>	<u>(119,417)</u>
<b>Other financing uses</b>				
Transfers out	<u>(172,000)</u>	<u>(172,000)</u>	<u>(172,000)</u>	
Total other financing uses	<u>(172,000)</u>	<u>(172,000)</u>	<u>(172,000)</u>	
Net change in fund balance	<u>\$ -</u>	<u>\$ (51,000)</u>	<u>(170,417)</u>	<u>\$ (119,417)</u>
<b>Fund balance - beginning of year</b>			<u>254,934</u>	
<b>Fund balance - end of year</b>			<u>\$ 84,517</u>	

**City of Lompoc**  
**Non-major Special Revenue Funds**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**Other Governmental Funds**  
**For the Year Ended June 30, 2019**

**Right-of-Away Maintenance**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
<b>Revenues:</b>				
Charges for current services	\$ 1,799,362	\$ 1,457,745	\$ 1,457,746	\$ 1
Interest	1,350	1,350	26,746	25,396
Total revenue	<u>1,800,712</u>	<u>1,459,095</u>	<u>1,484,492</u>	<u>25,397</u>
<b>Expenditures:</b>				
Maintenance and operations	2,639	2,639		(2,639)
Total expenditures	<u>2,639</u>	<u>2,639</u>		<u>(2,639)</u>
Excess of revenues over expenditures	<u>1,798,073</u>	<u>1,456,456</u>	<u>1,484,492</u>	<u>28,036</u>
<b>Other financing sources (uses)</b>				
Transfers out	(1,457,745)	(1,457,745)	(832,019)	625,726
Total other financing uses	<u>(1,457,745)</u>	<u>(1,457,745)</u>	<u>(832,019)</u>	<u>625,726</u>
Net change in fund balance	<u>\$ 340,328</u>	<u>\$ (1,289)</u>	<u>652,473</u>	<u>\$ (597,690)</u>
<b>Fund balance - beginning of year</b>			<u>1,048,422</u>	
<b>Fund balance - end of year</b>			<u>\$ 1,700,895</u>	

**City of Lompoc**  
**Non-major Special Revenue Funds**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**Other Governmental Funds**  
**For the Year Ended June 30, 2019**

**Measure A Transportation Improvement**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Budget Positive (Negative)</b>
<b>Revenues:</b>				
Taxes	\$ 2,321,103	\$ 2,321,103	\$ 2,463,075	\$ 141,972
Interest	9,019	9,019	104,119	95,100
Total revenue	<u>2,330,122</u>	<u>2,330,122</u>	<u>2,567,194</u>	<u>237,072</u>
<b>Expenditures:</b>				
Maintenance and operations	225,000	225,000	147,895	(77,105)
Capital outlays	65,000	1,509,225	1,054,531	(454,694)
Total expenditures	<u>290,000</u>	<u>1,734,225</u>	<u>1,202,426</u>	<u>(531,799)</u>
Excess of revenues over expenditures	<u>2,040,122</u>	<u>595,897</u>	<u>1,364,768</u>	<u>768,871</u>
<b>Other financing uses</b>				
Transfers out	(1,902,099)	(1,902,099)	(1,309,749)	592,350
Total other financing uses	<u>(1,902,099)</u>	<u>(1,902,099)</u>	<u>(1,309,749)</u>	<u>592,350</u>
Net change in fund balance	<u>\$ 138,023</u>	<u>\$ (1,306,202)</u>	<u>55,019</u>	<u>\$ 176,521</u>
<b>Fund balance - beginning of year</b>			<u>3,138,934</u>	
<b>Fund balance - end of year</b>			<u><u>\$ 3,193,953</u></u>	

**City of Lompoc**  
**Non-major Special Revenue Funds**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**Other Governmental Funds**  
**For the Year Ended June 30, 2019**

**Affordable Housing In-Lieu**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Budget Positive (Negative)</b>
<b>Revenues:</b>				
Revenues from other agencies	\$	\$	\$ 16,238	\$ 16,238
Charges for current services			5,437	5,437
Interest	19,650	19,650	101,632	81,982
Other revenues	18,000	18,000	18,689	689
Total revenue	<u>37,650</u>	<u>37,650</u>	<u>141,996</u>	<u>104,346</u>
<b>Expenditures:</b>				
Personnel services	140,051	127,107	101,484	(25,623)
Maintenance and operations	42,288	2,087,825	249,570	(1,838,255)
Total expenditures	<u>182,339</u>	<u>2,214,932</u>	<u>351,054</u>	<u>(1,863,878)</u>
Excess of revenues over (under) expenditures	<u>(144,689)</u>	<u>(2,177,282)</u>	<u>(209,058)</u>	<u>1,968,224</u>
Net change in fund balance	<u>\$ (144,689)</u>	<u>\$ (2,177,282)</u>	<u>(209,058)</u>	<u>\$ 1,968,224</u>
<b>Fund balance - beginning of year</b>			<u>6,536,113</u>	
<b>Fund balance - end of year</b>			<u><u>\$ 6,327,055</u></u>	

**City of Lompoc**  
**Non-major Special Revenue Funds**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**Other Governmental Funds**  
**For the Year Ended June 30, 2019**

**Civic Center**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
<b>Revenues:</b>				
Interest	\$ 803	\$ 803	\$ 2,643	\$ 1,840
Other revenues	154,000	154,000	589	(153,411)
Total revenue	<u>154,803</u>	<u>154,803</u>	<u>3,232</u>	<u>(151,571)</u>
<b>Expenditures:</b>				
Maintenance and operations	154,803	164,805	10,002	(154,803)
Total expenditures	<u>154,803</u>	<u>164,805</u>	<u>10,002</u>	<u>(154,803)</u>
Excess of revenues over (under) expenditures		<u>(10,002)</u>	<u>(6,770)</u>	<u>3,232</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (10,002)</u>	<u>(6,770)</u>	<u>\$ 3,232</u>
<b>Fund balance - beginning of year</b>			<u>69,212</u>	
<b>Fund balance - end of year</b>			<u><u>\$ 62,442</u></u>	

**City of Lompoc**  
**Non-major Special Revenue Funds**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**Other Governmental Funds**  
**For the Year Ended June 30, 2019**

**Capital Development**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
<b>Revenues:</b>				
Revenues from other agencies	\$	\$	\$ 270,708	\$ 270,708
Interest	20,582	20,582	114,498	93,916
Rental Income	15,250	15,250	13,358	(1,892)
Other revenues			13,590	13,590
Total revenue	<u>35,832</u>	<u>35,832</u>	<u>412,154</u>	<u>376,322</u>
<b>Expenditures:</b>				
Personnel services			2,966	2,966
Maintenance and operations	33,354	79,254	11,319	(67,935)
Capital outlays	<u>159,689</u>	<u>1,990,746</u>	<u>464,358</u>	<u>(1,526,388)</u>
Total expenditures	<u>193,043</u>	<u>2,070,000</u>	<u>478,643</u>	<u>(1,591,357)</u>
Excess of revenues over (under) expenditures	<u>(157,211)</u>	<u>(2,034,168)</u>	<u>(66,489)</u>	<u>1,967,679</u>
<b>Other financing uses</b>				
Transfers out			<u>(33,353)</u>	<u>(33,353)</u>
Total other financing uses			<u>(33,353)</u>	<u>(33,353)</u>
Net change in fund balance	<u>\$ (157,211)</u>	<u>\$ (2,034,168)</u>	<u>(99,842)</u>	<u>\$ 2,001,032</u>
<b>Fund balance - beginning of year</b>			<u>2,949,352</u>	
<b>Fund balance - end of year</b>			<u>\$ 2,849,510</u>	

**City of Lompoc**  
**Non-major Special Revenue Funds**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**Other Governmental Funds**  
**For the Year Ended June 30, 2019**

**Street Development**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
<b>Revenues:</b>				
Interest	\$ 9,458	\$ 9,458	\$ 209,600	\$ 200,142
Other revenues			332,177	332,177
Total revenue	<u>9,458</u>	<u>9,458</u>	<u>541,777</u>	<u>532,319</u>
<b>Expenditures:</b>				
Maintenance and operations	9,458	9,458		(9,458)
Capital outlays		<u>47,950</u>		<u>(47,950)</u>
Total expenditures	<u>9,458</u>	<u>57,408</u>		<u>(57,408)</u>
Excess of revenues over expenditures		<u>(47,950)</u>	<u>541,777</u>	<u>589,727</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (47,950)</u>	<u>541,777</u>	<u>\$ 589,727</u>
<b>Fund balance - beginning of year</b>			<u>5,064,102</u>	
<b>Fund balance - end of year</b>			<u><u>\$ 5,605,879</u></u>	

**City of Lompoc**  
**Non-major Special Revenue Funds**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**Other Governmental Funds**  
**For the Year Ended June 30, 2019**

**Park Assessment District**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
<b>Revenues:</b>				
Interest	\$	\$	\$ 156	\$ 156
Total revenue			<u>156</u>	<u>156</u>
<b>Expenditures:</b>				
Personnel services	74,472	70,749	72,756	2,007
Maintenance and operations	<u>25,008</u>	<u>25,008</u>	<u>25,165</u>	<u>157</u>
Total expenditures	<u>99,480</u>	<u>95,757</u>	<u>97,921</u>	<u>2,164</u>
Excess of revenues over (under) expenditures	<u>(99,480)</u>	<u>(95,757)</u>	<u>(97,765)</u>	<u>(2,008)</u>
<b>Other financing sources (uses)</b>				
Transfers in			147,594	147,594
Transfers out	<u>(55,074)</u>	<u>(55,074)</u>	<u>(49,962)</u>	<u>5,112</u>
Total other financing sources (uses)	<u>(55,074)</u>	<u>(55,074)</u>	<u>97,632</u>	<u>152,706</u>
Net change in fund balance	<u>\$ (154,554)</u>	<u>\$ (150,831)</u>	<u>(133)</u>	<u>\$ (154,714)</u>
<b>Fund balance - beginning of year</b>			<u>133</u>	
<b>Fund balance - end of year</b>			<u>\$ -</u>	



**City of Lompoc**  
**Non-major Special Revenue Funds**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**Other Governmental Funds**  
**For the Year Ended June 30, 2019**

**Children's Library**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Budget Positive (Negative)</b>
<b>Revenues:</b>				
Interest	\$ 320	\$ 320	\$ 3,632	\$ 3,312
Other revenues	143,268	150,468	121,648	(28,820)
Total revenue	<u>143,588</u>	<u>150,788</u>	<u>125,280</u>	<u>(25,508)</u>
<b>Expenditures:</b>				
Personnel services	112,517	102,805	103,086	281
Maintenance and operations	31,106	46,923	43,061	(3,862)
Total expenditures	<u>143,623</u>	<u>149,728</u>	<u>146,147</u>	<u>(3,581)</u>
Excess of revenues over (under) expenditures	<u>(35)</u>	<u>1,060</u>	<u>(20,867)</u>	<u>(21,927)</u>
Net change in fund balance	<u>\$ (35)</u>	<u>\$ 1,060</u>	<u>(20,867)</u>	<u>\$ (21,927)</u>
<b>Fund balance - beginning of year</b>			<u>120,788</u>	
<b>Fund balance - end of year</b>			<u><u>\$ 99,921</u></u>	

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**City of Lompoc**  
**Other Enterprise Funds (Non-Major)**  
**For the Year Ended June 30, 2019**

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***Airport*** – This fund is used to account for revenues to develop and maintain and operate the Airport facility and the related operations, maintenance, and capital expenditures of the Airport facility.

***Lompoc Transit*** – This fund is used to account for revenues from Transportation Development Act, Federal Transit Administration grants, fare box and other revenues and expenditures for daily operations and capital needs of local transit services.

***Broadband*** – This fund is used to account for revenues received from customers that use the City’s wireless internet system which provides funding for the development and maintenance of the broadband system.

**City of Lompoc**  
**Combining Statement of Net Position (Deficit)**  
**Other Enterprise Funds**  
**For the Year Ended June 30, 2019**

<b>Assets</b>	<b>Lompoc Airport</b>	<b>Lompoc Transit</b>	<b>Broadband</b>	<b>Total Other Enterprise Funds</b>
<b>Current assets:</b>				
Cash and investments	\$ 227,961	\$ 6,534,161	\$ (4,647)	\$ 6,757,475
Accounts receivable, net	73,142	1,470	5,615	80,227
Tax receivable		202,001		202,001
Interest receivable	414	12,199	(36)	12,577
Due from other governments	25,415	327,213		352,628
Inventories	12,660			12,660
Total current assets	<u>339,592</u>	<u>7,077,044</u>	<u>932</u>	<u>7,417,568</u>
<b>Noncurrent assets:</b>				
Capital assets:				
Land	5,401,514	467,373		5,868,887
Building and improvements	5,853,611	377,530		6,231,141
Infrastructure		1,754,809		1,754,809
Construction in progress		2,082,305		2,082,305
Equipment	507,164	1,004,637	320,412	1,832,213
Vehicles and machinery		2,320,729		2,320,729
Less accumulated depreciation	<u>(2,639,388)</u>	<u>(3,346,619)</u>	<u>(317,520)</u>	<u>(6,303,527)</u>
Total noncurrent assets	<u>9,122,901</u>	<u>4,660,764</u>	<u>2,892</u>	<u>13,786,557</u>
Total assets	<u>9,462,493</u>	<u>11,737,808</u>	<u>3,824</u>	<u>21,204,125</u>
<b>Deferred Outflows of Resources</b>				
Pension related	29,287	76,899	24,981	131,167
Other post-employment benefits related	7,310	16,731	4,522	28,563
Total deferred outflows of resources	<u>36,597</u>	<u>93,630</u>	<u>29,503</u>	<u>159,730</u>

	<u>Lompoc Airport</u>	<u>Lompoc Transit</u>	<u>Broadband</u>	<u>Total Other Enterprise Funds</u>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
Accounts payable	\$ 10,005	\$ 117,850	\$ 152	\$ 128,007
Due to other funds	139,400			139,400
Accrued wages and benefits	1,668	4,561	1,167	7,396
Trust deposits	11,900			11,900
Interest payable	2,102	255		2,357
Current portion of capital leases payable		3,729		3,729
Total current liabilities	<u>165,075</u>	<u>126,395</u>	<u>1,319</u>	<u>292,789</u>
<b>Noncurrent liabilities:</b>				
Capital leases payable, net of current portion		31,590		31,590
Net other post-employment benefits (OPEB) liability	34,389	78,705	21,272	134,366
Net pension liability	<u>132,977</u>	<u>296,703</u>	<u>168,375</u>	<u>598,055</u>
Total noncurrent liabilities	<u>167,366</u>	<u>406,998</u>	<u>189,647</u>	<u>764,011</u>
Total liabilities	<u>332,441</u>	<u>533,393</u>	<u>190,966</u>	<u>1,056,800</u>
<b>Deferred Inflows of Resources</b>				
Pension related	2,339	5,248	2,454	10,041
Other post-employment benefits related	704	1,612	436	2,752
Total deferred outflows of resources	<u>3,043</u>	<u>6,860</u>	<u>2,890</u>	<u>12,793</u>
<b>Net position (deficit)</b>				
Net investment in capital assets	9,122,901	4,625,445	2,892	13,751,238
Restricted for Transit projects		6,201,726		6,201,726
Unrestricted	<u>40,706</u>	<u>464,013</u>	<u>(163,421)</u>	<u>341,298</u>
Total net position (deficit)	<u>\$ 9,163,607</u>	<u>\$ 11,291,184</u>	<u>\$ (160,529)</u>	<u>\$ 20,294,262</u>

**City of Lompoc**  
**Combining Statement of Revenues, Expenses and**  
**Change in Fund Net Position (Deficit)**  
**Other Enterprise Funds**  
**For the Year Ended June 30, 2019**

	<b>Lompoc Airport</b>	<b>Lompoc Transit</b>	<b>Broadband</b>	<b>Total Other Enterprise Funds</b>
<b>Operating revenues:</b>				
User fees and charges for services	\$ 244,041	\$ 134,864	\$ 75,195	\$ 454,100
Revenue from other agencies	23,812	3,054,824		3,078,636
Other operating revenues	11,786	2,875	943	15,604
Facilities rental	323,665			323,665
Total operating revenues	<u>603,304</u>	<u>3,192,563</u>	<u>76,138</u>	<u>3,872,005</u>
<b>Operating expenses:</b>				
Personnel services	91,139	252,296	48,145	391,580
Maintenance and operations	412,642	1,569,325	36,299	2,018,266
Depreciation and amortization	196,315	294,597	3,419	494,331
Total operating expenses	<u>700,096</u>	<u>2,116,218</u>	<u>87,863</u>	<u>2,904,177</u>
Operating income (loss)	<u>(96,792)</u>	<u>1,076,345</u>	<u>(11,725)</u>	<u>967,828</u>
<b>Nonoperating revenues and expenses:</b>				
Interest earnings	7,272	200,312	(804)	206,780
Gas taxes		28,919		28,919
Interest expense	(9,062)	(1,056)		(10,118)
Total nonoperating revenues and expenses	<u>(1,790)</u>	<u>228,175</u>	<u>(804)</u>	<u>225,581</u>
Change in Net Position	<u>(98,582)</u>	<u>1,304,520</u>	<u>(12,529)</u>	<u>1,193,409</u>
<b>Net position (deficit) - beginning of year</b>	9,143,748	9,770,548	(239,461)	18,674,835
<b>Prior year restatements</b>	<u>118,441</u>	<u>216,116</u>	<u>91,461</u>	<u>426,018</u>
<b>Net position (deficit) - beginning of year, as restated</b>	<u>9,262,189</u>	<u>9,986,664</u>	<u>(148,000)</u>	<u>19,100,853</u>
<b>Net position (deficit) - end of year</b>	<u>\$ 9,163,607</u>	<u>\$ 11,291,184</u>	<u>\$ (160,529)</u>	<u>\$ 20,294,262</u>

**City of Lompoc**  
**Combining Statement of Cash Flows**  
**Other Enterprise Funds**  
**For the Year Ended June 30, 2019**

	<u>Lompoc Airport</u>	<u>Lompoc Transit</u>	<u>Broadband</u>	<u>Total Other Enterprise Funds</u>
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 535,809	\$ 746,820	\$ 77,072	\$ 1,359,701
Cash received from other agencies	23,812	3,054,824		3,078,636
Internal activity - cash paid from (to) other funds	(24,489)			(24,489)
Cash paid to suppliers for goods and services	(400,217)	(1,644,176)	(36,584)	(2,080,977)
Cash paid to employees	(88,500)	(245,842)	(45,176)	(379,518)
Net cash provided (used) by operating activities	<u>46,415</u>	<u>1,911,626</u>	<u>(4,688)</u>	<u>1,953,353</u>
<b>Cash flows from noncapital financing activities:</b>				
Cash received from other agencies		28,919		28,919
Net cash provided by non-capital financial activities		<u>28,919</u>		<u>28,919</u>
<b>Cash flows from capital and related financing activities:</b>				
Acquisition and construction of capital assets		(320,348)		(320,348)
Principal payments on long term debt		(3,625)		(3,625)
Interest payments on long term debt	(9,449)	(1,082)		(10,531)
Net cash used by capital and related financial activities	<u>(9,449)</u>	<u>(325,055)</u>	<u>-</u>	<u>(334,504)</u>
<b>Cash flows from investing activities:</b>				
Interest on investments	7,244	200,312	(663)	206,893
Net cash provided (used) by investing activities	<u>7,244</u>	<u>200,312</u>	<u>(663)</u>	<u>206,893</u>
Net increase (decrease) in cash and investments	44,210	1,815,802	(5,351)	1,854,661
<b>Cash and investments - beginning of year</b>	<u>183,751</u>	<u>4,718,359</u>	<u>704</u>	<u>4,902,814</u>
<b>Cash and investments - end of year</b>	<u>\$ 227,961</u>	<u>\$ 6,534,161</u>	<u>\$ (4,647)</u>	<u>\$ 6,757,475</u>
<b>Summary of cash and investments:</b>				
Cash and investments	<u>\$ 227,961</u>	<u>\$ 6,534,161</u>	<u>\$ (4,647)</u>	<u>\$ 6,757,475</u>
Total cash and investments - end of year	<u>\$ 227,961</u>	<u>\$ 6,534,161</u>	<u>\$ (4,647)</u>	<u>\$ 6,757,475</u>

**City of Lompoc**  
**Combining Statement of Cash Flows**  
**Other Enterprise Funds, continued**  
**For the Year Ended June 30, 2019**  
**Page 2**

	<u>Lompoc Airport</u>	<u>Lompoc Transit</u>	<u>Broadband</u>	<u>Total Other Enterprise Funds</u>
Operating income (loss)	\$ (96,792)	\$ 1,076,345	\$ (11,725)	\$ 967,828
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>				
Depreciation and amortization	196,315	294,597	3,419	494,331
Accounts receivable	(44,383)	609,081	934	565,632
Inventories	34,959			34,959
Accounts payable	(22,534)	(74,851)	(285)	(97,670)
Due to other funds	(24,489)			(24,489)
Accrued wages and benefits	2,639	6,454	2,969	12,062
Trust deposits	700			700
Total adjustments	<u>143,207</u>	<u>835,281</u>	<u>7,037</u>	<u>985,525</u>
Net cash provided (used) by operating activities	<u>\$ 46,415</u>	<u>\$ 1,911,626</u>	<u>\$ (4,688)</u>	<u>\$ 1,953,353</u>



**City of Lompoc**  
**Internal Service Funds**  
**For the Year Ended June 30, 2019**

**INTRODUCTION**

Internal Service Funds are used to finance and account for special activities and services performed by designated departments of the City for other departments in the City on a cost reimbursement basis.

***Employment Benefits and Insurance Control*** – This fund accounts for the administration of various benefit and insurance programs of the City. Such programs include activity for accrued leave, health care, retirement and other employee benefits; workers compensation, general liability, property, and other insurance programs.

***Vehicle*** – This fund accounts for the operation, maintenance and replacement of vehicles and equipment used by all City departments. The source of revenue is from reimbursement of fleet replacement, maintenance and operation costs allocated to each department by assignment of vehicle allocations.

***Communications*** – This fund accounts for the replacement and upgrade of technology, equipment, and services. Primary service areas to all departments include: desktop computer services, fiber and connectivity infrastructure services and equipment, network computer applications and equipment; replacement, maintenance, and operations of telephone communication systems and equipment.

***Stores*** – This fund accounts for the central duplication, printing, mail services, and inventory services, supplies, and equipment provided to all City departments. The source of revenue for this fund is from reimbursement of cost for services and supplies purchased.

**City of Lompoc**  
**Combining Statement of Fund Net Position, (Deficit)**  
**Internal Service Funds**  
**For the Year Ended June 30, 2019**

	<b>Employment Benefits and Insurance Control</b>	<b>Vehicle</b>
<b>Assets</b>		
<b>Current assets:</b>		
Cash and investments	\$ 7,944,642	\$ 3,502,795
Cash with fiscal agents		342,879
Accounts receivable, net	11,495	2,759
Interest receivable	14,970	6,723
Due from other governments		28,163
Prepays	45,835	
Inventories		245,727
Due from other funds	419,549	
Total current assets	8,436,491	4,129,046
<b>Noncurrent assets:</b>		
Capital Asset:		
Building and improvements		257,025
Construction in progress		7,942
Infrastructure		58,786
Equipment		49,197
Vehicles & machinery		21,543,809
Less accumulated depreciation		(17,099,205)
Total capital assets net of accumulated depreciation	-	4,817,554
Total assets	8,436,491	8,946,600
<b>Deferred Outflows of Resources</b>		
Pension related	35,187	400,668
Other post-employment benefits related		95,261
Total deferred outflows of resources	35,187	495,929

<u>Communication</u>	<u>Stores</u>	<u>Total</u>
\$ 1,269,633	\$ 210,877	\$ 12,927,947
489,854		832,733
		14,254
2,409	277	24,379
		28,163
89,960		135,795
	122,936	368,663
		419,549
<u>1,851,856</u>	<u>334,090</u>	<u>14,751,483</u>
14,171		271,196
1,694,687		1,702,629
		58,786
2,647,415	117,717	2,814,329
		21,543,809
<u>(2,338,331)</u>	<u>(71,284)</u>	<u>(19,508,820)</u>
<u>2,017,942</u>	<u>46,433</u>	<u>6,881,929</u>
<u>3,869,798</u>	<u>380,523</u>	<u>21,633,412</u>
456,459	11,624	903,938
98,049	7,536	200,846
<u>554,508</u>	<u>19,160</u>	<u>1,104,784</u>

**City of Lompoc**  
**Combining Statement of Fund Net Position (Deficit)**  
**Internal Service Funds, continued**  
**For the Year Ended June 30, 2019**  
**Page 2**

<b>Liabilities</b>	<b>Employment Benefits and Insurance Control</b>	<b>Vehicle</b>
<b>Current liabilities:</b>		
Accounts payable	\$ 152,334	\$ 191,180
Due to other funds		
Accrued wages and benefits	313,535	19,120
Interest payable		16,768
Current portion of claims payable	1,733,000	
Current portion of compensated absences	2,457,042	
Current portion of capital leases payable		495,174
Total current liabilities	<u>4,655,911</u>	<u>722,242</u>
<b>Noncurrent liabilities:</b>		
Claims payable, net of current portion	5,199,000	
Compensated absences, net current portion	265,848	
Capital leases payable, net of current portion		1,826,994
Net other post-employment benefits liability		448,123
Net pension liability		1,664,421
Total noncurrent liabilities	<u>5,464,848</u>	<u>3,939,538</u>
Total liabilities	<u>10,120,759</u>	<u>4,661,780</u>
<b>Deferred Inflows of Resources</b>		
Pension related		32,402
Other post-employment benefits related		9,177
Total deferred outflows of resources	<u>-</u>	<u>41,579</u>
<b>Net position (deficit)</b>		
Net investment in capital assets		2,495,386
Restricted for other purposes	50,000	
Unrestricted	<u>(1,699,081)</u>	<u>2,243,784</u>
Total net position (deficit)	<u>\$ (1,649,081)</u>	<u>\$ 4,739,170</u>

<u>Communication</u>	<u>Stores</u>	<u>Total</u>
\$ 79,251	\$ 30,021	\$ 452,786
4,181,643		4,181,643
25,204	1,618	359,477
		16,768
		1,733,000
		2,457,042
294,335		789,509
<u>4,580,433</u>	<u>31,639</u>	<u>9,990,225</u>
		5,199,000
		265,848
622,451		2,449,445
461,240	35,453	944,816
1,874,849	87,095	3,626,365
<u>2,958,540</u>	<u>122,548</u>	<u>12,485,474</u>
<u>7,538,973</u>	<u>154,187</u>	<u>22,475,699</u>
37,111	1,532	71,045
9,446	726	19,349
<u>46,557</u>	<u>2,258</u>	<u>90,394</u>
1,101,156	46,433	3,642,975
	16,902	66,902
<u>(4,262,380)</u>	<u>179,903</u>	<u>(3,537,774)</u>
<u>\$ (3,161,224)</u>	<u>\$ 243,238</u>	<u>\$ 172,103</u>

**City of Lompoc**  
**Combining Statement of Revenues, Expenses and**  
**Changes in Fund Position (Deficit)**  
**Internal Service Funds**  
**For the Year Ended June 30, 2019**

	<b>Employment Benefits and Insurance Control</b>	<b>Vehicle</b>
<b>Operating revenues:</b>		
Charge for services	\$ 19,033,638	\$ 5,503,884
Other revenue		7,112
Total operating revenues	<u>19,033,638</u>	<u>5,510,996</u>
<b>Operating expenses:</b>		
Personnel services	7,624,440	1,116,735
Maintenance and operations	11,571,811	2,188,291
Depreciation and amortization		1,177,757
Total operating expenses	<u>19,196,251</u>	<u>4,482,783</u>
Operating income (loss)	<u>(162,613)</u>	<u>1,028,213</u>
<b>Nonoperating revenues and expenses:</b>		
Interest earnings	275,031	133,002
Interest expense		(61,052)
Total nonoperating revenues and expenses	<u>275,031</u>	<u>71,950</u>
Income before capital contributions and transfers	<u>112,418</u>	<u>1,100,163</u>
Transfers in		<u>63,195</u>
Change in net position	<u>112,418</u>	<u>1,163,358</u>
<b>Net position (deficit) - beginning of year</b>	(1,761,499)	3,304,708
<b>Prior year restatement</b>		<u>271,104</u>
<b>Net position (deficit) - beginning of year, as restated</b>	<u>(1,761,499)</u>	<u>3,575,812</u>
<b>Net position (deficit) - end of year</b>	<u>\$ (1,649,081)</u>	<u>\$ 4,739,170</u>

<u>Communication</u>	<u>Stores</u>	<u>Total</u>
\$ 3,177,834	\$ 202,034	\$ 27,917,390
		7,112
<u>3,177,834</u>	<u>202,034</u>	<u>27,924,502</u>
1,303,915	79,289	10,124,379
897,215	88,977	14,746,294
<u>224,520</u>	<u>18,286</u>	<u>1,420,563</u>
<u>2,425,650</u>	<u>186,552</u>	<u>26,291,236</u>
752,184	15,482	1,633,266
31,520	7,979	447,532
<u>(32,668)</u>		<u>(93,720)</u>
<u>(1,148)</u>	<u>7,979</u>	<u>353,812</u>
<u>751,036</u>	<u>23,461</u>	<u>1,987,078</u>
		<u>63,195</u>
<u>751,036</u>	<u>23,461</u>	<u>2,050,273</u>
(4,369,105)	288,446	(2,537,450)
<u>456,845</u>	<u>(68,669)</u>	<u>659,280</u>
<u>(3,912,260)</u>	<u>219,777</u>	<u>(1,878,170)</u>
<u>\$ (3,161,224)</u>	<u>\$ 243,238</u>	<u>\$ 172,103</u>

**City of Lompoc**  
**Combined Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended June 30, 2019**

	<b>Employment Benefits and Insurance Control</b>	<b>Vehicle</b>
<b>Cash flows from operating activities:</b>		
Cash received from interfund services provided	\$ 19,022,143	\$ 5,488,688
Internal activity - cash paid from (to) other funds	(22,899)	
Cash paid to suppliers for goods and services	(12,167,237)	(2,315,495)
Cash paid to employees	(8,196,999)	(1,072,081)
Net cash provided (used) by operating activities	<u>(1,364,992)</u>	<u>2,101,112</u>
<b>Cash flows from noncapital financing activities:</b>		
Transfers in		63,195
Net cash provided (used) by non-capital financial activities		<u>63,195</u>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition and construction of capital assets		(1,115,361)
Principal payments on long term debt		(495,174)
Interest payments on long term debt		(64,283)
Net cash used by capital and related financing activities		<u>(1,674,818)</u>
<b>Cash flows from investing activities:</b>		
Interest on investments	279,297	131,932
Net cash provided by investing activities	<u>279,297</u>	<u>131,932</u>
Net increase (decrease) in cash and investments	(1,085,695)	621,421
<b>Cash and investments - beginning of year</b>	<u>9,030,337</u>	<u>3,224,253</u>
<b>Cash and investments - end of year</b>	<u>\$ 7,944,642</u>	<u>\$ 3,845,674</u>
<b>Summary of cash investments - end of year:</b>		
Cash and investments	\$ 7,944,642	\$ 3,502,795
Cash with fiscal agents		342,879
Total cash and investments - end of year	<u>\$ 7,944,642</u>	<u>\$ 3,845,674</u>



<u>Communication</u>	<u>Stores</u>	<u>Total</u>
\$ 3,177,889	\$ 202,034	\$ 27,890,754
(155,263)		(178,162)
(1,006,699)	(102,313)	(15,591,744)
<u>(1,248,617)</u>	<u>(79,028)</u>	<u>(10,596,725)</u>
767,310	20,693	1,524,123
		<u>63,195</u>
		<u>63,195</u>
(443,252)	(27,496)	(1,586,109)
(294,335)		(789,509)
<u>(32,668)</u>		<u>(96,951)</u>
<u>(770,255)</u>	<u>(27,496)</u>	<u>(2,472,569)</u>
31,805	8,248	451,282
<u>31,805</u>	<u>8,248</u>	<u>451,282</u>
28,860	1,445	(433,969)
<u>1,730,627</u>	<u>209,432</u>	<u>14,194,649</u>
<u>\$ 1,759,487</u>	<u>\$ 210,877</u>	<u>\$ 13,760,680</u>
\$ 1,269,633	\$ 210,877	\$ 12,927,947
489,854		832,733
<u>\$ 1,759,487</u>	<u>\$ 210,877</u>	<u>\$ 13,760,680</u>

**City of Lompoc**  
**Combining Statement of Cash Flows**  
**Internal Service Funds, continued**  
**For the Year Ended June 30, 2019**  
**Page 2**

	<b>Employment Benefits and Insurance Control</b>	<b>Vehicle</b>
	<u>                    </u>	<u>                    </u>
Operating income (loss)	\$ (162,613)	\$ 1,028,213
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:</b>		
Depreciation and amortization		1,177,757
Accounts receivable	(11,495)	(30,488)
Inventories		8,180
Due from/to other funds	(22,899)	
Prepaid expenses	26,714	27,567
Accounts payable	(88,140)	(154,771)
Accrued wages and benefits	(524,179)	44,654
Compensated absences	(48,380)	
Claim liabilities	(534,000)	
Total adjustments	<u>(1,202,379)</u>	<u>1,072,899</u>
Net cash provided (used) by operating activities	<u>\$ (1,364,992)</u>	<u>\$ 2,101,112</u>

<u>Communication</u>	<u>Stores</u>	<u>Total</u>
\$ 752,184	\$ 15,482	\$ 1,633,266
224,520	18,286	1,420,563
55		(41,928)
	(3,413)	4,767
(155,263)		(178,162)
(40)	3,484	57,725
(109,444)	(13,407)	(365,762)
55,298	261	(423,966)
		(48,380)
		(534,000)
<u>15,126</u>	<u>5,211</u>	<u>(109,143)</u>
<u>\$ 767,310</u>	<u>\$ 20,693</u>	<u>\$ 1,524,123</u>

# Statistical Section (unaudited)

The statistical section provides mostly trend data and nonfinancial information useful in assessing the City's financial condition. Because of the special character of the data presented in the statistical section (i.e., data of prior years, nonfinancial data), the section does not fall within the scope of the independent audit. This section includes the:

- **Financial Trends**

- ⇒ Net Position by Component
- ⇒ Change in Net Position
- ⇒ Fund Balances of Governmental Funds
- ⇒ Change in Fund Balance of Governmental Funds

- **Revenue Capacity**

- ⇒ Government-Wide Activities Tax Revenues by Source
- ⇒ Assessed Value of Taxable Property
- ⇒ Principal Property Taxpayers
- ⇒ Secured Property Tax Roll Levies and Collections
- ⇒ Property Tax Rates - Direct and Overlapping Governments
- ⇒ Taxable Sales by Type of Business
- ⇒ Sales and use Tax Historical Rates

- **Debt Capacity**

- ⇒ Ratio of Outstanding Debt by Type
- ⇒ Ratio of General Bonded Debt Outstanding
- ⇒ Direct and Overlapping Debt
- ⇒ Legal Debt Margin Information
- ⇒ Schedule of Revenue Bond Coverage Water
- ⇒ Schedule of Revenue Bond Coverage Wastewater

- **Demographic and Economic Information**
  - ⇒ Major - Principal Employer
  - ⇒ Demographic and Economic Statistics
- **Operating Information**
  - ⇒ Full Time Equivalent City Government Employees by Category
  - ⇒ Capital Assets Statistical Function
  - ⇒ Operating Indicators

**City of Lompoc**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(Amounts in thousands)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015 *</u>	<u>2016</u>	<u>2017</u>	<u>2018 **</u>	<u>2019</u>
<b><u>Governmental Activities</u></b>										
Net Investment in Capital Assets	\$ 72,170	\$ 75,815	\$ 86,804	\$ 91,673	\$ 90,244	\$ 91,890	\$ 91,214	\$ 85,373	\$ 84,694	\$ 86,079
Restricted	153	27,246	15,195	15,332	17,665	18,793	18,196	24,275	24,972	24,699
Unrestricted	50,328	15,723	16,594	17,129	15,782	(33,709)	(30,905)	(37,631)	(52,715)	(56,558)
<b>Total Governmental Net Position</b>	<b><u>122,651</u></b>	<b><u>118,784</u></b>	<b><u>118,593</u></b>	<b><u>124,134</u></b>	<b><u>123,691</u></b>	<b><u>76,975</u></b>	<b><u>78,505</u></b>	<b><u>72,017</u></b>	<b><u>56,951</u></b>	<b><u>54,220</u></b>
<b><u>Business-Type Activities</u></b>										
Net Investment in Capital Assets	75,799	84,631	86,490	84,704	84,014	83,330	83,711	86,538	87,726	84,971
Restricted	4,846	7,835	8,305	9,739	17,968	10,222	13,273	14,330	16,204	17,507
Unrestricted	2,954	4,600	9,595	11,328	5,958	5,092	8,984	16,699	16,351	27,022
<b>Total Business-Type Net Position</b>	<b><u>83,599</u></b>	<b><u>97,065</u></b>	<b><u>104,390</u></b>	<b><u>105,771</u></b>	<b><u>107,940</u></b>	<b><u>98,644</u></b>	<b><u>105,968</u></b>	<b><u>117,567</u></b>	<b><u>120,281</u></b>	<b><u>129,500</u></b>
<b><u>Primary Government</u></b>										
Net Investment in Capital Assets	147,969	160,445	173,294	176,378	174,258	175,220	174,924	171,911	172,420	171,050
Restricted	4,999	35,081	23,500	25,071	35,632	29,015	31,469	38,605	41,177	42,206
Unrestricted	53,282	20,322	26,189	28,457	21,740	(28,617)	(21,921)	(20,932)	(36,364)	(29,536)
<b>Total Primary Government Net Position</b>	<b><u>\$ 206,250</u></b>	<b><u>\$ 215,849</u></b>	<b><u>\$ 222,983</u></b>	<b><u>\$ 229,905</u></b>	<b><u>\$ 231,630</u></b>	<b><u>\$ 175,618</u></b>	<b><u>\$ 184,472</u></b>	<b><u>\$ 189,584</u></b>	<b><u>\$ 177,232</u></b>	<b><u>\$ 183,720</u></b>

Source: City of Lompoc Annual Financial Report

\* Implementation of GASB pronouncement No. 68 added Pension liabilities to the Statement of Net Position.

\*\* Implementation of GASB pronouncement No. 75 added Other Post Employment Benefits liabilities to the Statement of Net Position.

**City of Lompoc**  
**Change in Net Position**  
**Last Ten Fiscal Years**  
**(Amounts in thousands)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
<b>Governmental activities</b>										
General government	\$ 4,192	\$ 5,117	\$ 5,670	\$ 5,092	\$ 6,448	\$ 5,985	\$ 5,380	\$ 5,406	\$ 5,047	\$ 6,066
Police protection	9,243	9,590	10,349	9,325	10,884	8,702	8,949	10,449	11,780	11,917
Fire protection	3,087	3,540	3,760	3,668	4,397	4,072	4,760	5,914	6,635	7,117
Engineer and streets	5,792	6,449	6,245	6,795	7,659	5,880	5,210	6,667	6,981	7,197
Building	1,339	571	469	458	484	466	457	541	562	506
Community development	4,102	2,697	1,686	855	1,213	1,563	1,987	1,818	1,902	2,248
Parks and recreation	3,818	3,680	3,938	3,759	3,424	3,499	3,880	6,725	6,043	6,731
Nondepartmental	723	842	907	960	1,037	1,134	1,482	1,618	1,529	1,610
Interest on long-term debt	817	1,011	807	146	116	123	120	163	136	122
<b>Total governmental activities</b>	<b>33,113</b>	<b>33,498</b>	<b>33,829</b>	<b>31,059</b>	<b>35,661</b>	<b>31,424</b>	<b>32,226</b>	<b>39,302</b>	<b>40,616</b>	<b>43,515</b>
<b>Business type activities</b>										
Water	8,456	8,633	8,745	9,724	9,700	9,767	9,948	10,199	10,806	10,648
Electric	16,687	16,802	17,298	19,344	19,153	19,929	19,491	19,333	21,872	20,621
Wastewater	7,361	6,765	9,851	12,907	12,814	12,958	13,541	13,507	14,506	13,297
Solid Waste	5,959	6,137	6,100	6,563	6,503	6,640	8,436	7,618	8,339	8,850
Other	5,703	5,137	4,604	5,297	5,652	5,533	4,984	4,186	3,418	2,914
<b>Total business type activities expenses</b>	<b>44,166</b>	<b>43,474</b>	<b>46,599</b>	<b>53,835</b>	<b>53,821</b>	<b>54,827</b>	<b>56,401</b>	<b>54,843</b>	<b>58,941</b>	<b>56,330</b>
<b>Total primary government expenses</b>	<b>\$ 77,279</b>	<b>\$ 76,972</b>	<b>\$ 80,428</b>	<b>\$ 84,894</b>	<b>\$ 89,483</b>	<b>\$ 86,252</b>	<b>\$ 88,626</b>	<b>\$ 94,145</b>	<b>\$ 99,557</b>	<b>\$ 99,845</b>
<b>Program Revenues</b>										
<b>Governmental activities</b>										
Charges for Services										
General government	\$ 5,249	\$ 7,182	\$ 7,298	\$ 7,579	\$ 6,866	\$ 7,286	\$ 8,471	\$ 9,213	\$ 9,000	\$ 9,618
Police protection	383		22	21	316	254	297	305	467	345
Fire protection	97				21	85	61	90	325	277
Engineer and streets	244	4	2	21	34	196	130	530	823	585
Building	50				634	445	272	187	503	604
Community development	450	2		0	0	105	119	94	157	162
Parks and recreation	155	311	1,264	377	867	669	326	874	1,339	1,320
Nondepartmental									186	167
Health and Welfare		53	186	336	348	305	43	2		5
Operating grants and contributions	5,342	2,304	1,944	1,769	2,843	2,653	1,987	1,252	1,650	1,776
Capital grants and contributions	1,332	2,131	1,355	696	897	1,351	974	902	269	592
<b>Total governmental activities program revenues</b>	<b>13,303</b>	<b>11,988</b>	<b>12,071</b>	<b>10,801</b>	<b>12,826</b>	<b>13,349</b>	<b>12,681</b>	<b>13,450</b>	<b>14,720</b>	<b>15,452</b>
<b>Business type activities</b>										
Charges for Services										
Water	8,310	8,255	8,415	8,858	10,168	11,081	11,312	12,153	12,895	12,383
Electric	19,149	21,463	22,956	23,378	22,694	23,929	23,372	22,863	23,208	23,157
Wastewater	8,824	9,401	7,895	7,995	8,963	10,221	11,663	12,091	13,177	13,219
Solid Waste	5,918	6,353	6,634	7,093	7,295	7,844	8,224	8,604	9,166	9,205
Other	2,702	1,824	2,065	2,800	3,303	3,419	3,114	1,851	1,244	785
Operating grants and contributions	4,647	4,911	4,767	5,382	4,868	5,466	7,024	9,643	7,344	7,209
Capital grants and contributions	3,045	1,150	2,335	1,728	283	1,259	343	507	435	34
<b>Total business activities program revenues</b>	<b>52,594</b>	<b>53,356</b>	<b>55,068</b>	<b>57,232</b>	<b>57,573</b>	<b>63,218</b>	<b>65,052</b>	<b>67,711</b>	<b>67,469</b>	<b>65,990</b>
<b>Total primary government Program Revenue</b>	<b>\$ 65,897</b>	<b>\$ 65,344</b>	<b>\$ 67,138</b>	<b>\$ 68,033</b>	<b>\$ 70,400</b>	<b>\$ 76,567</b>	<b>\$ 77,733</b>	<b>\$ 81,161</b>	<b>\$ 82,189</b>	<b>\$ 81,442</b>

Source: City of Lompoc Annual Financial Report

**City of Lompoc**  
**Change in Net Position, continued**  
**Last Ten Fiscal Years**  
**(Amounts in thousands)**  
**Page 2**

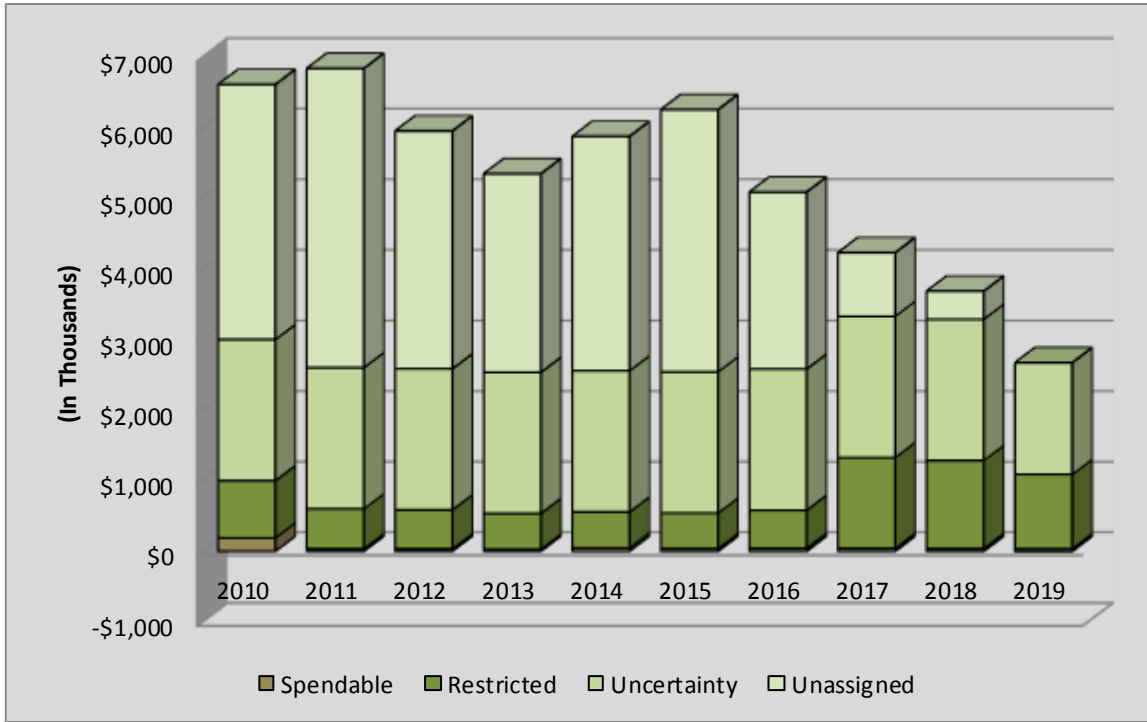
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (19,810)	\$ (21,510)	\$ (21,758)	\$ (20,258)	\$ (22,835)	\$ (18,075)	\$ (19,545)	\$ (25,852)	\$ (25,896)	\$ (28,063)
Business-type activities	8,428	9,883	8,469	3,397	3,752	8,391	8,651	12,868	8,528	9,660
<b>Total primary government</b>										
<b>Net (Expense)/Revenue</b>	<b>\$ (11,383)</b>	<b>\$ (11,628)</b>	<b>\$ (13,290)</b>	<b>\$ (16,861)</b>	<b>\$ (19,083)</b>	<b>\$ (9,684)</b>	<b>\$ (10,893)</b>	<b>\$ (12,984)</b>	<b>\$ (17,367)</b>	<b>\$ (18,403)</b>
<b>General Revenue and Other Change in Net Position</b>										
<b>Governmental activities</b>										
Taxes										
Sales Tax	\$ 3,154	\$ 5,178	\$ 5,658	\$ 5,865	\$ 6,289	\$ 6,607	\$ 6,842	\$ 6,878	\$ 7,367	\$ 7,857
Property	6,516	6,636	5,156	3,719	3,955	4,060	4,157	4,484	4,838	4,846
Transient occupancy tax (TOT)		1,504	1,032	1,313	1,621	1,728	1,794	1,889	2,001	2,173
vehicle license fees	2,990	2,924	2,925	2,903	2,932	3,048	3,169	3,307	3,480	3,609
Gas Tax		1,414	2,162	1,841	2,840	2,595	997	850	1,200	1,706
Other taxes	2,255									
Business tax		221	331	281	320	338	350	345	316	374
Franchise fees	1,201	617	611	609	397	501	608	636	646	625
State of California in-lieu		17	8	8	8	8	14		1	1
Property transfer tax		49	62	64	72	90	87	113	96	112
License and permits		133	259	314	395	287	300	142	*	
Rental Income								412	*	
Interest income	323	322	147	116	128	302	376	62	71	1,205
Other revenues	991	381	1,511	1,142	1,748	1,092	650	1,027	713	710
Transfers	1,074	1,261	1,191	1,160	1,686	(2,724)	1,731	1,844	2,048	2,113
Extraordinary gain/Special Item			351	6,670		1,202		(380)		
Prior Year Restatement	1,426	(3,014)	165	(205)		(47,774)		(2,246)	(10,089)	
<b>Total governmental activities</b>	<b>19,930</b>	<b>17,643</b>	<b>21,568</b>	<b>25,800</b>	<b>22,391</b>	<b>(28,641)</b>	<b>21,075</b>	<b>19,364</b>	<b>12,688</b>	<b>25,331</b>
<b>Business-type activities</b>										
Property Tax	7	7	7	4	9	9	9	9	9	9
Sales Tax										
Gas Tax				277	29	30	30	132	33	29
Interest Earnings	296	214	275	57	51	129	286	55	287	1,635
Other revenues	327	492	238	171	80	62	79			
Transfers	(1,074)	(1,261)	(1,191)	(1,160)	(1,686)	2,724	(1,731)	(1,844)	(2,048)	(2,113)
Cumulative effect from change in accounting principle					(750)					
Extraordinary gain/Special Item								380		
Prior Year Restatement	(2,798)	4,131	(473)	(615)	(67)	(20,640)			(4,094)	
<b>Total business type activities</b>	<b>(3,242)</b>	<b>3,583</b>	<b>(1,144)</b>	<b>(1,267)</b>	<b>(2,333)</b>	<b>(17,686)</b>	<b>(1,328)</b>	<b>(1,268)</b>	<b>(5,814)</b>	<b>(441)</b>
<b>Total primary government net expenses</b>	<b>\$ 16,688</b>	<b>\$ 21,226</b>	<b>\$ 20,424</b>	<b>\$ 24,533</b>	<b>\$ 20,058</b>	<b>\$ (46,327)</b>	<b>\$ 19,747</b>	<b>\$ 18,095</b>	<b>\$ 6,875</b>	<b>\$ 24,890</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 120	\$ (3,868)	\$ (191)	\$ 5,541	\$ (444)	\$ (46,716)	\$ 1,530	\$ (6,488)	\$ (13,207)	\$ (2,732)
Business-type activities	5,186	13,466	7,325	2,131	1,419	(9,295)	7,323	11,599	2,714	9,219
<b>Total primary government change in net position</b>	<b>\$ 5,306</b>	<b>\$ 9,598</b>	<b>\$ 7,135</b>	<b>\$ 7,672</b>	<b>\$ 975</b>	<b>\$ (56,011)</b>	<b>\$ 8,854</b>	<b>\$ 5,111</b>	<b>\$ (10,493)</b>	<b>\$ 6,487</b>

Source: City of Lompoc Annual Financial Report

\* License and permits, and Rental income were moved to Program Revenues.



**City of Lompoc**  
**Fund Balance of Governmental Funds (General Fund)**  
**Last Ten Fiscal Years**  
**(Amounts in thousands)**

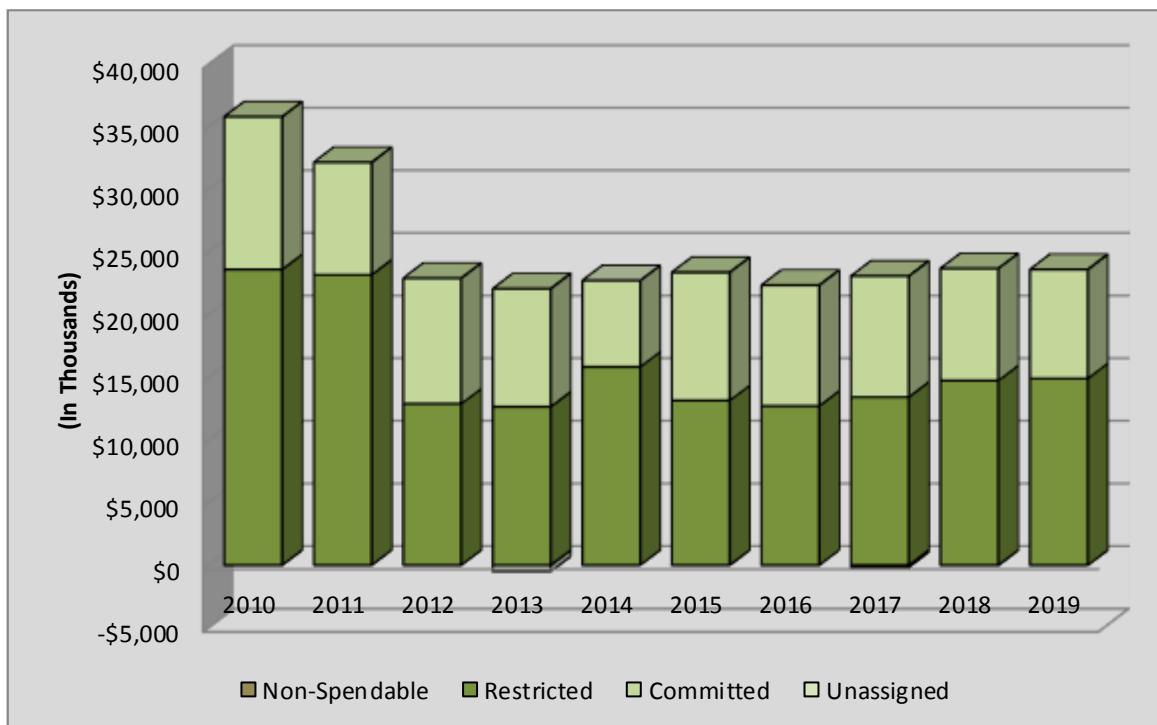


	Fiscal Year Ended June 30										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
<b>General Fund</b>											
Nonspendable:											
Inventory	\$ 31	\$ 33	\$ 34	\$ 29	\$ 47	\$ 39	\$ 42	\$ 42	\$ 37	\$ 36	
Long term loans receivable	157										
Restricted and committed:											
Library Services	812	496	483	443	443	427	456	444	385	211	
Other purpose	3	71	68	64	66	75	83	841	863	841	
Committed to:											
Assigned to:											
Unassigned:	5,612	6,239	5,368	4,812	5,319	5,715	4,506	2,902	2,398	1,582	
<b>Total General Fund balance</b>	<b>\$ 6,615</b>	<b>\$ 6,839</b>	<b>\$ 5,953</b>	<b>\$ 5,348</b>	<b>\$ 5,875</b>	<b>\$ 6,256</b>	<b>\$ 5,086</b>	<b>\$ 4,229</b>	<b>\$ 3,683</b>	<b>\$ 2,670</b>	

Source: City of Lompoc Annual Financial Report

Note: Economic Uncertainty Balance was 1.6 million for Year Ending June 30, 2019.

**City of Lompoc**  
**Fund Balance of Governmental Funds (All Other Governmental Funds)**  
**Last Ten Fiscal Years**  
**(Amounts in thousands)**



	Fiscal Year Ended June 30									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>All Other Governmental Funds</b>										
Nonspendable:										
Inventory	\$ 8	\$ 6	\$ 5	\$ 8	\$ 9	\$ 8	\$ 5	\$ 5	\$ 7	\$ 5
Restricted for:										
Road surface repairs	9,238	8,096	8,747	8,111	8,310	8,462	8,027	9,969	11,317	11,585
Debt service	436	1,331	123	116	115	119	118	121	397	408
Law Enforcement	28	19	1	4	1	3	3	3		
Capital projects	12,466	11,301	3,051	3,126	4,171	4,545	4,497	3,322	3,019	2,912
Other purpose	1,437	2,440	965	1,285	3,227	14	64			
Committed:										
Library Acquisitions	295	281	367	386	572	594	314	316	337	326
Health and welfare	58	69	72	56	42	44	21	20	24	17
Housing	11,833	8,617	9,581	8,990	6,277	9,591	9,305	9,266	8,519	8,292
Community services								63	67	66
Unassigned:		(485)				(147)	(5)		(19)	
<b>Total Other Governmental Fund balance</b>	<b>35,799</b>	<b>31,675</b>	<b>22,911</b>	<b>22,083</b>	<b>22,724</b>	<b>23,232</b>	<b>22,349</b>	<b>23,085</b>	<b>23,669</b>	<b>23,611</b>
<b>Total Governmental Fund balance</b>	<b>\$ 42,414</b>	<b>\$ 38,514</b>	<b>\$ 28,864</b>	<b>\$ 27,430</b>	<b>\$ 28,599</b>	<b>\$ 29,489</b>	<b>\$ 27,435</b>	<b>\$ 27,314</b>	<b>\$ 27,352</b>	<b>\$ 26,280</b>

Source: City of Lompoc Annual Financial Report

**City of Lompoc**  
**Change in Fund Balance of Governmental Funds**  
**Last Ten Fiscal Years**  
**(Amounts in thousands)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Taxes	\$ 14,458	\$ 18,559	\$ 17,944	\$ 16,365	\$ 18,434	\$ 18,975	\$ 18,017	\$ 18,502	\$ 19,945	\$ 21,303
Licenses and permits	723	133	259	314	395	287	300	142	222	413
Fines and penalties	72	127	92	99	98	100	92	66	210	208
Revenues from other agencies	6,421	4,308	3,299	2,466	3,733	3,434	2,962	2,154	1,919	2,368
Charges for current services	7,382	7,552	8,680	8,473	8,989	9,246	9,627	11,230	11,516	11,971
Interest	269	243	88	74	98	240	227	34	68	757
Rental income								412	475	493
Other revenues	1,237	381	1,511	1,142	1,748	1,092	650	1,016	713	703
<b>Total Revenues</b>	<b>30,562</b>	<b>31,304</b>	<b>31,873</b>	<b>28,932</b>	<b>33,495</b>	<b>33,373</b>	<b>31,876</b>	<b>33,556</b>	<b>35,069</b>	<b>38,215</b>
<b>Expenditures</b>										
General government	4,484	5,283	5,414	4,803	6,103	4,487	3,987	6,163	5,531	5,919
Police protection	8,916	9,182	9,535	9,776	10,087	10,154	10,013	10,545	10,041	10,544
Fire protection	3,139	3,364	3,564	3,814	4,185	4,569	5,507	6,180	6,044	6,523
Engineering/streets	3,725	4,278	4,008	5,052	5,301	6,580	6,045	4,903	4,982	4,976
Building	1,175	498	469	458	484	384	476	545	533	455
Community development	3,584	2,911	2,531	1,547	1,546	2,527	2,700	2,953	2,947	3,290
Parks and recreation	3,676	2,088	2,229	2,350	2,107	2,335	2,798	4,856	3,881	4,060
Non-department	760	831	798	1,627	912	1,122	1,482	1,634	1,508	1,458
Health	43	32	41	60	58	41	41	44	40	27
Capital Outlay	1,973	8,120	5,441	1,930	3,680	2,654	2,386	2,109	1,188	3,750
Debt Service										
Principle	1,533	311	361	105	92	120	129	172	247	210
Interest	470	767	904	147	116	124	121	125	137	123
<b>Total Expenses</b>	<b>33,479</b>	<b>37,666</b>	<b>35,295</b>	<b>31,669</b>	<b>34,671</b>	<b>35,099</b>	<b>35,686</b>	<b>40,227</b>	<b>37,079</b>	<b>41,337</b>
Excess of revenues over (under) expenditures	(2,917)	(6,361)	(3,423)	(2,736)	(1,176)	(1,726)	(3,810)	(6,671)	(2,010)	(3,122)
<b>Other Financing Sources(Uses)</b>										
Issuance of debt/refunding debt	8,385							750		
Transfers In	6,329	10,397	9,159	4,455	5,715	6,004	5,335	8,131	6,109	5,304
Transfers Out	(4,941)	(8,231)	(7,509)	(2,948)	(3,370)	(3,388)	(3,578)	(3,146)	(4,060)	(3,254)
<b>Total other financing source(uses)</b>	<b>9,773</b>	<b>2,167</b>	<b>1,650</b>	<b>1,508</b>	<b>2,345</b>	<b>2,616</b>	<b>1,756</b>	<b>5,735</b>	<b>2,048</b>	<b>2,050</b>
<b>Extraordinary loss/Specail item</b>			(7,878)					(192)		
<b>Net change in fund balance</b>	<b>\$ 6,857</b>	<b>\$ (4,195)</b>	<b>\$ (9,650)</b>	<b>\$ (1,229)</b>	<b>\$ 1,169</b>	<b>\$ 890</b>	<b>\$ (2,053)</b>	<b>\$ (1,128)</b>	<b>\$ 38</b>	<b>\$ (1,072)</b>
Debt Service as a percentage of noncapital expenditures	6.36%	2.95%	3.72%	0.80%	0.61%	0.70%	0.71%	0.74%	1.04%	0.81%

**City of Lompoc**  
**Governmental Activities Tax Revenues by Source**  
**Last Ten Fiscal Years**  
(Amounts in thousands)

<b>Fiscal Year</b>	<b>Sales Tax</b>	<b>Property Tax</b>	<b>Property Tax in-lieu VLF</b>	<b>Transient Occupancy</b>	<b>Franchise Tax</b>	<b>Business Tax</b>	<b>Transportation Tax</b>	<b>Other Taxes</b>
2010	\$ 4,961	\$ 6,617	\$ 2,990	\$ 1,401	\$ 385	\$ 308	\$ 1,199	\$ 60
2011	5,178	6,636	2,924	1,504	617	221	1,414	66
2012	5,658	5,156	2,925	1,032	611	331	2,162	70
2013	5,865	3,719 *	2,903	1,313	609	281	1,841	73
2014	6,289	3,955	2,932	1,621	397	320	2,840	81
2015	6,607	4,060	3,048	1,728	501	338	2,595	98
2016	6,842	4,157	3,169	1,794	608	350	997 **	101
2017	6,878	4,484	3,307	1,889	636	345	850 **	113
2018	7,367	4,838	3,480	2,001	646	316	1,200 ***	97
2019	7,857	4,846	3,609	2,173	625	374	1,706 ***	113

\* In Fiscal Year 2012, the Redevelopment Agency was dissolved, effective January 31, 2012.

\*\* Legislation in 2016 restricted use of transportation funds for street and roads which greatly reduced the allocation by SBCAG.

\*\*\* In 2018 the State passed SB1 providing approximately \$0.8 million annually in additional transportation tax.

Source: City of Lompoc Annual Financial Report

**City of Lompoc**  
**Assessed Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(Amounts in thousands)**

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Residential	\$ 1,708,231	\$ 1,654,381	\$ 1,659,715	\$ 1,647,203	\$ 1,665,713	\$ 1,737,928	\$ 1,825,931	\$ 1,924,020	\$ 2,034,103	\$ 2,100,378
Commercial	325,927	328,946	325,498	327,918	332,876	334,010	341,047	347,014	368,052	394,884
Industrial	88,688	96,986	101,567	106,986	107,158	100,558	98,140	106,988	109,618	112,398
Dry Farm	6,135	6,035	5,809	5,752	5,812	5,875	6,033	6,352	7,774	7,859
Institutional	14,952	17,915	14,654	14,243	18,114	18,321	18,637	18,785	20,698	19,508
Irrigated	490	489	493	503	513	515	525	533	544	555
Miscellaneous	16	16	16	16	17	17	17	17	18	17
Recreational	6,468	6,456	6,344	6,586	6,107	6,013	6,418	6,515	6,663	6,799
Vacant	53,377	43,903	43,289	31,175	28,867	32,784	34,374	26,189	25,001	24,796
SBE Nonunitary	645	645	645	22	22	22	22	22	650	650
Unsecured	79,030	77,454	75,977	76,885	74,229	92,133	89,886	86,929	86,422	90,571
<b>Total</b>	<b>\$ 2,283,960</b>	<b>\$ 2,233,227</b>	<b>\$ 2,234,004</b>	<b>\$ 2,217,290</b>	<b>\$ 2,239,426</b>	<b>\$ 2,328,175</b>	<b>\$ 2,421,030</b>	<b>\$ 2,523,363</b>	<b>\$ 2,659,544</b>	<b>\$ 2,758,417</b>

Source: Santa Barbara County Assessor 2009/10 - 2018/19 Combined Tax Roll

Note: Exempt values are not included in the Totals.

**City of Lompoc**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**

Taxpayer	Types of Business	2018-19			2009-10		
		Secured & Unsecured Value	Rank	Percentage of Assessed Valuation	Secured & Unsecured Value	Rank	Percentage of Assessed Valuation
Windscape Village LLC	Residential	\$ 43,191,000	1	1.57%	\$ 43,328,632	1	1.90%
Lompoc Land Holdings LLC	Commercial	22,523,266	2	0.82%			
Centro Watt Property Owner II, LLC	Commercial	22,250,000	3	0.81%	22,392,728	2	0.98%
Raytheon Company	Industrial	20,527,120	4	0.74%			
GKT Central Towne Square LLC	Commercial	20,189,920	5	0.73%			
Wal-mart Real Estate Business Trust	Commercial	18,488,961	6	0.67%	9,176,647	10	0.40%
Dario L Pini Trust	Residential	15,712,231	7	0.57%			
Shoot the Breeze Limited	Residential	12,689,133	8	0.46%	19,644,080	4	0.86%
Lompoc Propco	Commercial	11,795,565	9	0.43%			
Lom-Cal Facility LLC	Institutional	10,847,232	10	0.39%			
KW Ravenswood LLC	Residential				22,291,340	3	0.98%
Majestic Advisors LLC	Commercial				16,422,000	5	0.72%
CFT Devs LLC	Commercial				14,727,104	6	0.64%
Corona Lompoc Seabreeze LLC	Vacant Land				14,560,000	7	0.64%
Nesbitt Partners Lompoc Ventures Limited	Residential				10,405,140	8	0.46%
Fagerdala USA Lompoc Inc	Industrial				9,717,158	9	0.43%
<b>Total</b>		<u>\$198,214,428</u>		<u>7.19%</u>	<u>\$182,664,829</u>		<u>8.00%</u>

Source: Santa Barbara County Assessor 2017-18 and 2008-09 Combined Tax Rolls and the SBE Non Unitary Tax Roll

**City of Lompoc**  
**Secured Property Tax Roll Levies and Collections**  
**Last Ten Fiscal Years**  
**(Amounts in thousands)**

Fiscal Year	Total Tax Levy for Fiscal year	Collection within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collection to Date	
		Amount	Percent of Levy		Amount Collected	Percent of Levy
2010	3,758,534	3,666,594	97.6%	89,806	3,756,400	99.9%
2011	* 3,664,804	3,602,289	98.3%	60,408	3,662,697	99.9%
2012	* 3,660,522	3,613,524	98.7%	45,041	3,658,565	99.9%
2013	* 3,659,766	3,622,705	99.0%	35,130	3,657,835	99.9%
2014	* 3,693,395	3,663,929	99.2%	27,312	3,691,241	99.9%
2015	* 3,838,762	3,806,619	99.2%	28,891	3,835,510	99.9%
2016	* 3,993,943	3,954,163	99.0%	27,648	3,981,811	99.7%
2017	* 4,173,217	4,139,097	99.2%	22,328	4,161,425	99.7%
2018	* 4,390,405	4,339,811	98.8%	31,547	4,371,358	99.6%
2019	* 4,541,679	4,489,544	98.9%	-	4,489,544	98.9%

Notes:

\* The City elected to participate in the the Teeter Plan method of property tax collections in FY 2010-2011, where by the County remits 100% of taxes levied to the City and pursues collection and any delinquent taxes and related penalties and interest.

Source: Santa Barbara County Auditor-Controller's Office

**City of Lompoc  
Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years**

Agency	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Basic Levy</b>	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%
Allan Hancock Community College Bond 2006	0.02500%	0.02500%	0.02500%	0.02500%	0.02500%	0.02500%	0.02500%	0.02500%	0.02375%	0.02256%
Lompoc Health Care Bond	0.09080%	0.09080%	0.09080%	0.09988%	0.09079%	0.08200%	0.08036%	0.07232%	0.07160%	0.07088%
Lompoc Unified School Bond 2003	0.06000%	0.06000%	0.06360%	0.07123%	0.07835%	0.08227%	0.07733%	0.07598%	0.07598%	0.07598%
<b>Total</b>	<b>1.17580%</b>	<b>1.17580%</b>	<b>1.17940%</b>	<b>1.19611%</b>	<b>1.19414%</b>	<b>1.18927%</b>	<b>1.18269%</b>	<b>1.17330%</b>	<b>1.17133%</b>	<b>1.16942%</b>
City's Share of 1% Levy Per Prop 13	0.16728%	0.16728%	0.16728%	0.16728%	0.16728%	0.16728%	0.16728%	0.16728%	0.16728%	0.16728%
<b>Voter Approved City Debt Rate</b>										
Redevelopment Rate	1.00000%	1.00000%	1.00000%							
<b>Total Direct Rate</b>	<b>0.26762%</b>	<b>0.26682%</b>	<b>0.26599%</b>	<b>0.26804%</b>	<b>0.27092%</b>	<b>0.26176%</b>	<b>0.25999%</b>	<b>0.25153%</b>	<b>0.25053%</b>	<b>0.24999%</b>

Source: Santa Barbara County Assessor 2009/10 and 2018/19 Tax Rate Table



## City of Lompoc

<u>Effective Date</u>	<u>Ending Date</u>	<u>State and County Rate</u>	<u>Measure A &amp; D City &amp; County Roads</u>	<u>City Rate</u>	<u>Combined Rate</u>
1/1/16	Current	6.25%	0.50%	1.00%	7.75%
1/1/13	12/31/16	6.75%	0.50%	0.75%	8.00%
7/1/11	12/31/12	6.50%	0.50%	0.75%	7.75%
4/1/09	6/30/11	7.50%	0.50% <sup>(4)</sup>	0.75%	408.75%
7/1/04	3/31/09	6.50%	0.50%	0.75% <sup>(5)</sup>	507.75%
1/1/02	6/30/04	6.00%	0.50%	1.00%	7.50%
1/1/01	12/31/01	5.75%	0.50%	1.00%	7.25%
7/15/91	12/31/00	6.00%	0.50%	1.00%	7.50%
1/1/91	7/14/91	4.75%	0.50%	1.00%	6.25%
12/1/89	12/31/90	5.00%	0.50% <sup>(3)</sup>	1.00%	306.50%
4/1/74	11/30/89	4.75%		1.00%	5.75%
10/1/73	3/31/74	3.75%		1.00%	4.75%
7/1/73	9/30/73	4.75%		1.00%	5.75%
7/1/72	6/30/73	3.75%		1.00%	4.75%
8/1/67	6/30/72	4.00%		1.00%	5.00%
1/1/62	7/31/67 <sup>(1)</sup>	3.00%		1.00%	4.00%
7/1/49	12/31/61	3.00%			3.00%
7/1/43	6/30/49	2.50%			2.50%
7/1/35	6/30/43	3.00%			3.00%
8/1/33	6/30/35 <sup>(2)</sup>	2.50%			2.50%

1. The Bradley-Burns Uniform Local Sales and Use Tax Law was enacted 1955. The law authorizes cities and counties to impose a sales and use tax. Effective January 1, 1962, all cities and counties have adopted ordinances for the State Board of equalization to collect the local tax.

2. Sales tax only. The use tax was enacted effective July 1, 1935.

3. Measure "D" proposed by Santa Barbara County and approved November 1989. It remained in effect for twenty years and sunsetted on March 31, 2010.

4. Measure "A" proposed by Santa Barbara County and approved November 2008. Scheduled to remain in effect for thirty years starting April 1, 2010 replacing Measure D.

5. In March 2004, a State ballot measure was passed issuing deficit reduction bonds. It went into effect July 1, 2004 and repealed 25% of the local 1% sales tax. The new 1/4 cent sales tax was to be dedicated to repaying deficit reduction bonds. Cities and counties would then be made whole by the State from an increase in property tax. This was referred to as the "triple flip" and theoretically considered revenue neutral to the Cities and Counties, and Schools effect by the State enactment of proposition 57.

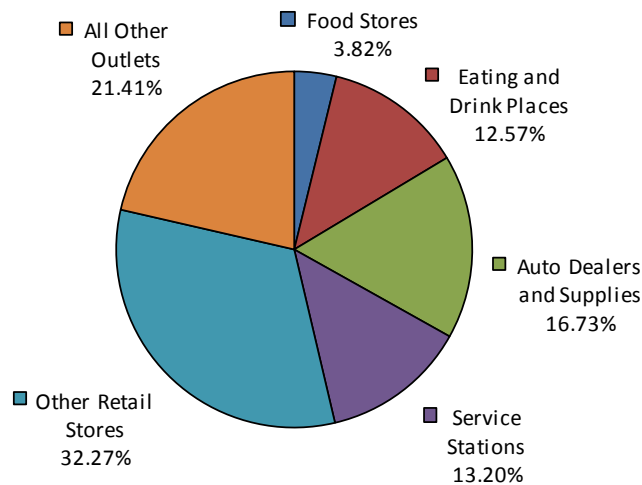
**City of Lompoc  
Taxable Sales by Business Type  
Last Ten Calendar Years  
(Amounts in thousands)**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Food Stores	\$ 20,854	\$ 20,006	\$ 19,683	\$ 18,987	\$ 20,231	\$ 19,007	\$ 18,655	\$ 17,989	\$ 18,003	\$ 18,213
Eating and Drink Places	38,275	38,673	40,305	41,941	43,801	47,763	54,547	56,402	61,433	59,865
Auto Dealers and Supplies	37,738	38,346	47,875	55,587	55,046	61,368	65,044	66,669	80,845	79,670
Service Stations	45,344	52,391	62,446	68,127	66,125	66,257	57,629	49,472	55,246	62,876
Other Retail Stores	112,691	111,892	113,170	117,195	125,664	131,439	141,322	150,173	151,503	153,695
All Other Outlets	65,747	68,464	72,956	78,626	88,852	103,671	94,183	104,571	124,306	101,959
<b>Total</b>	<b>\$ 320,650</b>	<b>\$ 329,772</b>	<b>\$ 356,436</b>	<b>\$ 380,463</b>	<b>\$ 399,718</b>	<b>\$ 429,505</b>	<b>\$ 431,380</b>	<b>\$ 445,277</b>	<b>\$ 491,336</b>	<b>\$ 476,279</b>

Source: State of California Board of Equalization and the HdL Companies

Notes: Due to confidentiality issues, the name of the ten largest revenue payers are not available.  
The categories presented are intended to provide alternative information regarding the source of the City's revenue.  
Totals may not add to detail due to rounding.

**Calendar Year 2018**



**City of Lompoc**  
**Ratio of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	% of Estimated Actual Value of Taxable Property	Outstanding Debt Per Capita
	Assessment District	Redevelopment Agency Loans	Capital Leases	Revenue Bonds	Notes and Loans	Capital Leases			
2010	15,120,000	846,225	5,630,089	38,085,000	76,375,941	4,890,137	140,947,392	6.17%	3,554
2011	17,345,000	750,000	4,719,858	36,505,223	73,270,081	4,451,722	137,041,884	6.14%	3,491
2012	2,325,000 *		3,819,921	35,467,766	69,993,696	4,031,427	115,637,810	5.18%	3,954
2013	2,265,000		3,164,226	34,641,672	66,658,342	3,630,825	110,360,065	4.98%	2,806
2014	2,200,000		5,177,870	33,486,840	63,263,166	3,443,165	107,571,041	4.80%	2,700
2015	2,135,000		4,423,104	32,287,009	59,807,089	3,031,533	101,683,735	4.37%	2,448
2016	2,065,000		3,857,803	31,042,177	56,289,015	2,660,985	95,914,980	3.96%	2,326
2017	1,995,000		6,411,577	27,897,346	52,713,616	2,282,973	91,300,512	3.61%	2,212
2018	1,920,000		5,425,099	26,828,580 **	49,075,747	1,897,331	85,146,757	3.37%	2,074
2019	1,845,000		4,500,120	25,479,609	46,320,840	1,705,728	79,851,297	3.16%	1,959

\* Deduction in the 2004 Tax Allocation Bond, 2010 Tax Allocation Bond, capital leases and loans payable include debts transferred to the Successor Agency Trust fund as of February 1, 2012 in the amount of \$15,547,688.

\*\* 1998, 2005, and 2007 bond refunded April 6, 2018.

Source: City of Lompoc Annual Financial Report

**City of Lompoc**  
**Ratio of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population 1</b>	<b>Estimated Actual Taxable Value of Property 2</b>	<b>General Bonded Debt</b>	<b>Service Payable from Enterprise</b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt per Capita</b>
2010	39,661	2,283,959,160				0%	
2011	39,258	2,233,225,993				0%	
2012	39,151	2,234,005,481				0%	
2013	39,328	2,217,289,247				0%	
2014	39,846	2,239,426,670				0%	
2015	41,541	2,328,175,711				0%	
2016	41,244	2,421,030,717				0%	
2017	41,267	2,526,168,897				0%	
2018	41,059	2,659,543,526				0%	
2019	40,759	2,758,417,010				0%	

Sources: 1. California State Department of Finance (Excluding Prison Population)  
2. Santa Barbara County Assessor

**City of Lompoc**  
**Direct and Overlapping Debt**  
(Amounts in thousands)

2018-19 Assessed Valuation: \$ 2,758,417

<u>Direct and Overlapping Tax and Assessment Debt:</u>	<u>Total Debt 6/30/2019</u>	<u>% Applicable (1)</u>	<u>City's Share of Debt 6/30/19</u>
Allan Hancock Community College District District Certificates of Participation	\$ 148,615	9.92%	\$ 14,742
Lompoc Unified School District	17,016	54.93%	9,347
Lompoc Healthcare District	68,415	51.65%	35,334
City of Lompoc Park Maintenance and City Pool Assessment District No. 2	1,845	<b>100.00%</b>	<b>1,845</b>
<b>Total Gross Direct and Overlapping Tax and Assessment Debt</b>			<u><b>\$ 61,268</b></u>
 <u>Direct and Overlapping General Fund Debt</u>			
City of Lompoc Obligations	4,500	<b>100.00%</b>	<b>4,500</b>
Santa Barbara County General Fund Obligation	37,662	3.37%	1,270
Total Gross Overlapping General Fund Debt			<u>5,770</u>
Less: Santa Barbara County self-supporting obligation			
<b>Total Net Overlapping General Fund Debt</b>			<u><b>\$ 5,770</b></u>
 <b>Total Combined Debt</b>			 <u><b>\$ 67,038</b></u>
		<b>Ratio to Assessed Valuation:</b>	
<b>Total Direct Debt</b>		0.230%	<b>6,345</b>
<b>Total Overlapping Debt</b>		2.200%	<u>60,693</u>
<b>Total Direct and Overlapping Debt</b>		2.430%	<u><b>\$ 67,038 (2)</b></u>

(1) The percentage of overlapping debt applicable to the city is estimated using taxable property value. Applicable percentage were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: SB County Comprehensive Financial Annual Report & City Financials

**City of Lompoc**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Limit	\$85,648,469	\$83,745,975	\$83,775,206	\$83,148,347	\$83,978,500	\$87,306,589	\$90,788,652	\$94,731,334	\$99,732,882	\$ 103,440,638
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$85,648,469</u>	<u>\$83,745,975</u>	<u>\$83,775,206</u>	<u>\$83,148,347</u>	<u>\$83,978,500</u>	<u>\$87,306,589</u>	<u>\$90,788,652</u>	<u>\$94,731,334</u>	<u>\$99,732,882</u>	<u>\$ 103,440,638</u>
Total net debt applicable to the limit as a percentage of the limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

**Legal Debt Margin Calculation for Fiscal Year 2019**

Assessed Value	<u>\$ 2,758,417,010</u>
Debt Limit - 3.75 % of Total Assessed Value	\$ 103,440,638
Amount of Debt Applicable to the Limit	<u>-</u>
<b>Legal Debt Margin</b>	<u><u>\$ 103,440,638</u></u>

Note: Section 43605 of California Code, which established the debt limit of 15%, is based on assessed valuation being equivalent to 25% of full market value. In 1981-82, assessed valuation became equal to full market valuation. As a result, 1981-82 and subsequent years charter debt limit is computed at 1/4 of 15% or 3.75% of the full market valuation.

Source: Santa Barbara County Tax Rates and Assessed Valuations

**City of Lompoc**  
**Schedule of Revenue Bond Coverage**  
**Water Utility Fund**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Gross Revenues (1)</b>	<b>Direct Operating Expenses (2)</b>	<b>Net Revenue Available for Debt Service</b>	<b>Principal (3)</b>	<b>Interest (3)</b>	<b>Total</b>	<b>Coverage</b>
2010	8,345,930	6,455,437	1,890,493	486,894	746,419	1,233,313	1.53
2011	8,291,181	6,709,937	1,581,244	510,020	725,933	1,235,953	1.28
2012	8,431,527	6,573,674	1,857,853	533,146	703,991	1,237,137	1.50
2013	8,885,285	7,447,887	1,437,398	551,272	688,589	1,239,861	1.16
2014	10,312,102	7,462,326	2,849,776	583,773	650,926	1,234,699	2.31
2015	11,167,144	9,034,832	2,132,312	606,899	627,226	1,234,125	1.73
2016	11,369,173	7,862,553	3,506,620	629,400	605,503	1,234,903	2.84
2017	12,148,729	8,177,696	3,971,033	661,901	571,688	1,233,589	3.22
2018	12,908,116	8,582,958	4,325,158	844,404	804,277	1,648,681	2.62
2019	12,740,737	9,038,538	3,702,199	620,580	381,424	1,002,004	3.69

1. Operating and non-operating revenues

2. Excludes depreciation and debt service payments

3. Principal and Interest for the 2018 Water Revenue Series A Bonds. (See Note 5 for details)

Source: City of Lompoc Annual Financial Statements

**City of Lompoc**  
**Schedule of Revenue Bond Coverage**  
**Wastewater Utility Fund**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Gross Revenues (1)</b>	<b>Direct Operating Expenses (2)</b>	<b>Net Revenue Available for Debt Service</b>	<b>Principal (3)</b>	<b>Interest (3)</b>	<b>Total</b>	<b>Coverage</b>
2009	9,320,006	5,792,998	3,527,008	476,903	1,021,848	1,498,751	2.35
2010	10,357,112	5,455,673	4,901,439	498,106	991,645	1,489,751	3.29
2011	11,923,690	5,849,212	6,074,478	514,980	972,424	1,487,404	4.08
2012	11,162,567	4,816,563	6,346,004	541,854	952,153	1,494,007	4.25
2013	11,534,325	6,127,070	5,407,255	558,728	930,758	1,489,486	3.63
2014	12,210,798	6,155,908	6,054,890	581,227	908,582	1,489,809	4.06
2015	13,525,938	6,442,710	7,083,228	603,101	885,660	1,488,761	4.76
2016	15,020,384	7,131,435	7,888,949	625,600	855,698	1,481,298	5.33
2017	17,137,326	7,224,050	9,913,276	2,493,099	830,932	3,324,031	2.98
2018	16,306,011	6,111,792	10,194,219	625,843	1,033,170	1,659,013	6.14
2019	16,856,484	7,484,973	9,371,511	649,897	545,850	1,195,747	7.84

1. Operating and non-operating revenues
2. Excludes depreciation and debt service payments
3. Principal and Interest for the 2018 Wastewater Revenue Series A Bonds. (See Note 5 for details)



**City of Lompoc  
Principal Employers  
Current Year and Nine Years Ago**

Employer	2019			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Vandenberg AFB**	3,636	1	19.65%	***		
Lompoc Unified School District **	1098	2	5.94%	***		
Lompoc Hospital	623	3	3.37%	***		
U.S. Department of Justice	525	4	2.84%	***		
City of Lompoc	382	5	2.06%	***		
Allan Hancock College (Lompoc Valley Center)*	318	6	1.72%	***		
Den Mat Holdings LLC	301	7	1.63%	***		
Walmart	163	8	0.88%	***		
Imerys Filtration Minerals*	141	9	0.76%	***		
Albertson	38	10	0.21%	***		
	7,305		39.05%			

\* Estimate based on prior year and employment trend

\*\* Some are located outside of the City limits, but impact City employment..

\*\*\* Information unavialable - CAFRs published prior to 2007 and after 2016

## City of Lompoc Demographic and Economic Last Ten Years

<b>Fiscal Year</b>	<b>Population</b> <sup>1</sup>	<b>Personal Income (in Thousands)</b> <sup>2</sup>	<b>Per Capita Personal Income</b> <sup>2</sup>	<b>Unemployment Rate</b> <sup>3</sup>	<b>Median Age</b> <sup>2</sup>	<b>% of pop 25+ with High School Degree</b> <sup>2</sup>	<b>% of pop 25+ with Bachelor's Degree</b> <sup>2</sup>
2009	42,801	\$ 863,894	\$ 20,184	14.7%	32.8	76.9%	15.0%
2010	43,079	794,635	18,446	16.3%	32.7	73.3%	12.5%
2011	42,854	826,611	19,289	15.4%	32.0	74.3%	14.1%
2012	42,730	837,252	19,594	10.8%	31.9	73.6%	13.9%
2013	43,314	850,470	19,635	9.7%	32.2	73.4%	14.9%
2014	43,439	848,016	19,522	7.9%	32.0	73.0%	14.2%
2015	44,116	867,396	19,662	6.9%	32.2	75.0%	14.3%
2016	44,042	878,622	19,950	6.6%	32.6	74.7%	13.1%
2017	43,599	900,354	20,650	7.7%	32.9	76.3%	13.0%
2018	43,649	932,812	21,370	5.1%	32.4	75.9%	12.5%

Sources: 1. State of California Department of Finance (Including Prison Population)  
 2. US Census Bureau  
 3. California Employment Development Department  
 4. This report was compiled by HdL, Coren & Cone

**City of Lompoc**  
**Full Time Equivalents City Government Employees by Function**  
**Last Ten Years**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
City Council	0.5	0.5	0.5	0.5	0.55	0.55	0.3	0.3	0.3	0.3
Mayor and City Council Members*	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
City Administration	2.4	2.4	2.2	2.2	2.3	2.3	3.8	3.8	3.8	3.8
City Clerk	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0
City Attorney	3.0	3.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Human Resources	7.0	7.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Management Services	28.2	28.2	28.2	28.2	29.2	29.2	29.2	29.2	29.1	29.1
IS and Communications	10.3	10.3	10.4	10.4	11.9	11.9	13.2	13.2	13.0	13.0
Police	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0
Fire	25.4	25.4	26.0	26.0	27.0	27.0	29.3	29.3	29.3	29.3
Police and Fire Grants*	6.0	6.0	5.0	5.0	15.0	15.0	8.0	8.0	2.0	2.0
Community Development	13.3	13.3	13.9	13.9	12.5	12.5	14.1	14.1	14.1	14.1
Community Services	33.1	33.1	33.0	33.0	32.7	32.7	37.2	37.2	37.0	37.0
Library Grant*	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public Utilities	118.4	118.4	118.5	118.5	115.9	115.9	111.4	111.4	114.9	114.9
Public Works	64.5	64.5	60.8	60.8	59.3	59.3	64.2	64.2	65.2	65.2
<b>Total</b>	<b>377.03</b>	<b>377.03</b>	<b>371.42</b>	<b>371.42</b>	<b>368.38</b>	<b>368.38</b>	<b>379.75</b>	<b>379.75</b>	<b>383.70</b>	<b>383.70</b>

\* Information only not included in totals

Source: City of Lompoc Budget Records

**City of Lompoc**  
**Capital Assets Statistics by Function**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Jails	1	1	1	1	1	1	1	1	1	1
<b>Fire</b>										
Stations	2	2	2	2	2	2	2	2	2	2
<b>Engineering/Streets/Transit</b>										
Lane miles	257	257	257	270	270	270	274	274	274	274
<b>Community Services</b>										
Park and sports facilities	13	13	13	13	13	13	13	13	13	13
Civic auditoriums	1	1	1	1	1	1	1	1	1	1
Swim Pools	3	3	3	3	3	3	3	3	3	2
Libraries	1	1	1	1	1	1	1	1	1	1
County Libraries operated by the City	2	2	2	2	2	2	1	1	1	1
Recreational Centers	1	1	2	2	2	2	2	2	2	2
<b>Water</b>										
Number of wells	10	10	10	10	10	10	10	10	10	10
Number of treatment plants	2	2	2	2	2	2	2	2	2	2
<b>Wastewater</b>										
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
<b>Electric</b>										
Number of customers	15,430	15,554	15,678	15,804	15,930	16,058	16,186	17,529	17,531	17,522
<b>Solid Waste</b>										
Landfill acreage	115	115	115	115	115	115	115	115	115	115
Capacity in thousand cubic tons	7,970	7,970	7,970	7,970	7,970	7,970	7,970	7,970	7,970	7,970
<b>Airport</b>										
Runways & taxiways, Paved surfaces (sq. footage)	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000
Acreage	193	193	193	193	193	193	193	193	193	193

Source: Various city departments

**City of Lompoc**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Police</b>										
Number of officers	51	51	51	51	54	54	51	50	50	47
DUI arrest	64	66	46	71	73	37	48	77	29	*
Traffic collision	392	312	343	304	281	288	358	233	245	*
Calls for service	26,080	27,912	28,617	28,433	27,331	31,723	33,237	28,151	24,369	*
On views	17,489	15,162	14,963	14,238	16,757	11,609	14,941	11,031	6,933	*
<b>Fire</b>										
Medical responses	2,204	2,158	2,242	2,409	2,644	2,742	3,030	2,894	2,908	*
Fire and safety inspections	665	478	472	341	336	269	275	223	219	*
<b>Engineering/Streets and Roads/Transit</b>										
Surface seal (Lane miles)	23.56	29.68	1.41	10.75	11.00	0.00	12.90	0.23	12.00	*
Cubic yards of concrete placed								19,295	160	*
Street overlays (Lane miles)	4.47		0.99	7.36	0.31	1.83		0.16	0.00	*
Transit passengers <sup>(1)(2)</sup>	230,847	232,999	139,564	137,743	323,544	321,043	298,546	122,981	126,565	89,061
<b>Parks &amp; Recreation</b>										
Parks bookings	4,239	3,846	3,973	3,950	4,227	3,152	3,941	3,680	4,020	3,244
Facility bookings	1,991	1,810	1,607	1,929	2,513	3,693	2,968	3,013	3,508	3,026
Aquatics center bookings	2,265	2,456	1,766	1,542	2,278	2,140	1,604	1,207	1,792	1,477
Aquatic Attendance	104,938	108,276	112,743	112,283	115,342	122,123	123,674	*** 98021	121,728	128,555
<b>Community Development</b>										
Building inspection completed	3,891	4,832	1,848	2,652	3,967	4,097	6,412	3,049	4,369	3,044
Total permit issued	380	415	503	650	571	534	479	456	625	913
<b>Water</b>										
Water customer accounts	9,394	9,407	9,446	9,591	9,700	9,780	9,875	10,030	10,038	10,041
Acre feet of water consumed	4,276	4,112	4,191	4,474	4,460	3,953	3589	3546	3815	3549
<b>Wastewater</b>										
Flow (millions gallons per day)	3.07	3.10	2.75	2.80	3.24	2.95	2.97	2.77	2.88	2.89
Bio-chemical oxygen demand	288	324	339	341	370	345	334	361	344	367
Suspended solids	288	308	328	300	299	258	282	315	366	491
<b>Electric</b>										
Electric Customer Meters	14,461	14,547	14,557	14,822	14,974	15,010	15,060	15,592	15,601	15,603
Total MWH Purchased	142,430	139,350	135,786	135,182	139,339	138,426	134,823	131,109	131,947	131,731
Purchased power costs	\$10,840,277	\$9,681,965	\$9,395,703	\$10,506,729	\$10,973,777	\$12,061,555	\$10,546,800	\$10,084,526	\$10,257,615	\$10,321,548
<b>Solid Waste</b>										
Refuse collected (tons/day)	94	91	89	90	92	102	112	107	106	**
Recyclables collected (tons/day)	25	20	20	21	18	21	22	27	27	**
<b>Airport</b>										
Gallons of jet and aviation fuel sold	57,469	47,259	54,879	49,580	41,941	46,226	53,638	52,443	46,578	53,547
<b>Library</b>										
Library card holders	39,652	32,977	22,946	25,502	24,973	21,651	22,003	19,321	15,721	15,104
Public internet and WIFI use	160,686	**	169,279	42,905	70,303	76,353	59,114	66,917	65,420	58,379
Total circulations	322,784	356,886	346,490	323,418	341,801	329,865	334,673	355,318	338,363	337,598
Number of programs	336	324	**	256	273	346	436	690	733	822
Program attendance	9,835	11,551	12,824	11,709	10,073	8,603	9,967	15,738	19,375	19,058
Number of Library visitors	125,623	184,020	175,388	174,008	193,560	259,986	226,427	231,871	202,149	185,152

\* Reported on calendar year

\*\* Data unavailable

\*\*\* The Aquatic Center was closed from December 23, 2016 through March, 2017 for facility renovations.

(1) Transit passenger numbers in FY 2012 and FY 2013 reflects the Clean Air Express commuter service being administered outside the City of Lompoc.

(2) As of 12/31/2019, Clean Air Express no longer operated by the City of Lompoc