

(707) 668-5655

Fax: (707) 668-5916

www.bluelake.ca.gov



CITY OF BLUE LAKE
CALIFORNIA

111 Greenwood Road

P.O. Box 458

Blue Lake City Council Agenda

Tuesday, October 24, 2023 ~ 6:30 p.m. ~Regular Council Meeting
Skinner Store-111 Greenwood Road, Blue Lake California

Unless Otherwise Noted, All Items on the Agenda are Subject to Action.

Public Input can be given to the Council by emailing citymanager@bluelake.ca.gov until 4:30 p.m. on Tuesday October 24, 2023.

PLEASE NOTE that live meeting logistics will be prioritized. The quality of the Zoom teleconference meeting cannot be guaranteed. Technical challenges experienced by either the participant or the City will not interrupt or halt the progress of the meeting.

Public input may be facilitated by Zoom at the following meeting link:

<https://us02web.zoom.us/j/82116077871?pwd=WHQxYXQ5WmFPTG55VmZQM2NoMkkwQT09>

Meeting ID: 821 1607 7871 Passcode: 020208

1. **Pledge of Allegiance and Establish a Quorum of the Council**
2. **Approve Agenda**
3. **Public Comment** – *The Public is invited to present petitions, make announcements, or provide other information to the City Council that is relevant to the scope of authority of the City of Blue Lake that is not on the Agenda. The Council may provide up to 15 minutes for this public input session. To assure that each individual presentation is heard, the Council may uniformly impose time limitations of 3 minutes to each individual presentation. The public will be given the opportunity to address items that are on the agenda at the time the Council takes up each specific agenda item.*
4. **Resolution Number 1222-A** Resolution of the City of Blue Lake Honoring the Contributions of Community Advocate and Blue Lake Planning Commissioner Earl Eddy-Action
5. **Humboldt County Association of Governments Transit Needs Public Hearing**
6. **Fiscal Year 2021-2022 Audit Presentation-Discussion/Action**
7. **Humboldt 350-Biomass Presentation-Discussion/Action**
8. **Appoint Real Property Negotiators:**
Property: Blue Lake (City Owned) Parcel Nos. 025-201-019 and 025-201-009
Agency Negotiators: Amanda Mager (City Manager); Russell Gans (City Attorney)
Negotiating Parties: Kenneth Eisner and Tasha Eisner
Under Negotiation: Exclusive Negotiating agreement: potential lease or sale of City owned property, price and/or terms of payment
9. **Humboldt County Sheriff Law Enforcement Contract Presentation-Discussion**
10. **Humboldt Transit Authority Transit Contract Authorization-Discussion/Action**
11. **Arts and Heritage Commission-Discussion/Action**

12. **Council Liaison Designation and Reallocation of Assignments-Discussion/Action**

13. **City Council Agenda Review Committee Designee(s)-Discussion/Action**

14. **Council Correspondence**

15. **Consent Agenda:**

- a. Warrants and Disbursements
- b. Financial Statements and Accountant Report
- c. Meeting Minutes-August 22, 2023

16. **Reports of Council and Staff**

- a. City Manager Report

17. **Future Agenda Items**

18. **Adjourn**

A request for disability-related modification or accommodation, including auxiliary aid or services, may be made by a person with a disability who requires a modification or accommodation in order to participate in the public meeting, by contacting City Manager Amanda Mager, 668-5655, at least 24 hours prior to the commencement of the meeting.



CITY OF BLUE LAKE

Post Office Box 458
Phone 707.668.5655

111 Greenwood Road

Blue Lake, CA 95525
Fax 707.668.5916

AGENDA REPORT

Item #: 4

Date: October 24, 2023

Item Subject: Resolution Number 1222-A Resolution of the City Council of the City of Blue Lake Honoring the Contributions of Community Advocate and Planning Commissioner, Earl Eddy.

Submitted By: Mandy Mager-City Manager

General Information:

This resolution is written in honor of Earl Eddy, to recognize his many contributions to the City of Blue Lake and our community organizations. At the time of his passing, Earl was serving as the Chairman of the Blue Lake Planning Commission and was an active and engaged community volunteer and advocate.

Background Material Provided: Resolution Number 1222

Fiscal Impact: N/A

Recommended Action: Adopt Resolution Number 1222

Agenda Item Review Information:									
City Manager Review:	<input checked="" type="checkbox"/>	Legal Review:	<input type="checkbox"/>	Planner Review:	<input type="checkbox"/>	Engineer Review:	<input type="checkbox"/>		
Comments:									
After Action Information:									
Date Action Taken:	Notes:								
Action Taken: Approved:	<input type="checkbox"/>	Denied:	<input type="checkbox"/>	Tabled:	<input type="checkbox"/>	Other:	<input type="checkbox"/>		
Council Vote: Jones:	<input type="checkbox"/>	Shull:	<input type="checkbox"/>	Mackay:	<input type="checkbox"/>	Edgar:	<input type="checkbox"/>	Scafani:	<input type="checkbox"/>

Resolution Number 1222

**A RESOLUTION OF THE CITY OF BLUE LAKE RECOGNIZING THE
CONTRIBUTIONS OF COMMUNITY ADVOCATE AND
PLANNING COMMISSIONER EARL EDDY**

WHEREAS, Earl Eddy was a resident of Blue Lake; and

WHEREAS, Earl Eddy was an active community member, dedicated to the betterment of Blue Lake; and

WHEREAS, Earl Eddy was a member of the City of Blue Lake Planning Commission, serving on the commission for over eight years; and at the time of his passing, was serving as the Commission Chairman; and

WHEREAS, Earl Eddy was an active and dedicated member of the Blue Lake Community Emergency Response Team, spending countless hours training and preparing to serve his community in the event of a disaster; and

WHEREAS, Earl Eddy was an active member and volunteer for many of the Blue Lake community organizations, including the Old Crows and the Mad River Grange; and

WHEREAS, Earl Eddy will be greatly missed by the residents of Blue Lake, and the community that he served.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Blue Lake hereby adopts this resolution in honor Earl Eddy, his contributions to the City of Blue Lake and his community spirit.

THIS RESOLUTION DULY PASSED this _____ day of _____, 2023.

AYES:

NOES:

ABSENT:

ABSTAIN:

City Clerk-Anali Gonzalez

Mayor-Adelene Jones



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AGENDA REPORT

Item #: 5

Date: October 24, 2023

Item Subject: Humboldt County Association of Governments Public Hearing-Unmet Transit Needs

Submitted By: Mandy Mager

General Information: The Humboldt County Association of Governments is soliciting the community's input regarding unmet transit needs in our community. The information will be used to assist in program development, grant preparation, budget allocations, etc... Community members are encouraged to provide comments at the Council meeting, and/or through HCAOG's related comment solicitation opportunities.

Background Material Provided: HCAOG Flyer

Fiscal Impact: N/A

Recommended Action: Introduce HCAOG presenters and conduct the public hearing.

Agenda Item Review Information:				
City Manager Review: <input checked="" type="checkbox"/>	Legal Review: <input type="checkbox"/>	Planner Review: <input type="checkbox"/>	Engineer Review: <input type="checkbox"/>	
Comments:				
After Action Information:				
Date Action Taken:		Notes:		
Action Taken: Approved: <input type="checkbox"/>	Denied: <input type="checkbox"/>	Tabled: <input type="checkbox"/>	Other: <input type="checkbox"/>	
Council Vote: Jones: <input type="checkbox"/>	Shull: <input type="checkbox"/>	Mackay: <input type="checkbox"/>	Edgar: <input type="checkbox"/>	Scafani: <input type="checkbox"/>



*Are there places you
can't reasonably
access with public
transportation?*

**Please let us know! Attend a
public hearing, complete the
online survey, or reach out to
HCAOG staff.**



SCAN ME

Take the
online
survey

Comment by December 31, 2023

Online survey:

bit.ly/HumboldtTransitNeeds

The meetings listed below can be attended in-person or via teleconference. You may also send email comments to stephen.luther@hcaog.net or call HCAOG staff at 707-444-8208

City of Fortuna
Mon, October 2, 2023 at 6 p.m.
621 11th Street
<https://www.friendlyfortuna.com/>

City of Eureka
Tues, October 17, 2023 at 6 p.m.
531 K Street
<https://www.ci.eureka.ca.gov/>

City of Arcata
Wed, October 18, 2023 at 6 p.m.
736 F Street
<https://www.cityofarcata.org>

Humboldt Transit Authority
Wed, October 4, 2023 at 9 a.m.
133 V Street, Eureka
hta.org/board-meetings/

City of Trinidad
Thurs, October 12, 2023 at 6 p.m.
409 Trinity Street
<https://www.trinidad.ca.gov>

County of Humboldt
Tues, October 17, 2023 at 9:30 a.m.
825 Fifth Street
<https://humboldt.legistar.com>

City of Ferndale (in-person only)
Wed, October 18, 2023 at 6 p.m.
834 Main Street
<https://ci.ferndale.ca.us>

City of Blue Lake
Tues, October 24, 2023
111 Greenwood Road
<https://bluelake.ca.gov>

Humboldt County Association of Governments
Thurs, November 16, 2023 at 4:30 p.m.
Eureka Council Chambers
<http://www.hcaog.net/>

The Humboldt County Association of Governments' (HCAOG) Social Services
Transportation Advisory Council would like to hear from you!





CITY OF BLUE LAKE

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AGENDA REPORT

Item #: 6

Date: October 24, 2023

Item Subject: Fiscal Year 2021-2022 Audit Presentation

Submitted By: Mandy Mager

General Information: The City's auditor will present the City's fiscal year 2021-2022 audit; the City's accountant will be available to answer questions.

Background Material Provided: City of Blue Lake Draft 2021-2022 Audit

Fiscal Impact: N/A

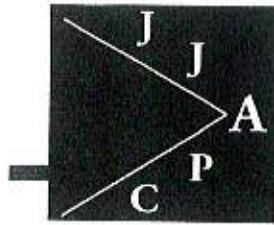
Recommended Action: Accept the audit as presented.

Agenda Item Review Information:									
City Manager Review:	<input checked="" type="checkbox"/>	Legal Review:	<input type="checkbox"/>	Planner Review:	<input type="checkbox"/>	Engineer Review:	<input type="checkbox"/>		
Comments:									
After Action Information:									
Date Action Taken:	Notes:								
Action Taken: Approved:	<input type="checkbox"/>	Denied:	<input type="checkbox"/>	Tabled:	<input type="checkbox"/>	Other:	<input type="checkbox"/>		
Council Vote: Jones:	<input type="checkbox"/>	Shull:	<input type="checkbox"/>	Mackay:	<input type="checkbox"/>	Edgar:	<input type="checkbox"/>	Scafani:	<input type="checkbox"/>

CITY OF BLUE LAKE

**COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE AND
COMMUNICATION OF INTERNAL CONTROL RELATED MATTERS**

JUNE 30, 2022



JJACPA, Inc.

A Professional Accounting Services Corp.

June 28, 2022

City Council
City of Blue Lake
Blue Lake, California

We have audited the basic financial statements of the City of Blue Lake (City) as of and for the year ended June 30, 2022 and have issued our report thereon dated June 28, 2022. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated January 16, 2023, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm has complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2021-22. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments

The most sensitive accounting estimates affecting the financial statements are useful lives of capital assets ("useful lives").

Management's estimate of the useful lives is based on experience with and observation of capital assets, by category (e.g. infrastructure) as well as industry standards, when applicable (i.e. buildings). We evaluated the key factors and assumptions used to develop the useful lives and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City's financial statements relate to commitments and contingencies.

Significant Difficulties Encountered during the Audit

Although we ultimately received full cooperation of management and believe that we were given direct and unrestricted access to the City's officials and senior management, we experienced significant difficulties in the performance of the audit owing to unreasonable delays by management in the overall audit process. These unreasonable delays, such as the delay of management's review of the financial statements, significantly added to the time and related cost of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in an attached letter dated October 19, 2023.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Findings or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the City, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

Communication of Internal Control Related Matters

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be significant deficiencies. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as item 2022-1 that we consider to be a material weakness.

This report is intended solely for the information and use of the City Council and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Joseph J Arch, CPA
JOSEPH J ARCH, CPA
President/CEO
JJACPA, INC

City of Blue Lake
Schedule of Findings and Responses
For the year ended June 30, 2022

Section I – Financial Statement Findings

Finding 2022-1

Material Weakness of Noncompliance with California Government Code – Filing Deadline Expiration

Criteria: California Government Code, Section 26909, (a) (2), requires Cities to file an annual audit of the accounts and records with the California State Controller within 12 months of the end of the fiscal year.

Condition: For the year ended June 30, 2022 the City of Blue Lake (City) did not file an annual audit of the accounts and records with the California State Controller within 12 months of the end of the fiscal year.

Cause: Management of the City has not implemented procedures to meet the filing requirements outlined in the California Government Code.

Effect: By not filing the appropriate reports with the State Controller, the City is in violation of the California Government Code. The information reported to the public and other government agencies is not timely or relevant to current City operations.

Recommendation: Management should file the audited financial statements for the year ended June 30, 2022 immediately. Additionally, the City should implement procedures for meeting the filing requirements outlined in the California Government Code in order to provide timely reporting for the fiscal year ended June 30, 2023.

Responsible Official's Response: Management agrees with this finding and will submit the audited financial statements to the State Controller once they are approved by the Council. Moreover, management will develop and implement procedures to ensure timely financial reporting in the future.

Section II – Status of Prior Year Audit Findings

None to report.

CITY OF BLUE LAKE, CALIFORNIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2022

Prepared by:

Amanda Mager
City Manager

Jackson & Eklund Accounting
Contract Accountant

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City of Blue Lake, California
Basic Financial Statements
For the year ended June 30, 2022

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City of Blue Lake, California
Basic Financial Statements
For the year ended June 30, 2022

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City of Blue Lake, California
Basic Financial Statements
For the year ended June 30, 2022

List of Officials

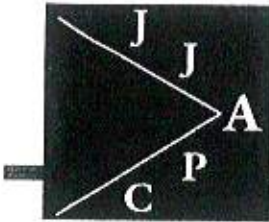
CITY COUNCIL

- Adclene Jones, Mayor
- Angela Shull, Mayor Pro Tem
- Chris Edgar
- Elizabeth MacKay
- Elise Scafani

CITY OFFICIALS

- Amanda Mager, City Manager
- Jackson & Eklund Accounting, Contract Accountant

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JJACPA, Inc.

A Professional Accounting Services Corp.

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
of the City of Blue Lake
Blue Lake, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison information of the City of Blue Lake (City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison information of the City, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

To the Honorable Mayor and City Council
of the City of Blue Lake
Blue Lake, California

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4–14, the Schedule of Changes in the Net OPEB Liability and Related Ratios on page 72, the City's Schedules of Contributions on pages 73, and the Schedules of the City's Proportionate Share of the Net Pension Liability on pages 74 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Honorable Mayor and City Council
of the City of Blue Lake
Blue Lake, California

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

October 20, 2023

JJACPA, Inc.
JJACPA, Inc.
Dublin, CA

City of Blue Lake, California
Basic Financial Statements
For the year ended June 30, 2022

Management's Discussion and Analysis

This section provides a narrative overview and analysis of the financial activities of the City of Blue Lake (City) for the fiscal year ended June 30, 2022. It should be read in conjunction with the basic financial statements.

FINANCIAL HIGHLIGHTS

From the government-wide financial statement perspective, the following outlines the financial highlights for the year:

- Overall, at June 30, 2022, the City's net position (excess of assets and deferred outflows of resources over liabilities and deferred inflows of resources) was \$8,374,696, an decrease of \$738,960 from the prior fiscal year. Of the total net position, \$4,435,486 was invested in capital assets (net of related debt) and \$2,168,332 had restrictions on its use leaving \$1,770,878 as unrestricted.
- Overall, City-wide revenues decreased by \$618,630 or 21.9% compared to the prior fiscal year.
- Overall, City-wide expenses/expenditures increased by \$560,026 or 23.6% compared to the prior fiscal year.

From the fund financial statement perspective, the following outlines the financial highlights for the year:

- At June 30, 2022, the City's governmental funds fund balance increased by \$41,423 or 2.8% in comparison to the prior fiscal year while the proprietary funds fund balance decreased \$259,531 or 17.6%.
- In comparison to the prior fiscal year, the revenues of the governmental funds decreased by \$474,056 or 26.4% while the proprietary funds decreased \$95,189 or 9.3%. The governmental funds decrease is primarily related to capital project revenues while the proprietary funds decrease is primarily related to a reduction in user consumption and reduced interest earnings.
- In comparison to the prior fiscal year, the expenditures of the governmental funds decreased by \$656,925 or 33.9% while the expenses of the proprietary funds increased by \$301,978 or 28.4%. The governmental funds decrease is primarily related to capital project expenditures while the proprietary funds increase is primarily related to increased personnel costs.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements are comprised of the government-wide financial statements and the fund financial statements. These two sets of financial statements provide two different views of the City's financial activities and financial position.

City of Blue Lake, California
Basic Financial Statements
For the year ended June 30, 2022

Management's Discussion and Analysis, Continued

The Government-wide Financial Statements

The government-wide financial statements provide a broad overview of the City's activities as a whole and are comprised of the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information on all the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the residual amount reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities provides information showing changes in City's net position during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows (accrual basis of accounting). The focus is on both gross and net costs of City functions, which are supported by general revenues. This statement also distinguishes functions of the City as follows:

- ◆ **Governmental activities** – all of the City's basic services are considered to be governmental activities, including general government, community development, public safety, animal control, public works, public improvements, planning and zoning, building inspections, public transportation, parks, and recreation. These services are primarily supported by taxes and intergovernmental revenues.
- ◆ **Business-type activities** – all of the City's activities that are intended to cover all or a significant portion of their costs through user fees and charges are reported here. The business-type activities include the water and sewer utility activities of the City.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the City can be divided into two categories: governmental funds and proprietary funds. For the fiscal year ended June 30, 2022, the City's major funds are as follows:

Governmental Funds:

- General Fund
- Community Development Block Grant Fund
- Supplemental Law Enforcement Services Fund

Proprietary Funds:

- Water Utility Fund
- Sewer Utility Fund

City of Blue Lake, California
Basic Financial Statements
For the year ended June 30, 2022

Management's Discussion and Analysis, Continued

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental fund financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The governmental fund financial statements provide detailed information about each of the City's most significant funds, called major funds. Data for the other governmental funds, called non-major funds, is combined and presented in a single column. Individual fund data for each non-major fund is provided in the supplemental schedules section of this report.

Proprietary Funds

The City maintains enterprise-type 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 account for water and sewer utility activities. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements begin on page 37 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary which begins on page 73 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information beginning on page 77 of this report.

City of Blue Lake, California
Basic Financial Statements
For the year ended June 30, 2022

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

As noted earlier, 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 \$8,374,696 as of June 30, 2022. To follow is a summary of the statement of net position as of June 30, 2022 and 2021:

	2022			2021		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current assets	\$ 2,885,295	\$ 2,959,247	\$ 5,844,542	\$ 2,856,665	\$ 3,120,127	\$ 5,976,792
Noncurrent assets	3,317,679	1,373,064	4,690,743	3,391,801	1,473,691	4,865,492
Deferred outflows of resources	160,075	150,975	311,050	146,741	133,299	280,040
Total assets and deferred outflows of resources	6,363,049	4,483,286	10,846,335	6,395,207	4,727,117	11,122,324
Current liabilities	166,391	231,817	398,208	91,735	270,837	362,572
Long-term liabilities	800,670	505,763	1,306,433	917,596	694,987	1,612,583
Deferred inflows of resources	327,962	439,036	766,998	17,665	15,848	33,513
Total liabilities and deferred inflows of resources	1,295,023	1,176,616	2,471,639	1,026,996	981,672	2,008,668
Net position:						
Net invested in capital assets	3,098,238	1,337,248	4,435,486	3,168,592	1,427,538	4,596,130
Restricted	496,823	1,671,509	2,168,332	401,758	1,644,938	2,046,696
Unrestricted	1,472,965	297,913	1,770,878	1,797,861	672,969	2,470,830
Total net position	\$ 5,068,026	\$ 3,306,670	\$ 8,374,696	\$ 5,368,211	\$ 3,745,445	\$ 9,113,656

In comparison to the prior fiscal year:

- Total net position decreased by \$738,960 or 8.1% as a result of ongoing operations. Governmental activities experienced a decrease of \$300,185 or 5.6% while business-type activities experienced a decrease of \$438,775 or 11.7% due to ongoing operations.
- Total assets and deferred outflows decreased \$275,989 or 2.5% as a result of ongoing operations. Governmental activities experienced a decrease of \$32,128 or 0.5% while business-type activities experienced a decrease of \$243,831 or 5.2%.
- Total liabilities and deferred inflows increased \$462,971 or 23.0%. Governmental activities experienced an increase of \$268,027 or 26.1% while business-type activities experienced an increase of \$194,944 or 19.9%.

City of Blue Lake, California
Basic Financial Statements
For the year ended June 30, 2022

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Changes in Net Position

The change in net position for the fiscal years ended June 30, 2022, and 2021 follows:

	Changes in Net Position					
	2022			2021		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 202,440	\$ 820,262	\$ 1,022,702	\$ 284,854	\$ 886,784	\$ 1,171,638
Grants and contributions:						
Operating	531,063	-	531,063	562,277	-	562,277
Capital	177,934	118,890	296,824	627,838	118,890	746,728
General revenues:						
Property taxes and assessments	139,247	-	139,247	139,785	-	139,785
Franchise fees	38,810	-	38,810	39,185	-	39,185
Sales and use tax	32,408	-	32,408	21,171	-	21,171
Transient occupancy tax	249	-	249	-	-	-
Utility user tax	-	-	-	4,073	-	4,073
Motor vehicle in-lieu	126,893	-	126,893	63,148	-	63,148
Intergovernmental revenues	20,097	-	20,097	13,366	-	13,366
Investment earnings	146	(21,920)	(21,774)	37,136	14,171	51,307
Other general revenues	6,175	8,073	14,248	6,070	649	6,719
Total revenues	1,275,462	925,305	2,200,767	1,798,903	1,020,494	2,819,397
Expenses:						
Governmental activities:						
General government	572,919	-	572,919	360,395	-	360,395
Planning	127,395	-	127,395	100,703	-	100,703
Building	26,356	-	26,356	31,589	-	31,589
Public safety	196,965	-	196,965	327,703	-	327,703
Animal control	8,484	-	8,484	7,767	-	7,767
Facilities	18,809	-	18,809	6,431	-	6,431
Street maintenance & lighting	200,230	-	200,230	178,708	-	178,708
Parks and recreation	321,859	-	321,859	184,715	-	184,715
Housing & economic development	48,992	-	48,992	62,303	-	62,303
Public transit	31,875	-	31,875	32,125	-	32,125
Recycling	10,688	-	10,688	14,085	-	14,085
Interest	11,075	-	11,075	5,630	-	5,630
Business-type activities:						
Water	-	719,864	719,864	-	555,845	555,845
Sewer	-	644,216	644,216	-	506,257	506,257
Total expenses	1,575,647	1,364,080	2,939,727	1,312,154	1,062,102	2,368,626
Change in net position	(300,185)	(438,775)	(738,960)	486,749	(41,608)	445,141
Net position:						
Beginning of year	5,368,211	3,745,445	9,113,656	4,881,462	3,787,053	8,668,515
End of year	\$ 5,068,026	\$ 3,306,670	\$ 8,374,696	\$ 5,368,211	\$ 3,745,445	\$ 9,113,656

City of Blue Lake, California
Basic Financial Statements
For the year ended June 30, 2022

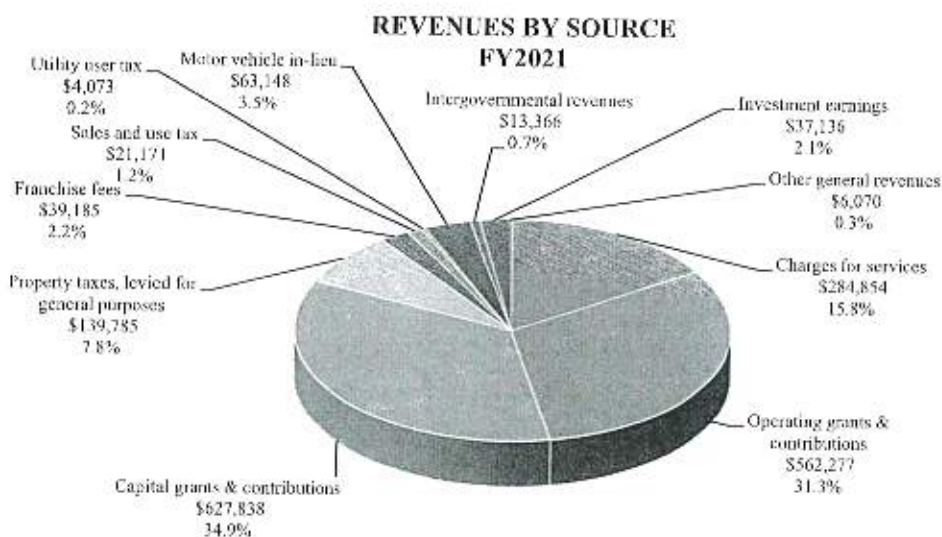
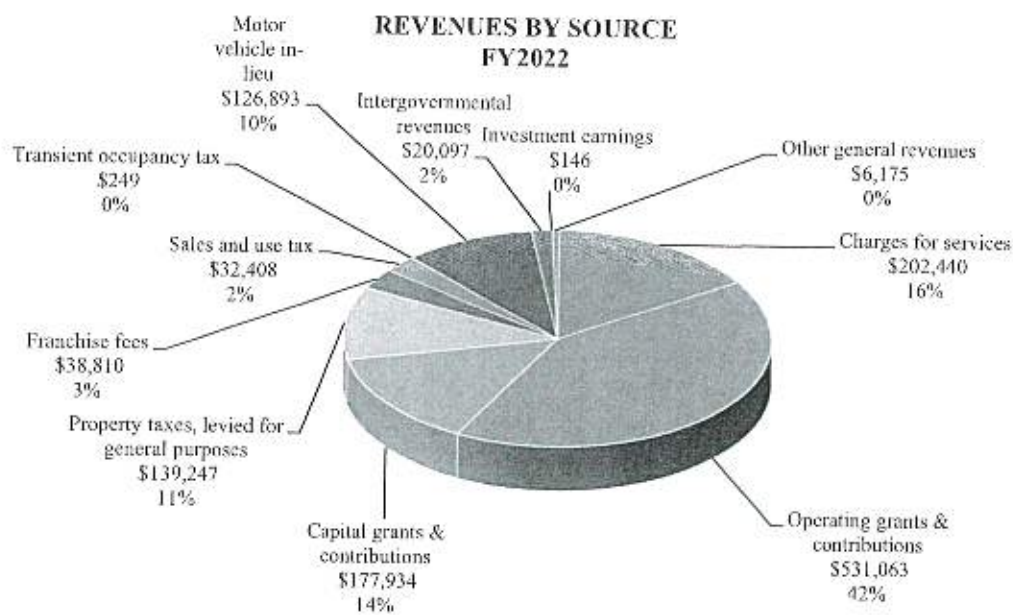
Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Changes in Net Position, Continued

Revenues by source for the fiscal years ended June 30, 2022, and 2021, are as follows:

Governmental Activities



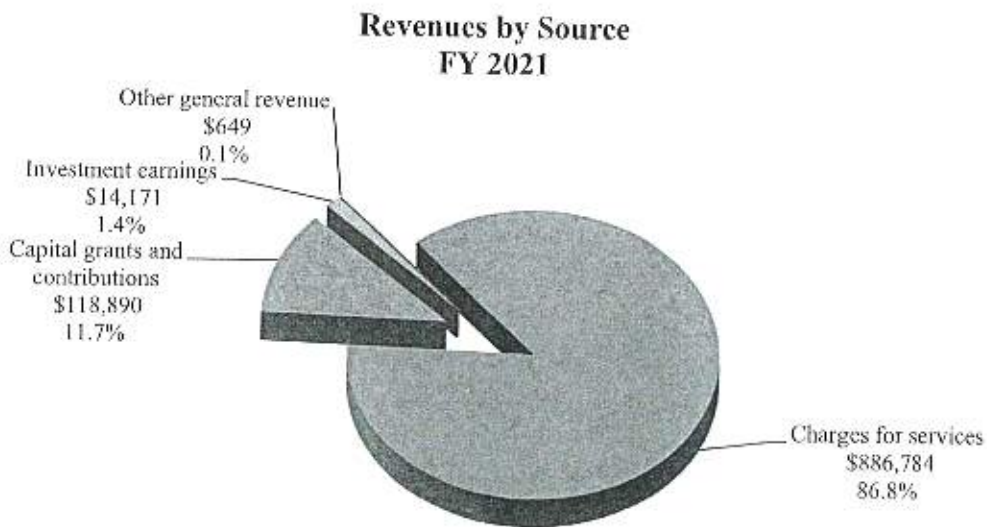
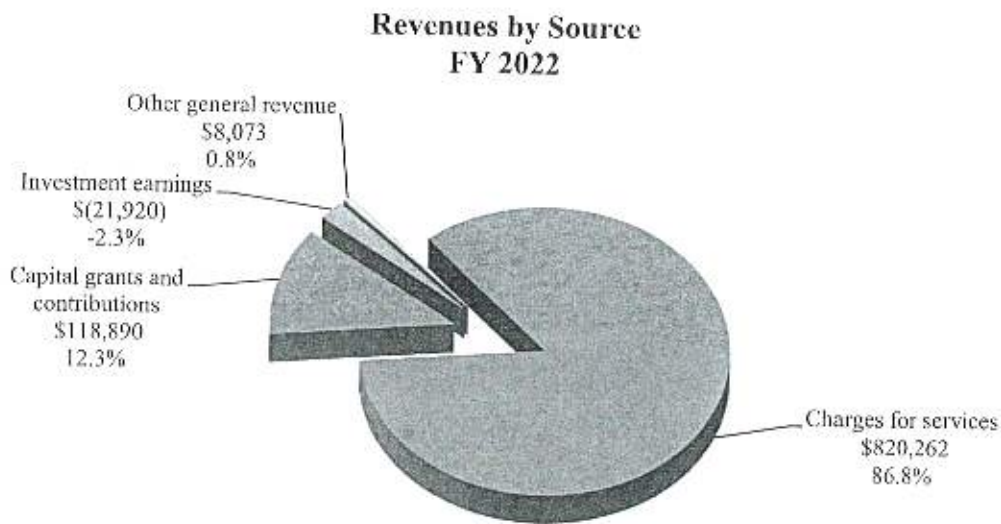
City of Blue Lake, California
Basic Financial Statements
For the year ended June 30, 2022

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Changes in Net Position, Continued

Business-type Activities



City of Blue Lake, California
Basic Financial Statements
For the year ended June 30, 2022

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Changes in Net Position, Continued

Revenues

The City's revenues for governmental and business-type activities totaled \$2,200,767, a decrease of \$618,630 or 21.9% in comparison to the prior fiscal year. Governmental activity revenues totaled \$1,275,462, a decrease of \$618,630 or 21.9% while business-type activity revenues totaled \$925,305, a decrease of \$95,189 or 9.3%. The City's total revenues consisted of charges for services (46.5%), operating grants and contributions (24.1%), capital grants and contributions (13.5%), and general revenues (15.9%).

The following discusses variances in key revenues from the prior fiscal year:

- **Charges for services** - decreased \$148,936 or 12.7% as the result of operations;
- **Operating grants and contributions** – decreased \$31,214 or 5.6%;
- **Capital grants and contributions** – decreased \$449,904 or 60.3% as a result of the Powers Creek Footbridge and Annie and Mary Trail projects;
- **General revenues** – increased \$11,424 or 3.4% as the City experienced relatively small increases and decreases across all general revenues.

Expenses

The City's expenses for governmental and business-type activities totaled \$2,928,652, an increase of \$560,026 or 23.6% in comparison to the prior fiscal year.

Governmental activity expenses totaled \$1,575,647 an increase of \$263,493 or 20.1% primarily as a result of increased spending on general government, planning, street maintenance activities, and parks and recreation which was offset by decreased spending on public safety. Governmental activity expenses consisted of general government (36.4%), public safety (12.5%), parks and recreation (20.4%), facilities and streets (13.9%), and all other governmental activities (16.8%).

Business-type activity expenses totaled \$1,364,080, an increase of \$301,978 or 28.4% as a result of water utility and sewer utility operations. Business-type activity expenses consisted of water utility (52.8%) and sewer utility (47.2%).

City of Blue Lake, California
Basic Financial Statements
For the year ended June 30, 2022

Management's Discussion and Analysis, Continued

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements provide a narrower focus on the individual components of the City government and report the City's operations in more detail than the government-wide financial statements.

Governmental Funds

The City's governmental funds provide information on near-term inflows, outflows, and balances of resources that are available for spending. At June 30, 2022, the City's governmental funds reported combined fund balances of \$1,527,531, an increase of \$41,423 or 2.8% in comparison to the prior fiscal year (general fund \$-86,580, CDBG fund \$49,039, SLESF fund \$-35,448, non-major funds \$114,412).

The General Fund is the chief operating fund of the City. At June 30, 2022, the total fund balance for the General Fund was \$1,124,293, an decrease of \$86,580 or 7.2% in comparison to the prior fiscal year. Revenues and transfers-in decreased \$85,819 or 10.4% a majority of which can be attributed to the loss of property lease revenues. Expenditures and transfers-out decreased \$189,066 or 18.6% in comparison to the prior fiscal year a majority of which can be attributed to a decrease in spending on general government, public safety, and capital outlay which was partially offset by increased spending on planning and parks and recreation.

The CDBG Fund is a special revenue fund used to account for the activity related to the City's Community Development Block Grant Program. At June 30, 2022, the total fund balance for the CDBG Fund was \$400,206 an increase of \$49,039 or 14.0% in comparison to the prior fiscal year. Revenues and transfers-in decreased \$81,340 or 58.6% while expenditures and transfers-out increased \$5,618 or 208.7% in comparison to the prior fiscal year.

The SLESF Fund is a special revenue fund used to account for State funds received for the purpose of providing supplemental law enforcement services. At June 30, 2022, the total fund balance for the SLESF Fund was \$-35,425, a decrease of 35,448 in comparison to the prior fiscal year. Revenues decreased \$2,421 or 1.6% while expenditures decreased \$29,618 or 13.6% in comparison to the prior fiscal year.

Proprietary Funds

The City's proprietary fund statements provide the same type of information found in business-type activities in the government-wide financial statements, but in more detail. At June 30, 2022, the total net position for the Water Utility Fund was \$1,216,107, a decrease of \$259,531 or 17.6% in comparison to the prior fiscal year. Revenues decreased \$58,565 or 11.3% while expenses increased \$164,019 or 29.5% in comparison to the prior fiscal year.

City of Blue Lake, California
Basic Financial Statements
For the year ended June 30, 2022

Management's Discussion and Analysis, Continued

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS, Continued

Proprietary Funds, Continued

At June 30, 2022, the total net position for the Sewer Utility Fund was \$2,090,563, a decrease of \$179,244 or 7.9% in comparison to the prior fiscal year. Revenues decreased \$36,624 or 7.3% while expenses increased \$137,959 or 27.3% in comparison to the prior fiscal year.

General Fund Budgetary Highlights

The difference between the final budget and actual revenues/transfers-in differs unfavorably by \$68,064 or 8.5%. This was mainly due to lower than expected intergovernmental revenues and transfer-in. The difference between the final budget and actual expenditures/transfers-out differs unfavorably by \$12,936 or 1.6%. This results primarily from higher than projected spending on planning, housing and economic development, and transfers-out and was partially offset by lower than projected general government and public safety expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2022, the City's investment in capital assets (net of depreciation) for its governmental activities totaled \$3,317,679 and for its business-type activities totaled \$1,373,064. This investment in capital assets includes land, construction in progress costs, buildings and improvements, infrastructure, furniture and equipment, and vehicles.

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Land	\$ 480,284	\$ 480,284	\$ 74,877	\$ 74,877	\$ 555,161	\$ 555,161
Construction in progress	40,101	6,503	46,016	34,377	86,117	40,880
Land improvements	1,218,139	1,205,563	-	-	1,218,139	1,205,563
Infrastructure	1,271,070	1,362,616	-	-	1,271,070	1,362,616
Buildings and improvements	282,311	313,139	200	218	282,511	313,357
Machinery and equipment	21,004	23,696	98,464	112,868	119,468	136,564
Software	4,770	-	-	-	4,770	-
Water system	-	-	341,830	339,502	341,830	339,502
Sewer system	-	-	811,677	911,849	811,677	911,849
Total	\$ 3,317,679	\$ 3,391,801	\$ 1,373,064	\$ 1,473,691	\$ 4,690,743	\$ 4,865,492

Additional information about the City's capital assets can be found in Notes 1 and 5 to the basic financial statements.

City of Blue Lake, California
Basic Financial Statements
For the year ended June 30, 2022

Management’s Discussion and Analysis, Continued

Long-Term Debt

At June 30, 2022, the City had total debt obligations of \$255,257. Additional information about the City’s long-term debt can be found in Note 7 to the basic financial statements.

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Notes payable - Water Fund	\$ -	\$ -	\$ 35,816	\$ 46,153	\$ 35,816	\$ 46,153
Notes payable - Governmental Activities	219,441	223,209	-	-	219,441	223,209
Total	\$ 219,441	\$ 223,209	\$ 35,816	\$ 46,153	\$ 255,257	\$ 269,362

ECONOMIC OUTLOOK

The budget for fiscal year 2022-23 was adopted and provides for a short- and long-term economic outlook that is considered stable. This is a result of a continuing and reliable tax revenue stream, the implementation of a water and sewer rate increase, and the City’s efforts to contain and control expenditures.

Just as important as the maintaining and growing the City’s revenue base, moderating expenditure growth is also imperative and will continue be challenging to the City. Personnel cost is the largest expense category and addressing personnel expenditure growth will remain a priority. However, these costs are projected to continue to rise at a greater rate than most other costs.

The COVID-19 pandemic has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact on the City and the duration cannot be estimated at this time.

REQUESTS FOR INFORMATION

This annual financial report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City’s finances. Should the reader have any questions about this report or wish to request additional financial information, please contact the City of Blue Lake Finance Department, 111 Greenwood Avenue, Blue Lake, CA 95525-0458, or visit the City’s web page at www.bluelake.ca.gov.

BASIC FINANCIAL STATEMENTS

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City of Blue Lake, California
Statement of Net Position
June 30, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 1,584,242	\$ 2,804,307	\$ 4,388,549
Receivables:			
Accounts receivable, net	11,071	124,396	135,467
Interest receivable	208,428	4,810	213,238
Intergovernmental receivables	212,203	1,926	214,129
Loans receivable	840,490	-	840,490
Inventories	-	23,808	23,808
Prepaid expenses	28,861	-	28,861
Total current assets	<u>2,885,295</u>	<u>2,959,247</u>	<u>5,844,542</u>
Noncurrent assets:			
Capital assets:			
Nondepreciable	486,787	109,254	596,041
Depreciable	2,830,892	1,263,810	4,094,702
Total noncurrent assets	<u>3,317,679</u>	<u>1,373,064</u>	<u>4,690,743</u>
Total assets	<u>6,202,974</u>	<u>4,332,311</u>	<u>10,535,285</u>
DEFERRED OUTFLOWS OF RESOURCES			
Other postemployment benefits (OPEB)	9,299	16,627	25,926
Pension plan	150,776	134,348	285,124
Total deferred outflows of resources	<u>160,075</u>	<u>150,975</u>	<u>311,050</u>
Total assets and deferred outflows of resources	<u>\$ 6,363,049</u>	<u>\$ 4,483,286</u>	<u>\$ 10,846,335</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 62,327	\$ 48,958	\$ 111,285
Accrued payroll	22,891	15,226	38,117
Compensated absences	14,132	26,132	40,264
Customer deposits	11,700	72,569	84,269
Notes payable due within one year	3,623	9,751	13,374
Unearned revenue	51,718	59,181	110,899
Total current liabilities	<u>166,391</u>	<u>231,817</u>	<u>398,208</u>
Noncurrent liabilities:			
Notes payable due after one year	215,818	26,065	241,883
Net pension liability	476,292	346,017	822,309
Net OPEB liability	108,560	133,681	242,241
Total noncurrent liabilities	<u>800,670</u>	<u>505,763</u>	<u>1,306,433</u>
Total liabilities	<u>967,061</u>	<u>737,580</u>	<u>1,704,641</u>
DEFERRED INFLOWS OF RESOURCES			
Pension plan	327,305	437,763	765,068
Other postemployment benefit (OPEB)	657	1,273	1,930
Total deferred inflows of resources	<u>327,962</u>	<u>439,036</u>	<u>766,998</u>
NET POSITION			
Net investment in capital assets	3,098,238	1,337,248	4,435,486
Restricted	496,823	1,671,509	2,168,332
Unrestricted	1,472,965	297,913	1,770,878
Total net position	<u>5,068,026</u>	<u>3,306,670</u>	<u>8,374,696</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 6,363,049</u>	<u>\$ 4,483,286</u>	<u>\$ 10,846,335</u>

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

City of Blue Lake, California
Statement of Activities
For the year ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 572,919	\$ 23,387	\$ 221,307	\$ -
Planning	127,395	11,554	-	-
Building	26,356	33,666	-	-
Public safety	196,965	49	201,044	-
Animal control	8,484	2,305	-	-
Facilities	18,809	49,092	-	-
Street maintenance and lighting	200,230	-	70,335	-
Parks and recreation	321,859	74,563	-	177,934
Housing and economic development	48,992	-	-	-
Public transit	31,875	-	32,375	-
Recycling	10,688	7,824	6,002	-
Interest	11,075	-	-	-
Total governmental activities	<u>1,575,647</u>	<u>202,440</u>	<u>531,063</u>	<u>177,934</u>
Business-type activities:				
Water	719,864	468,058	-	-
Sewer	644,216	352,204	-	118,890
Total business-type activities	<u>1,364,080</u>	<u>820,262</u>	<u>-</u>	<u>118,890</u>
Total primary government	<u>\$ 2,939,727</u>	<u>\$ 1,022,702</u>	<u>\$ 531,063</u>	<u>\$ 296,824</u>

General revenues:

Taxes:

Property taxes, levied for general purposes

Franchise fees

Sales and use tax

Transient occupancy tax

Motor vehicle in-lieu

Intergovernmental revenues

Investment earnings

Other general revenues

 Total general revenues

Change in net position

Net position:

 Beginning of year

 End of year

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

**Net (Expense) Revenue and
Changes in Net Position**

Governmental Activities	Business-Type Activities	Totals
\$ (328,225)	\$ -	\$ (328,225)
(115,841)	-	(115,841)
7,310	-	7,310
4,128	-	4,128
(6,179)	-	(6,179)
30,283	-	30,283
(129,895)	-	(129,895)
(69,362)	-	(69,362)
(48,992)	-	(48,992)
500	-	500
3,138	-	3,138
(11,075)	-	(11,075)
(664,210)	-	(664,210)
-	(251,806)	(251,806)
-	(173,122)	(173,122)
-	(424,928)	(424,928)
<u>\$ (664,210)</u>	<u>\$ (424,928)</u>	<u>\$ (1,089,138)</u>
\$ 139,247	\$ -	\$ 139,247
38,810	-	38,810
32,408	-	32,408
249	-	249
126,893	-	126,893
20,097	-	20,097
146	(21,920)	(21,774)
6,175	8,073	14,248
<u>364,025</u>	<u>(13,847)</u>	<u>350,178</u>
(300,185)	(438,775)	(738,960)
<u>5,368,211</u>	<u>3,745,445</u>	<u>9,113,656</u>
<u>\$ 5,068,026</u>	<u>\$ 3,306,670</u>	<u>\$ 8,374,696</u>

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**FUND FINANCIAL STATEMENTS
MAJOR FUNDS**

The Fund Financial Statements present only individual major funds, while non-major funds are combined in a single column. Major funds are defined as having significant activities or balances in the current year.

Fund	Description
Governmental Funds:	
General Fund	This fund is the general operating fund of the City which accounts for all financial resources except those legally or administratively required to be accounted for in other funds.
CDBG Fund	This fund accounts for the operations of the City's Community Development Block Grant Program.
SLESF Fund	This fund accounts for the City's receipt and use of State revenues derived from the Citizens for Public Safety (COPS) Program for which the use is restricted to law enforcement/public safety activities.

City of Blue Lake, California

Balance Sheet

Governmental Funds

June 30, 2022

	Major Funds				Totals
	General Fund	Special Revenue Funds		Nonmajor Governmental Funds	
		CDBG Fund	SLESF Fund		
ASSETS					
Cash and investments	\$ 1,090,146	\$ 399,748	\$ -	\$ 94,348	\$ 1,584,242
Receivables:					
Accounts receivable, net	11,071	-	-	-	11,071
Interest receivable	1,663	206,653	-	112	208,428
Intergovernmental receivables	134,170	-	69,152	8,881	212,203
Loans receivable	51,718	788,772	-	-	840,490
Due from other funds	94,803	-	-	-	94,803
Prepaid expenses	28,861	-	-	-	28,861
Total assets	\$ 1,412,432	\$ 1,395,173	\$ 69,152	\$ 103,341	\$ 2,980,098
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 55,610	\$ 236	\$ -	\$ 6,481	\$ 62,327
Accrued payroll	22,435	-	-	456	22,891
Compensated absences	13,943	-	-	189	14,132
Deposits payable	11,700	-	-	-	11,700
Due to other funds	-	-	37,045	57,758	94,803
Unearned revenue	184,451	994,731	67,532	-	1,246,714
Total liabilities	288,139	994,967	104,577	64,884	1,452,567
Fund balances:					
Nonspendable	28,861	-	-	-	28,861
Restricted	-	400,206	-	96,617	496,823
Committed	556,415	-	-	-	556,415
Assigned	-	-	-	-	-
Unassigned (deficit)	539,017	-	(35,425)	(58,160)	445,432
Total fund balances	1,124,293	400,206	(35,425)	38,457	1,527,531
Total liabilities and fund balances	\$ 1,412,432	\$ 1,395,173	\$ 69,152	\$ 103,341	\$ 2,980,098

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

City of Blue Lake, California
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2022

Total fund balances - governmental funds		\$ 1,527,531
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Long-term receivables are not available to pay current period expenditures and, therefore, are unearned in the governmental funds.		1,194,996
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.		3,317,679
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet.		
Note payable	(219,441)	
Net pension liability	(476,292)	
Net OPEB liability	(108,560)	(804,293)
Pension and OPEB obligations result in deferred outflows and inflows of resources associated with the actuarial value of contributions, assets, and liabilities.		
Deferred outflows - pension	150,776	
Deferred outflows - OPEB	9,299	
Deferred inflows - pension	(327,305)	
Deferred inflows - OPEB	(657)	(167,887)
Net position of governmental activities		\$ 5,068,026

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

City of Blue Lake, California
Reconciliation of Fund Basis Balance Sheet to Government-wide Statement of Net Position
Governmental Activities
June 30, 2022

	Governmental Funds Balance Sheet	Reclassifications	Changes in GAAP	Statement of Net Position
ASSETS				
Current assets:				
Cash and investments	\$ 1,584,242	\$ -	\$ -	\$ 1,584,242
Receivables:				
Accounts receivable, net	11,071	-	-	11,071
Interest receivable	208,428	-	-	208,428
Intergovernmental receivables	212,203	-	-	212,203
Loans receivable	840,490	-	-	840,490
Due from other funds	94,803	(94,803)	-	-
Prepaid expenses	28,861	-	-	28,861
Total current assets	<u>2,980,098</u>	<u>(94,803)</u>	<u>-</u>	<u>2,885,295</u>
Noncurrent assets:				
Capital assets, net	-	-	3,317,679	3,317,679
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>3,317,679</u>	<u>3,317,679</u>
Total assets	<u>2,980,098</u>	<u>(94,803)</u>	<u>3,317,679</u>	<u>6,202,974</u>
DEFERRED OUTFLOWS OF RESOURCES				
OPEB	-	-	9,299	9,299
Pension plan	-	-	150,776	150,776
Total assets and deferred outflows of resources	<u>\$ 2,980,098</u>	<u>\$ (94,803)</u>	<u>\$ 3,477,754</u>	<u>\$ 6,363,049</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 62,327	\$ -	\$ -	\$ 62,327
Accrued payroll	22,891	-	-	22,891
Compensated absences	14,132	-	-	14,132
Deposits payable	11,700	-	-	11,700
Due to other funds	94,803	(94,803)	-	-
Unearned revenue	1,246,714	(1,194,996)	-	51,718
Notes payable due within one year	-	-	3,623	3,623
Total current liabilities	<u>1,452,567</u>	<u>(1,289,799)</u>	<u>3,623</u>	<u>166,391</u>
Noncurrent liabilities:				
Note payable	-	-	215,818	215,818
Net OPEB obligation	-	-	108,560	108,560
Net pension liability	-	-	476,292	476,292
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>800,670</u>	<u>800,670</u>
Total liabilities	<u>1,452,567</u>	<u>(1,289,799)</u>	<u>804,293</u>	<u>967,061</u>
DEFERRED INFLOWS OF RESOURCES				
OPEB	-	-	657	657
Pension plan	-	-	327,305	327,305
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>327,962</u>	<u>327,962</u>
FUND BALANCES/NET POSITION				
Fund balances:				
Nonspendable reported in:				
General fund	28,861	(28,861)	-	-
Restricted reported in:				
Special revenue funds	496,823	(496,823)	-	-
Committed reported in:				
General fund	556,415	(556,415)	-	-
Unassigned (deficit), reported in:				
General fund	539,017	(539,017)	-	-
Special revenue funds	(35,425)	35,425	-	-
Capital projects fund	(58,160)	58,160	-	-
Net position:				
Net investment in capital assets	-	-	3,098,238	3,098,238
Restricted	-	-	496,823	496,823
Unrestricted	-	2,722,527	(1,249,562)	1,472,965
Total fund balances/ net position	<u>1,527,531</u>	<u>1,194,996</u>	<u>2,345,499</u>	<u>5,068,026</u>
Total liabilities and net position	<u>\$ 2,980,098</u>	<u>\$ (94,803)</u>	<u>\$ 3,477,754</u>	<u>\$ 6,363,049</u>

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

City of Blue Lake, California
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2022

	Major Funds				Totals
	General Fund	Special Revenue Funds		Nonmajor Governmental Funds	
		CDBG Fund	SLESF Fund		
REVENUES:					
Property taxes and assessments	\$ 266,140	\$ -	\$ -	\$ -	\$ 266,140
Sales and use tax	32,408	-	-	-	32,408
Transient occupancy tax	249	-	-	-	249
Licenses and permits	33,589	-	-	-	33,589
Charges for services	91,169	-	-	-	91,169
Franchise fees	38,810	-	-	-	38,810
Grants and donations	25,483	-	-	-	25,483
Intergovernmental revenues	127,658	-	152,998	443,370	724,026
Investment earnings	3,654	14,635	28	204	18,521
Use of money and property	44,388	42,714	-	-	87,102
Fines and penalties	49	-	-	-	49
Other revenues	7,301	-	-	-	7,301
Total revenues	670,898	57,349	153,026	443,574	1,324,847
EXPENDITURES:					
Current:					
General government	218,228	-	-	95,446	313,674
Planning	127,395	-	-	-	127,395
Building	26,356	-	-	-	26,356
Public safety	8,491	-	188,474	-	196,965
Animal control	8,484	-	-	-	8,484
Facilities	18,809	-	-	-	18,809
Street maintenance and lighting	97,467	-	-	-	97,467
Parks and recreation	221,636	-	-	-	221,636
Housing and economic development	48,330	662	-	52,071	273,707
Public transit	-	-	-	-	-
Recycling	-	-	-	31,875	31,875
Capital outlay	26,541	7,648	-	10,688	10,688
Debt service:					
Principal	3,768	-	-	-	3,768
Interest	11,075	-	-	-	11,075
Total expenditures	816,580	8,310	188,474	270,060	1,283,424
REVENUES OVER (UNDER) EXPENDITURES	(145,682)	49,039	(35,448)	173,514	41,423
OTHER FINANCING SOURCES (USES):					
Transfers in	71,597	-	-	12,495	84,092
Transfers out	(12,495)	-	-	(71,597)	(84,092)
Total other financing sources (uses)	59,102	-	-	(59,102)	-
Net change in fund balances	(86,580)	49,039	(35,448)	114,412	41,423
FUND BALANCES:					
Beginning of year	1,210,873	351,167	23	(75,955)	1,486,108
End of year	\$ 1,124,293	\$ 400,206	\$ (35,425)	\$ 38,457	\$ 1,527,531

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

City of Blue Lake, California

Reconciliation of Fund Basis Statements to Government-wide Statement of Activities

For the year ended June 30, 2022

Functions/Programs	Fund Based Totals	Unearned Revenue	Debt Repayment	Depreciation	Capital Asset (Additions), Retirements & Adjustments	OPEB Obligation	Pension Plan	Government-wide Totals
Governmental activities:								
General government	\$ 313,674	\$ 37,887	\$ -	\$ 37,376	\$ -	\$ 9,513	\$ 174,469	\$ 572,919
Planning	127,395	-	-	-	-	-	-	127,395
Building	26,356	-	-	-	-	-	-	26,356
Public safety	196,965	-	-	-	-	-	-	196,965
Animal control	8,484	-	-	-	-	-	-	8,484
Facilities	18,809	-	-	-	-	-	-	18,809
Street maintenance and lighting	97,467	-	-	102,765	(2)	-	-	200,230
Parks and recreation	273,707	-	-	48,152	-	-	-	321,859
Housing and economic development	48,992	-	-	-	-	-	-	48,992
Public transit	31,875	-	-	-	-	-	-	31,875
Recycling	10,688	-	-	-	-	-	-	10,688
Capital outlay	114,169	-	-	-	(114,169)	-	-	-
Debt service:								
Principal	3,768	-	(3,768)	-	-	-	-	-
Interest	11,075	-	-	-	-	-	-	11,075
Total governmental activities	\$1,283,424	\$ 37,887	\$ (3,768)	\$ 188,293	\$ (114,171)	\$ 9,513	\$ 174,469	\$ 1,575,647

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

City of Blue Lake, California

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the year ended June 30, 2022**

Net change in fund balances - governmental funds		\$ 41,423
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:</p>		
Capital asset purchases capitalized	\$ 114,171	
Depreciation expense	<u>(188,293)</u>	(74,122)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:</p>		
Change in net pension liability	(174,469)	
Change in net OPEB liability	<u>(9,513)</u>	(183,982)
<p>This is the amount of revenue recognized under the accrual method which is more than the amount of revenue recognized under the modified accrual method in the current period.</p>		
		13,831
<p>Certain loan receivables are reported in the governmental funds as expenditures and then offset by an unearned revenue as they are not available to pay current expenditures. Likewise, when the loan is collected it is reflected in revenue. This is the net change between loan receivables collected and issued.</p>		
		<u>(49,385)</u>
<p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.</p>		
		<u>3,768</u>
Change in net position of governmental activities		<u><u>\$ (248,467)</u></u>

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

City of Blue Lake, California

Statement of Revenues, Expenditures, and Changes in Fund Balances -

Budget to Actual - General Fund and Major Special Revenue Funds

For the year ended June 30, 2022

	General Fund			
	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes and assessments	\$ 284,190	284,190	\$ 266,140	\$ (18,050)
Sales and use tax	19,435	19,435	32,408	12,973
Licenses and permits	32,485	32,485	33,589	1,104
Charges for services	102,625	90,400	91,169	769
Franchise fees	36,415	36,415	38,810	2,395
Grants and donations	8,250	17,750	25,483	7,733
Intergovernmental revenues	202,970	158,698	127,658	(31,040)
Investment earnings	3,050	3,050	3,654	604
Use of money and property	119,084	57,655	44,388	(13,267)
Fines and penalties	230	230	49	(181)
Other revenues	250	250	7,301	7,051
Total revenues	808,984	700,558	670,898	(29,660)
EXPENDITURES:				
Current:				
General government	215,965	229,315	218,228	11,087
Planning	112,309	112,309	127,395	(15,086)
Building	27,275	27,275	26,356	919
Public safety	168,175	28,925	8,491	20,434
Animal control	7,815	8,640	8,484	156
Facilities	10,110	16,535	18,809	(2,274)
Street maintenance and lighting	78,205	94,205	97,467	(3,262)
Parks and recreation	235,885	226,870	221,636	5,234
Housing and economic development	-	39,845	48,330	(8,485)
Capital outlay	15,000	21,125	26,541	(5,416)
Debt service:				
Principal	-	-	3,768	(3,768)
Interest	-	11,095	11,075	20
Total expenditures	870,739	816,139	816,580	(441)
REVENUES OVER (UNDER) EXPENDITURES	(61,755)	(115,581)	(145,682)	(30,101)
Proceeds from sales of assets	-	-	-	-
Transfers in	115,291	110,001	71,597	(38,404)
Transfers out	-	-	(12,495)	(12,495)
Total other financing sources (uses)	115,291	110,001	59,102	(50,899)
Net change in fund balances	53,536	(5,580)	(86,580)	(81,000)
FUND BALANCES:				
Beginning of year	1,210,873	1,210,873	1,210,873	-
End of year	\$ 1,264,409	\$ 1,205,293	\$ 1,124,293	\$ (81,000)

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

CDBG Special Revenue Fund				SLESF Special Revenue Fund			
Budgeted Amounts		Actual	Variance w/Final Positive (Negative)	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,178	13,995	14,635	640	160,000	189,831	152,998	(36,833)
111	45,658	42,714	(2,944)	169	169	28	(141)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,289	59,653	57,349	(2,304)	160,169	190,000	153,026	(36,974)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	160,169	190,000	188,474	1,526
-	-	-	-	-	-	-	-
2,754	2,754	662	2,092	-	-	-	-
200,000	15,000	7,648	7,352	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
202,754	17,754	8,310	9,444	160,169	190,000	188,474	1,526
(197,465)	41,899	49,039	7,140	-	-	(35,448)	(35,448)
-	-	-	-	-	-	-	-
-	56,129	-	(56,129)	-	-	-	-
(8,042)	(56,129)	-	56,129	-	-	-	-
(8,042)	-	-	-	-	-	-	-
(205,507)	41,899	49,039	7,140	-	-	(35,448)	(35,448)
351,167	351,167	351,167	-	23	23	23	-
\$ 145,660	\$ 393,066	\$ 400,206	\$ 7,140	\$ 23	\$ 23	\$ (35,425)	\$ (35,448)

PROPRIETARY FUNDS

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

All of the City's Enterprise Funds have been identified as major proprietary funds.

Fund	Description
MAJOR FUNDS:	
Water Utility Fund	This fund accounts for the operations of the City's water utility, a self-supporting activity which renders services on a user-charge basis to its customers.
Scwer Utility Fund	This fund accounts for the operations of the City's wastewater utility, a self-supporting activity which renders services on a user-charge basis to its customers.

City of Blue Lake, California
Statement of Net Position
Enterprise Funds
June 30, 2022

	Water Fund	Sewer Fund	Totals
ASSETS			
Current assets:			
Cash and investments	\$ 1,134,416	\$ 1,669,891	\$ 2,804,307
Receivables:			
Accounts receivable, net	68,104	56,292	124,396
Interest receivable	1,925	2,885	4,810
Intergovernmental receivables	-	1,926	1,926
Inventories	21,254	2,554	23,808
Total current assets	<u>1,225,699</u>	<u>1,733,548</u>	<u>2,959,247</u>
Noncurrent assets:			
Capital assets, net	495,378	877,686	1,373,064
Total assets	<u>1,721,077</u>	<u>2,611,234</u>	<u>4,332,311</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan	65,484	68,864	134,348
Other postemployment benefits (OPEB)	7,721	8,906	16,627
Total deferred outflows of resources	<u>73,205</u>	<u>77,770</u>	<u>150,975</u>
Total assets and deferred outflows of resources	<u>\$ 1,794,282</u>	<u>\$ 2,689,004</u>	<u>\$ 4,483,286</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 26,421	\$ 22,537	\$ 48,958
Accrued payroll	7,569	7,657	15,226
Compensated absences	12,080	14,052	26,132
Customer deposits	72,569	-	72,569
Notes payable, due within one year	9,751	-	9,751
Unearned revenues	-	59,181	59,181
Total current liabilities	<u>128,390</u>	<u>103,427</u>	<u>231,817</u>
Noncurrent liabilities:			
Notes payable, due after one year	26,065	-	26,065
Net pension liability	147,147	198,870	346,017
Net OPEB liability	63,049	70,632	133,681
Total liabilities	<u>364,651</u>	<u>372,929</u>	<u>737,580</u>
DEFERRED INFLOWS OF RESOURCES			
Pension plan	212,946	224,817	437,763
Other postemployment benefits (OPEB)	578	695	1,273
Total deferred inflows of resources	<u>213,524</u>	<u>225,512</u>	<u>439,036</u>
NET POSITION			
Net investment in capital assets	459,562	877,686	1,337,248
Restricted for capital projects	192,302	1,479,207	1,671,509
Unrestricted	564,243	(266,330)	297,913
Total net position	<u>1,216,107</u>	<u>2,090,563</u>	<u>3,306,670</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 1,794,282</u>	<u>\$ 2,689,004</u>	<u>\$ 4,483,286</u>

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

City of Blue Lake, California

Statement of Revenues, Expenses, and Changes in Fund Net Position

Enterprise Funds

For the year ended June 30, 2022

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Totals</u>
OPERATING REVENUES:			
Charges for services	\$ 458,438	\$ 343,343	\$ 801,781
Other operating revenues	9,620	8,861	18,481
Total operating revenues	<u>468,058</u>	<u>352,204</u>	<u>820,262</u>
OPERATING EXPENSES:			
Salaries and benefits	343,066	347,563	690,629
Water purchases	185,415	-	185,415
Repairs, maintenance, and supplies	24,532	51,998	76,530
Professional services	36,820	43,017	79,837
Administration and other	64,054	54,142	118,196
Utilities	22,525	47,237	69,762
Depreciation	42,209	100,259	142,468
Total operating expenses	<u>718,621</u>	<u>644,216</u>	<u>1,362,837</u>
OPERATING INCOME(LOSS)	<u>(250,563)</u>	<u>(292,012)</u>	<u>(542,575)</u>
NONOPERATING REVENUES (EXPENSES):			
Interest revenue	(9,361)	(12,559)	(21,920)
Other nonoperating revenues	1,636	125,327	126,963
Interest expense	(1,243)	-	(1,243)
Total non-operating revenues, net	<u>(8,968)</u>	<u>112,768</u>	<u>103,800</u>
CHANGE IN NET POSITION	<u>(259,531)</u>	<u>(179,244)</u>	<u>(438,775)</u>
NET POSITION:			
Beginning of year	1,475,638	2,269,807	3,745,445
End of year	<u>\$ 1,216,107</u>	<u>\$ 2,090,563</u>	<u>\$ 3,306,670</u>

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

City of Blue Lake, California
Statement of Cash Flows
Enterprise Funds
For the year ended June 30, 2022

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers and interfund charges	\$ 478,321	\$ 344,409	\$ 822,730
Cash payments to suppliers for goods and services	(332,989)	(233,384)	(566,373)
Cash payments to employees for services	(231,984)	(229,356)	(461,340)
Net cash provided (used) by operating activities	<u>(86,652)</u>	<u>(118,331)</u>	<u>(204,983)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Nonoperating amounts received	1,636	125,327	126,963
Net cash provided (used) by noncapital financing activities	<u>1,636</u>	<u>125,327</u>	<u>126,963</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Payments of notes payable	(10,337)	-	(10,337)
Interest paid	(1,243)	-	(1,243)
Acquisition and construction of capital assets	(30,202)	(11,639)	(41,841)
Net cash provided (used) by capital and related financing activities	<u>(41,782)</u>	<u>(11,639)</u>	<u>(53,421)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment revenue received	(10,409)	(14,247)	(24,656)
Net cash provided (used) by investing activities	<u>(10,409)</u>	<u>(14,247)</u>	<u>(24,656)</u>
Net increase (decrease) in cash and cash equivalents	<u>(137,207)</u>	<u>(18,890)</u>	<u>(156,097)</u>
CASH AND CASH EQUIVALENTS:			
Beginning of year	1,271,623	1,688,781	2,960,404
End of year	<u>\$ 1,134,416</u>	<u>\$ 1,669,891</u>	<u>\$ 2,804,307</u>
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (250,563)	\$ (292,012)	\$ (542,575)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	42,209	100,259	142,468
Pension expense	101,568	109,494	211,062
OPEB expense	7,452	7,551	15,003
(Increase) decrease in current assets:			
Accounts receivable	8,386	(963)	7,423
Inventory	(147)	243	96
Increase (decrease) in liabilities:			
Accounts payable and accrued liabilities	504	(37,233)	(36,729)
Accrued payroll	2,062	1,162	3,224
Compensated absences	1,220	(1,013)	207
Customer deposits	657	-	657
Unearned revenues	-	(5,819)	(5,819)
Net cash provided by operating activities	<u>\$ (86,652)</u>	<u>\$ (118,331)</u>	<u>\$ (204,983)</u>

There were no noncash investing, capital, or financing activities affecting recognized assets and liabilities for the year ended June 30, 2022.

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NOTES TO BASIC FINANCIAL STATEMENTS

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City of Blue Lake, California
Basic Financial Statements
For the year ended June 30, 2022

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City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Blue Lake, California (the "City") was incorporated April 23, 1910, under the provisions of the State of California. On August 1, 1996, the City changed its form of government and currently operates under a Council/City Manager form of government and provides the following services: public safety (police, animal control and building official), water and sewer services, park facilities and recreation programs, streets and road maintenance, industrial park management, recycling, regional facilities for the County Library District, housing and business expansion and retention (CBDG) grants, and general municipal government administrative services.

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. On June 15, 1987, GASB issued a codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The City applies all GASB pronouncements to its activities.

In addition, the City applies all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) issued after November 30, 1989, unless they conflict with or contradict GASB pronouncements. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

Financial Reporting Entity

The City operates as a self-governing local government unit within the State. It has limited authority to levy taxes and has the authority to determine user fees for the services that it provides. The City's main funding sources include property taxes, other intergovernmental revenue from state and federal sources, user fees, and sales taxes.

The financial reporting entity consists of (a) the primary government, the City, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (a) the City has the ability to impose its will on the organization, or (b) there is a potential for the organization to provide a financial benefit to or impose a financial burden on the City.

There are no component units of the City that meet the criteria for discrete presentation.

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided by a given function or segment, 2) operating grants and contributions, and 3) capital grants and contributions restricted to the operating or capital requirements of a specific function or segment. All taxes and internally dedicated resources are reported as *general revenues* rather than program revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least ten percent of the corresponding total for all funds of that category or type; and,
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least five percent of the corresponding total for all governmental funds combined.

The City reports the following major funds:

- General Fund
- CDBG Special Revenue Fund
- SLESF Special Revenue Fund

Descriptions of these funds are included on the divider page preceding the Governmental Funds Balance Sheet.

The funds of the financial reporting entity are described below:

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Governmental Funds

General Fund

The General Fund is used to account for resources traditionally associated with the City which are not required legally or by sound financial management to be accounted for in another fund. From this fund are paid the City's general operating expenditures, the fixed charges, and the capital costs that are not paid through other funds.

Special Revenue Funds

The Special Revenue Funds are used to account for specific revenues that are legally or otherwise restricted to expenditures for particular purposes.

Capital Project Funds

The Capital Project Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the acquisition or construction of major capital facilities and other capital assets (other than those financed by enterprise funds).

Proprietary Funds

Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. Costs are financed or recovered primarily through user charges.

Measurement Focus

Measurement focus is a term used to describe which transactions are recorded within the various financial statements.

On the government-wide Statement of Net Position and the Statement of Activities, governmental and business-type activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as Net Position, which serves as an indicator of financial position.

In the fund financial statements, the "current financial resources" measurement focus is used for governmental funds. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Measurement Focus, Continued

The enterprise funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position, and cash flows. Enterprise fund equity is classified as net position.

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual (both measurable and available – collectable within the current period or within 60 days after year end) and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

The enterprise funds and agency funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Operating revenues in the fund are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Assets, Liabilities, and Net Position/Fund Balance

Cash and Investments

The City pools idle cash from all funds for the purpose of increasing income through investment. Earnings from such investments are allocated to the respective funds based on the applicable cash balance of each fund.

In accordance with the City’s investment policy, idle cash may be invested in the State of California Local Agency Investment Fund (LAIF).

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Cash and Investments, Continued

The City's cash and cash equivalents for the Statement of Cash Flows purposes include cash on hand, demand deposits, restricted cash, and investments held in the California State Treasurer's Local Agency Investment Fund (LAIF).

The City's investments are carried at fair value.

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include property taxes, sales and use taxes, intergovernmental subventions, interest earnings, and expense reimbursements.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property tax, sales tax, and intergovernmental subventions since they are usually both measurable and available. Non-exchange transactions collectible but not available, such as property tax, are deferred inflows in the fund financial statements in accordance with the modified accrual basis, but not deferred inflows in the government-wide financial statements in accordance with the accrual basis.

Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. The City's experience is that all accounts receivable are collectible; therefore an allowance for doubtful accounts is unnecessary.

Interfund Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as due to/from other funds (the current portion of interfund loans) or advances to/from other funds (the noncurrent portion of interfund loans).

Inventory

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when used or consumed. Inventory of the enterprise funds consists primarily of materials and supplies for utility operations.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. In the governmental fund financial statements, prepaid items are offset with a nonspendable fund balance for long-term assets to indicate they do not constitute current resources available for appropriation.

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Capital Assets

The City's assets are capitalized at historical cost or estimated historical cost, if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Policy has set the capitalization threshold for reporting at \$5,000.

Government-Wide Statements

Public domain (infrastructure) capital assets include roads, bridges, streets, drainage systems, and pumps.

The accounting treatment of property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Prior to July 1, 2003, governmental funds' infrastructure assets were not capitalized. Since then these assets have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

The range of estimated useful lives by type of asset is as follows:

Buildings	15 – 40 years
Water and sewer system	25 – 50 years
Machinery and equipment	3 – 15 years
Improvements	15 – 40 years
Other infrastructure	25 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

Compensated Absences

Employees accrue personal leave, management leave, and compensatory time off benefits. City employees have vested interests in the amount of accrued time off and are paid on termination. All personal leave pay is accrued when incurred in the government-wide and proprietary financial statements. A liability for the entire amount is reported in the governmental funds. The general fund is typically used to liquidate compensated absences.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Unearned Revenues

Unearned revenues in governmental funds arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues in enterprise funds and the statement of net position arise when resources are received by the City before it has legal claim to them, (i.e., when grant monies are received prior to the incurrence of qualifying expenses).

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item reported as a deferred outflow of resources. The item is a deferred charge on pension plan contributions in the government-wide and proprietary fund statements of net position.

In addition to liabilities, the statement of position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item reported as a deferred inflow of resources. The item is related to the City’s net pension liability and is reported in the government-wide and proprietary fund statements of net position.

Other Postemployment Benefits (OPEB)

For the purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, generally accepted accounting principles require that the reported results must pertain to asset and liability information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021

Pensions

For purposes of measuring the net pension liability, 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) Plan and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Net Position/Fund Balance

Government-Wide Statements

Equity is classified as net position and is displayed in three components:

- a. *Net investment in capital assets* – consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted net position* – consists of net position with constraints placed on the use by external groups such as creditors, grantors, contributors, or by laws or regulations of other governments or law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position* – all other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balance is classified as nonspendable, restricted, committed, assigned, or unassigned. Proprietary fund equity is classified the same as in the government-wide statements. The classifications for governmental funds are defined as follows for the City:

Nonspendable Fund Balance –

- Assets that will never convert to cash (prepaid items, inventory).
- Assets that will not convert to cash soon enough to affect the current period (long-term notes or loans receivable).
- Resources that must be maintained intact pursuant to legal or contractual requirements (the principal of an endowment).

Restricted Fund Balance –

- Resources that are subject to externally enforceable legal restrictions imposed by parties altogether outside the government (creditors, grantors, contributors and other governments).
- Resources that are subject to limitations imposed by law through constitutional provisions or enabling legislation (e.g., gas tax).

Committed Fund Balance –

- Self imposed limitations set in place prior to the end of the period (encumbrances, economic contingencies and uncertainties).
- Limitation at the highest level of decision-making (Council) that requires formal action at the same level to remove.
- Council Resolution is required to be taken to establish, modify, or rescind a fund balance commitment.

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Net Position/Fund Balance, Continued

Assigned Fund Balance –

- Amounts in excess of nonspendable, restricted and committed fund balance in funds other than the general fund automatically are reported as assigned fund balance.
- The City Council delegates the authority to the City Manager to assign fund balance amounts to specific purposes when such purposes are enacted by the City Council.

Unassigned Fund Balance –

- Residual net resources,
- Total fund balance in the general fund in excess of nonspendable, restricted, committed and assigned fund balance (surplus).
- Excess of nonspendable, restricted, and committed fund balance over total fund balance (deficit).

Revenues, Expenditures, and Expenses

Property Tax

The County of Humboldt (County) is responsible for the collection and allocation of property taxes. Under California law, property taxes are assessed and collected by the County up to 1% of the full cash value of taxable property, plus other increases approved by the voters and distributed in accordance with statutory formulas. The City recognizes property taxes when the individual installments are due, provided they are collected within 60 days after year-end.

Secured property taxes are levied on or before the first day of March of each year. They become a lien on real property on March 1 preceding the fiscal year for which taxes are levied. These taxes are paid in two equal installments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Secured property taxes, which are delinquent and unpaid as of June 30, are declared to be tax defaulted and are subject to redemption penalties, cost, and interest when paid. If the delinquent taxes are not paid at the end of five years, the property is sold at public auction and the proceeds are used to pay the delinquent amounts due. Any excess is remitted, if claimed, to the taxpayer. Additional tax liens are created when there is a change in ownership of property or upon completion of new construction. Tax bills for these new tax liens are issued throughout the fiscal year and contain various payments and delinquent dates, but are generally due within one year. If the new tax liens are lower, the taxpayer receives a tax refund rather than a tax bill. Unsecured personal property taxes are not a lien against real property. These taxes are due on March 1, and become delinquent, if unpaid on August 31.

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

The City participates in an alternative method of distribution of property tax levies and assessments known as the "Teeter Plan." The State Revenue and Taxation Code allow counties to distribute secured real property, assessment, and supplemental property taxes on an accrual basis resulting in full payment to cities each fiscal year. Any subsequent delinquent payments and penalties and interest during a fiscal year will revert to Humboldt County.

Interfund Transfers

Resources are reallocated between funds by reporting them as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

Budgetary Accounting

The City Council reviews and adopts annual budgets for the General, Special Revenue, and Capital Project Funds. Budgetary control is legally maintained at the fund level for these funds. The preliminary budget may or may not be amended by the City Council and is adopted by resolution by the City Council on or before June 30 in accordance with the municipal code.

The City Council may approve budget amendments by motion during the fiscal year. Only the City Council can authorize transfers between funds and approve interfund loans. The City Manager is authorized to transfer budgeted amounts within a fund without formal council action or approval.

Expenditures may not legally exceed appropriations at the fund level, which is the legal level of control. Supplemental appropriations, which increase appropriations, may be made during the fiscal year. The City Council approved one supplemental appropriation during the fiscal year ended June 30, 2022. Budget information is presented for the General, Special Revenue and Capital Project Funds in the fund financial statements. The budget information is presented on a basis consistent with generally accepted accounting principles. Appropriations, except open project appropriations, and unexpended grant appropriations, lapse at the end of each fiscal year.

Use of Estimates

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

Reclassifications

Certain amounts have been reclassified to provide for comparable results on a year to year basis.

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2022

2. CASH AND INVESTMENTS

At June 30, 2022, the City's pooled cash and investments, classified by maturity, consisted of the following stated at fair value:

	Not rated	Fair Market Value
<u>Cash equivalents and investments pooled</u>		
Pooled cash, at fair value		
Cash in bank	\$ 547,590	\$ 547,590
Cash on hand	2,700	2,700
Total pooled items	<u>550,290</u>	<u>550,290</u>
Pooled investments, at fair value		
State of California Local Agency Investment Fund	3,838,259	3,838,259
Total pooled investments	<u>3,838,259</u>	<u>3,838,259</u>
Total cash equivalents and investments pooled	<u>\$ 4,388,549</u>	<u>\$ 4,388,549</u>

Amounts reported in:

	Restricted (legally or contractually)	Unrestricted	Totals
<u>Governmental funds</u>			
General	\$ 556,415	\$ 533,731	\$ 1,090,146
Special revenue	447,298	46,460	493,758
Capital projects	-	338	338
Total governmental funds	<u>\$ 1,003,713</u>	<u>\$ 580,529</u>	<u>\$ 1,584,242</u>
<u>Enterprise funds</u>			
Water	\$ 192,302	\$ 942,114	\$ 1,134,416
Sewer	1,479,204	190,687	1,669,891
Total enterprise funds	<u>\$ 1,671,506</u>	<u>\$ 1,132,801</u>	<u>\$ 2,804,307</u>
Governmental activities	\$ 1,003,713	\$ 580,529	\$ 1,584,242
Business-type activities	1,671,506	1,132,801	2,804,307
Total	<u>\$ 2,675,219</u>	<u>\$ 1,713,330</u>	<u>\$ 4,388,549</u>

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>	<u>Average Annual Yield</u>
Local Agency Investment Fund	\$ 3,838,259	0.85	0.37%

California statutes authorize cities to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The only authorized investment vehicles that address interest rate risk, credit risk, and concentration of credit risk, per the City's investment policy, are the State of California Local Agency Investment Fund (LAIF) and certificates of deposit in California financial institutions.

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2022

2. CASH AND INVESTMENTS, Continued

Concentration of credit risk – The City’s investment policy does not allow for an investment in any one issuer that is in excess of five percent of the government’s total investments. The investments made by the City Treasurer are limited to those allowable under State statutes as incorporated into the City’s Investment Policy, which is accepted annually by the City Council. There were no concentrations in any one issuer for the year.

The City participates in an investment pool managed by the State of California known as the Local Agency Investment Fund (LAIF) which has invested 1.88% of the pool funds in Structured Notes and Asset-Backed Securities. LAIF’s investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk such as changes in interest rates.

Custodial credit risk – deposits. For deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City’s Investment Policy addresses custodial credit risk, which follows the Government Code.

Custodial credit risk – investments. For investments, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside counterparty. For the investments maintained by the City, no security was uninsured or unregistered or held by a brokerage firm which is also the counterparty for the security.

At June 30, 2022, the carrying amount of the City’s deposits was \$547,590 and the balances in financial institutions were \$639,260. Of the balance in financial institutions, \$250,000 was covered by federal depository insurance. Amounts that exceeds the federal depository insurance \$250,000 coverage was collateralized as required by State law (Government Code Section 53630), by the pledging financial institution with assets held in a common pool for the City and other governmental agencies, but not in the name of the City. Investments were held by the custodial agent, and were insured up to specified limits by the Securities Investor Protection Corporation (SPIC) and supplemental private insurance up to a limit of \$150 million.

Investment in LAIF: LAIF is stated at amortized cost, which approximates fair value. The LAIF is a special fund of the California State Treasury through which local governments may pool investments. As of June 30, 2022, the total fair value amount invested by all public agencies in LAIF is \$35.8 billion of which the City’s fair value amount is \$3,838,259. Of the total invested, 1.88% was invested in Structured Notes and Asset-Backed securities. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The fair value of the City’s investment in this pool is reported in the accompanying financial statements at amounts based upon the City’s pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2022

3. RECEIVABLES

Receivables consisted of the following at June 30, 2022:

	Governmental Activities	Business-type Activities	Total
Accounts	\$ 11,071	\$ 124,396	\$ 135,467
Interest	208,428	4,810	213,238
Intergovernmental	212,203	1,926	214,129
Loans	840,490	-	840,490
Total	<u>\$ 1,272,192</u>	<u>\$ 131,132</u>	<u>\$ 1,403,324</u>

These amounts resulted in the following concentrations in receivables:

Individuals / Businesses	69.5%
Other governments	15.3%
Financial	15.2%

Amounts do not indicate a significant concentration (greater than 25%) with any single individual, business, financial institution, or government agency.

4. LOANS RECEIVABLE

At June 30, 2022, notes receivable consist of the following:

	Beginning July 1, 2021	Additions	Deletions	Ending June 30, 2022
Residential redevelopment	\$ 881,275	\$ -	\$ (46,985)	\$ 834,290
Business development	8,600	-	(2,400)	6,200
Total loans/notes receivable	<u>\$ 889,875</u>	<u>\$ -</u>	<u>\$ (49,385)</u>	<u>\$ 840,490</u>

The loans consist of deferred repayment and below market interest rate housing rehabilitation and business development loans. Substantially all of these loans are secured by deeds of trust and are repayable upon the sale or transfer of the underlying properties.

Substantially all the receivables are expected to be collected more than one year after the date of these financial statements.

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2022

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, was as follows:

	Balance June 30, 2021	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2022
Governmental activities:				
Nondepreciable assets:				
Land	\$ 480,284	\$ -	\$ -	\$ 480,284
Construction in progress	6,503	33,598	-	40,101
Total nondepreciable assets	<u>486,787</u>	<u>33,598</u>	<u>-</u>	<u>520,385</u>
Depreciable assets:				
Land improvements	1,411,234	75,273	-	1,486,507
Infrastructure	2,279,736	-	-	2,279,736
Buildings and improvements	1,232,056	-	-	1,232,056
Machinery and equipment	318,048	-	-	318,048
Software	-	5,300	-	5,300
Total depreciable assets	<u>5,241,074</u>	<u>80,573</u>	<u>-</u>	<u>5,321,647</u>
Total	<u>5,727,861</u>	<u>114,171</u>	<u>-</u>	<u>5,842,032</u>
Accumulated depreciation:				
Land improvements	(205,671)	(62,697)	-	(268,368)
Infrastructure	(917,120)	(91,546)	-	(1,008,666)
Buildings and improvements	(918,917)	(30,828)	-	(949,745)
Machinery and equipment	(294,352)	(2,692)	-	(297,044)
Software	-	(530)	-	(530)
Total accumulated depreciation	<u>(2,336,060)</u>	<u>(188,293)</u>	<u>-</u>	<u>(2,524,353)</u>
Net depreciable assets	<u>2,905,014</u>	<u>(107,720)</u>	<u>-</u>	<u>2,797,294</u>
Total net capital assets	<u>\$ 3,391,801</u>	<u>\$ (74,122)</u>	<u>\$ -</u>	<u>\$ 3,317,679</u>

Depreciation expense for capital assets was charged to categories as follows:

Governmental Activities	
General government	\$ 37,376
Street maintenance and lighting	102,765
Parks and recreation	48,152
Total	<u>\$ 188,293</u>

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2022

5. CAPITAL ASSETS, Continued

Capital asset activity for the year ended June 30, 2022, was as follows:

	Balance June 30, 2021	Additions	Transfers/ Deletions	Balance June 30, 2022
Business-type activities:				
Nondepreciable assets:				
Land	\$ 74,877	\$ -	\$ -	\$ 74,877
Construction in progress	34,377	11,639	-	46,016
Total nondepreciable assets	<u>109,254</u>	<u>11,639</u>	<u>-</u>	<u>120,893</u>
Depreciable assets:				
Buildings and improvements	15,916	-	-	15,916
Machinery and equipment	615,547	-	-	615,547
Water system	1,361,187	30,202	-	1,391,389
Sewer system	2,314,869	-	-	2,314,869
Total depreciable assets	<u>4,307,519</u>	<u>30,202</u>	<u>-</u>	<u>4,337,721</u>
Total	<u>4,416,773</u>	<u>41,841</u>	<u>-</u>	<u>4,458,614</u>
Accumulated depreciation:				
Buildings and improvements	(15,698)	(402)	384	(15,716)
Machinery and equipment	(498,662)	(18,421)	-	(517,083)
Water system	(1,021,685)	(27,874)	-	(1,049,559)
Sewer system	(1,407,037)	(95,771)	(384)	(1,503,192)
Total accumulated depreciation	<u>(2,943,082)</u>	<u>(142,468)</u>	<u>-</u>	<u>(3,085,550)</u>
Net depreciable assets	<u>1,364,437</u>	<u>(112,266)</u>	<u>-</u>	<u>1,252,171</u>
Total net capital assets	<u>\$ 1,473,691</u>	<u>\$ (100,627)</u>	<u>\$ -</u>	<u>\$ 1,373,064</u>

Depreciation expense for capital assets was charged to functions as follows:

Business-Type Activities	
Water fund	\$ 42,209
Sewer fund	100,259
Total	<u>\$ 142,468</u>

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2022

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following at June 30, 2022:

	Governmental Activities	Business-type Activities	Total
Accounts payable	\$ 62,327	\$ 48,958	\$ 111,285
Accrued payroll and related liabilities	23,127	15,226	38,353
Total	<u>\$ 85,454</u>	<u>\$ 64,184</u>	<u>\$ 149,638</u>

Amounts do not indicate a significant concentration (greater than 25%) with any single vendor or individual.

7. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2022:

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022	Due Within One Year
Notes payable - Governmental Activities	\$ 223,209	\$ -	\$ (3,768)	\$ 219,441	\$ 3,623
Notes payable - Water Fund	46,153	-	(10,337)	35,816	9,751
Total noncurrent liabilities	<u>\$ 269,362</u>	<u>\$ -</u>	<u>\$ (14,105)</u>	<u>\$ 255,257</u>	<u>\$ 13,374</u>

Notes payable – Governmental Activities

In 2020, the City entered into a loan agreement with the Redwood Region Economic Development Commission for the purposes of purchasing real estate. The loan amount totaled \$225,000 and bears an interest rate of 5% per annum for 7 years. Payments are due in 84 equal monthly payments of \$1,237, beginning February 1, 2021 and ending January 1, 2028, after which a final balloon payment of all unpaid principal and interest is due. The loan is secured by the purchased real estate.

Notes payable – Water Fund

In 2015, the City entered into a loan agreement with the National Rural Water Association for the purposes of financing water system improvements. The loan amount totaled \$99,937 and bears an interest rate of 3% per annum for 10 years. Payments are due in 120 equal monthly payments of \$965, beginning November 1, 2015 and ending October 1, 2025. The loan is secured by Water Fund capital assets.

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2022

7. LONG-TERM LIABILITIES, Continued

The following is the debt service obligations of the City for the notes payable:

Year Ending June 30,	Notes Payable - Water Fund		Notes Payable - Governmental Activities	
	Principal	Interest	Principal	Interest
2023	\$ 9,751	\$ 864	\$ 3,623	\$ 9,983
2024	10,948	632	4,146	10,697
2025	11,281	299	4,358	10,485
2026	3,836	24	4,581	10,262
2027	-	-	4,815	10,027
2028-2029	-	-	197,918	5,736
Total	<u>\$ 35,816</u>	<u>\$ 1,819</u>	<u>\$ 219,441</u>	<u>\$ 57,190</u>
Due within one year	\$ 9,751	\$ 864	\$ 3,623	\$ 9,983
Due after one year	26,065	955	215,818	47,207
Total	<u>\$ 35,816</u>	<u>\$ 1,819</u>	<u>\$ 219,441</u>	<u>\$ 57,190</u>

8. NET POSITION/ FUND BALANCES

Net Position

	Governmental Activities	Business-type Activities
Net investment in capital assets	\$ 3,098,238	\$ 1,337,248
Restricted	496,823	1,671,509
Unrestricted	1,472,965	297,913
Total	<u>\$ 5,068,026</u>	<u>\$ 3,306,670</u>

Restricted balances are for the same purposes as fund balance restrictions because external restriction requirements are the same. See descriptions of the restrictions below.

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2022

8. NET POSITION/ FUND BALANCES, Continued

Fund Balance

Fund balance consisted of the following at June 30, 2022:

Nonspendable:	
Major Funds:	
General Fund	\$ 28,861
Total Nonspendable	<u>28,861</u>
Restricted:	
Major Funds:	
CDBG Fund	400,206
Total Major Funds- Restricted	<u>400,206</u>
Nonmajor Funds:	
Highway Users Tax Fund	30,927
TDA Street Fund	11
TDA Purchased Transportation Fund	1,422
AB-939 Solid Waste Reduction/Recycling Fund	20,788
American Rescue Plan - COVID Relief Fund	43,469
Total Nonmajor Funds- Restricted	<u>96,617</u>
Total Restricted	<u>496,823</u>
Committed:	
Major Funds	
General Fund	556,415
Total Committed	<u>556,415</u>
Unassigned (deficit):	
Major Funds:	
General Fund	539,017
SLESF Fund	(35,425)
Total Major Funds- Unassigned	<u>503,592</u>
Nonmajor Funds:	
Recreation Economic Analysis Fund	(48,453)
State Park Per Capita Program Fund	(9,707)
Total Nonmajor Funds- Unassigned	<u>(58,160)</u>
Total Unassigned	<u>445,432</u>
Total Fund Balance	<u>\$ 1,527,531</u>

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2022

8. NET POSITION/ FUND BALANCES, Continued

The following describes the purpose of each nonspendable, restriction, and commitment account used by the City:

Restricted

- **CDBG** – represents amounts restricted for the City’s CDBG housing activities as these programs are supported by specific grants requiring the restriction.
- **Highway Users Tax Fund** – accounts for the City’s receipt and use of State gas tax funds for which use is restricted to street maintenance activities.
- **TDA Street Fund** – accounts for the City’s receipt and use of State Transportation Development Act funds for which the use is restricted to street maintenance activities. These funds are distributed by the Humboldt County Association of Governments (HCAOG).
- **TDA Purchased Transportation** – represents amounts restricted by the Transportation Development Act for transportation, including streets and roads.
- **AB-939 Solid Waste Reduction/Recycling** – represents amounts restricted by AB 939 for solid waste reduction activities.
- **American Rescue Plan – COVID Relief Fund** – accounts for the receipt and use of Federal COVID relief funds.

Excess of Expenditures and Transfers Over Appropriations: Expenditures and transfers exceeded appropriations for the year ended June 30, 2022, for the following funds:

<u>Governmental Activities</u>	<u>Final Budget</u>	<u>Total Expenditures and Transfers</u>	<u>Excess Expenditures Over Appropriations</u>
Major Funds			
General Fund	\$ 816,139	\$ 829,075	\$ (12,936)

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2022

9. INTERFUND TRANSACTIONS

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Transfers consisted of the following at June 30, 2022:

<u>Governmental Activities</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ 71,597	\$ 12,495
Total Major Funds	<u>71,597</u>	<u>12,495</u>
Non-major Funds:		
Special Revenue Funds:		
Highway Users Tax Fund	-	58,696
TDA Street Fund	-	12,889
Regional Surface Transportation Program (RSTP) Fund	-	12
Capital Projects Funds:		
Powers Creek Footbridge Project Fund	25	-
Annie and Mary Trail Project Fund	12,470	-
Total Non-major Funds	<u>12,495</u>	<u>71,597</u>
Total Transfers	<u>\$ 84,092</u>	<u>\$ 84,092</u>

10. SELF-INSURED RETENTION FUNDS

The City's liability insurance carrier requires the City to maintain \$15,000 in reserve (SIR Reserve) for potential claims against the City. The City maintains \$20,000 in reserve.

11. RISK MANAGEMENT

As of July 1, 1986, the City entered into a joint powers agreement for insurance coverage. The City of Blue Lake is exposed to various risks of loss related to torts; theft of, damages to, and destruction of assets; errors and omissions; and natural disasters for which the Member Entity obtains insurance coverage.

The City is a member of the Public Agency Risk Sharing Authority of California - PARSAC, a joint powers authority, which provides joint protection programs for public entities covering automobile, general liability, errors and omission losses, workers' compensation, and property claims. Under the program, the City has a \$5,000 retention limit similar to a deductible with the Authority being responsible for losses above that amount up to \$1 million. The Authority has additional coverage of \$34 million in excess of its \$1 million retention limit through affiliated risk management authorities. The Authority also provides one billion dollars aggregate per occurrence property coverage to its members with such coverage provided by purchased insurance.

11. RISK MANAGEMENT, Continued

Liabilities of the City are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRS). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example, from salvage or subrogation, are another component of the claims liability estimate.

The Authority covers workers' compensation claims up to its self-insurance limit of \$500,000. The local Agency Workers Compensation excess Pool provides excess coverage to statutory limits. The City pays an annual premium to the Authority and may share in any surplus revenues or may be required to pay an additional assessments based upon the Authority's operating results. Financial statements of the PARSAC may be obtained from its administrative office located at 1525 Response Road, Suite One, Sacramento, CA 95815.

The City maintains no other commercial and risk pool coverage covering each of those risks of loss. Settled claims have not exceeded coverage in any of the past five years.

12. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

General Information about the Pension Plans

Plan Descriptions

All qualified employees are eligible to participate in the City's separate Miscellaneous and Safety Employee Pension Plans. Both plans are part of a separate cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). CalPERS acts as a common investment and administrative agent for participating public entities within the state of California. Benefit provisions are established by State statute and City resolution. A full description of the pension plan benefit provisions, assumptions and membership information 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 (age 52 for PEPRA employees) with statutorily reduced benefits based on earnings and service credits. All members are eligible for non-duty disability benefits after 10 years of credited 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.

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2022

12. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

The Plans' provisions and benefits in effect at June 30, 2022, are summarized as follows:

	<u>Miscellaneous (Classic)</u>	<u>Miscellaneous (PEPRA)</u>	<u>Safety (Classic)</u>
	Prior to January 1, 2013	After January 1, 2013	Prior to January 1, 2013
Hire date			
Benefit formula	2% @ 55	2% @ 62	2% @ 50
Benefit vesting schedule	5 years service	5 years service	5 years
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	52	63
Monthly benefits, as a % of eligible compensation	2.0% - 2.5%	1.0 - 2.0%	1.0% - 2.5%
Required employee contribution rates	7.0%	6.25%	(1)
Required employer contribution rates	12.200%	7.590%	(1)

⁽¹⁾ Currently, the City has no active safety employees as it outsources its law enforcement services. As a result, there is no current required rate of contributions.

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 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.

For the year ended June 30, 2022, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Contributions - employer	\$ 137,437	\$ 7,426

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

As of June 30, 2022, the City reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 755,762
Safety	66,547
Total Net Pension Liability	<u>\$ 822,309</u>

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2022

12. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2021, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 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.

The City's proportionate share of the net pension liability for each Plan as of June 30, 2022 and 2021 was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Proportion - June 30, 2021	0.02480%	0.00145%
Proportion - June 30, 2022	0.03980%	0.00190%
Change - Increase/(Decrease)	0.01500%	0.00045%

For the year ended June 30, 2022, the City recognized pension expense of \$530,396. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ -	\$ -
Differences between Expected and Actual Experience	96,120	-
Differences between Projected and Actual Investment Earnings	-	699,349
Differences between Employer's Contributions and Proportionate Share of Contributions	44,141	5,544
Change in Employer's Proportion	-	60,175
Pension Contributions Made Subsequent to Measurement Date	144,863	-
	<u>\$ 285,124</u>	<u>\$ 765,068</u>

\$144,863 is reported as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2022

12. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

Year Ended 30-Jun	
2022	\$ (128,458)
2023	(140,993)
2024	(162,138)
2025	(193,218)
2026	-
Thereafter	-
	<u>\$ (624,807)</u>

Actuarial Methods and Assumptions

The total pension liability was determined by actuarial valuations as of June 30, 2019, which were rolled forward to June 30, 2020, using the following actuarial methods and assumptions:

Actuarial Methods and Assumptions:	
Actuarial cost method	Entry-age normal cost method
Actuarial assumptions:	
Investment rate of return	7.15%, net of pension plan expenses, including inflation
Payroll growth	2.75%
Discount rate	7.15%
Inflation	2.50%
Salary increases	Varies by entry age and service
Mortality rate table	Derived using CalPERS' membership data for all funds
Post-retirement benefit increase	Contract COLA up to 2.5% until purchasing power protection allowance floor on purchasing power applies

The underlying mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using the Society of Actuaries 90 percent of scale MP 2016. For more details, please refer to the December 2017 experience study report.

All other actuarial assumptions were based on the results of the December 2017 actuarial experience study for the experience study periods 1997 to 2015. The experience study can be obtained at CalPERS' website under Forms and Publications.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees' Retirement Fund (PERF).

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2022

12. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

Changes of Assumptions

None.

The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS website under the GASB 68 section.

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

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

The table below reflects the long-term expected real rates of return by asset class. The rates of return were calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class	Current Target Allocation	Real Return Years 1 - 10 ¹	Real Return Year 11+ ²
Public equity	50.0%	4.80%	5.98%
Fixed income	28.0%	1.00%	2.62%
Inflation Assets	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%
	<u>100.0%</u>		

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

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

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2022

12. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
Net Pension Liability as of			
June 30, 2021			
Miscellaneous	\$ 1,155,371	\$ 755,762	\$ 425,411
Safety	106,062	66,547	34,090
Total	<u>\$ 1,261,433</u>	<u>\$ 822,309</u>	<u>\$ 459,501</u>

Pension Plan Fiduciary Net Position

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

13. OTHER POST EMPLOYMENT BENEFITS

Plan Description

The City administers a single-employer defined-benefit post-employment healthcare plan.

Benefits Provided

Retirees are eligible for medical benefits after 15 years of service. The City covers 50% of the retiree's health insurance premiums up to the age of 65. Benefits are not provided for retiree spouse or dependent health care coverage.

Employees Covered by Benefit Terms

At June 30, 2022 (the measurement date), the following employees were covered by the benefit terms:

Inactive Employees Receiving Benefits	0
Inactive Employees Entitled to But Not Receiving Benefits	0
Participating Active Employees	7
Total Number of participants	7

Contributions

The City pays benefits as they come due.

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2022

13. OTHER POST EMPLOYMENT BENEFITS, Continued

Actuarial Methods and Assumptions

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

Actuarial Methods and Assumptions:	
Actuarial cost method	Entry-age actuarial cost method
Actuarial assumptions:	
Discount rate	2.16%, net of expenses
Inflation	2.50%
Salary increases	2.75% per annum
Investment rate of return	2.16%, net of expenses
Mortality rate ⁽¹⁾	2017 CalPERS Mortality for Miscellaneous and Schools Employees
Retirement rates	Hired 2013 and later: 2017 CalPERS 2.0% @ 62 Rates for miscellaneous employees Hired 2012 and earlier: 2017 CalPERS 2.5% @ 55 Rates for miscellaneous employees
Pre-retirement turnover ⁽²⁾	2017 CalPERS turnover for miscellaneous employees
Healthcare trend rate	4.00%

(1) The mortality assumptions are based on the 2017 CalPERS Active Mortality for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.

(2) The turnover assumptions are based on the 2017 CalPERS Turnover for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.16 percent. Since the City's OPEB Plan is an unfunded plan, the discount rate is based on an index of 20-year general obligation municipal bonds rate AA or higher.

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2022

13. OTHER POST EMPLOYMENT BENEFITS, Continued

Changes in the Net OPEB Liability

The changes in the net OPEB liability for the Plan are as follows:

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance at 6/30/2020 Measurement Date	\$ 214,309	\$ -	\$ 214,309
Changes for the year			
Service Cost	21,833	-	21,833
Interest on TOI	4,955	-	4,955
Employer Contributions	-	-	-
Employee Contributions	-	-	-
Actual Investment Income	-	-	-
Administrative expenses	-	-	-
Changes in Assumptions	1,144	-	1,144
Experience (Gains)/Losses	-	-	-
Benefit payments	-	-	-
Other	-	-	-
Net Changes	27,932	-	27,932
Balance at 6/30/2021 Measurement Date	\$ 242,241	\$ -	\$ 242,241

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Net OPEB Liability	\$ 270,980	\$ 242,241	\$ 217,098

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (3.00%)	Current Trend (4.00%)	1% Increase (5.00%)
Net OPEB Liability	\$ 205,224	\$ 242,241	\$ 287,138

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2022

13. OTHER POST EMPLOYMENT BENEFITS, Continued

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARSL)

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

For the fiscal year ended June 30, 2022, the City recognized OPEB expense of \$28,516. As of fiscal year ended June 30, 2022, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,930
Changes in assumptions	25,926	-
Total	<u>\$ 25,926</u>	<u>\$ 1,930</u>

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

Fiscal Year Ended June 30,	Deferred Outflow/(Inflows) of Resources
2022	\$ 1,728
2023	1,728
2024	1,728
2025	1,728
2026	1,728
Thereafter	15,356
	<u>\$ 23,996</u>

14. COMMUNITY DEVELOPMENT BLOCK GRANTS

The City has been awarded various block grants by the State of California - Housing and Community Development. These grants fund housing rehabilitation, business development, and infrastructure improvements to City streets.

Revenues and expenditures for activities relating to the housing rehabilitation and the business development are accounted for in special revenue funds. Through this program, the City pays for housing rehabilitation, business expansion and retention, plus administrative program costs. At the completion of projects benefiting the private property owners, the City issues a note, secured by a deed of trust for the cost of the improvements.

These notes carry rates ranging from 1% to 10%. Most of the notes require repayment when the property is sold, but some require period amortized payments. As these notes are repaid, funds may be used for new improvements, program costs, and loans to private property owners.

CDBG Program Income (PI) Reuse Agreement

Effective November 18, 2014 the City entered into the Reuse Agreement which allows the City to receive repayments from CDBG and spend those PI funds in the absence of an active CDBG grant contract. The Agreement establishes policies and procedures for the administration and utilization of Program income received as a direct result of eligible activities funded under CDBG contracts with the City. The Agreement allows five ways to manage PI:

1. Expend monies on active grant contract activities
2. Expend monies on general administration activities
3. Expend monies through an approved revolving loan fund
4. Expend monies on approved waiver activity, when no active contract is in force
5. Return the monies annually to the Department (CDBG)

15. CONTINGENCIES

The City is a party to claims and lawsuits arising in the ordinary course of business. The City's management and legal counsel are of the opinion that the ultimate liability, if any, arising from these claims will not have material adverse impact on the financial position of the City. The City participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

16. COMMITMENTS

The City has contracted with the Humboldt Bay Municipal Water District (HBMWD) for water purchases. The agreement expires June 30, 2037. The City has an option to extend the agreement for an additional ten years. The agreement will be automatically extended to correspond to the term of an agreement entered into between HBMWD and the State of California. The water rate paid by the City is based on numerous factors. Rates are determined by allocating HBMWD's operating costs, maintenance, repairs and replacement to all users connected to the HBMWD system.

16. COMMITMENTS, Continued

On June 27, 2019, the City entered into a contract with the Humboldt County Sheriff's Department whereby the County agreed to provide law enforcement services to the City. The term of the current agreement was for the period July 1, 2019 through June 30, 2022. The cost to the City under the agreement was \$319,671 annually, with the amount for future years subject to an annual recalculation. Either party may terminate this contract upon 60 days written notice.

17. NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 91, "Conduit Debt Obligations." The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives 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. The City will implement this statement, as applicable, to its financial statements for the year ending June 30, 2023.

The GASB has issued statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". The objective of this Statement is to better meet the information needs of financial statement users by improving the comparability of financial statements among governments that enter into PPPs and APAs and by enhancing the understandability, reliability, relevance, and consistency of information about PPPs and APAs. The City will implement this statement, as applicable, to its financial statements for the year ending June 30, 2023.

The GASB has issued statement No. 96, "Subscription-Based Information Technology Arrangements". The objective of this Statement is to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements for SBITAs; (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. The City will implement this statement, as applicable, to its financial statements for the year ending June 30, 2023.

The GASB has issued statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans". The primary objectives of this Statement are to (a) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (b) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (c) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

City of Blue Lake, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2022

18. SUBSEQUENT EVENTS

Events occurring after June 30, 2022 but before the financial statements were available to be issued must be evaluated for possible adjustment to the financial statements or disclosure. The effects of subsequent events that provide evidence about conditions that existed at June 30, 2022 are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after June 30, 2022 require disclosure in the accompanying notes. Management has evaluated the activity of the City through October 20, 2023, and concluded that subsequent event(s) have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

City of Blue Lake, California
Required Supplementary Information -
Schedule of Changes in the Net OPEB Liability
and Related Ratios
Last 10 Fiscal Years

	2022	2021	2020	2019	2018
Total OPEB liability					
Service Cost	\$ 21,833	\$ 13,738	\$ 12,669	\$ 12,332	\$ 12,331
Interest on the total OPEB liability	4,955	6,344	5,948	5,355	5,039
Differences between expected and actual experience	-	(2,206)	-	-	-
Changes of benefit terms	-	-	-	-	-
Changes of assumptions	1,144	22,031	6,836	-	-
Contributions - employer	-	-	(2,465)	(2,370)	(2,370)
Net change in total OPEB liability	<u>27,932</u>	<u>39,907</u>	<u>22,988</u>	<u>15,317</u>	<u>15,000</u>
Total OPEB liability - beginning	214,309	174,402	151,414	136,097	121,097
Total OPEB liability - ending (a)	<u>\$ 242,241</u>	<u>\$ 214,309</u>	<u>\$ 174,402</u>	<u>\$ 151,414</u>	<u>\$ 136,097</u>
Plan fiduciary net position					
Contributions - employer	\$ -	\$ -	\$ 2,465	\$ 2,370	\$ 2,370
Contributions - employee	-	-	-	-	-
Actual investment income	-	-	-	-	-
Administrative expense	-	-	-	-	-
Benefit payments	-	-	(2,465)	(2,370)	(2,370)
Net change in plan fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - beginning	-	-	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending (a) - (b)	<u>\$ 242,241</u>	<u>\$ 214,309</u>	<u>\$ 174,402</u>	<u>\$ 151,414</u>	<u>\$ 136,097</u>
Covered-employee payroll	\$ 382,811	\$ 391,542	\$ 434,670	\$ 358,127	\$ 344,357
Net OPEB liability as a percentage of covered-employee payroll	63.28%	54.73%	40.12%	42.28%	39.52%

Notes to Schedule

- 1) GASB 75 was implemented during the fiscal year ended June 30, 2018. Additional years (10 years required by GASB 75) will be added as they become available.
- 2) Covered payroll is the payroll paid to all employees who are eligible for and accruing OPEB benefits.
- 3) For each fiscal year presented, information regarding the City's OPEB plan, including the methods and assumptions used to calculate the net OPEB liability, can be

City of Blue Lake, California
Required Supplementary Information - Schedule of Contributions
Last 10 Fiscal Years

Miscellaneous Plan	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 137,437	\$ 124,999	\$ 115,836	\$ 102,595	\$ 87,054	\$ 81,163	\$ 76,737	\$ 70,877
Contributions in relation to the actuarially determined contributions	(137,437)	(124,999)	(115,836)	(102,595)	(87,054)	(81,163)	(76,737)	(70,877)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 382,811	\$ 391,542	\$ 434,670	\$ 358,127	\$ 344,357	\$ 352,370	\$ 324,828	\$ 351,126
Contributions as a percentage of covered-employee payroll	35.90%	31.92%	26.65%	28.65%	25.28%	23.03%	23.62%	20.19%
Safety Plan	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 7,426	\$ 7,053	\$ 6,995	\$ 6,911	\$ 5,699	\$ 3,766	\$ 3,264	\$ 2,444
Contributions in relation to the actuarially determined contributions	(7,426)	(7,053)	(6,995)	(6,911)	(5,699)	(3,766)	(3,264)	(2,444)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule

1) Covered payroll is the payroll on which contributions to a pension plan are based.

2) Additional years will be added as they become available in the future.

3) Actuarially determined contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported. More information on the methods and assumptions used to determine the contribution rates can be found on the CalPERS website.

4) During the fiscal years presented above, the City had no covered payroll for its public safety department as these services were outsourced.

City of Blue Lake, California
Required Supplementary Information - Schedule of the City's Proportionate
Share of the Net Pension Liability
Last 10 Fiscal Years

Miscellaneous Plan	2022	2021	2020	2019	2018	2017	2016	2015
Plan's Proportion of the Net Pension Liability/(Asset)	0.03980%	0.02480%	0.02494%	0.02511%	0.02467%	0.02497%	0.02654%	0.02382%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 755,762	\$ 1,045,933	\$ 998,738	\$ 946,411	\$ 972,414	\$ 867,270	\$ 728,014	\$ 588,787
Plan's Covered-Employee Payroll	\$ 382,811	\$ 391,542	\$ 434,670	\$ 358,127	\$ 344,357	\$ 352,370	\$ 324,828	\$ 351,126
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	197.42%	267.13%	229.77%	264.27%	282.39%	246.12%	224.12%	167.69%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	75.03%	64.31%	67.95%	70.21%	68.75%	69.64%	74.03%	78.34%
Plan's Proportionate Share of Aggregate Employer Contribution	\$ 89,317	\$ 84,214	\$ 87,758	\$ 84,974	\$ 80,955	\$ 74,075	\$ 71,796	\$ 57,581
Safety Plan	2022	2021	2020	2019	2018	2017	2016	2015
Plan's Proportion of the Net Pension Liability/(Asset)	0.00190%	0.00145%	0.00148%	0.00154%	0.00149%	0.00155%	0.00156%	0.00131%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 66,547	\$ 96,736	\$ 92,263	\$ 90,259	\$ 88,897	\$ 80,260	\$ 64,436	\$ 49,025
Plan's Covered-Employee Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	77.33%	66.92%	68.00%	68.27%	67.91%	69.55%	75.29%	81.42%
Plan's Proportionate Share of Aggregate Employer Contributor	\$ 12,128	\$ 10,129	\$ 8,599	\$ 8,194	\$ 6,491	\$ 6,334	\$ 6,678	\$ 6,082

Notes to Schedule

1) Covered payroll is the payroll on which contributions to a pension plan are based.

2) Additional years will be added as they become available in the future.

3) For each fiscal year presented, information regarding the City's pension plan, including the methods and assumptions used to calculate the net pension liability, can be found in the notes to the City's basic financial statements.

4) During the fiscal years presented above, the City had no covered payroll for its public safety department as these services were outsourced.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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NON-MAJOR GOVERNMENTAL FUNDS

Fund Type	Description
Special Revenue Funds:	
Highway Users Tax Fund	This fund accounts for the City's receipt and use of State gas tax funds for which use is restricted to street maintenance activities.
TDA Street Fund	This fund accounts for the City's receipt and use of State Transportation Development Act funds for which the use is restricted to street maintenance activities. These funds are distributed by the Humboldt County Association of Governments (HCAOG).
TDA Purchased Transportation Fund	This fund accounts for the City's receipt and use of State Transportation Development Act funds for which the use is restricted to public transit services. These funds are distributed by the Humboldt County Association of Governments (HCAOG).
AB-939 Solid Waste Reduction / Recycling Fund	This fund accounts for the City's receipt and use of State revenues derived from solid waste/recycling fees and the sale of recyclable materials. The use of these are restricted to solid waste reduction activities.
Regional Surface Transportation Program (RSTP) Fund	This fund accounts for the City's receipt and use of State Regional Surface Transportation Program funds for which the use is restricted to street maintenance activities. These funds are distributed by the Humboldt County Association of Governments (HCAOG).
Recreation Economic Analysis Fund	This fund accounts for the receipt and use of funds related to the City's Recreation Economic Analysis Project.
American Rescue Plan - COVID Relief Fund	This fund accounts for the receipt and use of Federal COVID relief funds.
State Park Per Capital Program Fund	This fund accounts for the receipt and use of State Per Capita Program funds.
Capital Project Funds:	
Powers Creek Footbridge Project Fund	This fund accounts for the receipt and use of funds related to the City's Powers Creek Footbridge Project.
Annie and Mary Trail Project Fund	This fund accounts for the receipt and use of funds related to the City's Annie and Mary Trail Project.

City of Blue Lake, California
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds			
	Highway Users Tax Fund	TDA Street Fund	TDA Purchased Transportation Fund	AB-939 Solid Waste Reduction / Recycling Fund
ASSETS				
Cash and investments	\$ 24,005	\$ -	\$ 4,160	\$ 19,385
Receivables:				
Interest receivable	53	11	12	36
Intergovernmental receivables	6,869	-	-	2,012
Total assets	<u>\$ 30,927</u>	<u>\$ 11</u>	<u>\$ 4,172</u>	<u>\$ 21,433</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 2,750	\$ -
Accrued payroll	-	-	-	456
Compensated absences	-	-	-	189
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>2,750</u>	<u>645</u>
Fund balances:				
Restricted	30,927	11	1,422	20,788
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances	<u>30,927</u>	<u>11</u>	<u>1,422</u>	<u>20,788</u>
Total liabilities and fund balances	<u>\$ 30,927</u>	<u>\$ 11</u>	<u>\$ 4,172</u>	<u>\$ 21,433</u>

<u>Regional Surface Transportation Program (RSTP) Fund</u>	<u>Recreation Economic Analysis Fund</u>	<u>American Rescuc Plan - COVID Relief Fund</u>	<u>State Park Per Capita Program Fund</u>	<u>Total Special Revenue Funds</u>
\$ -	\$ -	\$ 46,460	\$ -	\$ 94,010
-	-	-	-	112
-	-	-	-	8,881
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,460</u>	<u>\$ -</u>	<u>\$ 103,003</u>
\$ -	\$ -	\$ 2,991	\$ 402	\$ 6,143
-	-	-	-	456
-	-	-	-	189
-	48,453	-	9,305	57,758
-	48,453	2,991	9,707	64,546
-	-	43,469	-	96,617
-	-	-	-	-
-	(48,453)	-	(9,707)	(58,160)
-	(48,453)	43,469	(9,707)	38,457
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,460</u>	<u>\$ -</u>	<u>\$ 103,003</u>

City of Blue Lake, California
Combining Balance Sheet
Nonmajor Governmental Funds, continued
June 30, 2022

	<u>Capital Project Funds</u>		Total Non-Major Governmental Funds
	<u>Powers Creek Footbridge Project Fund</u>	<u>Annie and Mary Trail Project Fund</u>	
ASSETS			
Cash and investments	\$ -	\$ 338	\$ 94,348
Receivables:			
Interest receivable	-	-	112
Intergovernmental receivables	-	-	8,881
Total assets	<u>\$ -</u>	<u>\$ 338</u>	<u>\$ 103,341</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ -	\$ 338	\$ 6,481
Accrued payroll	-	-	456
Compensated absences	-	-	189
Due to other funds	-	-	57,758
Total liabilities	<u>-</u>	<u>338</u>	<u>64,884</u>
Fund balances:			
Restricted	-	-	96,617
Assigned	-	-	-
Unassigned (deficit)	-	-	(58,160)
Total fund balances	<u>-</u>	<u>-</u>	<u>38,457</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 338</u>	<u>\$ 103,341</u>

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City of Blue Lake, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2022

	Special Revenue Funds			
	Highway Users Tax Fund	TDA Street Fund	TDA Purchased Transportation Fund	AB-939 Solid Waste Reduction / Recycling Fund
REVENUES:				
Intergovernmental revenues	\$ 61,053	\$ 9,282	\$ 32,375	\$ 13,826
Investment earnings	110	15	12	67
Total revenues	<u>61,163</u>	<u>9,297</u>	<u>32,387</u>	<u>13,893</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Parks and recreation	-	-	-	-
Public transit	-	-	31,875	-
Recycling	-	-	-	10,688
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>31,875</u>	<u>10,688</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>61,163</u>	<u>9,297</u>	<u>512</u>	<u>3,205</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(58,696)	(12,889)	-	-
Total other financing sources (uses)	<u>(58,696)</u>	<u>(12,889)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	2,467	(3,592)	512	3,205
FUND BALANCES:				
Beginning of year	28,460	3,603	910	17,583
End of year	<u>\$ 30,927</u>	<u>\$ 11</u>	<u>\$ 1,422</u>	<u>\$ 20,788</u>

<u>Regional Surface Transportation Program (RSTP) Fund</u>	<u>Recreation Economic Analysis Fund</u>	<u>American Rescue Plan - COVID Relief Fund</u>	<u>State Park Per Capita Program Fund</u>	<u>Total Special Revenue Funds</u>
\$ -	\$ -	148,915	\$ -	\$ 265,451
-	-	-	-	204
-	-	148,915	-	116,740
-	-	95,446	-	95,446
-	48,453	-	-	48,453
-	-	-	-	31,875
-	-	-	-	10,688
-	-	10,000	9,707	19,707
-	48,453	105,446	9,707	206,169
-	(48,453)	43,469	(9,707)	59,486
-	-	-	-	-
(12)	-	-	-	(71,597)
(12)	-	-	-	(71,597)
(12)	(48,453)	43,469	(9,707)	(12,111)
12	0	0	0	50,568
<u>\$ -</u>	<u>\$ (48,453)</u>	<u>\$ 43,469</u>	<u>\$ (9,707)</u>	<u>\$ 38,457</u>

City of Blue Lake, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds, continued
For the year ended June 30, 2022

	<u>Capital Project Funds</u>		Total Non-Major Governmental Funds
	<u>Powers Creek Footbridge Project Fund</u>	<u>Annie and Mary Trail Project Fund</u>	
REVENUES:			
Intergovernmental revenues	\$ 19,975	\$ 157,944	\$ 443,370
Investment earnings	-	-	204
Total revenues	<u>19,975</u>	<u>157,944</u>	<u>294,659</u>
EXPENDITURES:			
Current:			
General government	-	-	95,446
Parks and recreation	-	3,618	52,071
Public transit	-	-	31,875
Recycling	-	-	10,688
Capital outlay	-	60,273	79,980
Total expenditures	<u>-</u>	<u>63,891</u>	<u>270,060</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>19,975</u>	<u>94,053</u>	<u>173,514</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	25	12,470	12,495
Transfers out	-	-	(71,597)
Total other financing sources (uses)	<u>25</u>	<u>12,470</u>	<u>(59,102)</u>
NET CHANGE IN FUND BALANCES	20,000	106,523	114,412
FUND BALANCES:			
Beginning of year	(20,000)	(106,523)	(75,955)
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,457</u>

City of Blue Lake, California

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

Highway Users Tax Special Revenue Fund

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 61,428	\$ 61,428	\$ 61,053	\$ (375)
Investment earnings	90	90	110	20
Total revenues	<u>61,518</u>	<u>61,518</u>	<u>61,163</u>	<u>(355)</u>
EXPENDITURES:				
Current:				
Street maintenance	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES				
	<u>61,518</u>	<u>61,518</u>	<u>61,163</u>	<u>(355)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(83,610)	(83,610)	(58,696)	24,914
Total other financing sources (uses)	<u>(83,610)</u>	<u>(83,610)</u>	<u>(58,696)</u>	<u>24,914</u>
Net change in fund balances	<u>(22,092)</u>	<u>(22,092)</u>	<u>2,467</u>	<u>24,559</u>
FUND BALANCES:				
Beginning of year	28,460	28,460	28,460	-
End of year	<u>\$ 6,368</u>	<u>\$ 6,368</u>	<u>\$ 30,927</u>	<u>\$ 24,559</u>

City of Blue Lake, California

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

TDA Street Special Revenue Fund

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 12,175	\$ 12,175	\$ 9,282	\$ (2,893)
Investment earnings	-	-	15	15
Total revenues	<u>12,175</u>	<u>12,175</u>	<u>9,297</u>	<u>(2,878)</u>
EXPENDITURES:				
Current:				
Street maintenance	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>12,175</u>	<u>12,175</u>	<u>9,297</u>	<u>(2,878)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(30,379)	(12,125)	(12,889)	(764)
Total other financing sources (uses)	<u>(30,379)</u>	<u>(12,125)</u>	<u>(12,889)</u>	<u>(764)</u>
Net change in fund balances	(18,204)	50	(3,592)	(3,642)
FUND BALANCES:				
Beginning of year	3,603	3,603	3,603	-
End of year	<u>\$ (14,601)</u>	<u>\$ 3,653</u>	<u>\$ 11</u>	<u>\$ (3,642)</u>

City of Blue Lake, California

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

TDA Purchased Transportation Special Revenue Fund

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 32,375	\$ 32,375	\$ 32,375	\$ -
Investment earnings	270	270	12	(258)
Total revenues	32,645	32,645	32,387	(258)
EXPENDITURES:				
Current:				
Public transit	32,375	32,375	31,875	500
Capital outlay	-	-	-	-
Total expenditures	32,375	32,375	31,875	500
REVENUES OVER (UNDER) EXPENDITURES	270	270	512	242
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	270	270	512	242
FUND BALANCES:				
Beginning of year	910	910	910	-
End of year	\$ 1,180	\$ 1,180	\$ 1,422	\$ 242

City of Blue Lake, California

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

AB-939 Solid Waste Reduction/ Recycling Special Revenue Fund

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 8,500	\$ 9,250	\$ 13,826	\$ 4,576
Investment earnings	400	400	67	(333)
Total revenues	<u>8,900</u>	<u>9,650</u>	<u>13,893</u>	<u>4,243</u>
EXPENDITURES:				
Current:				
Recycling	<u>6,737</u>	<u>16,290</u>	<u>10,688</u>	<u>(5,602)</u>
Total expenditures	<u>6,737</u>	<u>16,290</u>	<u>10,688</u>	<u>(5,602)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,163</u>	<u>(6,640)</u>	<u>3,205</u>	<u>9,845</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>2,163</u>	<u>(6,640)</u>	<u>3,205</u>	<u>9,845</u>
Residual equity transfer in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES:				
Beginning of year	<u>17,583</u>	<u>17,583</u>	<u>17,583</u>	<u>-</u>
End of year	<u>\$ 19,746</u>	<u>\$ 10,943</u>	<u>\$ 20,788</u>	<u>\$ 9,845</u>

City of Blue Lake, California

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

Regional Surface Transportation Program Special Revenue Fund

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 9,000	\$ 10,582	\$ -	\$ (10,582)
Investment earnings	85	10	-	(10)
Total revenues	<u>9,085</u>	<u>10,592</u>	<u>-</u>	<u>(10,592)</u>
EXPENDITURES:				
Current:				
Street maintenance	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>9,085</u>	<u>10,592</u>	<u>-</u>	<u>(10,592)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(9,085)	(10,582)	(12)	10,570
Total other financing sources (uses)	<u>(9,085)</u>	<u>(10,582)</u>	<u>(12)</u>	<u>10,570</u>
Net change in fund balances	-	10	(12)	(22)
FUND BALANCES:				
Beginning of year	12	12	12	-
End of year	<u>\$ 12</u>	<u>\$ 22</u>	<u>\$ -</u>	<u>\$ (22)</u>

City of Blue Lake, California
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Recreation Economic Analysis Fund
For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 270,000	\$ 270,000	\$ -	\$ (270,000)
Investment earnings	-	-	-	-
Total revenues	<u>270,000</u>	<u>270,000</u>	<u>-</u>	<u>(270,000)</u>
EXPENDITURES:				
Current:				
Parks and recreation	270,000	270,000	48,453	221,547
Total expenditures	<u>270,000</u>	<u>270,000</u>	<u>48,453</u>	<u>221,547</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(48,453)</u>	<u>(48,453)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>(48,453)</u>	<u>(48,453)</u>
FUND BALANCES:				
Beginning of year	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (48,453)</u>	<u>\$ (48,453)</u>

City of Blue Lake, California

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

American Rescue Plan - COVID Relief Fund

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 148,915	\$ 148,915	\$ 148,915	\$ -
Investment earnings	-	-	-	-
Total revenues	<u>148,915</u>	<u>148,915</u>	<u>148,915</u>	<u>-</u>
EXPENDITURES:				
Current:				
General government	98,914	98,914	95,446	3,468
Capital outlay	50,000	50,000	10,000	40,000
Total expenditures	<u>148,914</u>	<u>148,914</u>	<u>105,446</u>	<u>43,468</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1</u>	<u>1</u>	<u>43,469</u>	<u>43,468</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>1</u>	<u>1</u>	<u>43,469</u>	<u>43,468</u>
FUND BALANCES:				
Beginning of year	-	-	-	-
End of year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 43,469</u>	<u>\$ 43,468</u>

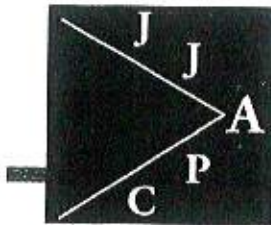
City of Blue Lake, California

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

State Park Per Capita Program Fund

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 177,000	\$ 177,000	\$ -	\$ (177,000)
Investment earnings	-	-	-	-
Total revenues	<u>177,000</u>	<u>177,000</u>	<u>-</u>	<u>(177,000)</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Capital outlay	177,000	177,000	9,707	167,293
Total expenditures	<u>177,000</u>	<u>177,000</u>	<u>9,707</u>	<u>167,293</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(9,707)</u>	<u>(9,707)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>(9,707)</u>	<u>(9,707)</u>
FUND BALANCES:				
Beginning of year	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,707)</u>	<u>\$ (9,707)</u>



JJACPA, Inc.

A Professional Accounting Services Corp.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Independent Auditor's Report

To the Honorable Mayor and City Council
of the City of Blue Lake
Blue Lake, California

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison information of the City of Blue Lake, California (City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 20, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses. However, material weaknesses may exist that we have not identified.

To the Honorable Mayor and City Council
of the City of Blue Lake
Blue Lake, California

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

October 20, 2023

JJACPA, Inc.
JJACPA, Inc.
Dublin, CA



CITY OF BLUE LAKE

Post Office Box 458
Phone 707.668.5655

111 Greenwood Road

Blue Lake, CA 95525
Fax 707.668.5916

AGENDA REPORT

Item #: 7

Date: October 24, 2023

Item Subject: Humboldt 350 Presentation Regarding Biomass Production in Humboldt County

Submitted By: Mandy Mager

General Information: Humboldt 350 has requested the opportunity to present on biomass production and impacts in Humboldt County. Redwood Coast Energy Authority will be available to answer questions regarding local production operations and impacts on the local energy production portfolio.

Background Material Provided: Humboldt 350 PowerPoint presentation.

Fiscal Impact: N/A

Recommended Action: As Council discussion directs.

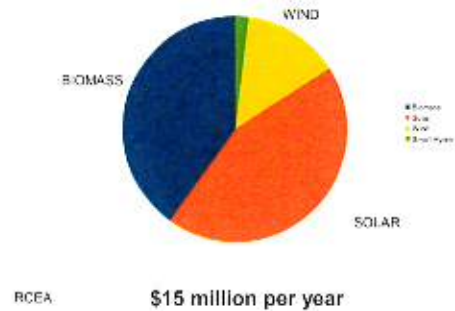
Agenda Item Review Information:	
City Manager Review: <input checked="" type="checkbox"/>	Legal Review: <input type="checkbox"/> Planner Review: <input type="checkbox"/> Engineer Review: <input type="checkbox"/>
Comments:	
After Action Information:	
Date Action Taken:	Notes:
Action Taken: Approved: <input type="checkbox"/>	Denied: <input type="checkbox"/> Tabled: <input type="checkbox"/> Other: <input type="checkbox"/>
Council Vote: Jones: <input type="checkbox"/>	Shull: <input type="checkbox"/> Mackay: <input type="checkbox"/> Edgar: <input type="checkbox"/> Scafani: <input type="checkbox"/>

Humboldt Coalition for Clean Energy

350 Humboldt
 Humboldt Unitarian Climate Action Campaign
 EPIC
 Northeast Environmental Center
 Women's Int'l League for Peace and Freedom-Humboldt
 Humboldt Health Care for All
 Buddhist Peace Fellowship
 HOPE Coalition
 Redwood Alliance
 Lost Coast League
 Sierra Club Redwoods North Group
 Friends of the Eel River
 Humboldt Green Party
 Humboldt Democratic Central Committee
 Humboldt Progressive Democrats
 Climate Health Now
 CA Alliance for Retired Americans-North State
 CA Nurses for Environmental Health and Justice

1

Biomass is 40% of RCEA's Renewable Portfolio



2

Humboldt Redwood Company & Humboldt Sawmill Company Scotia, CA

On average, 51% of a redwood sawlog ends up as waste.
 HSC burns around 200,000 bone dry tons per year



3

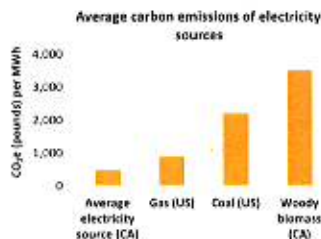
Why we should not spend \$15 million per year to incinerate mill waste:

Not cool.
 Not clean.
 Not just.
 Not necessary.



4

NOT COOL



from CPUC 2018

5

Scotia Biomass

2.27 MT CO₂e/MWh

Annual 289,500 MT

equivalent to 75% of Humboldt's passenger vehicle emissions

PGE gas plant with maximum upstream

0.77 MT CO₂e/MWh

Less emissions trucking to Anderson

1.71 MT CO₂e/MWh 25% more efficient
 Combustion 217,000 MT
 Trucking well to wheel 11,542 MT

CARB, CEC, FM Logistics

6

Biomass plants lose efficiency with age.
Power becomes dirtier and more carbon intense.

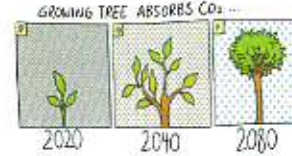
HSC plant is 37 years old
Useful life of biomass CHP plant is 20-30 years. NREL
Initial electric efficiency of 80's vintage plants was 24% NREL
Between 2001 and 2021 HSC's efficiency decreased 53%
(CEC Heat Rates)



Plant must burn 53% more wood and emit 53% more pollution now to produce a kw of electricity than in 2001

7

>800 tons of CO2e/day
Starts warming right away
40+ years for new growth to reabsorb



8

Climate Emergency Now



Hottest summer and September in recorded history

NOAA

9

NEXT DECADE: 6 GLOBAL TIPPING POINTS



McKay et al. SCIENCE 9 Sep 2022 Vol 377 Issue 6611

10

National Resource Defense Council:

Burning forest biomass cannot reduce emissions compared with fossil fuels within timeframes relevant to averting the worst dangers of climate change.

Center for Biological Diversity:

Biomass could be a significant factor ... in pushing us past the point of no return.

California Sierra Club

Conventional biomass incineration is an irresponsible means of generating electricity.

11

NOT CLEAN.



LEGAL POLLUTION

12

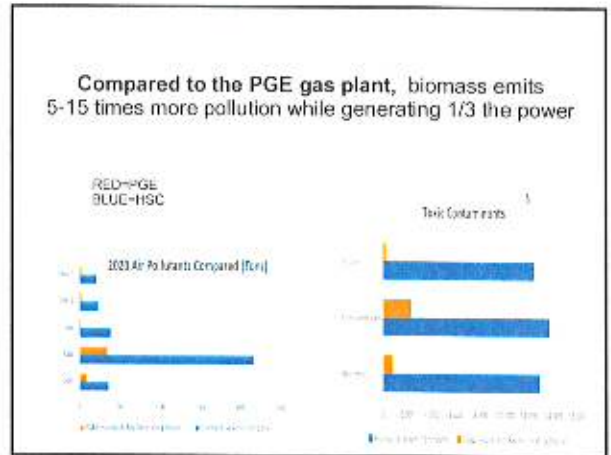
CLEAN AIR ACT
Not health based.
Average of the "cleanest" 12%

	BIOMASS	COAL
PM lb/mmbtu	.034	.031
CO ppm	1100	150

EPA's new proposed pm limit for coal is .01 lb/mmbtu

(EPA Boiler MACT and MATS)

13



14

Annual Criteria Pollutants When Compliant (tons)

Primary pm	32
Secondary pm	
SO2	39
VOCs	66
NOx	239
Ammonia	560
Carbon Monoxide	634

(Surrogate for air toxics) -----

1,570 Tons/year

see near power plant 3-19-20

15

Biomass responsible for 7-8 respiratory ER visits per month from Scotia and Rio Dell

Dr Candy Stockton, Humboldt County Public Health Officer

16

CO-Benefits Risk Assessment Health Impacts Screening and Mapping Tool (COBRA)

COBRA Web Edition

CO-Benefits Risk Assessment (COBRA) is a screening tool that enables state, local, and tribal government staff and others interested in the effects of air pollution to estimate the air quality and health benefits of different emissions scenarios.

Scotia biomass annual health impact

\$3-7 million per year

17

Health organizations oppose biomass.

Humboldt Del Norte Medical Society

18

ILLEGAL POLLUTION

"I stopped reporting. The guy always made excuses about "oh the sun's behind the plume that's why it seems more opaque. So I gave up."

Scotia Resident



19

WHO ENFORCES?

North Coast Unified Air Quality Management District

- Issue permits
- Monitor emissions
- Ensure compliance with state and federal regulations
- Issue Notices of Violation & negotiate settlements

20

HOW DO THEY KNOW?

Stack test – Direct measurement
Every 1-3 years (depending on prior results)



EPA Boiler MACT

"Anyone can pass a stack test."

Will Stricker, former attorney for EPA & CARB

21

Continuous Emissions Monitoring Systems



MOST IMPORTANT FOR PROTECTING COMMUNITY

22

Monitors only protect when results are:

Reported Promptly
Measured Accurately
Interpreted Correctly

6 year record review 2017-2022

2016 Humboldt Redwood Company's biomass bid
Claimed only 1 air quality violation and good legal standing.
Withholding 12 months of monitoring data from the air district.

23

>700 violations

BOILER A
North Coast Unified
Air Quality Management District
771 - First Lane, CA 95521
Phone: (707) 443-9200 FAX: (707) 443-9200
www.ncuamd.org



February 15, 2017
NOTICE OF VIOLATIONS:
NOVA 160203

CRIMINAL FACT

- The Humboldt Redwood Company (HRC) is the owner/operator of 4 boilers (B-1 and B-2) (Boiler A and B) and 2 boilers (Boiler C and D) (Boiler C and D) located at the Humboldt Redwood Company Biomass Fuel Processing Facility, 771-First Lane, CA 95521.
- The HRC Boiler A and B are subject to the requirements of the Federal Boiler and Pressure Vessel Act (BPV) and the California Air Resources Board (CARB) Boiler and Pressure Vessel Act (BPV).
- The HRC Boiler A and B are subject to the requirements of the Federal Boiler and Pressure Vessel Act (BPV) and the California Air Resources Board (CARB) Boiler and Pressure Vessel Act (BPV).
- Based on the HRC Boiler A and B monitoring system (CEMS) data received by NCUAMD, HRC has violated the CEMS monitoring system during the time period from 10/15/2016 to 10/15/2017. The HRC Boiler A and B CEMS monitoring system has failed to report data for 121 days in which monitoring points exceed the 99th Percentile annual limit for the Carbon Dioxide (CO2) level in the ambient air.

24

2016-2022

Monitoring problems continued

INACCURATE MEASUREMENTS QA not done

MISINTERPRETED RESULTS

20% opacity allowed when EPA limit was 10%

(NOUAGMD 2023)

25

September 2022 Stack test



Uncovered malfunctioning pollution controls on 2 out of 3 boilers
AND failure of real time warning system

Particulate levels were **DOUBLE** the allowable limit, and opacity monitors **READ AS OK.**

FOR HOW LONG?


(NOUAGMD 2022)

26

2017-2023

>100 violations of Clean Air Act

37+ violations of Clean Water Act



PGE Humboldt Bay Generating Station: ZERO

27

> 80 Air Toxics from Biomass

Benzene	Cancer
Formaldehyde	Asthma
Acrolein	Reproductive problems
Dioxin	Developmental problems
Polycyclic aromatic hydrocarbons (PAH)	Endocrine disruption
Arsenic	Immune system damage
EPA, AP-42 1.6 Wood Residue Combustion in Boilers	Liver & Kidney damage

28

CA Toxic Hot Spot Program

Health Based 4 Step Program

1. Toxic Emissions Inventory
2. Prioritization Score
3. Assess Health Risk to Community
- 4a. High Risk: Inform/Reduce
- 4b. Medium Risk: Repeat every 4 years

(1) (b) (5) - Health and Family Code 20201

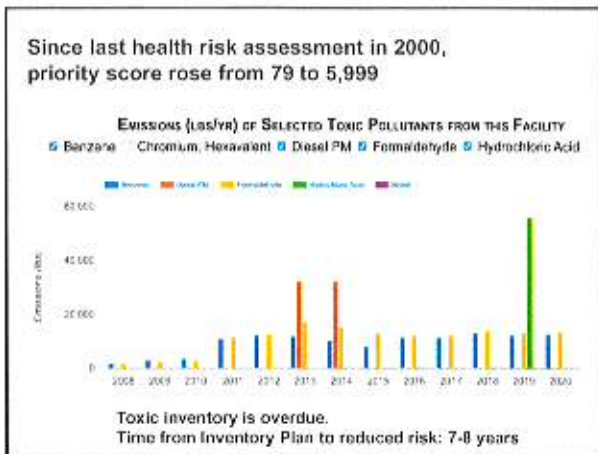
29

TOXIC EMISSIONS EXCEED DISTRICT'S HIGH PRIORITY THRESHOLD



Facility	Inventory Year	Above High Threshold?	District Prioritization Threshold	
			High	Low
Chemical Production		Yes	10	10
Chemical Production		Yes	10	10
Acid Production		Yes	10	10

30



31

NOT JUST.

HUMBOLDT PEOPLE AT RISK

3 blocks from plant
Starwood Murphy Elementary
178 students
32% non-white,
74% economically disadvantaged

Groups At Risk	Count
Total Population	136,754
Pediatric Asthma	1,632
Adult Asthma	8,751
COVID	5,140
Lung Cancer	56
Cardiovascular Disease	7,360
Diabetes	11,800
Children Under 18	26,310
Adults 65 & Over	23,344
Poverty Estimate	26,162

Am. Lung Assoc 2022

32



33

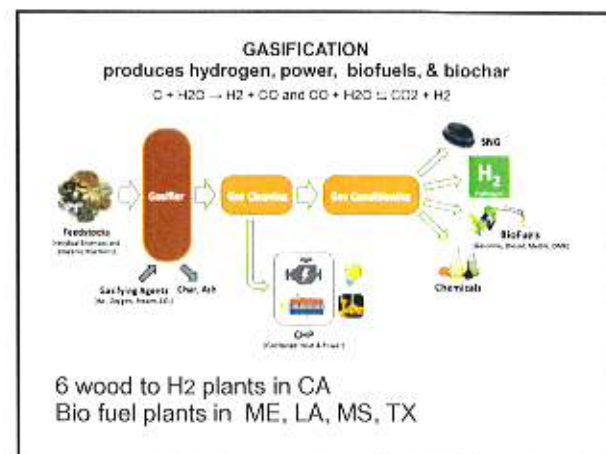
NOT NECESSARY

AB 1826, CA Health & Safety Code 41800

34



35



36

Gasification less polluting than combustion

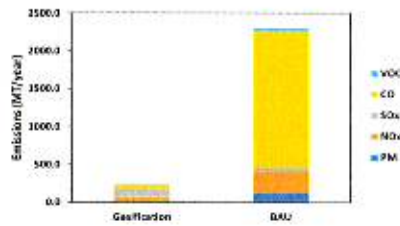


Figure 1. Comparison of emissions for gasification and B&W case.

(Barlow, 2009)

37

Clean wood waste LCA comparison ranked best to worst (Morris, 2016)

	GIG	HEALTH
Heating fuel instead of high sulfur coal	1	1
Recycle of into wood products	2	2
Paper pulp	3	3
Heating fuel instead of natural gas	4	6
Combustion for electricity	5	4

38

In 2019 RCEA promised 100% "clean and renewable" energy by 2025



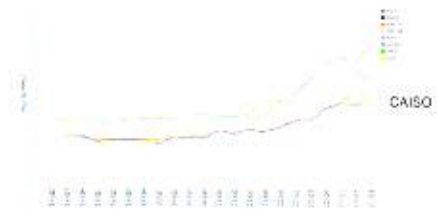
Then extended biomass contract till 2031
AT STAKE: \$120 million 2.4 Billion tons CO2e

Violations = Opportunity to terminate contract and keep clean energy commitment.

39

Prices are levelling off. Level Ten Energy PPA Price Index

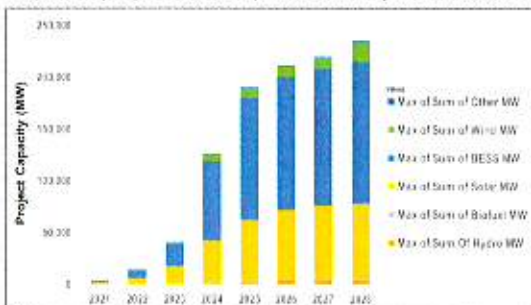
Solar P25 Price Indices by ISO



40

Lots more clean sources coming online

Requested Capacity & Commercial Operation Date of Projects in the ISO Queue



"The volume seeking in-service dates of 2025 or earlier is over 10 times the amount (CPUC) required." CAISO 2022

41

Goal: Clean energy future

All RCEA's renewable dollars support clean energy

Biomass profitability⁴ drops due to reputational damage, speeding switch to cleaner alternative.

*currently \$68/mwh, \$20/mwh higher than solar

42



CITY OF BLUE LAKE

Post Office Box 458
Phone 707.668.5655

111 Greenwood Road

Blue Lake, CA 95525
Fax 707.668.5916

AGENDA REPORT

Item #: 8

Date: October 24, 2023

Item Subject: Exclusive Negotiating Agreement with Kenneth and Tasha Eisner for City-Owned Assessor Parcel Number(s): 025-201-019 and 025-201-009.

Submitted By: Mandy Mager-City Manager

General Information: Tasha and Kenneth Eisner have contacted the City regarding the potential purchase of the parcel commonly referred to as the City Corporation Yard. The Eisner's have met with the City Manager to review the zoning for the parcel and the related appraisal documents.

The Eisners are proposing to enter into an Exclusive Negotiating Agreement with the City of Blue Lake to further explore development options for the parcel. The Exclusive Negotiating Agreement is a mechanism by which the owner and the potential developer can explore development opportunities exclusively for a designated period of time.

Any future proposal to purchase the property from the City would be brought forward to the Council for consideration. The ENA does not bind the City to a future sale, but does require that the City negotiate in good faith with the potential developer in the event that they present a project and offer that meet the objectives of the Council and the related zoning standards.

Background Material Provided: Draft Exclusive Negotiating Agreement

Fiscal Impact: Consideration and cost recovery actions are identified in the ENA

Recommended Action: Authorize the City Manager, and the City Attorney, to negotiate an Exclusive Negotiating Agreement with Tasha and Kenneth Eisner for Assessor Parcel Number(s): 025-201-019 and 025-201-009; and authorize City staff, including the City Manager, the City Planner and the City Engineer to explore development options for the parcels.

Agenda Item Review Information:				
City Manager Review: <input checked="" type="checkbox"/>	Legal Review: <input checked="" type="checkbox"/>	Planner Review: <input type="checkbox"/>	Engineer Review: <input type="checkbox"/>	
Comments:				
After Action Information:				
Date Action Taken:		Notes:		
Action Taken: Approved: <input type="checkbox"/>	Denied: <input type="checkbox"/>	Tabled: <input type="checkbox"/>	Other: <input type="checkbox"/>	
Council Vote: Jones: <input type="checkbox"/>	Shull: <input type="checkbox"/>	Mackay: <input type="checkbox"/>	Edgar: <input type="checkbox"/>	Scafani: <input type="checkbox"/>

October 17, 2023

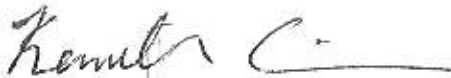
Tasha & Kenneth Eisner
PO Box 2812
McKinleyville, CA 95519

City of Blue Lake
PO Box 458
Blue Lake, CA 95521-0458

Blue Lake City Manager, Ms. Amanda Mager;

We would like to express our desire to enter into an Exclusive Right to Negotiate Agreement with the City of Blue Lake for the Purchase of the City Corporation Yard.

Thank-you



Kenneth Eisner



Tasha Eisner

Apn: 025-201-019
025-201-009]

EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT

(City of Blue Lake—EISNER)

This EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT (this "Agreement") is made and entered into on this _____ day of _____, 2022 ("Effective Date") by and between Tasha and Kenneth Eisner ("EISNER"), and the City of Blue Lake, California ("CITY"). Where collective reference is intended EISNER and the CITY are hereinafter referred to as the "Parties."

RECITALS

A. WHEREAS, CITY owns land located in the City of Blue Lake, County of Humboldt, California, and depicted in the Site Map attached hereto as **Exhibit "A"** ("Site A").

B. WHEREAS, EISNER hopes to investigate Site A to evaluate the potential to design and develop the real property for commercial/retail uses, and has approached the CITY about the potential of purchasing or leasing the Site A for development (the "Potential Sale/Lease").

C. WHEREAS, no specific project is currently proposed by EISNER for Site A at this time, but in order to assess the feasibility of doing so and incurring the cost and expense related to the same, EISNER has requested that the City grant it an exclusive right to negotiate for a sale and/or long term ground lease, resulting in the preparation of this Agreement.

D. WHEREAS, any actual development on Site A and successful completion of a project is expected to require that the Parties enter into a purchase agreement or lease relating to Site A, as well as a project agreement and analysis under the California Environmental Quality Act ("CEQA") (California Public Resources Code Section 21000, et seq.), relating to the rights and obligations of the Parties in the construction and operation of any project.

NOW, THEREFORE, the Parties agree to negotiate exclusively and in good faith to consider entry into a sale or lease agreement for Site A upon the following terms and conditions:

AGREEMENT

1. Agreement to Negotiate Exclusively: Good Faith Negotiations.

A. CITY agrees that, during the Negotiation Period (as defined in Section 2 below) and provided that EISNER is not in default of its obligations under this Agreement, CITY shall negotiate exclusively and in good faith with EISNER with respect to the sale or lease to be entered into between CITY and EISNER. During the negotiation period, CITY shall not solicit or entertain offers or proposals from other parties concerning similar offers at Site A. However, in no way does this Agreement limit CITY in the research or pursuit of its own activities on Site A, so long as activities are conducted by the CITY and not third parties.

B. The Parties agree, in consideration of this Agreement, to negotiate in good faith with each other with respect to any proposed sale or lease and evaluate necessary government approvals and to cooperate in the preparation thereof. The Parties shall provide each other with any information regarding the Site that may be reasonably requested by the other Party that exists at the time of the request.

2. Period of Negotiation.

A. The Parties agree to negotiate in good faith for a period of six (6) months from the Effective Date ("Negotiation Period"). If the Parties have not executed any lease or sale agreements by the end of the Negotiation Period, then this Agreement shall automatically terminate, provided, however, that the Parties may, at their sole discretion, mutually agree to extend the term of this Agreement for an additional period of up to one (1) year, subject to approval by the City Council for the CITY.

B. EISNER agrees to make meaningful progress toward determining the feasibility of a project during the Negotiation Period. Meaningful progress shall include the following:

1. EISNER, at its sole expense, shall conduct a physical inspection of Site A within the first 60 days of the Negotiation Period, and

2. EISNER, at its sole expense, shall conduct any preliminary soils and/or geotechnical inspections of Site A it deems necessary during the Negotiation Period, and

3. EISNER, at its sole expense, shall conduct a title search of Site A during of the Negotiation Period, and

4. EISNER shall pursue and explore possibilities for project financing during the Negotiation Period.

C. Upon termination of this Agreement, any interest that EISNER may have in Site A or under this Agreement shall immediately cease and terminate.

3. Compensation for CITY Expenses.

A. The agreements contemplated herein are outside the normal scope of operations for CITY, and as such require professional assistance to negotiate an agreement that protects the interests of CITY and its citizens. Consequently, EISNER agrees to pay CITY the sum of Five Thousand Dollars (\$5,000.00) as consideration for the Negotiation Period and this Agreement (the "Exclusivity Payment"). In the event that the parties enter into a lease or sale agreement, the Exclusivity Payment may be credited against the first revenue payment due to CITY by EISNER pursuant to those agreements.

B. EISNER shall bear all costs to be incurred as a result of compliance with the California Environmental Quality Act and the National Environmental Protection Act, including, but not limited to, preparation of an environmental impact report, if required, or any other

required studies or documents related to any lease and/or sale of Site A. EISNER shall also defend and indemnify CITY and bear all costs, expenses, and attorney's fees associated with responding to or defending against claims that may be filed against EISNER and/or CITY in connection with defending such environmental analyses, studies or documents from challenge by third parties.

4. Test and Surveys.

A. During the Negotiation Period, EISNER shall conduct only such tests, surveys, and other analyses as the EISNER reasonably deems necessary to determine the feasibility of entering a lease or purchase agreement for Site A and, further, only as permitted under Section 4.B., below.

B. For the purpose of conducting these tests and surveys, CITY shall provide to EISNER, its agents, and representatives, the right to enter onto the Sites and to conduct such tests, surveys, and other procedures desired by EISNER ("Tests"), provided the EISNER requests access at least two (2) business days prior to entry, and, further, any such tests or surveys that involve earth disturbance shall first be approved in writing by CITY, and CITY and EISNER, at EISNER sole expense, shall comply with any requirements under CEQA that may apply to such tests or surveys. In the event that additional steps are required to be taken to comply with CEQA or any other law, it is understood that CITY may require more than two (2) days' notice. Upon the conclusion of all such tests, surveys, and other analyses EISNER shall return the Site to its condition prior to such tests or surveys. EISNER shall also defend, indemnify and hold harmless CITY from and against all costs, expenses, claims, causes of action, damages to persons or property, and liabilities of every type and nature arising out of or related to EISNER' and its employee's, agents' and/or contractors' access to, inspections, tests and/or studies conducted on Site A or surrounding properties.

C. EISNER shall provide copies of all studies, tests and surveys relating to the condition of Site A and/or surrounding properties to the CITY, once completed, including, without limitation, all environmental studies (Phase I and/or Phase II Environmental Assessments, if obtained), hydrology studies, geotechnical studies, surveys and similar tests and studies, but EISNER does not warrant in any way, express or implied, the accuracy or validity of all such inspections, tests, surveys and/or studies, and all use by CITY of same is solely at CITY's risk and expense. If the City shall later use or rely upon any such inspections, tests, surveys and/or studies but thereafter said inspections, tests, surveys and/or studies be determined inaccurate, incomplete, or defective in any way, without limitation, CITY shall defend, indemnify and hold harmless EISNER from all costs, expenses, claims, causes of action, damages to persons or property, and liabilities of every type and nature arising out of or related to the CITY'S use of such inspections, tests, surveys and/or studies, and/or the CITY'S reliance on the accuracy and/or validity of all such inspections, tests, surveys and/or studies.

5. **Purchase Agreement and Ground Lease Negotiations.**

The purchase agreement and/or ground lease, if entered and mutually agreeable to the Parties, shall include, without limitation, all of the following EISNER obligations and restrictions:

(a) (1) Design of the Project, which shall be subject to approval of CITY and compliance with all requirements and regulations of the CITY and other public agencies having jurisdiction; (2) Scope of Development; (3) Schedules of Performance; and (4) Other documents regulating the progress and development of any project at Site A. If negotiations result in a ground lease or purchase agreement, the lease or purchase agreement shall become final only upon approval by the City Council for the CITY.

(b) Supervision of all improvements comprising any project, the completion of which shall be: (1) overseen by EISNER upon terms mutually agreeable to the Parties, and (2) free of mechanics' liens and liens other than those respecting the financing of the project to the extent agreed to by CITY, in its sole discretion.

(d) Reasonable restrictions on transfer or assignment of (1) any purchase agreement or lease and (2) change in controlling ownership of any entity EISNER may form for the purchase or lease.

(e) If a ground lease is negotiated, provisions in the lease addressing the (1) term, (2) lease area description, (3) amount and schedule of rents or equivalent payments by EISNER to CITY, and (4) all other essential terms of ground lease.

(f) Reasonable security to assure EISNER's performance under any ground lease, performance and payment bonds, competitive bidding and payment of prevailing wages to the extent required by law.

6. **Development Goals of CITY.**

In negotiating the ground lease and/or any purchase agreement, CITY has the following development goals:

- (a) Continued use of Site A consistent with their current uses and all applicable Zoning and General Plan requirements.
- (b) Community development beneficial to the CITY and its residents.
- (c) Generation of commerce and tax revenue to/for the CITY.
- (d) Creation of jobs and economic opportunities.
- (e) Generation of new revenues for the CITY and utilization of underutilized real property.

7. **Topics for Negotiation; Future CEQA Compliance.**

The topics for negotiation shall include, among other things: (i) EISNER's right to lease or purchase Site A; (ii) method of calculating and paying ground lease rents, purchase price or equivalent payments; (iii) the terms of the proposed lease or sale agreement including necessary covenants, conditions and restrictions affecting the Site; (iv) air rights use; (v) management of the any project; (vi) the schedule of performance; (vii) availability of the Site to the EISNER; (viii) proposed land uses; (ix) Site layout; (x) preliminary design and architectural concepts and plans; (xi) aesthetic considerations; (xii) the quality and type of construction; (xiii) environmental responsibilities; (xiv) the EISNER's responsibility to obtain environmental clearances (including, without limitation, CEQA compliance), licenses and other entitlements, and project financing; and (xv) any other considerations necessary to fully implement any proposed project in a timely fashion.

The Parties expressly agree and acknowledge that nothing in this Agreement commits either the CITY or EISNER to any specific project, plan or other obligation or design with respect to Site A or any other property. Any use and development of Site A is expressly contingent on compliance with CEQA. In connection therewith, CITY expressly reserves the right to select alternatives to any project EISNER may propose (including the no project alternative), impose mitigation measures, or reject any project proposed.

8. Broker's Fees.

The Parties represent and warrant to each other that no broker or finder has been engaged or is in anyway connected with the transactions contemplated by this Agreement. In the event any claim for broker's or finder's fees is made in connection with the transactions contemplated by this Agreement, the Party upon whose statement, representation or agreement the claim is made shall indemnify, save harmless and defend the other Party from and against such claims. CITY is advised that, if a ground lease or purchase agreement is negotiated and entered with the CITY, EISNER contemplates engaging a commercial real estate agent to assist with build-out leasing and identification/retention of qualified tenants.

9. Assignment.

EISNER shall not assign any interest in this Agreement without the express written consent of CITY, which consent shall not be unreasonably withheld. As a condition to any proposed assignment of this Agreement, EISNER shall be required to make full disclosure to CITY of the proposed assignee's principals, officers, stockholders, partners, etc., and all other pertinent information concerning the assignee and its associates. EISNER may freely assign this Agreement to an entity in which EISNER holds one hundred percent (100%) of the equity, stock or membership interests.

10. CITY Obligations.

A. During the Term of this Agreement, CITY shall deliver, at EISNER's expense, within 30 days of receipt of written request thereof, any unprivileged existing CITY-owned information, studies, reports, site and construction plans or other documents which EISNER may reasonably request to facilitate any proposed project design. The Parties shall cooperate to ensure

timely review and revision of any EISNER documents or plans. In addition, subject to cost reimbursement as noted below, CITY shall provide to EISNER reasonable access to CITY's design staff personnel familiar with the Site and CITY's third party consultants and engineers familiar with the Site for the purpose of aiding EISNER in understanding the physical aspects of Site A. EISNER shall bear all costs that may arise associated with making CITY's third party consultants and engineers available to EISNER. Any studies, plans, or other documents made available to EISNER by CITY shall be held in confidence by EISNER, shall not be disclosed to third parties without the consent of CITY, and shall be returned to CITY upon expiration or termination of this agreement.

B. This Agreement is an agreement to enter into a period of exclusive negotiations according to the terms hereof. CITY and EISNER each expressly and respectively preserve the right to decline to enter into a lease, purchase or other agreement in the event the Parties fail to negotiate an agreement to the mutual satisfaction of CITY and EISNER. Except as expressly provided in this Agreement, CITY and EISNER shall have no obligations or duties hereunder and shall have no liability whatsoever in the event the Parties fail to timely execute a purchase agreement or lease, except as expressly identified herein.

C. EISNER acknowledges and agrees that CITY has not agreed to fund, subsidize or otherwise financially contribute in any manner toward the development of the any project on Site A.

D. By its execution of this Agreement, CITY is not committing to or agreeing to undertake: (i) disposition of land to EISNER; (ii) implicit or tacit approval or consideration of any project EISNER may propose on Site A; or (iii) any other acts or activities requiring the subsequent independent exercise of discretion by CITY. The Parties recognize that one or more of the conditions to EISNER's proposal set forth herein may fail to be met as a result of subsequent studies, reviews and proceedings invoking the exercise of discretion by CITY or any public agency having regulatory jurisdiction.

11. Non-Liability of CITY Officials and Employees.

Without limiting the provisions set forth herein, no member, official, representative, council member, attorney, or employee of CITY shall be personally liable to EISNER or any successor in interest, in the event of any default or breach by CITY of any obligations under the terms of this Agreement, or of any amount which may become due to EISNER or to its successor under the terms of this Agreement.

12. Plans, Reports, Studies and Investigation.

All plans, reports, studies, or investigations (collectively, "Plans") prepared by or on behalf of EISNER with respect to Site A and any development project thereon are the sole property of EISNER. Should CITY wish to review the development Plans outside of the normal course and scope of CITY-required building permitting and related inspections, EISNER shall, upon request by CITY, provide CITY, without cost or expense to CITY, copies of same for confidential review, and under such circumstances CITY agrees that it will protect the confidentiality of such Plans and not copy or otherwise distribute or share any portion of such

Plans to anyone, absent the prior written consent of EISNER. Upon termination of this Agreement, CITY shall be entitled to obtain and utilize any such plans, inspections or studies, as stated herein.

13. Entire Agreement: Attorneys' Fees.

This Agreement represents the entire agreement of the Parties with respect to the matters set forth herein. This Agreement may not be amended except in writing signed by all of the Parties hereunder. If any Party brings an action or files a proceeding in connection with the enforcement of its respective rights or as a consequence of any breach by another Party of its obligations hereunder, then the prevailing Party in such action or proceeding shall be entitled to have its reasonable attorney's fees and costs paid by the losing Party.

14. Notices.

All notices required or permitted hereunder shall be delivered in person, by overnight courier, or by registered or certified mail, postage prepaid, return receipt requested to such Party at its address shown below, or to any other place designated in writing by such Party.

CITY OF BLUE LAKE

Amanda Mager
City Manager
P.O. Box 458
Blue Lake, CA 95525

EISNER:

Tasha and Kenneth

Any such notice shall be deemed received upon delivery, if delivered personally, the next business day after delivery by a courier, if delivered by courier, and three (3) days after deposit into the United States Mail, if delivered by registered or certified mail.

IN WITNESS WHEREOF, CITY and EISNER have signed this Agreement as of the dates set forth below.

CITY OF BLUE LAKE:

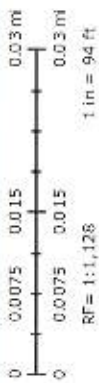
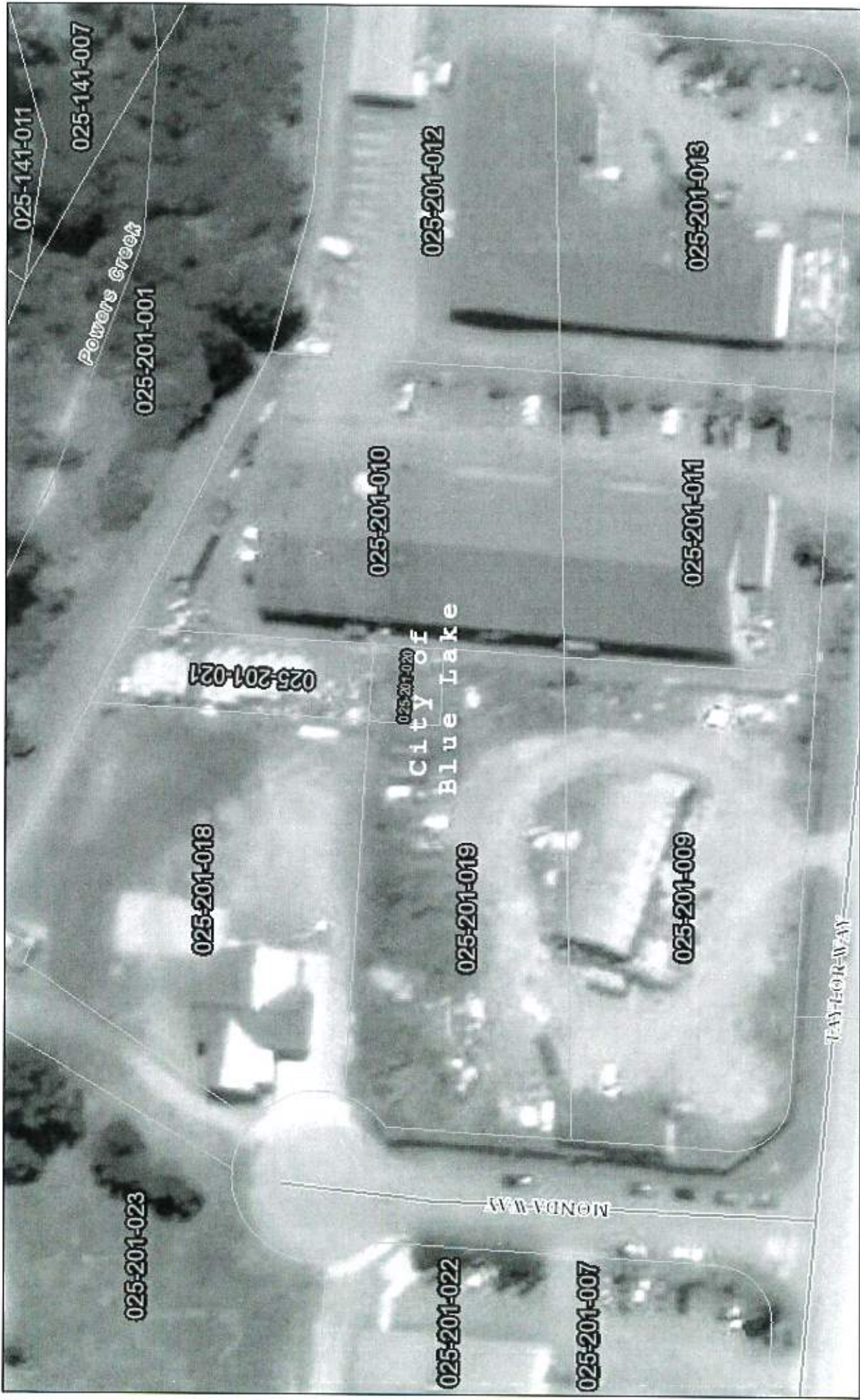
Date: _____ By: _____
Amanda Mager, City Manager

EISNER:

Date: _____ By: _____
Tasha Eisner

Date: _____ By: _____
Kenneth Eisner

**Exclusive Right to Negotiate Agreement
Exhibit A
Site "A" Map—Property Description**



Source: Humboldt County GIS
 Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community
 Source: Esri, Maxar, Earthstar Geographics, and the GIS User Community

- Highways and Roads
 - Principal Arterials
 - Minor Arterials
 - Major Collectors
 - Minor Collectors
 - Local Roads
- Private or Unclassified
- Major River or Stream
- Blue Line Streams
 - Perennial 1-3
 - Perennial >4
- Intermittent
- Subsurface
- City Boundary
- Counties
- Parcels
- Parcels (no APN labels)

Humboldt County WebGIS
 Humboldt County Planning and Building Department
 Web AppBuilder 2.0 for ArcGIS
 6/2/2023, 1:14:11 PM
 Map Disclaimer:
 While every effort has been made to assure the accuracy of this information, it should be understood that it does not have the force & effect of law, rule or regulation. Should any difference or error occur, the law will take precedence.



CITY OF BLUE LAKE

Post Office Box 458
Phone 707.668.5655

111 Greenwood Road

Blue Lake, CA 95525
Fax 707.668.5916

AGENDA REPORT

Item #: 9

Date: October 24, 2023

Item Subject: Humboldt County Sheriff Law Enforcement Contract Presentation

Submitted By: Councilmember Scafani

General Information: Sheriff Honsal and Captain Quenell will be in attendance to answer questions regarding the proposed increase to the City's contract for law enforcement services.

Background Material Provided: None provided

Fiscal Impact: N/A

Recommended Action: No action requested

Agenda Item Review Information:				
City Manager Review: <input type="checkbox"/>	Legal Review: <input type="checkbox"/>	Planner Review: <input type="checkbox"/>	Engineer Review: <input type="checkbox"/>	
Comments:				
After Action Information:				
Date Action Taken:		Notes:		
Action Taken: Approved: <input type="checkbox"/>	Denied: <input type="checkbox"/>	Tabled: <input type="checkbox"/>	Other: <input type="checkbox"/>	
Council Vote: Jones: <input type="checkbox"/>	Shull: <input type="checkbox"/>	Mackay: <input type="checkbox"/>	Edgar: <input type="checkbox"/>	Scafani: <input type="checkbox"/>



CITY OF BLUE LAKE

Post Office Box 458
Phone 707.668.5655

111 Greenwood Road

Blue Lake, CA 95525
Fax 707.668.5916

AGENDA REPORT

Item #: 10

Date: October 24, 2023

Item Subject: Humboldt Transit Authority Contract for Transit Services

Submitted By: Mandy Mager

General Information: Humboldt Transit Authority is providing transit services in the City of Blue Lake as part of their east and westbound 299 routes. Humboldt Transit Authority has proposed to contract with the City for a transit stop at City Hall, and to contract with the Blue Lake Rancheria for a transit stop at the end of Chartin Road.

This service fills an immediate transit need for the community and allows the City to continue to pursue micro transit options. As part of this process, the City Manager is requesting Council authorization to negotiate a contract with Humboldt Transit Authority in an amount not to exceed the adopted transportation budget.

Background Material Provided: N/A

Fiscal Impact: The City's FY 23-24 has an existing budget for transit services; the proposed contract with HTA will not exceed budgeted amounts.

Recommended Action: Authorize the City Manager to negotiate a contract with Humboldt Transit Authority for transit services; contract amount not to exceed the City's adopted FY 23-24 budget for transportation services.

Agenda Item Review Information:				
City Manager Review: <input checked="" type="checkbox"/>	Legal Review: <input type="checkbox"/>	Planner Review: <input type="checkbox"/>	Engineer Review: <input type="checkbox"/>	
Comments:				
After Action Information:				
Date Action Taken:		Notes:		
Action Taken: Approved: <input type="checkbox"/>	Denied: <input type="checkbox"/>	Tabled: <input type="checkbox"/>	Other: <input type="checkbox"/>	
Council Vote: Jones: <input type="checkbox"/>	Shull: <input type="checkbox"/>	Mackay: <input type="checkbox"/>	Edgar: <input type="checkbox"/>	Scafani: <input type="checkbox"/>



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Blue Lake, CA 95525
Fax 707.668.5916

AGENDA REPORT

Item #: 11

Date: October 24, 2023

Item Subject: City of Blue Lake Arts and Heritage Commission Discussion/Action

Submitted By: Mandy Mager-City Manager

General Information: At the September Council Meeting, it was requested that a discussion item be placed on the October agenda to discuss the Arts and Heritage Commission composition, and the possibility of reducing the number of commissioners from seven to five.

Background Material Provided: Arts and Heritage Commission Resolution

Fiscal Impact: N/A

Recommended Action: Review the Arts and Heritage Commission composition and take action as necessary.

Agenda Item Review Information:				
City Manager Review: <input checked="" type="checkbox"/>	Legal Review: <input type="checkbox"/>	Planner Review: <input type="checkbox"/>	Engineer Review: <input type="checkbox"/>	
Comments:				
After Action Information:				
Date Action Taken:		Notes:		
Action Taken: Approved: <input type="checkbox"/>	Denied: <input type="checkbox"/>	Tabled: <input type="checkbox"/>	Other: <input type="checkbox"/>	
Council Vote: Jones: <input type="checkbox"/>	Shull: <input type="checkbox"/>	Mackay: <input type="checkbox"/>	Edgar: <input type="checkbox"/>	Scafani: <input type="checkbox"/>

RESOLUTION NO. 1202

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLUE LAKE ESTABLISHING THE CITY OF BLUE LAKE ARTS AND HERITAGE COMMISSION

The City Council of the City of Blue Lake, California, does resolve as follows:

Section 1. Findings. The City Council hereby makes the following findings:

1. In order to preserve, promote and develop artistic and cultural expression in the City of Blue Lake, the City Council seeks to establish an Arts and Heritage Commission to serve in an advisory capacity to the City Council, Commissions, or City staff as directed by the City Council, and as appropriate in matters pertaining to artistic and cultural preservation, development and expression.
2. The Arts and Heritage Commission shall serve as policy advisors and proponents as appropriate and will actively participate in the furtherance of the City's artistic, cultural and historical development. The Commission will serve as an advocate and as a community partner in the design and development of the City's cultural life and environment, as well as liaison with the City government to achieve these goals.

Section 2. Membership.

The Arts and Heritage Commission shall consist of Seven (7) members who shall be selected for their interest, knowledge or expertise in one or more of the interest areas listed below. The commission may add advisory members, up to Ten (10); advisory members will not serve as voting members and their participation will not affect the establishment of a quorum. Advisory members shall serve in a technical advisory capacity, based upon specific areas of expertise and interest.

The Commission may develop Ad-Hoc committees of less than a majority of voting members to assist with specific projects; Ad-Hoc committees will be established for a specific purpose, with a defined timeframe for dissolution. No fewer than Five (5) members of the Commission shall be residents of the City of Blue Lake, and the remaining members must either live, work or conduct business in the geographical area encompassed within a three (3) mile radius of Blue Lake City Hall.

Commissioners will be appointed by the City Council; Commission members shall receive no compensation. Advisory members will be appointed and removed by majority vote of the Arts and Heritage Commission; Advisory members will not be bound by the resident requirements

established for the Commissioners; Advisory members will be appointed based upon their knowledge and skill sets and their ability to provide technical assistance to the Commission.

Interest Areas:

- Wiyot Cultural Representatives, and/or Practitioners
- Artisans/Craftspeople
- Writers
- Linguists
- Performers
- Historians
- Hobbyists/Handiworkers
- Performing Artists
- Musicians
- Architects
- Designers

Section 3. Appointments and Vacancies

When a vacancy occurs or is anticipated, for whatever reason, the Chair of the Commission shall so certify to the City Council through the City Clerk. The City Council shall declare such vacancy at its next regular meeting and publish notice of the vacancy for at least 30 days. Commission members whose terms have expired or who had previously served on the Arts and Heritage Commission and who desire reappointment shall be considered with other nominees.

Section 4. Term of Office

Commissioners appointed by the City Council will serve a term of two (2) years. Terms of office for each commissioner will be for two years except those initially appointed for one (1) year terms. Appointments will expire on January 30 of the particular year. All Commissioners appointed after January 30 will continue with terms expiring on January 30 of the year closest to the end of their term. When a Commissioner's normal term of office is to expire, the City Council shall declare the vacancy in December at a City Council meeting. The City Council will have the City Clerk notice the vacancy(s) for at least 30 days and will fill the vacancy(s) as soon as possible.

Section 5. Removal

A Commissioner's term of office will terminate if a member fails to meet the established membership criteria, or if the member misses, without cause, three consecutive meetings. Arts

and Heritage Commission members may be removed from office by a simple vote of three or more City Council members.

Section 6. Officers

At its first meeting for the purpose of this year, and thereafter at the first meeting of each calendar year, the Arts and Heritage Commission shall appoint among its members a Chairperson, Vice-Chairperson and Secretary. The Chairperson shall set meeting agendas and provide agenda for public posting 72 hours prior to the meeting; the Chairperson will preside at meetings and call special meetings when necessary. The Vice-Chair shall, in the Chairperson's absence, perform the duties of the Chairperson. The Secretary shall record the minutes of the meetings. The Commission shall designate a Commissioner to represent the Commission at City Council meetings if the Commission wishes to make a presentation to the City Council or if the City Council is considering an item that is under the purview of the Arts and Heritage Commission.

Section 7. Records

Records of the Arts and Heritage Commission proceedings, including such things as agendas and meeting minutes shall be kept as public records and filed with the City Clerk.

Section 8. Meetings

The Arts and Heritage Commission shall hold regular meetings once monthly or as necessary on call of the Commission Chair. Meetings will be held in the City Hall Chamber (Skinner Store), unless adjourned to or scheduled for another place of meeting and written notice has been given. Meetings will normally be held every month at an established time. All meetings and matters of business of the Commission will be conducted in accordance with provisions of the Ralph M. Brown Act, Government Code Section 54950 through 54926, currently enacted and amended by the State of California. The Arts and Heritage Commission will provide regular updates to the City Council either through formal presentation or written reports on a quarterly basis or upon request by the City Council.

The following shall be the order of business at regular meetings of the Arts and Heritage Commission:

1. Roll Call and Establishment of a Quorum
2. Approval of Minutes of Previous Meetings
3. Public Input
4. Action Items
5. Adjournment

Section 8. Duties

The Arts and Heritage Commission shall serve at the direction of the Blue Lake City Council; the Commission shall have the following duties:

1. To serve in an advisory capacity to the City Council, and as appropriate or directed, the City Manager, designated City staff and Commissions, in all matters pertaining to the preservation, promotion and/or development of arts and heritage in the City of Blue Lake;
2. To review all policy issues as requested by the City Council, and as appropriate or directed, the City Manager and designated City staff, regarding arts and heritage and to provide recommendations as appropriate;
3. Recommend to the City Council, the City Manager and as appropriate or directed, designated City staff the creation or amendment of rules, regulations, and ordinances relating to arts and heritage activities in the City of Blue Lake;
4. To advise the City Council, as appropriate or directed, the City Manager and designated City staff on the acquisition and/or use of property for the use and enhancement of arts and cultural activities;
5. To foster relationships with other entities in order to promote and develop programs and projects of mutual benefit;
6. To work with the City Council, as appropriate or directed, the City Manager and designated City staff on implementation of the City's strategic plan and the strategic vision for the City and to provide recommendations on strategic plan updates;
7. Perform other duties relating to arts and culture as may be prescribed by the City Council.

Section 9. Conflict of Interest Code

The provisions of the City of Blue Lake's Conflict of Interest Code shall apply to all members of

the Blue Lake Arts and Heritage Commission.

PASSED AND ADOPTED ON THIS ___ DAY OF SEPTEMBER, 2022, BY THE FOLLOWING ROLL CALL VOTE:

Ayes:

Noes:

Abstain:

Approved:

Adelene Jones, Mayor
City of Blue Lake

ATTEST:

Amanda Mager, City Clerk
City of Blue Lake



CITY OF BLUE LAKE

Post Office Box 458
Phone 707.668.5655

111 Greenwood Road

Blue Lake, CA 95525
Fax 707.668.5916

AGENDA REPORT

Item #: 12

Date: October 24, 2023

Item Subject: Council Liaison and Committee Assignments

Submitted By: Mandy Mager-City Manager

General Information:

At the last City Council meeting, the Council requested an agenda item to discuss current Council assignments and to consider reassigning positions as warranted.

Background Material Provided: City Council Assignment Matrix

Fiscal Impact: N/A

Recommended Action: Council to reassign positions as warranted.

Agenda Item Review Information:			
City Manager Review: <input checked="" type="checkbox"/>	Legal Review: <input type="checkbox"/>	Planner Review: <input type="checkbox"/>	Engineer Review: <input type="checkbox"/>
Comments:			
After Action Information:			
Date Action Taken:	Notes:		
Action Taken: Approved: <input type="checkbox"/>	Denied: <input type="checkbox"/>	Tabled: <input type="checkbox"/>	Other: <input type="checkbox"/>
Council Vote: Jones: <input type="checkbox"/>	Shull: <input type="checkbox"/>	Mackay: <input type="checkbox"/>	Edgar: <input type="checkbox"/> Scafani: <input type="checkbox"/>

**City of Blue Lake
City Council Assignments-2023**

Agency	Meeting Day/Time	Adelene	Angela	Elizabeth	Elise	Chris
RREDC - Redwood Regional Economic Development 520 E St. Eureka	4th Monday @ 6:30 pm 445-9652			P		A
HCAOG - Humboldt County Association of Governments - 2nd Floor Eureka City Hall	3rd Thursday @ 4:00 pm 444-8208	P	A			
HWMA - Humboldt Waste Management Authority - 2nd Floor Eureka City Hall	2nd Thursday @ 5:30 pm 268-8680	P				A
Indian Gaming Grant Funds Commission - County Building - BL Rancheria Liaison	As Needed	A				P
Water Task Force (HBMWD) - Humboldt Bay Municipal Water District - 828 7th St. Eureka	As Needed 443-5018			A	P	
RCEA - Redwood Coast Energy Authority - 517 15th Street, Eureka	3rd Monday @ 3:30 pm 269-1700		A		P	
Blue Lake Chamber of Commerce Liaison	2nd Monday @ 5:30 p.m. at Skinner Store		P	A		
BL Public Safety Commission - Sheriff's Department Liaison	1st Monday @ 6:00 p.m at Skinner Store		A			P
BL Fire Department Liaison	3rd Monday @ 6:30 p.m.			A		P
BL Parks and Recreation Commission Liaison - Skinner Store	1st Wednesday @ 6:30 p.m at Skinner Store				P	A
BL Economic Development Commission Liaison	2nd Tuesday @ 4:30 p.m. @ Skinner Store	A		P		
Mad River Alliance	Quarterly		P	A		
League of CA Cities	Quarterly		A	P		
Mayor Select Committee	As Needed	P	A			
Arts and Heritage Commission	3rd Wednesday at 6:00 PM at Skinner Store or City Hall	A		P		

Mayor: Adelene Jones
Mayor Pro-Tem: Angela Shull





CITY OF BLUE LAKE

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AGENDA REPORT

Item #: 13

Date: October 24, 2023

Item Subject: City Council Agenda Review Committee

Submitted By: Mandy Mager-City Manager

General Information: In order to more effectively review and prepare meeting agendas, staff is requesting the establishment of an agenda review committee, to be comprised of the City Clerk, the City Manager and either one or two Councilmembers.

The committee will review agenda item requests for consistency with the Municipal Code, the Brown Act and Council objectives.

Background Material Provided: Municipal Code Section 2.04.020

Fiscal Impact: N/A

Recommended Action: Council to designate up to two Councilmembers to serve on an agenda setting committee.

Agenda Item Review Information:				
City Manager Review: <input checked="" type="checkbox"/>	Legal Review: <input type="checkbox"/>	Planner Review: <input type="checkbox"/>	Engineer Review: <input type="checkbox"/>	
Comments:				
After Action Information:				
Date Action Taken:		Notes:		
Action Taken: Approved: <input type="checkbox"/>	Denied: <input type="checkbox"/>	Tabled: <input type="checkbox"/>	Other: <input type="checkbox"/>	
Council Vote: Jones: <input type="checkbox"/>	Shull: <input type="checkbox"/>	Mackay: <input type="checkbox"/>	Edgar: <input type="checkbox"/>	Scafani: <input type="checkbox"/>

2.04.020 Agenda Preparation and Posting.

- A. The City Clerk, in cooperation with the City Manager and/or delegated Councilperson shall prepare an [agenda](#) for each regular and special meeting of the City Council of Blue Lake.
- B. The City Clerk shall post the [agenda](#) on the last business day ("Posting Day") preceding a regular City Council meeting that allows for full compliance with the posting requirements of [Government Code](#) Section 54954.2. (For a regular City Council meeting held on a Tuesday, the Posting Day will be the preceding Friday.)
- C. Any Councilperson can have an item placed on the [agenda](#) by contacting the City Clerk no later than noon on the business day preceding the Posting Day. The Councilmember shall make every reasonable effort to provide the City Clerk with 10 copies of supporting documents by noon on the Posting Day. Supporting documents and copies not submitted by that time may not be included in the City Council packet, depending on the work load of the City Clerk and staff.
- D. Any member of the public may request an item be placed on the [agenda](#) of a regularly scheduled meeting of the Blue Lake City Council. However, since many matters may be resolved or satisfied by City staff, the public should contact City staff first to determine if the specific issue needs or even requires action by the City Council.
1. The request must be in writing and submitted to the City Clerk with supporting documents and information, if any, by noon of the second business day preceding the Posting Day.
 2. Any matter of business that legally must be discussed by the City Council in closed session will not be accepted under this chapter.
- E. The [agenda](#) will include all matters on which there may be discussion and/or action by the Council. The [agenda](#) shall be posted conspicuously for public review at City Hall and if possible, at other suitable locations within the City at least 72 hours before the time of all regular meetings in accordance with [Government Code](#) Section 54954.2.

Contact:

City Clerk: 707-868-5655

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City Council Correspondence

October 24, 2023



Amanda Mager <citymanager@bluelake.ca.gov>

Re: 9/29/2023 City Council Meeting

1 message

DAVID PONTE <pontept@sbcglobal.net>

Thu, Sep 28, 2023 at 3:26 PM

To: Amanda Mager <citymanager@bluelake.ca.gov>, Adelene Jones <ajones@bluelake.ca.gov>, Elise Scafani <escafani@bluelake.ca.gov>, "emackay@bluelake.ca.gov" <emackay@bluelake.ca.gov>, Angela Shull <ashull@bluelake.ca.gov>

Mandy,

Thank you for letting me know you are including all emails Lori and I sent yesterday in the next Council meeting minutes.

It appears your response was taken as a personal affront, that was not my intention. I am not advocating against development and investment in Blue Lake, but not every idea is the right fit.

A major issue and area of frustration for me and so many is the lack of communication and transparency particularly in regards to proposed projects. I am hopeful that now a open dialogue may evolve from your understanding of my position regarding growth in Blue Lake as a City.

I look forward to seeing what comes...

Dave

Please include *this* email in Council meeting minutes.

On Thursday, September 28, 2023 at 01:53:05 PM PDT, Amanda Mager <citymanager@bluelake.ca.gov> wrote:

Hi Dave-

I just read your email to Adelene and was a bit surprised that this is your viewpoint; I guess I'm a bit saddened to see that you feel so strongly against my position as City Manager, and the efforts that have been expended to continue to uphold Blue Lake's status as a City.

It was very eye opening to hear your comments and to see your statement regarding the City folding up and becoming essentially a neighborhood in the County. Coming from this standpoint, it makes more sense that you're advocating against development and investment in the City.

I'll make sure to include your comments in the Council packet and look forward to reading them into the record.

Have a nice day.

Mandy

On Thu, Sep 28, 2023 at 7:40 AM DAVID PONTE <pontept@sbcglobal.net> wrote:

Adelene,

Interesting that you consider yourself and some council members "visionaries". I'm not to sure about that. You have, however, distinguished yourself as an outstanding "scolder" as Mayor of the City of Blue Lake. This unfortunately does not always work with the cilizens of your "Little Town".

The problems that confront Blue Lake long predate the current power structure . Unfortunately, the City manager with your support, has only worsened an obviously increasingly dire situation. The mismanagement of Public Safety, the Industrial Park/Powers Creek District, APS/PG&E project, Town Square and the Blue Lake Rancheria relationship, etc., makes one wonder whether a transition to a County jurisdiction would not be preferable.

Given the general discontent of residents within the City, I would suspect that there will be more than a middling response to the the circumstances as they exist. I expect that neither Lori nor I would be interested in serving on a Commission under present leadership. We would rather work to see change that would better represent the interests of the majority of our neighbors. We will continue to take special interest in City actions pertaining to these important issues.

Respectfully,

David Ponte

I ask that you include all correspondence in the next City Council meeting minutes.

On Wednesday, September 27, 2023 at 07:29:00 PM PDT, Adelene Jones <ajones@bluelake.ca.gov> wrote:

Dear Dave and Lori,

The Blue Lake City Council members are the visionaries for our town. We direct staff to carry out our vision. When the Council learned that the state was mandating that our city provide 45 low income housing units, we charged our staff with finding a solution. The process started with rezoning the Powers Creek District to allow for multi uses. This occurred at the Planning Commission level, at several always public Planning Commission meetings. We have very little usable acreage for such a project in town but plenty of land in the District. Danco Company has been very successful in jumping through the governmental hoops to make a project happen. The Council and Planning Commission members toured Sorrel Place and the apartments across from the Co-op to view for ourselves the work Danco does. While these projects are much larger than anything we would ever consider in Blue Lake, it gave us a good idea of how a successful structure would look.

We need housing in California. If the city does not reach the state's mandated amount of housing, the state can take over the management of a city out of the hands of it's citizens and manage it themselves. This is not an idle threat. It occurred in a city in the bay area.

The presentations by Storyland and the ones with Danco were a question and answer format. I attended all of those events. They were well attended and a majority of the people in attendance had favorable responses.

It's interesting you ask for a vote. We had a small group of people who protested our water/sewer rate hike but when the tally was made, there was no where near enough people to stop the rate change. Similarly, when the city floated a sales tax rate increase, 57% of the electorate of Blue Lake voted for it, again despite a small vocal minority at our meetings.

I've lived in Blue Lake for 46 years and I respect every citizen of this town, if you've lived here for 32 years or 32 days. Recently I was at a memorial for Earl Eddy. This man moved here 8 years ago and he and his wife immediately became active members of CERT (Community Emergency Response Team) and a year later he began serving on the Planning Commission. This shows how a person can serve our City.

I reiterate: at all meetings I've attended, not one person has come forth with any idea for our providing low income housing or a better plan for the Blue Lake Power site. That's because both plans we have put forth are thoughtful and exciting.

I challenge you both to serve on one of our Commissions. We currently have several vacancies. It's easy to complain and criticize at meetings. The hard job is to come up with ideas and solutions.

Take care,

Mayor Adelene Jones

On Wed, Sep 27, 2023, 1:33 PM DAVID PONTE <pontept@sbcglobal.net> wrote:

Adelene,

Thank you for your prompt response to our email.

Having attended meetings you referenced regarding the affordable housing project (Batawat Community Project) and RV park proposal (not a project yet), it was very clear Council and city staff have not acknowledged opposition by residents, only those of support from a minority.

Last night the Council did not offer an opportunity to encourage those in attendance to give comments on what other ideas residents had for that 22 acre parcel. Would you refresh my memory as to when Council has asked for public input? Have you considered a survey or vote (heaven forbid) from residents regarding these proposed ideas? The current state of the area is definitely an eyesore. I agree the Council itself has shown majority (not unanimous) support for these two proposed ideas.

The town hall meetings were presentations not conversations. The questions and concerns residents have presented to the Council multiple time often seem to irritate members and staff. Does the Council and City staff believe they alone have all the answers or do they simply not want to be questioned?

Since these two major proposals may be years down the road, why not work to gather support by as many residents as possible to find the best future for Blue Lake. I believe there is so much more work ahead to accomplish this and possibly better ideas - shouldn't there be back up plans? I have a few if you are interested.

I ask this email to be included in the next city council agenda with other correspondence.

Respectfully,

Lori Ponte
32+year resident of Blue Lake, CA

On Wednesday, September 27, 2023 at 11:51:47 AM PDT, Adelene Jones <ajones@bluelake.ca.gov> wrote:

Dear Dave and Lori,

Thank you for your email. I appreciate any and all correspondence from our citizens, at meetings, by email or by phone. It's important to keep Council meetings civil and congenial. Meeting protocols have to be adhered to or chaos ensues. I don't want that to occur at our meetings.

We have had many town hall gatherings on both the Badawat Community Project and the RV Park plan. They have all been very well attended with a lot of citizens expressing approval of the direction the city is taking.

I thought it was interesting that among all of the comments made at last night's meeting, not one citizen had any idea of what they want to see in the Powers Creek District. Do we really want a large metal eyesore again to dominate the area? Or do we want a thoughtful, well planned RV park along with a mixed use low income housing development? In the years I've been on the Council, the unanimous decision is to have the latter.

Concerning your question about city street parking, I'll have to do a bit of research on the subject. I know there have been many cases that have gone to Court over this issue and they may supercede our Parking Ordinance. I'll defer to our attorney on that.

Thank you again for your email and your attendance at our meetings.

Sincerely,

Mayor Adelene Jones

On Tue, Sep 26, 2023, 11:42 PM DAVID PONTE <pontept@sbcglobal.net> wrote:
Council members,

After attending tonight's City Council meeting and following the suggestion of the Mayor, I thought it appropriate to email while the meeting is fresh in my mind.

I would like to acknowledge and thank each Council member for their commitment to serve the City of Blue Lake residents.

I also feel I must share my frustration at watching Council members seemingly not understand your roles as leaders and your jobs to direct city staff in their jobs. It is understandable that as part-time leaders, it isn't always possible to know the answers to every question asked at a council meeting and my experience on school boards taught me that. It also taught me to be respectful of the constituents I was elected to represent, even when I may not want to and respond to questions as soon as possible.

The tone of many of the meetings I have attended or participated via Zoom have not been respectful to participants and then seems to evoke disrespect back to the Council. Why is that? Do you feel you truly have clear knowledge of the concerns of the majority of residents of Blue Lake? Do you believe those who do not contact you directly or attend meetings, agree with the management of the business of the City of Blue Lake?

So much time goes into meetings and correspondence from your constituents - and so many are annoyed and frustrated with dismissive responses or no response. The recent drive to bring in groups to show what a great place Blue Lake can be for recreation as not been presented to the residents of Blue Lake in a very clear way. How many areas of this city have a different "district" identity? Why are projects quietly changed, i.e Town Square and explanation is cost and yet no visible accounting is given? How does this help cultivate growth and community within this very small city? There is potential for big change in Blue Lake and community buy-in is essential and I suspect potential developers/investors would want to see that support from the residents.

My last question is in regard to financial disclosure of City revenue. Will income and revenue for 2023 to-date be available to the public by the next City Council meeting? I am surprised you don't review that or aren't aware of that information on a monthly basis.

Thank you for your time,

Lori Ponte
311 H St

Adelene, you asked me to email with my question regarding Blue Lake, California Municipal Code, Title 10 PARKING AND TRAFFIC. **Please read Chapter 10.04 STOPPING, STANDING AND PARKING paragraph A** in reference to my question at tonight's meeting. What does the city manager do to notify owners of these items that are violation of this code? What are the violation consequences? I would appreciate a response.

--
Mandy Mager-City Manager
City of Blue Lake
111 Greenwood Road|PO Box 458
707-668-5655 (P)|707-668-5916(F)

City of Blue Lake
October 24, 2023 Council Meeting

Consent Items:

- a. Warrants and Disbursements
- b. Quarterly Financial and Staff Report
- c. Meeting Minutes-August 22, 2023



City of Blue Lake
 Check/Voucher Register - City Council Check Report
 From 9/1/2023 Through 9/30/2023

Check Number	Check Date	Payee	Check Description	Check Amount
11193	9/6/2023	GreatAmerica Financial Svcs.	Inv #304697650 due 9/12/23	204.00
11194	9/6/2023	Rodney T. Gulley	6/4/23-7/16/23 WB umpire - Gulley	310.00
11195	9/6/2023	Jessica B. Jones	6/4/23-7/16/23 WB Coordinator - Jones	375.00
11196	9/6/2023	Tameson L. Livengood	6/4/23-7/16/23 WB umpire - Livengood	1,000.00
11197	9/6/2023	The North Coast Journal	8/10/23 Inv #2023-115639	78.00
11198	9/6/2023	Optimum	9/1/23-9/30/23 billing period	445.72
11199	9/6/2023	Michael Salmon	6/4/23-7/16/23 WB umpire - Salmon	1,000.00
11200	9/6/2023	Thomas Home Center	8/31/23 statement	5.66
11201	9/6/2023	Verizon Wireless	7/22/23-8/21/23 bill summary	326.70
11202	9/6/2023	City Clerks Association of CA	4/5/23 Inv #200001964	250.00
11203	9/6/2023	CA State Disbursement Unit	8/25/23 PR deduction	92.30
11204	9/6/2023	Storyland Studios	10/27/2022 Inv #32766	8,000.00
11205	9/6/2023	Court-Ordered Debt Collections	Aug 2023 PR deduction	93.56
11206	9/8/2023	Harold D. Burrish	Employee: burrish; Pay Date: 9/8/2023	1,740.61
11207	9/8/2023	Daniel L. Dimick	Employee: dimickd; Pay Date: 9/8/2023	975.07
11208	9/8/2023	Michael D. Downard	Employee: downardm; Pay Date: 9/8/2023	756.30
11209	9/8/2023	Vicki L. Hutton	Employee: huttonv; Pay Date: 9/8/2023	1,452.20
11210	9/8/2023	Francesca I. Messina	Employee: messinaf; Pay Date: 9/8/2023	134.73
230908A01	9/8/2023	Christopher A. Ball	Employee: balle; Pay Date: 9/8/2023	388.69
230908A02	9/8/2023	Glenn R. Bernald	Employee: hernaldg; Pay Date: 9/8/2023	1,692.59
230908A03	9/8/2023	Charis A. Bowman	Employee: bowmanc; Pay Date: 9/8/2023	873.65
230908A04	9/8/2023	Rosine S. Boyce-Derricott	Employee: boycer; Pay Date: 9/8/2023	610.45
230908A05	9/8/2023	Skylar A. Coke	Employee: cokes; Pay Date: 9/8/2023	817.32
230908A06	9/8/2023	Melissa M. Combs	Employee: combsm; Pay Date: 9/8/2023	562.46
230908A07	9/8/2023	Stella M. Drobnick-Sochovka	Employee: drobnicks; Pay Date: 9/8/2023	155.34
230908A08	9/8/2023	Irene O. Erickson	Employee: ericksoni; Pay Date: 9/8/2023	205.85
230908A09	9/8/2023	Adeline L. Esh	Employee: esha; Pay Date: 9/8/2023	119.76
230908A10	9/8/2023	Anali E. Gonzalez	Employee: gonzaleza; Pay Date: 9/8/2023	1,626.87
230908A11	9/8/2023	Austin R. Jones	Employee: jonesa; Pay Date: 9/8/2023	1,130.11
230908A12	9/8/2023	Kanna K. Jones	Employee: jonesk; Pay Date: 9/8/2023	407.94
230908A13	9/8/2023	Amanda L. Mager	Employee: magera; Pay Date: 9/8/2023	1,812.86
230908A14	9/8/2023	Aislin N. McKinney	Employee: mckinneya; Pay Date: 9/8/2023	250.75
230908A15	9/8/2023	Jacob P. Meng	Employee: mengj; Pay Date: 9/8/2023	1,017.25
230908A16	9/8/2023	Ross A. Nash	Employee: nashr; Pay Date: 9/8/2023	262.23
230908A17	9/8/2023	Quinn Sousa	Employee: sousaq; Pay Date: 9/8/2023	281.79
230908A18	9/8/2023	Emily P. Wood	Employee: woode; Pay Date: 9/8/2023	1,385.15
230911EFT-01	9/8/2023	U. S. Department of Treasury	EFTPS federal tax pmt 9/8/23 PR	6,051.38
230911EFT-02	9/8/2023	Employment Development Dept.	DE88 state tax pmt 9/8/23 PR	929.40
230911EFT-03	9/8/2023	Cal PERS	PERS retirement pmt 9/8/23 PR	3,662.96
230911EFT-04	9/8/2023	Freedom Voice	Freedom Voice 9/1/23 statement	119.68
11211	9/11/2023	AT&T	2-8/20/23 statements	63.33
11212	9/11/2023	Aflac	8/25/23 Inv# 979914	229.56
11213	9/11/2023	D & R Janitorial Service	9/1/23 statement	295.00
11214	9/11/2023	Christopher B. Edgar	Aug 2023 council stipend	50.00
11215	9/11/2023	SHN Consulting	8/16/23 Inv#118408 truck route	11,724.84
11216	9/11/2023	Adelene Jones	Aug 2023 council stipend - Jones	50.00
11217	9/11/2023	Darcey Lima	8/25/23 Dog House Inv# 23693	77.00
11218	9/11/2023	Ross E. McCabe	Aug 2023 council stipend-Mackay	0.00
11219	9/11/2023	Miller Farms Nursery, Inc.	8/31/23 statement	157.19
11220	9/11/2023	Mendes Supply Company	9/1/23 statement	553.52
11221	9/11/2023	The Mitchell Law Firm, LLP	9/1/23 Inv# 1284 & 1285	592.00
11222	9/11/2023	National Rural Water Assoc.	SCADA loan pmt due 10/1/23	965.00
11223	9/11/2023	Arcata Stationers	9/1/23 statement	212.12
11224	9/11/2023	RREDC	Town square loan pmt due 10/1/23 Loan#20203	1,236.87
11225	9/11/2023	Reyes Coca-Cola Bottling, LLC	8/31/23 Inv#37371101021	956.10
11226	9/11/2023	SHN Consulting	8/16/23 Inv# 118410 engineering	15,764.05

City of Blue Lake
 Check/Voucher Register - City Council Check Report
 From 9/1/2023 Through 9/30/2023

Check Number	Check Date	Payee	Check Description	Check Amount
11227	9/11/2023	SHN Consulting	8/16/23 Inv#118409 town square	2,627.50
11228	9/11/2023	Angela Shull	Aug 2023 council stipend- Shull	50.00
11229	9/11/2023	Elise G. Scafani	Aug 2023 council stipend- Scafani	50.00
11230	9/11/2023	Schmidbauer Lumber, Inc.	8/8/23 Inv# 291072	106.19
11231	9/11/2023	Statewide Traffic Safety	8/25/23 statement	364.72
11232	9/11/2023	Thrifty Supply Company	8/31/23 statement	277.51
11233	9/11/2023	Pierson Building Center	8/31/23 statement	96.07
11234	9/11/2023	Dazey's Arcata	8/31/23 statement	99.03
11235	9/11/2023	Blue Lake Rancheria	9/1/23 Inv# B23-254	2,875.00
11236	9/11/2023	James L. Hubbard	8/30/23 Inv#2023.08.30.01	400.00
11237	9/11/2023	Emily P. Wood	9/1/23 supply reimb.Wood	58.97
11238	9/11/2023	Coastal Business Systems Inc.	9/21/23 Inv# 34761369	454.23
11239	9/11/2023	County of Humboldt Elections	11/8/22 General election costs	995.31
11240	9/11/2023	BT Metal Sales and Fabrication	8/29/23 Inv#41335	130.36
11241	9/11/2023	B & B Portable Toilet Co.	8/19/23 #166691 & #166692	163.42
11242	9/11/2023	Blue Lake Garbage Co.	8/29/23 Inv#BLSKRNK greenwaste	0.00
11243	9/11/2023	Richard M. Bitter	8/30/23 Inv# 100	400.00
11244	9/11/2023	Blue Lake Garbage Co.	8/29/23 Inv# BLSKRNK greenwaste	1,415.60
11245	9/11/2023	Ahava Unlimited, LLC	8/24/23 Inv# 08202023	400.00
11246	9/11/2023	City of Blue Lake	W/S payments 9/1/23	3,644.06
11247	9/11/2023	Intedata Systems	8/31/23 statement	75.00
11248	9/11/2023	Humboldt Co. Sheriff's Office	Sept 2023 animal shelter service	721.00
11249	9/11/2023	Humb. Bay Municipal Water Dist	billing period: August 1-31 2013	17,448.65
11252	9/15/2023	CA State Disbursement Unit	9/8/23 PR deduction	92.30
11253	9/15/2023	LCC-Redwood Empire Division	8/31/2023 Inv #1742	40.00
11254	9/15/2023	Elizabeth Mackay	Aug 2023 council stipend	50.00
11255	9/15/2023	Mercer-Fraser Company	9/08/2023 statement	9,135.00
11257	9/15/2023	Pacific Gas and Electric	8/30/2023 statement	10,480.87
11258	9/15/2023	Statewide Traffic Safety	8/21/23 INV#09009039	679.40
11259	9/15/2023	US Bank Corp. Payment Systems	8/22/23 statement	6,274.98
2342	9/18/2023	David Bowns	Deposit Refund #20352301 Bowns	86.94
2343	9/18/2023	Kathleen Martin	Deposit Refund #40586001 Martin	140.52
2344	9/18/2023	City of Blue Lake	Utilities paid from Deposits 9/1/23 Billing	237.54
11260	9/22/2023	Harold D. Burris	Employee: burrish; Pay Date: 9/22/2023	2,288.72
11261	9/22/2023	Daniel L. Dimick	Employee: dimickd; Pay Date: 9/22/2023	975.07
11262	9/22/2023	Michael D. Downard	Employee: downwardn; Pay Date: 9/22/2023	797.60
11263	9/22/2023	Grace D. Griffith	Employee: griffithg; Pay Date: 9/22/2023	329.76
11264	9/22/2023	Vicki L. Hutton	Employee: huttonv; Pay Date: 9/22/2023	1,624.95
11265	9/22/2023	Francesca I. Messina	Employee: messinaf; Pay Date: 9/22/2023	145.96
11266	9/22/2023	AT&T	4-9/4/2023 cal net 3	319.83
11267	9/22/2023	Almquist Lumber Co.	8/31/23 statement	969.05
11268	9/22/2023	Harold D. Burris	dental pmt 9/5/23 Burris	112.64
11269	9/22/2023	Charis Bowman	mileage reimb. 9/5-9/14/23 Bowman	79.26
11270	9/22/2023	B & B Portable Toilet Co.	2- 9/16/23 Inv's	163.42
11271	9/22/2023	CWEA	CWEA membership Bernald & Burris	442.00
11272	9/22/2023	GreatAmerica Financial Svcs	10/12/23 Inv#34907324	204.00
11273	9/22/2023	Grace Griffith	9/18/23 Live scam roller fee- new hire Griffith	20.00
11274	9/22/2023	Humboldt Fasteners and Tools	9/1/23 statement	39.26
11275	9/22/2023	Hensel's Ace Hardware	8/31/23 statement	454.06
11276	9/22/2023	Hinderliter, de Llamas & Assoc	9/15/23 Inv#SIN031487	213.60
11277	9/22/2023	S. Shaun Johanson DDS	Dental pmt 9/13/23 Hutton	900.00
11278	9/22/2023	Jackson & Eklund	9/14/23 Inv#439756 Aug 2023	540.30
11279	9/22/2023	Lube Central	9/7/23 statement	160.48
11280	9/22/2023	Tameson L. Livengood	6/4/23-7/16/23 field prep-Livengood	50.00
11283	9/22/2023	McKinleyville Ace Hardware	8/31/23 statement	43.48
11284	9/22/2023	North Coastal Information Ctr.	8/31/23 statement	0.00

City of Blue Lake
 Check/Voucher Register - City Council Check Report
 From 9/1/2023 Through 9/30/2023

Check Number	Check Date	Payee	Check Description	Check Amount
11285	9/22/2023	O'Reilly Auto Parts	8/28/23 statement	220.80
11286	9/22/2023	Pape Machinery, Inc.	9/7/23 Inv#205834	822.82
11287	9/22/2023	Paradise Cay Publications	9/6/23 statement	2,436.00
11288	9/22/2023	SEIN Consulting	8/18/23 Inv#118455 LEAP	1,738.75
11289	9/22/2023	FRMS	Billing period: 82-10/1/2023 to 10/31/2023	14,351.31
11290	9/22/2023	Tensor IT	8/15/23 & 9/15/23 statement	2,270.53
20230922EFT...	9/22/2023	U. S. Department of Treasury	EFTPS federal tax pmt 9/22/23 PR	6,657.43
20230922EFT...	9/22/2023	Employment Development Dept.	DE88 state tax pmt 9/22/23 PR	1,046.67
20230922EFT...	9/22/2023	Cal PERS	PERS retirement pmt 9/22/23 PR	3,650.79
230922A01	9/22/2023	Christopher A. Ball	Employee: ballc; Pay Date: 9/22/2023	428.64
230922A02	9/22/2023	Glenn R. Bernald	Employee: bernaldg; Pay Date: 9/22/2023	2,093.73
230922A03	9/22/2023	Charis A. Bowman	Employee: bowmanc; Pay Date: 9/22/2023	920.20
230922A04	9/22/2023	Rosine S. Boyce-Derricott	Employee: boycecr; Pay Date: 9/22/2023	550.22
230922A05	9/22/2023	Skyler A. Coke	Employee: cokes; Pay Date: 9/22/2023	918.01
230922A06	9/22/2023	Melissa M. Combs	Employee: combsm; Pay Date: 9/22/2023	439.42
230922A07	9/22/2023	Stella M. Drobnick-Sochovka	Employee: drobnicks; Pay Date: 9/22/2023	355.64
230922A08	9/22/2023	Irene O. Erickson	Employee: ericksoni; Pay Date: 9/22/2023	239.52
230922A09	9/22/2023	Adeline L. Fish	Employee: esha; Pay Date: 9/22/2023	157.20
230922A10	9/22/2023	Anali E. Gonzalez	Employee: gonzalezr; Pay Date: 9/22/2023	1,626.87
230922A11	9/22/2023	Lisa M. Honzik	Employee: honziki; Pay Date: 9/22/2023	38.40
230922A12	9/22/2023	Kanao K. Jones	Employee: jonesk; Pay Date: 9/22/2023	422.91
230922A13	9/22/2023	Austin R. Jones	Employee: jonesa; Pay Date: 9/22/2023	1,061.59
230922A14	9/22/2023	Amanda L. Mager	Employee: magera; Pay Date: 9/22/2023	1,933.61
230922A15	9/22/2023	Aislin N. McKinney	Employee: mckinneya; Pay Date: 9/22/2023	112.27
230922A16	9/22/2023	Jacob P. Meng	Employee: mengj; Pay Date: 9/22/2023	1,017.26
230922A17	9/22/2023	Russ A. Nash	Employee: nashr; Pay Date: 9/22/2023	330.82
230922A18	9/22/2023	Quinn Sousa	Employee: sousaq; Pay Date: 9/22/2023	576.45
230922A19	9/22/2023	Emily P. Wood	Employee: woode; Pay Date: 9/22/2023	1,385.15
Report Total				193,277.53

CITY OF BLUE LAKE

FINANCIAL REPORT

7/01/2023 – 9/30/2023

(Unaudited Numbers)

**City of Blue Lake
Financial Report
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City of Blue Lake
Statement of Revenues and Expenditures - Actual to Budget
10 - General Fund
From 7/1/2023 Through 9/30/2023

	Actual YTD	FY 2023-24 Budget	Over (Under) Budget	Actual YTD As a % of Budget
<u>GENERAL GOVERNMENT</u>				
REVENUES & TRANSFERS				
Taxes	8,580	206,894	(198,314)	4.15%
Licenses, Permits & Fees	10,450	89,440	(78,990)	11.68%
Rents - Resource Center	1,321	5,180	(3,859)	25.50%
State Revenues	0	421,796	(421,796)	0.00%
County Revenues	0	11,500	(11,500)	0.00%
Charges for Services	31,823	19,206	12,617	165.69%
Other Revenues	1,400	26,820	(25,420)	5.22%
Interest	0	16,000	(16,000)	0.00%
Transfers In	37,727	101,588	(63,861)	37.14%
Total REVENUES & TRANSFERS	91,301	898,424	(807,123)	10.16%
EXPENDITURES & TRANSFERS				
Mayor, Council and City Clerk	540	3,800	(3,260)	14.21%
Legal	555	6,040	(5,485)	9.19%
General Government	78,038	236,936	(158,898)	32.94%
Planning	20,743	52,198	(31,455)	39.74%
Building	12,717	28,336	(15,619)	44.88%
Law Enforcement	7,856	8,890	(1,034)	88.37%
Animal Control	2,163	8,875	(6,712)	24.37%
Public Works - Streets	91,613	102,055	(10,442)	89.77%
Capital Outlay	0	158,512	(158,512)	0.00%
Total EXPENDITURES & TRANSFERS	214,225	605,642	(391,417)	35.37%
TOTAL GENERAL GOVERNMENT	(122,924)	292,782	(415,706)	-41.98%
<u>PARKS & RECREATION</u>				
REVENUES & TRANSFERS				
Facility Rents	3,961	15,580	(11,619)	25.42%
Recreation Fees & Donations	53,637	192,595	(138,958)	27.85%
Total REVENUES & TRANSFERS	57,598	208,175	(150,577)	27.67%
EXPENDITURES & TRANSFERS				
Facilities & Grounds	22,890	170,551	(147,661)	13.42%
Recreation	88,955	234,362	(145,407)	37.96%
Total EXPENDITURES & TRANSFERS	111,845	404,913	(293,068)	27.62%
TOTAL PARKS & RECREATION	(54,247)	(196,738)	142,491	27.57%
TOTAL GENERAL FUND	(177,171)	96,044	(273,215)	-184.47%

City of Blue Lake
Statement of Revenues and Expenditures
36 - Powers Creek District Fund
From 7/1/2023 Through 9/30/2023
(In Whole Numbers)

	<u>Actual YTD</u>	<u>FY 2023-24 Budget</u>	<u>Over (Under) Budget</u>	<u>Actual YTD As a % of Budget</u>
REVENUES & TRANSFERS				
Rents	719	33,250	(32,531)	2.16%
State Revenues	0	570,000	(570,000)	0.00%
Interest	0	1,100	(1,100)	0.00%
Total REVENUES & TRANSFERS	<u>719</u>	<u>604,350</u>	<u>(603,631)</u>	<u>0.12%</u>
EXPENDITURES & TRANSFERS				
Salaries, Wages & Benefits	5,471	16,949	(11,478)	32.27%
Contracted Professional Services	148	3,610	(3,462)	4.09%
Other Contracted Services	100	330	(230)	30.27%
Interest Expense	2,689	1,800	889	149.40%
Other Expenses	1,071	2,010	(939)	53.27%
Repairs & Maintenance	111	340	(229)	32.54%
Supplies	0	35	(35)	0.00%
Capital Expenditures	6,340	385,000	(378,660)	1.64%
Debt Principal Repayment	1,021	185,000	(183,979)	0.55%
Total EXPENDITURES & TRANSFERS	<u>16,951</u>	<u>595,074</u>	<u>(578,123)</u>	<u>2.85%</u>
TOTAL	<u>(16,232)</u>	<u>9,276</u>	<u>(25,508)</u>	<u>(174.99)%</u>

City of Blue Lake
Statement of Revenues and Expenditures
38 - CDBG Non-Program Income Fund
From 7/1/2023 Through 9/30/2023
(In Whole Numbers)

	Actual YTD	FY 2023-24 Budget	Over (Under) Budget	Actual YTD As a % of Budget
REVENUES & TRANSFERS				
Other Revenues	600	2,500	(1,900)	24.00%
Interest	0	885	(885)	0.00%
Transfers In	0	20,682	(20,682)	0.00%
Total REVENUES & TRANSFERS	<u>600</u>	<u>24,067</u>	<u>(23,467)</u>	<u>2.49%</u>
TOTAL	<u>600</u>	<u>24,067</u>	<u>(23,467)</u>	<u>2.49%</u>

City of Blue Lake
Statement of Revenues and Expenditures
25 - Highway Users Tax Fund
From 7/1/2023 Through 9/30/2023
(In Whole Numbers)

	Actual YTD	FY 2023-24 Budget	Over (Under) Budget	Actual YTD As a % of Budget
REVENUES & TRANSFERS				
Taxes	10,217	67,823	(57,606)	15.06%
Interest	0	600	(600)	0.00%
Total REVENUES & TRANSFERS	<u>10,217</u>	<u>68,423</u>	<u>(58,206)</u>	<u>14.93%</u>
EXPENDITURES & TRANSFERS				
Transfers Out	27,727	68,423	(40,696)	40.52%
Total EXPENDITURES & TRANSFERS	<u>27,727</u>	<u>68,423</u>	<u>(40,696)</u>	<u>40.52%</u>
TOTAL	<u>(17,510)</u>	<u>0</u>	<u>(17,510)</u>	<u>0.00%</u>

City of Blue Lake
Statement of Revenues and Expenditures
30 - TDA Street Fund
From 7/1/2023 Through 9/30/2023
(In Whole Numbers)

	Actual YTD	FY 2023-24 Budget	Over (Under) Budget	Actual YTD As a % of Budget
REVENUES & TRANSFERS				
Taxes	0	22,343	(22,343)	0.00%
Total REVENUES & TRANSFERS	0	22,343	(22,343)	0.00%
EXPENDITURES & TRANSFERS				
Transfers Out	5,000	22,343	(17,343)	22.37%
Total EXPENDITURES & TRANSFERS	5,000	22,343	(17,343)	22.38%
TOTAL	(5,000)	0	(5,000)	0.00%

City of Blue Lake
Statement of Revenues and Expenditures
34 - Regional Surface Transportation Program Fund
From 7/1/2023 Through 9/30/2023
(In Whole Numbers)

	Actual YTD	FY 2023-24 Budget	Over (Under) Budget	Actual YTD As a % of Budget
REVENUES & TRANSFERS				
State Revenues	0	10,922	(10,922)	0.00%
Interest	0	50	(50)	0.00%
Total REVENUES & TRANSFERS	<u>0</u>	<u>10,972</u>	<u>(10,972)</u>	<u>0.00%</u>
EXPENDITURES & TRANSFERS				
Transfers Out	5,000	10,972	(5,972)	45.57%
Total EXPENDITURES & TRANSFERS	<u>5,000</u>	<u>10,972</u>	<u>(5,972)</u>	<u>45.57%</u>
TOTAL	<u>(5,000)</u>	<u>0</u>	<u>(5,000)</u>	<u>0.00%</u>

City of Blue Lake
Statement of Revenues and Expenditures
11 - Recreation Economic Analysis Fund
From 7/1/2023 Through 9/30/2023
(In Whole Numbers)

	Actual YTD	FY 2023-24 Budget	Over (Under) Budget	Actual YTD As a % of Budget
EXPENDITURES & TRANSFERS				
Contracted Professional Services	8,000	0	8,000	0.00%
Total EXPENDITURES & TRANSFERS	8,000	0	8,000	0.00%
TOTAL	(8,000)	0	(8,000)	0.00%

City of Blue Lake
Statement of Revenues and Expenditures
12 - American Rescue Plan - Covid Relief Fund
From 7/1/2023 Through 9/30/2023
(In Whole Numbers)

	Actual YTD	FY 2023-24 Budget	Over (Under) Budget	Actual YTD As a % of Budget
EXPENDITURES & TRANSFERS				
Salaries, Wages & Benefits	3,649	0	3,649	0.00%
Other Contracted Services	800	0	800	0.00%
Other Expenses	1,283	6,000	(4,717)	21.37%
Repairs & Maintenance	4,285	0	4,285	0.00%
Supplies	1,162	5,000	(3,838)	23.23%
Capital Expenditures	33,045	79,837	(46,792)	41.39%
Small Business Grants	0	9,000	(9,000)	0.00%
Total EXPENDITURES & TRANSFERS	<u>44,224</u>	<u>99,837</u>	<u>(55,613)</u>	<u>44.30%</u>
TOTAL	<u>(44,224)</u>	<u>(99,837)</u>	<u>55,613</u>	<u>44.29%</u>

City of Blue Lake
Statement of Revenues and Expenditures
13 - State Park Per Capita Program Fund
From 7/1/2023 Through 9/30/2023
(In Whole Numbers)

	Actual YTD	FY 2023-24 Budget	Over (Under) Budget	Actual YTD As a % of Budget
REVENUES & TRANSFERS				
State Revenues	0	177,885	(177,885)	0.00%
Total REVENUES & TRANSFERS	<u>0</u>	<u>177,885</u>	<u>(177,885)</u>	<u>0.00%</u>
EXPENDITURES & TRANSFERS				
Salaries, Wages & Benefits	1,902	0	1,902	0.00%
Capital Expenditures	0	29,955	(29,955)	0.00%
Total EXPENDITURES & TRANSFERS	<u>1,902</u>	<u>29,955</u>	<u>(28,053)</u>	<u>6.35%</u>
TOTAL	<u>(1,902)</u>	<u>147,930</u>	<u>(149,832)</u>	<u>(1.28)%</u>

City of Blue Lake
Statement of Revenues and Expenditures
31 - TDA Purchased Transportation Fund
From 7/1/2023 Through 9/30/2023
(In Whole Numbers)

	Actual YTD	FY 2023-24 Budget	Over (Under) Budget	Actual YTD As a % of Budget
REVENUES & TRANSFERS				
Taxes	0	32,375	(32,375)	0.00%
Total REVENUES & TRANSFERS	0	32,375	(32,375)	0.00%
EXPENDITURES & TRANSFERS				
Transit Services	5,500	32,375	(26,875)	16.98%
Total EXPENDITURES & TRANSFERS	5,500	32,375	(26,875)	16.99%
TOTAL	(5,500)	0	(5,500)	0.00%

City of Blue Lake
Statement of Revenues and Expenditures
32 - AB-939 Solid Waste/Recycling Fund
From 7/1/2023 Through 9/30/2023
(In Whole Numbers)

	Actual YTD	FY 2023-24 Budget	Over (Under) Budget	Actual YTD As a % of Budget
REVENUES & TRANSFERS				
State Revenues	0	12,255	(12,255)	0.00%
Interest	0	640	(640)	0.00%
Total REVENUES & TRANSFERS	<u>0</u>	<u>12,895</u>	<u>(12,895)</u>	<u>0.00%</u>
EXPENDITURES & TRANSFERS				
Salaries, Wages & Benefits	2,945	24,544	(21,599)	11.99%
Other Contracted Services	1,416	3,874	(2,458)	36.54%
Other Expenses	587	6,600	(6,013)	8.89%
Supplies	0	4,000	(4,000)	0.00%
Total EXPENDITURES & TRANSFERS	<u>4,948</u>	<u>39,018</u>	<u>(34,070)</u>	<u>12.68%</u>
TOTAL	<u>(4,948)</u>	<u>(26,123)</u>	<u>21,175</u>	<u>18.94%</u>

City of Blue Lake
Statement of Revenues and Expenditures
33 - Supplemental Law Enforcement Services Fund
From 7/1/2023 Through 9/30/2023
(In Whole Numbers)

	Actual YTD	FY 2023-24 Budget	Over (Under) Budget	Actual YTD As a % of Budget
REVENUES & TRANSFERS				
State Revenues	0	157,033	(157,033)	0.00%
Interest	0	50	(50)	0.00%
Total REVENUES & TRANSFERS	<u>0</u>	<u>157,083</u>	<u>(157,083)</u>	<u>0.00%</u>
EXPENDITURES & TRANSFERS				
Other Contracted Services	0	146,523	(146,523)	0.00%
Total EXPENDITURES & TRANSFERS	<u>0</u>	<u>146,523</u>	<u>(146,523)</u>	<u>0.00%</u>
TOTAL	<u>0</u>	<u>10,560</u>	<u>(10,560)</u>	<u>0.00%</u>

City of Blue Lake
Statement of Revenues and Expenditures
42 - CDBG Program Income-Holding Fund
From 7/1/2023 Through 9/30/2023
(In Whole Numbers)

	Actual YTD	FY 2023-24 Budget	Over (Under) Budget	Actual YTD As a % of Budget
REVENUES & TRANSFERS				
Loan Repayments	4,109	20,570	(16,461)	19.97%
Interest	81	800	(719)	10.11%
Total REVENUES & TRANSFERS	4,190	21,370	(17,180)	19.60%
EXPENDITURES & TRANSFERS				
Salaries, Wages & Benefits	0	623	(623)	0.00%
Other Contracted Services	60	65	(5)	92.30%
Transfers Out	0	20,682	(20,682)	0.00%
Total EXPENDITURES & TRANSFERS	60	21,370	(21,310)	0.28%
TOTAL	4,130	0	4,130	0.00%

City of Blue Lake
Statement of Revenues and Expenditures
44 - CDBG Program Income-Revolving Fund
From 7/1/2023 Through 9/30/2023
(In Whole Numbers)

	<u>Actual YTD</u>	<u>FY 2023-24 Budget</u>	<u>Over (Under) Budget</u>	<u>Actual YTD As a % of Budget</u>
REVENUES & TRANSFERS				
Interest	0	6,507	(6,507)	0.00%
Total REVENUES & TRANSFERS	<u>0</u>	<u>6,507</u>	<u>(6,507)</u>	<u>0.00%</u>
EXPENDITURES & TRANSFERS				
Contracted Professional Services	241	0	241	0.00%
Capital Expenditures	0	140,000	(140,000)	0.00%
Total EXPENDITURES & TRANSFERS	<u>241</u>	<u>140,000</u>	<u>(139,760)</u>	<u>0.17%</u>
TOTAL	<u>(241)</u>	<u>(133,493)</u>	<u>133,253</u>	<u>0.18%</u>

City of Blue Lake
Statement of Revenues and Expenditures
60 - Water Fund
From 7/1/2023 Through 9/30/2023
(In Whole Numbers)

	Actual YTD	FY 2023-24 Budget	Over (Under) Budget	Actual YTD As a % of Budget
REVENUES & TRANSFERS				
Current Service Charges	146,288	577,607	(431,319)	25.32%
Other Revenues	2,660	8,985	(6,325)	29.60%
Interest	0	16,000	(16,000)	0.00%
Total REVENUES & TRANSFERS	<u>148,948</u>	<u>602,592</u>	<u>(453,644)</u>	<u>24.72%</u>
EXPENDITURES & TRANSFERS				
Salaries, Wages & Benefits	53,372	268,735	(215,363)	19.86%
Contracted Professional Services	794	28,815	(28,021)	2.75%
Other Contracted Services	1,694	9,585	(7,891)	17.67%
Insurance	3,479	16,240	(12,761)	21.41%
Interest Expense	182	945	(763)	19.25%
Other Expenses	3,333	11,650	(8,317)	28.60%
Repairs & Maintenance	4,159	1,675	2,484	248.31%
Supplies	1,263	7,670	(6,407)	16.47%
Utilities	37,913	217,897	(179,984)	17.39%
Depreciation	9,312	0	9,312	0.00%
Transfers Out	0	21,079	(21,079)	0.00%
Total EXPENDITURES & TRANSFERS	<u>115,501</u>	<u>584,291</u>	<u>(468,790)</u>	<u>19.77%</u>
TOTAL	<u>33,447</u>	<u>18,301</u>	<u>15,146</u>	<u>182.76%</u>

City of Blue Lake
Statement of Revenues and Expenditures
61 - Water Connection Fee Fund
From 7/1/2023 Through 9/30/2023
(In Whole Numbers)

	<u>Actual YTD</u>	<u>FY 2023-24 Budget</u>	<u>Over (Under) Budget</u>	<u>Actual YTD As a % of Budget</u>
REVENUES & TRANSFERS				
Interest	0	4,000	(4,000)	0.00%
Connection Fees	0	10,000	(10,000)	0.00%
Total REVENUES & TRANSFERS	<u>0</u>	<u>14,000</u>	<u>(14,000)</u>	<u>0.00%</u>
TOTAL	<u>0</u>	<u>14,000</u>	<u>(14,000)</u>	<u>0.00%</u>

City of Blue Lake
Statement of Revenues and Expenditures
62 - Water Capital Reserve Fund
From 7/1/2023 Through 9/30/2023
(In Whole Numbers)

	<u>Actual YTD</u>	<u>FY 2023-24 Budget</u>	<u>Over (Under) Budget</u>	<u>Actual YTD As a % of Budget</u>
REVENUES & TRANSFERS				
Interest	0	268	(268)	0.00%
Total REVENUES & TRANSFERS	<u>0</u>	<u>268</u>	<u>(268)</u>	<u>0.00%</u>
TOTAL	<u>0</u>	<u>268</u>	<u>(268)</u>	<u>0.00%</u>

City of Blue Lake
Statement of Revenues and Expenditures
64 - Turbidity Reduction Facility Reserve Fund
From 7/1/2023 Through 9/30/2023
(In Whole Numbers)

	Actual YTD	FY 2023-24 Budget	Over (Under) Budget	Actual YTD As a % of Budget
REVENUES & TRANSFERS				
Turbidity Reduction Fees	2,117	13,382	(11,265)	15.82%
Transfers In	0	21,079	(21,079)	0.00%
Total REVENUES & TRANSFERS	<u>2,117</u>	<u>34,461</u>	<u>(32,344)</u>	<u>6.14%</u>
EXPENDITURES & TRANSFERS				
Other Expenses	8	0	8	0.00%
Turbidity Reduction Costs	1,079	13,382	(12,303)	8.06%
Total EXPENDITURES & TRANSFERS	<u>1,086</u>	<u>13,382</u>	<u>(12,296)</u>	<u>8.12%</u>
TOTAL	<u>1,031</u>	<u>21,079</u>	<u>(20,048)</u>	<u>4.89%</u>

City of Blue Lake
Statement of Revenues and Expenditures
70 - Sewer Fund
From 7/1/2023 Through 9/30/2023
(In Whole Numbers)

	Actual YTD	FY 2023-24 Budget	Over (Under) Budget	Actual YTD As a % of Budget
REVENUES & TRANSFERS				
Current Service Charges	135,739	519,150	(383,411)	26.14%
Other Revenues	2,660	8,985	(6,325)	29.60%
Interest	0	500	(500)	0.00%
Total REVENUES & TRANSFERS	138,399	528,635	(390,236)	26.18%
EXPENDITURES & TRANSFERS				
Salaries, Wages & Benefits	53,194	286,263	(233,069)	18.58%
Contracted Professional Services	2,256	42,815	(40,559)	5.26%
Other Contracted Services	2,359	23,190	(20,831)	10.17%
Insurance	4,193	17,940	(13,747)	23.37%
Other Expenses	3,044	39,395	(36,351)	7.72%
Repairs & Maintenance	4,458	2,965	1,493	150.35%
Supplies	974	11,470	(10,496)	8.49%
Utilities	11,328	60,916	(49,588)	18.59%
Turbidity Reduction Costs	1,079	0	1,079	0.00%
Depreciation	21,687	0	21,687	0.00%
Total EXPENDITURES & TRANSFERS	104,573	484,954	(380,381)	21.56%
TOTAL	33,826	43,681	(9,855)	77.43%

City of Blue Lake
Statement of Revenues and Expenditures
71 - Sewer Connection Fee Fund
From 7/1/2023 Through 9/30/2023
(In Whole Numbers)

	<u>Actual YTD</u>	<u>FY 2023-24 Budget</u>	<u>Over (Under) Budget</u>	<u>Actual YTD As a % of Budget</u>
REVENUES & TRANSFERS				
Interest	0	6,100	(6,100)	0.00%
Connection Fees	0	10,000	(10,000)	0.00%
Total REVENUES & TRANSFERS	<u>0</u>	<u>16,100</u>	<u>(16,100)</u>	<u>0.00%</u>
TOTAL	<u>0</u>	<u>16,100</u>	<u>(16,100)</u>	<u>0.00%</u>

City of Blue Lake
Statement of Revenues and Expenditures
72 - Sewer Capital Reserve Fund
From 7/1/2023 Through 9/30/2023
(In Whole Numbers)

	<u>Actual YTD</u>	<u>FY 2023-24 Budget</u>	<u>Over (Under) Budget</u>	<u>Actual YTD As a % of Budget</u>
REVENUES & TRANSFERS				
Interest	0	26,564	(26,564)	0.00%
Total REVENUES & TRANSFERS	<u>0</u>	<u>26,564</u>	<u>(26,564)</u>	<u>0.00%</u>
EXPENDITURES & TRANSFERS				
Other Expenses	23	0	23	0.00%
Total EXPENDITURES & TRANSFERS	<u>23</u>	<u>0</u>	<u>23</u>	<u>0.00%</u>
TOTAL	<u>(23)</u>	<u>26,564</u>	<u>(26,587)</u>	<u>(0.08)%</u>

City of Blue Lake
Statement of Revenues and Expenditures
80 - Dental/Vision Trust Fund
From 7/1/2023 Through 9/30/2023
(In Whole Numbers)

	Actual YTD	FY 2023-24 Budget	Over (Under) Budget	Actual YTD As a % of Budget
REVENUES & TRANSFERS				
Dental/Vision Charges to Operations	1,920	7,380	(5,460)	26.01%
Interest	0	720	(720)	0.00%
Total REVENUES & TRANSFERS	<u>1,920</u>	<u>8,100</u>	<u>(6,180)</u>	<u>23.70%</u>
EXPENDITURES & TRANSFERS				
Dental/Vision Claims	2,407	7,340	(4,933)	32.78%
Total EXPENDITURES & TRANSFERS	<u>2,407</u>	<u>7,340</u>	<u>(4,933)</u>	<u>32.79%</u>
TOTAL	<u>(487)</u>	<u>760</u>	<u>(1,247)</u>	<u>(64.03)%</u>

CITY OF BLUE LAKE
Cash Balance by Fund
9/30/2023

	<u>Balance</u> <u>9/30/2023</u>	<u>Balance</u> <u>6/30/2023</u>	<u>Increase</u> <u>(Decrease)</u>
General Funds			
10 General Fund (Net of Special Revenue or Capital Project Fund Deficits)	639,716	718,389	(78,673)
36 Powers Creek District Fund	-	7,947	(7,947)
38 CDBG Non-Program Income Fund	52,259	51,287	972
Total	<u>691,975</u>	<u>777,623</u>	<u>(85,648)</u>
Gas Tax and Street Funds			
25 Highway User Tax Fund	31,572	40,909	(9,337)
30 TDA Street Fund	4,523	9,387	(4,864)
34 Regional Surface Transportation Program Fund	2,459	-	2,459
Total	<u>38,554</u>	<u>50,296</u>	<u>(11,742)</u>
Special Revenue Funds			
11 Recreation Economic Analysis Fund	-	-	-
12 American Rescue Plan COVID Relief Fund	54,676	99,802	(45,126)
13 State Park Per Capita Program Fund	-	-	-
31 TDA Purchased Transportation Fund	-	-	-
32 AB-939 Solid Waste/Recycling Fund	19,713	22,468	(2,755)
33 Supplemental Law Enforcement Services Fund	-	-	-
Total	<u>74,389</u>	<u>122,270</u>	<u>(47,881)</u>
CDBG Funds			
42 CDBG Program Income Holding Fund	26,545	22,275	4,270
44 CDBG Program Income Revolving Fund	397,110	394,464	2,646
Total	<u>423,655</u>	<u>416,739</u>	<u>6,916</u>
Water Funds			
60 Water Fund (Net of Turbidity Reduction Facility Reserve Fund Deficit)	809,981	830,430	(20,449)
61 Water Connection Fee Fund	204,958	203,475	1,483
62 Water Capital Reserve Fund	13,800	13,700	100
64 Turbidity Reduction Facility Reserve Fund	-	-	-
Total	<u>1,028,739</u>	<u>1,047,605</u>	<u>(18,866)</u>
Sewer Funds			
70 Sewer Fund	-	-	-
71 Sewer Connection Fee Fund	326,774	324,430	2,344
72 Sewer Capital Reserve Fund (Net of Sewer Fund Deficit)	1,349,917	1,322,779	27,138
Total	<u>1,676,691</u>	<u>1,647,209</u>	<u>29,482</u>
Trust Funds			
80 Dental/Vision Trust Fund	36,499	37,317	(818)
82 Self-Insured Retention Reserve Fund	20,000	20,000	-
Total	<u>56,499</u>	<u>57,317</u>	<u>(818)</u>
Total Cash Balance	<u><u>3,990,502</u></u>	<u><u>4,119,059</u></u>	<u><u>(128,557)</u></u>

**City of Blue Lake
Staff Report**

To: Honorable Mayor and City Council
From: Jackson & Eklund Accounting, Contract Accountant
Through: Amanda Mager, City Manager/Finance Director
Date: 10/20/23
Subject: Unaudited Financial Report 7/01/2023 to 9/30/2023

Attached are the following unaudited financial reports:

- Revenues and Expenditures by Fund - shows the financial results of operations for the period 7/01/2023 to 9/30/2023 and reflects actual year-to-date revenues and expenses/expenditures (including transfers-in/out from fund balance) in comparison to total budgeted amounts for the fiscal year. Additionally, the actual year-to-date as a percentage of the total fiscal year budget is presented.
- Cash Balance by Fund - shows the cash balance by fund and the change from 6/30/2023 to 9/30/2023.

The **budget-to-date percentage** through 9/30/2023 is **33%**.

Financial Highlights

General Fund (Fund 10 only)

General Government:

- Expenditures/transfers-out exceeded revenues/transfers-in by \$122,924 as revenues lag expenditures.
- Revenues/transfers-in are at 10% of the total budgeted revenues/transfer-in for the fiscal year.
- Expenditures/transfers-out are at 35% of the total budgeted expenditures/transfers-out for the fiscal year.
- Expenditures for general government departments are all within expected budget parameters to date (33% of total fiscal year budget), except for the following departments which are over the budget-to-date as follows:
 - Planning - \$7,694 or 59.0%. Primarily due to street related costs which are expected to be reimbursed by PG&E.
 - Building - \$5,633 or 79.5%. Due to dual staffing related to Building Official training during the first quarter of the fiscal year. Cost should flatten the remainder of the fiscal year.
 - Law Enforcement - \$5,634 or 253.5%. Due to CalPers retirement payment that happens in once during the fiscal year.
 - Public Works - Streets – \$66,099 or 259.1%. Due to seasonal street maintenance that is not expected to taper-off as the fiscal year moves forward.

City of Blue Lake Staff Report

Parks & Recreation:

- Expenditures/transfers-out exceeded revenues/transfers-in by \$54,247.
- Revenues/transfers-in are at 28% of the total budgeted revenues/transfer-in for the fiscal year.
- Expenditures/transfers-out are at 28% of the total budgeted expenditures/transfers-out for the fiscal year.
- Expenditures for Parks & Recreation are all outside the expected budget parameters to date (33% of total fiscal year budget) as follows:
 - Recreation - \$30,365 or 51.8%. Primarily due to increased staffing related to the summer camp program.

Total general fund cash decreased by \$85,648 from \$777,623 at 6/30/2023 to \$691,975 at 9/30/2023. The cash balance is expected to increase as the City receives reimbursements related to grant funded projects.

Water Operating Fund (Fund 60 only)

- Revenues exceeded expenses (excluding depreciation) by \$42,759.
- Revenues exceeded expenses (including depreciation) by \$33,447.
- Revenues are at 25% of total budgeted revenues for the fiscal year.
- Expenses (excluding depreciation) are at 18% of total budgeted expenses for the fiscal year while expenses (including depreciation) are at 20% of total budgeted expenses for the fiscal year.
- Cash decreased by \$20,449 from \$830,430 at 6/30/2023 to \$809,981 at 9/30/2023.

Sewer Operating Fund (Fund 70 only)

- Revenues exceeded expenses (excluding depreciation) by \$55,513.
- Revenues exceeded expenses (including depreciation) by \$33,826.
- Revenues/transfers-in are at 60% of total budgeted revenues for the fiscal year.
- Expenses (excluding depreciation) are at 17% of total budgeted expenses for the fiscal year while expenses (including depreciation) are at 22% of the total budgeted expenses for the fiscal year.
- Cash balance equaled \$0 at 6/30/2023 and 9/30/2023. The cash balance is expected to increase as the City realizes the impact of the sewer rate.

Overall Cash Balance (all funds)

Overall, the City's cash balance decreased \$128,557 from \$4,119,059 at 6/30/2023 to \$3,990,502 at 9/30/2023. The 9/30/2023 cash balance was comprised of the following: Checking - \$372,517, Public Funds Savings - \$6,992, LAIF - \$3,536,816, Utility Deposits - \$71,447, Petty Cash and Change Funds - \$2,730.

(707) 668-5655

Fax: (707) 668-5916

www.bluelake.ca.gov



CITY OF BLUE LAKE
CALIFORNIA

111 Greenwood Road

P.O. Box 458

Blue Lake, CA 95525

Blue Lake City Council Minutes

Tuesday, August 22, 2023-- 6:30 p.m. ~Regular Council Meeting
Skinner Store Building-111 Greenwood Road, Blue Lake-Behind City Hall

Unless Otherwise Noted, All Items on the Agenda are Subject to Action.

Meeting Called to Order at 6:31 PM

1. Pledge of Allegiance and Establish a Quorum of the Council

Council Members Present:

Adelene Jones, Mayor
Elizabeth Mackay,
Elise Scafani
Christopher Edgar
Angela Shull-Mayor Pro Tem

Staff Present:

Amanda Mager, City Manager/City Clerk
Anali Gonzalez, Administrative Assistant

Public Present:

Darcy Lima
Erin McClure
Kent Sawatzky
Tina Catalina
Blue Shirt
Jason
Mardi Granger
Lisa Hoover
Angela Dare
Winona Pitts
Julie Chistie
Beckie Thornton
Cal Poly Hoodie Male
Kat and Erica
Jean Lynch
Marlene

2. **Approve Agenda**

Motion: To Approve the Agenda as presented

Motion by: Councilmember Mackay, **Second:** Councilmember Shull

Public Comment:

Kent Sawatzky commented on an item not agendized

Vote: Ayes: Jones, Mackay, Scafani, Edgar **Nays:** None **Absent:**

Motion Summary: Motion Passed

3. **Public Comment** – *The Public is invited to present petitions, make announcements, or provide other information to the City Council that is relevant to the scope of authority of the City of Blue Lake that is not on the Agenda. The Council may provide up to 15 minutes for this public input session. To assure that each individual presentation is heard, the Council may uniformly impose time limitations of 3 minutes to each individual presentation. The public will be given the opportunity to address items that are on the agenda at the time the Council takes up each specific agenda item.*

Kent Sawatzky- Comments on the City’s PRA process. Requests to add an item to be agendized.

Mardi Granger-Comments on a article she wrote.

Ted Hales-Comments on Mardi Granger’s comment; states she deserves an apology.

Josh Stark-Comments on the development along the river.

Angela Dare-States she is speaking for Beckie Thornton since she wasn’t able to make it tonight. Reads a statement from Beckie Thornton.

Erin McClure-Comments on water tanks and lease with the City; states her frustration on numerous citizens dumping trash on her property and loose dogs coming after her livestock. She states any dog that trespasses on her property does not come out alive. She has contacted Billy Honsal regarding this issue.

Mayor Jones-States we cannot make any comments or answer questions during public comment.

Julie Christie-States appreciation for Zoom and comments on encampment behind the school.

4. **The Great Redwood Trail Master Plan:** Mayor Jones introduces the item.

Carol Vander Meer presents to council and the community.

Mayor Jones: Thanks Carol Vander for the presentation.

Councilmember Scafani: Questions why the trail did not continue to Korbel.

Carol Vander Meer: States she is unsure of the answer.

Mayor Jones: Questions crossing the Mad River.

Hannah: Clarifies the portion of the trail that was part of the rail banking.

Public Comment:

Jean Lynch- Question private property rights.

Carol Vander Meer- Clarifies the easement issue.

Hannah: Explains the process of abandoned properties along the trail.

Julie Christie: States that portions of the route are not rail banked.

Kent Sawatzky: States the “public” questions the process of condemnation.

Councilmember Mackay: Expresses excitement for the Great Redwood Trail

Lisa Hoover: States her excitement for the Great Redwood Trail and thanks Carol Vander Meer for presentation.

Dayna: Asks about Eel River Canyon and how will they manage the landslides.

Carol Vander Meer-States there are a variety of approaches on how to address landslides.

Hannah: Thanks the community for their input. Shares the details of upcoming workshops regarding The Great Redwood Trail.

Erin McClure: Asks if the Buck Eye Conservancy and Cattlemen’s Association were contacted.

5. **Town Square Construction Contract Authorization:**

Mayor Jones introduces the item and reads the staff report

Mayor Jones- Asks the City Manager to provide a report.

City Manager-Provides a staff report

Councilmember Scafani: Questions when the Council will review the project designs.

City Manager Mager: Explains that Council authorized the submission of the grant that included the communities input. The project design is based upon the items identified in the grant.

Public comment:

Dayna- Questioned the City’s community outreach regarding the Town Square Project.

Councilmember Mackay-States community outreach for the Town Square Project started pre COVID three years ago.

Kent Sawatzky-States he would like to see a picture of the Town Square project on the City’s website. Suggests the bathroom should be near city staff or police department.

Winona Pitts-Questions why the restroom would be placed next to the bus stop.

Andy Jones-Expresses concern over location of bathroom; he is relieved a licensed designer helped design the Town Square Project. .

Angela Dare-States she loves the idea of having a restroom in downtown.

Erin McClure: States she would like to see a picture of the project.

Public Comment Closed.

Comments from the Council:

Councilmember Edgar-Asks how difficult it would be to bring the project back to council to adjust some designs if removal of items is a problem with the granting agency.

Councilmember Mackay-Would like to see the project design; understands the timeframe and doesn’t want to hold up the project.

Councilmember Edgar-The Town Square project has already been approved. Why would we need another meeting. If there are no adjustments being made then we should move forward. The only thing we would be adjusting is aesthetics.

Councilmember Scafani- Requests staff to make the Town Square Project design available on the City website.

Motion: To authorize the City Manager to execute a construction contract with the lowest-responsive bidder and modify the project deliverables to maintain the project budget and the granting agencies intentions; City Manager will bring the project back to Council if major changes need to be made.

Vote: Ayes Jones, Mackay, Edgar, Shull **Nays:** None **Absent:**

Motion Summary: Motion Passed

Council Correspondence: Council discusses League of Cities correspondence.

Mayor Jones- States she would like to pull the meeting minutes and add Earl Eddy's moment of silence.

Motion: To approve the minutes with the addition of Earl Eddy's moment of silence

Motion by: Councilmember Mackay, **Second:** Edgar

There were no comments by Council.

No comments from public.

Vote: Ayes: Jones, Mackay, Edgar, Shull, Scafani **Nays:** **Absent:** **Abstain:**

Motion Summary: Motion Passed

Motion: Move to approve consent agenda minus the minutes.

Motion by: Councilmember Mackay, **Second:** Councilmember Edgar

There were no comments from the Council

Public Comment:

Kent Sawatzky-Thanks the City for providing City Clerk training to Anali Gonzalez.

Vote: Ayes: Jones, Mackay, Edgar, Shull, Scafani **Nays:** **Absent:** **Abstain:**

Motion Summary: Motion Passed

6. Reports of Council and Staff

Councilmember Edgar: Nothing to report; comments on supporting the fire department

Councilmember Scafani- Provides update on the City's website.

Mayor Jones: Attended August 10, 2023 HWMA; presentation from little Hoover commission and August 17, 2023 HCAOG strategic safety highway plan. States the City Wide Yard Sale had 24 people sign up and one hundred twenty dollars was donated to the resource center. Shares details on Earl Eddy's memorial at the Grange. States Earl Eddy's memorial was well attended and asks for a proclamation for his 8 years on the planning commission. Shares excitement on a record breaking 54 booths for Annie and Mary Day.

Mayor Pro-Tem Shull-States RREDC is next week and attended August Chamber of Commerce meeting. States on Thursday September 16 the annual chamber of mixer is from 5:30 to 7:30pm..

Councilmember Mackay- States Kelli Costa is the newest member on the Economic Development Commission. Shares her experience at an event hosted by the League of Cities. States she did not attend Arts and Heritage meeting due to the meeting being cancelled.

Councilmember Scafani- States her concern for lack of participation from commission liason's and willing to discuss possible alternatives.

Public Comment:

Kent Sawatzky: Suggests the city wide yard sale be held on a Sunday to support the Sunday Market. Points out the September civic calendar is not posted on the City's website

City Manager Report: Mayor Jones introduces and reads City Manager report.

Councilmember Scafani- Asks if the feasibility study and financial reports are available from Storyland.

City Manager Mager- States the feasibility study and financials is part of the final report. Final report has been reviewed by Arcata Economic development and RREDC. Explains the process of the final portfolio and what the next steps are for printing options and possible release to the public in October.

Councilmember Scafani- Do you give a grant report with each line item on where funds are allocated?

Lisa Hoover- Surprised by the managers report regarding the RV Park.

Josh Stark- Understands the feasibility study and explains the process in other cities.

Dayna- States she was unaware of the Storyland Project.

Kent Sawatzky- Comments public perception.

Winona Pitts- Comments on the transparency of the City's website.

7. Future Agenda Items:

- Leash Law -City Manager will check on the status
- Biomass presentation
- Storyland Project

Meeting Adjourned at 9:05 PM

Motion: To adjourn at 9:05 PM

Motion by: Councilmember Mackay , **Second:** Councilmember Edgar

There were no comments from the Council

Public Comment:

Kent Sawatzky-Comments on potential litigation

Vote: Ayes: Jones, Mackay, Scafani, Edgar, Shull **Nays:** None **Absent:**

Motion Summary: Motion Passed



City of Blue Lake

City Manager Report

October 2023

Economic Development

- Commercial Kitchen Development: The commercial kitchen in Prasch Hall is complete; the skating rink concession stand has moved into the space and we will begin soliciting interest for off-hour rentals in the near future. We are in conversation with several entities that are interested in renting the space for pop up food events and production activities. The kitchen was completed by our Public Works team and includes all commercial grade equipment. *Funding for this project was provided by the State Park Per Capita Grant, USDA Community Facilities, and American Rescue Plan funding.*
- RV Park and Campground: The RV Park and Campground development plan is being readied for release; the Council directed staff to release the project to solicit interest and gain feedback on the plan. This will be an on-going project.

The City has been granted an extension for the EDA grant funding in order to expend remaining grant dollars. The remaining funds will be used to complete the survey and subdivision of City-owned parcels, as well as the development of a masterplan for the remaining parcels. The masterplan will guide the City as we seek additional development options for the Powers Creek District. Remaining funds include approximately \$60,000.00 and

	<p>staff is proposing to allocate the funds between surveying and sub-dividing activities and master planning efforts. <i>Funding for this project has been provided by the Economic Development Administration in the amount of \$222,000.00-On-Going</i></p>
<p>Parks and Recreation</p>	<ul style="list-style-type: none"> • <u>State Park Per Capita Grant</u>-\$177,000: Work identified in this funding application has been completed at the horse arena, tennis courts, baseball/softball fields, the serving booth and stage area. Work continues on Prash Hall; the hall is receiving the bulk of the funding and final upgrades/renovations are being completed. Once complete, Prash Hall will reopen with a commercial kitchen, new floor, new lighting, sound dampening, a concession stand, merchandise center, and more. The upgrades will allow the hall to be used as a music concert venue, along with additional opportunities for expanded skate services, private parties, and drop-in recreation programs. Work in the hall is approximately 90% complete; remaining work items include floor repairs, setting up the retail counter and novelty shop and final accessorizing of the party room spaces. • <u>Town Square Grant</u>: The town square project was released for construction bidding; the bid date was August 17, 2023 and the City has received two bids. The City's engineer has evaluated the bids and Sequoia Construction was deemed the lowest responsive bidder. The project bid was presented in a manner that allowed the City to negotiate pricing and to remove items deemed outside of our project budget. The City was able to negotiate a final contract amount and scope of work that allows the City to construct 90% of the original scope of work. The City is deferring installation of the largest cost item, the public restroom, but will be installing the necessary infrastructure

to support a future installation. The City is pursuing additional funding sources to assist with the installation and looking at other facility options that are less costly to purchase. The Town Square will go to construction in the Spring, which will allow the City additional time to seek funding for deferred installments. Due to the approaching wet weather season, and the scope of the project, including a large amount of concrete work, it was decided that the City will utilize the Fall/Winter months to review submittals and prepare for a Spring construction date. City staff has met with our local USDA Community Facilities representatives and he has encouraged the City to submit an application through USDA for the purchase of a bathroom unit. USDA can fund up to \$50,000.00 to assist with the acquisition. City staff is in the process of preparing this application.

- ADA Parking at the Town Square: As part of the town square design, the City included ADA parking and accessible sidewalks. The City does not currently have an ADA parking space in the downtown and this has been identified as a necessary installation for the City. The City has been reserving funding through our various street programs to make ADA improvements as deemed feasible; having an ADA parking space at the town square and across from the post office will allow the City to meet State and Federal requirements. The ADA parking was included in the town square project and the City will utilize street funds to pay for this portion of the project. The City will also apply for the 2% TDA Set-Aside funds, available each year through HCAOG, to assist in funding this portion of the project. *The final construction budget for the town square is \$359,981.00; this includes \$323,000.00 from the State Park Grant, and \$36,830.00 from the City's infrastructure funding for streets and water and wastewater*

improvements.-***This project is on-going, with minimal change since the September report.***

- Skate Program: The skate program continues to build capacity and revenue potential. With the addition of the newly installed lighting package, along with the concession relocation to the new commercial space, the program will continue to grow its capacity to offer additional services, party packages and special events. As the merchandise counter is finalized, the skate program will offer skate gear, a heat press shop and novelty shop. Staff is in the process of developing party packages that will be marketed for birthdays and other celebrations. -***This is an on-going activity; significant changes from the September report include the completion of the commercial kitchen and the final installation of the lighting and sound improvements.***
- Bike Park: The City has started work on the dirt track portion of the bike park. Work includes moving dirt from the two larger piles to the various feature locations and then utilizing small equipment and manpower to build and compact the dirt as identified in the design. The City will be scheduling volunteer work days during the month of October. The City has applied for funding from the Caltrans Clean California Grant Program in the amount of \$830,000.00, to complete a full build-out of the park; we are waiting to receive word if we will be funded. If we are not funded under this round, we will continue to work towards additional funding opportunities, while at the same time pursuing a grass-roots, volunteer-based project-***On-Going; no significant change from the September report.***

City Infrastructure

- Library Improvements: Work continues on the architectural barrier removal project at the library; work includes ADA improvements to the library bathroom, walkway and parking lot. Additional work to repair damaged siding on the east facing side of the City Hall administration office, as well as the south facing side of the building has been added to the contract. Once the damaged siding is replaced, the contractor will paint those sections of the building, along with the installation of new doors to the south entrance of City Hall. The remainder of the building will be painted by the City in the Spring. The contractor is waiting on the delivery of the new handrail for the walkway, this piece is being fabricated locally and will be installed upon receipt. This project is funded through the City's Community Development Block Grant Program Income funding. *Work under this project is budgeted at \$200,000.00; this includes design, engineering, bid management, inspections, project & grant management and construction.*
- Truck Route Study and Design: Work continues on the truck route project; the City has a draft plan that is being used to conduct environmental and cultural studies. The City's project has been approved for funding by the CTC; it is anticipated that the City will receive funding in the amount of \$1.6 million to make much needed safety improvements to Greenwood. The City will continue to pursue funding for additional improvements to the truck route as the design progresses.

Dan Burden, walkability/traffic safety expert, has completed a walkability audit of the City's truck route and is providing peer review and guidance on proposed improvements. Mr. Burden has provided preliminary feedback on the truck route and will be formalizing his

recommendations for review by the City and the community. Currently, the City Engineer and other City staff are working through Mr. Burden's comments and recommendations; this includes conducting modeling to test turn radiuses for commercial vehicles, along with ground truthing sight lines and ingress/egress continuity and functionality. The truck route project is a State funded project; the City has received funding for design, engineering and environmental work and will receive construction funding once a final plan is accepted. Next steps will include presentation and review of the design by the community and special interest user groups. To date, the City has conducted various forms of community outreach to gain feedback on safety concerns and design options. The City has met with our local industrial user groups and first responders, to ensure that design standards can accommodate their needs.-On-Going

- Taylor Way Improvements: The City has received a grant from HCAOG to hire Dan Burden to complete a street design for Taylor Way. As the City designs and attracts new investment to the Powers Creek District, Taylor Way must be improved to accommodate the mix of uses. Dan Burden has completed an initial assessment of Taylor Way, along with a review of proposed development scenarios; he has compiled a preliminary design which has been reviewed by staff. As part of the review process, several considerations were brought up and additional design work is on-going. The City Engineer is utilizing various modeling applications to test ingress/egress scenarios and turn radius needs.

The design incorporates speed control measures, a gateway installation, raised crosswalks, on-street parking,

	<p>and turnaround options for the end of Taylor Way. Staff will be presenting these ideas when they are in a more refined state of dissemination. -<i>On-Going</i></p> <ul style="list-style-type: none"> • <u>FEMA Water Tanks Funding</u>: The City submitted a funding request to the FEMA Hazard Mitigation Program to replace the City's two redwood water tanks. The City has been preliminarily awarded under the program and is working with FEMA staff to answer RFI's and to provide additional project details as requested. This project has been on-going for several years and we anticipate receiving funding in 2023. -No significant changes have occurred since the September report.
<p>Policy Updates and Studies</p>	<ul style="list-style-type: none"> • <u>Housing Element Update</u>: Staff have completed the final draft of the housing element and submitted it to the State for review. The State has received the submittal and is in the final stages of review and comment. Staff is working closely with our HCD representatives as questions arise through the review process. -On-Going, no significant change from the September Report.