

# **CALIFORNIA**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2024**

**CITY OF PORTERVILLE**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 2024**

**PREPARED BY THE FINANCE DEPARTMENT  
OF THE CITY OF PORTERVILLE**

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**Introductory Section**



Janie Rodriguez  
Finance Director  
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291 North Main Street  
Porterville, CA 93257

July 7, 2025

Honorable Mayor and City Council  
Residents of the City of Porterville

The annual comprehensive financial report of the City of Porterville for the year ended June 30, 2024, is hereby submitted in accordance with Sections 24 and 59 of the City Charter. These ordinances require that the City issue annually a report on its financial position and activity, and that an independent firm of certified public accountants audit this report.

Management assumes full responsibility for the completeness and reliability of the information presented in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

CliftonLarsonAllen LLP, a firm of licensed certified public accountants, have issued an unmodified ("clean") opinion on the City of Porterville's financial statements for the fiscal year ended June 30, 2024. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

### ***Profile of the Government***

The City of Porterville, incorporated on May 7, 1902, is located midway between San Francisco and Los Angeles, an hour from Fresno and Bakersfield. It is situated in the southeastern portion of California's San Joaquin Valley, the most diverse agricultural area in the world. The City currently occupies a land area of 18.73 square miles. Its population has grown 12 percent in the last ten years to 62,934.

The City of Porterville became a Charter City in 1926. Porterville is empowered to levy property taxes within its boundaries in accordance with Article XIII A of the California Constitution (Proposition 13). It is also empowered to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

The City of Porterville has operated under the council-manager form of government since 1927. Policy-making and legislative authority are vested in a governing council (Council) consisting of the mayor and four other members. The Council is elected on a non-partisan basis. Council members serve four-year staggered terms, with three members elected during one election and two during the next. The Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both Porterville's manager and attorney. The City Manager is responsible for carrying out the policies and ordinances of the Council, overseeing the day-to-day operations of the city, and for appointing the heads of the various departments.

The City of Porterville provides a full range of services, including general administration, human resources, treasury, finance and accounting; risk management; police and fire protection; engineering, building inspection and projects management; public works (streets, roads and other infrastructure construction and maintenance); planning, zoning, and economic and community development; and parks and trailways maintenance, community services (including a sports complex and skate park), library, and senior, adult and youth recreational activities. It also administers low-income housing programs and manages landscape maintenance districts. Water, sewer, and solid waste disposal services are provided through enterprise funds, as are transit, airport, golf course, and the Pearl Zalud Estate museum operations.

The annual budget serves as the foundation for the City of Porterville's financial planning and control. All departments of the City are required to submit requests for appropriations to the City Manager who uses these requests as the starting point for developing a proposed budget. The City Manager presents this proposed budget to the council for review prior to June 1. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 30, the close of the City's fiscal year. The appropriated budget is prepared by fund, by department (e.g., public works) and by function (e.g., streets maintenance). Each department head is responsible for monitoring departmental expenditures. Department heads may make transfers of appropriations within a department. The City Manager is authorized to transfer budgeted amounts between departments.

### ***Local economy***

The City of Porterville's economy is a mixture of agri-business, light industry and commercial enterprise. Local businesses produce a variety of products such as electronic medical instruments, printed forms and specialty documents, food products, machine products, aircraft parts, and lumber. Several public facilities are also located here including the Porterville Developmental Center, Sequoia National Forest Headquarters, the CalFire/US Forest Service Air Attack Base, the Army Corps of Engineers Lake Success Facility, and the Porterville College campus of the Kern Community College District.

Nestled against the foothills of the Sierra Nevada Mountains, the City serves as a gateway to Sequoia National Forest, Giant Sequoia National Monument and Kings Canyon National Park. The City serves as a trade center to over 100,000 people.

The local economy continues to show some resilience, despite some emerging challenge and structural challenges such as high unemployment. Assessed property values for the fiscal year 2023-2024 increased by 0.06 percent or \$187 million. Taxable sales decreased by 3.4 percent during the year. Unemployment rate has risen from 12.7 percent in the prior fiscal year to 14.5 percent this year.

Utility users tax declined by \$447,354 or 7.8 percent which is largely attributed to a continued shift from cables services to streaming platforms.

Business development is always a priority. The City's Business Assistance programs continue to assist local businesses. The Economic Development Division recently developed a Shop Local campaign to encourage the community to shop locally and get to know local businesses throughout the City. In the next year, the following retail stores are expected to open: Wienerschnitzel, Chipotle, and Main Street Brewery.

Brookside subdivision development began construction in Spring 2024. The project consists of 229 lots for single-family use, a 2.99-acre park and local streets. Several other housing developments were completed during the year and several more are in various stages of completion, which will add over 200 single-family units.

The development of a new hotel, Hampton Inn & Suites continues to be in the planning stage.

The new Eagle Mountain Casino opened its doors in May 2023. This is phase 1 of the Tule River Indian Tribe casino and resort project which is located on a 40-acre site west of the Porterville Municipal Airport. The casino project included a 2,000-seat event center, 1750 slot machines, 20 table games, The River Steak House, the Redwood Taphouse, the Acorn Diner, the Cedar Food Court, and the Yokuts Coffee House. Construction of Phase 2 of the project will include a 125-room hotel and a 20,000 square feet banquet and conference space will begin in the fall of 2025. This project will provide significant economic benefits adding approximately 300 full and part-time new jobs to the local economy and will offer new amenities for the community and visitors alike for years to come.

### ***Long-term financial planning and major initiatives***

Unrestricted fund balance (the total of committed, assigned and unassigned components of fund balance) in the general fund at year end was \$48,300,350. This includes amounts set aside for catastrophic and emergency events capital construction, facility, equipment and infrastructure deferred maintenance and improvements. Unrestricted fund balance also includes a budget stabilization reserve set by the City Council at 15% of the general fund annual budgeted operating expenditures with a balance of \$5,215,522 at June 30, 2024.

The City continues to make progress towards improving services to the community and overall quality of life for its residents, and preparing for future opportunities and fiscal challenges.

In March 2023, the City declared the existence of a local emergency, in response to the threat to life and property caused by flooding from a series of storm systems, impacting Success Lake and significantly increasing the flows of the Tule River. The City's Public Works Department worked tirelessly to protect homes and critical infrastructure, working around the clock to clear debris along the river banks. Sections of the Tule River were reconstructed to save homes from being washed away. The local National Guard Armory was turned into an emergency evacuation point and shelter. The City Council has made a decision to continue the operations at the Armory as a temporary shelter for those experiencing homelessness.

In June of 2020, City Council approved and adopted Resolution No. 41-2020 committing the proceeds of insurance from the catastrophic fire that destroyed the library to the reimbursement of expenditures related to the fire and the establishment of a replacement library. At the end of the fiscal year, unrestricted fund balance in the general fund included \$3,084,874 earmarked for

this purpose. The temporary interim library facility opened on July 1, 2022 in an 8,000 square foot leased property which features 35,000 materials, study tables, programming space, leisure reading areas, public computers, and free W-Fi and will continue to operate and service the residents until the construction of the new library facility is completed.

On December 7, 2021, the City Council chose the site for a new community library facility on a 4-acre property owned by the City, zoned appropriately and has room for expansion. The library needs assessment commissioned by the City Council concluded that the City will need a building of approximately 40,000 square feet. In September 2022, the City was awarded \$7.26 million in grant funds by the California State Library for the construction of the new library. In August 2023, the City Council awarded the contract for the design of the new library. In September 2024, the City Council reviewed multiple scoping options and budgets for the future public library and subsequently provided new direction, selecting a reduced 24,600 square-foot building with an estimated cost of \$30 million. In February 2025, the City Council requested a re-evaluation of the library design options to determine an approach that was more in line with the funding currently available. The design firm proposed cost savings measures and recommended an overall construction budget of \$20 million. Staff continues to look at different avenues to fully fund the construction project.

In January 2022, the City entered into a grant contract with the California Department of Parks and Recreation through the Statewide Park Development and Community Revitalization 2018 Parks Bond Act for a grant amount not to exceed \$7.8 million for the development of a new community center and park. The project consists of the construction of a multi-use community center with exterior park amenities that include an ADA accessible playground, splash pad, challenge course, public art wall, mini pitch soccer arena, outdoor exercise equipment area, picnic shelters, pump track, landscaping, and solar lighting throughout the park area. Project design progressed through 2024, and the City officially broke ground on the project in May 2024. Construction is now underway, with a completion anticipated in Fall of 2026.

In September 2024, the construction contract of a new non-motorized transportation facility called the Butterfield Stage Corridor was awarded, and construction began shortly after. The project which was near the completion of its design phase at the end of fiscal year 2022-223, will provide safe and improved access to education, retail opportunities, job centers, housing, and the transit center. It consists of approximately nine miles of passageway that was formerly the Union Pacific Railroad right of way, between Tea Pot Dome to the south and Avenue 196 in Strathmore to the north. Funding for the construction will include a \$7.1 million Active Transportation Program grant, with an estimated total cost of \$21 million.

In addition, the City received a Clean California Grant award from the California Department of Transportation in the amount of \$3.6 million for the Santa Fe Byway project which consists of the revitalization of 1.3 miles of the Rails to Trails Parkway which is an underutilized trail within a quarter mile of five underserved communities. The project also includes the installation of High-intensity Activated crosswalk (HAWK) systems at the Olive Avenue and Morton Avenue crossings along the trail which will be funded by an Active Transportation Program grant. The HAWK crossing system is a unique design proven to be safer for pedestrians and more effective for motorists than conventional crosswalk designs. It is also less costly to build and more energy efficient than traditional traffic signal systems. The design phase of the project has been completed, and the construction contract was awarded in March 2024. The total estimated construction cost of the project is approximately \$4.1 million.

Plans are also currently being developed for a new park on an undeveloped land owned by the City adjacent to the Heritage Center. The Santa Fe sportsplex will include ten futsal courts with lighting, two lighted multi-sport courts, six pickleball courts, a large picnic gazebo, and an amphitheater with solar lighting throughout, and landscaping with drought tolerant trees and plants. Initial funding will come from the Community Development Block grant. A grant application for \$2.5 million has been submitted to the State's Outdoor Recreation Legacy Partnership program.

During the fiscal year, the City was notified of a grant award of \$1 million for the development of an Off-highway vehicle (OHV) recreation park at a new site owned by the City. Operations of the OHV park at the old site was terminated at the beginning of the fiscal year 2023-2024 due to the anticipated sale of the property to the Tule River Tribe. At this time the City Council has not yet determined the future of the property.

California Assembly Bill 178, the Budget Act of 2022 included an appropriation of \$10 million for the development of a new Emergency Operations Center (EOC) and public safety administrative offices, to be located at the former Porterville Library site. The EOC will serve as the critical coordination hub during emergency incidents and the centralized location for emergency response and recovery operations in the Porterville and greater southeastern County area. The new facility will include a memorial area in honor of the City's fallen heroes, Fire Captain Ramon Figueroa and Firefighter Patrick Jones. A consultant services agreement was awarded in November 2024 for the design of the EOC, and the design phase is currently ongoing.

The American Rescue Plan Act (ARPA) has provided the City \$19,984,717 in resources to respond to the COVID-19 pandemic and its economic effects. Consistent with the guidelines set forth by the Department of the Treasury, the City Council has directed the funds be prioritized towards broadband infrastructure and technology enhancements and addressing homelessness. ARPA funds will also be used on government services up to the revenue loss amount, including funding to complete the construction of the new animal shelter, support the construction of the new community recreation center, the expansion of the Navigation Center, the golf course driving range netting project and the lighting of baseball and softball fields.

In coordination with the Tule River Tribe, construction of the tertiary wastewater system facility (TWSF) near the casino resort is near completion. The project is initially funded with proceeds from the issuance of the 2021 Water System Financing Project Certificates of Participation (COP) and grant funds in the amount of \$2.375 million from the California State Water Resources Control Board. The disinfected tertiary recycled water will be used for landscape irrigation within the casino resort and the City's Sports Complex. The reduction of potable water demand from the Sports Complex will offset the new demand for portable water for the casino resort.

The construction of a stormwater retention basin, which is another project being developed in conjunction with the Tule River Tribe, is near completion. The project includes piping infrastructure that will provide for the collection of surface water runoff. This is also funded by the proceeds of the 2021 Water System Financing Project COPs. The rest of the COP project funds will be utilized to construct improvements to the Waste Water Treatment Facility to further full tertiary treatment of plant effluent.

In September 2022, the City executed a grant agreement with the Federal Aviation Administration Airport Improvement Program for the rehabilitation of the parallel taxiway and reconfiguration of the connecting taxiways at the Porterville Municipal Airport. The total grant award is \$4.4 million which will pay up to ninety (90) percent of the allowable construction costs. The project will

address the poor pavement condition of the taxiways and the currently non-conforming connecting taxiways, reconstructing the connecting taxiways in FAA compliant geometry and alignment. It will also include improvements to the airfield electrical systems serving the taxiways. The project will facilitate safe passage of jet and propeller aircraft. Construction began during the fiscal year and near completion at the end of the fiscal year.

The City is also in the early stages of developing plans to address the shifting of Runway 12-30 at the airport to the northwest of its current alignment. The shift will bring the facility into compliance and eliminate the safety issues related to county roads within each Runway Protected Zone. The project will essentially increase the runway length from 5,950 feet to 7,760 feet, making it possible to support the operation of large jet aircrafts mainly by the CalFire/US Forest Service Air Attack Base which protects the southern Sierra mountains. The project will include the acquisition of land, relocation of the access roads and airport perimeter fences, shifting the runway 1,800 feet to the northwest, and extending the parallel taxiway to the new threshold.

Construction of the animal shelter facility was completed in the fall of 2024. The project included the remodel of a 9,677 square-foot building with storage and isolation rooms, adoption rooms, lobby, and grooming room. The project also included an exterior dog park and street improvements. Total construction cost was \$7.4 million. A major portion of the funding for this project, \$4.8 million is from the ARPA funds.

The sewer rate study and solid waste rate study were recently completed and presented to the residents for a protest hearing in accordance with Proposition 218. The new rates were subsequently approved and adopted by City Council and becomes effective on January 1, 2024 with additional increases beginning in July of the next four fiscal years. The new rates will provide much needed funding for operations, capital improvements and regulatory compliance costs.

Construction of sewer infrastructure extending the City's sewer system to several annexed areas lacking in sewer facilities is well underway. The project will add 14 miles of sewer lines connecting with existing sewer trunks and approximately 1,117 lateral connections. The project is funded by the proceeds from the issuance of the 2019 Sewer Revenue Certificates of Participation. Construction was completed in two of the six annexation areas during the fiscal year 2022-2023 and three additional areas were completed during the fiscal year 2023-2024. The final area is expected to be completed in 2025.

In July 2022, the City transferred transit operations to the Tulare County Regional Transit Agency (TCRTA), a joint powers agency (JPA) formed by the County of Tulare and the cities of Dinuba, Exeter, Farmersville, Lindsay, Porterville, Tulare, and Woodlake. The City has closely monitored the finances of TCRTA since the transition. In December 2023, the City Council made a decision to withdraw from the JPA effective on June 30, 2024, effectively taking back the operations of the Transit system.

The City continues to address issues surrounding homelessness by working with various community partners. Efforts include supporting the Porterville Welcome Center, the first low barrier Navigation Center in Tulare County. The navigation center offers 15 emergency beds and 15 bridge housing beds with wrap around services.

## ***Awards and Acknowledgements***

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Porterville for its annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the 34th consecutive year that the city has received this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the City's Finance Department. Special recognition is extended to Assistant Finance Director Trisha Whiteley for her dedication and valuable assistance. I would also like to express my appreciation to all the departments for their assistance in providing the necessary data to complete this report. Credit also must be given to the Mayor and the City Council, as well as the City Manager for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Porterville finances.

Respectfully submitted,

*Janie Rodriguez*

Janie Rodriguez  
Finance Director





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

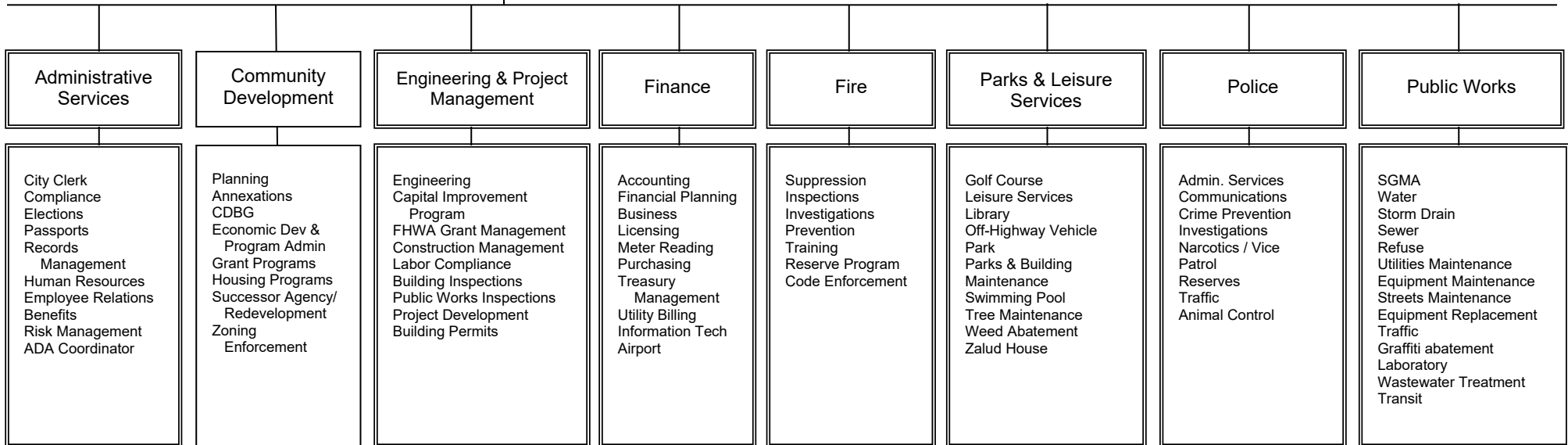
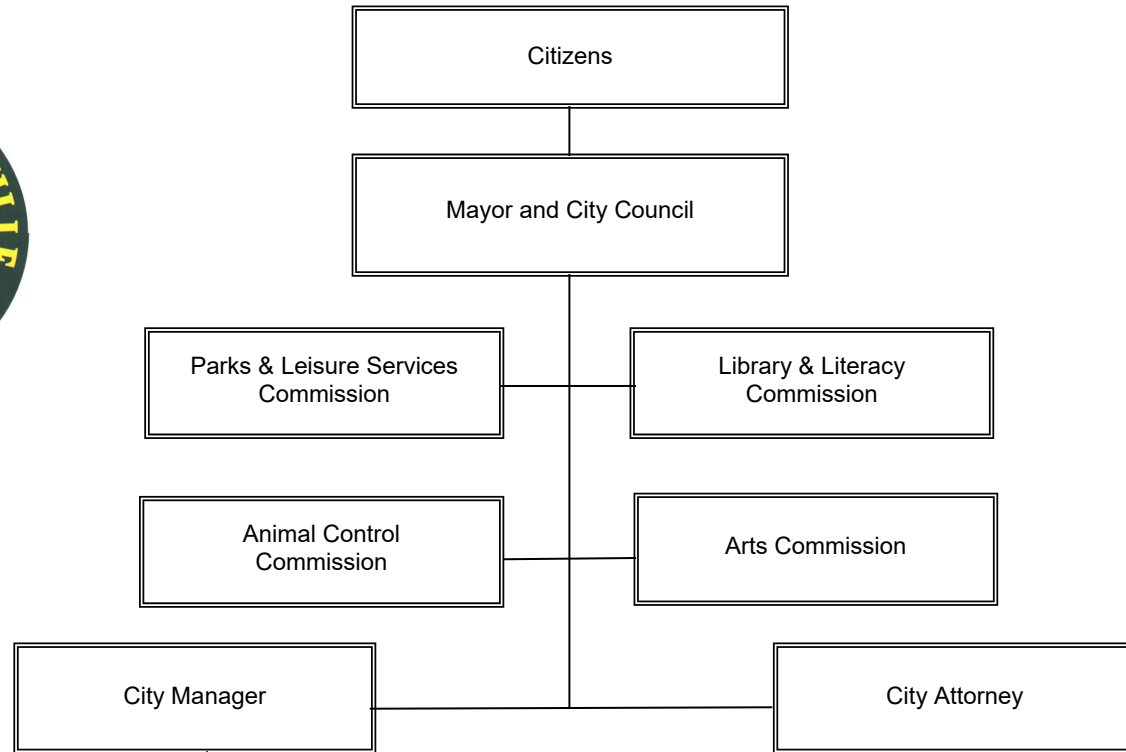
**City of Porterville  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO



**CITY OF PORTERVILLE**

**CITY OFFICIALS - COMMISSIONS, BOARDS, AND COMMITTEES**

**As of June 30, 2024**

<b><u>City Council</u></b>		<b><u>Term Expires</u></b>
Martha A. Flores	Mayor and Chairperson – Dist. 3	Nov 2024
Kellie Carrillo	Vice Mayor and Vice-Chairperson – Dist. 5	Nov 2024
Donald Weyhrauch	Council Member and Agency Member – Dist. 4	Nov 2024
Raymond Beltran	Council Member and Agency Member – Dist. 1	Nov 2026
Greg Meister	Council Member and Agency Member – Dist. 3	Nov 2026

**City Manager and Department Directors**

Patrice Hildreth	City Manager/City Clerk
Jason Ridenour	Deputy City Manager
Michael Knight	Assistant City Manager/Public Works Director
Janie Rodriguez	Finance Director
Jake Castellow	Police Chief
Bryan Cogburn	Fire Chief
Javier Sanchez	Engineering and Project Management Director
Donnie Moore	Parks and Leisure Services Director
Richard Tree	Transportation Director

**Library & Literacy Commission**

Susan Uptain, Chairperson  
Edith La Vonne, Vice Chairperson  
Kim Baumgardner, Member  
Patience Christenson, Member  
Esther Figueroa, Member  
Sonya Lopez, Member  
Fernando Serrano, Member

**Arts Commission**

Kyree Perkins, Chairperson  
Emily Luna, Vice Chairperson  
Angeles Eden Santos, Member  
Maria Menga, Member  
Diego Monterrubio, Member  
VACANT, Youth Member

**Parks and Leisure Services Commission**

Jason Pommier, Chairperson  
Phillip Duncan, Vice Chairperson  
Kieran Daly, Member  
Tom Fiorimonti, Member  
Diane Graybehl, Member  
Jason Gurrola, Member  
Arlene Pena, Member  
Janet Uresti, Member

**Animal Control Commission**

Kathy Guinn, Chairperson  
Kathleen Harris, Vice Chairperson  
Lacie Goodlett, Member  
Jerry Hall, Member  
Shawn Schwartzenberger, Member

**Transactions and Use Tax Oversight Committee (Measure H & I)**

John Billiou, Chairperson  
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Shawn Byars, Member  
Angela Dennis, Member  
Robert K. Falls Jr., Member  
Margaret Stinson, Member  
Rae Dean Strawn, Member  
Janice Kovars, Member

**Financial Section**





## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council  
City of Porterville  
Porterville, California

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Porterville, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Porterville's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Porterville, as of June 30, 2024, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Porterville 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***

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 of Porterville'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.

***Auditors' 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 auditors' 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 City of Porterville'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 City of Porterville'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, schedule of changes in net pension liability and related ratios and schedule of plan contributions, schedule of proportionate share of the net pension liability / (asset) and related ratios, schedule of change in total OPEB liability and related ratios, and budgetary comparison information 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Porterville's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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. The 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 GAAS. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

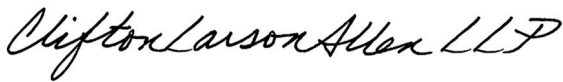
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Honorable Mayor and City Council  
City of Porterville

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 7, 2025, on our consideration of the City of Porterville’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 the City of Porterville’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Porterville’s internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Irvine, California  
July 7, 2025

## Management's Discussion and Analysis

As management of the City of Porterville, we offer readers of the City of Porterville's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 – 7 of this report.

### Financial Highlights

- The assets and deferred outflows of resources of the City of Porterville exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$591,583,661 (*net position*). Of this amount, \$42,619,889 represents unrestricted net position, which may be used to meet Porterville's ongoing obligations to citizens and creditors. \$511,476,296 is the net investment in capital assets which includes all major infrastructure systems.
- The City's total net position increased by \$20,041,990 from prior year from current activities. Governmental activities' net position increased by \$11,493,856. The business-type activities' net position increased by \$8,548,134 mainly from the water fund.
- At June 30, 2024, the City of Porterville's governmental funds reported combined fund balances of \$87,346,845, a decrease of \$4,997,479 from the prior year.
- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed*, *assigned* and *unassigned* components of *fund balance*) for the general fund was \$48,300,350, or approximately 107.5 percent of total general fund expenditures.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Porterville's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information intended to furnish additional detail to support the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Porterville's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets and liabilities and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Porterville is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Porterville that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety – police and fire, community and economic development, engineering and projects management, streets, and parks and recreation. The business-type activities of the City include the Zalud Estate, Public Transit, Sewer, Solid Waste, Airport, Golf Course, and Water operations.

The government-wide financial statements can be found on pages 35 - 37 of this report.

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

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. 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 governmental funds 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 financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Porterville maintains fifteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the American Rescue Plan Act Fund and the Capital Projects Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic governmental fund financial statements can be found on pages 38 – 41 of this report.

**Proprietary funds.** The City of Porterville maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for the Zalud Estate, Public Transit, Sewer, Solid Waste, Airport, Golf Course, and Water operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for equipment maintenance and risk management. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sewer, Water and Solid Waste operations, all of which are considered to be major funds of the City. The remaining enterprise funds are combined into a single, aggregated presentation in the proprietary fund financial statements, as well as both internal service funds. Individual fund data for each of these nonmajor enterprise funds and the internal service funds are provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic proprietary fund financial statements can be found on pages 42 – 46 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Porterville's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City of Porterville maintains two different types of fiduciary funds. The *Private-purpose trust fund* is used to report resources held and administered by the City acting as the Successor Agency to the former redevelopment agency. The *Custodial fund* reports resources not in a trust, held by the City for individuals, private organizations and other governments.

The fiduciary fund financial statements can be found on pages 47 – 48 of this report.

**Notes to the 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 financial statements can be found on pages 49 – 117 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the changes in the net pension liability and other postemployment benefits liability of the City of Porterville to its employees and the contributions made to the pension plans.

The City adopts an annual appropriated budget for all governmental funds. Budgetary comparison schedules for the General Fund and the major special revenue funds have been provided to demonstrate compliance with these budgets.

Required supplementary information can be found immediately after the notes to the financial statements on pages 118 – 125 of this report.

The combining and individual statements referred to earlier in connection with nonmajor governmental funds, nonmajor proprietary funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 126 - 154 of this report.

## Government-wide Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. At June 30, 2024, the City of Porterville's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$591,583,661.

	City of Porterville's Net Position					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 121,830,114	\$ 128,671,144	\$ 76,281,245	\$ 81,827,033	\$ 198,111,159	\$ 210,498,177
Capital assets	<u>438,500,377</u>	<u>419,712,911</u>	<u>144,526,604</u>	<u>137,762,019</u>	<u>583,026,981</u>	<u>557,474,930</u>
Total assets	<u>560,330,491</u>	<u>548,384,055</u>	<u>220,807,849</u>	<u>219,589,052</u>	<u>781,138,140</u>	<u>767,973,107</u>
Deferred outflows of resources	<u>25,042,166</u>	<u>24,288,283</u>	<u>1,191,992</u>	<u>2,257,760</u>	<u>26,234,158</u>	<u>26,546,043</u>
Long-term liabilities outstanding	88,459,193	85,173,486	82,493,685	84,639,421	170,952,878	169,812,907
Other liabilities	<u>33,513,543</u>	<u>33,794,550</u>	<u>4,320,861</u>	<u>10,240,502</u>	<u>37,834,404</u>	<u>44,035,052</u>
Total liabilities	<u>121,972,736</u>	<u>118,968,036</u>	<u>86,814,546</u>	<u>94,879,923</u>	<u>208,787,282</u>	<u>213,847,959</u>
Deferred inflows of resources	<u>4,308,585</u>	<u>6,106,822</u>	<u>2,692,970</u>	<u>3,022,698</u>	<u>7,001,555</u>	<u>9,129,520</u>
Net position:						
Net investment in capital assets	420,889,092	400,697,257	90,587,204	79,095,471	511,476,296	479,792,728
Restricted	37,467,809	41,061,285	19,667	--	37,487,476	41,061,285
Unrestricted	<u>734,435</u>	<u>5,838,938</u>	<u>41,885,454</u>	<u>44,848,720</u>	<u>42,619,889</u>	<u>50,687,658</u>
Total net position	<u>\$ 459,091,336</u>	<u>\$ 447,597,480</u>	<u>\$ 132,492,325</u>	<u>\$ 123,944,191</u>	<u>\$ 591,583,661</u>	<u>\$ 571,541,671</u>

Current and other assets in the governmental activities decreased by \$6,841,030 from the prior year. Tax revenues for the year showed a combined increase of \$511,186 compared to the prior year.

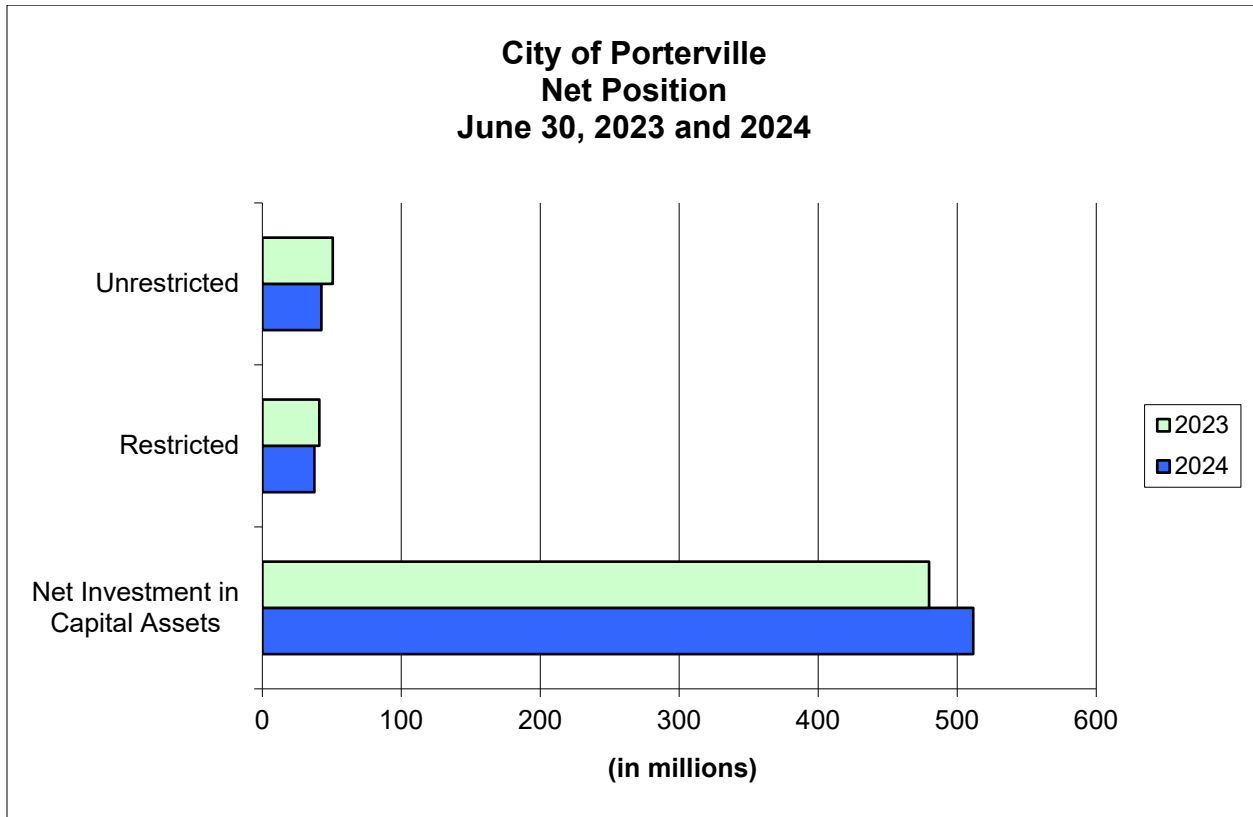
Design services commenced during the fiscal year for the development of a new Emergency and Operations Center (EOC) & Public Safety Headquarters, funded by the pass-through subaward grant from the Governor's Office of Emergency Services (Cal OES). No funds have been expended for the from the Building Forward Grant Program of the California State Library intended to provide support for the construction of the new library which resulted in a corresponding increase in other liabilities particularly unearned revenues in the governmental activities. The City reports over \$18 million of unearned revenues at June 30, 2024 compared to about \$25 million in the prior year.

Long-term liabilities, which consist of bonds, notes, leases, compensated absences, and postemployment benefit obligations increased by \$1,139,971 from the previous year for governmental and business-type activities combined. The City's net pension liability increased by over \$3 million during the year.

By far, the largest portion of the City’s net position, \$511,476,296 (86 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, right-to-use assets, and infrastructure), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide a variety of services to its citizens. Consequently, these assets are not available for future spending. Although the City of Porterville’s investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Porterville’s net position, \$37,487,476 (6.3 percent) represents resources that are subject to external restrictions on how they may be used.

As of the end of the current fiscal year, the City’s unrestricted net position for the government as a whole was \$42,619,889. The business-type activities unrestricted net position was \$41,885,454 while governmental activities reported unrestricted net position of \$734,435.



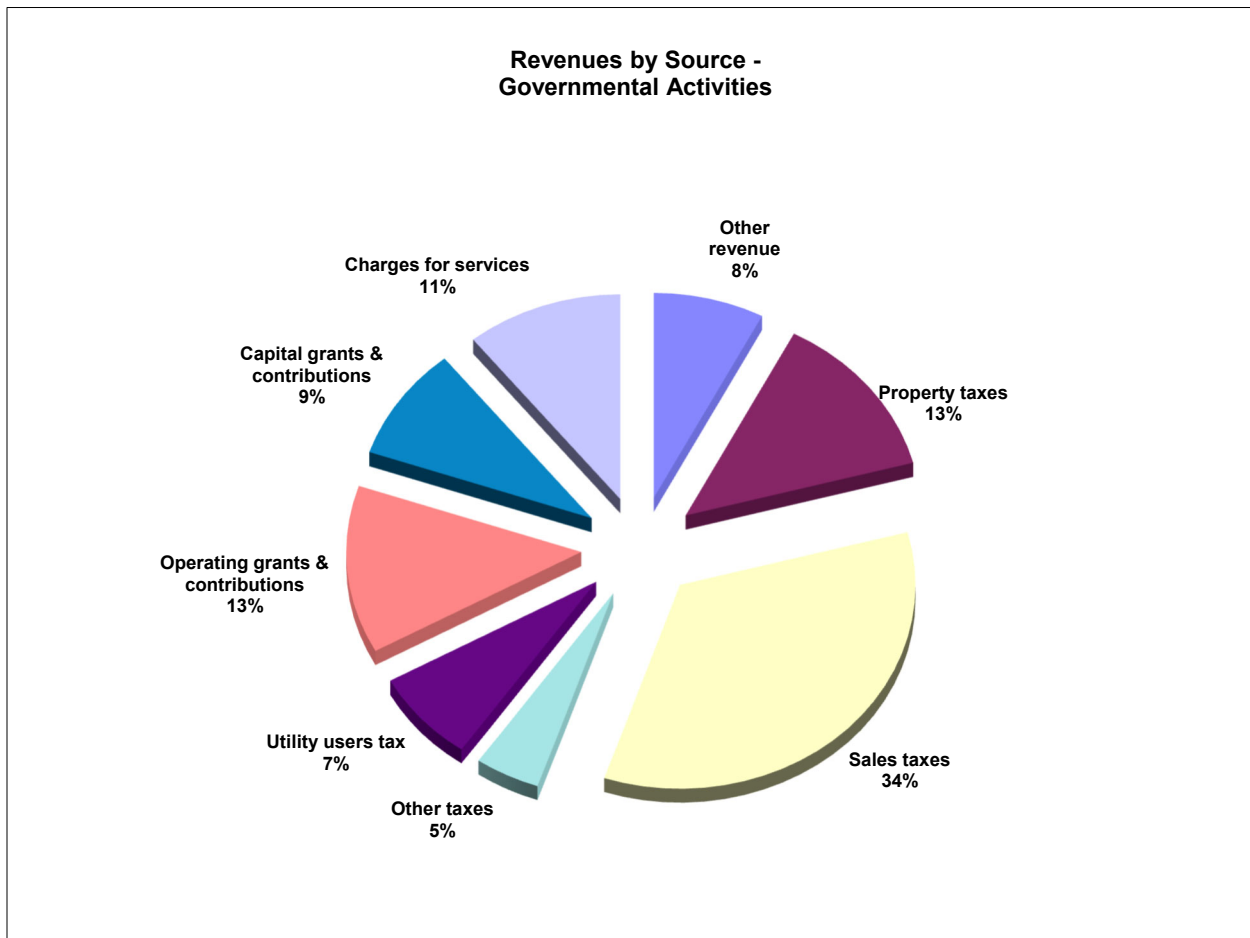
The City's total net position increased by \$20,041,990 compared to the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

### City of Porterville's Changes in Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 7,832,410	\$ 7,000,867	\$ 34,357,208	\$ 30,470,595	\$ 42,189,618	\$ 37,471,462
Operating grants and contributions	9,624,042	10,153,915	231,262	1,936,646	9,855,304	12,092,561
Capital grants and contributions	6,535,374	9,978,074	7,059,733	7,384,414	13,595,107	17,362,488
General revenues:						
Property tax	9,615,257	8,958,111	--	--	9,615,257	8,958,111
Sales and use tax	24,972,502	25,314,165	--	--	24,972,502	25,314,165
Other taxes	8,542,818	8,347,115	--	--	8,542,818	8,347,115
Investment earnings (loss)	4,921,395	734,264	2,582,668	913,563	7,504,063	1,647,827
Other	617,855	172,376	1,075,726	212,550	1,693,581	384,926
Total revenues	<u>72,661,653</u>	<u>70,658,887</u>	<u>45,306,597</u>	<u>40,919,768</u>	<u>117,968,250</u>	<u>100,921,692</u>
Expenses:						
Community/economic development	2,712,032	2,630,496	--	--	2,712,032	2,630,496
General government	6,679,603	8,212,917	--	--	6,679,603	8,212,917
Parks and recreation	7,665,387	8,610,205	--	--	7,665,387	8,610,398
Public safety - fire	11,128,288	8,536,035	--	--	11,128,288	8,536,035
Public safety - police	20,318,940	15,922,071	--	--	20,318,940	15,922,071
Public works	11,875,728	9,606,644	--	--	11,875,728	9,606,644
Interest on long-term debt	791,069	749,198	--	--	791,069	749,198
Airport	--	--	2,344,144	2,027,713	2,344,144	2,027,713
Golf course	--	--	669,288	562,057	669,288	562,057
Sewer	--	--	8,825,371	8,463,520	8,825,371	8,463,520
Solid waste	--	--	8,750,122	7,869,586	8,750,122	7,869,586
Transit	--	--	4,649,376	4,235,709	4,649,376	4,235,709
Water	--	--	11,472,433	11,114,497	11,472,433	11,114,497
Zalud estate	--	--	44,479	40,799	44,479	40,799
Total expenses	<u>61,171,047</u>	<u>54,267,566</u>	<u>36,755,213</u>	<u>34,313,881</u>	<u>97,926,260</u>	<u>75,580,212</u>
Increase (decrease) in net position before transfers	11,490,606	16,391,321	8,551,384	6,605,887	20,041,990	22,997,208
Transfers	3,250	(59,299)	(3,250)	59,299	--	--
Increase (decrease) in net position	11,493,856	16,332,022	8,548,134	6,665,186	20,041,990	22,997,208
Net position - July 1	447,597,480	431,265,458	123,944,191	117,279,005	571,541,671	548,544,463
Prior period adjustment	--	--	--	--	--	--
Net position - June 30	<u>\$ 459,091,336</u>	<u>\$ 447,597,480</u>	<u>\$ 132,492,325</u>	<u>\$ 123,944,191</u>	<u>\$ 591,583,661</u>	<u>\$ 571,541,671</u>

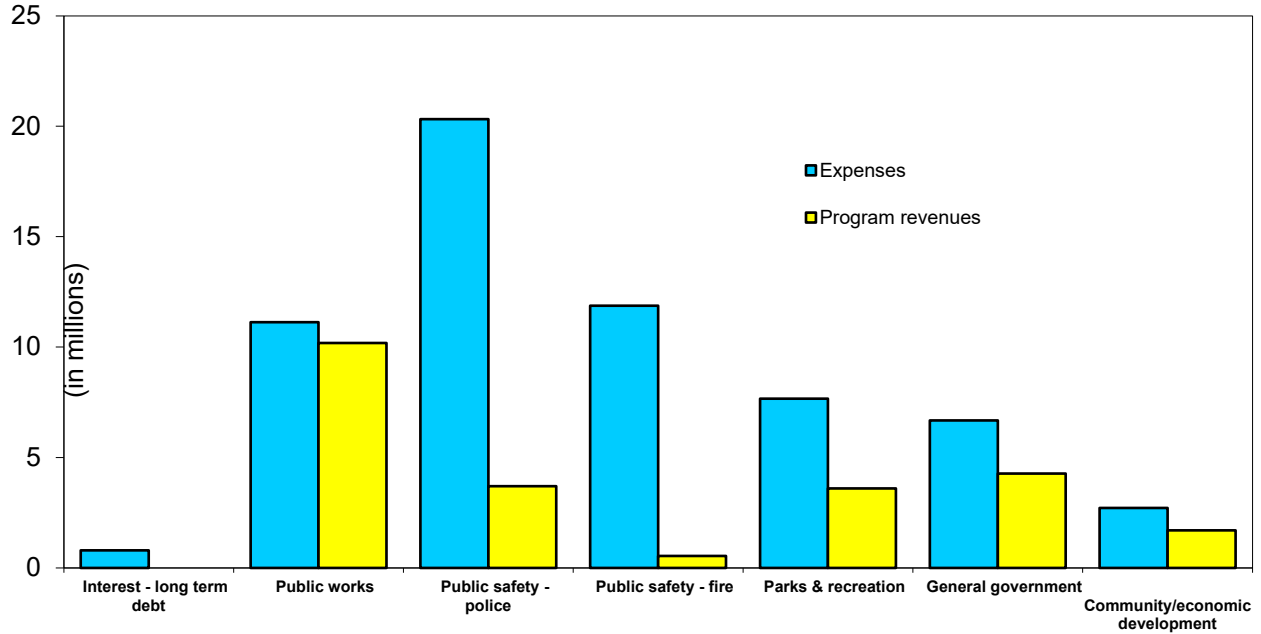
**Governmental activities.** During the fiscal year, the City of Porterville’s net position in governmental activities increased by \$11,493,856 from current activities. Total governmental revenues for the year of \$72,661,653 were higher, 2.8 percent, than the previous year revenue of \$70,658,887. Property tax for the year increased by \$657,146, 7.3 percent, and sales and use taxes decreased by \$341,663, 1.3 percent. Other taxes showed an increase of 2.3 percent primarily from payment in-lieu of taxes, a new revenue stream, totaling \$651,069. Capital grants and contributions decreased revenues by \$3.8 million, mainly due the absence of Federal Transit Administration grand funding during the fiscal year.

The following graph shows governmental revenues by source.



Overall operating expenses in governmental activities grew by \$6,903,481 for the fiscal year. Expenses in the general governmental activities increased by \$6,903,481, primarily due to an increase in public safety in operating expenditures and the use of APRA grant funds during the year. Over \$2.7 million of ARPA funds was spent on capital projects. Expenses in general government included \$315,000 in costs related to the storm and flooding event and continued operation of the overnight shelter at the Porterville National Guard Armory to provide temporary housing for individuals experiencing homelessness.

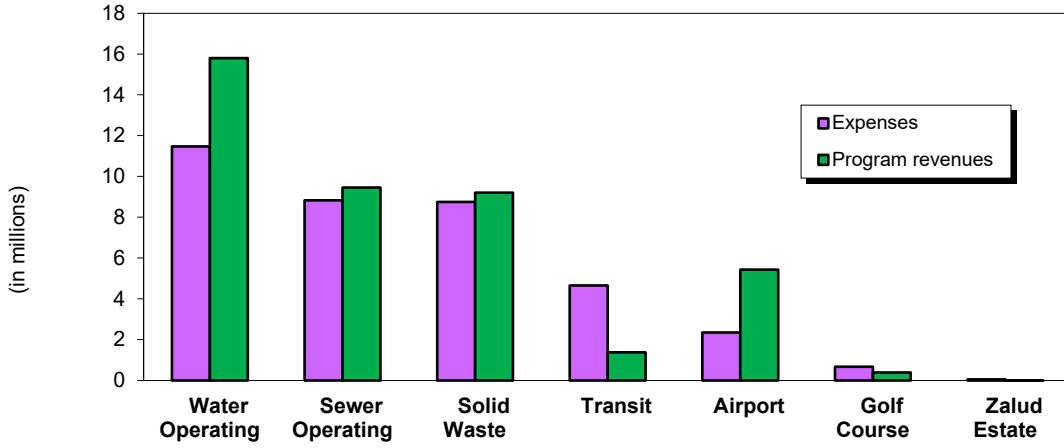
## Expenses and Program Revenues - Governmental Activities



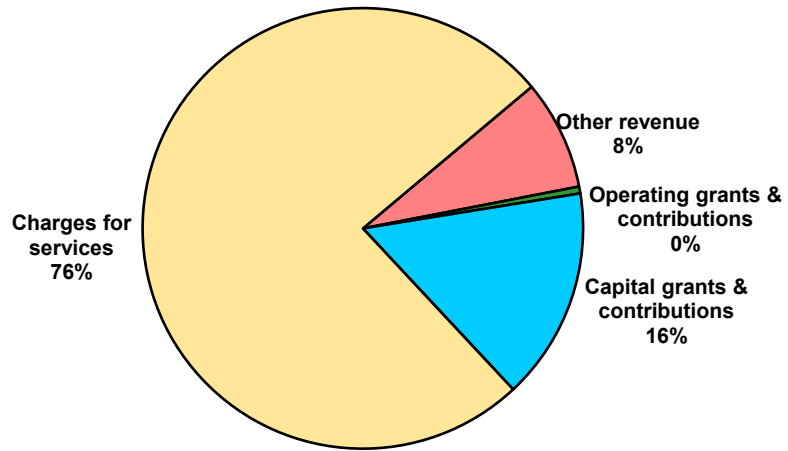
**Business-type activities.** Business-type activities increased the City of Porterville’s net position by \$8,548,134 in the current year, ending with a net position of \$132,492,325.

Charges for services for the sewer, water and solid waste operations showed positive gains during the year. Revenues in the Water Fund exceeded expenses by \$4.3 million. A majority of this net income is being banked to finance water supply projects and to build a reserve for emergencies. Revenues in both Sewer Fund and Solid Waste Fund exceeded expenditures this fiscal year by \$629,982 and \$453,542, respectively. A rate study had been recently completed and the results presented to the City Council and City residents. In December 2023, the new sewer and solid waste rates were approved and became effective on January 1, 2024.

### Expenses and Program Revenues - Business-type Activities



### Revenues by Source - Business-type Activities



## Financial Analysis of the Government's Funds

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

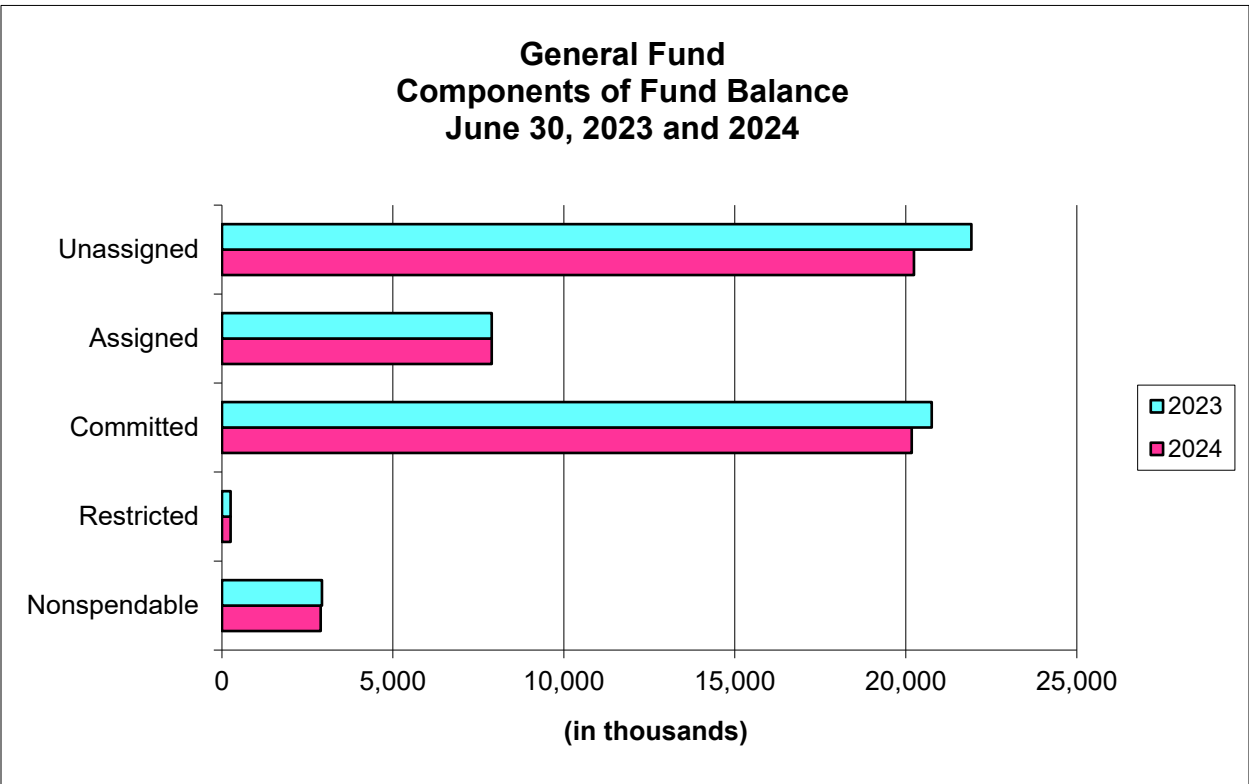
**Governmental funds.** The focus of the City of Porterville's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve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

At June 30, 2024, the City of Porterville's governmental funds reported combined ending fund balances of \$87,346,845, a decrease of \$4,997,479 in comparison with the prior year. Fund balance of \$2,893,585 is classified as *nonspendable* and not available for spending in the current period. This includes the long-term portion of loans receivable. \$36,524,920 is *restricted* for particular purposes. *Assigned fund balance* and *committed fund balance* which represent those amounts that are constrained by the City's intended use amounts to \$7,891,663 and \$20,171,357, respectively. Total unassigned fund balance at the end of the fiscal year amounts to \$19,865,320.

### General Fund

The General Fund is the chief operating fund of the City of Porterville. At the end of June 30, 2024, unassigned fund balance of the general fund was \$20,237,330, while total fund balance reached \$51,448,354.

As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents 45 percent of total general fund expenditures, while total fund balance represents 114.5 percent of that same amount. At June 30, 2024, the committed fund balance in the general fund included \$5,215,522 in the budget stabilization reserve which is 11.6 percent of total general fund expenditures. \$3,477,015 is committed for catastrophic / emergency reserve and \$7,231,099 for capital construction or improvements, facility, equipment and infrastructure deferred maintenance and improvements. In addition, \$3,938,636 of the insurance proceeds from the fire that consumed the library has been committed by the City Council for expenditures relating to the fire and to the establishment of a new library.



Total revenues of \$51,165,645 were higher than prior year revenues by \$5,131,095. Property tax grew 7.3% percent during the year and sales and use tax and utility users tax decreased in comparison to the prior year. Sales and use tax declined by 1.9 percent or \$375,218 and utility users tax decreased by 7.8% or \$447,354. Overall expenditures in the general fund finished the year with an increase of 20.1 percent ending at \$44,930,131. Current year expenditures included \$315,160 in charges related to the storms and flooding emergency event the City experienced during the year and the continued operation of the overnight shelter at the Porterville National Guard Armory. Expenditures also included principal payments of \$282,980 in SBITAs. Generally, the growth in expenditures relate to increases in salary rates and the corresponding benefit costs. In addition, the City made an additional discretionary payment to CalPERS towards its unfunded accrued liability for the miscellaneous plan.

**Other Major Governmental Funds**

Total assets in the American Rescue Plan Act (ARPA) Fund, which was established to account for the proceeds and the expenditure of the grant funds allocated to the City by the US Department of the Treasury from the Coronavirus State and Local Fiscal Recovery Fund under the American Rescue Plan Act amounted to \$8,359,551 at the end of the fiscal year. The City expended \$3,221,930 of the grant fund during the year, with \$1.58 million spent towards the animal shelter construction project. The unspent portion of the grant funds, \$7,792,768, was reported as a liability – unearned revenue in the financial statement at June 30, 2024.

**Proprietary funds.** The City of Porterville’s proprietary funds provide the same type of information in the government-wide financial statements, but in more detail. Total net position of the Sewer Operations Fund at June 30, 2024, amounted to \$36,110,178 with an increase of \$2,063,380 from activities in the current year. Of the total net position, \$16,226,418 or 44.9 percent is unrestricted and 55.1 percent is invested in capital assets or \$19,883,760.

The Water Operations Fund’s total net position at the end of the current fiscal year was \$66,815,458. Current activities increased net position by \$5,691,952. The City booked \$2,375,000 in capital grants from the State Department of Water Resources in the current fiscal year for the construction of the Tertiary Water System project. Another \$277,000 was reported as contribution from the Tule River Tribe for their one third share in the construction cost of the tertiary wastewater system facility. Unrestricted net position at the end of the year is 34.7 percent of the total or \$23,171,289. Net position invested in capital assets amounted to \$43,644,169 or 65.3 percent.

At June 30, 2024, the Solid Waste fund had total net position of \$5,791,884, an increase of \$1,163,364 from current year activities. Total amount invested in capital assets amounted to \$2,476,895 or 42.8 percent and \$3,314,989 or 57.2 percent in unrestricted net position.

The total net position of the Airport Operations Fund at June 30, 2024, amounted to \$14,325,850, an increase of \$3,676,998 from current year activities. The City booked \$3,619,496 in capital grants from the Federal Aviation Administration and the State Division of Aeronautics in the current fiscal year for the taxiway rehabilitation and reconfiguration project. Of the total net position, 72.4 percent is invested in capital assets or \$10,375,841.

**General Fund Budgetary Highlights**

*Original budget compared to final budget.* During the year, the original budget appropriation was amended to increase the general government budget to support the litter abatement project throughout Porterville’s highways, including Mighty 190. Additional funds were also appropriated for the Lunch at the Library program which helps provide free summer meals and reading programs at library sites. There were no other significant amendments made to increase the original estimated revenues and expenditures.

*Final budget compared to actual results.* The most significant differences between estimated revenues and actual revenues were as follows:

<u>Revenue Source</u>	<u>Estimated Revenues</u>	<u>Actual Revenues</u>	<u>Difference</u>
Property tax	\$9,091,000	\$9,615,257	\$ 524,257
Sales and use tax	19,490,000	19,449,203	(40,797)
Utility users tax	5,700,000	5,279,475	(420,525)
Licenses and permits	1,710,000	1,578,943	(131,057)
Charges for services	5,545,021	7,379,358	1,834,337
Investment earnings	972,920	2,866,277	1,893,357
Miscellaneous	173,000	1,022,467	849,467

It has been the City’s practice to conservatively estimate General Fund revenues. In FY 2023-2024, property taxes finished the year 5.8 percent higher than what was estimated for the year with strong real estate market and new construction projects. Revenues from sales and use tax, decreased with a negative variance of \$40,797 at the end of the year compared to the budgeted amount. Utility users tax revenues ended the year with \$420,525 less than the budget for the year, a 7.4 percent variance. This would have been primarily due to declining cable television services, as more households have transitioned to streaming services. Business licenses also ended the year below expectations; however, they still reflect an improvement compared to the prior year. At the end of the year, revenues from charges for services had a positive variance of \$1,834,337 mainly from leisure services. Revenues from investment earnings increased with a positive variance of \$1,893,357, primarily attributed to higher interest rates and change in the market value of investments. Miscellaneous revenues exceeded expectations due to a significant contribution toward the construction of the new animal shelter services facility.

General Fund expenditures at the end of the year totaled \$44,930,131, exceeding the budget by \$3,131,241. The variance between the budget and actual expenditures is primarily due to increased capital outlay. On the revenue side, the decrease in total revenues is due to the discontinuation of the YES program. The parks and recreation expenditures finished the year with lower than the projected expenditures.

### Capital Assets and Debt Administration

**Capital assets.** The City of Porterville’s investment in capital assets for its governmental and business-type activities as of June 30, 2024, amounts to \$583,026,981 (net of accumulated depreciation and amortization). This investment in capital assets includes land, distribution and collection systems, buildings, improvements, machinery and equipment, right-to-use lease assets, right-to-use IT subscription assets, works of art and historical collections, park facilities, roads, highways and bridges. The total increase in Porterville’s investment in capital assets for the current fiscal year was \$25,552,051.

#### City of Porterville's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 276,296,516	\$ 276,296,516	\$ 9,763,656	\$ 9,763,656	\$ 286,060,172	\$ 286,060,172
Intangible assets	--	--	1,234,500	--	1,234,500	--
Construction in progress	29,960,516	9,180,658	41,596,768	38,955,795	71,556,929	48,136,453
Works of art and collections	50,450	50,450	--	--	50,450	50,450
Buildings	13,023,691	13,490,606	2,386,932	2,492,501	15,410,623	15,983,107
Improvements other than buildings	7,167,314	7,376,731	6,226,183	6,674,414	13,393,497	14,051,145
Machinery and equipment	7,435,733	7,759,517	16,102,287	18,301,513	23,538,020	26,061,030
Infrastructure	102,582,146	103,125,684	3,265,512	3,415,835	105,847,658	106,541,519
Distribution and collection systems	--	--	63,721,533	57,977,225	63,721,533	57,977,225
Right-to-use leased building	307,812	420,022	--	--	307,812	420,022
Right-to-use leased equipment	26,593	48,574	97,567	--	124,160	48,574
Right-to-use IT subscriptions	1,649,961	1,964,153	131,666	181,080	1,781,627	2,145,233
Total	<u>\$ 431,139,732</u>	<u>\$ 419,712,911</u>	<u>\$ 144,408,750</u>	<u>\$ 137,762,019</u>	<u>\$ 583,026,981</u>	<u>\$ 557,474,930</u>

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

- The construction of the new animal shelter facility was completed in September 2024. The project included frontage improvements, a pedestrian trail and a dog park behind the facility. The total construction cost for the project including construction management and inspection services was \$7,401,117. The project was funded by American Rescue Plan Act, Local Transportation Fund, and Measure R Alternative Transportation.
- The Main Street reconstruction project between Putnam Avenue and Morton Avenue was completed during the year at a total cost of \$2,251,499. The project consisted of new asphalt and base, and the installation of detectable warnings, conduit fiber optic line, video detection, banner poles between City Hall and Centennial Park. It also included the installation of purple pipe along the stretch of the road to prepare for the use of reclaimed water throughout the City.
- The design of the traffic signal at Olive Avenue and Porter Road/Cloverleaf Street commenced during the fiscal year. The project will replace existing traffic signal, add protected left turn phasing for all intersections legs, and provide accessible curb ramps at all corners. A consultant services agreement was awarded by City Council in November 2023. The total consultant cost for the design is \$156,480. The City received a State Local Highway Safety Improvement Program grant.
- The design of a traffic signal at the intersection of Newcomb Street and Mulberry Avenue commenced during the fiscal year. The project will install a traffic signal and provide accessible curb ramps at all corners to increase safety for drivers and pedestrians alike in the area. A consultant services agreement was awarded by City Council in November 2023. The total consultant cost for the design is \$139,139. Funding for the design of this project is provided by Local Transportation Funds.
- Design of the Butterfield Stage Corridor, a non-motorized, multi-use path, and the Santa Fe Byway Trail commenced during the fiscal year. The Butterfield State Corridor will encompass 9 miles of the former Union Pacific Railroad right of way between Tea Pot Dome to the south and Avenue 196 in Strathmore to the north. The City was awarded \$7.1 million in Active Transportation Program (ATP) grant funds for the development of the first phase of the Corridor. Design cost for the fiscal year amounted to \$78,917 and is funded by Measure R Alternative Transportation funds. The Santa Fe Byway Trail project was awarded a Clean California grant of over \$3.6 million. The project will revitalize 1.3 miles of the Rails to Trails Parkway, from Henderson Avenue to Walnut Avenue. The total amount of \$3,510,406 was expended during the fiscal year for the design services and construction for the project.
- The city is developing a new Community Center and Park at the southeast corner of Henderson Avenue and Fourth Street. The City was awarded grant funds in the amount of \$7.8 million from the State of California Department of Parks and Recreation's Statewide Park Development and Community Revitalization Program. A consultant services agreement was awarded by City Council in October 2022 for the design of the project including construction support at a total consultant price of \$1,149,613. At the end of June 30, 2024, design cost of \$823,358 had been expended.

- The Police Department security fencing and gates was completed during the year at a total cost of \$79,455.
- Design on the remodel of the 3 fire stations began during the year. A consultant contract for design work in the amount of \$610,000 was awarded by the City Council in June 2022. By the end of the current fiscal year, \$563,541 has been expended towards the design services. This project is funded by Measure I funds.
- The North Friant-Kern Canal turnout and basin project which consists of the installation of new water pipelines, concrete structures, earthwork and all other appurtenances was awarded by City Council in September 2023. This project will help the City meet the requirements of the Sustainable Groundwater Management Act (SGMA) and help meet water system demands. The total cost of the project is \$2,070,400. At the end of June 30, 2024, \$617,624 has been expended.
- In October of 2023, the City Council approved the purchase of a custom 4-story Draeger live burn training prop at a cost of \$1,584,468.27. The tower has a large simulated commercial roof and two simulated residential roof props, all venting over live smoke/fire and was designed to meet the Fire Department's training recommendations in the Serious Accident Review Team (SART) report and fulfills the Insurance Services Office (ISO) training requirements and NFPA 1403 standards for live fire training.
- Installation of skatepark improvements for the Porterville Skatepark to replace existing unimproved portions of the skatepark were completed during the fiscal year totaling \$192,241. This project is funded by grant funds from the California State Parks Per Capita Program in the amount of \$100,000 and \$92,241 in General Fund Capital/Improvement Designated Fund.
- The golf course driving range netting project was completed in August 2024. The project included the setting of the replacement poles and netting at the City's golf course driving range. The total project cost is \$310,708 and funded by the American Rescue Plan Act.
- Installation to replace the existing lights for the three softball fields located at Hayes Field began during the year. Funding for this project is provided by federal American Rescue Plan Act (ARPA) in the amount of \$750,000 and \$196,055 in General Fund Capital Construction/Improvement Designated Fund. The total amount of \$501,035 was expended during the fiscal year.
- A new roundabout at West Street and Scranton Avenue, the relocation of the existing intersection located at Westwood Street and Scranton Avenue to Westwood Street and the Worth Avenue alignment with a new roundabout and a curve to transition Scranton Avenue to Westwood Street began this fiscal year. The total amount of \$295,978 was expended during the fiscal year for the design services for the project.
- Construction on the sewer annexation projects on two separate annexation areas was completed in the fiscal year 2022/2023 at a cost of \$5,986,587. Construction on three separate annexation areas was completed in the fiscal year at a cost of \$7,320,565. Construction on one annexation area continues and is expected to be completed in fiscal year 2024-2025. A total of \$17,843 in construction costs was spent on the one other

project areas during the fiscal year. The project consists of the installation of sewer mains and laterals, as well as appurtenant facilities to former unincorporated areas annexed into the City and lacking sewer infrastructure. The estimated cost of the project is \$14.3 million to serve over 1,100 properties. The issuance of the 2019 Sewer Revenue COPs which generated \$13.5 million in project funds was the primary source of funding for this project.

- Construction on the tertiary wastewater system facility (TWSF) near the new casino resort continued during the year. This project is being developed by the Tule River Tribe on City-owned property in conjunction with the Tribe's resort project near the Porterville Municipal Airport. It is supported by a Development and Reimbursement Agreement between the Porterville Area Development Authority, the City of Porterville and the Tule River Tribe, where 2/3 of the actual cost of the TWSF shall be the responsibility of the City and 1/3 shall be the responsibility of the Tribe, and where, upon completion, the TWSF shall become property of the City. Initial funding for the project comes from the proceeds of the issuance of the 2021 Water System Financing Project certificates of participation. As of June 30, 2024, the project was 98.26 percent complete. A total of \$1,665,746 was expended during the year in construction costs and consultant services.
- The stormwater retention basin construction project located at the intersection of Avenue 128 and Road 216 commenced during the year. This is another project being developed by the Tribe and covered by the Development and Reimbursement Agreement except that the total cost of the project shall be the responsibility of the City. In fiscal year 2023-2024, \$3,545,226 was expended for construction costs and consultant services. The project was 99.66 percent complete at June 30, 2024.
- The Well #34 project was completed during the year at a total cost of \$865,402.42. The project consisted of the drilling of a 710-ft deep pilot hole and the construction of a 690-ft deep production. This project is funded by grant funds from the State Water Resources Control Board. The second phase of the Well #34 project consists of the installation of a 20 HP pump, electrical system, above-ground discharge piping, updated SCADA system and other items of work to provide a complete pumping plant. Funding for this is provided by reimbursement of the State Water Resources Control Board.
- In June of 2022, the City Council authorized the implementation of a fixed network radio water meter infrastructure to replace the City's 17,500 aging conventional water meters and registers. The estimated cost of the project is \$4,932,437 and will include the purchase and installation of 4G Master Meters, data point collectors (base stations) and endpoints, and supporting structures (monopole and replacement light standards). At the end of the fiscal year, the City has purchased over 16,000 fixed network meters, tower base stations, and light poles at a total cost of \$4,751,500.
- The rehabilitation and reconfiguration of the parallel and connecting taxiways at the Porterville Municipal Airport commenced during the year. The total project cost is estimated to be \$5,553,570. The City received a grant award of \$4,748,734 from the Federal Aviation Administration towards the project and another \$150,000 from the State Division of Aeronautics. At the end of the fiscal year, 4,017,038 in construction cost and construction management has been expended.

- During the year, the City purchased two Type 1 fire engines and one tiller ladder truck including rescue equipment, fire hose, nozzles breathing apparatus and other tools required to place the vehicle in service. At the end of the fiscal year, \$3,755,541 in costs has been expended. Additionally, the City purchased a custom-built vehicle to be utilized for critical incident responses, evidence collection and to potentially act as a mobile command post in a critical incident. The total cost of the property and evidence crime scene vehicle totaled \$347,359. Several vehicles were purchased for the Police, Fire and Parks departments. Two new emergency power generators at a total cost of \$416,548 were purchased to provide emergency power for City water wells and sewer lift stations in the event of a power outage. Several other equipment was purchased throughout the year for the City's various departments.

Additional information on the City's capital assets can be found in Note 1-E-4 on page 56 and Note 4-F on pages 84 – 85 of this report.

**Long-term debt.** At the end of the current fiscal year, the City of Porterville had total principal debt outstanding from bonds and notes from direct borrowings and direct placements of \$78,130,046, a decrease of \$3,634,942 from the prior fiscal year.

#### City of Porterville's Outstanding Debt

	Governmental		Business-type		Total	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
Certificates of participation	15,410,619	16,597,127	39,445,000	40,220,000	54,855,619	56,817,127
Notes payable	--	276,000	23,274,427	24,671,861	23,274,427	24,947,861
<b>Total</b>	<b>\$ 15,410,619</b>	<b>\$ 16,873,127</b>	<b>\$ 62,719,427</b>	<b>\$ 64,891,861</b>	<b>\$ 78,130,046</b>	<b>\$ 81,764,988</b>

The governmental debt includes certificates of participation (COPs) in the amount of \$15,410,619 issued in July of 2021 which refunded the 2015 Refinancing Project COPs effectively lowering the interest rate from 3.85 to 2.70 percent per annum. The City has made the final payment towards the principal balance of \$276,000 in notes payable to HUD which funded the construction of the Heritage Community Center has been paid.

The business-type debt includes \$11,195,000 from the 2019 Sewer Revenue COPs issued in December 2019. Proceeds from the certificates financed the extension of city sewer services to several areas within the city limits identified to be dependent on septic tanks. The principal balance of the 2021 Water System Financing Project COPs at the end of the fiscal year was \$28,250,000, which funded the construction of a tertiary treatment plant in conjunction with the Tule River Tribe's new casino resort project currently under construction. Proceeds will also be used to construct a groundwater recharge basin and other improvements to advance the tertiary treatment of plant effluent.

The amount outstanding on the business-type notes payable includes \$2,431,380 for the sewer fund and \$5,395,047 for the water fund both payable to the California Infrastructure and Economic

Development Bank. Proceeds from these notes were used to fund capital improvements to the sewer and water infrastructure. The notes payable amount outstanding at June 30, 2024 also includes \$15,448,000 from the 2018 installment sale agreement with Banner Bank which refunded the 2011 sewer revenue bonds.

Standard & Poor's Ratings Services ("S&P") has assigned the rating of "AA" to the 2015 refinancing project. The 2021 water system financing project COPs has been assigned a long-term rating of "AA". A review by S&P of the 2019 sewer system financing project COPs revised the outlook to stable from negative and affirmed the rating of "AA-".

On July 20, 2022, S&P Global Ratings issued and published the Issuer's Credit Rating (ICR) of "AA-" to the City of Porterville with a stable outlook. The "AA-" ICR reflects S&P's view of the City's general creditworthiness. On March 21, 2025, a review by S&P Global Ratings of the 2019 sewer system financing project COPs revised the outlook to negative from stable and affirmed the rating of "A+".

Additional information on the City's long-term debt can be found in Note 4-I on pages 88 - 92 of this report.

### **Economic Factors and Next Year's Budget and Rates**

- The City continues to make progress toward improving services to the community and overall quality of life for its residents, and at the same time preparing for future opportunities and fiscal challenges. The City heads into the new fiscal year with a strong fund balance with the General Fund budget stabilization reserve funded at 15% of the annual operating budget, plus another 10% in the catastrophic/emergency reserves and 18% in the capital improvement/replacement reserves. Continuing with the City's practice of conservatively estimating revenues, next fiscal year's projections of the tax revenues are only slightly higher than fiscal year 2023-2024 revenues.
- The City's largest expenditure relates to personnel costs. Salaries and benefits are tied to the labor agreements with each bargaining group. The fiscal year 2024-2025 budget includes the allocation of one new police clerical assistant to increase efficiency and responsiveness in the execution of the department's service of public safety.
- The United States Department of the Treasury allocated \$19,984,717 from the Coronavirus State and Local Fiscal Recovery Fund established by the American Rescue Plan Act (ARPA) to assist the City and its residents in responding to the public health emergency and its negative economic impacts brought about by the COVID-19 pandemic. About \$6.7 million of ARPA funds has been appropriated for capital outlay in the next fiscal year.
- A new solid waste rate study and sewer rate study have been recently completed and presented in a public hearing for consideration. The new rates were subsequently approved and adopted by the City Council.

The solid waste rates have not increased since 2006. The new rates will increase by 50 percent and became effective on January 1, 2024, followed by a 5 percent increase on July 1, 2024 and a 5 percent increase in each of the three succeeding fiscal years, resulting a cumulative rate increase of approximately 82 percent. The new rates will support the increasing costs of operations, averting a projected shortfall. In addition, the

City will need to comply with the State's organic recycling requirements, expanding the organic collection services to all residential and commercial accounts, requiring additional vehicles and drivers, as well as administrative and analytical support staff.

The last sewer rate increase was back in 2005. The new uniform residential sewer rate became effective in January 1, 2024, followed by another increase on July 1, 2024 and every July 1<sup>st</sup> of the year until 2027, representing a total cumulative increase of approximately 86 percent. Non-residential sewer rates which are based on variable water consumption will also increase on the same schedule as the residential rate increases. The new sewer rates will ensure that sewer revenues cover the cost of services, meet the debt service coverage and reserve requirements and provide for the necessary capital improvements to the City's sanitary sewer system and wastewater treatment facility.

The City has received or been awarded several substantial State grants. Some major capital projects are currently being designed including the new library, the Navigation Center expansion, the Fourth Street Community Center and Park, and a new emergency operator center and public safety headquarters.

### **Requests for Information**

This financial report is designed to provide a general overview of the City of Porterville's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, City of Porterville, 291 North Main Street, Porterville, CA 93257-3737 or sent via e-mail to: [Fin-Dept@ci.porterville.ca.us](mailto:Fin-Dept@ci.porterville.ca.us).



**Basic  
Financial Statements**



**CITY OF PORTERVILLE  
STATEMENT OF NET POSITION  
JUNE 30, 2024**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 67,094,959	\$ 50,029,692	\$ 117,124,651
Restricted Assets - Cash and Investments	26,253,244	16,623,641	42,876,885
Restricted - Customer Deposits	-	379,658	379,658
Receivables:			
Net of Allowance for Uncollectibles:			
Utility	-	4,702,596	4,702,596
Miscellaneous	8,182,240	2,296,510	10,478,750
Housing	8,309,011	-	8,309,011
Intergovernmental	869,949	1,296,104	2,166,053
Leases	482,242	1,464,137	1,946,379
Inventories	-	123,949	123,949
Prepays	77,816	377,157	454,973
Internal Balances	5,169,884	(5,169,884)	-
Notes Receivable	5,390,769	4,138,018	9,528,787
Net Pension Asset	-	19,667	19,667
Capital Assets Not Being Depreciated:			
Land	276,296,516	9,763,656	286,060,172
Intangible Assets	-	1,234,500	1,234,500
Construction in Progress	29,960,161	41,596,768	71,556,929
Works of Art and Collection	50,450	-	50,450
Capital Assets, Net of Accumulated Depreciation/Amortization:			
Buildings	13,023,691	2,386,932	15,410,623
Improvements Other Than Buildings	7,167,314	6,226,183	13,393,497
Machinery and Equipment	7,435,733	16,102,287	23,538,020
Infrastructure	102,582,146	3,265,512	105,847,658
Distribution and Collection Systems	-	63,721,533	63,721,533
Lease Assets	334,405	97,567	431,972
Subscription Assets	1,649,961	131,666	1,781,627
Total Assets	<u>560,330,491</u>	<u>220,807,849</u>	<u>781,138,340</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Charge on Refunding	888,172	-	888,172
Deferred Pension-Related Items	23,936,504	1,132,307	25,068,811
Deferred OPEB-Related Items	217,490	59,685	277,175
Total Deferred Outflows of Resources	<u>25,042,166</u>	<u>1,191,992</u>	<u>26,234,158</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF PORTERVILLE  
STATEMENT OF NET POSITION (CONTINUED)  
JUNE 30, 2024**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	\$ 11,203,948	\$ 3,083,535	\$ 14,287,483
Accrued Interest Payable	224,104	859,706	1,083,810
Deposits Payable	808,398	377,620	1,186,018
Unearned Revenue	21,277,093	-	21,277,093
Noncurrent Liabilities:			
Due In One Year	4,356,862	2,571,447	6,928,309
Due In More Than One Year:			
Net Pension Liability	21,009,809	66,729,907	87,739,716
Other Postemployment Benefits Liability	54,293,361	10,740,018	65,033,379
Total Liabilities	8,799,161	2,452,313	11,251,474
Total Liabilities	<u>121,972,736</u>	<u>86,814,546</u>	<u>208,787,282</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Pension-Related Items	1,261,726	492,848	1,754,574
Deferred OPEB-Related Items	2,606,249	752,475	3,358,724
Deferred Lease-Related Items	440,610	1,447,647	1,888,257
Total Deferred Inflows of Resources	<u>4,308,585</u>	<u>2,692,970</u>	<u>7,001,555</u>
<b>NET POSITION</b>			
Net Investment In Capital Assets	420,889,092	90,587,204	511,476,296
Restricted for:			
Building Construction	169,577	-	169,577
Community Development	11,451,419	-	11,451,419
Debt Service	598,763	-	598,763
Landscape Maintenance Districts	30,640	-	30,640
Parks and Leisure	256,537	-	256,537
Public Safety	5,290,297	-	5,290,297
Public Works	19,670,576	-	19,670,576
Pension	-	19,667	19,667
Unrestricted	734,435	41,885,454	42,619,889
Total Net Position	<u>\$ 459,091,336</u>	<u>\$ 132,492,325</u>	<u>\$ 591,583,661</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF PORTERVILLE  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES</b>							
Community and Economic Development	\$ 2,712,032	\$ 112,802	\$ 1,587,741	\$ -	\$ (1,011,489)	\$ -	\$ (1,011,489)
General Government	6,679,603	3,020,592	1,250,051	-	(2,408,960)	-	(2,408,960)
Parks and Recreation	7,665,387	657,916	1,250,962	1,686,728	(4,069,781)	-	(4,069,781)
Public Safety - Fire	11,128,288	337,586	201,134	-	(10,589,568)	-	(10,589,568)
Public Safety - Police	20,318,940	579,641	1,073,126	2,050,382	(16,615,791)	-	(16,615,791)
Public Works	11,875,728	3,123,873	4,261,028	2,798,264	(1,692,563)	-	(1,692,563)
Interest on Long-Term Debt	791,069	-	-	-	(791,069)	-	(791,069)
Total Governmental Activities	61,171,047	7,832,410	9,624,042	6,535,374	(37,179,221)	-	(37,179,221)
<b>BUSINESS-TYPE ACTIVITIES</b>							
Airport	2,344,144	1,799,230	10,000	3,619,496	-	3,084,582	3,084,582
Golf Course	669,288	381,890	-	-	-	(287,398)	(287,398)
Sewer	8,825,371	9,332,104	-	123,249	-	629,982	629,982
Solid Waste	8,750,122	8,982,402	221,262	-	-	453,542	453,542
Transit	4,649,376	1,376,634	-	-	-	(3,272,742)	(3,272,742)
Water	11,472,433	12,480,512	-	3,316,988	-	4,325,067	4,325,067
Zalud Estate	44,479	4,436	-	-	-	(40,043)	(40,043)
Total Business-Type Activities	36,755,213	34,357,208	231,262	7,059,733	-	4,892,990	4,892,990
Total Primary Government	\$ 97,926,260	\$ 42,189,618	\$ 9,855,304	\$ 13,595,107	(37,179,221)	4,892,990	(32,286,231)
<b>GENERAL REVENUES AND TRANSFERS</b>							
General Revenues:							
Property Tax					9,615,257	-	9,615,257
Sales and Use Tax					24,972,502	-	24,972,502
Utility Users Tax					5,279,475	-	5,279,475
Franchise Tax					1,857,181	-	1,857,181
Transient Occupancy Tax					755,093	-	755,093
Other Tax					651,069	-	651,069
Unrestricted Investment Earnings					4,921,395	2,582,668	7,504,063
Gain (Loss) on Sale of Capital Assets					25,372	11,333	36,705
Miscellaneous					592,483	1,064,393	1,656,876
Transfers					3,250	(3,250)	-
Total General Revenues and Transfers					48,673,077	3,655,144	52,328,221
<b>CHANGE IN NET POSITION</b>							
					11,493,856	8,548,134	20,041,990
Net Position - Beginning of Year					447,597,480	123,944,191	571,541,671
<b>NET POSITION - END OF YEAR</b>							
					\$ 459,091,336	\$ 132,492,325	\$ 591,583,661

See accompanying Notes to Basic Financial Statements.

**CITY OF PORTERVILLE  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024**

	General	American Rescue Plan Act	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and Investments	\$ 37,699,681	\$ -	\$ 6,016,677	\$ 22,308,487	\$ 66,024,845
Restricted Cash and Investments	17,537,239	8,359,551	354,645	1,809	26,253,244
Receivables - Miscellaneous, Net:					
Interest	774,702	-	-	569,921	1,344,623
Taxes	4,157,363	-	-	1,777,105	5,934,468
Other	790,490	-	-	1,696	792,186
Receivables - Housing	-	-	-	8,309,011	8,309,011
Intergovernmental Receivable	194,271	-	-	667,386	861,657
Leases Receivable	482,242	-	-	-	482,242
Interfund Receivable	5,368,724	-	-	857,956	6,226,680
Prepaid Items	75,698	-	-	2,118	77,816
Notes Receivable	2,815,769	-	-	2,575,000	5,390,769
	<u>69,896,179</u>	<u>8,359,551</u>	<u>6,371,322</u>	<u>37,070,489</u>	<u>121,697,541</u>
Total Assets	<u>\$ 69,896,179</u>	<u>\$ 8,359,551</u>	<u>\$ 6,371,322</u>	<u>\$ 37,070,489</u>	<u>\$ 121,697,541</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts and Other Payables	\$ 1,112,938	\$ 20,436	\$ 6,574,155	\$ 76,675	\$ 7,784,204
Payroll Payable	1,291,431	5,882	32,045	211,408	1,540,766
Interfund Payable	-	-	-	109,481	109,481
Retainage Payable	787,202	-	-	-	787,202
Deposits Payable	808,398	-	-	-	808,398
Unearned Revenue	13,484,325	7,792,768	-	-	21,277,093
Advances Payable	294,795	-	-	-	294,795
Total Liabilities	<u>17,779,089</u>	<u>7,819,086</u>	<u>6,606,200</u>	<u>397,564</u>	<u>32,601,939</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue	228,126	-	-	1,080,021	1,308,147
Lease Related	440,610	-	-	-	440,610
Total Deferred Inflows of Resources	<u>668,736</u>	<u>-</u>	<u>-</u>	<u>1,080,021</u>	<u>1,748,757</u>
<b>FUND BALANCES</b>					
Nonspendable	2,891,467	-	-	2,118	2,893,585
Restricted	256,537	540,465	-	35,727,918	36,524,920
Committed	20,171,357	-	-	-	20,171,357
Assigned	7,891,663	-	-	-	7,891,663
Unassigned	20,237,330	-	(234,878)	(137,132)	19,865,320
Total Fund Balances	<u>51,448,354</u>	<u>540,465</u>	<u>(234,878)</u>	<u>35,592,904</u>	<u>87,346,845</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 69,896,179</u>	<u>\$ 8,359,551</u>	<u>\$ 6,371,322</u>	<u>\$ 37,070,489</u>	<u>\$ 121,697,541</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF PORTERVILLE  
RECONCILIATION OF THE BALANCE SHEET OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION  
JUNE 30, 2024**

Fund Balances of Governmental Funds	\$ 87,346,845
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:	
Long-term liabilities, including bonds payable, leases, IT subscriptions, pension, OPEB, and compensated absences are not due and payable in the current period and therefore are not reported in the funds.	(79,379,509)
Deferred outflows arising from pension contributions made subsequent to the actuarial measurement date, the difference between projected and actual earnings on pension plan investments, and the change in proportion are not applicable to the current period and are not reported in the funds.	23,760,411
Deferred outflows arising from changes in assumptions related to other postemployment benefits are not applicable to the current period and are not reported in the funds.	207,560
Deferred inflows related to pensions, including the changes of assumptions and the difference between actual pension contributions and the proportionate share of contributions are not applicable to the current period and are not reported in the funds.	(1,195,156)
Deferred inflows related to other postemployment benefits, including changes of assumptions are not applicable to the current period and are not reported in the funds.	(2,501,654)
Internal service funds are used by management to charge the costs of risk management and equipment management to individual funds. Certain assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	(8,411,357)
Other long-term assets are not available to pay for current period expenditures and therefore, are reported as unavailable revenue in the funds.	1,308,147
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	<u>437,956,049</u>
Net Position of Governmental Activities	<u><u>\$ 459,091,336</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF PORTERVILLE  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2024**

	General	American Rescue Plan Act	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property Tax	\$ 9,615,257	\$ -	\$ -	\$ -	\$ 9,615,257
Sales and Use Tax	19,449,203	-	-	5,523,299	24,972,502
Utility Users Tax	5,279,475	-	-	-	5,279,475
Franchise Tax	1,857,181	-	-	-	1,857,181
Transient Occupancy Tax	755,093	-	-	-	755,093
Other Tax	651,069	-	-	-	651,069
Licenses and Permits	1,578,943	-	-	-	1,578,943
Vehicle License Fees	77,388	-	-	-	77,388
Intergovernmental	612,190	3,221,931	172,155	7,972,873	11,979,149
Charges for Services	7,379,358	-	-	77,018	7,456,376
Special Assessments and Fees	3,454	-	-	691,331	694,785
Fines and Forfeitures	18,290	-	-	79,440	97,730
Investment Earnings	2,866,277	690,286	10,982	1,332,860	4,900,405
Miscellaneous	1,022,467	-	-	5,000	1,027,467
Total Revenues	<u>51,165,645</u>	<u>3,912,217</u>	<u>183,137</u>	<u>15,681,821</u>	<u>70,942,820</u>
<b>EXPENDITURES</b>					
Current:					
Community and Economic Development	1,147,107	-	110,458	1,066,206	2,323,771
General Government	4,932,281	511,617	-	-	5,443,898
Parks and Recreation	5,160,723	-	250,562	756,668	6,167,953
Public Safety - Fire	7,799,127	-	-	2,980,349	10,779,476
Public Safety - Police	16,402,513	-	-	2,338,424	18,740,937
Public Works	4,437,385	-	871,038	-	5,308,423
Debt Service:					
Principal	416,520	-	-	1,462,508	1,879,028
Interest and Administrative Charges	115,082	-	-	445,478	560,560
Capital Outlay	4,519,393	178,379	21,521,783	-	26,219,555
Total Expenditures	<u>44,930,131</u>	<u>689,996</u>	<u>22,753,841</u>	<u>9,049,633</u>	<u>77,423,601</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	6,235,514	3,222,221	(22,570,704)	6,632,188	(6,480,781)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	1,605,292	-	22,753,842	2,174,857	26,533,991
Transfers Out	(11,401,436)	(2,531,934)	-	(12,369,557)	(26,302,927)
Subscription Based Information Technology Arrangements	4,723	-	-	-	4,723
Insurance Recoveries	1,247,515	-	-	-	1,247,515
Total Other Financing Sources (Uses)	<u>(8,543,906)</u>	<u>(2,531,934)</u>	<u>22,753,842</u>	<u>(10,194,700)</u>	<u>1,483,302</u>
<b>NET CHANGE IN FUND BALANCES</b>	(2,308,392)	690,287	183,138	(3,562,512)	(4,997,479)
Fund Balances - Beginning of Year	<u>53,756,746</u>	<u>(149,822)</u>	<u>(418,016)</u>	<u>39,155,416</u>	<u>92,344,324</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 51,448,354</u>	<u>\$ 540,465</u>	<u>\$ (234,878)</u>	<u>\$ 35,592,904</u>	<u>\$ 87,346,845</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF PORTERVILLE**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2024**

Net Change in Fund Balances - Total Governmental Funds	\$ (4,997,479)
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.	20,671,693
The net effect of various miscellaneous transactions involving capital assets is to decrease net position.	(1,819,434)
The issuance of long-term debt 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. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,874,305
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.	(299,378)
Pension 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.	(461,803)
Other postemployment benefits 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.	(407,549)
Internal service funds are used by management to charge the costs of risk management and equipment management to individual funds. The net revenue of the internal service funds is reported with governmental activities.	(2,716,192)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	<u>(350,307)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 11,493,856</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF PORTERVILLE  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2024**

	Business-Type Activities					Governmental Activities	
	Sewer Operations	Water Operations	Solid Waste Operations	Airport Operations	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>ASSETS</b>							
Current Assets:							
Cash and Investments	\$ 18,532,374	\$ 21,549,418	\$ 6,917,672	\$ 3,030,228	\$ -	\$ 50,029,692	\$ 1,070,114
Restricted - Customer Deposits	-	360,640	19,018	-	-	379,658	-
Receivables, Net of Allowance for Uncollectibles:							
Utility	1,266,299	2,002,741	1,433,556	-	-	4,702,596	-
Miscellaneous	268,366	32,538	330,366	289,775	1,375,465	2,296,510	110,963
Intergovernmental Receivable	-	288	-	1,295,816	-	1,296,104	8,292
Lease Receivable - Current	-	-	-	129,971	-	129,971	-
Inventories	-	-	-	123,949	-	123,949	-
Prepays	-	377,157	-	-	-	377,157	-
<b>Total Current Assets</b>	<b>20,067,039</b>	<b>24,322,782</b>	<b>8,700,612</b>	<b>4,869,739</b>	<b>1,375,465</b>	<b>59,335,637</b>	<b>1,189,369</b>
Noncurrent Assets:							
Advances Receivable	151,788	143,007	-	-	-	294,795	-
Notes Receivable	-	4,138,018	-	-	-	4,138,018	-
Lease Receivable - Noncurrent	-	-	-	1,334,166	-	1,334,166	-
Net Pension Asset	-	-	-	-	19,667	19,667	-
Capital Assets:							
Land	3,443,689	4,841,955	-	1,000,125	477,887	9,763,656	-
Intangible Assets	-	1,234,500	-	-	-	1,234,500	-
Construction in Progress	2,897,827	33,085,939	440,769	5,172,233	-	41,596,768	-
Buildings	1,648,594	296,688	-	604,352	2,904,444	5,454,078	-
Improvements Other Than Buildings	-	-	-	9,966,921	3,903,444	13,870,365	11,952
Machinery and Equipment	10,945,838	4,338,708	10,194,627	1,329,338	22,482,177	49,290,688	1,496,354
Infrastructure	-	-	-	-	4,322,270	4,322,270	-
Distribution and Collection Systems	68,144,680	51,658,213	-	-	-	119,802,893	-
Lease Assets	-	-	-	-	117,854	117,854	-
Subscription Assets	1,181	175,777	26,847	17,837	-	221,642	-
Less: Accumulated Depreciation/Amortization	(36,692,990)	(28,902,969)	(8,185,348)	(7,485,862)	(19,880,941)	(101,148,110)	(963,978)
Restricted Assets - Investments	3	16,623,638	-	-	-	16,623,641	-
<b>Total Noncurrent Assets</b>	<b>50,540,610</b>	<b>87,633,474</b>	<b>2,476,895</b>	<b>11,939,110</b>	<b>14,346,802</b>	<b>166,936,891</b>	<b>544,328</b>
<b>Total Assets</b>	<b>70,607,649</b>	<b>111,956,256</b>	<b>11,177,507</b>	<b>16,808,849</b>	<b>15,722,267</b>	<b>226,272,528</b>	<b>1,733,697</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred Charge on Refunding	-	-	-	-	-	-	-
Deferred Pension-Related Items	334,793	406,794	278,183	58,094	54,443	1,132,307	176,093
Deferred OPEB-Related Items	11,109	14,785	27,403	3,044	3,344	59,685	9,930
<b>Total Deferred Outflows of Resources</b>	<b>345,902</b>	<b>421,579</b>	<b>305,586</b>	<b>61,138</b>	<b>57,787</b>	<b>1,191,992</b>	<b>186,023</b>

See accompanying Notes to Basic Financial Statements.

**CITY OF PORTERVILLE  
STATEMENT OF NET POSITION (CONTINUED)  
PROPRIETARY FUNDS  
JUNE 30, 2024**

	Business-Type Activities					Governmental Activities	
	Sewer Operations	Water Operations	Solid Waste Operations	Airport Operations	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>LIABILITIES</b>							
Current Liabilities:							
Accounts and Other Payables	\$ 79,632	\$ 527,948	\$ 285,427	\$ 231,060	\$ 90,788	\$ 1,214,855	\$ 1,034,017
Payroll Payable	71,861	105,439	103,114	25,606	15,442	321,462	57,759
Interfund Payable	-	-	-	-	2,947,033	2,947,033	3,170,166
Retainage Payable	133,590	1,194,195	-	219,433	-	1,547,218	-
Customer Deposits Payable - Restricted	-	358,602	19,018	-	-	377,620	-
Accrued Claims	-	-	-	-	-	-	1,321,418
Lease Liability	-	-	-	-	22,576	22,576	-
Subscription Liability	-	32,748	-	4,606	-	37,354	-
Compensated Absences Payable	29,633	62,146	42,013	8,151	8,237	150,180	27,013
Accrued Interest Payable	334,384	523,974	507	282	559	859,706	-
Loans and Bonds Payable	1,423,286	834,684	-	-	-	2,257,970	-
Other Postemployment Benefits Liability	18,045	35,788	42,146	4,360	3,028	103,367	14,170
Total Current Liabilities	<u>2,090,431</u>	<u>3,675,524</u>	<u>492,225</u>	<u>493,498</u>	<u>3,087,663</u>	<u>9,839,341</u>	<u>5,624,543</u>
Noncurrent Liabilities:							
Accrued Claims	-	-	-	-	-	-	4,909,812
Compensated Absences Payable	8,240	24,044	15,251	567	4,172	52,274	11,216
Lease Liability	-	-	-	-	77,733	77,733	-
Subscription Liability	-	71,133	-	5,064	-	76,197	-
Loans and Bonds Payable	28,948,183	37,575,520	-	-	-	66,523,703	-
Net Pension Liability	3,190,629	3,300,588	3,449,941	468,584	330,276	10,740,018	1,745,204
Total Other Postemployment Benefits Liability	447,124	686,892	1,058,950	112,999	146,348	2,452,313	386,783
Total Noncurrent Liabilities	<u>32,594,176</u>	<u>41,658,177</u>	<u>4,524,142</u>	<u>587,214</u>	<u>558,529</u>	<u>79,922,238</u>	<u>7,053,015</u>
Total Liabilities	34,684,607	45,333,701	5,016,367	1,080,712	3,646,192	89,761,579	12,677,558
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred Pension-Related Items	-	3,124	354,870	9,354	125,500	492,848	66,570
Deferred OPEB-Related Items	131,185	225,552	319,972	34,005	41,761	752,475	104,595
Lease-Related Items	27,581	-	-	1,420,066	-	1,447,647	-
Total Deferred Inflows of Resources	<u>158,766</u>	<u>228,676</u>	<u>674,842</u>	<u>1,463,425</u>	<u>167,261</u>	<u>2,692,970</u>	<u>171,165</u>
<b>NET POSITION</b>							
Net Investment In Capital Assets	19,883,760	43,644,169	2,476,895	10,375,841	14,206,539	90,587,204	544,328
Restricted - Pension	-	-	-	-	19,667	19,667	-
Unrestricted	16,226,418	23,171,289	3,314,989	3,950,009	(2,259,605)	44,403,100	(11,473,331)
Total Net Position	<u>\$ 36,110,178</u>	<u>\$ 66,815,458</u>	<u>\$ 5,791,884</u>	<u>\$ 14,325,850</u>	<u>\$ 11,966,601</u>	<u>135,009,971</u>	<u>\$ (10,929,003)</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds						(2,517,646)	
Total Net Position of Business-Type Activities						<u>\$ 132,492,325</u>	

See accompanying Notes to Basic Financial Statements.

**CITY OF PORTERVILLE**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2024**

	Business-Type Activities					Governmental Activities	
	Sewer Operations	Water Operations	Solid Waste Operations	Airport Operations	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>OPERATING REVENUES</b>							
Charges for Services	\$ 8,753,526	\$ 12,463,614	\$ 8,982,402	\$ 1,799,230	\$ 1,762,960	\$ 33,761,732	\$ 14,239,558
Connection Fees	578,578	16,898	-	-	-	595,476	-
Other Revenues	369,463	227,027	127,223	257,926	683	982,322	49,449
Total Operating Revenues	9,701,567	12,707,539	9,109,625	2,057,156	1,763,643	35,339,530	14,289,007
<b>OPERATING EXPENSES</b>							
Cost of Sales and Services	852,431	1,749,835	1,992,600	1,231,689	1,145,454	6,972,009	15,732,194
General and Administrative	4,708,870	6,997,442	6,124,159	631,799	1,505,497	19,967,767	1,624,675
Depreciation/Amortization	1,975,604	1,477,901	407,889	460,527	2,654,247	6,976,168	89,521
Total Operating Expenses	7,536,905	10,225,178	8,524,648	2,324,015	5,305,198	33,915,944	17,446,390
<b>OPERATING INCOME (LOSS)</b>	2,164,662	2,482,361	584,977	(266,859)	(3,541,555)	1,423,586	(3,157,383)
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Federal Grants	-	-	-	10,000	-	10,000	-
State Grants and Reimbursements	-	-	221,262	-	-	221,262	-
Rental Income	82,071	-	-	-	-	82,071	-
Investment Earnings	884,711	1,013,083	357,857	308,171	18,846	2,582,668	59,946
Interest Expense	(1,161,678)	(1,060,795)	(732)	(880)	(6,125)	(2,230,210)	-
Sale of Capital Assets	-	-	-	-	11,333	11,333	-
Total Nonoperating Revenues (Expenses)	(194,896)	(47,712)	578,387	317,291	24,054	677,124	59,946
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	1,969,766	2,434,649	1,163,364	50,432	(3,517,501)	2,100,710	(3,097,437)
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>							
Capital Contributions - Developer Fees	123,249	220,530	-	-	-	343,779	-
Capital Contributions - Federal and State Grants	-	2,375,000	-	3,619,496	-	5,994,496	-
Capital Contributions - Other	-	721,458	-	-	-	721,458	-
Transfers In	-	-	-	7,070	79,000	86,070	-
Transfers Out	(29,635)	(59,685)	-	-	-	(89,320)	(227,814)
Total Capital Contributions and Transfers	93,614	3,257,303	-	3,626,566	79,000	7,056,483	(227,814)
<b>CHANGE IN NET POSITION</b>	2,063,380	5,691,952	1,163,364	3,676,998	(3,438,501)	9,157,193	(3,325,251)
Net Position - Beginning, as Originally Reported	34,046,798	61,123,506	4,628,520	-	26,053,954		(7,603,752)
Change Within Financial Reporting Entity (Nonmajor to Major Fund)	-	-	-	10,648,852	(10,648,852)		
Net Position - Beginning, as Adjusted	34,046,798	61,123,506	4,628,520	10,648,852	15,405,102		(7,603,752)
<b>NET POSITION - END OF YEAR</b>	<u>\$ 36,110,178</u>	<u>\$ 66,815,458</u>	<u>\$ 5,791,884</u>	<u>\$ 14,325,850</u>	<u>\$ 11,966,601</u>		<u>\$ (10,929,003)</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds						(609,059)	
<b>CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES</b>						<u>\$ 8,548,134</u>	

See accompanying Notes to Basic Financial Statements.

**CITY OF PORTERVILLE  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2024**

	Business-Type Activities					Governmental	
	Sewer Operations	Water Operations	Solid Waste Operations	Airport Operations	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Receipts from Customers	\$ 9,325,846	\$ 12,958,270	\$ 8,453,276	\$ 1,921,087	\$ 860,709	\$ 33,519,188	\$ 14,264,776
Receipts of Customer Deposits	-	138,679	51,230	-	-	189,909	-
Payments to Employees	(1,614,704)	(2,446,785)	(2,313,225)	(308,195)	(269,984)	(6,952,893)	(1,313,713)
Payments to Suppliers and Others	(3,729,540)	(6,517,405)	(5,400,682)	(1,302,922)	(2,288,255)	(19,238,804)	(14,282,061)
Return of Customer Deposits	-	(60,951)	(51,230)	-	-	(112,181)	-
Net Cash Provided (Used) by Operating Activities	3,981,602	4,071,808	739,369	309,970	(1,697,530)	7,405,219	(1,330,998)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Receipts from Interfund	11,632	10,611	-	-	1,000,786	1,023,029	1,791,264
Intergovernmental - Operating Assistance	-	2,386,317	189,277	-	-	2,575,594	-
Subsidy from Federal and State Grants	-	-	-	10,000	504,044	514,044	-
Transfers In from Other Funds	-	-	-	7,070	79,000	86,070	-
Transfers Out to Other Funds	(29,635)	(59,685)	-	-	-	(89,320)	(227,814)
Net Cash Provided (Used) by Noncapital Financing Activities	(18,003)	2,337,243	189,277	17,070	1,583,830	4,109,417	1,563,450
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Payments for Capital Asset Additions	(669,901)	(13,612,965)	(1,118,219)	(4,017,038)	(10,556)	(19,428,679)	(28,334)
Contributed Capital - Developer's Fees	123,249	665,122	-	-	-	788,371	-
Interest Paid on Long-Term Debt and Advances	(1,092,648)	(1,389,485)	(732)	(764)	(5,566)	(2,489,195)	-
Principal received from lease receivables	99,739	-	-	-	-	99,739	-
Principal Payments on Long-Term Debt	(1,373,324)	(833,709)	(13,818)	(4,176)	(17,545)	(2,242,572)	-
Sale of Capital Assets	-	-	-	-	11,333	11,333	-
Subsidy from Federal and State Grants	-	-	-	3,034,912	-	3,034,912	-
Net Cash Used by Capital and Related Financing Activities	(2,912,885)	(15,171,037)	(1,132,769)	(987,066)	(22,334)	(20,226,091)	(28,334)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Interest on Investments	884,714	1,013,111	357,857	292,866	18,846	2,567,394	59,940
Net Cash Provided by Investing Activities	884,714	1,013,111	357,857	292,866	18,846	2,567,394	59,940
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	1,935,428	(7,748,875)	153,734	(367,160)	(117,188)	(6,144,061)	264,058
Cash and Cash Equivalents - Beginning of Year	16,596,949	46,282,571	6,782,956	3,397,388	117,188	73,177,052	806,056
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 18,532,377</u>	<u>\$ 38,533,696</u>	<u>\$ 6,936,690</u>	<u>\$ 3,030,228</u>	<u>\$ -</u>	<u>\$ 67,032,991</u>	<u>\$ 1,070,114</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF PORTERVILLE  
STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2024**

	Business-Type Activities					Governmental Activities	
	Sewer Operations	Water Operations	Solid Waste Operations	Airport Operations	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>AS SHOWN ON THE PROPRIETARY STATEMENT OF NET POSITION</b>							
Cash and Investments	\$ 18,532,374	\$ 21,549,418	\$ 6,917,672	\$ 3,030,228	\$ -	\$ 50,029,692	\$ 1,070,114
Restricted Assets:							
Customer Deposits	-	360,640	19,018	-	-	379,658	-
Investments	3	16,623,638	-	-	-	16,623,641	-
Total Cash and Cash Equivalents	<u>\$ 18,532,377</u>	<u>\$ 38,533,696</u>	<u>\$ 6,936,690</u>	<u>\$ 3,030,228</u>	<u>\$ -</u>	<u>\$ 67,032,991</u>	<u>\$ 1,070,114</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>							
Operating Income (Loss)	\$ 2,164,662	\$ 2,482,361	\$ 584,977	\$ (266,859)	\$ (3,541,555)	\$ 1,423,586	\$ (3,157,383)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Depreciation and Amortization	1,975,604	1,477,901	407,889	460,527	2,654,247	6,976,168	89,521
Changes in Assets and Liabilities:							
Accounts Payable	(73,246)	(364,842)	7,462	185,219	56,222	(189,185)	194,106
Accrued Claims Payable	-	-	-	-	-	-	1,368,812
Compensated Absences	3,689	(2,201)	5,431	253	1,260	8,432	1,276
Customer Deposits Payable	-	77,728	5,003	-	-	82,731	-
Customer Receivable	(375,721)	250,731	(661,352)	21,379	(902,934)	(1,667,897)	(25,382)
Intergovernmental Receivable	-	-	-	-	-	-	1,151
Inventory	-	-	-	(7,505)	-	(7,505)	-
Prepaid Expense	-	(255,607)	-	-	-	(255,607)	-
Net Pension Liability	57,785	76,836	54,037	14,828	(2,616)	200,870	40,316
Deferred Outflow - Pension-Related Items	225,959	320,380	315,316	46,813	43,002	951,470	155,838
Deferred Inflow - Pension-Related Items	(32,884)	(46,035)	(42,806)	(7,144)	(13,511)	(142,380)	(22,733)
OPEB Liability	25,867	51,300	60,414	6,249	4,340	148,170	20,311
Deferred Outflow - OPEB-Related Items	3,996	7,924	9,332	966	670	22,888	3,138
Deferred Inflow - OPEB-Related Items	(8,070)	(16,005)	(18,848)	(1,950)	(1,354)	(46,227)	(6,337)
Deferred inflow - leases	-	-	-	(157,448)	-	(157,448)	-
Salaries and Benefits Payable	13,961	11,337	12,514	14,642	4,699	57,153	6,368
Net Cash Provided (Used) by Operating Activities	<u>\$ 3,981,602</u>	<u>\$ 4,071,808</u>	<u>\$ 739,369</u>	<u>\$ 309,970</u>	<u>\$ (1,697,530)</u>	<u>\$ 7,405,219</u>	<u>\$ (1,330,998)</u>
<b>SCHEDULE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Contributions of Capital Assets	<u>\$ -</u>	<u>\$ 276,866</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 276,866</u>	<u>\$ -</u>
Acquisition of Capital Assets on Account	<u>\$ -</u>	<u>\$ (396,530)</u>	<u>\$ -</u>	<u>\$ (186,592)</u>	<u>\$ -</u>	<u>\$ (583,122)</u>	<u>\$ -</u>
Execution of Agreements for the City's Right-To-Use Subscription Assets	<u>\$ 1,181</u>	<u>\$ 2,362</u>	<u>\$ -</u>	<u>\$ 1,181</u>	<u>\$ -</u>	<u>\$ 4,724</u>	<u>\$ -</u>
Unrealized Increase in Fair Market Value of Investments	<u>\$ 436,189</u>	<u>\$ 542,593</u>	<u>\$ 168,169</u>	<u>\$ 79,305</u>	<u>\$ 192</u>	<u>\$ 1,226,448</u>	<u>\$ 23,169</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF PORTERVILLE  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2024**

	Private-Purpose Trust Fund	Custodial Fund
<b>ASSETS</b>		
Cash and Investments	\$ 351,344	\$ 351,452
Receivables - Housing, Net	157,644	-
Notes Receivable	930,000	-
Interest Receivable	381,568	-
Restricted Cash - Bond Proceeds	6,823	-
Total Assets	1,827,379	351,452
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Charge on Refunding	323,662	-
Total Deferred Outflows of Resources	323,662	-
<b>LIABILITIES</b>		
Accounts and Other Payables	-	309,940
Deposits Payable	-	-
Due to Other Governments	-	-
Accrued Interest Payable	18,903	-
Bonds Payable	5,610,000	-
Total Liabilities	5,628,903	309,940
<b>NET POSITION</b>		
Restricted for:		
Individuals, Organizations, and Other Governments	(3,477,862)	41,512
Total Net Position	\$ (3,477,862)	\$ 41,512

See accompanying Notes to Basic Financial Statements.

**CITY OF PORTERVILLE  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED JUNE 30, 2024**

	<u>Private-Purpose Trust Fund</u>	<u>Custodial Fund</u>
<b>ADDITIONS</b>		
Contributions:		
Property Taxes	\$ 499,024	\$ -
School Impact Fees	-	614,450
Asset Seizure		10,822
Investments Earnings:		
Interest	41,991	-
Total Additions	<u>541,015</u>	<u>625,272</u>
<b>DEDUCTIONS</b>		
Administrative Expenses	12,287	-
Debt Redemption, Interest	256,881	-
Release of Unclaimed Funds	-	13,102
Return of Seized Funds	-	-
School Impact Fees	-	614,450
Total Deductions	<u>269,168</u>	<u>627,552</u>
<b>CHANGE IN NET POSITION</b>	271,847	(2,280)
Net Position - Beginning of Year	<u>(3,749,709)</u>	<u>43,792</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ (3,477,862)</u>	<u>\$ 41,512</u>

See accompanying Notes to Basic Financial Statements.

**Notes To  
Financial Statements**



**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Porterville have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City of Porterville's significant accounting principles are described below.

**A. Reporting Entity**

The City of Porterville (the City) is a municipal corporation governed by a five-member council, one of which is appointed mayor. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations. As such, blended component units are appropriately presented as funds of the primary government.

**Blended Component Units**

The Porterville Public Improvement Corporation is a nonprofit public benefit company incorporated on September 1, 1988, and is organized under the Nonprofit Public Benefit Corporation Law for the purpose of financing certain public building, sewer and water capital projects. The Corporation's board is comprised of the City's council members.

The Porterville Area Development Authority was established pursuant to the provisions of Article 1, Chapter 5, Division 7, Title 1 of the California Government Code Section 6500, the Joint Exercise of Powers Act. On August 30, 2021, the City Council of the City of Porterville approved the Joint Powers Agreement between the City and the Tule River Tribe. The purpose of the Authority is to provide public funding and oversight related to the construction and operation of a tertiary wastewater system facility, and facilitate the development of comprehensive transportation improvements for the west Porterville area surrounding the new Casino including the Porterville business park. The Board of Directors consists of three City representatives appointed by the City Council and two Tribe representatives appointed by the Tribal Council.

**Fiduciary Component Unit**

The Porterville Redevelopment Agency was established in March of 1981 pursuant to the California Community Redevelopment Laws contained in Section 33000 Et. Seq. of Division 24 of the Health and Safety Code. The primary purpose of the Agency is to revitalize targeted areas of blight and deterioration within the city limits so as to eliminate or mitigate existing and potential physical, social, and economic liabilities in the interest of the health, safety, and welfare of all its citizens. Under Assembly Bill 1X 26, the Porterville Redevelopment Agency was dissolved and all of its assets, liabilities and obligations were transferred to the Successor Agency on February 1, 2012.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Reporting Entity (Continued)**

**Fiduciary Component Unit (Continued)**

The City of Porterville elected to serve as the Successor Agency to the former Porterville Redevelopment Agency. It is responsible for winding down the affairs of the redevelopment agency including disposing of its assets. The Countywide Oversight Board for Tulare County oversees and directs the Successor Agency in the process of dissolving the former redevelopment agency.

Additional detailed information for each of the individual component units may be obtained from the City of Porterville Finance Department, 291 North Main Street, Porterville, CA 93257-3737.

**B. Basis of Presentation**

**Government-Wide Financial Statements**

The government-wide financial statements consist of the statement of net position and the statement of activities and report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the City's enterprise funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The exceptions to this general rule are the fleet management and the risk management charges to the enterprise funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The statement of activities presents a comparison between program expenses and program revenues for each segment of business-type activities of the City and for each function of the City's governmental activities. Program expenses include direct expenses, which are clearly identifiable with a specific function, and allocated indirect expenses. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Government-Wide Financial Statements (Continued)**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include:

- 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and
- 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

**Fund Financial Statements**

The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate financial statements for governmental funds, proprietary funds and fiduciary funds are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *American Rescue Plan Act fund* is a special revenue fund established to account for monies received from the United States Department of the Treasury Coronavirus State and Local Fiscal Recovery Fund (CSLRF) established under the American Rescue Plan Act (ARPA). The funds are intended to provide significant resources to respond to the COVID-19 public health emergency and its economic impacts. The covered period is March 3, 2021 through December 31, 2024. Costs can be incurred or obligated by December 31, 2024 but must be expended by December 31, 2026.

The *general government capital projects fund* is used to account for financial resources to be used for the acquisition or construction of major capital projects not being financed by proprietary funds.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Fund Financial Statements (Continued)**

The City reports the following major enterprise funds:

The *sewer operations fund* accounts for the activities of the sewage pumping stations, treatment plant, and laboratory.

The *water operations fund* accounts for the activities of the water system, including pumping, distribution, testing, and groundwater replenishment.

The *solid waste fund* accounts for the activities of the refuse collection, recycling, and graffiti abatement programs.

The *airport operations fund* accounts for all revenues and expenses associated with the operation of the Porterville Municipal Airport. The principal sources of revenue for this fund are fuel sales, hangar rentals, land leases, and concession fees.

Additionally, the City reports the following fund types:

*Internal service funds* account for fleet management services provided to other departments of the City, or to other governments, on a cost reimbursement basis, and risk management services related to self-insurance (including claims for workers' compensation, unemployment, employee health, general liability, and property damage).

The *private-purpose trust fund* reports the assets, liabilities and activities of the Successor Agency to the former Porterville Redevelopment Agency.

The *custodial fund* is used to account for asset forfeiture funds held by the City for final disposition.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

**CITY OF PORTERVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 90 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, and claims and judgments, post-employment benefits are recognized late based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the City the right to use leased assets and information technology subscription assets are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases and subscriptions are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 90 days of year-end). All other revenue items are considered to be measurable and available only when the City receives cash.

The proprietary and fiduciary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Budgetary Information**

**1. Budgetary Basis of Accounting**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the capital projects fund which adopts project-length budgets.

On or before June 1 of each year, the City Manager submits a proposed budget to the city council for review. The council holds public hearings, and the final budget is adopted by resolution prior to July 1.

The appropriated budget is prepared by fund, function, and department. The department heads may make transfers of appropriations within their respective departments. Transfers of appropriations between departments require the approval of the city manager. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations, and the encumbrances are automatically reestablished in the next year.

**2. Excess of expenditures over appropriation**

In the Community Development Block Grant Fund, expenditures for the fiscal year exceeded appropriations by \$894,606, primarily from funds awarded to certain nonprofit organizations for the operations of navigation centers, emergency shelters and/or bridge housing and permanent supportive housing programs. Funds were made available from the Permanent Local Housing Allocation program of the State of California Department of Housing and Community Development.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

**1. Cash and Investments**

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.

Investments with a maturity of less than one year when purchased, nonnegotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end. Under the provisions of the City's investment policy and California Government Code Section 53601, the City Treasurer is authorized to invest in negotiable certificates of deposit, securities of the U.S. Government, time deposits, banker's acceptance notes, commercial paper, capital stocks, guaranteed investment contracts (GIC), medium term notes, the California Local Agency Investment Fund (LAIF), the Central San Joaquin Valley Risk Management Authority (CSJVRMA) Investment pool, County of Tulare Investment pool, and the California Cooperative Liquid Assets Securities System (CLASS) investment pool.

**2. Inventories and Prepaid Items**

Inventories are stated at cost using the first-in/first-out (FIFO) method, and consist of expendable materials and supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

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

**3. Restricted Assets**

Certain proceeds of debt issued are classified as restricted assets on the balance sheet because they are maintained separately and their use is limited by applicable bond covenants.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**4. Capital Assets**

Capital assets are tangible and intangible assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than infrastructure assets, are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. The City reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements regardless of their amount.

As the City constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost (except for intangible right-to-use assets and subscription assets, the measurement of which is discussed in Notes E.5 and E.6 below, respectively). The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donated capital assets, including works of art and historical treasures, the City values these capital assets at their estimated acquisition value at the date of donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Land, works of art and collections, and construction in progress are not depreciated. Other property, plant, equipment, infrastructure, and intangible assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Buildings	20 to 75 Years
Improvements Other Than Buildings	20 to 75 Years
Infrastructure	30 to 75 Years
Machinery and Equipment	5 to 20 Years
Intangible Assets	5 to 20 Years

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**5. Leases**

Lessee

The City of Porterville is a lessee for noncancelable leases of equipment and office space. The City recognizes a lease liability and intangible right-to-use asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. Payments due under some of the lease contracts include fixed payments plus certain variable payments. For the office space lease that include variable payments, those payments include the City's proportionate share of the building's property taxes, insurance and common area maintenance. For the office equipment leases, for which the City has elected not to separate the lease and non-lease components, maintenance services are provided by the lessor at a fixed cost and are included in the fixed lease payments for the single combined lease component.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. Extension and termination options are included in a number of property and equipment leases across the City. These are used to maximize operational flexibility in terms of managing the assets used in the City's operations. The majority of extension and termination options held are exercisable only by the City and not by the respective lessor.

The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases, being the rate that the City would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**5. Leases (Continued)**

Lessee (Continued)

- The lease term included the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor

The City of Porterville is a lessor for noncancelable leases of land, building and equipment. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements include how the City determines (1) the discount rate is used to discount the expected lease receipts to present value, (2) lease term and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncallable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

**CITY OF PORTERVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**5. Leases (Continued)**

Lessor (Continued)

The City monitors changes in circumstances that would require a measurement of its lease, and will remeasure the lease receivable and deferred inflows of resources, if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Variable payments that depend on an index such as the Consumer Price Index or a market interest rate, are initially measured using the index or rate as of the commencement of the lease term.

**6. Subscription-Based Information Technology Arrangements (SBITA)**

A SBITA is defined as a contractual agreement that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying assets), as specified in a contract for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction.

The City has noncancellable subscription arrangements for the right to use various information technology software. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for payments made to the SBITA vendor before the commencement of the subscription term, plus any capitalizable implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over the subscription term.

At the commencement of a subscription term, the City recognizes a liability, which is when the subscription asset is placed into service. The subscription liability is initially measured at the present value of subscription payments expected to be made during the subscription term. Future payments are discounted using the interest rate the SBITA vendor charges, which may be implicit, or the City's incremental borrowing rate if the interest rate is not readily determinable. Subsequently, the subscription liability is reduced by the principal portion of the subscription payments.

The City monitors changes that are expected to significantly affect the subscription liability and will remeasure the subscription asset and liability and a corresponding adjustment prepared.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**7. Long-Term Debt**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts, as well as, gains and losses on defeasance, are deferred and amortized over the life of the bonds. Bond issuance costs are expensed in the year incurred per GASB Statement No. 65.

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

**8. Compensated Absences**

Vacation Leave

It is the City of Porterville's policy to permit employees to accumulate earned, but unused, vacation benefits, which are eligible for payment upon separation from City service. The liability is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements.

Sick Leave

No liability for unpaid accumulated sick leave is reported. Accumulated sick leave lapses when employees leave the employ of the City unless the employee is eligible for service credit at retirement under the California Employee's Retirement System, providing the employee's retirement date is 120 days from the employee's separation from employment.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**9. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. The City reports three items under this category. The deferred charge on refunding reported in the government-wide statement of net position results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to pension and OPEB result from differences between estimated and actual investment earnings, changes in actuarial assumptions and other pension and OPEB related charges.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources, represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports four items under this category. Unavailable revenue is reported only in the governmental funds balance sheet. The City reports unavailable revenue from federal and state grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide financial statements, the City reports deferred amounts related to leases and deferred amounts related to pension and OPEB.

**10. Net Position**

For government-wide reporting as well as in proprietary and fiduciary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called "net position." Net position is comprised of three components:

- *Net Investment in Capital Assets* consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes and other debt that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt are included in this component of net position.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**10. Net Position (Continued)**

- *Restricted Net Position* consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- *Unrestricted Net Position* is the net amount of the assets, deferred outflows or resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**11. Fund Balance**

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called “fund balance.” The City’s governmental funds report the following categories of funds balance based on the nature of any limitations requiring the use of resources for specific purposes.

*Nonspendable Fund Balance* – This represents amounts that cannot be spent because they are either not spendable in form or legally or contractually required to remain intact.

*Restricted Fund Balance* – This includes amounts with constraints placed on their use by those external to the City, including creditors, grantors, contributors, or laws and regulations of other governments. It also includes constraints imposed by law through constitutional provisions or enabling legislation.

*Committed Fund Balance* – This represents amounts that can only be used for specific purposes determined by the adoption of a resolution of the City Council prior to the end of the fiscal year. Once adopted, the limitation imposed by the resolution remains in place until the resources have been spent for the specified purpose of the City Council adopts another resolution to remove or revise the limitation.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**11. Fund Balance (Continued)**

*Assigned Fund Balance* – This includes amounts that are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council has authorized the city manager to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

*Unassigned Fund Balance* – This is the residual amount not contained in the other classifications. The General Fund is the only fund that reports a positive unassigned fund balance. Additionally, any deficit fund balances in other governmental funds are reported as unassigned.

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When restricted and unrestricted fund balances are available for use, it is the City’s policy to use restricted fund balance first. When the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**F. Revenues and Expenditures/Expenses**

**1. Program Revenues**

Amounts reported as *program revenues* include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided or fines imposed by a given function or segment and (2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenue rather than as program revenues.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Revenues and Expenditures/Expenses (Continued)**

**2. Property Taxes**

The City is permitted to levy property taxes in accordance with Article XIII A of the California Constitution (Proposition 13), which limits ad valorem taxes on real property to 1.0% of value plus taxes necessary to pay indebtedness approved by voters prior to July 1, 1978. The Article also established the 1975/76 assessed valuation as the basis and limits annual increases to the cost of living, not to exceed 2.0%, for each year thereafter. Property may also be reassessed to full fair value after a sale, transfer of ownership, or completion of new construction. The State is prohibited under the Article from imposing new ad valorem, sales, or transactions taxes on real property. Local government may impose special taxes (except on real property) with the approval of 66.67% of the qualified electors.

Tulare County is responsible for the assessment, collection and apportionment of property taxes for all taxing jurisdictions. The property tax calendar for the City is as follows:

Lien Date	January 1
Levy Dates	July 1 through June 30
Due Dates	November 1 and February 1
Collection Dates	December 10 and April 10

Property taxes on the unsecured roll are due on the March 1 lien date and become delinquent if unpaid on August 31.

**3. Utility Users Tax**

The City is permitted by Chapter 22, Article V, of the Porterville Municipal Code to collect a utility users tax on certain types of utility services. The tax imposed is set by City Council resolution and was established at a 6.0% tax rate beginning July 1, 1970.

**4. Transactions and Use Tax for Public Safety, Police and Fire Protection (Measure H)**

On December 6, 2005, the City adopted Ordinance No. 1684 adding Article IIA to Chapter 22 of the Porterville Municipal Code to provide for an additional one-half of 1% transactions and use tax to fund public safety, police and fire protection services and related capital projects. The ordinance was approved by a two-thirds majority of eligible voters at the November 8, 2005 election and became effective on April 1, 2006.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Revenues and Expenditures/Expenses (Continued)**

**5. Transactions and Use Tax (Measure I)**

On November 6, 2018, the citizens of the City of Porterville approved Measure I – a local one-cent transactions and use tax to provide funds for the general governmental purposes of the City, with any transactions and use tax revenue received to be placed into the City’s general fund. The City adopted Ordinance No. 1850 adding Article IIB to Title 22 of the Porterville Municipal Code on December 10, 2018. The new tax became effective on April 1, 2019.

**6. Proprietary Funds Operating and Nonoperating Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position**

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds and net position - governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “Long-term liabilities, including bonds payable, leases, IT subscriptions, pension, OPEB, and compensated absences, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$79,379,509 difference are as follows:

Bonds Payable	\$ 15,410,619
Less: Deferred Charge on Refunding (To Be Amortized as Interest Expense)	(888,172)
Notes Payable	-
Lease Payable	352,074
IT Subscription Liability	1,579,498
Accrued Interest Payable	224,104
Net Pension Liability	52,548,157
Net Other Postemployment Benefits Obligation	8,749,850
Compensated Absences	<u>1,403,379</u>
Net Adjustment to Reduce <i>Fund Balance - Total Governmental Funds</i> to Arrive at <i>Net Position - Governmental Activities</i>	<u><u>\$ 79,379,509</u></u>

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS  
(CONTINUED)**

**A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position (Continued)**

Another element of that reconciliation explains that “Internal service funds are used by management to charge the costs of risk management and equipment management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.” The details of this \$8,411,357 difference are as follows:

Net Position of the Internal Service Funds	\$ (10,929,003)
Add: Internal Receivable Representing Costs in Excess of Charges to Business-Type Activities - Prior Years	1,908,587
Add: Internal Receivable Representing Costs in Excess of Charges to Business-Type Activities - Current Year	609,059
Net Adjustment to Decrease <i>Fund Balance - Total Governmental Funds</i> to Arrive at <i>Net Position - Governmental Activities</i>	\$ (8,411,357)

Another element of that reconciliation explains that “Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.” The details of this \$437,956,049 difference are as follows:

Nondepreciable	\$ 306,307,127
Depreciable and Amortizable	131,648,922
Net Adjustment to Increase <i>Fund Balance - Total Governmental Funds</i> to Arrive at <i>Net Position of Governmental Activities</i>	\$ 437,956,049

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS  
(CONTINUED)**

**B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds and changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense in the current period.” The details of this \$19,356,186 difference are as follows:

Capital Outlay	\$ 26,219,555
Depreciation/Amortization Expense	<u>(5,547,862)</u>
Net Adjustment to Increase <i>Net Changes in Fund Balances - Total Governmental Funds</i> to Arrive at <i>Changes in Net Position of Governmental Activities</i>	<u><u>\$ 20,671,693</u></u>

Another element of that reconciliation states that “The issuance of long-term debt 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. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.” The details of this \$1,874,305 difference are as follows:

Principal Repayments:	
Certificates of Participation	\$ 1,462,508
Lease Payable	133,540
IT Subscription Liability	282,980
Debt Issued or Incurred:	
Lease Payable	(4,723)
IT Subscription Liability	<u>-</u>
Net Adjustment to Increase <i>Net Changes in Fund Balances - Total Governmental Funds</i> to Arrive at <i>Changes in Net Position of Governmental Activities</i>	<u><u>\$ 1,874,305</u></u>

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS  
(CONTINUED)**

**B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities (Continued)**

Another element of that reconciliation states that “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.” The details of this \$299,378 difference are as follows:

Compensated Absences	\$ (68,869)
Accrued Interest	(82,481)
Amortization of Deferred Charge on Refunding	<u>(148,028)</u>
Net Adjustment to Decrease <i>Net Changes in Fund Balances - Total Governmental Funds</i> to Arrive at <i>Changes in Net Position of Governmental Activities</i>	<u><u>\$ (299,378)</u></u>

Another element of that reconciliation states that “Internal service funds are used by management to charge the costs of risk management and equipment management to individual funds. The net revenue of the internal service funds is reported with governmental activities.” The details of this \$2,716,192 difference are as follows:

Change in Net Position of the Internal Service Funds	\$ (3,325,251)
Profit from Charges to Business-Type Activities	<u>609,059</u>
Net Adjustment to Decrease <i>Net Changes in Fund Balances - Total Governmental Funds</i> to Arrive at <i>Changes in Net Position of Governmental Activities</i>	<u><u>\$ (2,716,192)</u></u>

**C. Explanation of Certain Differences Between the Proprietary Fund Statement of Net Position and the Government-Wide Statement of Net Position**

The proprietary fund statement of net position includes a reconciliation between *net position – total enterprise funds* and *net position of business-type activities* as reported in the government-wide statement of net position. The description of the sole element of that reconciliation is “Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.” The details of this \$2,517,646 difference are as follows:

Internal Payable Representing Costs in Excess of Charges to Business-Type Activities - Prior Years	\$ (1,908,587)
Internal Payable Representing Costs in Excess of Charges to Business-Type Activities - Current Year	<u>(609,059)</u>
Net Adjustment to Decrease <i>Net Position Total Enterprise Funds</i> to Arrive at <i>Net Position - Business-Type Activities</i>	<u><u>\$ (2,517,646)</u></u>

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 3 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Deficit Fund Equity**

The Capital Projects Fund, a major governmental fund, has a deficit fund balance of \$234,878 at June 30, 2024. This deficit is a temporary condition as grant funds are still expected to be paid and received in the next fiscal year.

The Public Safety Grant Fund, a nonmajor governmental fund, has a deficit fund balance of \$137,132 at June 30, 2024. This deficit is a temporary condition as grant funds are still expected to be paid and received in the next fiscal year.

At June 30, 2024, the Golf Course Fund, a nonmajor enterprise fund, has a deficit net position of \$2,278,155. For the past several years, expenses have exceeded revenues. There is presently no arrangement on how to eliminate the deficit in future years.

The Risk Management Fund, an internal service fund, has a deficit net position at June 30, 2024 amounting to \$10,463,081. This is primarily due to the amount of estimated outstanding workers' compensation claims which totals \$5,597,000 and the estimated accrued medical claims of \$634,230 at the end of the fiscal year. This includes projected case reserves and an amount estimated for incurred but not reported liabilities. In addition, administration and premiums costs on the property and general liability coverages increased by almost 36% from the previous year.

The Equipment Management Fund, also an internal service fund, finished the year with a deficit net position of \$465,922. This is mostly due to the increase in the cost of repairs and maintenance of automotive and other equipment.

At the end of the fiscal year, the Private-purpose Trust Fund reports a deficit net position of \$3,477,862, arising essentially from the amount of tax allocation refunding bonds that remain outstanding at June 30, 2024.

**NOTE 4 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS**

**A. Cash and investments**

It is the policy of the City to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands, and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the investment policy is safety (preservation of capital), liquidity and yield.

The City of Porterville follows the practice of pooling cash and investments of all funds, to maximize its investment program, except for those required to be held by outside fiscal agents under the provisions of bond indenture. Investment income earned on the pooled cash and investments is allocated monthly to the various funds based on monthly cash balances.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 4 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**A. Cash and investments (Continued)**

Cash and investments as of June 30, 2024 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 117,124,651
Cash and Investments - Restricted	43,256,543
Fiduciary Funds:	
Cash and Investments	702,796
Cash and Investments - Restricted	6,823
Total Cash and Investments	<u>\$ 161,090,813</u>

Cash and investments as of June 30, 2024, consist of the following:

Cash on Hand	\$ 3,285
Deposits With Financial Institution	4,279,998
Outstanding Items	(1,543,033)
Investments	158,350,563
Total Cash and Investments	<u>\$ 161,090,813</u>

**Deposits**

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The City does not have a formal deposit policy for custodial credit risk. The Federal Depository Insurance Corporation's standard insurance amount of \$250,000 per depositor, per insured bank, mitigates the City's custodial credit risk for deposits. The remaining deposit is collateralized as required by the California Government Code, by a pledge of securities by the financial institution in an undivided collateral pool held by a depository regulated under state law, the fair value of which must equal at least 110% of the total amount deposited by the public agencies.

At year-end, the City's bank balance was \$4,279,998 and cash on hand was \$3,285 and \$4,033,273 of the City's deposits was exposed to custodial credit risk because it was uninsured and was held in uncollateralized accounts.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 4 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**A. Cash and investments (Continued)**

**Investments**

The City's Statement of Investment Policy provides the basis for the management of a prudent and systematic investment program. Public funds are invested to provide the maximum security of principal with secondary emphasis on achieving the highest return, while meeting daily cash flow needs. All investments are made in accordance with the California Government Code and/or the City's investment policy (where more restrictive). The types of securities in which the City Treasurer may invest include U.S. Treasury and U.S. Government agency securities, time deposits or certificates of deposit, negotiable certificates of deposit, bankers' acceptance notes, commercial paper, medium-term notes, bank deposits, money market mutual funds, the State of California Local Agency Investment Fund (LAIF), the investment pool managed by the Central San Joaquin Valley Risk Management Authority (CSJVRMA), the investment pool managed by the County of Tulare, and the California Cooperative Liquid Assets Securities System (CLASS).

**Investment in the State Investment Pool**

The City of Porterville is a voluntary participant in the Local Agency Investment Fund (LAIF) program that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The program offers local agencies the opportunity to participate in a major portfolio, which invests hundreds of millions of dollars. A separate account is maintained for each governmental unit having deposits in the fund. The income, gains and losses, net of administration fees are allocated in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amount remained therein. Moneys placed in LAIF are not subject to either transfer or loan, or impoundment or seizure by any state official or state agency.

**Tulare County Investment Pool**

The City is a voluntary participant in the Tulare County Investment Pool that is managed by the County Treasurer. The pooled investments, which are governed by the California Government Code, include U.S. Treasuries, Federal agencies, medium term/corporate notes, municipals, repurchase agreements, commercial paper, money market funds, and LAIF. Investment earnings is apportioned to the various participants in the investment pool at the end of each calendar quarter.

**Central San Joaquin Valley Risk Management Authority (CSJVRMA) Investment Pool**

As a member city of the CSJVRMA, the City accepted the opportunity to participate in its sponsored investment pool. The pool is managed by Chandler Asset Management who typically invests in agencies (e.g., FHLB debentures, FNMA and FHLMC notes), treasuries and high-grade corporate stock. Approved investment instruments are asset-backed securities, banker's acceptance, commercial paper and medium term notes, money market accounts, mutual funds, and negotiable certificates of deposit with mixed maturity dates not to exceed five years. Investment in repurchase agreements is authorized, but maturity is limited to one year maximum.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 4 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**A. Cash and investments (Continued)**

**Investments (Continued)**

**California Cooperative Liquid Assets Securities System (CLASS) Investment Pool**

California CLASS is a Joint Powers Authority investment pool that provides public agencies the opportunity to invest funds on a cooperative basis in rated pools that are managed in accordance with state law with the primary objectives of offering participants safety, daily and next-day liquidity and optimized returns. It is governed by a Board of Trustees made up of public agency finance professionals who participate in California CLASS and are members of the JPA. California CLASS offers two investment options: the California CLASS Prime and the California CLASS Enhanced Cash. In November 2022, the City joined the JPA and established a California CLASS Prime Fund Account. The Prime portfolio is rated AAAM by S&P Global Ratings, has same-day liquidity availability and has a stable \$1.00 NAV. It has a weighted average maturity of 60 days or less with dividends accruing daily and reinvested at month-end.

**Fair Value of Investments**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy prioritizes the inputs to valuation techniques used to measure fair value of the assets. The three levels of the fair value hierarchy are described as follows:

*Level 1* – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

*Level 2* – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

*Level 3* – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the City's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the City's own data.

The asset's level within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 4 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**A. Cash and investments (Continued)**

**Fair Value of Investments**

As of June 30, 2024, the City has the following recurring fair value measurements:

Investments by Fair Value Level	Fair Value Measurements Using			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Federal Agency Securities	\$ -	\$ 56,229,923	\$ -	\$ 56,229,923
Corporate Bonds	-	17,240,210	-	17,240,210
Negotiable Certificates of Deposit	-	11,599,660	-	11,599,660
Total Investments Measured at Fair Value	<u>\$ -</u>	<u>\$ 85,069,793</u>	<u>\$ -</u>	<u>85,069,793</u>
<u>Investments Not Measured at Fair Value</u>				
Certificates of Deposits				10,787,024
Money Market Mutual Funds				19,104,642
Local Agency Investment Fund				9,268,710
Tulare County Investment Pool				9,983,962
CSJVRMA JPA investment Pool				7,424,133
California CLASS - Prime				16,712,299
Total Investments				<u>\$ 158,350,563</u>

Federal agency securities, corporate bonds and negotiable certificates of deposit, classified as level 2 of the fair value hierarchy, are valued using broker quotes that utilize observable market inputs.

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value will be to changes in market interest rates. One of the ways that Porterville manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. Porterville's investment policy states that investment decisions are made with the intention of retaining the investment until maturity, thereby negating the ill effects of market interest rate fluctuations.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 4 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**A. Cash and investments (Continued)**

**Interest Rate Risk (Continued)**

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

Investment Type	Remaining Maturity (In Months)			Total
	12 Months or Less	13-24 Months	25-60 Months	
Federal Agency Securities	\$ 7,914,920	\$ 16,448,973	\$ 31,866,030	\$ 56,229,923
Corporate Bonds	3,943,070	6,555,850	6,741,290	17,240,210
Negotiable Certificates of Deposit	1,973,881	2,432,878	7,192,901	11,599,660
Certificates of Deposit	5,041,943	996,000	4,749,081	10,787,024
Money Market Funds	2,472,369	-	-	2,472,369
Local Agency Investment Fund	9,268,710	-	-	9,268,710
Tulare County Investment Pool	9,983,962	-	-	9,983,962
CSJVRMA JPA investment Pool	7,424,133	-	-	7,424,133
California CLASS - Prime	16,712,299	-	-	16,712,299
Held by Bond Trustees:				
Money Market Funds	16,632,273	-	-	16,632,273
Total	<u>\$ 81,367,560</u>	<u>\$ 26,433,701</u>	<u>\$ 50,549,302</u>	<u>\$ 158,350,563</u>

**Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law limits investments in commercial paper to those of "prime" quality of the highest letter and number rating as provided for by a nationally recognized statistical rating organization (NRSRO). Investments in medium-term notes are limited to those that are rated "A" or better by an NRSRO.

The City does not have any investments in commercial paper as of June 30, 2024. Corporate bonds have a rating of "A" or better by at least one of the three major rating services when purchased.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 4 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**A. Cash and investments (Continued)**

**Credit Risk (Continued)**

The following is a summary of the credit quality distribution by investment type as a percentage of fair value of the City's investment pool at June 30, 2024:

	Moody's	Standard and Poor's	Fitch Ratings	Percentage of Total Investments	Total
Federal Home Loan Banks	Aaa	AA+	AA+	25.63%	\$ 40,545,483
Federal Farm Credit Banks	Aaa	AA+	AA+	4.90	7,762,480
Federal Home Loan Mortgage Corp	Aaa	AA+	AA+	4.38	6,933,700
Federal National Mortgage Association	Aaa	AA+	AA+	0.62	988,260
Corporate Bonds	A1	A	A-	0.62	988,390
Corporate Bonds	A1	A	AA-	0.62	988,850
Corporate Bonds	A2	BBB+	A	0.57	908,200
Corporate Bonds	A1	A+	A	0.62	977,400
Corporate Bonds	A1	A+	A+	0.62	985,900
Corporate Bonds	A1	A-	AA-	1.26	1,989,080
Corporate Bonds	A1	A-	A+	0.61	966,450
Corporate Bonds	A2	A+	AA-	1.16	1,832,260
Corporate Bonds	A1	A	AA-	1.15	1,828,880
Corporate Bonds	Aa2	A+	A+	0.62	982,230
Corporate Bonds	A2	A-	AA-	0.61	968,090
Corporate Bonds	A3	BBB+	A	0.58	911,070
Corporate Bonds	A3	BBB+	A	0.60	945,510
Corporate Bonds	A1	A-	AA-	0.63	996,100
Corporate Bonds	A1	A-	AA-	0.61	971,800
Negotiable Certificates of Deposit	NR*	NR*	NR*	7.33	11,599,660
Certificates of Deposit	NR*	NR*	NR*	6.81	10,787,024
Money Market Funds	NR*	NR*	NR*	12.06	19,104,642
Local Agency Investment Fund	NR*	NR*	NR*	5.85	9,268,710
Tulare County Investment Pool	NR*	NR*	NR*	6.30	9,983,962
CSJVRMA JPA investment Pool	NR*	NR*	NR*	4.69	7,424,133
California CLASS - Prime	NR*	AAAm	NR*	10.55	16,712,299
Total Investments				<u>100.00 %</u>	<u>\$ 158,350,563</u>

\* NR – Not Rated

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 4 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**A. Cash and investments (Continued)**

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The investment policy of the City of Porterville contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. At June 30, 2024, investments in any one issuer (other than mutual funds and external investment pools) that represent 5% or more of the total City investments are as follows:

Issuer	Investment Type	Reported Amount
Federal Home Loan Banks	FSA*	\$ 40,545,483

\* FSA – Federal Agency Securities

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City of Porterville will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2024, Porterville’s investments in the following investment types were held by the same broker-dealer (counterparty) that was used by the City to buy the securities:

Investment Type	Reported Amount
Federal Agency Securities	\$ 56,229,923
Corporate Bonds	17,240,210
Negotiable Certificates of Deposit	11,599,660

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 4 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**B. Receivables**

Amounts other than lease receivable is aggregated into a single accounts receivable (net of allowance for doubtful accounts) line for certain funds and aggregated columns. Receivables as of June 30, 2024, for the City's individual major funds and nonmajor and internal service funds in the aggregate, including the applicable allowances for doubtful accounts, are as follows:

	General	Capital Projects	Sewer Operations	Water Operations	Solid Waste Operations	Airport Operations	Nonmajor and Other Funds	Total
Receivables:								
Interest	\$ 774,702	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 569,921	\$ 1,344,623
Taxes	4,157,363	-	3,729	-	-	-	1,777,105	5,938,197
Other Accounts								
Receivable	790,490	-	1,586,384	2,118,763	1,820,712	1,585,591	1,377,161	9,279,101
Intergovernmental -								
Restricted	194,271	-	-	288	-	-	667,386	861,945
Gross								
Receivables	5,916,826	-	1,590,113	2,119,051	1,820,712	1,585,591	4,391,573	17,423,866
Less: Allowance for								
Doubtful Accounts	-	-	(55,448)	(83,484)	(56,790)	-	-	(195,722)
Total								
Receivables,								
Net	<u>\$ 5,916,826</u>	<u>\$ -</u>	<u>\$ 1,534,665</u>	<u>\$ 2,035,567</u>	<u>\$ 1,763,922</u>	<u>\$ 1,585,591</u>	<u>\$ 4,391,573</u>	<u>\$17,228,144</u>

**C. Lease Receivable**

Pursuant to GASB 87, the City reports lease receivable of \$1,946,379 at June 30, 2024. Lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term. Deferred inflow of resources associated with the leases will be recognized as revenue over the lease term.

*New Cingular Wireless PCS, LLC* – On May 1, 2014, the City entered into a lease agreement with New Cingular Wireless PCS, LLC for the use of 154 square feet of property located at 40 West Cleveland Avenue, for the placement of a communication facility. The initial lease term was five years with five automatic renewals of additional four-year terms. The monthly rent increases by 12% over the rent paid during the previous four-year term. The City recognized lease revenue of \$14,502 and interest revenue of \$9,988 during the fiscal year. As of June 30, 2024, the City's receivable for lease payments was \$237,289 and the balance of deferred inflow of resources associated with this lease was \$214,936.

*Fresno MSA Limited Partnership dba Verizon Wireless (Verizon Wireless)* – On May 1, 2008, the City entered into a land lease agreement with Verizon Wireless for a portion of property located at 500 Newcomb Street, for the installation and maintenance of a communication facility. The initial lease term was for five years and automatically extends for four additional five-year terms. The monthly rent increase by 10% over the rent paid during the previous five-year term. The City recognized lease revenue of \$23,283 and interest revenue of \$9,671 during the fiscal year. Lease receivable as of June 30, 2024 was \$223,614 and deferred inflow of resources was \$205,222.

**CITY OF PORTERVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 4 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**C. Lease Receivable (Continued)**

*OACYS Technology* – On December 7, 2021, the City entered into a conduit lease agreement with OACYS Technology to use the City-owned conduit for the provision of fiber optic cabling alongside the City’s fiber cabling system. The term of the lease is 20 years. Under the lease, the lessee will initially use 1,240 feet of conduit at \$1.25 per linear foot per year or \$1,550. The rate will adjust at the beginning of each five-year anniversary by the greater of 10% or the percentage increase in the Consumer Price Index (CPI) within the applicable five-year measuring period. In fiscal year 2023-2024, the City recognized lease revenue of \$1,193 and interest revenue of \$925. Lease receivable as of June 30, 2024 was \$21,339 and deferred inflow of resources was \$20,752.

*Perigo Roadsiding* – On November 1, 2019, the City entered into a lease agreement with Perigo Roadsiding allowing the lessee to farm several parcels (reclamation property) owned by the City for the specific purpose of dispersing effluent from the City wastewater operations to irrigate crops not used for human consumption. The lease term ends on October 31, 2024. The initial lease is for 682.4 acres at an annual rent of \$165 per acre.

In fiscal year 2022-2023, the City recognized a lease change with Amendment No. 4 to the agreement. The total acreage of the reclamation property was reduced to 617.15 effective on July 31, 2022, reducing the annual lease amount from \$112,596 to \$102,201. In addition, the City reduced the lease amount by \$19,088 during fiscal year 2022-2023 for the cultivation costs incurred by the lessor on the fields that had been removed from the lease and for the establishment of an easement for a City construction project.

The City recognized lease revenue of \$82,071 and interest revenue of \$2,091. As of June 30, 2024, there was no receivable for lease payments and the balance of deferred inflow of resources was \$27,581.

*Southern California Edison Company* – On August 30, 2010, the City entered into a solar farm lease with Southern California Edison Company for the use of approximately 33 acres of unimproved land for the development, construction and operation of solar photovoltaic facilities. The initial term of the lease is for a period of 21 years with the option to extend the term of the lease for a period of five years. The initial rent was \$2,400 per acre per year which is adjusted annually by the percentage increase in the CPI. The City recognized lease revenue of \$71,121 and interest revenue of \$38,938 during the fiscal year. As of June 30, 2024 the balance of receivable for lease payments was \$903,809 and deferred inflow of resources associated with this lease was \$863,361.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 4 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**C. Lease Receivable (Continued)**

*Airway Café* – On March 21, 2017, the City entered into an operating and lease agreement with Debie Lowe for the use of facilities at the Porterville Municipal Airport for the purpose of operating a public restaurant. The term of the agreement was five years with an option to extend the terms for additional five-year periods. The monthly rent is adjusted annually on the first of each calendar year by the annual percentage increase or decrease in the CPI. The City recognized lease revenue of \$13,360 and interest revenue of \$1,621 during the fiscal year. Lease receivable as of June 30, 2024 was \$38,497 and deferred inflow of resources was \$36,648.

*Skydive Elsinore LLC* – On April 7, 2020, the City entered into a lease agreement with Skydive Elsinore LLC to use a portion of unimproved airport property for a skydive landing zone. The term of the agreement is five years with the option to renew the agreement for two additional five-year periods. The initial rental rate was \$35 per acre per year for approximately 179 acres of land area. The rate is adjusted annually on the first of January by the annual percentage increase or decrease in the CPI. The City recognized lease revenue of \$4,845 and interest revenue of \$2,355 during the year. As of June 30, 2024, receivable for lease payments was \$54,816 and deferred inflow of resources was \$51,970.

*Various Airport Land Leases* – The City has engaged in several land leasing arrangements at the Porterville Municipal Airport allowing the use of airport property mainly for the purpose of operating aircraft hangars to be used for the parking and storage of aircraft and other incidental activities or for the operation of aeronautical-related facilities and services. The terms of the leases range from 5 to 20 years with the rental rates adjusted annually by the percentage increase or decrease in the CPI.

In FY2023-2024, the City entered into 2 new land leases at the Airport amounting to \$16,413 in new lease receivables.

The City recognized lease revenue of \$68,042 and interest revenue of \$21,318. The total lease receivable for the airport land leases at June 30, 2024 was \$467,097 and deferred inflow of resources was \$468,087.

**CITY OF PORTERVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 4 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**D. Notes Receivable**

On March 1, 2007, the City accepted a promissory note from Porterville Pacific Associates which evidenced an obligation to pay the City the principal amount of \$975,000 for funds loaned to finance the leasing and development of Porterville Sequoia Village at Rivers Edge. The loan was funded by Home Investment Partnerships Program funds. The note bears a simple interest rate of 3% per annum with a term of 55 years after the issuance of the date of completion of the project but in no event more than 58 years. Repayment of the loan will be based on the annual audit of the development in which residual receipts are determined. As of June 30, 2024, the principal balance of the note is \$975,000 with interest accrued in the amount of \$485,669.

With the execution of the Memorandum of Understanding between the City of Porterville and the Porterville Peace Officers Association (PPOA), a new Local Housing Assistance Program was established to assist PPOA employees in purchasing a home within the City of Porterville. The assistance is a \$10,000 loan with an annual interest rate of 3% and a term of 10 years. For each year of employment with the City, 1/10th of the loan shall be forgiven and after the completion of 10 years of employment, the loan plus all accrued interest shall be deemed satisfied and paid in full. As of June 30, 2024, there were five active PPOA employees and one former employee, with outstanding loans, the total amount of which is \$37,258. A total of \$3,000 had been written off during the year.

On December 3, 2018, a promissory note secured by deed of trust was executed by Cornerstone Main Partners, L.P. promising to pay the City of Porterville the principal sum of \$2,720,000, plus interest at a compound rate of 2.4% per annum over 20 years. Interest only payments shall be made monthly, with the first payment due on December 1, 2019. Repayment of the principal and any remaining unpaid interest shall be made in full not later than November 30, 2038. The note evidenced the loan agreement between the City and Cornerstone Main Partners, L.P., to assist with the cost, fees and services related to the purchase of property located at 14 N. Main Street and the financing of the development of a 46,290 square foot, three-story building on said property. As of June 30, 2024, the outstanding loan balance is \$2,778,511 which includes accrued interest added to the principal.

On August 31, 2021, the City entered into a Development and Reimbursement Agreement with the Porterville Area Development Authority and the Tule River Tribe for the development of a wastewater and recycled water system facilities and improvements to mitigate the impacts of the Tribe's casino-resort project near the Porterville Municipal Airport and within the boundaries of the City. The City had issued the 2021 Water System Financing Project certificates of participation for the purpose of financing the acquisition and construction of a tertiary wastewater system facility, wastewater and storm drain retention basin improvements. The parties agree that 2/3 of the total actual cost of the improvements shall be the responsibility of the City and 1/3 shall be the responsibility of the Tribe. As of June 30, 2024, the City has recorded a receivable from the Tribe in the amount of \$4,138,018 equivalent to 1/3 of the actual costs expended on the construction of the tertiary wastewater system facility and funded by bond proceeds.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 4 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**D. Notes Receivable (Continued)**

On September 20, 2022, the City Council approved to advance cash to the Tulare County Regional Transit Agency (TCRTA) up to the maximum amount of \$1,600,000, which represents the City's proportionate share of TCRTA's annual budget or 32%. TCRTA had requested that the City make available the advance to temporarily assist TCRTA in managing its cash flow needs. The cash advance is to be repaid in full by TCRTA, plus accrued interest thereon at the annualized rate of return for surplus funds invested by the City, at the earlier of: (a) when there is sufficient cash balance in TCRTA's accounts to cover regular TCRTA cash flow needs, as determined by TCRTA's Executive Director; or (b) December 31, 2027. In December 2022, the City received the request from TCRTA for the full amount of \$1,600,000. As of June 30, 2024, the City reports a receivable of \$1,655,752 which includes accrued interest calculated at the City's annualized rate of 3.187% at June 30, 2024.

**E. Interfund and Advances Receivable/Payable, and Transfers**

The composition of interfund balances as of June 30, 2024, is as follows:

**Interfund Receivable/Payable**

Purpose	Receivable Fund	Payable Fund	Amount
Temporary Operating Loan	General Fund	Nonmajor Governmental	\$ 109,481
Temporary Operating Loan	General Fund	Nonmajor Enterprise	2,089,077
Temporary Operating Loan	General Fund	Internal Service	3,170,166
Temporary Operating Loan	Nonmajor Governmental	Nonmajor Enterprise	857,956
Total			<u>\$ 6,226,680</u>

**Advances Receivable/Payable**

Purpose	Receivable Fund	Payable Fund	Amount
Certificate Forward Purchase Proceeds Dedicated for Sports Park	Sewer Operations	General Fund	\$ 151,788
Certificate Forward Purchase Proceeds Dedicated for Sports Park	Water Operations	General Fund	143,007
Total			<u>\$ 294,795</u>

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 4 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**E. Interfund and Advances Receivable/Payable, and Transfers (Continued)**

**Interfund Transfers**

Transfers Out	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Airport Operations Fund	Nonmajor Enterprise Funds	Total
General Fund	\$ -	\$ 9,147,579	\$ 2,174,857	\$ -	\$ 79,000	\$ 11,401,436
ARPA Fund	-	2,531,934	-	-	-	2,531,934
Nonmajor Governmental Funds	1,605,292	10,757,195	-	7,070	-	12,369,557
Sewer Fund	-	29,635	-	-	-	29,635
Water Fund	-	59,685	-	-	-	59,685
Internal Service Funds	-	227,814	-	-	-	227,814
Total	<u>\$ 1,605,292</u>	<u>\$ 22,753,842</u>	<u>\$ 2,174,857</u>	<u>\$ 7,070</u>	<u>\$ 79,000</u>	<u>\$ 26,620,061</u>

Transfers are used to move revenues from the funds with collection authorization to the capital projects fund to finance various capital outlays including several construction projects. Resources were also moved to the debt service fund as debt service principal and interest payments become due. The general fund received an infusion of funds from nonmajor funds to help pay for debt service. The golf course and the Zalud enterprise funds received general fund resources to aid in the operations of the funds. Transfers are made from the Park Development fund to the Airport fund for use of airport property for parking at the Sports Complex.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 4 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**F. Capital Assets**

Capital asset activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated				
Land	\$ 276,296,516	\$ -	\$ -	\$ 276,296,516
Construction in Progress	9,180,658	23,593,305	(2,813,802)	29,960,161
Works of Art and Collections	50,450	-	-	50,450
Total Capital Assets Not Being Depreciated	285,527,624	23,593,305	(2,813,802)	306,307,127
Capital Assets Being Depreciated				
Amortized				
Buildings	22,251,622	-	-	22,251,622
Improvements Other Than Buildings	12,497,913	204,394	-	12,702,307
Machinery and Equipment	19,548,642	1,178,556	(328,897)	20,398,301
Infrastructure	153,073,158	2,251,499	-	155,324,657
Right-to-Use Building	643,828	-	-	643,828
Right-to-Use Equipment	82,471	-	(9,781)	72,690
Right-to-Use IT Subscriptions	2,270,483	10,898	-	2,281,381
Total Capital Assets Being Depreciated	210,368,117	3,645,347	(338,678)	213,674,786
Less Accumulated Depreciation/ Amortization for:				
Buildings	(8,761,016)	(466,915)	-	(9,227,931)
Improvements Other Than Buildings	(5,121,182)	(413,811)	-	(5,534,993)
Machinery and Equipment	(11,789,125)	(1,502,340)	328,897	(12,962,568)
Infrastructure	(49,947,474)	(2,795,037)	-	(52,742,511)
Right-to-Use Building	(223,806)	(112,210)	-	(336,016)
Right-to-Use Equipment	(33,897)	(21,981)	9,781	(46,097)
Right-to-Use IT Subscriptions	(306,330)	(325,090)	-	(631,420)
Total Accumulated Depreciation/ Amortization	(76,182,830)	(5,637,384)	338,678	(81,481,536)
Total Capital Assets Being Depreciated/Amortized, Net	134,185,287	(1,992,037)	-	132,193,250
Governmental Activities Capital Assets, Net	<u>\$ 419,712,911</u>	<u>\$ 21,601,268</u>	<u>\$ (2,813,802)</u>	<u>\$ 438,500,377</u>

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

Governmental Activities	
Community and Economic Development	\$ 46,097
General Government	401,954
Parks and Recreation	677,351
Public Safety - Fire	348,358
Public Safety - Police	947,492
Public Works	3,126,611
Capital Assets Held by the Government's Internal Service Funds are Charged to the Various Functions Based on Their Usage of the Assets	<u>89,521</u>
Total Depreciation/Amortization Expense - Governmental Activities	<u>\$ 5,637,384</u>

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 4 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**F. Capital Assets (Continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities</b>				
Capital Assets Not Being Depreciated				
Land	\$ 9,763,656	\$ -	\$ -	\$ 9,763,656
Intangible Assets	534,500	700,000	-	1,234,500
Construction in Progress	38,955,795	10,981,771	(8,340,798)	41,596,768
Total Capital Assets Not Being Depreciated	49,253,951	11,681,771	(8,340,798)	52,594,924
Capital Assets Being Depreciated/ Amortized				
Buildings	5,454,078	-	-	5,454,078
Improvements Other Than Buildings	13,870,365	-	-	13,870,365
Machinery and Equipment	48,256,021	1,406,777	(372,110)	49,290,688
Infrastructure	4,322,270	-	-	4,322,270
Distribution and Collection Systems	111,466,968	8,335,925	-	119,802,893
Right-to-Use Machinery and Equipment	-	117,854	-	117,854
Right-to-Use IT Subscriptions	219,885	4,724	(2,967)	221,642
Total Capital Assets Being Depreciated/Amortized	183,589,587	9,865,280	(375,077)	193,079,790
Less Accumulated Depreciation/ Amortization for:				
Buildings	(2,961,577)	(105,569)	-	(3,067,146)
Improvements Other Than Buildings	(7,195,951)	(448,231)	-	(7,644,182)
Machinery and Equipment	(29,954,508)	(3,606,003)	372,110	(33,188,401)
Infrastructure	(906,435)	(150,323)	-	(1,056,758)
Distribution and Collection Systems	(53,489,743)	(2,591,617)	-	(56,081,360)
Right-to-Use Machinery and Equipment	-	(20,287)	-	(20,287)
Right-to-Use IT Subscriptions	(38,805)	(54,138)	2,967	(89,976)
Total Accumulated Depreciation/ Amortization	(94,547,019)	(6,976,168)	375,077	(101,148,110)
Total Capital Assets Being Depreciated/Amortized, Net	89,042,568	2,889,112	-	91,931,680
Business-Type Activities Capital Assets, Net	<u>\$ 138,296,519</u>	<u>\$ 14,570,883</u>	<u>\$ (8,340,798)</u>	<u>\$ 144,526,604</u>

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 4 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**G. Lease Liabilities**

The City has entered into agreements to lease office space and certain equipment.

On September 14, 2017, the City entered into a noncancelable agreement with C.A. Reding Company Inc. to lease a wide format color digital imaging system for a term of 60 months. An initial lease liability and intangible right-to-use asset was recorded in the amount of \$9,780. As of June 30, 2024, the agreement had expired and the right-to-use equipment had been removed from capital assets.

On December 1, 2020, the City entered into an agreement with 50 West Olive LLC to lease approximately 8,057 square feet of retail space situated in a shopping center at 50 West Olive, Suite B as the site of the temporary public library. The term of the lease is three years commencing 60 days after delivery of the premises, on April 1, 2021. The City is required to make monthly principal and interest payments of \$10,000. The City used its estimated incremental borrowing rate of 3.6%. The agreement includes an option to extend the term for a maximum of three successive one-year periods with the monthly principal and interest payments increasing to \$10,600 per month. An initial lease liability and intangible right-to-use asset in the amount of \$643,828. As of June 30, 2024, the balance of the lease liability was \$332,826 and the value of the right-to-use asset was \$420,021 which is net of the accumulated amortization of \$223,807.

On October 28, 2021, the City entered into a lease agreement with Pitney Bowes for the use of a mailing system equipment. The term of the lease is 60 months commencing on December 16, 2021. The City is required to make quarterly principal and interest payments in the amount of \$1,999. As of June 30, 2024, the balance of the lease liability was \$19,248 and the value of the right-to-use asset was \$25,761, which is net of accumulated amortization of \$11,454.

On October 31, 2021, the City entered into an agreement with Bibliotheca, LLC to provide a library solution to the temporary library which consists of a lease of certain equipment and the provision of certain services, including RFID gate and workstations and self-check kiosk. The term of the lease is three years which runs from February 9, 2022 to February 8, 2025, with annual payments of \$18,242. The City used its estimated incremental borrowing rate of 5.85%. As of June 30, 2024, the balance of the lease liability was zero and the value of the right-to-use asset was \$21,903, which is net of accumulated amortization of \$13,573.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 4 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**G. Lease Liabilities (Continued)**

The future principal and interest lease payments as of June 30, 2024, are as follows:

<u>Fiscal Year Ending June 30.</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 301,264	\$ 87,115	\$ 37,354	\$ 6,261
2026	284,515	70,303	39,630	4,191
2027	178,234	54,655	36,467	2,011
2028	187,827	44,852	100	5
2029	198,060	34,618	-	-
2030-2034	429,598	35,758	-	-
Total	<u>\$ 1,579,498</u>	<u>\$ 327,301</u>	<u>\$ 113,551</u>	<u>\$ 12,468</u>

**H. Subscription-Based Information Technology Arrangements (SBITA) liabilities**

The City has entered into various Information Technology subscription arrangements. The terms and conditions for these subscriptions varies, ranging from 1 to 10 years. The related obligations are presented in the amounts equal to the present value of subscription payments, payable during the remaining SBITA terms. Future subscription payments are discounted using the interest rate the SBITA vendor charges the City, if determinable, or in most cases, the City's estimated incremental borrowing rate.

At June 30, 2024, the principal and interest payment requirements to maturity for SBITAs, are as follows:

<u>Fiscal Year Ending June 30.</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 301,264	\$ 87,115	\$ 37,354	\$ 6,261
2026	284,515	70,303	39,630	4,191
2027	178,234	54,655	36,467	2,011
2028	187,827	44,852	100	5
2029	198,060	34,618	-	-
2030-2034	429,598	35,758	-	-
Total	<u>\$ 1,579,498</u>	<u>\$ 327,301</u>	<u>\$ 113,551</u>	<u>\$ 12,468</u>

SBITA assets are presented in the Capital Assets section, on the government-wide Statement of Net Position and in the Capital Assets Note 4.F.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 4 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**I. Long-Term Debt**

**Certificates of Participation**

The City has issued the following Certificates of Participation (COP) to support both governmental and business-type activities:

**2021 Refinancing Project**

On July 15, 2021, the City issued the 2021 Refinancing Project Certificates of Participation in an aggregate principal amount of \$18,854,315, through a private placement with Capital One Public Funding, LLC, acting solely as the lender extending credit to the City evidenced by the Certificates. Proceeds from the Certificates were used to redeem the 2015 Refinancing Project Certificates, which was owned by Capital One Public Funding, LLC. The refinancing lowered the interest rate from 3.85% per annum to 2.70% per annum, with the final maturity remaining the same, on June 1, 2035. Net proceeds of \$18,552,294 were immediately transferred to Capital One.

Public Funding, LLC to redeem the 2015 Certificates which included the outstanding principal amount of \$18,105,000 plus a 2% redemption premium of \$362,100 plus accrued interest of \$85,194. As a result, the 2015 Certificates are considered defeased and the liability had been removed from the City's financial statements. The reacquisition price exceeded the net carrying amount of the old debt by \$1,332,258. This amount is being reported as a deferred outflow of resources and amortized over the remaining life of the refunded debt.

The principal amount of the 2021 Refinancing Project Certificates of Participation outstanding at June 30, 2024 is \$15,410,619.

**2019 Financing Project**

On December 19, 2019, the City issued Sewer Revenue Certificates of Participation (2019 Financing Project) in aggregate principal amount of \$12,095,000 plus an original issue premium of \$1,701,994. The certificates have a coupon rate of 3.00% and 4.00% per annum with final maturity on September 15, 2049. Proceeds of the certificates were used to finance the installation of sewer mains and laterals, as well as appurtenant facilities to 23 identified project areas which are geographically located within the City limits. The project consists of the construction of 14 miles of sewer lines and includes approximately 1,117 lateral connections that will provide for the extension of City sewer services to residents previously dependent upon individual septic tanks.

At June 30, 2024, the outstanding principal amount of the 2019 Sewer Revenue Financing Project Certificates of Participation is \$11,195,000

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 4 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**I. Long-Term Debt (Continued)**

**Certificates of Participation (Continued)**

**2021 Water System Financing Project**

On January 1, 2021, the City issued Water Revenue Certificates of Participation (2021 Water System Financing Project), in aggregate principal amount of \$29,730,000 plus an original issue premium of \$5,854,506. Proceeds of the certificates will be used to fund the construction of a tertiary treatment plant near the casino resort built by the Tule River Tribe. The tertiary treatment plant will offset the environmental impacts of the new casino resort with the use of disinfected tertiary recycled water offsetting water demands for landscape irrigation within the casino resort and at the City's sports complex. In addition, the project funds will be used to construct a groundwater recharge basin and will fund other improvements to advance the tertiary treatment of plant effluent.

The certificates had a coupon rate of 2.00% up to 5.00% per annum with final maturity on August 15, 2050. The outstanding principal amount of the 2021 Water System Financing Project Certificates of Participation at June 30, 2024 is \$28,250,000.

Debt service requirements on Certificates of Participation are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 1,221,817	\$ 407,839	\$ 810,000	\$ 1,604,500
2026	1,256,245	374,618	845,000	1,565,675
2027	1,284,927	340,506	890,000	1,524,950
2028	1,322,809	305,557	930,000	1,482,200
2029	1,359,783	269,592	980,000	1,437,325
2030-2034	7,369,558	773,246	5,590,000	6,473,300
2035-2039	1,595,480	32,308	6,850,000	5,217,000
2040-2044	-	-	8,365,000	3,700,500
2045-2049	-	-	10,200,000	1,849,400
2050-2051	-	-	3,985,000	147,100
Total	<u>\$ 15,410,619</u>	<u>\$ 2,503,666</u>	<u>\$ 39,445,000</u>	<u>\$ 25,001,950</u>

**Notes Payable**

On October 1, 2003, the City of Porterville was awarded \$3,885,000 under the U.S. Department of Housing and Urban Development's (HUD) Section 108 Loan Guarantee Program to fund the construction of a new neighborhood community center. Annual debt service payments began on February 1, 2005. Repayment will be made over a 20-year term with interest rates ranging from 2.42% to 6.13%. In April of 2015, the City opted to participate in HUD's refinancing of the note in a Section 108 public offering to take advantage of lower interest rates. The term of the new note remains the same with final maturity in August of 2023. Interest rates on the new note varies from 0.35% to 2.49%. As of June 30, 2024, the note has been paid in full.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 4 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**I. Long-Term Debt (Continued)**

**Notes Payable (Continued)**

In September 2004, the City entered into an Enterprise Fund Installment Sale Agreement with the California Infrastructure and Economic Development Bank (I-Bank) in the amount of \$5,356,000 to fund the various capital projects needed to comply with Regional Water Quality Control Board's Cease and Desist Order and Water Discharge Requirements. The term of the agreement is 30 years with an interest rate of 2.98% per annum. The remaining balance of the note at June 30, 2024 is \$2,431,380.

On July 1, 2009, the City entered into an Enterprise Fund Installment Sale Agreement with the California Infrastructure and Economic Development Bank (CIEDB) in the amount of \$6,757,500 to finance the Eastside Water Improvement Projects including the construction and installation of pipelines, booster pumps, and storage reservoir and well pump equipment and accessories. The term of the agreement is 30 years with an interest rate of 3.84% per annum. On March 1, 2014, the City entered into a Replacement Agreement with CIEDB which reduced the interest rate by 25 basis points, to 3.59% per annum commencing with the effective date of the replacement agreement and continuing for the remaining term of the agreement. On May 9, 2017, the Agreement is further amended with the reduction of the outstanding principal by \$63,760 which is the amount of the remaining project funds which were never disbursed to the City because the project had been completed. The outstanding balance of the note as of June 30, 2024 is \$4,398,219.

In addition, the City entered into a second Enterprise Fund Installment Sale Agreement with CIEDB for \$1,500,000 on April 1, 2010. Proceeds from this loan were used to finance the Rocky Hill Reservoir Project which involves the construction of a 550,000 gallon storage reservoir. The remainder of the loan proceeds funded the construction of a new well and a supplemental booster pump. The term of this agreement is 30 years with interest only payments through July 31, 2011 and principal payments beginning on August 1, 2011. The interest rate on the loan is 3.31% per annum. As of June 30, 2024, \$996,828 is outstanding.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 4 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**I. Long-Term Debt (Continued)**

**Notes Payable (Continued)**

On November 1, 2018, the City entered into an installment sale agreement with the Porterville Public Improvement Corporation for the refunding of the Sewer Revenue Bonds, 2011 Series A. The 2011 bonds were issued to finance the construction of certain improvements and facilities to the municipal sewer system. At the time of refunding, the 2011 bonds had a remaining principal balance of \$19,555,000. The agreement was then sold, assigned and transferred to Banner Bank for a consideration of \$19,283,000. The financing structure set a taxable interest rate of 4.48% effective until October 2021 when the 2011 bonds can be paid off and then convert to a tax-exempt interest rate of 3.47% until final maturity in October 2036. The reacquisition price exceeded the net carrying amount of the old debt by \$2,533,306. This amount is reported as a deferred outflow of resources and amortized over the remaining life of the refunded debt, which was shorter than the life of the new debt issued. The City refunded its 2011 Series A sewer revenue bonds to reduce total debt service payments by \$1,641,741 and to obtain an economic gain of 7.3% of the refunded debt or a net present value savings of \$1,428,381. At the end of the current year, the 2018 Sewer Installment Sale Agreement had an outstanding balance of \$15,448,000.

Debt service requirements on notes from direct borrowing and direct placements are as follows:

<u>Fiscal Year Ending June 30.</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 1,447,970	\$ 785,208
2026	1,498,022	734,580
2027	1,549,607	682,200
2028	1,601,744	629,129
2029	1,656,449	572,019
2030-2034	9,159,141	1,952,114
2035-2039	6,282,846	428,522
2040	78,648	1,302
Total	<u>\$ 23,274,427</u>	<u>\$ 5,785,074</u>

**Arbitrage**

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. During the current year, the City did not have excess investment earnings and does not expect to incur a significant liability.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 4 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**I. Long-Term Debt (Continued)**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Bonds Payable					
Certificates Payable	\$ 16,597,127	\$ -	\$ (1,186,508)	\$ 15,410,619	\$ 1,221,817
Total Bonds Payable	16,597,127	-	(1,186,508)	15,410,619	1,221,817
Notes from Direct Borrowings	276,000	-	(276,000)	-	-
Claims*	4,862,418	6,024,178	(4,655,366)	6,231,230	1,321,418
Compensated Absences*	1,371,463	1,474,345	(1,442,429)	1,403,379	1,035,881
Leases	485,614	-	(133,540)	352,074	124,840
IT Subscriptions	1,857,755	4,723	(282,980)	1,579,498	301,264
Governmental Activity Long-Term Liabilities	<u>25,450,377</u>	<u>7,503,246</u>	<u>(7,976,823)</u>	<u>24,976,800</u>	<u>4,005,220</u>

\* Governmental compensated absences are primarily liquidated in the General Fund. Claims liabilities are liquidated by the internal service funds.

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Business-Type Activities</b>					
Bonds Payable					
Certificates Payable	40,220,000	-	(775,000)	39,445,000	810,000
Plus Deferred Amounts for Issuance Premiums	6,465,127	-	(402,880)	6,062,247	-
Total Bonds Payable	46,685,127	-	(1,177,880)	45,507,247	810,000
Notes from Direct Borrowings and Direct Placements	24,671,861	-	(1,397,434)	23,274,427	1,447,970
Compensated Absences	194,022	214,943	(206,511)	202,454	150,180
Leases	-	117,854	(17,544)	100,310	22,576
IT Subscriptions	161,420	4,724	(52,593)	113,551	37,354
Business-Type Activity Long-Term Liabilities	<u>\$ 71,712,430</u>	<u>\$ 337,521</u>	<u>\$ (2,851,962)</u>	<u>\$ 69,197,989</u>	<u>\$ 2,468,080</u>

The City's outstanding notes from direct borrowings and direct placements related to both governmental and business-type activities contain a provision that if an event of default has occurred and continuing, the principal outstanding, together with the accrued interest with respect thereto shall become immediately due and payable.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 4 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**J. Fund Balance**

**Stabilization Arrangement**

On April 3, 2012, the City Council adopted an ordinance that established a budget stabilization reserve in the general fund. Its purpose is to mitigate one-time annual budget revenue shortfalls due to changes in economic environment and/or actions by the county/state/federal government that have a material effect on the City's revenues. The reserve shall be maintained at a minimum of 15% of the general fund annual budgeted operating expenditures. If the reserve balance falls below 10% of the annual budgeted operating expenditures, the policy provides that a plan be established to replenish the reserve to the required level within three fiscal years.

Expenditures from the budget stabilization reserve may only occur by formal City Council action with not less than four-fifths vote of those voting in agreement. Formal City Council action shall require adoption of a resolution which shall contain the basis of a finding of material effect and that the finding is within the intent and purpose of the budget stabilization reserve policy.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 4 DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)**

**J. Fund Balance**

**Fund Balance Components**

Governmental fund balances are presented in the following categories: nonspendable, committed, assigned, and unassigned. A detailed schedule of fund balances at June 30, 2024, is as follows:

	General	American Rescue Plan Act	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Nonspendable</b>					
Long-Term Notes					
Receivable	\$ 2,815,769	\$ -	\$ -	\$ -	\$ 2,815,769
Prepaid Items	75,698	-	-	2,118	77,816
Total Nonspendable	<u>2,891,467</u>	-	-	2,118	<u>2,893,585</u>
<b>Restricted</b>					
Ballpark Projects	61,821	-	-	-	61,821
Library	194,716	-	-	-	194,716
Public Safety	-	-	-	5,037,481	5,037,481
Community Development	-	-	-	10,761,346	10,761,346
Public Works	-	540,465	-	19,130,111	19,670,576
Building Construction	-	-	-	169,577	169,577
Debt Service	-	-	-	598,763	598,763
Landscape Maintenance Districts	-	-	-	30,640	30,640
Total Restricted	<u>256,537</u>	<u>540,465</u>	-	<u>35,727,918</u>	<u>36,524,920</u>
<b>Committed</b>					
Porterville Hotel Project	209,086	-	-	-	209,086
Budget Stabilization	5,215,522	-	-	-	5,215,522
Special Purpose Reserve - Council	100,000	-	-	-	100,000
Catastrophic/Emergency Purposes	3,477,015	-	-	-	3,477,015
Capital Construction/ Improvement	2,410,366	-	-	-	2,410,366
Facility Deferred Maintenance and Equipment Maintenance	2,410,366	-	-	-	2,410,366
Infrastructure Deferred and Improvements	2,410,366	-	-	-	2,410,366
Library Fire Insurance Proceeds	3,938,636	-	-	-	3,938,636
Total Committed	<u>20,171,357</u>	-	-	-	<u>20,171,357</u>
<b>Assigned</b>					
Equipment Replacement	7,166,407	-	-	-	7,166,407
Parks Facility	212,631	-	-	-	212,631
Other	512,625	-	-	-	512,625
Total Assigned	<u>7,891,663</u>	-	-	-	<u>7,891,663</u>
<b>Unassigned</b>					
Total Fund Balances	<u>20,237,330</u>	-	<u>(234,878)</u>	<u>(137,132)</u>	<u>19,865,320</u>
	<u>\$ 51,448,354</u>	<u>\$ 540,465</u>	<u>\$ (234,878)</u>	<u>\$ 35,592,904</u>	<u>\$ 87,346,845</u>

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 5 PRIOR YEAR'S DEBT DEFEASANCE**

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt had been issued and the proceeds have been used to purchase U.S. government securities that were placed in this trust fund. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's financial statements. As of June 30, 2024, the City's defeased debt had been paid off.

**NOTE 6 OTHER INFORMATION**

**A. Joint Venture**

The City is a member of the Central San Joaquin Valley Risk Management Authority (the Authority). The Authority is comprised of 53 Central California member cities and is organized under the provisions of Sections 6500 - 6515 of the California Government Code. It was established for the purpose of operating and maintaining a cooperative program of self-insurance and risk management which benefits its member agencies through cost reductions, insurance coverage stability and loss control techniques. Each member city has a representative on the Board of Directors. The Board members elect officers of the Authority. The Authority establishes claim liabilities based on actuarial estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred, but not reported.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 6 OTHER INFORMATION (CONTINUED)**

**A. Joint Venture (Continued)**

The following is the condensed audited statement of net position and the changes in net position of the Authority for the year ended June 30, 2024 for the workers' compensation and liability programs.

	<u>Workers' Compensation Program</u>	<u>Liability Program</u>
<b>NET POSITION</b>		
Assets	\$ 100,978,887	\$ 49,091,147
Liabilities to Member Cities	<u>(86,593,875)</u>	<u>(36,815,323)</u>
Net Position, Reserved for Insurance Claims and Losses	<u>\$ 14,385,012</u>	<u>\$ 12,275,824</u>
<b>CHANGES IN NET POSITION</b>		
Operating Revenues	\$ 34,896,690	\$ 30,695,834
Operating Expenses	<u>(40,534,582)</u>	<u>(30,443,899)</u>
Operating Income (Loss)	(5,637,892)	251,935
Nonoperating Revenues	<u>3,770,130</u>	<u>2,035,913</u>
Changes in Net Position	(1,867,762)	2,287,848
Net Position - Beginning of Year	<u>16,252,774</u>	<u>9,987,976</u>
Net Position - End of Year	<u>\$ 14,385,012</u>	<u>\$ 12,275,824</u>

This information is not included in the accompanying financial statements. Separate financial statements of the Authority may be obtained at Bickmore Risk Services, 180 Promenade Circle, Suite 300, Sacramento, CA 95834.

**B. Risk management**

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Effective January 1979, the City Council approved a program of self-insurance for workers' compensation, medical and dental, unemployment and, effective July 1985, general liability. The self-insurance program was established as an Internal Service Fund and is supported by charges to various City departments that are reported as interfund services provided and used.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 6 OTHER INFORMATION (CONTINUED)**

**B. Risk Management (Continued)**

The City's coverage for workers' compensation and general liability is as follows:

<b>NET POSITION</b>	<u>Workers' Compensation Program</u>	<u>Liability Program</u>
Assets	\$ 100,978,887	\$ 49,091,147
Liabilities to Member Cities	<u>(86,593,875)</u>	<u>(36,815,323)</u>
Net Position, Reserved for Insurance		
Claims and Losses	<u>\$ 14,385,012</u>	<u>\$ 12,275,824</u>
<b>CHANGES IN NET POSITION</b>		
Operating Revenues	\$ 34,896,690	\$ 30,695,834
Operating Expenses	<u>(40,534,582)</u>	<u>(30,443,899)</u>
Operating Income (Loss)	(5,637,892)	251,935
Nonoperating Revenues	<u>3,770,130</u>	<u>2,035,913</u>
Changes in Net Position	(1,867,762)	2,287,848
Net Position - Beginning of Year	<u>16,252,774</u>	<u>9,987,976</u>
Net Position - End of Year	<u>\$ 14,385,012</u>	<u>\$ 12,275,824</u>

The City contracts with a third-party administrator to administer all claims under the medical and dental program. Charges per employee are based on total outstanding claims and past history. The City will pay all medical claims up to \$120,000 per claim. The City then purchases stop loss coverage that covers claim costs above \$120,000 up to \$2,000,000. The maximum payment for dental claims is \$2,000 per employee per year.

The unemployment liability program is administered through the state of California wherein the City is charged for the actual cost of claims paid by the State.

At June 30, 2024, \$6,231,230 has been accrued for claims representing estimates of amounts to be paid for actual claims and incurred but not reported claims based on past actuarial experience. Nonincremental claims adjustment expenses have been included as part of the liability for claims and judgments.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 6 OTHER INFORMATION (CONTINUED)**

**B. Risk Management (Continued)**

Changes in the balances of claims liabilities during the past two fiscal years ended June 30 are as follows:

	<u>2024</u>	<u>2023</u>
Unpaid Claims - Beginning of Year	\$ 4,862,418	\$ 4,693,439
Incurring Claims	6,024,178	4,326,278
Claim Payments	<u>(4,655,366)</u>	<u>(4,157,299)</u>
Unpaid Claims - End of Year	<u>\$ 6,231,230</u>	<u>\$ 4,862,418</u>

**C. Contingencies**

The City participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the City's compliance with applicable grant requirements will be established at a future date. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Various other claims and suits have been filed against the City in the normal course of business. Although the outcome of these lawsuits is not presently determinable, based upon information received from the City Attorney and the self-insurance administrator, the estimated liability under such claims would be adequately covered by self-insurance and other insurance coverage and will not have material adverse effect on the financial condition of the City.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 6 OTHER INFORMATION (CONTINUED)**

**D. Construction and Other Significant Commitments**

The City has various projects ongoing as of June 30, 2024. The following are the City's significant commitments with contractors at fiscal year-end:

<u>Project</u>	<u>Amount</u>	<u>Spent to Date as of June 30, 2024</u>	<u>Remaining Commitment</u>
Airport Taxiway Reconfiguration	\$ 4,675,270	\$ 3,641,882	\$ 1,033,388
Automotive Equipment	5,050,362	838,323	4,212,039
Butterfield Stage Corridor	1,058,155	1,011,934	46,221
Center Friant-Kern Canal Turnout and Basin Project	1,441,335	954,768	486,567
Driving Range Netting Project	268,618	196,764	71,854
Emergency Housing Support	605,407	337,036	268,371
Fire Department Training Grounds	1,485,412	396,533	1,088,879
Fire Station Remodel - Design	800,000	558,650	241,350
Fixed Network Radio Read Meters Project	4,932,437	4,655,972	276,465
Fourth St Community Center	1,149,613	786,196	363,417
Hays Field Lighting Project	860,050	500,550	359,500
New Library - Olive Ave.	3,244,000	126,360	3,117,640
North Friant-Kern Canal Turnout and Basin Project	2,070,400	271,938	1,798,462
Santa Fe Byway Revitalization	4,111,424	3,140,198	971,226
Scranton / Westwood / West Extension	780,300	279,178	501,122
Sewer Annexation Projects	2,650,714	2,538,218	112,496
South of Tule River Specific Plan	264,374	230,802	33,572
Stormwater Retention Basin	8,512,055	8,467,271	44,784
Tertiary Wastewater System	15,131,897	14,775,036	356,861
Thurman Ave/Third St Storm Drain	1,083,687	1,043,492	40,195
Tule River Parkway	2,536,720	386,650	2,150,070
Villa St Reconstruction	10,087,972	3,920,211	6,167,761

As discussed in Note 1.D.1, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At June 30, 2024, the amount of encumbrances to be honored upon performance by the vendor in the next fiscal year are as follows:

General Fund	\$ 2,896,090
ARPA Fund	49,922
Capital Projects Fund	16,251,229
Nonmajor Governmental Funds	164,412
Nonmajor Enterprise Funds	1,150,292
Sewer Operations Funds	1,237,589
Water Operations Fund	4,194,659
Solid Waste Operations Funds	2,680,325
Airport Operations Funds	56,230
Internal Service Funds	21,152
Total	<u><u>\$ 28,701,900</u></u>

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 6 OTHER INFORMATION (CONTINUED)**

**E. Deferred Compensation Plans**

The City offers several deferred compensation plans created in accordance with Internal Revenue Service Code Section 457 and 401(a). The original 457 plan, administered by Mission Square Retirement, has two provisions to accommodate regular and part-time, temporary and seasonal employees (PTS). For regular employees, the plan permits them to defer a portion of their salary until future years. Participation in the plan is optional. For PTS employees, participation is not optional. In lieu of participation in PERS, PTS employees must contribute 7.5% of their gross earnings in accordance with IRS regulations. In regards to both classifications of employees, the deferred compensation is not available until termination, retirement, death or unforeseeable emergency.

In addition to Mission Square Retirement, the City contracted with Newport Retirement Services to administer the plans and offer several investment options. The choice of the investment option(s) is available only to regular employees and is made solely by the participants. Employees are permitted to make contributions to the plan up to the applicable Internal Revenue Code limits, and are immediately vested in their own contributions and earnings on those contributions. The City has no liability for investment losses under the plan.

Effective on July 1, 2012, the City implemented a two-tiered retirement benefit program. Concurrently, a supplemental deferred compensation (457) plan with a City-match component was implemented for all new employees hired between July 1, 2012 and January 1, 2013. With the supplemental 457 plan, the City shall match, from the first dollar contributed by an employee, all employee contributions to said supplemental 457 plan, provided that the City's contribution on behalf of the employee to CalPERS plus the City's contribution to the supplemental 457 plan shall not exceed 25% of the employee's gross salary. During the year ended June 30, 2024, the City contributed \$36,460 to the plan.

**F. Defined Benefit Pension Plan**

**General Information about the Pension Plans**

**Plan Descriptions**

All qualified permanent and probationary employees are eligible to participate in the City's separate Miscellaneous, agent multiple-employer defined benefit pension plan, and Safety cost-sharing multiple-employer defined benefit pension plan. Both plans are administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for participating public employers within the state of California. State statutes within the Public Employees' Retirement Law establish a menu of benefit provisions, as well as other requirements. The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through City resolution. The Public Employees' Pension Reform Act of 2013 (PEPRA) requires new benefits and member contributions for new members as defined by PEPRA, that are hired after January 1, 2013. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 6 OTHER INFORMATION (CONTINUED)**

**F. Defined Benefit Pension Plan (Continued)**

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

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and their beneficiaries. The Service Retirement Benefit is based on the benefit factor, years of service and final compensation. Members with at least five years of credited service become eligible for service retirement at age 50, for classic CalPERS members or PEPRA safety members, or age 52 for PEPRA miscellaneous members. Other benefits include sick leave credit, nonindustrial disability retirement, 1959 Survivor Benefit and post-retirement death benefits. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2024, are summarized as follows:

	Miscellaneous		
	Tier 1	Tier 2	PEPRA
Hire Date	Prior To - July 1, 2012	On or After - July 1, 2012	On or After - January 2, 2013
Benefit Formula	2.7% at 55	2.0% at 55	2.0% at 62
Benefit Vesting Schedule	5 Years of Credited Service	5 Years of Credited Service	5 Years of Credited Service
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement Age	50	50	52
Monthly Benefits as a Percent of Eligible Compensation	2.0%-2.7%	1.426%-2.418%	1.0%-2.5%
Required Employee Contribution Rates	8.00%	7.00%	6.75%
Required Employer Contribution Rates	11.64%	11.64%	11.64%
Required Unfunded Liability Payment	\$ 3,042,324	\$ -	\$ -

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 6 OTHER INFORMATION (CONTINUED)**

**F. Defined Benefit Pension Plan (Continued)**

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

**Benefits Provided (Continued)**

	Safety		
	Tier 1	Tier 2	PEPRA
Hire Date	Prior To - July 1, 2012	On or After - July 1, 2012	On or After - January 2, 2013
Benefit Formula	3.0% at 55	2.0% at 55	2.7% at 57
Benefit Vesting Schedule	5 Years of Credited Service	5 Years of Credited Service	5 Years of Credited Service
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement Age	50	50	50
Monthly Benefits as a Percent of Eligible Compensation	2.4%-3.0%	2.0%-2.7%	2.0%-2.7%
Required Employee Contribution Rates	9.00%	9.00%	13.00%
Required Employer Contribution Rates			
Safety Fire Plan	24.15%	21.15%	13.54%
Safety Police Plan	24.15%	21.15%	13.54%
Required Unfunded Liability Payments			
Safety Plan	\$ 1,546,812		
Safety Fire Plan		\$ -	\$ 2,738
Safety Police Plan		\$ -	\$ -

**Contributions**

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contributions 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. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the Miscellaneous Plan, 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.

For the Safety cost-sharing Plan, the actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 6 OTHER INFORMATION (CONTINUED)**

**F. Defined Benefit Pension Plan (Continued)**

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

Contributions (Continued)

For the year ended June 30, 2024, employer contributions for each plan were as follows:

	Miscellaneous			Total
	Tier 1	Tier 2	PEPRA	
Contributions - Employer	\$ 4,891,477	\$ -	\$ 807,754	\$ 5,699,231

	Safety			Total
	Tier 1	Tier 2	PEPRA	
Contributions - Employer	\$ 2,963,283	\$ 177,655	\$ 817,516	\$ 3,958,454

Total pension expense for both Plans for the measurement period ended June 30, 2023 was \$11,317,537 (Miscellaneous - \$5,841,077 and Safety - \$5,476,460).

Actuarial Methods and Assumptions

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2023-2024 for the Miscellaneous Plan and the Safety Plan were derived from the June 30, 2021 funding valuation report.

For the measurement period ended June 30, 2023, the total pension liability was determined by rolling forward the June 30, 2022 total pension liability determined in the June 30, 2022 actuarial accounting valuation. The June 30, 2023 total pension liability was based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Discount Rate	6.90%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	2.75%
Investment Rate of Return	7.00% Net of Pension Plan Investment and Administrative Expenses; Included Inflation
Retirement Age	The Probabilities of Retirement are Based on the 2017 CalPERS Experience Study for the Period from 1997 to 2015.
Mortality	The Probabilities of Mortality are Based on the 2017 CalPERS Experience Study for the Period from 1997 to 2015. Preretirement and Postretirement Mortality Rates Include 15 Years of Projected Mortality Improvement Using 90% of Scale MP-2016 Published by the Society of Actuaries.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 6 OTHER INFORMATION (CONTINUED)**

**F. Defined Benefit Pension Plan (Continued)**

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

Actuarial Methods and Assumptions (Continued)

All other actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study published in the 2022 CalPERS Experience Study and Review of Actuarial Assumptions Report, including updates to demographic assumptions and the inflation rate assumption. Details of the report can be found on the CalPERS' website.

Change of Assumption

There were no changes of assumptions for the measurement period ended June 30, 2023.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-Term Expected Rate of Return

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

The expected real rates of return by asset class can be found in CalPERS' Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023.

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, actuarial gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 6 OTHER INFORMATION (CONTINUED)**

**F. Defined Benefit Pension Plan (Continued)**

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

**Amortization of Deferred Outflows and Deferred Inflows of Resources (Continued)**

The amortization period differs depending on the source of the gain or loss:

Net Difference Between Projected and Actual Earnings on Pension Plan Investments	Five Year Straight-Line Amortization
All Other Amounts	Straight-Line Amortization Over the Expected Average Remaining Service Lifetime (EARSL) of All Members That Are Provided With pensions (Active, Inactive and Retired) as of the Beginning of the Measurement Period.

The net difference between projected and actual investment earnings on pension plan investments is amortized over a five-year period on a straight-line basis. One-fifth is recognized in pension expense during the measurement period, and the remaining net difference at the measurement date is to be amortized over the remaining four-year period.

Deferred outflows of resources and deferred inflows of resources relating to differences between expected and actual experience, changes of assumptions and employer-specific amounts should be amortized over the EARSL of members provided with pensions through the Plan.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 6 OTHER INFORMATION (CONTINUED)**

**F. Defined Benefit Pension Plan (Continued)**

**Miscellaneous Agent Multiple-Employer Plan**

**Changes in the Net Pension Liability**

The following table shows the changes in net pension liability recognized over the measurement period for the Miscellaneous Plan:

	<u>Total Pension Liability</u>	<u>Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance - June 30, 2022	\$ 118,456,869	\$ 79,920,824	\$ 38,536,045
Changes Recognized for the Measurement Period			
Service Cost	2,141,218	-	2,141,218
Interest on Total Pension Liability	8,129,068	-	8,129,068
Changes of Benefit Terms	135,652	-	135,652
Difference Between Expected and Actual Experience	1,136,520	-	1,136,520
Contributions - Employer	-	5,068,528	(5,068,528)
Contributions - Employees	-	892,336	(892,336)
Net Investment Income	-	5,055,988	(5,055,988)
Benefit Payments, Including Refunds of Employee Contributions	(5,974,132)	(5,974,132)	-
Administrative Expense	-	(58,770)	58,770
Net Changes	<u>5,568,326</u>	<u>4,983,950</u>	<u>584,376</u>
Balance - June 30, 2023	<u>\$ 124,025,195</u>	<u>\$ 84,904,774</u>	<u>\$ 39,120,421</u>

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the Miscellaneous Plan as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or higher than the current rate:

	<u>Discount Rate</u>		
	<u>1% Decrease (5.90%)</u>	<u>Current Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
Net Pension Liability	\$ 56,547,093	\$ 39,120,421	\$ 24,857,000

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 6 OTHER INFORMATION (CONTINUED)**

**F. Defined Benefit Pension Plan (Continued)**

**Miscellaneous Agent Multiple-Employer Plan (Continued)**

**Pension (Income) Expense for Measurement Period Ended June 30, 2023**

Service Cost	\$ 2,141,218
Interest on Total Pension Liability	8,129,068
Recognized Changes of Benefit Terms	135,652
Recognized Changes of Assumptions	1,067,613
Recognized Differences Between Expected and Actual Experience	-
Plan to Plan Resource Movement	(24,521)
Employee Contributions	-
Projected Earnings on Pension Plan Investments	(892,336)
Recognized Differences Between Projected and Actual Earnings on Plan Investments	(5,502,708)
Administrative Expense	728,321
	58,770
Total Pension Expense	<u>\$ 5,841,077</u>

**Deferred Outflows and Deferred Inflows of Resources**

As of June 30, 2024 the City reports the following deferred outflows and deferred inflows of resources related to pensions for the Miscellaneous Plan:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension Contributions Subsequent to Measurement Date	\$ 5,699,231	\$ -
Changes of Assumptions	2,028,466	-
Difference Between Expected and Actual Experiences	829,352	(606,872)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,736,968	-
Total	<u>\$ 12,294,017</u>	<u>\$ (606,872)</u>

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 6 OTHER INFORMATION (CONTINUED)**

**F. Defined Benefit Pension Plan (Continued)**

**Miscellaneous Agent Multiple-Employer Plan (Continued)**

**Deferred Outflows and Deferred Inflows of Resources (Continued)**

Deferred outflows of \$5,699,231 related to contributions after the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. The other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

<u>Measurement Periods Ended June 30,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2025	\$ 1,618,159
2026	1,456,826
2027	2,823,586
2028	89,343
2029	-

The Expected Average Remaining Service Lifetime (EARSL) for the Plan for the measurement period ended June 30, 2023 is 3.7 years, which was obtained by dividing the total service years of 2,401 (the sum of remaining service lifetimes of the active employees) by 656 (the total number of participants: active, inactive and retired). Inactive employees and retirees have remaining service lifetimes equal to zero. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

**Safety Cost-Sharing Multiple-Employer Plan**

**Allocation of Pension Amounts to Individual Plans**

A key aspect of GASB Statement No. 68 pertaining to cost-sharing employers is the establishment of an approach to allocate the net pension liability and pension expense to the individual employers within the risk pool. GASB Statement No. 68 indicates that for pools where contribution rates within the pool are based on separate relationships, the proportional allocation should reflect those relationships. The allocation method utilized by CalPERS determines the employer's share by reflecting these relationships through the plans they sponsor within the risk pool.

**CITY OF PORTERVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 6 OTHER INFORMATION (CONTINUED)**

**F. Defined Benefit Pension Plan (Continued)**

**Safety Cost-Sharing Multiple-Employer Plan (Continued)**

**Allocation of Pension Amounts to Individual Plans (Continued)**

The schedule of employer allocations for components of net pension liability provides allocation factors by employer for rate plans within the safety risk pool based on the following allocation methodology which includes two ratios:

- 1) *Actuarial Accrued Liability* - Determined based on the Actuarial Accrued Liability from the Actuarial Valuation Report as of June 30, 2022 used for funding purposes, with update procedures used to roll forward the total pension liability to June 30, 2023.
- 2) *Fair Value of Assets* – Determined based on the sum of the fair value of assets from the most recent actuarial valuation report as of June 30, 2022 used for funding purposes plus supplemental payments made by employers during the current measurement period to reduce their unfunded actuarial accrued liabilities.

The following allocation factors are used to determine the City's proportionate share of the safety risk pool pension amounts:

- 1) *Total Pension Liability (TPL)* – Allocate based on the employer's share of the actuarial accrued liability.
- 2) *Fiduciary Net Position (FNP)* – Allocate based on the employer's share of the fair value of assets plus additional payments.
- 3) *Net Pension Liability (NPL)* – After completing the above calculations, subtract FNP from TPL to calculate the employer's NPL.
- 4) *Deferred Outflows of Resources, Deferred Inflows of Resources* – Allocate based on the employer's share of the net pension liability.
- 5) *Pension Expense* – After completing the above calculations, calculate the employer's share of collective pension expense based on the employer's share of changes in net pension liability, changes in deferred outflows and deferred inflows of resources, and the employer's contributions for the fiscal year ended June 30, 2023.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 6 OTHER INFORMATION (CONTINUED)**

**F. Defined Benefit Pension Plan (Continued)**

**Safety Cost-Sharing Multiple-Employer Plan (Continued)**

Net Pension Liability

The City's net pension liability for its Safety Plan is the proportionate share of the risk pool collective net pension liability. At June 30, 2023, the measurement date, the City's proportionate share of the Safety Risk Pool's net pension liability is 0.34659%, an increase of 0.01101% from the prior year. As of June 30, 2024, the City reports net pension liability of \$25,907,461 for its proportionate share of the Safety Risk Pool collective net pension liability.

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

The following presents the net pension liability of the Safety Plan as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or higher than the current rate:

	Discount Rate		
	1% Decrease (5.90%)	Current Rate (6.90%)	1% Increase (7.90%)
Net Pension Liability	\$ 39,697,937	\$ 25,907,461	\$ 14,632,765

Pension Expense

The City's pension expense for its Safety Plan for the measurement period ended June 30, 2023 is \$5,476,460.

Deferred Outflows and Deferred Inflows of Resources

As of June 30, 2024, the City reports the following deferred outflows and deferred inflows of resources related to pensions for the Safety Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 3,958,455	\$ -
Difference Between Expected and Actual Experience	1,902,085	162,839
Changes of Assumptions	1,511,994	-
Difference Between Expected and Actual Earnings On Investments	3,545,429	-
Difference Between Employer's Contributions and Proportionate Share of Contributions	167,584	1,082,096
Change in Employer's Proportion	1,786,480	
Total	\$ 12,872,027	\$ 1,244,935

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 6 OTHER INFORMATION (CONTINUED)**

**F. Defined Benefit Pension Plan (Continued)**

**Safety Cost-Sharing Multiple-Employer Plan (Continued)**

**Deferred Outflows and Deferred Inflows of Resources (Continued)**

Deferred outflows of \$3,958,455 related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Amounts reported as deferred outflow and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

<u>Measurement Periods Ended June 30,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2025	\$ 2,687,099
2026	1,864,112
2027	3,018,466
2028	98,960
2029	-

The Expected Average Remaining Service Lifetime (EARSL) for the public agency cost-sharing multiple-employer defined benefit pension plan for the June 30, 2023 measurement date is 3.8 years, which was obtained by dividing the total service years of 600,538 ( the sum of remaining service lifetimes of the active employees ) by 160,073 (the total number of participants: active, inactive and retired). Inactive employees and retirees have remaining service lifetimes equal to zero. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

**G. Postemployment Benefits Other Than Pensions (OPEB)**

**Plan Description**

The City's single employer defined benefit OPEB plan, administered by the City, provides medical, prescription drug, dental, and vision insurance benefits. The City pays claims and administrative expenses for eligible active employees and retirees. No assets are accumulated in a trust that meets the criteria in paragraph four of GASB Statement 75.

The post-retirement health benefits are basically continuations of the coverages for active employees, with the general exception that upon becoming eligible for Medicare Parts A and B, retirees either leave the plan entirely, or in limited situations, the City plan become the secondary payor to Medicare.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 6 OTHER INFORMATION (CONTINUED)**

**G. Postemployment Benefits Other Than Pensions (OPEB) (Continued)**

**Plan Description (Continued)**

Eligibility and benefit provisions specific to retirees are as follows: An employee must have completed five years of service and attained at least age 50, or age 52 in the case of Miscellaneous employees hired on or after January 1, 2013 (PEPRA employees). The City's OPEB plan benefits are also available to spouses of retired employees, provided the spouse was covered under each of the Benefit Plans proposed to be purchased for not less than 30 days immediately prior to the employee's retirement date. Medical plan benefits are paid until age 65 and spouses of over-age 65 retirees may continue participating until the spouse reaches age 65. Surviving spouses may also continue coverage until age 65.

The City's cost for retirees is offset by premiums paid the retirees that vary according to tier and are adjusted periodically. The premiums for medical and prescription drug coverage are currently \$490 per month for retiree only or spouse only, and \$980 for retiree and spouse.

**Employees Covered by Benefit Terms**

At June, 30, 2024, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefit Payments	27
Inactive Employees Entitled to but Not Yet	
Receiving Benefit Payments	-
Participating Active Employees	<u>310</u>
Total	<u><u>337</u></u>

**Total OPEB Liability**

The City uses an actuarial measurement date that is the same as its fiscal year-end. The City's total OPEB liability of \$11,706,481 was based on an actuarial valuation as of June 30, 2024, a measurement date of June 30, 2024 and the following actuarial method and assumptions:

Actuarial Cost Method	Entry Age
Actuarial Assumptions	
Inflation	2.50%
Investment Return/Discount	
Rate	3.93% Net of Expenses, Based on the Bond Buyer 20
	Bond Index
Healthcare Cost Trend Rate	4.00%
Payroll Increase	2.75%
Mortality	The Mortality Assumptions are Based on the 2021
	CalPERS Mortality Tables
Costs for Retiree Coverage	Retiree Liabilities are Based on Actual Retiree Premium
	Plus an Implicit Rate Subsidy of 92.1% of Nonmedicare
	Medical Premium.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 6 OTHER INFORMATION (CONTINUED)**

**G. Postemployment Benefits Other Than Pensions (OPEB) (Continued)**

**Total OPEB Liability (Continued)**

All actuarial assumptions used in measuring the total OPEB liability are described in the October 8, 2024, actuarial valuation performed by Total Compensation Systems, Inc.

**Changes in Total OPEB Liability**

The components of the City's total OPEB liability as of June 30, 2024 were as follows:

	<u>Total OPEB Liability</u>	<u>Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balance - June 30, 2023	\$ 11,054,255	\$ -	\$ 11,054,255
Changes			
Service Cost	947,024	-	947,024
Interest on Total OPEB Liability	413,726	-	413,726
Changes in Assumptions	(322,931)	-	(322,931)
Contributions - Employer	-	385,593	385,593
Benefit Payments	(385,593)	(385,593)	(771,186)
Administrative Expenses	-	-	-
Experience (Gains) Losses	-	-	-
Other	-	-	-
Net Changes	<u>652,226</u>	<u>-</u>	<u>652,226</u>
Balance - June 30, 2024	<u>\$ 11,706,481</u>	<u>\$ -</u>	<u>\$ 11,706,481</u>

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the City's total OPEB liability as of June 30, 2024 calculated using the discount rate of 3.93%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or higher than the current rate:

	<u>Discount Rate</u>		
	<u>1% Decrease (2.93%)</u>	<u>Current Rate (3.93%)</u>	<u>1% Increase (4.93%)</u>
Net OPEB Liability	\$ 12,844,072	\$ 11,706,481	\$ 10,706,910

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rates**

The following presents the City's total OPEB liability as of June 30, 2024, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rate that is 1 percentage point lower or higher than the current healthcare cost trend rate:

	<u>Healthcare Rate</u>		
	<u>1% Decrease (3.00%)</u>	<u>Current Rate (4.00%)</u>	<u>1% Increase (5.00%)</u>
Net OPEB Liability	\$ 10,093,925	\$ 11,706,481	\$ 13,640,181

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 6 OTHER INFORMATION (CONTINUED)**

**G. Postemployment Benefits Other Than Pensions (OPEB) (Continued)**

**OPEB Expense**

For the fiscal year ended June 30, 2024, the City recognized OPEB expense of \$935,082 and includes service cost, interest cost, administrative expenses, and change in total OPEB liability due to plan changes, adjusted for deferred inflows and outflows. The components of the annual OPEB expense as of June 30, 2024 were as follows:

Service Cost	\$ 947,024
Interest Cost	413,726
Changes in Benefit Terms	-
Recognition of Experience Gain Deferrals	(321,125)
Recognition of Assumption Change Deferrals	(104,543)
Employee Contributions	-
Administrative Expenses	-
Total OPEB Expense	<u><u>\$ 935,082</u></u>

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

At June 30, 2024, the City reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 198,726	\$ (1,489,932)
Changes of Assumptions	78,450	(1,868,792)
Total	<u><u>\$ 277,176</u></u>	<u><u>\$ (3,358,724)</u></u>

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

<u>Year Ended June 30,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2025	\$ (411,740)
2026	(417,552)
2027	(268,507)
2028	(268,508)
2029	(268,508)
Thereafter	(1,446,733)

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 7 SUBSEQUENT EVENTS**

On January 2, 2024, the City provided notice of its intent to withdraw, effective June 30, 2024, from its membership in Tulare County Regional Transit Authority (TCRTA) and recommenced providing its own transit services. On or about September 12, 2024, the City filed a lawsuit against TCRTA and its then-Executive Director to recover its outstanding loan and maintenance costs. As part of the withdrawal process, the City entered into a settlement agreement on December 16, 2024, with TCRTA. Under the terms of the agreement, TCRTA agreed to make a payment to Porterville in the amount of \$1,609,089, of principal and interest on the loan that Porterville made to TCRTA and payment in the amount of \$1,364,380 as compensation for Porterville’s performance of maintenance services.

**NOTE 8 ACCOUNTING CHANGE**

**A. Change within the Financial Reporting Entity**

**Change in Fund Presentation from Nonmajor to Major**

In prior years, the Airport Operations Fund has been reported as a nonmajor enterprise fund. In the current year, this fund met the criteria to be reported as a major enterprise fund. The effect of this change within the financial reporting entity is shown in the table below:

	June 30, 2023, as Previously Reported	Change Within the Financial Reporting Entity	June 30, 2023, as Adjusted
Enterprise Funds:			
Major Funds:			
Sewer Operations Fund	\$ 34,046,798	\$ -	\$ 34,046,798
Water Operations Fund	61,123,506	-	61,123,506
Solid Waste Operations Fund	4,628,520	-	4,628,520
Airport Fund	-	10,648,852	10,648,852
Nonmajor Funds	26,053,954	(10,648,852)	15,405,102
Total Enterprise Funds	\$ 125,852,778	\$ -	\$ 125,852,778

**NOTE 9 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY**

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (the Bill) that provides for the dissolution of all redevelopment agencies in the state of California. This action impacted the reporting entity of the City of Porterville that previously had reported a redevelopment agency within the reporting entity of the City as a fiduciary component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the City or another unit of local government will agree to serve as the “Successor Agency” to hold the assets until they are distributed to other units of state and local government. On September 20, 2011, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City Resolution No. 59-2011.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 9 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)**

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

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

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

**Note Receivable**

On April 7, 2009, the Porterville Redevelopment Agency entered into an Affordable Housing Agreement with Porterville Housing Partners, L.P. (PHP), to carry out and implement the Redevelopment Plan. Pursuant to the agreement, the Agency conveyed 2.7 acres of real property to PHP on February 3, 2010 for a purchase price of \$930,000 which constitutes a loan to be repaid from the residual receipts of ownership and operating of residential buildings to be constructed on the property. The term of the loan is 55 years after the date of the City's issuance of a certificate of occupancy with interest at the rate of 3% per annum, compounded annually, commencing on February 1, 2010, the date of the promissory note. As of June 30, 2024, the principal balance of the note is \$930,000 with interest accrued of \$381,568.

**CITY OF PORTERVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 9 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)**

**Long-Term Debt**

On December 21, 2016, the Successor Agency issued \$4,920,000 of Tax Allocation Refunding Bonds, Series 2016A and \$2,455,000 of Taxable Tax Allocation Refunding Bonds, Series 2016B to refund \$7,380,000 of the outstanding 2008 Series Tax Allocation Refunding Bonds issued to finance redevelopment activities and low and moderate housing activities within or of benefit to the Redevelopment Project Area. Interest rates on the new bonds range from 2% to 4.625%. Terms of the refunding bonds remain the same with final maturity on June 1, 2040. The reacquisition price exceeded the net carrying amount of the old debt by \$480,273. This amount is reported as a deferred outflow of resources and amortized over the remaining life of the refunded debt. Revenue bonds outstanding at June 30, 2024 amount to \$56,10,000.

<u>Fiscal Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 260,000	\$ 226,831
2026	270,000	218,181
2027	275,000	209,181
2028	290,000	199,225
2029	300,000	188,481
2030-2034	1,680,000	748,681
2035-2039	2,070,000	366,831
2040	465,000	19,600
Total	<u>\$ 5,610,000</u>	<u>\$ 2,177,011</u>

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2024, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Revenue Bonds	\$ 5,860,000	\$ -	\$ (250,000)	\$ 5,610,000	\$ 260,000
Total Bonds Payable	5,860,000	-	(250,000)	5,610,000	260,000
Total Long-Term Liabilities	<u>\$ 5,860,000</u>	<u>\$ -</u>	<u>\$ (250,000)</u>	<u>\$ 5,610,000</u>	<u>\$ 260,000</u>

On April 7, 2023, the California Department of Finance approved the Last and Final Recognized Obligation Payment Schedule submitted by the City of Porterville Successor Agency, which provides for the payments required for the remaining debt obligations on the 2016 Tax Allocation Refunding Bonds and administrative costs until the final maturity of the bonds in 2040.

**Required Supplementary  
Information**



**CITY OF PORTERVILLE  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS  
MISCELLANEOUS PLAN  
AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN  
MEASUREMENT DATE LAST TEN FISCAL YEARS**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service Costs	\$ 2,141,218	\$ 2,130,459	\$ 1,929,478	\$ 1,887,852	\$ 1,797,973	\$ 1,803,826	\$ 1,867,841	\$ 1,599,260	\$ 1,564,655	\$ 1,707,141
Interest on Total Pension Liability	8,129,068	7,749,802	7,490,263	7,267,610	6,957,854	6,664,096	6,529,749	6,317,200	6,004,410	5,754,567
Changes in Benefits Terms	135,652	-	-	-	-	-	-	-	-	-
Changes of Assumptions	-	4,163,692	-	-	-	(514,523)	5,686,424	-	(1,533,174)	-
Difference Between Expected and Actual Experience	1,136,520	(828,938)	(879,791)	461,262	217,475	(1,688,803)	(925,820)	374,140	(531,640)	-
Benefit Payments, Including Refunds of Employee Contributions	(5,974,132)	(5,348,283)	(5,247,576)	(5,117,341)	(4,742,193)	(4,405,712)	(4,160,895)	(3,967,074)	(3,776,390)	(3,352,011)
Net Change in Total Pension Liability	5,568,326	7,866,732	3,292,374	4,499,383	4,231,109	1,858,884	8,997,299	4,323,526	1,727,861	4,109,697
Total Pension Liability - Beginning	118,456,869	110,590,137	107,297,763	102,798,380	98,567,271	96,708,387	87,711,088	83,387,562	81,659,701	77,550,004
Total Pension Liability - Ending (a)	<u>\$ 124,025,195</u>	<u>\$ 118,456,869</u>	<u>\$ 110,590,137</u>	<u>\$ 107,297,763</u>	<u>\$ 102,798,380</u>	<u>\$ 98,567,271</u>	<u>\$ 96,708,387</u>	<u>\$ 87,711,088</u>	<u>\$ 83,387,562</u>	<u>\$ 81,659,701</u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ 5,068,528	\$ 4,170,818	\$ 3,945,287	\$ 3,648,621	\$ 3,240,602	\$ 2,911,663	\$ 2,750,175	\$ 2,545,784	\$ 2,291,778	\$ 2,163,264
Contributions - Employee	892,336	821,734	843,188	795,917	873,924	747,704	734,565	811,025	785,498	799,335
Net Investment Income	5,055,988	(6,621,833)	16,206,050	3,466,881	4,263,395	5,168,019	6,175,766	273,011	1,260,596	8,234,935
Benefit Payments, Including Refunds of Employee Contributions	(5,974,132)	(5,348,283)	(5,247,576)	(5,117,341)	(4,742,193)	(4,405,712)	(4,160,895)	(3,967,074)	(3,776,390)	(3,352,011)
Plan to Plan Resource Movement	-	(275)	-	-	-	(151)	-	-	1,790	-
Administrative Expense	(58,770)	(54,166)	(71,201)	(96,681)	(46,378)	(94,811)	(81,832)	(34,005)	(62,756)	-
Other Miscellaneous Income (Expense) (1)	-	-	-	-	151	(180,048)	-	-	-	-
Net Change in Fiduciary Net Position	4,983,950	(7,032,005)	15,675,748	2,697,397	3,589,501	4,146,664	5,417,779	(371,259)	500,516	7,845,523
Plan Fiduciary Net Position - Beginning (2)	79,920,824	86,952,829	71,277,081	68,579,684	64,990,183	60,843,519	55,425,740	55,796,999	55,296,483	47,450,960
Plan Fiduciary Net Position - Ending (b)	<u>\$ 84,904,774</u>	<u>\$ 79,920,824</u>	<u>\$ 86,952,829</u>	<u>\$ 71,277,081</u>	<u>\$ 68,579,684</u>	<u>\$ 64,990,183</u>	<u>\$ 60,843,519</u>	<u>\$ 55,425,740</u>	<u>\$ 55,796,999</u>	<u>\$ 55,296,483</u>
Plan Net Pension Liability (Asset) - Ending (a)-(b)	<u>\$ 39,120,421</u>	<u>\$ 38,536,045</u>	<u>\$ 23,637,308</u>	<u>\$ 36,020,682</u>	<u>\$ 34,218,696</u>	<u>\$ 33,577,088</u>	<u>\$ 35,864,868</u>	<u>\$ 32,285,348</u>	<u>\$ 27,590,563</u>	<u>\$ 26,363,218</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>68.46%</u>	<u>67.47%</u>	<u>78.63%</u>	<u>66.43%</u>	<u>66.71%</u>	<u>65.93%</u>	<u>62.91%</u>	<u>63.19%</u>	<u>66.91%</u>	<u>67.72%</u>
Covered Payroll (3)	<u>\$ 11,891,761</u>	<u>\$ 11,212,942</u>	<u>\$ 11,263,738</u>	<u>\$ 10,750,867</u>	<u>\$ 10,052,966</u>	<u>\$ 9,958,186</u>	<u>\$ 10,250,475</u>	<u>\$ 9,567,816</u>	<u>\$ 9,208,814</u>	<u>\$ 9,479,377</u>
Pan Net Pension Liability (Asset) as a Percentage of Covered Payroll	<u>328.97%</u>	<u>343.67%</u>	<u>209.85%</u>	<u>335.05%</u>	<u>340.38%</u>	<u>337.18%</u>	<u>349.88%</u>	<u>337.44%</u>	<u>299.61%</u>	<u>278.11%</u>

**CITY OF PORTERVILLE  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY  
AND RELATED RATIOS (CONTINUED)  
MISCELLANEOUS PLAN  
AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN  
MEASUREMENT DATE LAST TEN FISCAL YEARS**

- (1) During Fiscal Year 2017-2018, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the state of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various state of California agent pension plans and during Fiscal Year 2017-2018, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

- (2) Includes any beginning of year adjustment.
- (3) Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal year ended June 30, 2022; 2.75% payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00% payroll growth assumptions for fiscal years ended June 30, 2014-17.

**Notes to Schedule of Changes in Net Pension Liability and Related Ratios**

**Benefit Changes**

The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the measurement date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

**Changes of Assumptions**

None in 2022 - 2023.

Effective with the June 20, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

None in 2019 - 2021.

In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate.

In 2017, the discount rate was reduced from 7.65% to 7.15%. In 2016, there were no changes.

In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense).

In 2014, amounts reported were based on the 7.5% discount rate.

**CITY OF PORTERVILLE  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PENSION PLAN CONTRIBUTIONS  
MISCELLANEOUS PLAN  
AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN  
LAST TEN FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 3,189,401	\$ 4,403,029	\$ 4,170,818	\$ 3,945,287	\$ 3,648,621	\$ 3,240,602	\$ 2,911,663	\$ 2,750,175	\$ 2,545,784	\$ 2,291,778
Contributions in Relation to the Actuarially Determined Contribution	(5,699,231)	(5,068,029)	(4,170,818)	(3,945,287)	(3,648,621)	(3,240,602)	(2,911,663)	(2,750,175)	(2,545,784)	(2,291,778)
Contribution Deficiency (Excess)	<u>\$ (2,509,830)</u>	<u>\$ (665,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	<u>\$ 11,849,658</u>	<u>\$ 11,891,761</u>	<u>\$ 11,212,942</u>	<u>\$ 11,263,738</u>	<u>\$ 10,750,867</u>	<u>\$ 10,052,966</u>	<u>\$ 9,958,186</u>	<u>\$ 10,250,475</u>	<u>\$ 9,567,816</u>	<u>\$ 9,209,814</u>
Contributions as a Percentage of Covered Payroll	<u>26.916%</u>	<u>37.026%</u>	<u>37.196%</u>	<u>35.026%</u>	<u>33.938%</u>	<u>32.235%</u>	<u>29.239%</u>	<u>26.830%</u>	<u>26.608%</u>	<u>24.884%</u>

**Notes to Schedule of Pension Plan Contributions**

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021-22 were derived from the June 30, 2019 funding valuation report.

Actuarial cost method	Entry age normal
Amortization method / period	Level percent of pay/closed
Asset valuation method	Fair value of assets
Inflation	2.300%
Salary increases	Varies by entry age and service
Payroll growth	2.800%
Investment rate of return	6.90% net of pension plan investment and administrative expenses; includes inflation.
Retirement age	50 for all plans with the exception of 52 for Miscellaneous PEPRA 2%@62
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted BR the CalPERS Board.

**CITY OF PORTERVILLE  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS  
SAFETY PLAN  
COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN  
MEASUREMENT DATE LAST TEN FISCAL YEARS**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Plan's Proportion of the Net Pension Liability (Asset)	0.3465%	0.3356%	0.2932%	0.2881%	0.2741%	0.2639%	0.2557%	0.2509%	0.2255%	0.1577%
Plan's Proportion Share of the Net Pension Liability (Asset)	\$ 25,907,461	\$ 23,059,801	\$ 10,289,362	\$ 19,195,315	\$ 17,109,138	\$ 15,485,991	\$ 15,278,946	\$ 12,993,517	\$ 9,292,237	\$ 9,812,745
Plan's Covered Payroll	\$ 9,484,181	\$ 8,909,418	\$ 8,876,114	\$ 7,901,644	\$ 7,020,010	\$ 6,493,831	\$ 6,601,426	\$ 6,228,105	\$ 6,191,102	\$ 5,317,226
Plan's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	273.16%	258.82%	115.92%	242.93%	243.72%	238.47%	231.45%	208.63%	150.09%	184.55%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	74.23%	74.85%	87.66%	75.77%	77.07%	78.16%	77.29%	78.53%	83.72%	82.13%
Plan's Proportionate Share of the Aggregate Employer Contributions	\$ 3,200,862	\$ 2,932,608	\$ 2,723,338	\$ 2,351,605	\$ 1,928,760	\$ 1,626,088	\$ 1,539,766	\$ 1,349,037	\$ 1,314,328	\$ 4,736,050

**CITY OF PORTERVILLE  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PENSION PLAN CONTRIBUTIONS  
SAFETY PLAN  
COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN  
LAST TEN FISCAL YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 3,958,455	\$ 3,200,862	\$ 2,932,608	\$ 2,723,338	\$ 2,351,605	\$ 1,928,760	\$ 1,626,088	\$ 1,539,766	\$ 1,349,037	\$ 1,314,328
Contributions in Relation to the Actuarially Determined Contribution	<u>(3,958,455)</u>	<u>(3,200,862)</u>	<u>(2,932,608)</u>	<u>(2,723,338)</u>	<u>(2,351,605)</u>	<u>(1,928,760)</u>	<u>(1,626,088)</u>	<u>(1,539,766)</u>	<u>(1,349,037)</u>	<u>(1,314,328)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	<u>\$ 10,515,715</u>	<u>\$ 9,484,181</u>	<u>\$ 8,909,418</u>	<u>\$ 8,876,114</u>	<u>\$ 7,901,644</u>	<u>\$ 7,020,010</u>	<u>\$ 6,493,831</u>	<u>\$ 6,601,426</u>	<u>\$ 6,228,105</u>	<u>\$ 6,191,102</u>
Contributions as a Percentage of Covered Payroll	<u>37.643%</u>	<u>33.749%</u>	<u>32.916%</u>	<u>30.682%</u>	<u>29.761%</u>	<u>27.475%</u>	<u>25.041%</u>	<u>23.325%</u>	<u>21.660%</u>	<u>21.229%</u>

**CITY OF PORTERVILLE  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS  
OTHER POSTEMPLOYMENT BENEFITS PLAN  
LAST TEN FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Cost	\$ 947,024	\$ 831,832	\$ 1,025,485	\$ 972,833	\$ 881,580	\$ 589,097	\$ 603,307
Interest	413,726	378,796	245,651	270,629	417,844	429,914	385,952
Changes in Benefit Terms	-	-	-	-	-	-	-
Difference Between Expected and Actual Experience	-	231,574	-	(1,629,357)	(1,116,113)	(368,922)	-
Changes in Assumptions	(322,931)	(480,174)	(1,487,186)	38,902	72,793	456,546	(327,957)
Benefit Payments	(385,593)	(384,637)	(334,152)	(440,854)	(161,553)	(10,163)	(309,991)
Net Change in Total OPEB Liability	652,226	577,391	(550,202)	(787,847)	94,551	1,096,472	351,311
Total OPEB Liability - Beginning	11,054,255	10,476,864	11,027,066	11,814,913	11,720,362	10,623,890	10,272,579
Total OPEB Liability - Ending	<u>\$ 11,706,481</u>	<u>\$ 11,054,255</u>	<u>\$ 10,476,864</u>	<u>\$ 11,027,066</u>	<u>\$ 11,814,913</u>	<u>\$ 11,720,362</u>	<u>\$ 10,623,890</u>
Covered Employee Payroll	<u>\$ 25,075,509</u>	<u>\$ 23,764,639</u>	<u>\$ 21,582,460</u>	<u>\$ 22,449,239</u>	<u>\$ 18,596,503</u>	<u>\$ 17,305,003</u>	<u>\$ 16,408,990</u>
Total OPEB Liability as a Percentage of Covered Employee Payroll	<u>46.68%</u>	<u>46.52%</u>	<u>48.54%</u>	<u>49.12%</u>	<u>63.53%</u>	<u>67.73%</u>	<u>64.74%</u>

Note: GASB Statement No. 75 was implemented during fiscal year ending June 30, 2018. Additional information will be added as they become available in the future.

**Notes to Schedule**

The City pays claims and administrative expenses for eligible active employees and retirees.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Changes of benefit terms: There were no changes in benefit terms in 2024.

Changes of assumptions: Changes of assumption and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2024	3.93%
2023	3.65%
2022	3.54%
2021	2.16%
2020	2.20%
2019	3.50%
2018	3.90%

**CITY OF PORTERVILLE  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Tax	\$ 9,091,000	\$ 9,091,000	\$ 9,615,257	\$ 524,257
Sales and Use Tax	19,490,000	19,490,000	19,449,203	(40,797)
Utility Users Tax	5,700,000	5,700,000	5,279,475	(420,525)
Franchise Tax	1,841,134	1,841,134	1,857,181	16,047
Transient Occupancy Tax	785,000	785,000	755,093	(29,907)
Other Tax	676,084	676,084	651,069	(25,015)
Licenses and Permits	1,710,000	1,710,000	1,578,943	(131,057)
Vehicle License Fees	65,000	65,000	77,388	12,388
Intergovernmental	306,360	367,532	612,190	244,658
Charges for Services	5,545,021	5,545,021	7,379,358	1,834,337
Special Assessments and Fees	3,454	3,454	3,454	-
Fines and Forfeitures	24,500	24,500	18,290	(6,210)
Investment Earnings	972,920	972,920	2,866,277	1,893,357
Miscellaneous	173,000	173,000	1,022,467	849,467
Total Revenues	<u>46,383,473</u>	<u>46,444,645</u>	<u>51,165,645</u>	<u>4,721,000</u>
<b>EXPENDITURES</b>				
Current:				
Community and Economic				
Development	1,336,270	1,336,270	1,147,107	189,163
General Government	4,639,174	4,645,630	4,932,281	(286,651)
Parks and Recreation	5,449,275	5,449,275	5,160,723	288,552
Public Safety - Fire	7,540,241	7,540,241	7,799,127	(258,886)
Public Safety - Police	16,277,663	16,277,663	16,402,513	(124,850)
Public Works	4,284,811	4,284,811	4,437,385	(152,574)
Debt Service	-	-	531,602	(531,602)
Capital Outlay	1,868,000	2,265,000	4,519,393	(2,254,393)
Total Expenditures	<u>41,395,434</u>	<u>41,798,890</u>	<u>44,930,131</u>	<u>(3,131,241)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	4,988,039	4,645,755	6,235,514	1,589,759
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	3,599,353	3,599,353	1,605,292	(1,994,061)
Transfers Out	(39,394,872)	(39,394,872)	(11,401,436)	27,993,436
Subscription Based Information				
Technology Arrangements	-	-	4,723	4,723
Insurance Recoveries	-	-	1,247,515	1,247,515
Total Other Financing Sources (Uses)	<u>(35,795,519)</u>	<u>(35,795,519)</u>	<u>(8,543,906)</u>	<u>27,251,613</u>
<b>NET CHANGE IN FUND BALANCE</b>	(30,807,480)	(31,149,764)	(2,308,392)	28,841,372
Fund Balance - Beginning of Year	<u>53,756,746</u>	<u>53,756,746</u>	<u>53,756,746</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 22,949,266</u>	<u>\$ 22,606,982</u>	<u>\$ 51,448,354</u>	<u>\$ 28,841,372</u>

**CITY OF PORTERVILLE  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
AMERICAN RESCUE PLAN ACT FUND  
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental				
Federal Grants	\$ 8,308,913	\$ 8,308,913	\$ 3,221,931	\$ (5,086,982)
Investments Earnings	-	-	690,286	690,286
Total Revenues	<u>8,308,913</u>	<u>8,308,913</u>	<u>3,912,217</u>	<u>(4,396,696)</u>
<b>EXPENDITURES</b>				
Current:				
General Government	721,795	721,795	511,617	210,178
Capital Outlay	274,659	274,659	178,379	96,280
Total Expenditures	<u>996,454</u>	<u>996,454</u>	<u>689,996</u>	<u>306,458</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	7,312,459	7,312,459	3,222,221	(4,090,238)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(7,360,839)	(7,360,839)	(2,531,934)	4,828,905
Total Other Financing Sources (Uses)	<u>(7,360,839)</u>	<u>(7,360,839)</u>	<u>(2,531,934)</u>	<u>4,828,905</u>
<b>NET CHANGE IN FUND BALANCE</b>	(48,380)	(48,380)	690,287	738,667
Fund Balance - Beginning of Year	<u>(149,822)</u>	<u>(149,822)</u>	<u>(149,822)</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ (198,202)</u>	<u>\$ (198,202)</u>	<u>\$ 540,465</u>	<u>\$ 738,667</u>

**Combining and Individual Fund  
Financial Statements and Schedules**



**CITY OF PORTERVILLE  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2024**

**SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for revenues derived from specific taxes or other earmarked revenue sources. These funds are required by statute, charter provisions, or local ordinance to finance particular activities of the City of Porterville.

**Public Safety Sales Tax Fund**

This fund was established as a result of the voters' approval of a one-half cent increase in sales tax on the November 8, 2005 Special Consolidated Election ballot. This fund is used to account for revenues received from this district tax, which are restricted for police and fire protection services and for literacy programs.

**Special Gas Tax Fund**

This fund was established by Resolution No. 229 in 1935, as required by the State, to account for monies received from gasoline taxes that must be expended mainly for constructing or improving major city streets.

**Local Transportation Funds Fund**

This fund is used to account for monies received from the County of Tulare for public transportation purposes. Revenues to each county's local transportation fund are derived from one-quarter cent of the sales tax collected in that county. Beginning with fiscal year 2007-2008, this fund is also used to account for the one-half cent sales tax measure (Measure R), which the voters of Tulare County approved in the November 2006 election. These funds are to be used for road and transportation improvements.

**Traffic Safety Fund**

This fund was established based on Section 1463 of the Penal Code. All fines and forfeitures collected from any person charged with a misdemeanor under this code must be deposited into a special fund known as the "Traffic Safety Fund." These funds are to be used exclusively for official traffic control devices and the maintenance thereof, equipment and supplies for traffic law enforcement and traffic accident prevention, and for the maintenance, improvement, or construction of public streets, bridges, and culverts within the city, but not for the compensation of traffic or other police officers.

**Community Development Block Grant Fund**

This fund was created to account for all financial transactions having to do with the Community Development Block Grant Program and First-time Homebuyers Program of the Federal Department of Housing and Urban Development for affordable housing and housing rehabilitation loans, small business assistance loans, and infrastructure development.

**Public Safety Grant Fund**

This fund was established as a result of Assembly Bill 3229, Chapter 134, Statutes of 1996, which formulated the Citizen's Option for Public Safety Program. The plan allows proportionate shares of the State's appropriated funds to be allocated to qualifying local agencies for the purpose of financing front-line police services. This fund is also used to account for other public safety activities that have restricted funding requirements.

**CITY OF PORTERVILLE  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

**SPECIAL REVENUE FUNDS (CONTINUED)**

**Landscape Maintenance District Fund**

This fund is used to account for activities related to the landscape maintenance districts. The City maintains certain landscaping and is reimbursed by way of special assessments levied against the property owners within each district.

**Transportation Development Fund**

This fund was established by Council action on May 5, 1998 to account for the collection and distribution of the newly-adopted Traffic Impact Fee assessed on new developments. These funds are to be used for the implementation of the Circulation Element.

**Park Development Fund**

This fund was established to account for receipts of federal and state grants for the improvement, maintenance, and acquisition of parks within the City. The current revenue stream consists of developer impact fees and interest income. These funds help pay for debt service on the Infrastructure Refinancing Bonds for that portion spent on the construction of the sports complex.

**Storm Drain Development Fund**

This fund was established to account for storm drain acreage fees from subdivisions and developers. The funds will be used to finance storm drainage facilities.

**Building Construction Fund**

This fund was created to accumulate and account for monies for building new facilities. The amounts in this fund are derived from an accumulation of general reserves, sale of surplus real property and interest earnings. Interest income from this fund is used for debt service of the Public Buildings Refunding Project Certificates of Participation.

**DEBT SERVICE FUND**

Debt Service Funds are used to account for the accumulation of resources and the payments of general long-term debt principal and interest of the General Government. These funds do not include debt being financed by proprietary funds.

**General Government Fund**

This fund is used to account for the payment of principal and interest on the 2015 Refinancing Project Certificates of Participation obligation

**CITY OF PORTERVILLE  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2024**

	Special Revenue						
	Public Safety Sales Tax	Special Gas Tax	Local Transportation Fund	Traffic Safety	Community Development Block Grant	Public Safety Grant	Landscape Maintenance District
<b>ASSETS</b>							
Cash and Investments	\$ 4,388,870	\$ 3,773,900	\$ 6,352,761	\$ -	\$ 1,370,989	\$ -	\$ 46,811
Restricted - Cash With Fiscal Agent	-	-	-	-	-	-	-
Receivables - Miscellaneous, Net:							
Interest	-	-	84,252	-	485,669	-	-
Taxes	939,205	427,970	407,361	-	-	-	2,569
Other	-	-	-	-	-	-	-
Receivables - Housing	-	-	-	-	8,309,011	-	-
Intergovernmental Receivables	8,350	-	-	16,022	316,342	326,672	-
Interfund Receivable	-	-	857,956	-	-	-	-
Prepaid Items	2,118	-	-	-	-	-	-
Notes Receivable	-	-	1,600,000	-	975,000	-	-
<b>Total Assets</b>	<b>\$ 5,338,543</b>	<b>\$ 4,201,870</b>	<b>\$ 9,302,330</b>	<b>\$ 16,022</b>	<b>\$ 11,457,011</b>	<b>\$ 326,672</b>	<b>\$ 49,380</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts and Other Payables	\$ 53,500	\$ -	\$ -	\$ -	\$ 63	\$ 6,506	\$ 16,174
Payroll Payable	169,179	-	-	-	5,529	34,134	2,566
Interfund Payable	-	-	-	-	-	109,481	-
Total Liabilities	222,679	-	-	-	5,592	150,121	18,740
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable Revenue -							
Intergovernmental	76,265	-	-	-	690,073	313,683	-
Total Deferred Inflows of Resources	76,265	-	-	-	690,073	313,683	-
<b>FUND BALANCES</b>							
Nonspendable	2,118	-	-	-	-	-	-
Restricted							
Building Construction	-	-	-	-	-	-	-
Community Development	-	-	-	-	10,761,346	-	-
Debt Service	-	-	-	-	-	-	-
Landscape Maintenance							
Districts	-	-	-	-	-	-	30,640
Public Safety	5,037,481	-	-	-	-	-	-
Public Works	-	4,201,870	9,302,330	16,022	-	-	-
Unassigned (Deficit)	-	-	-	-	-	(137,132)	-
Total Fund Balances	5,039,599	4,201,870	9,302,330	16,022	10,761,346	(137,132)	30,640
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 5,338,543</b>	<b>\$ 4,201,870</b>	<b>\$ 9,302,330</b>	<b>\$ 16,022</b>	<b>\$ 11,457,011</b>	<b>\$ 326,672</b>	<b>\$ 49,380</b>

**CITY OF PORTERVILLE  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2024**

	Special Revenue				Debt Service	Total
	Transportation Development	Park Development	Storm Drain Development	Building Constructions	General Government	Nonmajor Governmental Funds
<b>ASSETS</b>						
Cash and Investments	\$ 2,478,777	\$ -	\$ 3,129,848	\$ 169,577	\$ 598,954	\$ 22,308,487
Restricted - Cash With Fiscal Agent	-	-	-	-	1,809	1,809
Receivables - Miscellaneous, Net:						
Interest	-	-	-	-	-	569,921
Taxes	-	-	-	-	-	1,777,105
Other	-	-	1,696	-	-	1,696
Receivables - Housing	-	-	-	-	-	8,309,011
Intergovernmental Receivables	-	-	-	-	-	667,386
Interfund Receivable	-	-	-	-	-	857,956
Prepaid Items	-	-	-	-	-	2,118
Notes Receivable	-	-	-	-	-	2,575,000
<b>Total Assets</b>	<b>\$ 2,478,777</b>	<b>\$ -</b>	<b>\$ 3,131,544</b>	<b>\$ 169,577</b>	<b>\$ 598,763</b>	<b>\$ 37,070,489</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts and Other Payables	\$ 432	\$ -	\$ -	\$ -	\$ -	\$ 76,675
Payroll Payable	-	-	-	-	-	211,408
	-	-	-	-	-	109,481
<b>Total Liabilities</b>	<b>432</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>397,564</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue - Intergovernmental	-	-	-	-	-	1,080,021
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,080,021</b>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	-	2,118
Restricted						
Building Construction	-	-	-	169,577	-	169,577
Community Development	-	-	-	-	-	10,761,346
Debt Service	-	-	-	-	598,763	598,763
Landscape Maintenance						
Districts	-	-	-	-	-	30,640
Public Safety	-	-	-	-	-	5,037,481
Public Works	2,478,345	-	3,131,544	-	-	19,130,111
Unassigned (Deficit)	-	-	-	-	-	(137,132)
<b>Total Fund Balances</b>	<b>2,478,345</b>	<b>-</b>	<b>3,131,544</b>	<b>169,577</b>	<b>598,763</b>	<b>35,592,904</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 2,478,777</b>	<b>\$ -</b>	<b>\$ 3,131,544</b>	<b>\$ 169,577</b>	<b>\$ 598,763</b>	<b>\$ 37,070,489</b>

**CITY OF PORTERVILLE  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2024**

	Special Revenue						
	Public Safety Sales Tax	Special Gas Tax	Local Transportation Fund	Traffic Safety	Community Development Block Grant	Public Safety Grant	Landscape Maintenance District
<b>REVENUES</b>							
Sales Taxes	\$ 5,523,299	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	4,115,193	1,950,724	-	1,189,754	717,202	-
Charges for Services	76,874	-	-	-	144	-	-
Special Assessments and Fees	-	-	-	-	-	-	175,670
Fines and Forfeitures	-	-	-	79,440	-	-	-
Investment Earnings	189,362	267,536	535,564	729	66,146	284	-
Miscellaneous	-	-	-	-	-	5,000	-
Total Revenues	<u>5,789,535</u>	<u>4,382,729</u>	<u>2,486,288</u>	<u>80,169</u>	<u>1,256,044</u>	<u>722,486</u>	<u>175,670</u>
<b>EXPENDITURES</b>							
Community and Economic Development	-	-	-	-	1,066,206	-	-
Parks and Recreation	522,965	-	-	-	-	-	233,703
Public Safety - Fire	2,408,197	-	-	-	-	572,152	-
Public Safety - Police	1,941,389	-	-	-	-	397,035	-
Debt Service - Principal	-	-	-	-	276,000	-	-
Debt Service - Interest and Charges	-	-	-	-	3,864	-	-
Total Expenditures	<u>4,872,551</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,346,070</u>	<u>969,187</u>	<u>233,703</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	916,984	4,382,729	2,486,288	80,169	(90,026)	(246,701)	(58,033)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	-	-	-	-	-	-	-
Transfers Out	(606,426)	(5,219,688)	(6,200,480)	(80,122)	(63,707)	-	-
Total Other Financing Sources (Uses)	<u>(606,426)</u>	<u>(5,219,688)</u>	<u>(6,200,480)</u>	<u>(80,122)</u>	<u>(63,707)</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	310,558	(836,959)	(3,714,192)	47	(153,733)	(246,701)	(58,033)
Fund Balances - Beginning of Year	<u>4,729,041</u>	<u>5,038,829</u>	<u>13,016,522</u>	<u>15,975</u>	<u>10,915,079</u>	<u>109,569</u>	<u>88,673</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 5,039,599</u>	<u>\$ 4,201,870</u>	<u>\$ 9,302,330</u>	<u>\$ 16,022</u>	<u>\$ 10,761,346</u>	<u>\$ (137,132)</u>	<u>\$ 30,640</u>

**CITY OF PORTERVILLE  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2024**

	Special Revenue				Debt Service General Government	Total Nonmajor Governmental Funds
	Transportation Development	Park Development	Storm Drain Development	Building Constructions		
<b>REVENUES</b>						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,523,299
Intergovernmental	-	-	-	-	-	7,972,873
Charges for Services	-	-	-	-	-	77,018
Special Assessments and Fees	254,458	36,552	224,651	-	-	691,331
Fines and Forfeitures	-	-	-	-	-	79,440
Investment Earnings	117,608	116	143,102	8,806	3,607	1,332,860
Miscellaneous	-	-	-	-	-	5,000
Total Revenues	<u>372,066</u>	<u>36,668</u>	<u>367,753</u>	<u>8,806</u>	<u>3,607</u>	<u>15,681,821</u>
<b>EXPENDITURES</b>						
Community and Economic Development	-	-	-	-	-	1,066,206
Parks and Recreation	-	-	-	-	-	756,668
Public Safety - Fire	-	-	-	-	-	2,980,349
Public Safety - Police	-	-	-	-	-	2,338,424
Debt Service - Principal	-	-	-	-	1,186,508	1,462,508
Debt Service - Interest and Charges	-	-	-	-	441,614	445,478
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,628,122</u>	<u>9,049,633</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	372,066	36,668	367,753	8,806	(1,624,515)	6,632,188
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	-	-	2,174,857	2,174,857
Transfers Out	(150,000)	(36,668)	(6,989)	(5,477)	-	(12,369,557)
Total Other Financing Sources (Uses)	<u>(150,000)</u>	<u>(36,668)</u>	<u>(6,989)</u>	<u>(5,477)</u>	<u>2,174,857</u>	<u>(10,194,700)</u>
<b>NET CHANGE IN FUND BALANCES</b>	222,066	-	360,764	3,329	550,342	(3,562,512)
Fund Balances - Beginning of Year	<u>2,256,279</u>	<u>-</u>	<u>2,770,780</u>	<u>166,248</u>	<u>48,421</u>	<u>39,155,416</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 2,478,345</u>	<u>\$ -</u>	<u>\$ 3,131,544</u>	<u>\$ 169,577</u>	<u>\$ 598,763</u>	<u>\$ 35,592,904</u>

**CITY OF PORTERVILLE  
PUBLIC SAFETY SALES TAX FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2024**

	Original and Final Budgeted Amounts	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Sales Taxes	\$ 5,350,000	\$ 5,523,299	\$ 173,299
Charges for Services	73,000	76,874	3,874
Investment Earnings	60,000	189,362	129,362
Miscellaneous	2,500	-	(2,500)
Total Revenues	5,485,500	5,789,535	304,035
 <b>EXPENDITURES</b>			
Parks and Recreation	662,646	522,965	139,681
Public Safety - Fire	2,336,023	2,408,197	(72,174)
Public Safety - Police	1,973,495	1,941,389	32,106
Total Expenditures	4,972,164	4,872,551	99,613
 <b>OTHER FINANCING USES</b>			
Transfers Out	(540,000)	(606,426)	(66,426)
Total Other Financing Uses	(540,000)	(606,426)	(66,426)
 <b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (26,664)</b>	310,558	<b>\$ 337,222</b>
 Fund Balance - Beginning of Year		4,729,041	
 <b>FUND BALANCE - END OF YEAR</b>		<b>\$ 5,039,599</b>	

**CITY OF PORTERVILLE  
GAS TAX FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2024**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Intergovernmental:			
State Gasoline Tax Section 2103	\$ 580,403	\$ 569,913	\$ (10,490)
State Gasoline Tax Section 2105	393,057	380,070	(12,987)
State Gasoline Tax Section 2106	216,514	219,198	2,684
State Gasoline Tax Section 2107	471,452	514,457	43,005
State Gasoline Tax Section 2107.5	7,500	7,500	-
State Grants	2,325,412	2,424,055	98,643
Federal Grants	<u>660,000</u>	<u>-</u>	<u>(660,000)</u>
Total Intergovernmental	4,654,338	4,115,193	(539,145)
Investments Earnings	<u>-</u>	<u>267,536</u>	<u>267,536</u>
Total Revenues	4,654,338	4,382,729	(271,609)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	<u>(8,047,791)</u>	<u>(5,219,688)</u>	<u>2,828,103</u>
Total Other Financing Sources (Uses)	<u>(8,047,791)</u>	<u>(5,219,688)</u>	<u>2,828,103</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (3,393,453)</u>	(836,959)	<u>\$ 2,556,494</u>
Fund Balance - Beginning of Year		<u>5,038,829</u>	
<b>FUND BALANCE - END OF YEAR</b>		<u>\$ 4,201,870</u>	

**CITY OF PORTERVILLE  
LOCAL TRANSPORTATION TAX FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2024**

	Original and Final Budgeted Amounts	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Intergovernmental:			
State Gasoline Tax - LTF	\$ 2,700,000	\$ -	\$ (2,700,000)
Sales Tax - County Measure R	13,349,500	1,695,264	(11,654,236)
Federal Grants	<u>-</u>	<u>255,460</u>	<u>255,460</u>
Total Intergovernmental	16,049,500	1,950,724	(14,098,776)
Investments Earnings	<u>-</u>	<u>535,564</u>	<u>535,564</u>
Total Revenues	<u>16,049,500</u>	<u>2,486,288</u>	<u>(13,563,212)</u>
 <b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	<u>(34,735,051)</u>	<u>(6,200,480)</u>	<u>28,534,571</u>
Total Other Financing Sources (Uses)	<u>(34,735,051)</u>	<u>(6,200,480)</u>	<u>28,534,571</u>
 <b>NET CHANGE IN FUND BALANCE</b>	 <u><u>\$ (18,685,551)</u></u>	 <u>(3,714,192)</u>	 <u><u>\$ 14,971,359</u></u>
 Fund Balance - Beginning of Year		 <u>13,016,522</u>	
 <b>FUND BALANCE - END OF YEAR</b>		 <u><u>\$ 9,302,330</u></u>	

**CITY OF PORTERVILLE  
TRAFFIC SAFETY FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2024**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Fines and Forfeitures:			
Penal Code Fines	\$ 100,000	\$ 79,440	\$ (20,560)
Investments Earnings	<u>1,000</u>	<u>729</u>	<u>(271)</u>
Total Revenues	<u>101,000</u>	<u>80,169</u>	<u>(20,831)</u>
 <b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	<u>(101,000)</u>	<u>(80,122)</u>	<u>20,878</u>
Total Other Financing Sources (Uses)	<u>(101,000)</u>	<u>(80,122)</u>	<u>20,878</u>
 <b>NET CHANGE IN FUND BALANCE</b>	 <u><u>\$ -</u></u>	 <u>47</u>	 <u><u>\$ 47</u></u>
 Fund Balance - Beginning of Year		 <u>15,975</u>	
 <b>FUND BALANCE - END OF YEAR</b>		 <u><u>\$ 16,022</u></u>	

**CITY OF PORTERVILLE  
COMMUNITY DEVELOPMENT BLOCK GRANT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2024**

	Original and Final Budgeted Amounts	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Intergovernmental:			
State Grants	\$ 400,000	\$ 480,833	\$ 80,833
Federal Grants	800,000	708,921	(91,079)
Charges for Services	144	144	-
Investment Earnings	70,000	66,146	(3,854)
Total Revenues	1,270,144	1,256,044	(14,100)
 <b>EXPENDITURES</b>			
Current:			
Community Development	171,600	1,066,206	(894,606)
Debt Service:			
Principal	276,000	276,000	-
Interest and Administrative Charges	3,864	3,864	-
Total Expenditures	451,464	1,346,070	(894,606)
 <b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	(2,300,000)	(63,707)	2,236,293
 <b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (1,481,320)</b>	<b>(153,733)</b>	<b>\$ 1,327,587</b>
 Fund Balance - Beginning of Year		10,915,079	
 <b>FUND BALANCE - END OF YEAR</b>		<b>\$ 10,761,346</b>	

**CITY OF PORTERVILLE  
PUBLIC SAFETY GRANT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2024**

	Original and Final Budgeted Amounts	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Intergovernmental:			
State Grants	\$ 210,475	\$ 186,159	\$ (24,316)
Federal Grants	669,853	449,482	(220,371)
Other Grants	-	81,561	81,561
Total Intergovernmental	880,328	717,202	(163,126)
Investment Earnings	200	284	84
Other	-	5,000	5,000
Total Revenues	880,528	722,486	(158,042)
<b>EXPENDITURES</b>			
Public Safety - Fire	554,028	572,152	(18,124)
Public Safety - Police	567,158	397,035	170,123
Total Expenditures	1,121,186	969,187	151,999
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (240,658)</b>	<b>(246,701)</b>	<b>\$ (6,043)</b>
Fund Balance - Beginning of Year		109,569	
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>		<b>\$ (137,132)</b>	

**CITY OF PORTERVILLE  
LANDSCAPE MAINTENANCE DISTRICT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2024**

	Original and Final Budgeted Amounts	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Special Assessments	\$ 186,000	\$ 175,670	\$ (10,330)
<b>EXPENDITURES</b>			
Parks and Leisure Services: Cost of Services	235,903	233,703	2,200
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (49,903)</b>	<b>(58,033)</b>	<b>\$ (8,130)</b>
Fund Balance - Beginning of Year		88,673	
<b>FUND BALANCE - END OF YEAR</b>		<b>\$ 30,640</b>	

**CITY OF PORTERVILLE  
TRANSPORTATION DEVELOPMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2024**

	Original and Final Budgeted Amounts	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Transportation Impact Fees	\$ 180,000	\$ 254,458	\$ 74,458
Investments Earnings	30,000	117,608	87,608
Total Revenues	210,000	372,066	162,066
 <b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	(150,000)	(150,000)	-
 <b>NET CHANGE IN FUND BALANCE</b>	 \$ 60,000	 222,066	 \$ 162,066
Fund Balance - Beginning of Year		2,256,279	
 <b>FUND BALANCE - END OF YEAR</b>		 \$ 2,478,345	

**CITY OF PORTERVILLE  
PARK DEVELOPMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2024**

	Original and Final Budgeted Amounts	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Park Impact Fees	\$ 50,000	\$ 36,552	\$ (13,448)
Investments Earnings	100	116	16
Total Revenues	50,100	36,668	(13,432)
 <b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	(50,100)	(36,668)	13,432
 <b>NET CHANGE IN FUND BALANCE</b>	\$ -	-	\$ -
Fund Balance - Beginning of Year		-	
 <b>FUND BALANCE - END OF YEAR</b>		\$ -	

**CITY OF PORTERVILLE  
STORM DRAIN DEVELOPMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2024**

	Original and Final Budgeted Amounts	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Storm Drain Impact Fees	\$ 200,000	\$ 224,651	\$ 24,651
Investments Earnings	30,000	143,102	113,102
Total Revenues	230,000	367,753	137,753
 <b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	(2,803,124)	(6,989)	2,796,135
 <b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (2,573,124)</b>	<b>360,764</b>	<b>\$ 2,933,888</b>
Fund Balance - Beginning of Year		2,770,780	
 <b>FUND BALANCE - END OF YEAR</b>		<b>\$ 3,131,544</b>	

**CITY OF PORTERVILLE  
BUILDING CONSTRUCTION FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2024**

	Original and Final Budgeted Amounts	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Investments Earnings	\$ 2,000	\$ 8,806	\$ 6,806
Total Revenues	2,000	8,806	6,806
 <b>OTHER FINANCING USES</b>			
Transfers Out	(2,000)	(5,477)	(3,477)
 <b>NET CHANGE IN FUND BALANCE</b>	\$ -	3,329	\$ 3,329
Fund Balance - Beginning of Year		166,248	
 <b>FUND BALANCE - END OF YEAR</b>		\$ 169,577	

**CITY OF PORTERVILLE  
GENERAL GOVERNMENT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2024**

	Original and Final Budgeted Amounts	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Investment Earnings	\$ 3,000	\$ 3,607	\$ 607
<b>EXPENDITURES</b>			
Debt Service - Principal	1,186,508	1,186,508	-
Debt Service - Interest	441,814	441,614	200
Total Expenditures	1,628,322	1,628,122	200
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,625,322)	(1,624,515)	407
<b>OTHER FINANCING SOURCES</b>			
Transfers In	1,626,622	2,174,857	548,235
<b>NET CHANGE IN FUND BALANCE</b>	\$ 1,300	550,342	\$ 548,642
Fund Balance - Beginning of Year		48,421	
<b>FUND BALANCE - END OF YEAR</b>		\$ 598,763	

**CITY OF PORTERVILLE  
NONMAJOR ENTERPRISE FUNDS  
YEAR ENDED JUNE 30, 2024**

Enterprise funds are used to account for operations that provide goods or services to the general public on a continuing basis and are financed primarily through user charges.

**Zalud House Fund**

This fund was established to account for the original gift of money and assets from the Pearle Zalud Estate. It is now used to account for the operations of the Zalud House Museum.

**Transit Operations Fund**

This fund was established to account for the operations of the local transit system. Revenue sources include Local Transportation Fund, State Transit Assistance Fund, federal and state grants, and farebox revenues. In July 2022, operations were transferred to the Tulare County Regional Transit Agency.

**Golf Course Fund**

This fund was established to account for all revenues and expenses incurred in the operation of the Porterville Municipal Golf Course. The principal source of revenue for this fund is green fees.

**CITY OF PORTERVILLE  
COMBINING STATEMENT OF NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
JUNE 30, 2024**

	Zalud House	Transit Operations	<i>Formerly Non- Major Fund Airport Operations</i>	Golf Course	Total Nonmajor Enterprise Funds
<b>ASSETS</b>					
Current Assets:					
Cash and Investments	\$ -	\$ -		\$ -	\$ -
Receivables - Misc, Net of Allowance for Uncollectibles	-	1,364,666		10,799	1,375,465
Total Current Assets	-	1,364,666		10,799	1,375,465
Noncurrent Assets:					
Net Pension Asset	-	19,667		-	19,667
Capital Assets:					
Land	23,240	352,599		102,048	477,887
Buildings	75,526	2,757,699		71,219	2,904,444
Improvements Other Than Buildings	3,547	3,513,979		385,918	3,903,444
Machinery and Equipment	63,341	22,074,226		344,610	22,482,177
Infrastructure	-	4,322,270		-	4,322,270
Lease Assets	-	-		117,854	117,854
Less: Accumulated Depreciation/Amortization	(137,549)	(19,070,602)		(672,790)	(19,880,941)
Total Noncurrent Assets	28,105	13,969,838		348,859	14,346,802
 Total Assets	 28,105	 15,334,504		 359,658	 15,722,267
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Pension-Related Items	-	-		54,443	54,443
Deferred OPEB-Related Items	-	1,314		2,030	3,344
Total Deferred Outflows of Resources	-	1,314		56,473	57,787

**CITY OF PORTERVILLE**  
**COMBINING STATEMENT OF NET POSITION (CONTINUED)**  
**NONMAJOR ENTERPRISE FUNDS**  
**JUNE 30, 2024**

	Zalud House	Transit Operations	<i>Formerly Non- Major Fund Airport Operations</i>	Golf Course	Total Nonmajor Enterprise Funds
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts and Other Payables	\$ 1,099	\$ 58,602		\$ 31,087	\$ 90,788
Payroll Payable	1,636	5,546		8,260	15,442
Interfund Payable	11,159	857,956		2,077,918	2,947,033
Lease Liability	-	-		22,576	22,576
Compensated Absences Payable	-	-		8,237	8,237
Other Postemployment Benefits Liability	-	121		2,907	3,028
Total Current Liabilities	<u>13,894</u>	<u>922,225</u>		<u>2,151,544</u>	<u>3,087,663</u>
Noncurrent Liabilities:					
Compensated Absences Payable	-	-		4,172	4,172
Lease Liability	-	-		77,733	77,733
Net Pension Liability	-	-		330,276	330,276
Other Postemployment Benefits Liability	-	39,283		107,065	146,348
Total Noncurrent Liabilities	<u>-</u>	<u>39,283</u>		<u>519,246</u>	<u>558,529</u>
Total Liabilities	13,894	961,508		2,670,790	3,646,192
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Pension-Related Items	-	125,500		-	125,500
Deferred OPEB-Related Items	-	18,265		23,496	41,761
Total Deferred Inflow of Resources	<u>-</u>	<u>143,765</u>		<u>23,496</u>	<u>167,261</u>
<b>NET POSITION</b>					
Net Investment in Capital Assets	28,105	13,950,171		228,263	14,206,539
Restricted - Pension	-	19,667		-	19,667
Unrestricted	(13,894)	260,707		(2,506,418)	(2,259,605)
Total Net Position	<u>\$ 14,211</u>	<u>\$ 14,230,545</u>		<u>\$ (2,278,155)</u>	<u>\$ 11,966,601</u>

**CITY OF PORTERVILLE**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**YEAR ENDED JUNE 30, 2024**

	Zalud House	Transit Operations	<i>Formerly Non- Major Fund Airport Operations</i>	Golf Course	Total Nonmajor Enterprise Funds
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 4,436	\$ 1,376,634		\$ 381,890	\$ 1,762,960
Other Revenues	-	-		683	683
Total Operating Revenues	<u>4,436</u>	<u>1,376,634</u>		<u>382,573</u>	<u>1,763,643</u>
<b>OPERATING EXPENSES</b>					
Cost of Sales and Services	35,703	994,153		115,598	1,145,454
General and Administrative	6,483	1,021,613		477,401	1,505,497
Depreciation/Amortization	2,284	2,601,186		50,777	2,654,247
Total Operating Expenses	<u>44,470</u>	<u>4,616,952</u>	<u>-</u>	<u>643,776</u>	<u>5,305,198</u>
<b>OPERATING INCOME (LOSS)</b>	(40,034)	(3,240,318)		(261,203)	(3,541,555)
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment Earnings	1,023	375		17,448	18,846
Interest Expense	-	-		(6,125)	(6,125)
Sale of Capital Assets	-	7,458		3,875	11,333
Total Nonoperating Revenues (Expenses)	<u>1,023</u>	<u>7,833</u>	<u>-</u>	<u>15,198</u>	<u>24,054</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	(39,011)	(3,232,485)	-	(246,005)	(3,517,501)
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>					
Transfers In	10,000	-		69,000	79,000
<b>CHANGE IN NET POSITION</b>	(29,011)	(3,232,485)	-	(177,005)	(3,438,501)
Net Position - Beginning of Year	43,222	17,463,030		(2,101,150)	15,405,102
<b>NET POSITION - END OF YEAR</b>	<u>\$ 14,211</u>	<u>\$ 14,230,545</u>	<u>\$ -</u>	<u>\$ (2,278,155)</u>	<u>\$ 11,966,601</u>

**CITY OF PORTERVILLE  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
YEAR ENDED JUNE 30, 2024**

	Zalud House	Transit Operations	<i>Formerly Non- Major Fund Airport Operations</i>	Golf Course	Total Nonmajor Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from Customers	\$ 4,436	\$ 484,499		\$ 371,774	\$ 860,709
Payments to Employees	(31,629)	(25,863)		(212,492)	(269,984)
Payments to Suppliers and Others	(10,033)	(1,930,613)		(347,609)	(2,288,255)
Net Cash Used by Operating Activities	(37,226)	(1,471,977)		(188,327)	(1,697,530)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Receipts from Interfund	11,159	857,956		131,671	1,000,786
Intergovernmental - Operating Assistance		-		-	-
Subsidy from Federal and State Grants	-	504,044		-	504,044
Transfers In from Other Funds	10,000	-		69,000	79,000
Net Cash Provided by Noncapital Financing Activities	21,159	1,362,000		200,671	1,583,830
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Construction and Other Capital Projects	-	-		-	-
Interest Paid on Long-Term Debt	-	-		(5,566)	(5,566)
Principal Payments on Long-Term Debt	-	-		(17,545)	(17,545)
Purchase of Capital Assets	-	-		(10,556)	(10,556)
Sale of Capital Assets	-	7,458		3,875	11,333
Subsidy from Federal and State Grants	-	-		-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	-	7,458		(29,792)	(22,334)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on Investments	1,023	375		17,448	18,846
Net Cash Provided by Investing Activities	1,023	375		17,448	18,846
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>					
	(15,044)	(102,144)		-	(117,188)
Cash and Cash Equivalents - Beginning of Year	15,044	102,144		-	117,188
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>					
	\$ -	\$ -		\$ -	\$ -

**CITY OF PORTERVILLE  
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)  
NONMAJOR ENTERPRISE FUNDS  
YEAR ENDED JUNE 30, 2024**

	Zalud House	Transit Operations	<i>Formerly Non- Major Fund Airport Operations</i>	Golf Course	Total Nonmajor Enterprise Funds
<b>RECONCILIATION OF OPERATING LOSS (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating Loss	\$ (40,034)	\$ (3,240,318)		\$ (261,203)	\$ (3,541,555)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:					
Depreciation and Amortization	2,284	2,601,186		50,777	2,654,247
Changes in Assets and Liabilities:					
Accounts Payable	571	53,598		2,053	56,222
Compensated Absences	-	-		1,260	1,260
Customer Receivable	-	(892,135)		(10,799)	(902,934)
Net Pension Liability	-	-		(2,616)	(2,616)
Deferred Outflow - Pension-Related Items	-	-		43,002	43,002
Deferred Inflow - Pension-Related Items	-	-		(13,511)	(13,511)
Other Postemployment Benefits Liability	-	173		4,167	4,340
Deferred Outflow - OPEB-Related Items	-	27		643	670
Deferred Inflow - OPEB-Related Items	-	(54)		(1,300)	(1,354)
Salaries and Benefits Payable	(47)	5,546		(800)	4,699
Net Cash Used by Operating Activities	<u>\$ (37,226)</u>	<u>\$ (1,471,977)</u>		<u>\$ (188,327)</u>	<u>\$ (1,697,530)</u>
<b>SCHEDULE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of Capital Assets on Account	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>
Execution of Agreements for the City's Right-To-Use Subscription Assets	<u>\$ -</u>	<u>\$ -</u>		<u>\$ 117,854</u>	<u>\$ 117,854</u>
Unrealized Increase (Decrease) in Fair Market Value of Investments	<u>\$ 192</u>	<u>\$ -</u>		<u>\$ -</u>	<u>\$ 192</u>

**CITY OF PORTERVILLE  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2024**

Internal Service Funds are used to account for the financing of goods or services provided by one department of the City to other departments on a cost-reimbursement basis.

**Risk Management Fund**

This fund was created for the purpose of identifying, controlling, preventing, and transferring risk and to manage the City's insurance programs including liability, worker's compensation, unemployment, property, and employee health. The City is self-insured for liability claims below the amount covered by the City's insurance carriers. This fund accounts for these self-insured claims as well as the payments of the premiums for the excess liability insurance coverage. Revenues are derived from charges to departments and interest income.

**Equipment Management Fund**

This fund was established to account for the activities pertaining to the acquisition, maintenance, and repair of City vehicles and equipment. The cost of labor, replacement parts, and fuel are tabulated on a monthly basis and charged to the user departments. The funds derived from such charges are used to maintain operations of this fund.

**CITY OF PORTERVILLE  
COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2024**

	Risk Management	Equipment Management	Total Internal Service Funds
<b>ASSETS</b>			
Current Assets:			
Cash and Investments	\$ -	\$ 1,070,114	\$ 1,070,114
Receivables, Net of Allowance for Uncollectibles	28,882	82,081	110,963
Intergovernmental Receivable	-	8,292	8,292
Total Current Assets	28,882	1,160,487	1,189,369
Noncurrent Assets:			
Capital Assets:			
Improvements Other Than Buildings	-	11,952	11,952
Machinery and Equipment	-	1,496,354	1,496,354
Less: Accumulated Depreciation	-	(963,978)	(963,978)
Total Noncurrent Assets	-	544,328	544,328
Total Assets	28,882	1,704,815	1,733,697
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Pension-Related Items	34,514	141,579	176,093
Deferred OPEB-Related Items	1,354	8,576	9,930
Total Deferred Outflows of Resources	35,868	150,155	186,023
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts and Other Payables	592,871	441,146	1,034,017
Payroll Payable	15,712	42,047	57,759
Interfund Payable	3,170,166	-	3,170,166
Accrued Claims	1,321,418	-	1,321,418
Compensated Absences Payable	4,384	22,629	27,013
Total Other Postemployment Liability	2,907	11,263	14,170
Total Current Liabilities	5,107,458	517,085	5,624,543
Noncurrent Liabilities:			
Accrued Claims	4,909,812	-	4,909,812
Compensated Absences Payable	2,751	8,465	11,216
Net Pension Liability	384,939	1,360,265	1,745,204
Total Other Postemployment Liability	57,706	329,077	386,783
Total Noncurrent Liabilities	5,355,208	1,697,807	7,053,015
Total Liabilities	10,462,666	2,214,892	12,677,558
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Pension-Related Items	46,579	19,991	66,570
Deferred OPEB-Related Items	18,586	86,009	104,595
Total Deferred Inflows of Resources	65,165	106,000	171,165
<b>NET POSITION</b>			
Net Investment in Capital Assets	-	544,328	544,328
Unrestricted	(10,463,081)	(1,010,250)	(11,473,331)
Total Net Position	\$ (10,463,081)	\$ (465,922)	\$ (10,929,003)

**CITY OF PORTERVILLE  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2024**

	Risk Management	Equipment Management	Total Internal Service Funds
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 9,191,020	\$ 5,048,538	\$ 14,239,558
Other Revenues	98	49,351	49,449
Total Operating Revenues	9,191,118	5,097,889	14,289,007
<b>OPERATING EXPENSES</b>			
Cost of Sales and Services	11,907,203	3,824,991	15,732,194
General and Administrative	381,598	1,243,077	1,624,675
Depreciation/Amortization	-	89,521	89,521
Total Operating Expenses	12,288,801	5,157,589	17,446,390
<b>OPERATING LOSS</b>	(3,097,683)	(59,700)	(3,157,383)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment Earnings	-	59,946	59,946
Total Nonoperating Revenues (Expenses)	-	59,946	59,946
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	(3,097,683)	246	(3,097,437)
<b>TRANSFERS OUT</b>	(227,814)	-	(227,814)
<b>CHANGE IN NET POSITION</b>	(3,325,497)	246	(3,325,251)
Net Position - Beginning of Year	(7,137,584)	(466,168)	(7,603,752)
<b>NET POSITION - END OF YEAR</b>	\$ (10,463,081)	\$ (465,922)	\$ (10,929,003)

**CITY OF PORTERVILLE  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2024**

	<u>Risk Management</u>	<u>Equipment Management</u>	<u>Total Internal Service Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers	\$ 9,201,651	\$ 5,063,125	\$ 14,264,776
Payments to Employees	(317,443)	(996,270)	(1,313,713)
Payments to Suppliers and Others	<u>(10,447,658)</u>	<u>(3,834,403)</u>	<u>(14,282,061)</u>
Net Cash Provided (Used) by Operating Activities	(1,563,450)	232,452	(1,330,998)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Receipts from Interfund	1,791,264	-	1,791,264
Transfers Out to Other Funds	<u>(227,814)</u>	<u>-</u>	<u>(227,814)</u>
Net Cash Provided (Used) by Noncapital Financing Activities	1,563,450	-	1,563,450
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of Capital Assets	<u>-</u>	<u>(28,334)</u>	<u>(28,334)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(28,334)	(28,334)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on Investments	<u>-</u>	<u>59,940</u>	<u>59,940</u>
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>59,940</u>	<u>59,940</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	-	264,058	264,058
Cash and Cash Equivalents - Beginning of Year	<u>-</u>	<u>806,056</u>	<u>806,056</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 1,070,114</u>	<u>\$ 1,070,114</u>

**CITY OF PORTERVILLE  
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2024**

	Risk Management	Equipment Management	Total Internal Service Funds
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating Loss	\$ (3,097,683)	\$ (59,700)	\$ (3,157,383)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	-	89,521	89,521
Changes In Assets And Liabilities:			
Accounts Payable	95,898	98,208	194,106
Accrued Claims	1,368,812	-	1,368,812
Compensated Absences	1,818	(542)	1,276
Customer Receivable	10,533	(35,915)	(25,382)
Intergovernmental Receivable	-	1,151	1,151
Net Pension Liability	23,900	16,416	40,316
Deferred Outflow - Pension-Related Items	31,930	123,908	155,838
Deferred Inflow - Pension-Related Items	(6,470)	(16,263)	(22,733)
Other Postemployment Benefits Liability	4,166	16,145	20,311
Deferred Outflow - OPEB-Related Items	644	2,494	3,138
Deferred Inflow - OPEB-Related Items	(1,300)	(5,037)	(6,337)
Salaries and Benefits Payable	4,302	2,066	6,368
Net Cash Provided (Used) by Operating Activities	\$ (1,563,450)	\$ 232,452	\$ (1,330,998)
<b>SCHEDULE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Unrealized Increase (Decrease) in Fair Market Value of Investments	\$ -	\$ 23,169	\$ 23,169

**Statistical Section**



**CITY OF PORTERVILLE  
STATISTICAL SECTION  
YEAR ENDED JUNE 30, 2024**

This part of the City of Porterville’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

Contents	Page
Financial Trends	156
These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.	
Revenue Capacity	162
These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.	
Debt Capacity	175
These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.	
Demographic and Economic Information	179
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.	
Operating Information	181
These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

**CITY OF PORTERVILLE**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(IN THOUSANDS)**

	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
Governmental activities:										
Net investment in capital assets	\$ 376,078	\$ 376,681	\$ 380,683	\$ 384,474	\$ 387,285	\$ 388,794	\$ 393,491	\$ 395,304	\$ 400,697	\$ 420,889
Restricted	26,482	25,262	25,297	26,719	28,274	32,617	32,570	37,814	41,061	37,468
Unrestricted	(18,340)	(17,650)	(10,323)	(20,249)	(19,456)	(20,017)	(13,683)	(1,853)	5,839	734
Total governmental activities net position	<u>\$ 384,220</u>	<u>\$ 384,293</u>	<u>\$ 395,657</u>	<u>\$ 390,944</u>	<u>\$ 396,103</u>	<u>\$ 401,394</u>	<u>\$ 412,378</u>	<u>\$ 431,265</u>	<u>\$ 447,597</u>	<u>\$ 459,091</u>
Business-type activities:										
Net investment in capital assets	\$ 47,096	\$ 52,217	\$ 51,993	\$ 54,180	\$ 62,142	\$ 66,712	\$ 65,993	\$ 71,299	\$ 79,095	\$ 90,587
Restricted	3,297	3,326	3,373	3,434	-	-	-	-	-	20
Unrestricted	16,239	15,222	24,660	26,393	32,760	37,993	44,832	45,980	44,849	41,885
Total business-type activities net position	<u>\$ 66,632</u>	<u>\$ 70,765</u>	<u>\$ 80,026</u>	<u>\$ 84,007</u>	<u>\$ 94,902</u>	<u>\$ 104,705</u>	<u>\$ 110,825</u>	<u>\$ 117,279</u>	<u>\$ 123,944</u>	<u>\$ 132,492</u>
Primary government:										
Net investment in capital assets	\$ 423,174	\$ 428,898	\$ 432,676	\$ 438,654	\$ 449,427	\$ 455,506	\$ 459,484	\$ 466,603	\$ 479,792	\$ 511,476
Restricted	29,779	28,588	28,670	30,153	28,274	32,617	32,570	37,814	41,061	37,488
Unrestricted	(2,101)	(2,428)	14,337	6,144	13,304	17,976	31,149	44,127	50,688	42,619
Total primary government net position	<u>\$ 450,852</u>	<u>\$ 455,058</u>	<u>\$ 475,683</u>	<u>\$ 474,951</u>	<u>\$ 491,005</u>	<u>\$ 506,099</u>	<u>\$ 523,203</u>	<u>\$ 548,544</u>	<u>\$ 571,541</u>	<u>\$ 591,583</u>

Note: In fiscal year 2017-2018, certain amounts of governmental activities net position were reclassified to show certain restrictions. These amounts have no effect on the results of activities. For consistency with the fiscal year 2017-2018 presentation, the components of governmental activities net position for fiscal years 2014-2015 through 2016-2017 were also reclassified.

**CITY OF PORTERVILLE  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(IN THOUSANDS)**

	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
<b>EXPENSES</b>										
Governmental activities:										
Community and economic development	\$ 1,572	\$ 2,156	\$ 725	\$ 1,594	\$ 1,250	\$ 1,755	\$ 1,696	\$ 1,675	\$ 2,630	\$ 2,712
General government	3,197	3,213	2,129	3,415	3,305	3,902	4,391	6,273	8,213	6,680
Parks and recreation	5,865	6,550	5,362	7,332	7,514	8,003	9,244	7,858	8,610	7,665
Public safety - fire	4,283	4,660	5,080	6,805	6,263	7,490	8,533	6,285	8,536	11,128
Public safety - police	10,174	10,765	11,233	13,822	13,630	16,001	18,010	11,972	15,922	20,319
Public works	7,271	5,679	4,782	6,583	6,338	7,590	8,134	7,772	9,607	11,876
Interest on long-term debt	1,203	1,122	1,088	1,045	991	926	871	898	749	791
Total governmental activities expenses	<u>33,565</u>	<u>34,145</u>	<u>30,399</u>	<u>40,596</u>	<u>39,291</u>	<u>45,667</u>	<u>50,879</u>	<u>42,733</u>	<u>54,267</u>	<u>61,171</u>
Business-type activities:										
Airport	1,570	1,619	1,723	1,729	1,449	1,295	1,685	2,017	2,028	2,344
Golf course	358	373	358	449	452	445	502	491	562	669
Sewer	6,654	6,976	6,466	7,145	7,357	7,827	7,967	7,800	8,463	8,825
Solid waste	5,574	5,568	5,428	6,185	6,375	6,996	7,213	6,798	7,869	8,750
Transit	3,258	4,459	4,584	4,910	5,563	6,718	6,088	6,631	4,236	4,649
Water	5,544	5,695	7,164	7,106	7,742	7,786	9,285	9,066	11,114	11,473
Zalud estate	21	26	29	27	27	30	19	44	42	45
Total business-type activities expenses	<u>22,979</u>	<u>24,716</u>	<u>25,752</u>	<u>27,551</u>	<u>28,965</u>	<u>31,097</u>	<u>32,759</u>	<u>32,847</u>	<u>34,314</u>	<u>36,755</u>
Total primary government expenses	<u>\$ 56,544</u>	<u>\$ 58,861</u>	<u>\$ 56,151</u>	<u>\$ 68,147</u>	<u>\$ 68,256</u>	<u>\$ 76,764</u>	<u>\$ 83,638</u>	<u>\$ 75,580</u>	<u>\$ 88,581</u>	<u>\$ 97,926</u>
<b>PROGRAM REVENUES</b>										
Governmental activities:										
Charges for services:										
Community and economic development	\$ 51	\$ 29	\$ 36	\$ 136	\$ 56	\$ 90	\$ 174	\$ 69	\$ 131	\$ 112
General government	1,786	2,037	2,554	2,622	2,628	2,662	2,646	2,724	2,701	3,020
Parks and recreation	1,766	2,007	2,378	2,673	2,945	2,725	2,213	2,633	2,726	658
Public safety - fire	77	104	331	229	385	191	41	207	566	338
Public safety - police	530	411	388	526	518	487	321	539	664	580
Public works	355	303	427	569	432	331	860	116	213	3,124
Operating grants and contributions:										
Community and economic development	904	887	554	719	887	635	1,389	1,243	1,274	1,588
General government	523	511	491	524	508	610	613	3,082	3,324	1,250
Parks and recreation	89	297	264	126	123	110	2,144	154	284	1,251
Public safety - fire	61	72	2	--	--	--	546	577	132	201
Public safety - police	427	354	367	273	239	337	707	628	480	1,073
Public works	1,884	2,022	1,932	3,836	2,641	2,817	3,846	4,656	4,660	4,261
Capital grants and contributions:										
Community and economic development	--	--	101	--	--	--	--	--	--	--
General government	--	--	--	--	409	212	--	--	1,056	--
Parks and recreation	510	183	428	138	125	2,855	3,102	385	291	1,687
Public safety - fire	27	--	--	--	33	--	180	--	--	--
Public safety - police	21	--	--	62	162	12	150	16	3,441	2,050
Public works	11,688	2,653	6,556	4,008	5,228	4,895	4,536	5,723	5,190	2,798
Total governmental activities program revenues	<u>20,699</u>	<u>11,870</u>	<u>16,809</u>	<u>16,441</u>	<u>17,319</u>	<u>18,969</u>	<u>23,468</u>	<u>22,752</u>	<u>27,133</u>	<u>23,991</u>

**CITY OF PORTERVILLE  
CHANGES IN NET POSITION (CONTINUED)  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(IN THOUSANDS)**

	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
Business-type activities:										
Charges for services:										
Airport	1,343	1,591	1,831	1,650	1,251	1,159	1,961	2,054	1,523	1,799
Golf course	208	198	176	170	160	158	261	257	254	382
Sewer	7,253	7,574	8,527	7,512	7,574	7,975	7,888	8,399	8,010	9,332
Solid waste	5,793	5,970	5,902	5,996	6,045	6,151	6,341	6,649	6,937	8,982
Transit	622	626	643	682	669	531	268	388	1,276	1,377
Water	4,676	5,766	10,856	11,557	11,639	12,194	13,034	13,472	12,464	12,481
Zalud estate	6	4	10	8	6	5	1	6	7	4
Operating grants and contributions:										
Airport	10	10	25	63	10	10	40	23	42	10
Sewer	--	--	--	--	150	--	--	--	--	--
Solid waste	6	578	23	22	35	25	15	19	75	221
Transit	1,673	3,534	3,694	3,557	3,605	5,112	3,593	3,514	1,750	--
Water	16	--	902	446	--	--	--	--	71	--
Zalud estate	--	--	--	--	--	--	--	19	--	--
Capital grants and contributions:										
Airport	65	33	32	44	27	929	212	56	749	3,620
Sewer	47	87	192	35	66	103	188	99	106	123
Solid waste	--	--	696	--	--	489	801	--	--	--
Transit	1,385	2,022	215	1,601	6,028	3,770	1,795	1,965	1,219	--
Water	195	251	303	98	1,024	556	2,151	3,316	5,310	3,317
Total business-type activities program revenues	<u>23,298</u>	<u>28,244</u>	<u>34,027</u>	<u>33,441</u>	<u>38,289</u>	<u>39,167</u>	<u>38,549</u>	<u>40,236</u>	<u>39,793</u>	<u>41,648</u>
Total primary government program revenues	<u>\$ 43,997</u>	<u>\$ 40,114</u>	<u>\$ 50,836</u>	<u>\$ 49,882</u>	<u>\$ 55,608</u>	<u>\$ 58,136</u>	<u>\$ 62,017</u>	<u>\$ 62,988</u>	<u>\$ 66,926</u>	<u>\$ 65,639</u>
Net (expense)/revenue										
Governmental activities	<u>\$ (12,866)</u>	<u>\$ (22,275)</u>	<u>\$ (13,590)</u>	<u>\$ (24,155)</u>	<u>\$ (21,972)</u>	<u>\$ (26,698)</u>	<u>\$ (27,411)</u>	<u>\$ (19,981)</u>	<u>\$ (27,134)</u>	<u>\$ (37,180)</u>
Business-type activities	<u>319</u>	<u>3,528</u>	<u>8,275</u>	<u>5,890</u>	<u>9,324</u>	<u>8,070</u>	<u>5,790</u>	<u>7,389</u>	<u>5,479</u>	<u>4,893</u>
Total primary government net expense	<u>\$ (12,547)</u>	<u>\$ (18,747)</u>	<u>\$ (5,315)</u>	<u>\$ (18,265)</u>	<u>\$ (12,648)</u>	<u>\$ (18,628)</u>	<u>\$ (21,621)</u>	<u>\$ (12,592)</u>	<u>\$ (21,655)</u>	<u>\$ (32,287)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property tax	\$ 7,425	\$ 6,784	\$ 6,629	\$ 7,041	\$ 7,355	\$ 7,749	\$ 8,107	\$ 8,420	\$ 8,958	\$ 9,615
Sales tax	7,596	9,049	9,626	9,724	12,201	18,284	22,511	24,529	25,314	24,973
Utility users tax	3,883	3,752	3,913	4,056	3,911	3,856	4,252	4,784	5,727	5,280
Other taxes	2,056	2,108	2,116	2,183	2,170	2,137	2,424	2,584	2,620	3,263
Unrestricted investment earnings	382	605	326	527	1,495	1,560	490	(1,517)	734	4,922
Miscellaneous	256	138	841	91	110	103	267	157	172	618
Transfers	(87)	(87)	(89)	(95)	(111)	(93)	(87)	(89)	(59)	3
Total governmental activities	<u>21,511</u>	<u>22,349</u>	<u>23,362</u>	<u>23,527</u>	<u>27,131</u>	<u>33,596</u>	<u>37,964</u>	<u>38,868</u>	<u>43,466</u>	<u>48,674</u>
Business-type activities:										
Unrestricted investment earnings	292	499	238	236	1,456	1,633	243	(1,244)	914	2,582
Miscellaneous	2	19	658	--	4	7	--	220	213	1,076
Transfers	87	87	89	95	111	93	87	89	59	(3)
Total business-type activities	<u>381</u>	<u>605</u>	<u>985</u>	<u>331</u>	<u>1,571</u>	<u>1,733</u>	<u>330</u>	<u>(935)</u>	<u>1,186</u>	<u>3,655</u>
Total primary government	<u>\$ 21,892</u>	<u>\$ 22,954</u>	<u>\$ 24,347</u>	<u>\$ 23,858</u>	<u>\$ 28,702</u>	<u>\$ 35,329</u>	<u>\$ 38,294</u>	<u>\$ 37,933</u>	<u>\$ 44,652</u>	<u>\$ 52,329</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 8,645	\$ 74	\$ 9,772	\$ (628)	\$ 5,159	\$ 6,898	\$ 10,553	\$ 18,887	\$ 16,332	\$ 11,494
Business-type activities	700	4,133	9,260	6,221	10,895	9,803	6,120	6,454	6,665	8,548
Total primary government	<u>\$ 9,345</u>	<u>\$ 4,207</u>	<u>\$ 19,032</u>	<u>\$ 5,593</u>	<u>\$ 16,054</u>	<u>\$ 16,701</u>	<u>\$ 16,673</u>	<u>\$ 25,341</u>	<u>\$ 22,997</u>	<u>\$ 20,042</u>

**CITY OF PORTERVILLE  
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE  
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Franchise Tax</u>	<u>Utility Users Tax</u>	<u>Transient Occupancy Tax</u>	<u>Other Tax</u>	<u>Sales and Use Tax</u>	<u>Total</u>
2014-15	7,424,560	1,608,882	3,882,942	446,771	-	7,596,116	20,959,271
2015-16	6,784,136	1,616,751	3,752,400	491,386	-	9,048,935	21,693,608
2016-17	6,629,521	1,564,156	3,912,707	551,783	-	9,626,375	22,284,542
2017-18	7,041,157	1,623,661	4,055,845	559,247	-	9,724,137	23,004,048
2018-19	7,355,066	1,630,365	3,911,568	539,233	-	12,201,075	25,637,307
2019-20	7,749,429	1,632,872	3,856,020	504,318	-	18,283,902	32,026,541
2020-21	8,106,766	1,659,969	4,251,538	764,374	-	22,510,828	37,293,475
2021-22	8,420,350	1,741,770	4,784,200	841,823	-	24,529,465	40,317,609
2022-23	8,958,111	1,834,437	5,726,829	785,849	-	25,314,165	42,619,391
2023-24	9,615,257	1,857,181	5,279,475	755,093	651,069	24,972,502	43,130,577

**CITY OF PORTERVILLE  
FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
General fund:										
Nonspendable	\$ 4,472	\$ 4,354	\$ 1,614	\$ 1,105	\$ 3,834	\$ 3,826	\$ 3,787	\$ 3,749	\$ 2,928	\$ 2,891
Restricted	62	62	220	220	220	257	259	259	257	257
Committed	5,018	6,213	9,882	10,419	10,597	12,083	16,201	18,583	20,760	20,171
Assigned	6,668	7,253	8,272	8,460	5,974	5,023	6,098	6,566	7,892	7,892
Unassigned	599	596	592	581	2,272	7,957	11,836	17,053	21,920	20,237
Total general fund	<u>\$ 16,819</u>	<u>\$ 18,478</u>	<u>\$ 20,580</u>	<u>\$ 20,785</u>	<u>\$ 22,897</u>	<u>\$ 29,146</u>	<u>\$ 38,181</u>	<u>\$ 46,210</u>	<u>\$ 53,757</u>	<u>\$ 51,448</u>
All other governmental funds:										
Nonspendable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 9	\$ 2
Restricted	26,420	25,023	25,077	25,347	28,149	31,820	31,534	36,128	39,146	36,268
Unassigned	--	--	(150)	(1,884)	(454)	(876)	(878)	(718)	(568)	(372)
Total all other governmental funds	<u>\$ 26,420</u>	<u>\$ 25,023</u>	<u>\$ 24,927</u>	<u>\$ 23,463</u>	<u>\$ 27,695</u>	<u>\$ 30,944</u>	<u>\$ 30,656</u>	<u>\$ 35,410</u>	<u>\$ 38,587</u>	<u>\$ 35,898</u>

**CITY OF PORTERVILLE**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(IN THOUSANDS)**

	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
Revenues:										
Taxes	\$ 20,959	\$ 21,694	\$ 22,285	\$ 23,004	\$ 25,637	\$ 32,027	\$ 37,294	\$ 40,318	\$ 42,619	\$ 43,194
Licenses and permits	967	1,023	966	1,048	1,065	1,316	1,290	1,532	1,573	1,656
Intergovernmental	14,718	5,956	7,979	6,920	10,959	7,793	10,451	13,224	16,917	11,979
Charges for services	3,998	4,257	5,193	5,979	6,164	5,874	5,920	7,247	6,067	7,280
Special assessments and fees	318	430	804	658	459	778	816	1,135	573	695
Fines and forfeitures	231	191	197	154	124	145	139	261	51	98
Investment earnings	545	880	607	512	1,654	1,708	598	(1,387)	786	4,900
Miscellaneous	183	186	584	210	135	138	305	345	335	1,141
Total revenues	<u>41,919</u>	<u>34,617</u>	<u>38,615</u>	<u>38,485</u>	<u>46,197</u>	<u>49,779</u>	<u>56,813</u>	<u>62,675</u>	<u>68,921</u>	<u>70,943</u>
Expenditures:										
Community/Economic development	1,471	2,084	1,068	1,427	1,129	1,556	1,456	1,696	2,386	2,324
General government	2,856	2,909	2,818	2,955	2,972	3,419	3,617	6,005	7,421	5,711
Parks and recreation	5,071	5,959	6,073	6,463	6,818	6,939	8,253	7,313	7,479	5,901
Public safety:										
Fire	4,012	4,263	4,855	5,178	5,492	6,373	7,066	8,379	8,647	11,708
Police	9,514	9,976	10,784	10,704	11,811	13,638	15,176	15,542	15,384	18,811
Public works	3,834	2,994	2,907	3,578	3,417	4,146	4,639	4,613	5,747	5,625
Capital outlay	16,490	4,175	7,445	6,779	5,857	4,031	10,560	4,104	9,210	24,904
Debt service:										
Principal	1,099	984	1,324	1,686	1,748	1,800	1,808	1,786	1,670	1,879
Interest and other charges	1,955	952	975	932	877	817	760	1,220	500	561
Total expenditures	<u>46,302</u>	<u>34,296</u>	<u>38,249</u>	<u>39,702</u>	<u>40,121</u>	<u>42,719</u>	<u>53,335</u>	<u>50,658</u>	<u>58,444</u>	<u>77,424</u>
Excess of revenues over (under) expenditures	<u>(4,383)</u>	<u>321</u>	<u>366</u>	<u>(1,217)</u>	<u>6,076</u>	<u>7,060</u>	<u>3,478</u>	<u>12,017</u>	<u>10,477</u>	<u>(6,481)</u>
Other financing sources (uses):										
Transfers in	18,017	7,388	7,558	7,793	9,756	7,350	14,652	7,685	14,320	26,534
Transfers out	(18,104)	(7,476)	(7,647)	(7,888)	(9,867)	(7,441)	(14,666)	(7,761)	(14,368)	(26,303)
Issuance of long-term debt	23,437	--	--	--	--	--	--	18,854	--	--
Payments on refunding	(23,186)	--	--	--	--	--	--	(18,105)	--	--
Leases	--	--	--	--	--	--	--	37	36	--
SBITAs	--	--	--	--	--	--	--	--	115	4,723
Sale of capital assets	12	29	--	52	380	29	--	55	144	--
Insurance recoveries	152	--	137	--	--	2,500	4,853	--	--	1,248
Total other financing sources (uses)	<u>328</u>	<u>(59)</u>	<u>48</u>	<u>(43)</u>	<u>269</u>	<u>2,438</u>	<u>4,839</u>	<u>765</u>	<u>247</u>	<u>6,202</u>
Net change in fund balances	<u>\$ (4,055)</u>	<u>\$ 262</u>	<u>\$ 414</u>	<u>\$ (1,260)</u>	<u>\$ 6,345</u>	<u>\$ 9,498</u>	<u>\$ 8,317</u>	<u>\$ 12,782</u>	<u>\$ 10,724</u>	<u>\$ (279)</u>
Debt service as a percentage of noncapital expenditures	8.044%	6.417%	7.463%	7.952%	7.661%	6.764%	6.004%	3.643%	4.408%	4.646%

**CITY OF PORTERVILLE  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS**

Fiscal Year	Secured Locally Assessed	State Assessed	Unsecured	Total Taxable Assessed Value (1)	Total Direct Tax Rate
2014-15	2,140,517,119	2,191,850	82,873,390	2,225,582,359	0.118%
2015-16	2,225,814,816	2,267,139	86,102,059	2,314,184,014	0.118%
2016-17	2,397,586,332	1,404,888	86,879,908	2,485,871,128	0.118%
2017-18	2,482,750,996	1,369,024	128,725,952	2,612,845,972	0.118%
2018-19	2,590,280,843	1,369,024	124,927,929	2,716,577,796	0.119%
2019-20	2,738,994,112	1,369,024	118,435,280	2,858,798,416	0.119%
2020-21	2,830,743,522	1,369,024	119,245,246	2,951,357,792	0.119%
2021-22	2,933,194,936	677,143	113,186,785	3,047,058,864	0.119%
2022-23	3,363,888,701	677,143	146,675,410	3,511,241,254	0.164%
2023-24	3,550,867,064	677,143	181,914,545	3,732,291,981	0.164%

Source: County of Tulare Office of the Auditor-Controller

**NOTE:**

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual value of taxable property and is subject to the limitations described above.

**CITY OF PORTERVILLE  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(PER \$100 OF ASSESSED VALUE)**

	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
<b>Direct Rates:</b>										
City Basic Rate	0.11806	0.11837	0.11848	0.11861	0.11861	0.11891	0.11928	0.11927	0.16416	0.16416
County of Tulare	0.18058	0.18082	0.18098	0.17995	0.17993	0.17921	0.17939	0.17929	0.36695	0.36695
Porterville Elementary School	0.19774	0.19774	0.19774	0.19774	0.19774	0.19774	0.19774	0.19774	0.19774	0.19774
Porterville High School	0.12942	0.12942	0.12942	0.12942	0.12942	0.12942	0.12942	0.12942	0.12942	0.12942
Kern Community College	0.07572	0.07572	0.07572	0.07572	0.07572	0.07572	0.07572	0.07572	0.07572	0.07572
County School Service Fund	0.02444	0.02444	0.02444	0.02444	0.02444	0.02444	0.02444	0.02444	0.02444	0.02444
Porterville Cemetery District	0.00461	0.00462	0.00462	0.00463	0.00463	0.00463	0.00464	0.00464	0.00694	0.00694
Porterville Memorial District	0.00849	0.00850	0.00850	0.00850	0.00850	0.00850	0.00851	0.00851	0.00960	0.00960
Sierra View District Hospital	0.01927	0.01927	0.01927	0.01927	0.01927	0.01927	0.01927	0.01927	0.01927	0.01927
Tulare County Air Pollution Control District	0.00035	0.00035	0.00035	0.00035	0.00035	0.00035	0.00035	0.00035	0.00035	0.00035
Tulare County Flood Control District	0.00212	0.00212	0.00213	0.00211	0.00211	0.00208	0.00208	0.00208	0.00542	0.00542
Education Revenue Augmentation	0.23920	0.23863	0.23836	0.23927	0.23929	0.23974	0.23917	0.23928	-	-
<b>Total Direct Rate</b>	<b>1.00000</b>	<b>1.00000</b>	<b>1.00000</b>	<b>1.00000</b>	<b>1.00000</b>	<b>1.00000</b>	<b>1.00000</b>	<b>1.00000</b>	<b>1.00000</b>	<b>1.00000</b>
<b>Overlapping Rates:</b>										
Burton Elementary School	0.02630	0.02630	0.02500	0.03190	0.03060	0.05860	0.03690	0.04110	0.04360	0.04200
Porterville Unified School	0.06000	0.06160	0.06160	0.06160	0.06990	0.06860	0.06580	0.06140	0.06000	0.05000
Kern Community College	0.01045	0.01357	0.01318	0.03625	0.03367	0.03303	0.03385	0.05501	0.03124	0.05405

**Note:**

In 1978, the State of California passed Proposition 13 which set the property tax rate at a 1% fixed amount. This 1% is shared by all taxing agencies for which the subject property resides within. In addition to the 1% fixed amount, taxes are levied within the tax rate area to pay interest and redemption charges on voter-approved indebtedness. Some of the bonds are applicable to only a few tax rate areas within the City.

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

Taxpayer	2023-2024			2014-2015		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Wal-Mart Stores East LP	\$ 127,362,527	1	4.18%	\$ 39,953,846	2	1.31%
Del Mesa Farms (Foster Poultry Farms)	35,002,960	2	1.15%			
Village at Henderson LLC	29,528,445	3	0.97%			
Target Corporation	22,916,891	4	0.75%	18,374,029	3	0.60%
Spectrum Pacific West LLC	15,400,630	5	0.51%			
Legacy Westwood Village LLC	14,284,823	6	0.47%			
Lowe's HIW Inc	13,950,810	7	0.46%	14,027,260	4	0.46%
Porterville Investments 2005 LP	12,119,570	8	0.40%	9,902,000	8	0.32%
Churchill Property Portfolio Owner LLC	11,238,315	9	0.37%			
Wal-Mart Realty Company	11,084,447	10	0.36%	70,767,686	1	2.32%
Royalty Carpet Mills Inc				11,668,462	5	0.38%
Daryl & Victoria Nicholson (TRS)				9,886,733	9	0.32%
Cherry Keith (SCSR)				11,414,185	7	0.37%
Beckman Coulter Inc				11,532,447	6	0.38%
Henderson-Prospect Partners LP				9,828,611	10	0.32%
Subtotal	292,889,418		9.61%	207,355,259		6.81%
Total taxable assessed value of other taxpayers	<u>2,754,169,446</u>		<u>90.39%</u>	<u>2,839,703,605</u>		<u>93.19%</u>
Total taxable assessed value	<u>\$ 3,047,058,864</u>		<u>100.00%</u>	<u>\$ 3,047,058,864</u>		<u>100.00%</u>

Source: County of Tulare Office of the Auditor-Controller

**CITY OF PORTERVILLE  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Year	Total Tax Levy*	Collections within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2014-15	2,588,874	2,436,201	94.10%	87,311	2,523,512	97.48%
2015-16	2,726,990	2,564,303	94.03%	60,262	2,624,566	96.24%
2016-17	2,840,095	2,668,785	93.97%	61,450	2,730,236	96.13%
2017-18	3,006,263	2,862,706	95.22%	61,928	2,924,634	97.28%
2018-19	3,132,554	2,997,549	95.69%	65,274	3,062,823	97.77%
2019-20	3,305,864	3,114,310	94.21%	77,349	3,191,659	96.55%
2020-21	3,454,160	3,259,224	94.36%	74,874	3,334,098	96.52%
2021-22	3,569,015	3,370,248	94.43%	70,140	3,440,388	96.40%
2022-23	4,243,441	3,588,089	84.56%	100,030	3,588,089	84.56%
2023-24	4,864,754	3,845,340	79.04%	N/A	3,845,340	79.04%

Sources: County of Tulare Office of the Auditor-Controller  
City of Porterville Finance Department

\* Reduced by property tax shift to Education Revenue Augmentation Fund.

**CITY OF PORTERVILLE  
SALES AND USE TAX RATES  
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Effective Date</u>	<u>State Tax Rate</u>	<u>County Transportation Tax Rate</u>	<u>City Tax Rate*</u>	<u>County District Tax Rate</u>	<u>Combined Rate</u>
2014-15	01/01/2013	6.50%	0.25%	1.25%	0.50%	8.50%
2015-16	01/01/2013	6.50%	0.25%	1.25%	0.50%	8.50%
	01/01/2016	6.25%	0.25%	1.50%	0.50%	8.50%
2016-17	01/01/2016	6.25%	0.25%	1.50%	0.50%	8.50%
	01/01/2017	6.00%	0.25%	1.50%	0.50%	8.25%
2017-18	01/01/2017	6.00%	0.25%	1.50%	0.50%	8.25%
2018-19	04/01/2019	6.00%	0.25%	2.50%	0.50%	9.25%
2019-20	04/01/2019	6.00%	0.25%	2.50%	0.50%	9.25%
2020-21	04/01/2019	6.00%	0.25%	2.50%	0.50%	9.25%
2021-22	04/01/2019	6.00%	0.25%	2.50%	0.50%	9.25%
2022-23	04/01/2019	6.00%	0.25%	2.50%	0.50%	9.25%
2023-24	04/01/2019	6.00%	0.25%	2.50%	0.50%	9.25%

Source: California Department of Tax and Fee Administration

\*includes City district tax

- In November 2005, voters in the City of Porterville approved a one-half percent transactions and use tax measure (Measure H) to fund public safety, police and fire protection services and related projects and literacy programs. Measure H became effective on April 1, 2006.
- In November 2018, voters in the City of Porterville approved a one percent transactions and use tax measure (Measure I) to provide funds for the maintenance of essential local city services. Measure I became effective on April 1, 2019.

**CITY OF PORTERVILLE  
TAXABLE SALES BY ECONOMIC CATEGORY  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
General retail	\$ 185,774	\$ 177,516	\$ 184,006	\$ 188,892	\$ 187,883	\$ 180,709	\$ 209,031	\$ 217,768	\$ 227,725	\$ 223,269
Transportation	153,340	144,124	148,012	167,745	173,302	169,448	196,312	234,512	229,485	208,443
Food products	106,871	113,106	120,458	110,411	115,764	119,288	131,834	154,688	158,640	168,010
Construction	60,825	61,845	69,100	71,417	67,205	70,277	92,571	89,378	86,623	81,453
Business to business	21,304	26,386	30,240	25,390	20,787	20,779	29,942	37,015	31,389	30,781
Miscellaneous	<u>6,253</u>	<u>6,509</u>	<u>6,715</u>	<u>7,467</u>	<u>10,103</u>	<u>9,485</u>	<u>7,230</u>	<u>6,199</u>	<u>9,777</u>	<u>6,795</u>
<b>Total</b>	<b>\$ <u>534,367</u></b>	<b>\$ <u>529,486</u></b>	<b>\$ <u>558,531</u></b>	<b>\$ <u>571,322</u></b>	<b>\$ <u>575,044</u></b>	<b>\$ <u>569,986</u></b>	<b>\$ <u>666,920</u></b>	<b>\$ <u>739,560</u></b>	<b>\$ <u>743,639</u></b>	<b>\$ <u>718,751</u></b>

Source: MuniServices

**CITY OF PORTERVILLE  
SEWER OPERATIONS REVENUE  
LAST TEN FISCAL YEARS**

Fiscal Year	Sewer Service Charges	Lab Service Charges	Connection Fees	Other	Total
2014-15	6,186,747	368,679	328,875	369,037	7,253,338
2015-16	6,202,430	404,022	630,011	337,333	7,573,796
2016-17	6,544,083	478,818	1,136,381	367,363	8,526,645
2017-18	6,387,579	386,359	302,736	435,081	7,511,756
2018-19	6,381,402	378,778	404,147	409,272	7,573,598
2019-20	6,365,691	397,935	835,296	376,599	7,975,521
2020-21	6,452,888	363,949	705,226	366,510	7,888,573
2021-22	6,721,508	343,006	970,740	364,095	8,399,349
2022-23	6,529,529	355,835	715,079	409,881	8,010,324
2023-24	8,468,269	285,257	578,578	369,463	9,701,567

Source: City of Porterville Finance Department

**CITY OF PORTERVILLE  
SEWER RATES  
LAST TEN FISCAL YEARS**

	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24*</u>
<b>A. Residential</b>										
<b>(rate per month)</b>										
Single Family (per unit)	\$26.87	\$26.87	\$26.87	\$26.87	\$26.87	\$26.87	\$26.87	\$26.87	\$26.87	\$29.55
Multiple Family (per unit)	\$25.52	\$25.52	\$25.52	\$25.52	\$25.52	\$25.52	\$25.52	\$25.52	\$25.52	\$29.55
Mobile Homes Park (per space)	\$25.52	\$25.52	\$25.52	\$25.52	\$25.52	\$25.52	\$25.52	\$25.52	\$25.52	\$29.55
<b>B. Commercial</b>										
<b>(per 100 cubic feet of water used with a minimum of through \$26.87 per month)</b>										
Bars, Hotels without Dining	\$1.22	\$1.22	\$1.22	\$1.22	\$1.22	\$1.22	\$1.22	\$1.22	\$1.22	\$3.43
Restaurants	\$2.97	\$2.97	\$2.97	\$2.97	\$2.97	\$2.97	\$2.97	\$2.97	\$2.97	\$8.63
Retail Stores, Offices	\$1.04	\$1.04	\$1.04	\$1.04	\$1.04	\$1.04	\$1.04	\$1.04	\$1.04	\$2.90
Auto Repair, Service Station	\$1.36	\$1.36	\$1.36	\$1.36	\$1.36	\$1.36	\$1.36	\$1.36	\$1.36	\$3.80
Car Wash, Laundry, Packing House	\$0.96	\$0.96	\$0.96	\$0.96	\$0.96	\$0.96	\$0.96	\$0.96	\$0.96	\$2.66
Hospital, Rest Homes	\$1.09	\$1.09	\$1.09	\$1.09	\$1.09	\$1.09	\$1.09	\$1.09	\$1.09	\$3.08
Mortuaries	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95	\$9.81
Schools	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$2.51
Churches	\$0.42	\$0.42	\$0.42	\$0.42	\$0.42	\$0.42	\$0.42	\$0.42	\$0.42	\$2.90
City of Porterville	\$0.83	\$0.83	\$0.83	\$0.83	\$0.83	\$0.83	\$0.83	\$0.83	\$0.83	\$2.90
State Hospital	\$1.09	\$1.09	\$1.09	\$1.09	\$1.09	\$1.09	\$1.09	\$1.09	\$1.09	\$3.08
Multi-unit with consumption	\$1.19	\$1.19	\$1.19	\$1.19	\$1.19	\$1.19	\$1.19	\$1.19	\$1.19	\$3.37
<b>C. Industrial</b>	\$0.93	\$0.93	\$0.93	\$0.93	\$0.93	\$0.93	\$0.93	\$0.93	\$0.93	\$2.60
<b>(per 100 cubic feet of water used with a minimum of \$26.87 per month)</b>										

\*Rate increase effective January 1, 2024

Source: City of Porterville Finance Department

**CITY OF PORTERVILLE  
TOP TEN SEWER USERS BY REVENUE  
CURRENT YEAR AND NINE YEARS AGO**

	2023-24		2014-15	
	Rank	Revenue	Rank	Revenue
Foster Farms	1	\$ 225,852	2	\$ 171,110
Porterville State Developmental Center	2	\$ 204,717	1	\$ 197,561
Eagle Mountain Casino	3	\$ 106,612		
Golden Hills Mobile Home Park, LLC	4	\$ 73,684	3	\$ 79,673
Village at Henderson LLC	5	\$ 55,841		
Mission Bell Park	6	\$ 52,867	4	\$ 57,165
County of Tulare GSA	7	\$ 42,177		
Ranchview Mobile Home Park	8	\$ 39,320	5	\$ 42,516
Santa Fe Plaza	9	\$ 34,694	6	\$ 37,514
Villa Robles Apartments	10	\$ 34,363	7	\$ 37,157
Parkview Apartments			8	\$ 31,441
Porterville Pacific Associates			9	\$ 29,654
Porterville Family Apartments			10	\$ 27,868
Total Number of Sewer Users	14,079		12,355	

Source: City of Porterville Finance Department

**CITY OF PORTERVILLE  
WATER OPERATIONS REVENUE  
LAST TEN FISCAL YEARS**

Fiscal Year	Water Sales	Meter Installation Charges	Water Service Charges	Connection Fees	Other	Total
2014-15	4,359,261	30,123	136,988	58,694	90,701	4,675,767
2015-16	5,440,758	29,218	130,366	46,429	119,367	5,766,138
2016-17	10,526,676	18,876	107,744	16,107	187,108	10,856,511
2017-18	11,184,150	19,802	106,108	18,188	228,956	11,557,204
2018-19	11,244,302	31,072	108,123	16,567	239,275	11,639,339
2019-20	11,953,269	6,679	62,485	10,661	160,617	12,193,711
2020-21	12,949,264	4,521	32,173	20,813	27,206	13,033,977
2021-22	13,357,262	5,959	15,120	38,639	55,218	13,472,199
2022-23	12,094,936	16,800	109,078	7,389	235,834	12,464,037
2023-24	12,319,238	27,120	117,256	16,898	227,027	12,707,539

Source: City of Porterville Finance Department

**CITY OF PORTERVILLE  
WATER RATES  
LAST TEN FISCAL YEARS**

	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17*</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21**</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
<b>A. Metered</b>										
<b>Monthly meter charge</b>										
<b>Meter Size</b>										
Less than 1 inch	\$ 5.00	\$ 10.00	\$ 16.50	\$ 16.88	\$ 17.27	\$ 17.67	\$ 18.08	\$ 18.08	\$ 18.08	\$ 18.08
1 inch	\$ 5.50	\$ 11.00	\$ 18.15	\$ 18.57	\$ 19.00	\$ 19.44	\$ 19.89	\$ 19.89	\$ 19.89	\$ 19.89
1-1/4 inch	\$ 6.75	\$ 13.50	\$ 22.28	\$ 22.79	\$ 23.31	\$ 23.85	\$ 24.40	\$ 24.40	\$ 24.40	\$ 24.40
1-1/2 inch	\$ 8.00	\$ 16.00	\$ 26.40	\$ 27.01	\$ 27.63	\$ 28.27	\$ 28.92	\$ 28.92	\$ 28.92	\$ 28.92
2 inches	\$ 10.00	\$ 20.00	\$ 33.00	\$ 33.76	\$ 34.54	\$ 35.33	\$ 36.14	\$ 36.14	\$ 36.14	\$ 36.14
3 inches	\$ 13.50	\$ 27.00	\$ 44.55	\$ 45.57	\$ 46.62	\$ 47.69	\$ 48.79	\$ 48.79	\$ 48.79	\$ 48.79
4 inches	\$ 16.50	\$ 33.00	\$ 54.45	\$ 55.70	\$ 56.98	\$ 58.29	\$ 59.63	\$ 59.63	\$ 59.63	\$ 59.63
6 inches	\$ 20.00	\$ 40.00	\$ 66.00	\$ 67.52	\$ 69.07	\$ 70.66	\$ 72.28	\$ 73.93	\$ 75.61	\$ 77.31
8 inches	\$ 25.00	\$ 50.00	\$ 82.50	\$ 84.40	\$ 86.34	\$ 88.32	\$ 90.36	\$ 90.36	\$ 90.36	\$ 90.36
<b>Water consumption charge</b>										
Per 100 cubic feet of water	\$ 0.72	\$ 0.90	\$ 1.75	\$ 1.79	\$ 1.83	\$ 1.87	\$ 1.91	\$ 1.91	\$ 1.91	\$ 1.91
<b>B. Unmetered</b>										
Flat rate charge per month	\$ 29.93	\$ 42.80	\$ 79.01	\$ 80.83	\$ 82.69	\$ 84.59	\$ 86.54	\$ 86.54	\$ 86.54	\$ 86.54

\*Rates effective August 1, 2016

\*\*Rates effective October 1, 2020

Source: City of Porterville Finance Department

**CITY OF PORTERVILLE  
WATER CUSTOMERS BY TYPE  
LAST TEN FISCAL YEARS**

	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
Single-family residential	13,265	13,435	13,817	14,345	14,337	14,560	14,763	14,945	14,950	15,222
Multi-family residential	879	883	889	886	879	881	892	910	935	955
Commercial	1,041	1,054	1,065	1,080	1,071	1,069	1,078	1,100	1,105	1,078
Industrial	17	17	17	17	17	17	17	15	15	15
Other	376	383	393	395	405	416	424	443	449	456
<b>Total</b>	<u><u>15,578</u></u>	<u><u>15,772</u></u>	<u><u>16,181</u></u>	<u><u>16,723</u></u>	<u><u>16,709</u></u>	<u><u>16,943</u></u>	<u><u>17,174</u></u>	<u><u>17,413</u></u>	<u><u>17,454</u></u>	<u><u>17,726</u></u>

Source: City of Porterville Finance Department

**CITY OF PORTERVILLE  
TOP TEN WATER USERS BY REVENUE  
CURRENT YEAR AND NINE YEARS AGO**

	2023-24		2014-15	
	Rank	Revenue	Rank	Revenue
Foster Farms	1	\$ 264,186	1	\$ 113,736
City of Porterville Sports Complex	2	\$ 77,276		
City of Porterville Golf Course	3	\$ 72,162	2	\$ 35,958
Granite Hills High School	4	\$ 56,065	6	\$ 16,471
Porterville High School	5	\$ 52,771	3	\$ 26,380
Monache High School	6	\$ 51,827	4	\$ 20,849
Burton Middle School	7	\$ 40,701	9	\$ 11,551
Kern JT Jr College	8	\$ 37,467	5	\$ 20,837
County of Tulare - GSA	9	\$ 36,667		
City of Porterville Murry Park	10	\$ 34,403	10	\$ 11,503
City of Porterville Zalud Park			8	\$ 12,286
City of Porterville Well Site at S Indiana			7	\$ 15,007
<b>Total Number of Connections</b>	17,751		15,569	
<b>Total Water Consumption (in hundred cubic feet)</b>		4,219,689		4,357,950

Source: City of Porterville Finance Department

**CITY OF PORTERVILLE**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
**(AMOUNTS EXPRESSED IN THOUSANDS, EXCEPT PER CAPITA AMOUNT)**

	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
<b>Governmental activities:</b>										
Notes	\$ 2,352	\$ 2,133	\$ 1,899	\$ 1,648	\$ 1,380	\$ 1,095	\$ 822	\$ 276	\$ 276	\$ -
Pension obligation bond	3,275	2,770	2,250	1,710	1,155	585	-	-	-	-
Certificates of Participation	23,437	23,138	22,529	21,594	20,630	19,645	18,656	17,723	16,597	15,411
Lease Payable	-	-	-	-	-	-	-	582	486	352
SBITA Payable	-	-	-	-	-	-	-	-	1,858	1,579
<b>Business-type activities:</b>										
Notes	11,663	11,290	10,841	10,439	29,321	28,393	27,266	26,026	24,672	23,274
Revenue bonds	18,760	18,809	18,858	18,908	-	-	-	-	-	-
Certificates of Participation	5,033	3,880	2,657	1,365	-	13,768	49,003	47,841	46,685	45,055
Lease Payable	-	-	-	-	-	-	-	-	-	100
SBITA Payable	-	-	-	-	-	-	-	-	161	114
<b>Total primary government</b>	<b>\$ 64,520</b>	<b>\$ 62,020</b>	<b>\$ 59,034</b>	<b>\$ 55,664</b>	<b>\$ 52,486</b>	<b>\$ 63,486</b>	<b>\$ 95,747</b>	<b>\$ 92,448</b>	<b>\$ 90,574</b>	<b>\$ 85,885</b>
Percentage of personal income (1)*	6.67%	6.93%	6.04%	5.39%	5.02%	5.83%	8.28%	7.26%	6.32%	5.71%
Per capita (1)	1,155	1,032	985	916	871	1,064	1,607	1,483	1,447	1,365

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.  
(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

**CITY OF PORTERVILLE  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
YEAR ENDED JUNE 30, 2024**

2024-24 Assessed Valuation: \$ 3,392,493,280  
 Redevelopment Incremental Valuation: \$ 340,965,472  
 Adjusted Assessed Valuation: \$ 3,733,458,752

	Total Debt 6/30/24	% Applicable (1)	City's Share of Debt 6/30/24
<b><u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>			
Kern Community College District School Facilities Improvement District No. 1	\$ 377,870,000	3.218%	\$ 12,159,857
Kern Community College District Safety, Repair and Improvement District	82,855,810	3.237%	2,682,043
Porterville Unified School District - Strathmore High	845,000	0.047%	397
Porterville Unified School District School Facilities Improvement District	12,521,356	81.219%	10,169,720
Burton School District	6,499,231	96.392%	6,264,739
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 31,276,756
<b><u>DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT:</u></b>			
Tulare County General Fund Obligations	\$ 37,394,094	8.059%	\$ 3,013,590
Tulare County Pension Obligation Bonds	189,585,000	8.059%	15,278,655
Tulare County Board of Education Certificates of Participation	33,080,000	8.059%	2,665,917
Kern Community College District General Fund Obligations	21,263,000	2.900%	616,627
Kern Community College District Benefit Obligations	71,870,000	2.900%	2,084,230
Porterville Unified School District General Fund Obligations	31,001,389	47.201%	14,632,966
Burton School District Certificates of Participation	2,470,000	96.392%	2,380,882
<b>City of Porterville Certificates of Participation</b>	<b>15,410,619</b>	<b>100.000%</b>	<b>15,410,619</b>
<b>City of Porterville Lease payable</b>	<b>352,074</b>		<b>352,074</b>
<b>City of Porterville SBITA payable</b>	<b>1,579,498</b>		<b>1,579,498</b>
TOTAL DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT			\$ 58,015,058
<b><u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u></b>	<b>\$ 5,610,000</b>	<b>100.000%</b>	<b>\$ 5,610,000</b>
<b>TOTAL DIRECT DEBT</b>			<b>\$ 17,342,191</b>
TOTAL OVERLAPPING DEBT			\$ 77,559,623
COMBINED TOTAL DEBT			\$ 94,901,814 (2)

- (1) The percentage of overlapping debt applicable to the City is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the City divided by the district's total taxable assessed value.
- (3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, and non-bonded capital lease obligations.

**Ratios to 2023-24 Assessed Valuation:**

Overlapping Tax and Assessment Debt	0.84%
<b>Total Direct Debt (\$15,410,619)</b>	<b>0.41%</b>
Combined Total Debt	2.49%

**Ratios to Redevelopment Successor Agency Incremental Valuation (\$340,965,472):**

Total Overlapping Tax Increment Debt	1.65%
--------------------------------------	-------

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City of Porterville. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the property tax payers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

Sources: California Municipal Statistics, Inc.  
 City of Porterville Finance Department

**CITY OF PORTERVILLE  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(AMOUNTS EXPRESSED IN THOUSANDS)**

	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
Assessed valuation	\$ 2,225,582	\$ 2,314,184	\$ 2,485,871	\$ 2,612,846	\$ 2,716,578	\$ 2,858,798	\$ 2,951,358	\$ 3,047,059	\$ 3,511,241	3,732,292
Conversion percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted assessed valuation	556,396	578,546	621,468	653,211	679,144	714,700	737,839	761,765	877,810	933,073
Debt limit percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt limit	83,459	86,782	93,220	97,982	101,872	107,205	110,676	114,265	131,672	139,961
Total net debt applicable to limit:										
General obligation bonds (1)	-	-	-	-	-	-	-	-	-	-
Pension obligations bonds	<u>3,275</u>	<u>2,770</u>	<u>2,250</u>	<u>1,710</u>	<u>1,155</u>	<u>585</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net debt	<u>3,275</u>	<u>2,770</u>	<u>2,250</u>	<u>1,710</u>	<u>1,155</u>	<u>585</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	\$ <u>80,184</u>	\$ <u>84,012</u>	\$ <u>90,970</u>	\$ <u>96,272</u>	\$ <u>100,717</u>	\$ <u>106,620</u>	\$ <u>110,676</u>	\$ <u>114,265</u>	\$ <u>131,672</u>	<u>139,961</u>
Total debt applicable to the limit as a percentage of debt limit	4%	3%	2%	2%	1%	1%	0%	0%	0%	0%

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

(1) The City of Porterville does not have any general obligation debt.

Sources:  
County of Tulare Office of the Auditor-Controller  
City of Porterville Department of Finance

**CITY OF PORTERVILLE  
 PLEDGED-REVENUE COVERAGE  
 LAST TEN FISCAL YEARS  
 (AMOUNTS EXPRESSED IN THOUSANDS)**

<u>Fiscal Year</u>	<u>Total Revenue (1)</u>	<u>Less: Operating Expense (2)</u>	<u>Net Available Revenue</u>	<u>Senior Debt Service</u>	<u>Senior Debt Service Coverage</u>	<u>Remaining Net Revenue</u>	<u>Parity / Subordinate Debt Service</u>	<u>Parity / Subordinate Coverage</u>	<u>Net Revenue After Debt Service</u>
<b>Water system improvement projects</b>									
2014-15	4,734	4,068	666	682	0.98	-	461	-	(461)
2015-16	5,878	4,171	1,707	684	2.50	1,023	460	2.22	563
2016-17	10,932	5,785	5,147	678	7.59	4,469	524	8.53	3,945
2017-18	11,632	5,731	5,901	676	8.73	5,225	462	11.31	4,763
2018-19	12,191	6,363	5,828	676	8.62	5,152	462	11.15	4,690
2019-20	12,873	6,400	6,473	-	-	6,473	461	14.04	6,012
2020-21	13,179	6,697	6,482	-	-	6,482	461	14.06	6,021
2021-22	12,936	6,754	6,182	1,713	3.61	4,469	461	9.69	4,008
2022-23	12,939	8,501	4,438	1,722	2.58	2,716	461	5.89	2,255
2023-24	13,721	8,747	4,974	1,721	2.89	3,253	461	7.06	2,792
<b>Sewer system improvement projects</b>									
2014-15	7,417	3,913	3,504	1,780	1.97	1,724	285	6.05	1,439
2015-16	7,831	4,157	3,674	1,780	2.06	1,894	285	6.65	1,609
2016-17	8,640	3,810	4,830	1,781	2.71	3,049	285	10.70	2,764
2017-18	7,626	4,381	3,245	1,776	1.83	1,469	285	5.15	1,184
2018-19	8,117	4,460	3,657	1,569	2.33	2,088	285	7.33	1,803
2019-20	8,589	4,301	4,288	1,495	2.87	2,793	285	9.80	2,508
2020-21	7,948	4,442	3,506	2,151	1.63	1,355	285	4.75	1,070
2021-22	7,907	4,557	3,350	2,225	1.51	1,125	285	3.95	840
2022-23	8,241	5,046	3,195	2,182	1.46	1,013	285	3.55	728
2023-24	10,586	5,561	5,025	2,180	2.31	2,845	285	9.98	2,560

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

(1) Total revenue includes investment earnings.

(2) Operating expenses do not include interest or depreciation and amortization expenses.

**CITY OF PORTERVILLE  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (2)</u>	<u>Median Age (2)</u>	<u>Education Level in Years of Formal Schooling (2)*</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2014-15	55,852	\$ 967,915,160	\$ 17,330	29.5	67.6% High school graduate or higher	19,039	12.7%
2015-16	60,070	\$ 894,933,110	\$ 14,898	29.0	66.9% High school graduate or higher	19,151	11.6%
2016-17	59,908	\$ 977,638,652	\$ 16,319	29.1	66.8% High school graduate or higher	19,604	11.2%
2017-18	60,798	\$ 1,031,985,252	\$ 16,974	30.0	66.8% High school graduate or higher	19,907	12.1%
2018-19	60,260	\$ 1,044,546,840	\$ 17,334	29.8	67.5% High school graduate or higher	19,666	11.9%
2019-20	59,655	\$ 1,088,703,750	\$ 18,250	30.5	70.2% High school graduate or higher	19,804	14.6%
2020-21	59,571	\$ 1,156,749,678	\$ 19,418	30.9	70.2% High school graduate or higher	19,727	13.9%
2021-22	62,345	\$ 1,273,022,555	\$ 20,419	31.8	71.1% High school graduate or higher	19,757	11.4%
2022-23	62,588	\$ 1,433,891,080	\$ 22,910	30.6	66.8% High school graduate or higher	19,487	12.7%
2023-24	62,934	\$ 1,505,318,346	\$ 23,919	31.2	69.1% High school graduate or higher	19,327	14.5%

Sources:

- (1) California Department of Finance / City of Porterville Community Development Department
- (2) U.S. Census Bureau "American Community Survey ", at [data.census.gov](http://data.census.gov)
- (3) California Department of Education "District Enrollment by Grade" at <http://dq.cde.ca.gov/dataquest>
- (4) State of California Employment Development Department "Unemployment Rates and Labor Force", at [www.labormarketinfo.edd.ca.gov](http://www.labormarketinfo.edd.ca.gov)

**CITY OF PORTERVILLE  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

Employer	2023-24			2014-15		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Porterville Public Schools	1,687	1	5.60%	1,229	2	5.30%
Wal-Mart Distribution Center	1,221	2	4.05%	1,094	3	4.72%
Porterville State Developmental Center	1,082	3	3.59%	1,312	1	5.66%
Burton School District	1,004	4	3.33%	474	7	2.04%
Eagle Mountain Casino	965	5	3.20%	516	6	2.22%
Sierra View District Hospital	800	6	2.65%	765	4	3.30%
Young's Commercial Transfer	536	7	1.78%			0.00%
Foster Farms	396	8	1.31%	437	8	1.88%
Family Healthcare Network	354	9	1.17%			
City of Porterville	330	10	1.09%	542	5	2.34%
Wal-Mart Retail Store				320	9	1.38%
Tulare County District Family Support				308	10	1.33%
<b>Total</b>	<b>8,375</b>		<b>27.78%</b>	<b>6,997</b>		<b>30.16%</b>
City labor force	<b>30,150</b>			<b>23,200</b>		

Source: City of Porterville Community Development Department  
California Employment Development Department "Unemployment Rates and Labor Force," at [www.labormarketinfo.edd.ca.gov](http://www.labormarketinfo.edd.ca.gov)

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

<b>Function</b>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
General government	26	26	25	25	27	24	25	27	30	28
Public safety:										
Fire										
Sworn	33	38	36	36	39	41	43	46	46	49
Unsworn	2	2	2	2	2	3	3	4	6	7
Police										
Sworn	56	58	57	57	65	69	71	61	70	74
Unsworn	27	30	28	31	35	31	31	32	24	29
Public works:										
Engineering and building	16	16	17	16	17	20	16	16	18	21
Streets maintenance	5	5	6	6	6	7	9	6	6	9
Community development:										
Planning and zoning	7	8	8	7	6	7	5	5	6	6
Economic development	2	2	2	2	2	2	2	2	3	3
Housing	1	1	1	1	1	3	3	3	1	2
Parks and Leisure Services:										
Parks	19	19	18	18	18	17	17	19	20	21
Leisure Services	4	4	4	4	4	5	5	5	5	5
Library	10	10	10	10	10	9	7	8	7	8
Transit operations	-	-	-	-	-	-	-	-	-	2
Sewer operations	14	15	14	12	12	13	13	10	11	13
Solid waste	22	21	20	20	22	20	25	24	23	22
Airport operations	2	3	3	3	3	3	3	3	3	2
Golf course	2	2	2	2	2	2	2	2	2	2
Water operations	15	14	14	19	18	21	20	22	21	19
Equipment maintenance	6	8	8	8	8	8	8	7	8	8
<b>Total</b>	<u>269</u>	<u>282</u>	<u>275</u>	<u>279</u>	<u>297</u>	<u>305</u>	<u>308</u>	<u>302</u>	<u>310</u>	<u>330</u>

Source: City of Porterville, Finance Department

**CITY OF PORTERVILLE  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>Function</b>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24*</u>
<b>Public safety:</b>										
Police:										
Stations	1	2	2	2	2	2	2	2	2	3
Patrol units	65	64	74	69	81	82	90	90	98	98
Fire:										
Stations	2	3	3	3	3	3	3	3	3	3
Hydrants	1,902	1,916	2,002	2,190	2,026	2,087	2,110	2,228	2,269	2,287
<b>Public works:</b>										
Streets, lights, signals										
Miles	206	206	206	207	208	208	208	210	211	211
Streetlights	3,701	3760	3778	3839	3885	3894	3894	3,950	4,001	4,001
Traffic signals	49	50	50	50	50	50	50	51	51	51
Sewers (miles)	179	179	179	181	195	197	197	199	203	207
Water mains (miles)	213	213	213	214	275	278	278	279	280	280
Storm drains (miles)	52	52	52	53	53	53	53	54	55	55
<b>Parks and Leisure Services:</b>										
Parks acreage	308	308	308	308	300	308	308	309	309	281
Parks	25	25	25	25	25	26	26	26	26	17
Community centers	1	1	1	1	1	1	1	1	1	1
Library volumes/circulations	296,498	260,834	251,155	231,831	217,488	104,960	3009	104	127,798	133,921

Sources: Various city departments  
\*Parks Master Plan

**CITY OF PORTERVILLE  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>FUNCTION</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
<b>Police</b>										
Crimes (1):										
Homicide	3	3	4	1	3	2	4	6	6	1
Rape	10	13	14	6	14	12	21	22	16	24
Robbery	37	55	52	65	43	41	29	42	70	59
Assaults	405	444	472	548	444	445	399	284	172	156
Burglary	278	308	306	343	279	204	192	242	176	128
Theft	717	796	807	1,002	880	782	518	840	750	756
Stolen vehicles	204	225	279	287	281	210	179	325	316	292
Traffic accidents:										
Non-injury	291	280	313	320	316	292	310	346	335	336
Injury	202	241	273	266	241	237	239	306	301	290
Fatal	4	4	5	4	2	5	4	7	4	2
Calls for service	33,848	38,991	38,247	54,614	43,699	40,398	40,067	36,865	43,663	38,986
Officer-initiated activity	31,866	25,606	22,027	17,718	24,540	23,000	20,940	18,114	16,802	20,301
Reports	8,374	8,293	8,038	7,831	8,174	7,776	3,179	7,868	8,285	7,363
Arrests:										
Felony	1,168	1,090	984	914	888	1,052	1,298	986	936	818
Misdemeanor	2,831	2,937	2,556	2,208	2,967	2,654	3,759	2,433	1,387	1,616
Mover citations	2,233	1,286	1,299	998	1,391	756	2,153	635	835	990
Non-mover and other citations	2,408	1,711	1,582	1,129	1,232	1,638	1,742	985	1,276	1,406
<b>Fire</b>										
Emergency responses:										
Fires	364	249	252	347	356	446	539	456	482	477
Medical	3,582	3,222	3,310	3,194	3,176	3,145	2,426	2,556	3,475	3,690
Hazardous materials	-	-	-	-	-	-	-	-	-	-
Other	1,206	1,345	1,414	1,523	487	1,633	1,469	1,562	734	1,971
Inspections	1,038	1,032	1,222	732	1,170	714	78	168	293	155
Hazard abatement	-	-	-	-	-	-	-	-	-	-
Violations noticed/citations issued	66	291	70	549	738	604	60	172	623	242
Public education - presentations and tours	167	77	59	64	60	-	-	-	-	-
Investigations	164	200	236	312	62	54	31	33	77	455

**CITY OF PORTERVILLE  
OPERATING INDICATORS BY FUNCTION (CONTINUED)  
LAST TEN FISCAL YEARS**

<b>FUNCTION</b>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
<b>Public works:</b>										
Building permits issued	252	274	292	297	317	257	266	201	171	178
Streets:										
Street resurfacing (square feet)	1,189,247	712,095	446,997	394,158	632,492	864,321	902,395	1,084,707	1,544,039	1,424,348
Potholes repaired (square feet)	8,517	28,962	33,817	18,641	32,454	24,650	38,138	74,768	72,336	75,052
Solid waste:										
Refuse collected (tons/day)	101	104	107	111	114	116	120	131	126	125
Recyclables collected (tons/day)	31	38	41	37	40	40	41	42	42	45
Water:										
Number of consumers	15,576	15,635	15,406	16,492	16,838	17,002	17,268	17,294	17,596	17,758
Water introduced into system (millions of gallons)	3,548	3,019	3,206	3,548	3,368	3,555	3,846	3,575	3,401	3,377
Metered water deliveries (millions of gallons)	3,223	2,552	2,959	2,946	2,983	3,034	3,364	3,333	3,122	3,057
New water connections	144	148	704	625	174	180	216	171	201	284
Water mains breaks	11	19	17	21	18	12	13	9	21	10
Wastewater:										
Average daily sewage treatment (millions of gallons)	4.4	4.4	4.4	4.4	4.3	4.3	4.6	4.6	4.6	4.8
<b>Parks and leisure services:</b>										
Athletic field permits issued	137	191	188	107	101	122	54	143	108	214
Facility rentals										
Community rooms/centers	40	32	32	4	3	-	1	1	3	3
Municipal swimming pool	52	64	62	79	68	35	27	53	55	65
Park pavilions	592	623	581	589	548	260	117	344	374	364
Zalud Estate house and gardens	14	13	10	11	12	6	2	11	13	8
Recreation program enrollment:										
Recreation afterschool program (RAP)	1,663	1,656	1,778	1,709	1,716	1,284	-	1,354	1,082	-
Sports activities	2,449	2,199	2,016	2,214	2,194	1,601	73	1,787	2,775	3,051
Summer/winter camp	586	607	548	529	412	254	82	-	182	112
Kindergarten/pre-school classes	289	341	328	315	300	85	-	-	-	-

Sources: Various city departments

Note: (1) These are the seven primary categories of crime, uniformly reported to the FBI and the State of California; they are used as indicators nationwide of the crime rate for the state, county and local jurisdictions.



*City of Porterville, California*

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