



# **CALIFORNIA**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2021**

# **CITY OF PORTERVILLE, CALIFORNIA**

PREPARED BY THE DEPARTMENT OF FINANCE

MARIA BEMIS

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2021**

**CITY OF PORTERVILLE**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**For the Fiscal Year Ended June 30, 2021**

**TABLE OF CONTENTS**

	<b><u>PAGE</u></b>
<b><u>INTRODUCTORY SECTION:</u></b>	
Letter of Transmittal	1
GFOA Certificate of Achievement	7
Organizational Chart	8
City Officials - Commissions, Boards, and Committees	9
<b><u>FINANCIAL SECTION:</u></b>	
<b>Independent Auditors' Report</b>	10
<b>Management's Discussion and Analysis</b>	14
<b>Basic Financial Statements:</b>	
<b>Government-wide Financial Statements:</b>	
Statement of Net Position	34
Statement of Activities	35
<b>Fund Financial Statements:</b>	
Balance Sheet - Governmental Funds	36
Reconciliation of the Balance Sheet of Governmental Funds to the Government-wide Statement of Net Position	37
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	38
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-wide Statement of Activities	39
Statement of Net Position - Proprietary Funds	40
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	41
Statement of Cash Flows - Proprietary Funds	42
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	43
Statement of Fiduciary Net Position - Fiduciary Funds	44
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	45
<b>Notes to the Financial Statements</b>	
Summary of significant accounting policies	46
Reporting entity	46
Basis of presentation - government-wide financial statements	46
Basis of presentation - fund financial statements	47
Measurement focus and basis of accounting	48
Budgetary information	49

	<u>PAGE</u>
Assets, liabilities, deferred outflows / deferred inflows of resources, and net position / fund balance	50
Revenues and expenditures / expenses	53
Current Government Standards Board (GASB) pronouncements	54
Reconciliation of government-wide and fund financial statements	
Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position	55
Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities	56
Explanation of certain differences between the proprietary fund statement of net position and the government-wide statement of net position	57
Stewardship, compliance and accountability	
Deficit fund equity	57
Detailed notes on all activities and funds	
Cash and investments	57
Receivables	62
Notes receivable	63
Capital assets	64
Interfund and advances receivables / payables and transfers	65
Long-term debt	66
Fund balance	70
Prior year's debt defeasance	71
Other Information	
Joint venture	72
Risk management	72
Contingencies	74
Construction and other significant commitments	74
Deferred compensation plans	75
Defined benefit pension plan	76
Post-employment benefits other than pensions (OPEB)	83
Insurance recoveries	87
Prior period adjustment	87
Subsequent events	87
Successor Agency trust for assets of former Redevelopment Agency	87



**Required Supplementary Information:**

Schedule of Changes in the Net Pension Liability and Related Ratios - Miscellaneous Plan	90
Notes to Schedule of Net Pension Liability and Related Ratios - Miscellaneous Plan	91
Schedule of Pension Plan Contributions - Miscellaneous Plan	92
Notes to Schedule of Pension Plan Contributions - Miscellaneous Plan	93
Schedule of Proportionate Share of the Net Pension Liability and Related Ratios - Safety Plan	94
Schedule of Pension Plan Contributions - Safety Plan	95
Schedule of Changes in Total OPEB Liability and Related Ratios	96
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	97
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Measure I Sales Tax Fund	98
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - American Rescue Plan Act Fund	99

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

Combining and Individual Nonmajor Governmental Funds Statements:	
Combining Balance Sheet	102
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	104
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
Special revenue funds:	
Public Safety Sales Tax Fund	106
Gas Tax Fund	107
Local Transportation Fund	108
Traffic Safety Fund	109
Community Development Block Grant Fund	110
Public Safety Grant Fund	111
Landscape Maintenance District Fund	112
Transportation Development Fund	113
Park Development Fund	114
Storm Drain Development Fund	115
Building Construction Fund	116
Debt Service Funds:	
General Government	117

	<u>PAGE</u>
Combining Nonmajor Enterprise Funds Statements:	
Combining Statement of Net Position	119
Combining Statement of Revenues, Expenses, and Changes in Net Position	120
Combining Statement of Cash Flows	121
Combining Internal Service Funds Statements:	
Combining Statement of Net Position	123
Combining Statement of Revenues, Expenses, and Changes in Net Position	124
Combining Statement of Cash Flows	125
<b><u>STATISTICAL SECTION</u></b>	
Financial Trends:	
Net Position by Component	127
Changes in Net Position	128
Governmental Activities Tax Revenues by Source	130
Fund Balances of Governmental Funds	131
Changes in Fund Balances of Governmental Funds	132
Revenue Capacity:	
Assessed Value and Estimated Actual Value of Taxable Property	133
Direct and Overlapping Property Tax Rates	134
Principal Property Taxpayers	135
Property Tax Levies and Collections	136
Sales and Use Tax Rates	137
Taxable Sales by Economic Category	138
Sewer Operations Revenue	139
Sewer Rates	140
Top Ten Sewer Users by Revenue	141
Water Operations Revenue	142
Water Rates	143
Water Customers by Type	144
Top Ten Water Users by Revenue	145
Debt Capacity:	
Ratios of Outstanding Debt by Type	146
Direct and Overlapping Governmental Activities Debt	147
Legal Debt Margin Information	148
Pledged-Revenue Coverage	149
Demographic and Economic Information:	
Demographic and Economic Statistics	150
Principal Employers	151
Operating Information:	
Full-time Equivalent City Government Employees by Function	152
Capital Asset Statistics by Function	153
Operating Indicators by Function	154

## Introductory Section



Maria Bemis  
Finance Director  
(559) 782-7435



291 North Main Street  
Porterville, CA 93257

February 9, 2022

Honorable Mayor and City Council  
John Lollis, City Manager  
City of Porterville, California

The annual comprehensive financial report of the City of Porterville for the year ended June 30, 2021, 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, 2021. The independent auditor's 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 with a population of 59,571.

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, a skate park, an off-highway vehicle park, and a youth center), library, and senior, adult and youth recreational activities. It also administers low-income housing programs and manages landscape maintenance districts. Transit, water, sewer, and solid waste disposal services are provided through enterprise funds, as are 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 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 thrive and has shown some resiliency at this time. Assessed property values increased 3.2 percent during the year with another 3.2 percent in fiscal year 2021-2022. Taxable sales increased 17.0 percent during the year, aided by the increase in prices of goods and commodities. The City projects another 4 percent increase in taxable sales in the next fiscal year. Unemployment rate is slightly down to 13.9 percent from a high of 14.6 percent in the prior fiscal year.

Both utility users tax and transient occupancy tax also experienced a surprising rebound from the decline in the prior year. Utility users tax grew 10.26 percent and transient occupancy tax increased 51.56 percent, both amounting to their highest level in the last ten years.

The COVID-19 pandemic has certainly impacted retail development during the year, but the City expects the next year to be a busy year with the opening of several retail stores including Dutch Bros, 2.0 Coffee, Boot Barn, a second Panda Express, JJ Hawaiian BBQ, West Coast Sourdough, The Human Bean, and Valley Strong Credit Union. Goodwill Industries will be developing a new location in the City.

Construction on the new Hampton Inn and Suites which was delayed due the COVID-19, is anticipated to commence in 2022. The new hotel will have 87 rooms with 20 percent being suites which will include a living room area and a kitchen. The hotel project will also include a pad for a restaurant.

The US Forest Service is constructing a new \$7.5 million USDA Sequoia National Forest Headquarters in Porterville. The one-story, 11,000 square foot facility will include a Visitor's Information Center, open-air cubicles and meeting spaces. It will function as a point of contact for visitors of Sequoia National Forest and Giant Sequoia National Monument. The new headquarters will be conveniently located near downtown Porterville which will positively impact downtown businesses. The new facility is expected to welcome visitors in 2022.

With the use of the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) that the City received from the US Department of the Treasury, the City Council, at their August 17, 2021 meeting, acted to support a COVID-19 incentive program in collaboration with Sierra View Medical Center and Imperial Ambulance offering \$100 gift cards/certificates from local businesses to individuals being vaccinated in special Community Vaccine Roundup events. Over 9,200 individuals, approximately 15.5 percent of the City's population, have been vaccinated and received \$100 vaccine incentives through the end of December 2021. The City Council has approved to continue the vaccine incentives through the month of February 2022. The City has spent over \$1.2 million of CSLFRF for these vaccine incentives that benefits local businesses and the local economy.

With CDBG-CV Cares Act funding, the City has been able to assist several small businesses with a commitment of approximately \$1 million in forgivable business loans and non-profit grants. The City remains committed to assisting the local small businesses.

After a multi-year effort, the City Council selected two businesses to receive a permit to operate a cannabis dispensary in the downtown area. Both businesses are looking to open in 2022. The process is underway to issue a third permit for one additional cannabis adult-use dispensary within the City.

The relocation and construction of the new Eagle Mountain Casino by the Tule River Indian Tribe began in April 2021. It is being built on a 40-acre site west of the Porterville Municipal Airport and is expected to be completed in the fall of 2022. The casino and resort project includes a 2,000 seat event center, 1750 slots, 20 table games, The River Steak House, Yokuts Coffee House, a 24-hour diner, and a sports bar and grill. Phase 2 of the project will include a 125-room hotel and a 20,000 square foot banquet and conference space. 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.

Residential housing development projects in the City continue to flourish. Several single-family units have been constructed during the year and more are being built. The development of a 104 market rate units as the next phase of the Village at Henderson mixed-use development is expected to begin construction soon, and several other proposed multi-family residential development projects are being considered.

### ***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 \$22,820,319. 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.

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 \$4,909,250 earmarked for this purpose. A temporary interim library facility is currently being developed in a leased property which will include over 8,000 square feet of library space. It is expected to be completed and open to the public in the spring of 2022. On December 7, 2021, the City Council chose the site for a new community library facility. The property is City-owned, 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. Plans are being developed to secure funding for the construction of the new library.

The Multi-Agency Serious Accident Review Team (SART) which investigated the catastrophic fire that destroyed the city library on February 18, 2020, had issued its report which included 27 findings and 95 recommendations. The City and the Fire Department is striving to work towards addressing those findings and recommendations. One of those recommendations is to increase the number of trained front line fire personnel. Consistent with this recommendation, the City has applied for and was awarded a Staffing for Adequate Fire and Emergency Response (SAFER) grant from FEMA's Assistance to Firefighters Grants Program that would provide full funding for six new firefighters for three fiscal years.

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 water infrastructure projects, broadband infrastructure and technology enhancements, addressing homelessness, providing local business assistance, and supporting the local vaccination effort.

On January 1, 2021, the City issued the 2021 Water System Financing Project Certificates of Participation with par value of \$29,730,000 and original issue premium of \$5,854,506. The issuance provided over \$35 million in project funds. Approximately \$15 million of the project funds will be used to construct a tertiary treatment plant near the casino resort currently under construction. 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. Another \$15 million of the project funds will be used to construct a groundwater recharge basin with piping

infrastructure that will provide for the collection of surface water runoff. The rest of the project funds will be utilized to construct improvements to the Waste Water Treatment Facility to further full tertiary treatment of plant effluent.

The last of the 5-year annual water rate hike of 2.3 percent was implemented effective October 1, 2020, as approved by Resolution Number 47-2016 on July 19, 2016. Revenue raised from this new rates will not only ensure the continued operation of the system to provide clean, safe and reliable potable water but it would also help meet the debt service coverage ratio required by loan covenants. In addition, the increased revenue will provide for timely maintenance and upgrade of the City's aging water infrastructure and the implementation of the State of California's Sustainable Groundwater Management Act (SGMA) program which includes the construction of monitoring wells, construction of storm drain percolation ponds for groundwater recharge, an annual pipe replacement program, and surface water purchases. An annual appropriation of about \$2 million a year is scheduled in the next 10 years for water capacity enhancement, construction of turnout structures and stormwater capture and recharge.

In December 2021, the City was awarded \$7.8 million from the highly-competitive Statewide Park Development and Community Revitalization Grant Program administered by the California State Parks for a new park in the City. The new project tentatively called the Fourth Street Community Park will include the construction of a new community center and park adjacent to the Rails to Trails corridor. The multi-use community center will have an ADA accessible playground, splash pad, challenge course, mini pitch soccer arena, pump track, four outdoor exercise stations, picnic shelters, public art wall, parking lot, and landscaping and lighting throughout the park. The project is set for completion in the fall of 2024.

Plans are currently being developed for a small sports complex on City property adjacent to the Heritage Center. The sports complex will include four lighted mini-pitch soccer fields with artificial turf, as well as lighted multi-purpose mini-pitch with an all-weather surface.

As part of the budgeting process, the City annually reviews its 10-year capital improvement strategies. Several major projects are currently in different stages of development. Several street reconstruction and rehabilitation projects are slated in the next few years including the reconstruction of downtown Main Street that will enhance vehicular and pedestrian circulation and provide an ideal destination for residents and visitors. The reconstruction / rehabilitation of Henderson Avenue has been completed. The next major street project is the reconstruction of Newcomb Street. The scope and estimated cost of this project have changed significantly from the original plans and is currently being appraised. Construction is anticipated to begin in the next fiscal year.

The City's microtransit operation called TransPort has been a highly successful program, with a current fleet of 12 electric vans. Partnering with UBER, TransPort is an on-demand, curb-to-curb, shuttle service with a flexible on-call schedule. Within the zone, rides are only \$3.00 one-way and offered seven days a week. The microtransit service supplements the fixed route service and expanded the transit service area. Construction of zero-emission infrastructure at the City corporation yard and the transit center has been completed with the installation of 10 200-kilowatt chargers and 12 50-kilowatt charges to complement the new fleet of electric buses and electric vans.

The design of the animal shelter facility has been completed. The project includes the remodel of a 9,677 square-foot building with storage and isolation rooms, adoption rooms, lobby, and



grooming room. The project also includes an exterior dog park and street improvements. Construction is anticipated to begin in 2022.

The City is currently in the process of updating its sanitary sewer, water system and storm drain master plans. In addition, the City has contracted professional services for the preparation of a recycled water feasibility study and for needs assessment of the wastewater treatment facility for the future development of wastewater and recycled water system facilities and improvements.

A sewer rate study and a refuse rate study is currently ongoing and is expected to define a fair rate structure that will provide adequate funding for operations, capital improvements and regulatory compliance costs. New sewer and refuse rates are projected to be implemented in fiscal years 2023 to 2027.

### ***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, 2020. This was the 31st 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 comprehensive annual 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 finance department. 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,

*Maria Bemis*

Maria Bemis  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

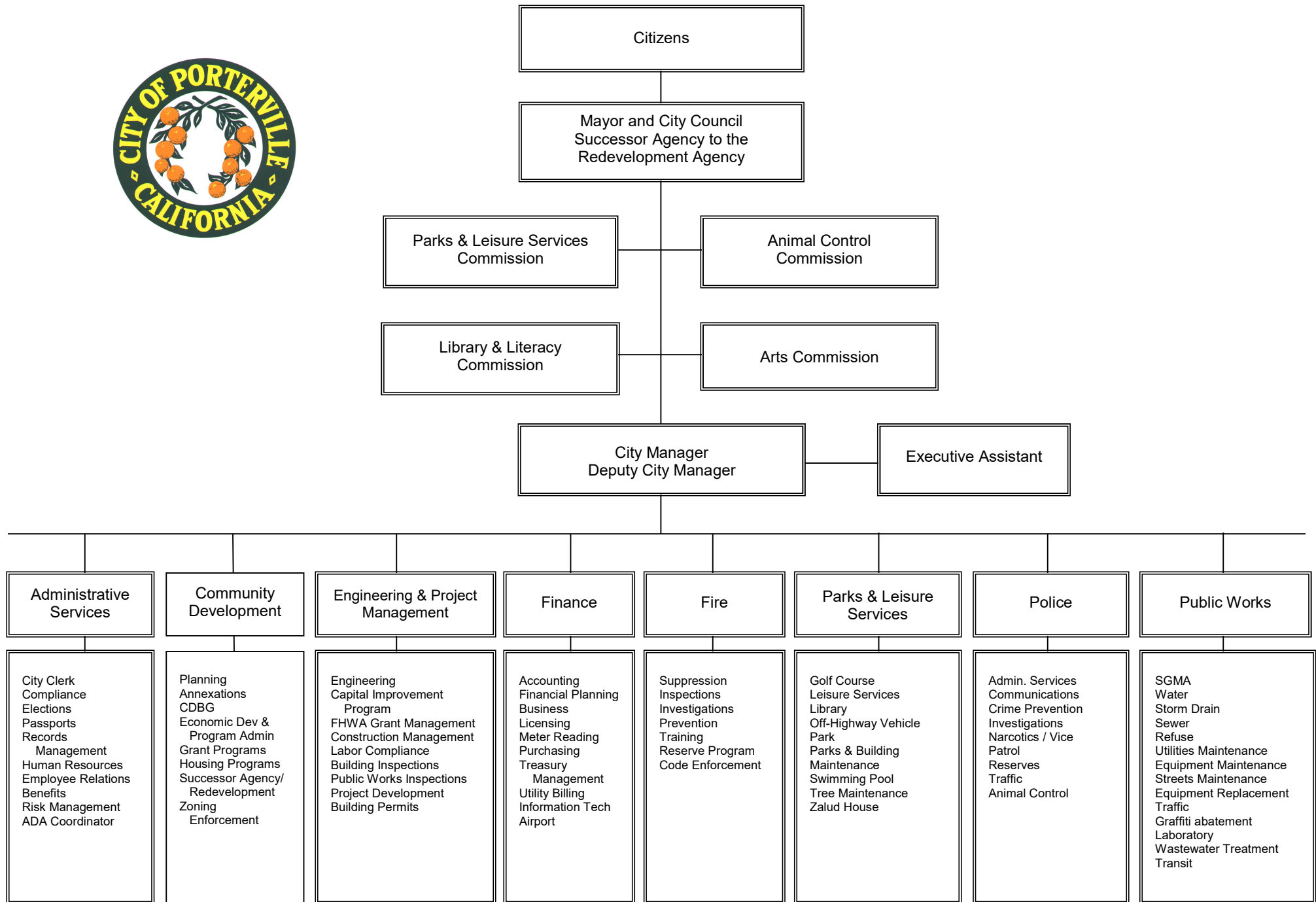
**City of Porterville  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO



**CITY OF PORTERVILLE**  
**CITY OFFICIALS - COMMISSIONS, BOARDS, AND COMMITTEES**  
**As of June 30, 2021**

**City Council and Successor Agency to the Redevelopment Agency Board**      **Term Expires**

Adrian Monte Reyes	Mayor and Chairperson	Nov 2024
Martha A. Flores	Vice Mayor and Vice-Chairperson	Nov 2024
Milt Stowe	Council Member and Agency Member	Nov 2022
Kellie Carrillo	Council Member and Agency Member	Nov 2024
<i>Vacant</i>	Council Member and Agency Member	Nov 2022

**City Manager and Department Directors**

John D. Lollis	City Manager/City Clerk
Patrice Hildreth	Deputy City Manager
Maria Bemis	Finance Director
Eric Kroutil	Police Chief
David LaPere	Fire Chief
Javier Sanchez	Engineering and Project Management Director
Michael Knight	Public Works Director
Jason Ridenour	Community Development Director
Donnie Moore	Parks and Leisure Services Director

**Library & Literacy Commission**

Edith LaVonne, Chairperson  
 Patience Christenson, Vice-Chairperson  
 Esther Figueroa, Member  
 Catherine May, Member  
 Susan Uptain, Member  
 Kim Baumgardner, Member  
 Leslie Pelon, Member

**Parks and Leisure Services Commission**

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

**Arts Commission**

Donna Serna, Chairperson  
 Kyree Perkins  
 Emily Luna  
 Diego Monterrubio  
 David Mason

**Animal Control Commission**

Kathy Guinn, Chairperson  
 Florenza Pizanis, Vice Chairperson  
 Jerry Hall, Member  
 Kat Harris, Member  
 Art Duron, Member

## Financial Section





## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council  
City of Porterville  
Porterville, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Porterville, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Porterville as of June 30, 2021, 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.

### ***Emphasis of Matter***

#### ***Restatements of Fund Balance and Net Position***

As disclosed in Note 8 to the financial statements, the City of Porterville adopted GASB Statement No. 84 Fiduciary Activities. As a result of the implementation of this standard, the City of Porterville reported a restatement for the change in accounting principle. Our opinion is not modified with respect to this matter.

### ***Other Matters***

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

#### ***Other Information***

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

Honorable Mayor and City Council  
City of Porterville

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

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

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Roseville, California  
February 9, 2022



***This page is intentionally blank.***

## 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, 2021. 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 - 6 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 \$523,202,983 (*net position*). Of this amount, \$19,833,967 represents unrestricted net position, which may be used to meet Porterville's ongoing obligations to citizens and creditors. \$459,484,134 is the net investment in capital assets which includes all major infrastructure systems.
- The City's total net position increased by \$16,673,723 from prior year from current activities. Governmental activities' net position increased by \$10,553,569 which includes \$4,883,082 in insurance recoveries received during the fiscal year resulting from the catastrophic fire that destroyed the City library. It also includes an increase of \$4,226,926 in sales and use tax revenue. Taxable sales in most categories grew during the year with a total growth of 17 percent. The business-type activities' net position increased by \$6,120,154 mainly from the water fund and the retail sales of water. The last scheduled water rate increase which was approved and adopted back in 2016 became effective on October 1, 2020.
- The beginning balance of the City's net position in governmental activities was adjusted due to the reclassification of certain accounts formerly reported in the agency fund in accordance with the requirements of GASB Statement No. 84. This adjustment increased net position by \$429,885.
- In January 2021, the City issued \$29,730,000 of Water Revenue Certificates of Participation at a premium of \$5,854,506 generating \$35,000,000 in project funds, to finance the construction of a tertiary treatment plant, a groundwater recharge basin and other improvements to the Waste Water Treatment Facility to further full tertiary treatment of plant effluent.
- At June 30, 2021, the City of Porterville's governmental funds reported combined fund balances of \$68,837,831, an increase of \$8,317,577 from the prior year which includes the \$4.8 million from the fire insurance proceeds and \$4.2 million increase in sales and use tax revenue.
- 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 \$22,820,319, or approximately 73.8 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 34 - 35 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 sixteen 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, Measure I Sales Tax Fund, American Rescue Plan Act Fund, and Capital Projects Fund, all of 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 36 - 39 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, Solid Waste, and Transit 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 40 – 42 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 44 - 45 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 46 - 88 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 90 - 99 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 102 - 125 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, 2021, the City of Porterville's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$523,202,983.

### City of Porterville's Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 89,172,924	\$ 67,364,388	\$ 107,418,763	\$ 65,456,896	\$ 196,591,687	\$ 132,821,284
Capital assets	<u>413,525,691</u>	<u>407,501,973</u>	<u>93,228,268</u>	<u>93,368,972</u>	<u>506,753,959</u>	<u>500,870,945</u>
Total assets	<u>502,698,615</u>	<u>474,886,361</u>	<u>200,647,031</u>	<u>158,825,868</u>	<u>703,345,646</u>	<u>633,692,229</u>
Deferred outflows of resources	<u>10,391,805</u>	<u>10,182,466</u>	<u>2,818,384</u>	<u>3,291,463</u>	<u>13,210,189</u>	<u>13,473,929</u>
Long-term liabilities outstanding	80,576,305	77,059,648	89,100,369	54,611,338	169,676,674	131,670,986
Other liabilities	<u>16,485,565</u>	<u>2,961,623</u>	<u>2,775,607</u>	<u>2,053,548</u>	<u>19,261,172</u>	<u>5,015,171</u>
Total liabilities	<u>97,061,870</u>	<u>80,021,271</u>	<u>91,875,976</u>	<u>56,664,886</u>	<u>188,937,846</u>	<u>136,686,157</u>
Deferred inflows of resources	<u>3,650,609</u>	<u>3,633,069</u>	<u>764,397</u>	<u>747,557</u>	<u>4,415,006</u>	<u>4,380,626</u>
Net position:						
Net investment in capital assets	393,491,264	388,794,436	65,992,870	66,711,541	459,484,134	455,505,977
Restricted	43,884,882	40,053,368	--	--	43,884,882	40,053,368
Unrestricted	<u>(24,998,205)</u>	<u>(27,453,317)</u>	<u>44,832,172</u>	<u>37,993,347</u>	<u>19,833,967</u>	<u>10,540,030</u>
Total net position	<u>\$ 412,377,941</u>	<u>\$ 401,394,487</u>	<u>\$ 110,825,042</u>	<u>\$ 104,704,888</u>	<u>\$ 523,202,983</u>	<u>\$ 506,099,375</u>

Current and other assets in the governmental activities increased by \$21,808,536 from the prior year. Almost \$10 million of this increase comes from the first tranche of American Rescue Plan Act funds received in May 2021. Measure I Sales Tax Fund generated almost \$3.7 million more of transactions and use tax revenue compared to the prior year. In the General Fund, insurance proceeds of \$4.8 million received during the year contributed to the overall growth.

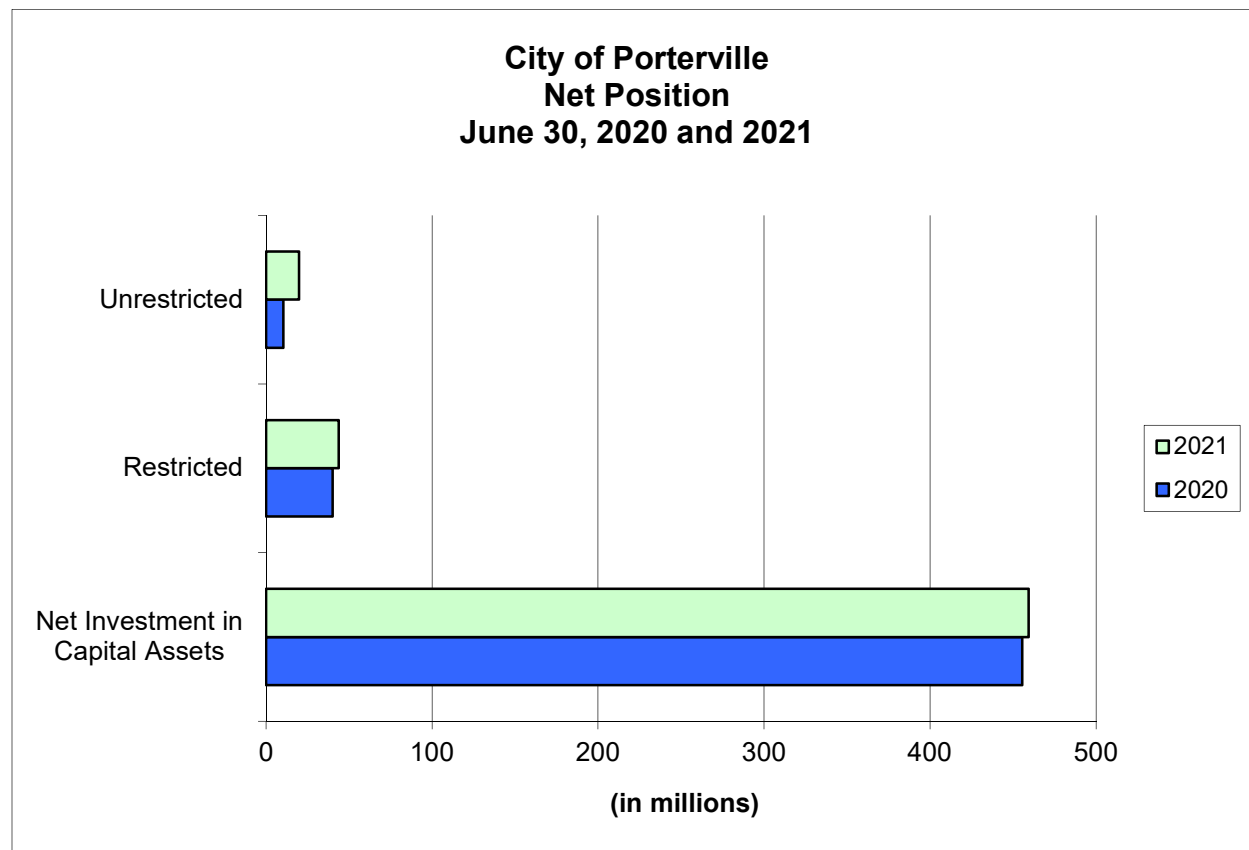
The receipt of the first tranche of American Rescue Plan Act funds during the current year resulted in a corresponding increase in other liabilities in the governmental activities. The City reports over \$10 million of unearned revenues at June 30, 2021.

Current and other assets increased in the business-type activities by \$41.9 million from the prior year. A majority of this increase, \$35 million, consists of proceeds from the issuance of the 2021 certificates of participation in the Water Fund which corresponds to the increase in long-term liabilities in the business-type activities.

By far, the largest portion of the City's net position, \$459,484,134 (87.8 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, 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, \$43,884,882 (8.3 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 \$19,833,967. The business-type activities unrestricted net position was \$44,832,172 while governmental activities reported a deficit balance of \$24,998,205. This deficit is caused primarily by the approximately \$53.5 million in postemployment liabilities from the City's pension plans (\$44.9 million) and other postemployment benefit plan for retiree healthcare (\$8.6 million).



The City's total net position increased by \$17,103,608 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.

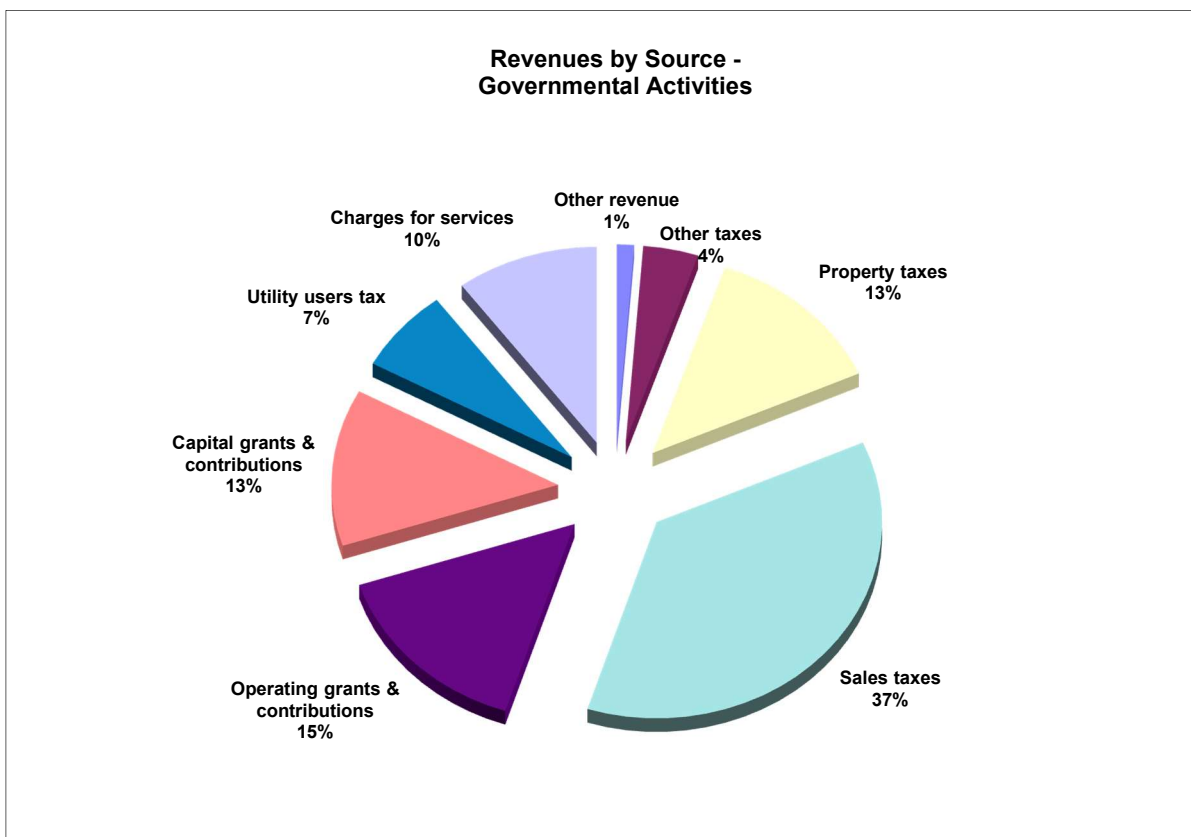
### City of Porterville's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 6,254,913	\$ 6,485,227	\$ 29,755,311	\$ 28,174,653	\$ 36,010,224	\$ 34,659,880
Operating grants and contributions	9,245,468	4,510,128	3,647,924	5,146,343	12,893,392	9,656,471
Capital grants and contributions	7,968,627	7,973,637	5,146,426	5,847,131	13,115,053	13,820,768
General revenues:						
Property taxes	8,106,766	7,749,429	--	--	8,106,766	7,749,429
Other taxes	29,186,709	24,277,111	--	--	29,186,709	24,277,111
Other	756,949	1,662,327	242,672	1,640,009	999,621	3,302,336
Total revenues	<u>61,519,432</u>	<u>52,657,859</u>	<u>38,792,333</u>	<u>40,808,136</u>	<u>100,311,765</u>	<u>93,465,995</u>
Expenses:						
Community/economic development	1,696,123	1,755,488	--	--	1,696,123	1,755,488
General government	4,390,806	3,901,692	--	--	4,390,806	3,901,692
Parks and recreation	9,244,880	8,002,831	--	--	9,244,880	8,002,831
Public safety - fire	8,533,309	7,490,117	--	--	8,533,309	7,490,117
Public safety - police	18,009,990	16,001,215	--	--	18,009,990	16,001,215
Public works	8,133,063	7,589,601	--	--	8,133,063	7,589,601
Interest on long-term debt	870,706	926,503	--	--	870,706	926,503
Airport	--	--	1,684,668	1,295,485	1,684,668	1,295,485
Golf course	--	--	501,678	445,126	501,678	445,126
Sewer	--	--	7,967,535	7,826,879	7,967,535	7,826,879
Solid waste	--	--	7,212,669	6,995,942	7,212,669	6,995,942
Transit	--	--	6,088,012	6,718,188	6,088,012	6,718,188
Water	--	--	9,285,561	7,786,124	9,285,561	7,786,124
Zalud estate	--	--	19,042	29,570	19,042	29,570
Total expenses	<u>50,878,877</u>	<u>45,667,447</u>	<u>32,759,165</u>	<u>31,097,314</u>	<u>83,638,042</u>	<u>76,764,761</u>
Increase (decrease) in net position before transfers	10,640,555	6,990,412	6,033,168	9,710,822	16,673,723	16,701,234
Transfers	<u>(86,986)</u>	<u>(92,626)</u>	<u>86,986</u>	<u>92,626</u>	--	--
Increase (decrease) in net position	10,553,569	6,897,786	6,120,154	9,803,448	16,673,723	16,701,234
Net position - July 1	401,394,487	396,103,125	104,704,888	94,901,440	506,099,375	491,004,565
Prior period adjustment	<u>429,885</u>	<u>(1,606,424)</u>	<u>--</u>	<u>--</u>	<u>429,885</u>	<u>(1,606,424)</u>
Net position - June 30	<u>\$ 412,377,941</u>	<u>\$ 401,394,487</u>	<u>\$ 110,825,042</u>	<u>\$ 104,704,888</u>	<u>\$ 523,202,983</u>	<u>\$ 506,099,375</u>

**Governmental activities.** During the fiscal year, the City of Porterville's net position in governmental activities increased by \$10,640,555 from current activities. This includes \$4.8 million in insurance proceeds the City received during the year as a result of the disastrous fire that destroyed the City's main library facility. Sales and use taxes for the year increased by \$4.2 million. Total taxable sales grew 17 percent during the year with increases in most categories, aided by the rising cost of goods and commodities. A prior period adjustment of \$429,885 was made at the end of the year which augmented the beginning net position. The adjustment was made to reclassify accounts that have previously been reported in the agency fund, per the requirements of GASB 84. Net position in governmental activities finished the year at \$412,377,941.

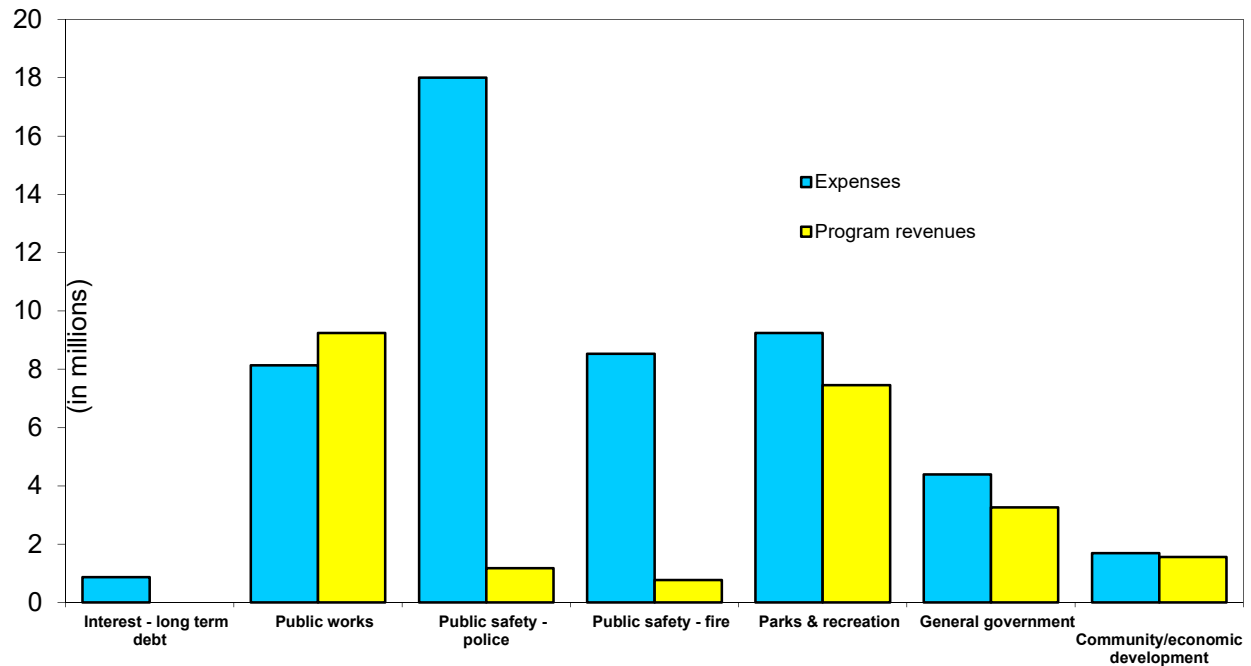


Total governmental revenues for the year of \$61,519,432 were 16.8 percent higher than the prior year revenues of \$52,657,859. Sales and use tax revenues increased by \$4,226,926, a 23.1 percent rise from the prior fiscal year. Property taxes grew by 4.6 percent in the current year consistent with a 3.2 percent increase in assessed valuations. Utility users tax and transient occupancy tax both ended the year with increases of 10.3 percent and 51.6 percent, respectively. Charges for services continued to decline for the second consecutive year. Limitations on outdoor gatherings due to COVID-19, which affected parks and leisure activities and school events resulted in lower charges for the year. Insurance proceeds of \$4.8 million resulting from the fire that consumed the City library in February 2020 also increased governmental revenues in the fiscal year. Governmental revenues also included \$736,568 in CARES Act grant funds which was used mainly for payroll for safety employees, purchase of personal protective equipment and other public health expenses.



Total expenses in governmental activities grew 11.4 percent during the current year, increasing from \$45,667,447 to \$50,878,877. The most significant increases were in Public Safety with \$2,008,775 in the Police Department and \$1,043,192 in the Fire Department. Additional staff in both Police and Fire Departments were hired during the year. Expenses in the Parks and Recreation Department also increased considerably by \$1,240,809 largely due to the cleanup and remediation of combustion by-products at City Hall as a result of the library fire.

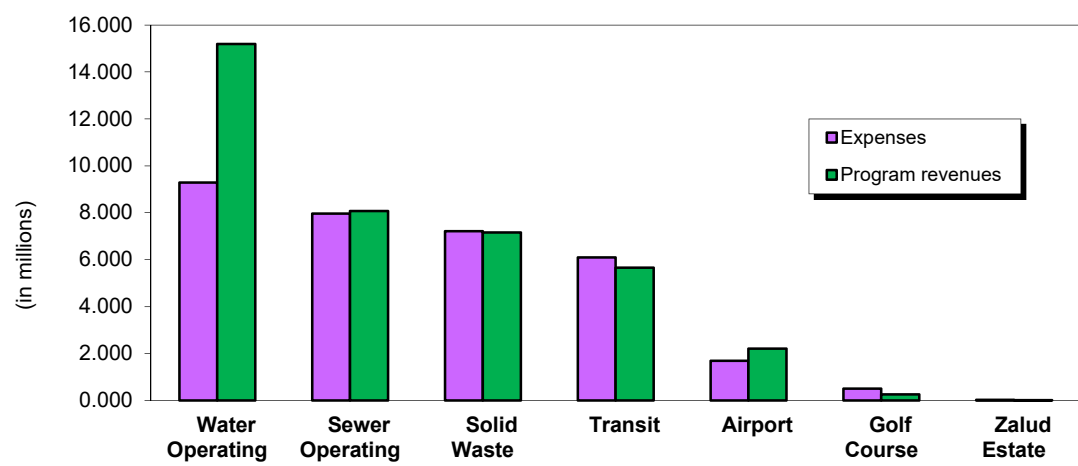
## Expenses and Program Revenues - Governmental Activities



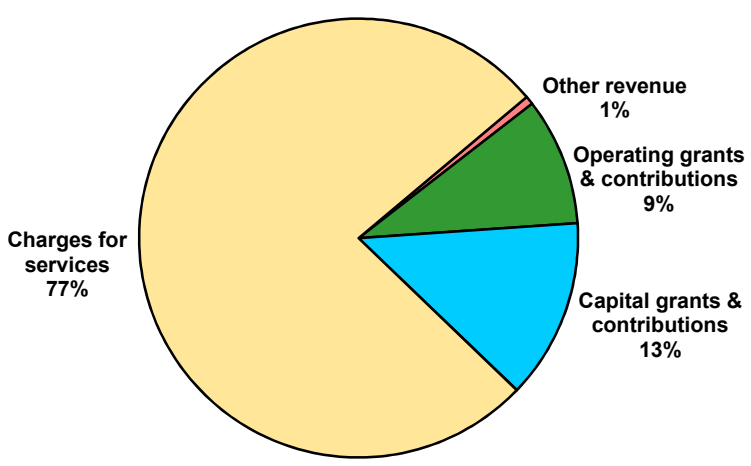
**Business-type activities.** Business-type activities increased the City of Porterville's net position by \$6,120,154 in the current year, ending with a net position of \$110,825,042 particularly from change in net position in the Water Fund amounting to \$5.9 million.

The final scheduled rate hike in water rates which was adopted in July 2016, became effective on October 1<sup>st</sup>, 2020. As a result, water service charges increased \$840,266 over the previous year's amount. Total operating revenues exceeded total operating expenses by \$5,161,320 in the Water Fund. A majority of this operating income is being banked to finance future water supply projects and to build a reserve for emergencies. In addition, over \$1.8 million in grants from the California Department of Water Resources is reported which paid for the majority of the cost of construction of new water mains to enable properties to connect to the City's water system.

**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, 2021, the City of Porterville's governmental funds reported combined ending fund balances of \$68,837,831, an increase of \$8,747,462 in comparison with the prior year. Fund balance of \$3,787,009 is classified as *nonspendable* and not available for spending in the current period. This includes the long-term portion of loans receivable. \$43,108,633 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 \$6,098,421 and \$16,201,252, respectively. Total unassigned fund balance at the end of the fiscal year amounts to a deficit of \$357,484.

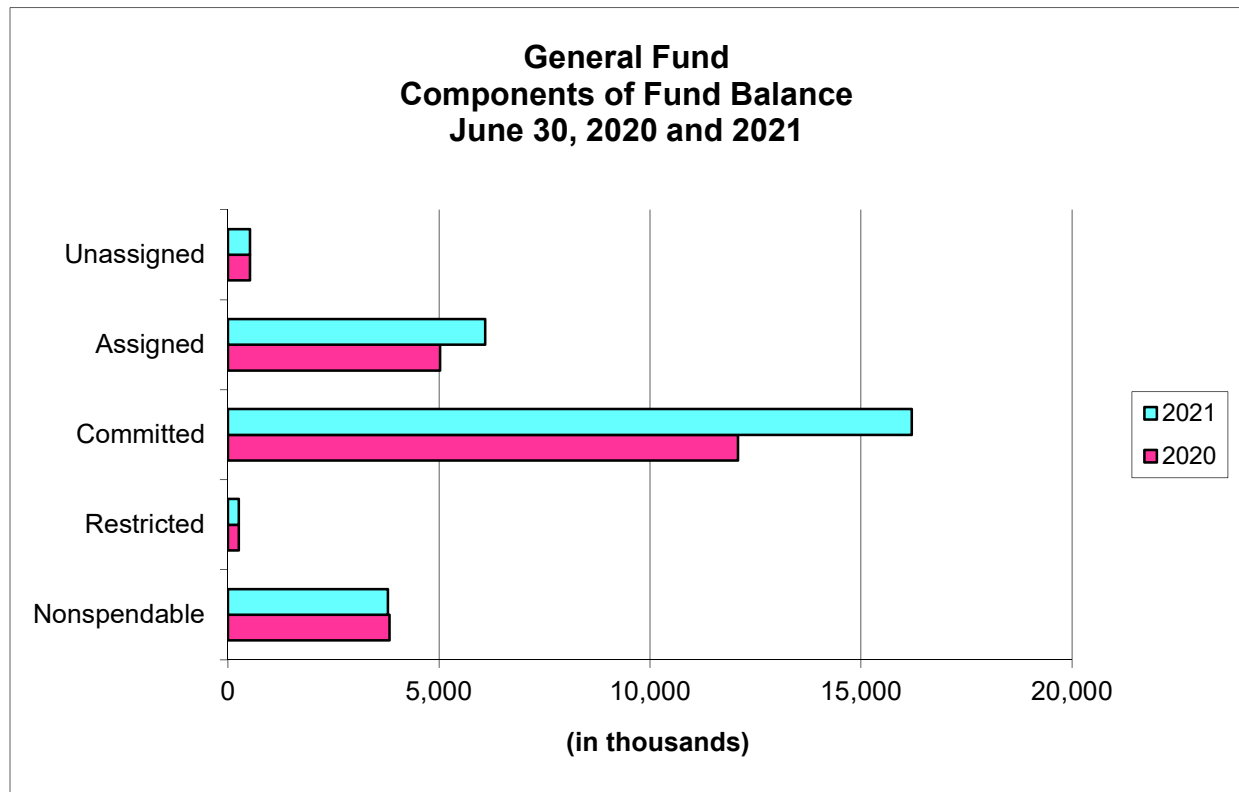
### General Fund

The General Fund is the chief operating fund of the City of Porterville. At the end of June 30, 2021, unassigned fund balance of the general fund was \$520,646, while total fund balance reached \$26,866,610. 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 1.7 percent of total general fund expenditures, while total fund balance represents 72.9 percent of that same amount. At June 30, 2021, the committed fund balance in the general fund included \$4,685,155 in the budget stabilization reserve which is 15.1 percent of total general fund expenditures. \$3,123,437 is committed for catastrophic / emergency reserve and \$3,174,324 for capital construction or improvements, facility, equipment and infrastructure deferred maintenance and improvements. In addition, \$4,909,250 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.

The fund balance of the City of Porterville's general fund increased \$899,393 from current activities. As mentioned earlier, the City received \$4,853,082 in insurance proceeds in the current year for the loss of the City library to a devastating fire. In addition, a prior period adjustment of \$429,885 added to the total increase in fund balance to finish the fiscal year at a fund balance of \$26,866,610.

Total revenues of \$31,830,612 were higher than prior year revenues by \$2,939,379 while total expenditures increased 3.8 percent to \$30,931,219. Property tax grew 4.6 percent during the year but surprisingly, sales and use tax, transient occupancy tax and utility users tax all showed a robust growth from the prior year, amid the COVID-19 pandemic. Sales and use tax grew by 20.7 percent or \$1.3 million and utility users tax rose by 10.3% or \$395,519. Transient occupancy tax, although a small component of general fund revenue grew by 51.6 percent. Another component of the increase in general fund revenues was the CARES Act grant funds of \$736,568

which paid for payroll for safety employees, personal protective equipment and other public health expenses. Current year expenditures included over \$2 million in charges related to the library fire and \$781,428 related to the COVID-19 pandemic.



### Other Major Governmental Funds

The Measure I Sales Tax Fund finished the year with a fund balance of \$11,315,218, an increase of \$3,879,604 from the prior year. Revenues are derived from the one-cent transactions and use tax approved by the voters of Porterville in the November 2019 election ballot. The new tax became effective on April 1, 2019. As described earlier, taxable sales of goods and commodities within the district grew over 20% which translated to an increase in district sales and use tax of \$2,027,805 for the fiscal year. Expenditures totaled \$4,450,403 compared to \$2,147,826 last year. Both the Police Department and the Fire Department hired additional officers and purchased new equipment to outfit the new officers during the course of the year.

A new major fund this fiscal year is 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. Total assets of the fund amounted to \$10,047,151 at the end of the fiscal year. The City received the first tranche of \$9,992,358 in May 2021. At the end of June 2021, the City had expended only \$9,566 of the grant. The remainder was reported as a liability – unearned revenue in the financial statement at June 30, 2021.

The capital projects fund, another major governmental fund ended the year with a deficit fund balance of \$434,880. This deficit will be covered by capital grant funds that will be billed but not currently available to pay liabilities of the current period.

***Proprietary funds.*** The City of Porterville's proprietary funds provide the same type of information fund in the government-wide financial statements, but in more detail.

Total net position of the Sewer Operations Fund at June 30, 2021, amounted to \$33,499,178 with an increase of \$419,878 from activities in the current year. Of the total net position, \$16,361,892 or 48.8 percent is unrestricted and 51.2 percent is invested in capital assets or \$17,137,286.

The Water Operations Fund's total net position at the end of the current fiscal year was \$46,604,189. Current activities increased net position by \$6,148,397. Water rates went up another 2.3 percent effective October 1, 2020, resulting in an increase of \$963,525 in water service charges. The City booked \$1,817,901 in capital grants from the State Department of Water Resources in the current fiscal year for the amount spent on the household tanks removal project which included the installation of water mains where household tanks were installed during the severe drought conditions. The City issued new debt during the year, the 2021 Water Revenue Certificates of Participation which increased long-term debt by \$29,730,000. This new bond issue generated \$35,000,000 in project funds, increasing total assets of the fund. Project funds will be utilized to construct a new tertiary treatment plant, a groundwater recharge basis and other improvements. Unrestricted net position at the end of the year is 55.3 percent of the total or \$25,764,585. Net position invested in capital assets amounted to \$20,839,604 or 47.7 percent.

At June 30, 2021, the Solid Waste fund had total net position of \$5,462,318, an increase of \$205,687 from current year activities. Revenues for the year included \$800,981 of Congestion Mitigation and Air Quality Improvement Program grant funds for the purchase of new compressed natural gas refuse loaders. Total amount invested in capital assets amounted to \$2,740,416 or 50.2 percent and \$2,721,902 or 49.8 percent in unrestricted net position.

The Transit Operations Fund reports total net position of \$18,110,778 at June 30, 2021. Current activities reduced net position by \$443,672. Charges for services, primarily fare revenues declined by almost 50 percent due to the suspension of several transit routes in order to limit the spread of coronavirus. Of the total net position, \$18,423,672 is invested in capital assets which leaves the fund with a deficit unrestricted net position of \$312,894.

## **General Fund Budgetary Highlights**

***Original budget compared to final budget.*** During the year, the original budget appropriations was amended to appropriate \$2,074,126 for expenditures related to the library fire funded by insurance proceeds. An amendment was also made to appropriate \$781,428 for expenditures related to COVID-19 including payroll for personnel affected by the virus, testing for the virus, purchase of personal protective equipment and cleaning supplies and equipment and purchase of computer equipment to allow for staff to work remotely. There was no need for any significant amendments to increase either the original estimated revenues.

***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	\$7,818,000	\$8,106,766	\$ 288,766
Sales and use tax	5,760,000	7,735,526	1,975,526
Utility users tax	3,700,000	4,251,538	551,538
Transient occupancy tax	400,000	764,374	364,374
Federal grant	100,000	1,274,709	1,174,709
Police services	411,000	222,320	(188,680)
Recreational activities	2,540,000	2,049,682	(490,618)

It has been the City's practice to conservatively estimate General Fund revenues. In FY 2020-2021, property taxes finished the year higher than what was estimated for the year. While the City projected for sales and use tax, transient occupancy tax and utility users tax to decline as a result of the COVID-19 pandemic, final actual revenues from these sources actually rebounded even higher than the year before the pandemic started. The shortfall in police services and recreational activities were caused by the cancellation of outside events and activities during the fiscal year due to the COVID-19 pandemic. In the federal grant category, the general fund's original budget did not include the CARES Act grant which funded COVID-19 related expenditures.

General Fund expenditures at the end of the year totaled \$30,931,219 and were under budget by \$2,449,111. Variance between the final amended budget and actual expenditures in the police department is mainly due to a number of vacant positions.

### **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, 2021, amounts to \$506,753,959 (net of accumulated depreciation). This investment in capital assets includes land, distribution and collection systems, buildings, improvements, machinery and equipment, 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 \$5,883,014.

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

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 274,460,627	\$274,460,627	\$ 6,680,664	\$ 6,680,664	\$ 281,141,291	\$ 281,141,291
Works of art and collections	50,450	50,450	--	--	50,450	50,450
Buildings	14,001,070	14,329,417	2,737,920	2,747,776	16,738,990	17,077,193
Improvements other than buildings	8,012,643	7,357,716	7,569,934	6,747,136	15,582,577	14,104,853
Machinery and equipment	7,046,845	6,399,262	20,967,677	21,779,510	28,014,522	28,178,772
Infrastructure	98,856,699	92,842,207	609,614	689,108	99,466,313	93,531,315
Distribution and collection systems	--	--	47,740,116	47,530,102	47,740,116	47,530,101
Construction in progress	11,097,357	12,062,294	6,922,343	7,194,676	18,019,700	19,256,970
Total	<u>\$ 413,525,691</u>	<u>\$407,501,973</u>	<u>\$93,228,268</u>	<u>\$93,368,972</u>	<u>\$ 506,753,959</u>	<u>\$ 500,870,945</u>

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

- In September of 2018, the City awarded the contract for architectural design and construction assistance services for the new animal shelter facility. The contract also includes additional design services for a pedestrian trail and a dog park behind the facility. Total contract amount is \$719,130 and at June 30, 2021, \$514,812 has been spent on the project.
- The Henderson Avenue reconstruction project began early in July 2020. The project consisted of new asphalt and base, compliant curb returns and 16" water main. 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 estimated total project cost was \$8,958,470. At the end of the fiscal year, the project was 88 percent complete.
- Design on the Main Street, Union Avenue and Villa Street reconstruction projects are in progress. The City awarded contracts in the amount of \$666,315.
- Construction of lighted crosswalk systems at the Olive Avenue corridor and the Rails-to-Trails corridor was completed during the year at a total cost of \$841,856. The project consisted of new ADA access ramps, driveways, stamped concrete, parkway trees, nostalgic lights, and other pedestrian amenities. Funding for the project included Active Transportation Program grant funds.
- On January 19, 2021, a new contract was awarded for the Olive Avenue and Newcomb Street traffic signal project which includes the installation of a new traffic signal to accommodate protected left-turn phasing as well as accessibility improvements. Estimated total construction cost is \$618,017. A portion of this project will be funded from a grant from the Highway Safety Improvement Program.
- The construction of ADA restrooms at Veteran's Park, Zalud Park and at the Airport restaurant was completed during the year at a total cost of \$246,584.



- Several parks amenities including shade structures, shelters, picnic tables, and outdoor fitness equipment were added to city parks.
- The contract for the rehabilitation of digesters #2 and #3 at the City's wastewater treatment facility was awarded in September 2020. Both digesters had suffered structural damage of their steel dome covers. Total construction cost is estimated to be \$2,477,475. Only 20 percent of the project has been completed at June 30, 2021.
- Design of the sewer annexation project began during the 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 2019 Sewer Revenue COPs were issued to finance this project. A sewer rate study is currently underway with planned rate adjustments beginning in the next fiscal year.
- The household water tanks removal project which consists of installing new water mains within the city limits where household tanks were installed during the severe drought conditions was completed during the year. The City received a grant from the Department of Water Resources to fund the project. The total cost of the project amounted to \$2,088,563.
- Phase 2 of the Well No. 35 project, which consists of the installation of a 125HP pump, electrical system, above ground discharge piping, and other items to complete the pumping plant began early in 2021. The total construction cost is estimated to be \$2,309,656. This new well will be an asset to the West Pressure Zone and also meet the demands of the East Porterville Water System. This project is funded with grant funds from the California State Water Resource Control Board. A total of \$1,084,690 had been spent on the project at the end of the fiscal year.
- The electrification project at the City's corporate yard and the transit center is well underway. The project consists of the installation of prefabricated parking structures, installation of electrical equipment, conduit and wiring and the installation of solar photovoltaic systems and related appurtenances. Total construction cost is estimated to be \$1,799,400. Part of the project is the installation of 12 50kw electric charging stations and another 2 200kw charging stations. These electric charging stations will charge the City's growing fleet of electric buses and vans.
- The apron rehabilitation project at the Porterville Municipal Airport, including improvements to the gates and access control was completed during the year at a total cost of \$1,214,513. This project was 90% funded by a grant from the Federal Aviation Administration.
- During the year, the City acquired 12 electric passenger transit vans for \$1,167,449 for the City's new on-demand microtransit service. The City added 3 new CNG refuse loaders to its fleet at a cost of \$922,259. The City also acquired a new armored rescue vehicle of the police department for \$264,936 and several patrol units and trucks for \$429,391. The fire department purchased a new water tender apparatus for \$326,792 and the library got its new electric mobile library vehicle for \$40,860. The City also purchased a new loader for \$237,465 for the streets division. Several other equipment were 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 pages 50 - 51 and Note 4-D on pages 64 – 65 of this report.

**Long-term debt.** At the end of the current fiscal year, the City of Porterville had total principal debt outstanding of \$87,808,100. The City's total debt increased \$26,585,245 during the year mainly due to the issuance of new certificates of participation for water projects.

#### City of Porterville's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Pension obligation bond	\$ --	\$ 585,000	\$ --	\$ --	\$ --	\$ 585,000
Certificates of participation	18,105,000	19,055,000	41,615,000	12,095,000	59,720,000	31,150,000
Notes payable	822,000	1,095,000	27,266,100	28,392,855	28,088,100	29,487,855
Total	<u>\$ 18,927,000</u>	<u>\$ 20,735,000</u>	<u>\$ 68,881,100</u>	<u>\$ 40,487,855</u>	<u>\$ 87,808,100</u>	<u>\$ 61,222,855</u>

The governmental debt includes certificates of participation (COPs) in the amount of \$18,105,000 issued in June of 2015 which refunded the 2002 Public Building Refunding Project COPs and the 2013 Infrastructure Lease agreement. It also includes \$822,000 in notes payable to HUD which funded the construction of the Heritage Community Center. The City's pension obligation bond which financed the City's public safety employee side fund obligation to CalPERS matured on October 1, 2020 and the liability has been removed from the City's financial statements.

The business-type debt includes \$11,885,000 from the 2019 Sewer Revenue COPs issued in December 2019. Proceeds from the certificates will finance the extension of city sewer services to several areas within the city limits identified to be dependent on septic tanks. The issuance of the 2021 Water System Financing Project COPs increased the City's business-type debt by \$29,730,000. The new COPs will fund 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 \$3,032,085 for the sewer fund and \$6,164,015 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, 2021 also includes \$18,070,000 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 recent 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-".

Additional information on the City's long-term debt can be found in Note 4-F on pages 66 - 70 of this report.

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

- Contrary to the City of Porterville expectations on the impact of the COVID-19 pandemic to City revenues in the current year, particularly on the sales and use tax, transient occupancy tax and utility users tax, fiscal year 2020-2021 taxes actually finished the year on a high note, with the increases in prices of goods, utilities and hotel rates. 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 2020-2021 revenues. Total General Fund revenues for the next fiscal year are projected to be 5.2 percent higher than the 2020-2021 estimates.
- For fiscal year 2022-2023, operating expenditures in the General Fund are estimated to be approximately 5.6 percent higher than the 2021-2022 projections. Factors that contribute to the increase includes higher CalPERS contributions and increases in employee salaries.
- 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 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. The City Council has directed that funds be prioritized toward water and sewer infrastructure projects, broadband infrastructure and technology enhancements, provision of services addressing homelessness, local business assistance, and funding ongoing public safety services, consistent with the requirements of the American Rescue Plan Act.
- The investigation into the library fire by the Serious Accident Review Team (SART) lead to the recommendation to increase fire personnel staffing and the creation of a Deputy Fire Chief position. The City applied for and was awarded a federal Staffing for Adequate Fire and Emergency Response (SAFER) grant that would provide full-funding for six new firefighters for three fiscal years. The City will become financially responsible for these new positions beginning in the fourth year.
- The City completed the refinancing of the 2015 Certificates of Participation (COPs) and issued the 2021 Refinancing Project COPs on July 15, 2021. The City renegotiated the terms of the 2015 COPs with Capital One Public Funding, LLC, and lowered the interest rate from 3.85 percent to 2.70 percent. The refinancing resulted in average annual savings of \$64,662. Final maturity of the new issue is the same as the refinanced 2015 COPS at June 1, 2035.
- Due to increased State organic recycling requirements, as well as higher costs of recycling, expenses in the Solid Waste Fund is anticipated to surpass revenues by 11.3 percent in fiscal year 2021-2022. A comprehensive rate study is currently underway to define a new rate structure that would support current operations, capital improvements and regulatory compliance costs.

- Several major capital projects are being contemplated in the new fiscal year including the development of an interim library facility, the implementation of electrified microtransit service, development of a new animal shelter facility, a number of street improvement projects, the design of sewer infrastructure extending sewer lines into former unincorporated areas annexed into the City, and the construction of Phase 3 of the Tule River Parkway.

## **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).



***This page is intentionally blank.***

**Basic  
Financial Statements**



**City of Porterville**  
**Statement of Net Position**  
**June 30, 2021**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 61,137,399	\$ 54,119,563	\$ 115,256,962
Restricted - customer deposits	-	364,222	364,222
Receivables - utility (net of allowance for uncollectibles)	-	4,545,705	4,545,705
Receivables - misc (net of allowance for uncollectibles)	7,078,615	558,069	7,636,684
Receivables - housing (net of allowance for uncollectibles)	9,289,463	-	9,289,463
Receivables - intergovernmental	729,150	4,090,884	4,820,034
Inventories	-	122,205	122,205
Prepays	121,077	-	121,077
Internal balances	5,164,560	(5,164,560)	-
Restricted assets - investments	1,011,728	48,451,209	49,462,937
Notes receivable	4,640,932	331,466	4,972,398
Capital assets not being depreciated:			
Land	274,460,627	6,680,664	281,141,291
Construction in progress	11,097,357	6,922,343	18,019,700
Works of art and collection	50,450	-	50,450
Capital assets, net of accumulated depreciation:			
Buildings	14,001,070	2,737,920	16,738,990
Improvements other than buildings	8,012,643	7,569,934	15,582,577
Machinery and equipment	7,046,845	20,967,677	28,014,522
Infrastructure	98,856,699	609,614	99,466,313
Distribution and collection systems	-	47,740,116	47,740,116
Total Assets	502,698,615	200,647,031	703,345,646
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	1,436,083	1,202,247	2,638,330
Deferred pension-related items	8,696,274	1,544,158	10,240,432
Deferred OPEB-related items	259,448	71,979	331,427
Total Deferred Outflows of Resources	10,391,805	2,818,384	13,210,189
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	5,668,933	1,360,830	7,029,763
Accrued interest payable	66,767	1,050,555	1,117,322
Deposits payable	682,501	364,222	1,046,723
Unearned revenue	10,067,364	-	10,067,364
Non-current liabilities:			
Due in 1 year	4,454,348	2,126,075	6,580,423
Due in more than 1 year	22,857,941	74,422,322	97,280,263
Net pension liability	44,967,677	10,248,320	55,215,997
Other postemployment benefits liability	8,296,339	2,303,652	10,599,991
Total Liabilities	97,061,870	91,875,976	188,937,846
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pension-related items	1,606,381	182,227	1,788,608
Deferred OPEB-related items	2,044,228	582,170	2,626,398
Total Deferred Inflows of Resources	3,650,609	764,397	4,415,006
<b>NET POSITION</b>			
Net investment in capital assets	393,491,264	65,992,870	459,484,134
Restricted for:			
Building construction	175,344	-	175,344
Community development	11,317,489	-	11,317,489
Debt service	1,063,922	-	1,063,922
Landscape maintenance districts	189,427	-	189,427
Parks and leisure	259,282	-	259,282
Public safety	8,634,822	-	8,634,822
Public works	22,244,596	-	22,244,596
Unrestricted	(24,998,205)	44,832,172	19,833,967
Total Net Position	\$ 412,377,941	\$ 110,825,042	\$ 523,202,983

The notes to the financial statements are an integral part of this statement.

**City of Porterville  
Statement of Activities  
For the Fiscal Year Ended June 30, 2021**

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
					Primary Government		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
Community and economic development	\$ 1,696,123	\$ 173,994	\$ 1,389,185	\$ -	\$ (132,944)	\$ -	\$ (132,944)
General government	4,390,806	2,646,390	613,182	-	(1,131,234)	-	(1,131,234)
Parks and recreation	9,244,880	2,213,450	2,143,714	3,101,837	(1,785,879)	-	(1,785,879)
Public safety - fire	8,533,309	40,556	546,013	180,212	(7,766,528)	-	(7,766,528)
Public safety - police	18,009,990	320,782	707,139	150,484	(16,831,585)	-	(16,831,585)
Public works	8,133,063	859,741	3,846,235	4,536,094	1,109,007	-	1,109,007
Interest on long-term debt	870,706	-	-	-	(870,706)	-	(870,706)
Total governmental activities	50,878,877	6,254,913	9,245,468	7,968,627	(27,409,869)	-	(27,409,869)
Business-type Activities:							
Airport	1,684,668	1,960,746	40,000	212,066	-	528,144	528,144
Golf course	501,678	261,195	-	-	-	(240,483)	(240,483)
Sewer	7,967,535	7,888,573	-	187,647	-	108,685	108,685
Solid waste	7,212,669	6,341,524	14,942	800,981	-	(55,222)	(55,222)
Transit	6,088,012	267,651	3,592,982	1,794,877	-	(432,502)	(432,502)
Water	9,285,561	13,033,977	-	2,150,855	-	5,899,271	5,899,271
Zalud estate	19,042	1,645	-	-	-	(17,397)	(17,397)
Total business-type activities	32,759,165	29,755,311	3,647,924	5,146,426	-	5,790,496	5,790,496
Total primary government	\$ 83,638,042	\$ 36,010,224	\$ 12,893,392	\$ 13,115,053	(27,409,869)	5,790,496	(21,619,373)
General revenues:							
Property tax					8,106,766	-	8,106,766
Sales and use tax					22,510,828	-	22,510,828
Utility users tax					4,251,538	-	4,251,538
Franchise tax					1,659,969	-	1,659,969
Transient occupancy tax					764,374	-	764,374
Unrestricted investment earnings					489,553	242,672	732,225
Miscellaneous					267,396	-	267,396
Transfers					(86,986)	86,986	-
Total general revenues and transfers					37,963,438	329,658	38,293,096
Change in net position					10,553,569	6,120,154	16,673,723
Net position - beginning					401,394,487	104,704,888	506,099,375
Prior period adjustments					429,885	-	429,885
Net position - ending					\$ 412,377,941	\$ 110,825,042	\$ 523,202,983

The notes to the financial statements are an integral part of this statement.



**City of Porterville  
Balance Sheet  
Governmental Funds  
June 30, 2021**

	General	Measure I Sales Tax	American Rescue Plan Act	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and investments	\$ 20,835,743	\$ 9,573,038	\$ 10,047,151	\$ 2,544,651	\$ 15,591,361	\$ 58,591,944
Receivables - misc (net):						
Interest	186,511	-	-	-	397,919	584,430
Taxes	2,139,261	1,869,467	-	-	1,381,614	5,390,342
Other	965,745	-	-	-	4,277	970,022
Receivables - housing (net)	-	-	-	-	9,289,463	9,289,463
Intergovernmental receivables	69,262	1,190	-	176,834	480,719	728,005
Interfund receivables	1,584,840	-	-	-	2,765,693	4,350,533
Prepaid items	121,077	-	-	-	-	121,077
Restricted - cash/fiscal agent	-	-	-	-	1,011,728	1,011,728
Notes receivable	3,665,932	-	-	-	975,000	4,640,932
Total assets	<u>\$ 29,568,371</u>	<u>\$ 11,443,695</u>	<u>\$ 10,047,151</u>	<u>\$ 2,721,485</u>	<u>\$ 31,897,774</u>	<u>\$ 85,678,476</u>
<b>LIABILITIES</b>						
Accounts and other payables	\$ 482,972	\$ 20,583	\$ -	\$ 2,932,342	\$ 38,339	\$ 3,474,236
Payroll payable	936,533	107,894	-	47,189	169,137	1,260,753
Deposits payable	682,501	-	-	-	-	682,501
Unearned revenue	84,572	-	9,982,792	-	-	10,067,364
Advances payable	515,183	-	-	-	-	515,183
Total liabilities	<u>2,701,761</u>	<u>128,477</u>	<u>9,982,792</u>	<u>2,979,531</u>	<u>207,476</u>	<u>16,000,037</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	-	-	-	176,834	663,774	840,608
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>176,834</u>	<u>663,774</u>	<u>840,608</u>
<b>FUND BALANCES</b>						
Nonspendable	3,787,009	-	-	-	-	3,787,009
Restricted	259,282	11,315,218	64,359	443,250	31,026,524	43,108,633
Committed	16,201,252	-	-	-	-	16,201,252
Assigned	6,098,421	-	-	-	-	6,098,421
Unassigned	520,646	-	-	(878,130)	-	(357,484)
Total fund balances	<u>26,866,610</u>	<u>11,315,218</u>	<u>64,359</u>	<u>(434,880)</u>	<u>31,026,524</u>	<u>68,837,831</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 29,568,371</u>	<u>\$ 11,443,695</u>	<u>\$ 10,047,151</u>	<u>\$ 2,721,485</u>	<u>\$ 31,897,774</u>	<u>\$ 85,678,476</u>

The notes to the financial statements are an integral part of this statement

**City of Porterville**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2021**

Fund balances of governmental funds	\$	68,837,831
-------------------------------------	----	------------

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

Long-term liabilities, including bonds payable, pension, OPEB, and compensated absences are not due and payable in the current period and therefore are not reported in the funds.		(70,961,902)
--	--	--------------

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.		8,460,054
--	--	-----------

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.		248,328
--	--	---------

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.		(1,578,504)
---	--	-------------

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.		(1,961,862)
---	--	-------------

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.		(4,404,477)
---	--	-------------

Other long-term assets are not available to pay for current period expenditures and therefore, are reported as unavailable revenue in the funds.		840,608
--	--	---------

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		412,897,865
--	--	-------------

Net position of governmental activities	\$	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; padding: 2px 10px;">412,377,941</div>
---	----	--

The notes to the financial statements are an integral part of this statement.

**City of Porterville**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2021**

	General	Measure I Sales Tax	American Rescue Plan Act	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Property tax	\$ 8,106,766	\$ -	\$ -	\$ -	\$ -	\$ 8,106,766
Sales and use tax	7,735,526	9,868,321	-	-	4,906,981	22,510,828
Utility users tax	4,251,538	-	-	-	-	4,251,538
Franchise tax	1,659,969	-	-	-	-	1,659,969
Transient occupancy tax	764,374	-	-	-	-	764,374
Licenses and permits	1,246,351	-	-	-	-	1,246,351
Vehicle license fees	43,753	-	-	-	-	43,753
Intergovernmental	1,570,635	-	9,566	-	8,870,887	10,451,088
Charges for services	5,857,290	29,765	-	-	32,890	5,919,945
Special assessments and fees	5,075	-	-	-	811,163	816,238
Fines and forfeitures	35,541	-	-	-	103,581	139,122
Investment earnings	285,237	115,283	64,359	5,950	127,584	598,413
Miscellaneous	268,557	-	-	-	36,509	305,066
Total revenues	<u>31,830,612</u>	<u>10,013,369</u>	<u>73,925</u>	<u>5,950</u>	<u>14,889,595</u>	<u>56,813,451</u>
<b>EXPENDITURES</b>						
Current:						
Community and economic development	1,020,659	-	-	585	434,864	1,456,108
General government	3,617,373	-	-	-	-	3,617,373
Parks and recreation	7,741,254	-	-	43,035	470,082	8,254,371
Public safety - fire	4,257,882	1,088,164	-	42,974	1,677,116	7,066,136
Public safety - police	10,180,740	2,991,145	-	-	2,003,655	15,175,540
Public works	2,819,550	45,791	-	1,772,783	-	4,638,124
Debt service:						
Principal	-	-	-	-	1,808,000	1,808,000
Interest and administrative charges	-	-	-	-	760,195	760,195
Capital outlay	1,293,761	325,303	-	8,926,702	13,920	10,559,686
Total expenditures	<u>30,931,219</u>	<u>4,450,403</u>	<u>-</u>	<u>10,786,079</u>	<u>7,167,832</u>	<u>53,335,533</u>
Excess (deficiency) of revenues over expenditures	<u>899,393</u>	<u>5,562,966</u>	<u>73,925</u>	<u>(10,780,129)</u>	<u>7,721,763</u>	<u>3,477,918</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	1,480,435	-	-	10,783,510	2,388,227	14,652,172
Transfers out	(2,506,552)	(1,683,362)	(9,566)	-	(10,466,115)	(14,665,595)
Insurance recoveries	4,853,082	-	-	-	-	4,853,082
Total other financing sources and uses	<u>3,826,965</u>	<u>(1,683,362)</u>	<u>(9,566)</u>	<u>10,783,510</u>	<u>(8,077,888)</u>	<u>4,839,659</u>
Net change in fund balances	<u>4,726,358</u>	<u>3,879,604</u>	<u>64,359</u>	<u>3,381</u>	<u>(356,125)</u>	<u>8,317,577</u>
Fund balances - beginning	21,710,367	7,435,614	-	(438,261)	31,382,649	60,090,369
Prior period adjustments	429,885	-	-	-	-	429,885
Fund balances - ending	<u>\$ 26,866,610</u>	<u>\$ 11,315,218</u>	<u>\$ 64,359</u>	<u>\$ (434,880)</u>	<u>\$ 31,026,524</u>	<u>\$ 68,837,831</u>

The notes to the financial statements are an integral part of this statement.

**City of Porterville**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2021**

Net change in fund balances --total governmental funds	\$ 8,317,577
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.	5,802,594
The net effect of various miscellaneous transactions involving capital assets is to decrease net position.	(131,831)
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.	1,808,000
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.	(150,632)
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.	(1,928,392)
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.	(371,669)
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.	(2,654,118)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(137,960)
Change in net position of governmental activities	\$ <u>10,553,569</u>

The notes to the financial statements are an integral part of this statement.

**City of Porterville**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2021**

	Business-Type Activities						Governmental Activities
	Sewer Operations	Water Operations	Solid Waste Operations	Transit Operations	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>ASSETS</b>							
Current assets:							
Cash and investments	\$ 18,462,040	\$ 26,326,061	\$ 5,756,172	\$ -	\$ 3,575,290	\$ 54,119,563	\$ 2,545,455
Restricted - customer deposits	-	352,077	12,145	-	-	364,222	-
Receivables-utility (net of allowance for uncollectibles)	1,122,757	2,370,808	1,052,140	-	-	4,545,705	-
Receivables-misc (net of allowance for uncollectibles)	227,257	32,487	156,281	59,488	82,556	558,069	133,821
Intergovernmental receivables	-	1,121,616	520,968	2,420,648	27,652	4,090,884	1,145
Inventories	-	-	-	-	122,205	122,205	-
Total current assets:	19,812,054	30,203,049	7,497,706	2,480,136	3,807,703	63,800,648	2,680,421
Noncurrent assets:							
Advances receivable	266,510	248,673	-	-	-	515,183	-
Notes receivable	-	-	-	-	331,466	331,466	-
Capital assets:							
Land	3,443,689	1,758,963	-	352,599	1,125,413	6,680,664	-
Construction in progress	1,069,147	2,843,133	-	2,770,422	239,641	6,922,343	129,617
Buildings	1,715,971	296,688	-	2,757,699	751,097	5,521,455	-
Improvements other than buildings	-	-	-	3,505,818	10,356,386	13,862,204	-
Machinery and equipment	10,680,278	3,038,474	9,496,256	19,451,013	1,437,450	44,103,471	907,138
Infrastructure	-	-	-	1,307,601	-	1,307,601	-
Distribution and collection systems	52,018,045	44,795,212	-	-	-	96,813,257	-
Less accumulated depreciation	(31,807,407)	(25,011,009)	(6,755,840)	(11,372,267)	(7,036,204)	(81,982,727)	(786,328)
Restricted assets - investments	13,411,234	35,039,975	-	-	-	48,451,209	-
Total noncurrent assets:	50,797,467	63,010,109	2,740,416	18,772,885	7,205,249	142,526,126	250,427
Total assets	70,609,521	93,213,158	10,238,122	21,253,021	11,012,952	206,326,774	2,930,848
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred charge on refunding	1,202,247	-	-	-	-	1,202,247	-
Deferred pension-related items	308,558	451,298	597,466	76,667	110,169	1,544,158	236,220
Deferred OPEB-related items	13,412	18,486	32,357	1,771	5,953	71,979	11,120
Total deferred outflows of resources	1,524,217	469,784	629,823	78,438	116,122	2,818,384	247,340
<b>LIABILITIES</b>							
Current liabilities:							
Accounts and other payables	82,643	488,103	211,188	197,514	63,960	1,043,408	513,498
Payroll payable	51,246	75,737	73,374	6,699	17,683	224,739	43,047
Interfund payable	-	-	-	2,765,693	1,584,840	4,350,533	-
Retainage payable	21,384	71,299	-	-	-	92,683	-
Customer deposits payable - restricted	-	352,077	12,145	-	-	364,222	-
Accrued claims	-	-	-	-	-	-	1,988,701
Compensated absences payable	30,488	45,434	49,648	-	12,376	137,946	22,181
Accrued interest payable	440,854	609,701	-	-	-	1,050,555	-
Loans and bonds payable	1,212,385	677,458	-	-	-	1,889,843	-
Other postemployment benefits liability	17,492	30,882	40,352	2,322	7,238	98,286	13,779
Total current liabilities:	1,856,492	2,350,691	386,707	2,972,228	1,686,097	9,252,215	2,581,206
Noncurrent liabilities:							
Accrued claims	-	-	-	-	-	-	4,203,000
Compensated absences payable	9,729	18,610	7,632	-	6,983	42,954	14,208
Loans and bonds payable	33,390,879	40,988,489	-	-	-	74,379,368	-
Net pension liability	2,814,474	2,862,058	3,694,488	186,410	690,890	10,248,320	1,639,471
Other postemployment benefits liability	420,688	635,493	998,274	39,713	209,484	2,303,652	363,747
Total noncurrent liabilities:	36,635,770	44,504,650	4,700,394	226,123	907,357	86,974,294	6,220,426
Total liabilities	38,492,262	46,855,341	5,087,101	3,198,351	2,593,454	96,226,509	8,801,632
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred pension-related items	36,413	53,258	70,507	9,048	13,001	182,227	27,877
Deferred OPEB-related items	105,885	170,154	248,019	13,282	44,830	582,170	82,366
Total deferred inflows of resources	142,298	223,412	318,526	22,330	57,831	764,397	110,243
<b>NET POSITION</b>							
Net investment in capital assets	17,137,286	20,839,604	2,740,416	18,423,672	6,851,892	65,992,870	250,427
Unrestricted	16,361,892	25,764,585	2,721,902	(312,894)	1,625,897	46,161,382	(5,984,114)
Total net position	\$ 33,499,178	\$ 46,604,189	\$ 5,462,318	\$ 18,110,778	\$ 8,477,789	112,154,252	\$ (5,733,687)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						(1,329,210)	
Net position of business-type activities						\$ 110,825,042	

The notes to the financial statements are an integral part of this statement.

**City of Porterville**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2021**

	<b>Business-type Activities</b>						<b>Governmental Activities</b>
	<b>Sewer Operations</b>	<b>Water Operations</b>	<b>Solid Waste Operations</b>	<b>Transit Operations</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
Operating revenues:							
Charges for services	\$ 6,816,837	\$ 12,985,958	\$ 6,329,898	\$ 266,585	\$ 1,963,672	\$ 28,362,950	\$ 11,050,964
Connection fees	705,226	20,813	-	-	-	726,039	-
Other revenues	366,510	27,206	11,626	1,066	259,914	666,322	136,158
Total operating revenues	<u>7,888,573</u>	<u>13,033,977</u>	<u>6,341,524</u>	<u>267,651</u>	<u>2,223,586</u>	<u>29,755,311</u>	<u>11,187,122</u>
Operating expenses:							
Cost of sales and services	3,035,887	3,709,686	5,512,844	2,829,997	1,443,279	16,531,693	14,035,986
General and administrative	1,406,201	2,987,532	854,835	796,236	353,640	6,398,444	329,800
Depreciation	1,554,893	1,175,439	597,096	2,472,949	354,050	6,154,427	37,043
Total operating expenses	<u>5,996,981</u>	<u>7,872,657</u>	<u>6,964,775</u>	<u>6,099,182</u>	<u>2,150,969</u>	<u>29,084,564</u>	<u>14,402,829</u>
Operating income (loss)	<u>1,891,592</u>	<u>5,161,320</u>	<u>(623,251)</u>	<u>(5,831,531)</u>	<u>72,617</u>	<u>670,747</u>	<u>(3,215,707)</u>
Nonoperating revenues (expenses):							
Federal grants	-	-	-	3,183,067	30,000	3,213,067	-
State grants and reimbursements	-	-	14,942	409,915	10,000	434,857	-
Investment earnings	59,809	145,535	13,015	-	24,313	242,672	(9,141)
Interest expense	(1,830,114)	(1,200,194)	-	-	-	(3,030,308)	-
Total nonoperating revenues (expenses)	<u>(1,770,305)</u>	<u>(1,054,659)</u>	<u>27,957</u>	<u>3,592,982</u>	<u>64,313</u>	<u>860,288</u>	<u>(9,141)</u>
Income(loss) before contributions and transfers	<u>121,287</u>	<u>4,106,661</u>	<u>(595,294)</u>	<u>(2,238,549)</u>	<u>136,930</u>	<u>1,531,035</u>	<u>(3,224,848)</u>
Capital contributions and transfers:							
Capital contributions, developer fees	187,647	332,954	-	-	-	520,601	-
Capital contributions, federal and state grants	-	1,817,901	800,981	1,794,877	212,066	4,625,825	-
Transfers in	110,944	881	-	-	85,161	196,986	-
Transfers out	-	(110,000)	-	-	-	(110,000)	(73,563)
Total capital contributions and transfers	<u>298,591</u>	<u>2,041,736</u>	<u>800,981</u>	<u>1,794,877</u>	<u>297,227</u>	<u>5,233,412</u>	<u>(73,563)</u>
Change in net position	<u>419,878</u>	<u>6,148,397</u>	<u>205,687</u>	<u>(443,672)</u>	<u>434,157</u>	<u>6,764,447</u>	<u>(3,298,411)</u>
Net position - beginning	<u>33,079,300</u>	<u>40,455,792</u>	<u>5,256,631</u>	<u>18,554,450</u>	<u>8,043,632</u>		<u>(2,435,276)</u>
Net position - ending	<u>\$ 33,499,178</u>	<u>\$ 46,604,189</u>	<u>\$ 5,462,318</u>	<u>\$ 18,110,778</u>	<u>\$ 8,477,789</u>		<u>\$ (5,733,687)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						(644,293)	
Change in net position of business-type activities						<u>\$ 6,120,154</u>	

The notes to the financial statements are an integral part of this statement.

**City of Porterville**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2021**

	Business-type Activities						Governmental Activities
	Sewer Operations	Water Operations	Solid Waste Operations	Transit Operations	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Cash receipts from customers	\$ 7,753,715	\$ 12,571,475	\$ 6,181,159	\$ 244,479	\$ 2,197,826	\$ 28,948,654	\$ 11,605,429
Cash receipts of customer deposits	-	482,369	64,884	-	-	547,253	-
Payments to employees	(1,242,941)	(1,729,284)	(1,760,425)	(196,255)	(384,978)	(5,313,883)	(693,018)
Payments to suppliers and others	(3,161,438)	(4,778,537)	(4,414,191)	(3,659,347)	(1,421,334)	(17,434,847)	(10,980,239)
Return of customer deposits	-	(130,292)	(52,739)	-	-	(183,031)	-
Net cash provided (used) by operating activities	<u>3,349,336</u>	<u>6,415,731</u>	<u>18,688</u>	<u>(3,611,123)</u>	<u>391,514</u>	<u>6,564,146</u>	<u>(67,828)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Cash from interfund	-	-	-	232,516	115,000	347,516	-
Intergovernmental - operating assistance	-	-	-	547,954	-	547,954	4,513
Subsidy from federal and state grants	-	-	783,956	3,404,841	40,000	4,228,797	-
Transfers in from other funds	110,944	881	-	-	85,161	196,986	-
Transfers out to other funds	-	(110,000)	-	-	-	(110,000)	(73,563)
Net cash provided (used) by noncapital financing	<u>110,944</u>	<u>(109,119)</u>	<u>783,956</u>	<u>4,185,311</u>	<u>240,161</u>	<u>5,211,253</u>	<u>(69,050)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Construction and other capital projects	(786,160)	(1,704,685)	-	(1,064,980)	(205,819)	(3,761,644)	-
Contributed capital, developer's fees	187,647	332,954	-	-	-	520,601	-
Interest paid on long-term debt and advances	(1,337,953)	(222,348)	-	-	-	(1,560,301)	-
Principal payments on long-term debt	(1,097,760)	(238,996)	-	-	-	(1,336,756)	-
Principal payments on notes receivable	19,702	18,178	-	-	58,328	96,208	-
Proceeds from financing	-	35,039,380	-	-	-	35,039,380	-
Purchase of capital assets	(100,247)	-	(938,575)	(1,167,449)	-	(2,206,271)	(12,600)
Sale of capital assets	-	-	-	-	-	-	-
Subsidy from federal and state grants	-	2,080,408	-	1,658,241	184,414	3,923,063	-
Net cash provided (used) by capital and related financing activities	<u>(3,114,771)</u>	<u>35,304,891</u>	<u>(938,575)</u>	<u>(574,188)</u>	<u>36,923</u>	<u>30,714,280</u>	<u>(12,600)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Interest received	59,809	145,535	13,015	-	24,313	242,672	(9,141)
Net cash provided by investing activities	<u>59,809</u>	<u>145,535</u>	<u>13,015</u>	<u>-</u>	<u>24,313</u>	<u>242,672</u>	<u>(9,141)</u>
Net Increase (decrease) in cash and cash equivalents	405,318	41,757,038	(122,916)	-	692,911	42,732,351	(158,619)
Balances - beginning of year	<u>31,467,956</u>	<u>19,961,075</u>	<u>5,891,233</u>	<u>-</u>	<u>2,882,379</u>	<u>60,202,643</u>	<u>2,704,074</u>
Balances - end of the year	<u>\$ 31,873,274</u>	<u>\$ 61,718,113</u>	<u>\$ 5,768,317</u>	<u>\$ -</u>	<u>\$ 3,575,290</u>	<u>\$ 102,934,994</u>	<u>\$ 2,545,455</u>
As shown on the proprietary statement of net position:							
Cash and investments	\$ 18,462,040	\$ 26,326,061	\$ 5,756,172	\$ -	\$ 3,575,290	\$ 54,119,563	\$ 2,545,455
Restricted assets - customer deposits	-	352,077	12,145	-	-	364,222	-
Restricted assets - investments	13,411,234	35,039,975	-	-	-	48,451,209	-
Balances - end of year	<u>\$ 31,873,274</u>	<u>\$ 61,718,113</u>	<u>\$ 5,768,317</u>	<u>\$ -</u>	<u>\$ 3,575,290</u>	<u>\$ 102,934,994</u>	<u>\$ 2,545,455</u>

**Reconciliation of operating income (loss) to net cash provided (used) by operating activities:**

Operating income (loss)	\$	1,891,592	\$	5,161,320	\$	(623,251)	\$	(5,831,531)	\$	72,617	\$	670,747	\$	(3,215,707)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:														
Depreciation		1,554,893		1,175,439		597,096		2,472,949		354,050		6,154,427		37,043
Changes in assets and liabilities:														
Accounts payable		(37,883)		74,311		62,004		(244,853)		(605)		(147,026)		15,547
Accrued claims payable		-		-		-		-		-		-		2,612,787
Compensated absences		1,994		(860)		(14,564)		-		570		(12,860)		4,725
Customer deposits payable		-		352,077		12,145		-		-		364,222		-
Customer receivable		(134,858)		(462,502)		(160,365)		(23,172)		(25,760)		(806,657)		418,307
Inventory		-		-		-		-		(37,356)		(37,356)		-
Net pension liability		93,374		132,595		280,970		32,733		29,899		569,571		64,840
Deferred outflow - pension-related items		38,554		26,244		(90,570)		(21,925)		(4,598)		(52,295)		10,695
Deferred inflow - pension-related items		(80,475)		(83,584)		(90,770)		1,976		(6,930)		(259,783)		(36,145)
Other postemployment benefits liability		(31,260)		(55,189)		(72,113)		(4,150)		(12,935)		(175,647)		(24,625)
Deferred outflow - OPEB-related items		1,802		3,182		4,158		239		745		10,126		1,420
Deferred inflow - OPEB-related items		49,230		86,917		113,569		6,536		20,371		276,623		38,781
Salaries and benefits payable		2,373		5,781		379		75		1,446		10,054		4,504
Net cash provided (used) by operating activities	\$	<u>3,349,336</u>	\$	<u>6,415,731</u>	\$	<u>18,688</u>	\$	<u>(3,611,123)</u>	\$	<u>391,514</u>	\$	<u>6,564,146</u>	\$	<u>(67,828)</u>

**Schedule of non-cash capital and related financing activities**

Contributions of capital assets	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Acquisition of capital assets on account	\$	229,700	\$	184,586	\$	-	\$	347,206	\$	21,891	\$	783,383	\$	-
Unrealized increase in fair market value of investments	\$	166,783	\$	214,167	\$	54,050	\$	-	\$	32,246	\$	467,246	\$	24,338

The notes to the financial statements are an integral part of this statement.



**City of Porterville**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2021**

	<b>Private- purpose Trust Fund</b>	<b>Custodial Fund</b>
<b>ASSETS</b>		
Cash and investments	\$ 333,415	\$ 285,442
Receivables - housing (net)	175,508	-
Notes receivable	930,000	-
Interest receivable	312,014	
Restricted cash - bond proceeds	157	-
Total assets	<u>1,751,094</u>	<u>285,442</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred charge on refunding	386,306	-
Total deferred outflows of resources	<u>386,306</u>	<u>-</u>
<b>LIABILITIES</b>		
Due to other governments	-	175,338
Payroll payable	803	-
Accrued interest payable	21,319	-
Bonds payable	6,335,000	-
Total liabilities	<u>6,357,122</u>	<u>175,338</u>
<b>NET POSITION</b>		
Restricted for:		
Individuals, organizations and other governments	<u>(4,219,722)</u>	<u>110,104</u>
Total net position	<u>\$ (4,219,722)</u>	<u>\$ 110,104</u>

The notes to the financial statements are an integral part of this statement.

**City of Porterville**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2021**

	<u>Private-purpose Trust Fund</u>	<u>Custodial Fund</u>
<b>ADDITIONS</b>		
Contributions:		
Property taxes	\$ 423,419	\$ -
Asset seizures - individuals	-	47,525
School impact fees	-	1,001,517
Investment earnings:		
Interest	<u>32,715</u>	<u>-</u>
Total additions	<u>456,134</u>	<u>1,049,042</u>
<b>DEDUCTIONS</b>		
Administrative expenses	44,741	-
Debt redemption, interest	284,275	-
Return of seized funds	-	25,666
School impact fees	<u>-</u>	<u>1,001,517</u>
Total deductions	<u>329,016</u>	<u>1,027,183</u>
Change in net position	<u>127,118</u>	<u>21,859</u>
Net position - beginning	(4,346,840)	-
Net position restatement	<u>-</u>	<u>88,245</u>
Net position - beginning (as restated)	<u>(4,346,840)</u>	<u>88,245</u>
Net position - ending	<u><u>\$ (4,219,722)</u></u>	<u><u>\$ 110,104</u></u>

The notes to the financial statements are an integral part of this statement.

**Notes To  
Financial Statements**



**CITY OF PORTERVILLE**  
**Notes to the Financial Statements**  
**June 30, 2021**

**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 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 unit.** 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.

**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.

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 non-fiduciary 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.

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 *Measure 1 sales tax fund* was established as a result of the City of Porterville voters' approval of a one cent increase in the transactions sales and use tax on the November 6, 2018 Election ballot. This fund is used to account for revenues received from this district tax to provide funds for the maintenance of local city services, including rapid emergency response, public safety, street maintenance, and other services.

The *American Rescue Plan Act fund* is a new 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.

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 *transit operations fund* accounts for the activities of the City-operated local transit system including public transportation buses and facilities.

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.

### **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 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures, 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 are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as 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*.

## **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 appropriations**

In the debt service fund, expenditures for the fiscal year exceeded appropriations by \$2,350, primarily from professional fees paid by the City for the fifth year arbitrage calculation fees on the 2015 Refinancing Project certificates of participation.

## **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, non-negotiable 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, 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, and the County of Tulare 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.

### **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.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. 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, and infrastructure of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Capital asset classes</u>	<u>Lives</u>
Buildings	20 to 75
Improvements other than buildings	20 to 75
Infrastructure	30 to 75
Machinery and equipment	5 to 20

## **5. 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 using the straight-line method. 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.

## **6. 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 position 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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports two items 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 pension and OPEB.

## **7. 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.
- *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.

## **8. 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.

*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 in the general fund. 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.

### **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 percent 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 percent, 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 percent 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 percent 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 one percent 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.

#### **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 maintenance of local city services, including rapid emergency response, public safety, street maintenance, and other services. 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. *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.

#### **7. *Proprietary funds operating and non-operating revenues and expenses***

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* 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.

#### **G. Current Government Accounting Standards Board (GASB) pronouncements**

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The Statement establishes criteria for identifying fiduciary activities of all state and local governments. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The City of Porterville implemented this Statement for the year ended June 30, 2021. As a result fund balance / net position of governmental and fiduciary funds were restated at the beginning of the year.

## 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, 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 \$70,961,902 difference are as follows:

Bonds payable	\$ 18,105,000
Less: Deferred charge on refunding (to be amortized as interest expense)	(1,436,083)
Plus: Issuance premium (to be amortized over life of debt)	551,120
Notes payable	822,000
Accrued interest payable	66,767
Net pension liability	43,328,206
Net other postemployment benefits obligation	8,247,602
Compensated absences	<u>1,277,290</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ <u>70,961,902</u>

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 \$4,404,477 difference are as follows:

Net position of the internal service funds	\$ (5,733,687)
Add: Internal receivable representing costs in excess of charges to business-type activities – prior years	684,917
Add: Internal receivable representing costs in excess of charges to business-type activities – current year	<u>644,293</u>
Net adjustment to decrease <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ <u>(4,404,477)</u>

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 \$412,897,865 difference are as follows:

Land	\$ 274,460,627
Construction in progress	10,590,341
Works of art and collection	50,450
Buildings	21,838,726
Less: Accumulated depreciation – buildings	(7,837,656)
Improvements other than buildings	12,333,835
Less: Accumulated depreciation – improvements other than buildings	(4,321,192)
Machinery and equipment	16,616,861
Less: Accumulated depreciation – machinery and equipment	(9,690,826)
Infrastructure	143,008,353
Less: Accumulated depreciation - infrastructure	<u>(44,151,654)</u>
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ <u>412,897,865</u>

**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 expense. This is the amount by which capital outlays exceeded depreciation expense in the current period." The details of this \$5,802,594 difference are as follows:

Capital outlay	\$	10,559,686
Depreciation expense		(4,757,092)
<hr/>		
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>5,802,594</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 \$1,808,000 difference are as follows:

Principal repayments:		
Certificates of participation	\$	950,000
Notes payable		273,000
Pension obligation bond		585,000
<hr/>		
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>1,808,000</u>

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 \$150,632 difference are as follows:

Compensated absences	\$	(40,121)
Accrued interest		9,688
Amortization of deferred charge on refunding		(159,565)
Amortization of bond premiums		39,366
<hr/>		
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>(150,632)</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 \$2,654,118 difference are as follows:

Change in net position of the internal service funds	\$ (3,298,411)
Profit from charges to business-type activities	644,293
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>\$ (2,654,118)</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 \$1,329,210 difference are as follows:

Internal payable representing costs in excess of charges to business-type activities – prior years	\$ (684,917)
Internal payable representing charges in excess of costs to business-type activities – current year	<u>(644,293)</u>
Net adjustment to decrease <i>net position total enterprise funds</i> to arrive at <i>net position – business-type activities</i>	<u>\$ (1,329,210)</u>

## NOTE 3 - Stewardship, compliance, and accountability

### A. Deficit fund equity

At June 30, 2021 the Capital Projects Fund, a major governmental fund has a deficit net position of \$434,880. This deficit is a temporary condition as grant funds billed and reported as unavailable revenue in the current year are expected to be paid and received in the next fiscal year.

At June 30, 2021, the Golf Course Fund, a nonmajor enterprise fund has a deficit net position of \$1,717,016. 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, also has a deficit net position at June 30, 2021 amounting to \$5,781,584. This is primarily due to the amount of estimated outstanding workers' compensation claims which totals \$5,194,000 at the end of the year. This includes projected case reserves and an amount estimated for incurred but not reported liabilities.

## 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.

Cash and investments as of June 30, 2021 are classified in the accompanying financial statements as follows:

Statement of net position:		
Cash and investments	\$	115,256,962
Cash and investments - restricted		49,827,159
Fiduciary funds:		
Cash and investments		618,857
Cash and investments – restricted		157
Total cash and investments	\$	<u>165,703,135</u>

Cash and investments as of June 30, 2021, consist of the following:

Cash on hand	\$	3,285
Deposits with financial institution		1,252,243
Outstanding items		(3,233,976)
Investments		<u>167,681,583</u>
Total cash and investments	\$	<u>165,703,135</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 \$1,252,243 and cash on hand was \$3,285 and \$1,052,949 of the City's deposits was exposed to custodial credit risk because it was uninsured and was held in uncollateralized accounts.

## **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), and the investment pool managed by the County of Tulare. As of June 30, 2021, all investments are in compliance with State law and with the City's investment policy.

### **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.

#### 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 5 years. Investment in repurchase agreements is authorized, but maturity is limited to 1 year maximum.

#### 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.

The following is a summary of investments held by the City at June 30, 2021:

Investment Pool	Fair Value	Interest Rates	Maturities	Weighted Average Maturity
Federal agency securities	\$ 10,947,990	0.58%-1.125%	2/26-6/26	163 days
Corporate bonds	12,171,876	1.0%-3.5%	9/22-3/26	109 days
Negotiable certificates of deposit	10,507,503	1.6%-3.55%	8/21-8/24	53 days
Certificates of deposit	11,266,666	1.1%-3.5%	8/21-1/25	71 days
Money market funds	1,043,058	variable	On demand	0
Capital stock	136,000	--	--	--
Local Agency Investment Fund	55,044,504	variable	On demand	0
Tulare County Investment Pool	9,639,649	variable	On demand	0
CSJVRMA JPA Investment Pool	7,461,242	variable	On demand	0
	<u>118,218,488</u>			
<u>Investments outside investment pool</u>				
Money market funds	<u>49,463,095</u>			
Total investments	\$ <u>167,681,583</u>			

#### **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.

As of June 30, 2021, the City has the following recurring fair value measurements:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Investments by fair value level</u>				
Federal agency securities	\$ 10,947,990	-	\$10,947,990	-
Corporate bonds	12,171,876	-	12,171,876	-
Negotiable certificates of deposit	10,507,503	-	10,507,503	-
Total investments measured at fair value	\$ 33,627,369	\$ -	\$33,627,369	\$ -
<u>Investments not measured at fair value</u>				
Certificates of deposit	\$ 11,266,666			
Money market mutual funds	50,506,153			
Capital stock	136,000			
Local Agency Investment Fund	55,044,504			
Tulare County Investment Pool	9,639,649			
CSJVRMA JPA Investment Pool	7,461,242			
Total investments	<u>\$167,681,583</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.

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)		
		12 months or less	13-24 months	25-60 months
Federal agency securities	\$ 10,947,990	\$ --	\$ --	\$ 10,947,990
Corporate bonds	12,171,876	--	4,150,610	8,021,266
Negotiable certificates of deposit	10,507,503	2,703,459	4,902,047	2,901,997
Certificates of deposit	11,266,666	2,510,608	3,243,083	5,512,975
Money market funds	1,043,058	1,043,058	--	--
Capital stock	136,000	136,000	--	--
Local Agency Investment Fund	55,044,504	55,044,504	--	--
Tulare County Investment Pool	9,639,649	9,639,649	--	--
CSJVRMA JPA Investment Pool	7,461,242	7,461,242	--	--
Held by bond trustees:				
Money market funds	49,463,095	49,463,095	--	--
Total	\$ 167,681,583	\$ 128,001,615	\$ 12,295,740	\$ 27,384,228

### 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, 2021. Corporate bonds have a rating of “A” or better by at least one of the three major rating services when purchased.

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, 2021:

		Moody's	Standard & Poor's	Fitch Ratings	Percentage of Total Investments
Federal Home Loan Banks	\$ 8,948,930	Aaa	AA+	AAA	5.34%
Federal Farm Credit Banks	1,999,060	Aaa	AA+	AAA	1.19%
Corporate bonds	1,037,690	Aa2	AA	AA-	0.62%
Corporate bonds	984,100	A2	A-	AA-	0.59%
Corporate bonds	997,350	A2	BBB+	A	0.59%
Corporate bonds	1,011,810	A1	A	A+	0.60%
Corporate bonds	1,022,650	A1	A+	A+	0.61%
Corporate bonds	1,032,300	Aa1	AA+	--	0.62%
Corporate bonds	1,057,970	A1	A	AA-	0.63%
Corporate bonds	1,059,590	A1	AA-	AA-	0.63%
Corporate bonds	1,988,156	Aa3	A	AA-	1.19%
Corporate bonds	1,000,590	A2	BBB+	AA-	0.59%
Corporate bonds	979,670	A3	BBB+	A	0.58%
Negotiable certificates of deposit	10,507,503	N/R	N/R	N/R	6.27%
Certificates of deposit	11,266,666	N/R	N/R	N/R	6.72%
Money market funds	50,506,153	N/R	N/R	N/R	30.12%
Capital stock	136,000	N/R	N/R	N/R	0.08%
Local Agency Investment Fund	55,044,504	N/R	N/R	N/R	32.83%
Tulare County Investment Pool	9,639,649	N/R	N/R	N/R	5.75%
CSJVRMA JPA Investment Pool	7,461,242	N/R	N/R	N/R	4.45%
Total Investments	\$ 167,681,583				100.00%

N/R = not rated

### 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, 2021, investments in any one issuer (other than mutual funds and external investment pools) that represent 5 percent or more of the total City investments are as follows:

Issuer	Investment Type	Reported Amount
Federal Home Loan Banks	Federal agency securities	\$ 8,948,930

### 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, 2021, 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	\$ 10,947,990
Corporate bonds	\$ 12,171,876
Negotiable certificates of deposit	\$ 10,507,503

### B. Receivables

Receivables as of June 30, 2021, 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	Measure I Sales Tax	American Rescue Plan Act	Capital Projects	Sewer Operations
Receivables:					
Interest	\$ 186,511	\$ --	\$ --	\$ --	\$ 55
Taxes	2,139,261	1,869,467	--	--	4,299
Other accounts receivable	965,745	--	--	--	1,380,384
Intergovernmental – restricted	69,262	1,190	--	176,834	--
Gross receivables	3,360,779	1,870,657	--	176,834	1,384,738
Less: allowance for doubtful accounts	--	--	--	--	(34,724)
Net total receivables	\$ 3,360,779	\$ 1,870,657	\$ --	\$ 176,834	\$ 1,350,014

	Water Operations	Solid Waste Operations	Transit Operations	Nonmajor and Other Funds	Total
Receivables:					
Interest	\$ 144	\$ --	\$ --	\$ 397,919	\$ 584,629
Taxes	--	--	--	1,381,614	5,394,641
Other accounts receivable	2,476,475	1,240,961	59,488	9,510,117	15,633,170
Intergovernmental - restricted	1,121,616	520,968	2,420,648	509,516	4,820,034
Gross receivables	3,598,235	1,761,929	2,480,136	11,799,166	26,432,474
Less: allowance for doubtful accounts	(73,324)	(32,540)	--	--	(140,588)
Net total receivables	\$ 3,524,911	\$ 1,729,389	\$ 2,480,136	\$ 11,799,166	\$ 26,291,886

### **C. 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 percent 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, 2021, the principal balance of the note is \$975,000 with interest accrued in the amount of \$397,919.

On September 7, 2010, a Construction Loan Agreement was executed by the Tulare County Junior Livestock Show and Community Fair (Fair) for the purpose of obtaining a loan from the City of Porterville, the proceeds of which shall be used for the construction of improvements on the Fairgrounds facilities in an amount not to exceed \$2,000,000. The actual amount of the loan shall be determined upon completion of all improvements. The term of the loan is 10 years with interest at the rate of 3 percent per annum, compounded semi-annually. Construction of the improvements was completed in 2012 with the City disbursing a total amount of \$1,900,283. Semi-annual payments commenced on January 15, 2012. On December 2, 2014, the City Council considered the request of the Fair and approved the modification of the Construction Loan Agreement, whereby the Fair would pay to reduce the principal balance of the loan to \$1,200,000 and refinance the new balance over 25 years at an annual interest rate of 4% with annual payments beginning July 15, 2015. As of June 30, 2021, the outstanding loan balance is \$831,421.

On August 25, 2016, a promissory note was executed by GreenPower Motor Company, Inc., promising to pay the City of Porterville the sum of \$594,000 with interest at a rate of 2% per annum, with principal and interest payable in monthly installments of \$5,463 through the 60<sup>th</sup> month, when the final balloon payment of \$311,764.06 becomes due and payable. The promissory note was executed as part of the consideration in the purchase of land at the municipal airport for the purpose of developing the property for heavy equipment manufacturing and assembly, as well as office space. As of June 30, 2021, the outstanding balance of the note is \$331,466.

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 percent and a term of 10 years. For each year of employment with the City, 1/10<sup>th</sup> 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, 2021, there were 7 PPOA employees who have taken advantage of the program. A total of \$5,000 had been written off during the year and the total amount outstanding at June 30, 2021 is \$56,000.

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, 2021, the outstanding loan balance is \$2,778,511 which includes accrued interest added to the principal.

## D. Capital assets

Capital asset activity for the year ended June 30, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
<b>Governmental activities:</b>					
<u>Capital assets, not being depreciated:</u>					
Land	\$ 274,460,627	\$ --	\$ --	\$ --	\$ 274,460,627
Construction in progress	12,062,294	9,511,351	(10,476,288)	--	11,097,357
Works of art and collections	50,450	--	--	--	50,450
Total capital assets, not being depreciated	<u>286,573,371</u>	<u>9,511,351</u>	<u>(10,476,288)</u>	<u>--</u>	<u>285,608,434</u>
<u>Capital assets, being depreciated:</u>					
Buildings	21,760,991	149,203	( 71,468)	--	21,838,726
Improvements other than buildings	11,376,780	965,557	(6,639)	(1,863)	12,333,835
Machinery and equipment	16,033,206	1,886,105	(395,312)	--	17,523,999
Infrastructure	134,157,185	8,851,168	--	--	143,008,353
Total capital assets, being depreciated	<u>183,328,162</u>	<u>11,852,033</u>	<u>(473,419)</u>	<u>(1,863)</u>	<u>194,704,913</u>
<u>Less accumulated depreciation for:</u>					
Buildings	(7,431,574)	(453,868)	47,786	--	(7,837,656)
Improvements other than buildings	(4,019,064)	(308,767)	6,639	--	(4,321,192)
Machinery and equipment	(9,633,944)	(1,194,823)	351,613	--	(10,477,154)
Infrastructure	(41,314,978)	(2,836,676)	--	--	(44,151,654)
Total accumulated depreciation	<u>(62,399,560)</u>	<u>(4,794,134)</u>	<u>406,038</u>	<u>--</u>	<u>(66,787,656)</u>
Total capital assets, being depreciated, net	<u>120,928,602</u>	<u>7,057,899</u>	<u>(67,381)</u>	<u>(1,863)</u>	<u>127,917,257</u>
Governmental activities capital assets, net	<u>\$ 407,501,973</u>	<u>\$ 16,569,250</u>	<u>\$ (10,543,669)</u>	<u>\$ (1,863)</u>	<u>\$ 413,525,691</u>

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

<b>Governmental activities:</b>	
Community and economic development	\$ 45,641
General government	353,349
Parks and recreation	501,496
Public safety – fire	279,388
Public safety – police	538,047
Public works	3,039,170
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>37,043</u>
Total depreciation expense - governmental activities	<u>\$ 4,794,134</u>

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
<b>Business-type activities:</b>					
<u>Capital assets, not being depreciated:</u>					
Land	\$ 6,680,664	\$ --	\$ --	\$ --	6,680,664
Construction in progress	7,194,676	3,965,163	(4,170,142)	(67,354)	6,922,343
Total capital assets, not being depreciated	13,875,340	3,965,163	(4,170,142)	(67,354)	13,603,007
<u>Capital assets, being depreciated:</u>					
Buildings	5,424,074	97,381	--	--	5,521,455
Improvements other than buildings	12,766,345	1,214,513	(118,655)	--	13,862,204
Machinery and equipment	41,388,042	2,738,758	( 23,328)	--	44,103,472
Distribution and collection systems	94,577,853	2,235,405	--	--	96,813,257
Infrastructure	1,307,602	--	--	--	1,307,602
Total capital assets, being depreciated	155,463,916	6,286,057	(141,983)	--	161,607,990
Less accumulated depreciation for:					
Buildings	(2,676,298)	(107,237)	--	--	(2,783,535)
Improvements other than buildings	(6,019,209)	(391,716)	118,655	--	(6,292,270)
Machinery and equipment	(19,608,532)	(3,550,591)	23,328	--	(23,135,795)
Distribution and collection systems	(47,047,751)	(2,025,390)	--	--	(49,073,141)
Infrastructure	(618,494)	(79,494)	--	--	(697,988)
Total accumulated depreciation	(75,970,284)	(6,154,428)	141,983	--	(81,982,729)
Total capital assets, being depreciated, net	79,493,632	131,629	--	--	79,625,261
Business-type activities capital assets, net	\$ 93,368,972	\$ 4,096,792	\$ (4,170,142)	\$ (67,354)	\$ 93,228,268

## E. Interfund and advances receivable/payable, and transfers

The composition of interfund balances as of June 30, 2021, is as follows:

### Interfund receivable/payable

Receivable Fund	Payable Fund	Amount	Purpose
General fund	Nonmajor enterprise funds	\$ 1,584,840	Temporary operating loan
Nonmajor governmental funds	Transit operations fund	2,765,693	Temporary operating loan
Total		\$ 4,350,533	

**Advances receivable/payable**

Receivable Fund	Payable Fund	Amount	Purpose
Sewer operations	General fund	\$ 266,510	Certificate forward purchase proceeds dedicated for sports park
Water operations	General fund	248,673	Certificate forward purchase proceeds dedicated for sports park
Total		<u>\$ 515,183</u>	

**Interfund transfers**

Transfers Out	Transfers In						
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Sewer	Water	Nonmajor Enterprise Funds	Total
General fund	\$ --	\$ 185,301	\$ 2,240,426	\$ 944	\$ 881	\$ 79,000	\$ 2,506,552
Measure I sales tax fund	--	1,638,288	45,074	--	--	--	1,683,362
American Rescue Plan Act	9,566	--	--	--	--	--	9,566
Nonmajor governmental funds	1,470,869	8,886,358	102,727	--	--	6,161	10,466,115
Water operations	--	--	--	110,000	--	--	110,000
Internal service funds	--	73,563	--	--	--	--	73,563
Total	<u>\$ 1,480,435</u>	<u>\$ 10,783,510</u>	<u>\$ 2,388,227</u>	<u>\$ 110,944</u>	<u>\$ 881</u>	<u>\$ 85,161</u>	<u>\$ 14,849,158</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. In turn, the general fund received an infusion of funds from non-major funds to help pay for debt service. Funds were transferred from the water fund to the sewer fund for the recycled water study. The golf course and the Zalud enterprise funds received general fund resources to aid in the operations of the funds.

**F. Long-term debt****Certificates of Participation**

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

**2015 Refinancing Project**

On June 18, 2015, the City issued certificates of participation in an aggregate principal amount of \$22,650,000 plus premium of \$787,314, through a private placement with Capital One Public Funding, LLC. The certificates will mature on June 1, 2035 with an interest rate of 3.85 percent per annum. Proceeds from the refunding were used to advance refund \$1,880,000 of outstanding 2002 Public Building Refunding Project certificates which had an interest rate of 6.30 percent, and prepay the outstanding balance of \$21,060,000 on the 2013 Lease Agreement, which had been assigned to Rabobank, N.A., and had a variable interest rate based on the U.S. dollar one month LIBOR plus 2.125 percent. \$1,567,054 of the net proceeds and \$559,273 from the 2002 COP reserve fund were



deposited into an irrevocable trust with an escrow agent to provide funds for the future debt service payments on the refunded 2002 COP's. Net proceeds of \$21,208,516 were immediately transferred to Rabobank, N.A. for the prepayment of the outstanding principal plus accrued interest on the 2013 Lease. As a result, the 2002 COP's and 2013 Lease 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 debts by \$2,393,472. This amount is being reported as a deferred outflow of resources and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt. The difference between the cash flows required to service the old debt of \$36,612,280 (based on an average rate of 4.80 percent on the variable rate 2013 lease agreement) and the cash flows required to service the new debt of \$32,959,646 is \$3,652,734. This refunding resulted in an economic gain of \$1,549,258.

The principal amount of the 2015 Refinancing Project Certificates of Participation outstanding at June 30, 2021 is \$18,105,000.

#### 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 percent and 4.00 percent per annum with final maturity on September 15, 2049. Proceeds of the certificates will be 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, 2021, the outstanding principal amount of the 2019 Sewer Revenue Financing Project Certificates of Participation is \$11,885,000.

#### 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 being 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 percent up to 5.00 percent per annum with final maturity on August 15, 2050. The outstanding principal amount of the 2021 Water System Financing Project Certificates of Participation is \$29,730,000.

Debt service requirements on Certificates of Participation are as follows:

Fiscal Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2022	\$ 945,000	\$ 687,995	\$ 650,000	\$ 1,754,315
2023	1,010,000	651,324	745,000	1,669,400
2024	1,080,000	611,476	775,000	1,639,000
2025	1,125,000	569,511	810,000	1,604,500
2026	1,170,000	525,718	845,000	1,565,675
2027 – 2031	6,555,000	1,911,525	4,890,000	7,175,975
2032 – 2036	6,220,000	550,935	6,075,000	5,991,900
2037 – 2041	--	--	7,420,000	4,646,400
2042 – 2046	--	--	9,060,000	3,003,800
2047 – 2051	--	--	10,345,000	1,013,700
Total	<u>\$ 18,105,000</u>	<u>\$ 5,508,484</u>	<u>\$ 41,615,000</u>	<u>\$ 30,064,665</u>

### Pension Obligation Bond

On July 16, 2013, the City Council of the City of Porterville authorized the issuance of its 2013 taxable pension obligation bonds for the purpose of refunding its public safety employee side fund obligation to the California Public Employee's Retirement System (CalPERS) and take advantage of lower interest rates. On November 22, 2013, Rabobank, N.A. offered to enter into an agreement with the City to purchase all of its 2013 Taxable Pension Obligation Refunding Bond for the purchase price of \$3,765,000 with interest at the rate of 3 percent per annum, payable semiannually. The bond matured on October 1, 2020 with final debt service payment of \$585,000 in principal and \$8,775 in interest.

### 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 percent to 6.13 percent. 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 percent to 2.49 percent. As of June 30, 2021, the outstanding balance of the note is \$822,000.

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 percent per annum. The remaining balance of the note at June 30, 2021 is \$3,032,085.

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 percent 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 percent 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, 2021 is \$5,031,499.

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 percent per annum. As of June 30, 2021, \$1,132,516 is outstanding.

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 \$18,070,000.

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

Fiscal Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2022	\$ 273,000	\$ 17,624	\$ 1,239,843	\$ 1,106,898
2023	273,000	11,072	1,354,397	881,379
2024	276,000	3,864	1,397,433	835,589
2025	--	--	1,447,970	785,208
2026	--	--	1,498,022	734,580
2027 – 2031	--	--	8,287,191	2,851,778
2032 – 2036	--	--	9,220,564	1,308,821
2037 – 2040	--	--	2,820,680	104,686
Total	<u>\$ 822,000</u>	<u>\$ 32,560</u>	<u>\$ 27,266,100</u>	<u>\$ 8,608,939</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.

### Changes in long-term liabilities

Long-term liability activity for the fiscal year ended June 30, 2021, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
Certificates payable	\$ 19,055,000	\$ --	\$ (950,000)	\$ 18,105,000	\$ 945,000
Pension obligation bond	585,000	--	(585,000)	--	--
Plus deferred amounts:					
For issuance premiums	590,485	--	(39,365)	551,120	--
Total bonds payable	<u>20,230,485</u>	<u>--</u>	<u>(1,574,365)</u>	<u>18,656,120</u>	<u>945,000</u>
Notes from direct borrowings	1,095,000	--	(273,000)	822,000	273,000
Claims*	3,578,914	9,192,268	(6,579,481)	6,191,701	1,988,701
Compensated absences*	1,268,834	1,233,482	(1,188,637)	1,313,679	918,858
Net pension liability	41,649,085	7,852,797	(4,534,205)	44,967,677	--
Other post employment liability	<u>9,237,330</u>	<u>--</u>	<u>(612,202)</u>	<u>8,625,128</u>	<u>328,789</u>
Governmental activity					
Long-term liabilities	<u>\$ 77,059,648</u>	<u>\$ 18,278,547</u>	<u>\$ (14,761,890)</u>	<u>\$ 80,576,305</u>	<u>\$ 4,454,348</u>

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-type activities:</b>					
Bonds payable:					
Certificates payable	\$ 12,095,000	\$ 29,730,000	\$ (210,000)	\$ 41,615,000	\$ 650,000
Plus deferred amounts:					
For issuance premiums	1,673,389	5,854,506	(139,784)	7,388,111	--
Total bonds payable	13,768,389	35,584,506	(349,784)	49,003,111	650,000
Notes from direct borrowings and direct placements	28,392,855	--	(1,126,755)	27,266,100	1,239,843
Compensated absences	193,760	195,327	(208,187)	180,900	137,946
Net pension liability	9,678,749	1,616,893	(1,047,322)	10,248,320	--
Other post employment liability	2,577,585	--	(175,647)	2,401,938	98,286
Business-type activity					
Long-term liabilities	\$ 54,611,338	\$ 37,396,726	\$ (2,907,695)	\$ 89,100,369	\$ 2,126,075

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.

## G. 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 percent of the general fund annual budgeted operating expenditures. If the reserve balance falls below 10 percent of the annual budgeted operating expenditures, the policy provides that a plan be established to replenish the reserve to the required level within 3 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.

## 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, 2021, is as follows:

	General	Measure I Sales Tax	American Rescue Plan Act	Capital Project	Other Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>						
Long-term notes receivable	\$3,665,932	\$ --	\$ --	\$ --	\$ --	\$3,659,932
Prepaid items	121,077	--	--	--	--	121,077
<b>Total nonspendable</b>	<b>3,787,009</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>3,787,009</b>
<b>Restricted:</b>						
Ballpark projects	61,821	--	--	--	--	61,821
Library	197,461	--	--	--	--	197,461
Public safety	--	5,657,609	--	--	2,977,213	8,634,822
Community development	--	--	--	--	10,919,570	10,919,570
Public works	--	5,657,609	--	443,250	15,701,048	21,801,907
Building construction	--	--	--	--	175,344	175,344
Debt service	--	--	--	--	1,063,922	1,063,922
Landscape maintenance districts	--	--	--	--	189,427	189,427
Other	--	--	64,359	--	--	64,359
<b>Total restricted</b>	<b>259,282</b>	<b>11,315,218</b>	<b>64,359</b>	<b>443,250</b>	<b>31,026,524</b>	<b>43,108,633</b>
<b>Committed:</b>						
Porterville hotel project	209,086	--	--	--	--	209,086
Budget stabilization	4,685,155	--	--	--	--	4,685,155
Catastrophic/emergency reserve	3,123,437	--	--	--	--	3,123,437
Council special purposes	100,000	--	--	--	--	100,000
Capital construction/improvement	1,114,284	--	--	--	--	1,114,284
Facility deferred maintenance and equipment maintenance	1,114,284	--	--	--	--	1,114,284
Infrastructure deferred and improvements	945,756	--	--	--	--	945,756
Library fire insurance proceeds	4,909,250	--	--	--	--	4,909,250
<b>Total committed</b>	<b>16,201,252</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>16,201,252</b>
<b>Assigned:</b>						
Equipment replacement	5,462,380	--	--	--	--	5,462,380
Parks facility	212,631	--	--	--	--	212,631
Other	423,410	--	--	--	--	423,410
<b>Total assigned</b>	<b>6,098,421</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>6,098,421</b>
<b>Unassigned</b>	<b>520,646</b>	<b>--</b>	<b>--</b>	<b>(878,130)</b>	<b>--</b>	<b>(357,484)</b>
<b>Total fund balances</b>	<b>\$26,866,610</b>	<b>\$11,315,218</b>	<b>\$ 64,359</b>	<b>\$ (434,880)</b>	<b>\$31,026,524</b>	<b>\$68,837,831</b>

## **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, 2021, the amount of the defeased debt outstanding amounted to \$18,545,000 and the amount in escrow is \$18,773,345.

## 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 54 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.

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, 2021 for the workers' compensation and liability programs.

	Workers' Compensation Program	Liability Program
<u>Net Position</u>		
Assets	\$ 98,859,045	\$ 36,891,870
Liabilities to member cities	<u>(89,761,198)</u>	<u>(31,449,976)</u>
Net position, reserved for insurance claims and losses	<u>\$ 9,097,947</u>	<u>\$ 5,441,894</u>
<u>Changes in Net Position</u>		
Operating revenues	\$ 27,017,494	\$ 17,187,242
Operating expenses	<u>(27,165,183)</u>	<u>(16,062,753)</u>
Operating income (loss)	(147,689)	1,124,489
Non-operating revenues (expenses)	<u>(136,178)</u>	<u>(75,401)</u>
Change in net position	(283,867)	1,049,088
Net position, July 1	<u>9,381,714</u>	<u>4,392,806</u>
Net position, June 30	<u>\$ 9,097,847</u>	<u>\$ 5,441,894</u>

This information is not included in the accompanying financial statements. Separate financial statements of the Authority may be obtained at Bickmore Risk Services, 1020 19<sup>th</sup> Street, Suite 200, Sacramento, CA 95814.

### 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.

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

### **Workers Compensation**

Limits of Coverage
Liberty Insurance Corp Group purchased through PRISM
\$50M to Statutory Limits
Ace American Insurance Company Group purchased through PRISM
\$5M to \$50M
Local Agency Workers Compensation Excess Joint Powers Authority (LAWCX) Pooled Layer
\$500,000 to \$5M
City's Retained Limit
\$500,000

### **Liability**

Limits of Coverage
Allied World National Assurance Company
\$24.5M to \$29.5M
Upland Specialty
\$22.5M to \$24.5M
Everest Re
\$17.5M to \$22.5M
Applied
\$15M to \$17.5M
Allied World National Assurance Company
\$10M to \$15M
CARMA Mid-Layer Pool
\$4M to \$10M
CARMA Pooled Layer
\$1M to \$4M
CSJVRMA Primary Pool
Retained limit - \$1M
City's Retained Limit
\$100,000

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, 2021, \$6,191,701 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. Non-incremental claims adjustment expenses have been included as part of the liability for claims and judgments.

Changes in the balances of claims liabilities during the past two years are as follows:

	Fiscal year ended	
	June 30, 2021	June 30, 2020
Unpaid claims, beginning of year	\$ 3,578,914	\$ 3,465,888
Incurred claims	9,192,268	4,346,946
Claim payments	<u>(6,579,481)</u>	<u>(4,233,920)</u>
Unpaid claims, end of year	<u>\$ 6,191,701</u>	<u>\$ 3,578,914</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.

### D. Construction and other significant commitments

The City has various projects ongoing as of June 30, 2021. The following are the City's significant commitments with contractors at fiscal yearend:

Project	Amount	Spent to Date as of June 30, 2021	Remaining Commitment
Animal shelter facility	\$ 719,130	\$ 500,886	\$ 218,244
Asbestos/hazard abatement/demolition	88,355	--	88,355
Automotive equipment	3,749,505	--	3,749,505
Corporate yard electrification	606,974	578,874	28,100
Fire department equipment	35,000	--	35,000
Henderson Ave reconstruction – Indiana to Jaye	4,504,955	3,963,274	541,681
Henderson Ave reconstruction – Second to Plano	4,058,142	3,479,141	579,001
Library needs assessment	47,600	24,160	23,440
Main St reconstruction	315,898	175,384	140,514
Olive Ave / Newcomb St traffic signal	515,015	--	515,015
Police department equipment – contract	2,517,063	--	2,517,063
Restroom trailer 4-stall combination	62,125	--	62,125
SCADA integration	28,694	--	28,694



Project	Amount	Spent to Date as of June 30, 2021	Remaining Commitment
Taxiway rehabilitation – design	\$ 149,500	\$ 74,129	\$ 75,371
Transit center electrification	1,089,000	392,806	696,194
Union Ave reconstruction	103,202	70,727	32,475
Well #35	2,031,542	1,038,485	993,057
Well #37	157,584	81,045	76,539
WWTF digester rehab	2,253,693	500,414	1,753,278
WWTF equipment	35,555	--	35,555

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, 2021, the amount of encumbrances to be honored upon performance by the vendor in the next fiscal year are as follows:

General fund	\$ 553,204
Measure I sales tax fund	2,140,790
Capital projects fund	2,381,142
Nonmajor governmental funds	428,506
Nonmajor enterprise funds	89,371
Sewer operations fund	1,972,536
Transit operations fund	3,675,017
Water operations fund	1,164,233
Internal service funds	162,902
Total	<u>\$ 12,567,701</u>

## 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 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 percent 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.

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 twenty five percent of the employee's gross salary.

The City Council has adopted amendments to the 457 plan to accommodate certain tax law changes established by the Internal Revenue Service. In addition to the ICMA Retirement Corporation, the City contracted with Strategic Retirement Advisors 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. The City has no liability for investment losses under the plan and in accordance with GASB 32, the assets of each of the aforementioned plans have been excluded from the financial statements.

## 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.

**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, non-industrial 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, 2021, 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% @ 55	2.0% @ 55	2.0% @ 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 % of eligible compensation	2.0% - 2.7%	1.426% - 2.418%	1.0% - 2.5%
Required employee contribution rates	8.0%	7.0%	6.75%
Required employer contribution rates*	36.730%	36.730%	36.730%

	Safety		
	Tier 1 Prior to July 1, 2012	Tier 2 On or after July 1, 2012	PEPRA On or after January 2, 2013
Hire date			
Benefit formula	3.0% @ 55	2.0% @ 50	2.7% @ 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 % of eligible compensation	2.4% - 3.0%	2.0% - 2.7%	2.0% - 2.7%
Required employee contribution rates	9.0%	9.0%	12.0%
Required employer contribution rates*			
Safety fire plan	47.324%	20.270%	13.573%
Safety police plan	47.324%	20.482%	13.809%

\*Required employer contribution rates plan includes the UAL payment as a percentage of payroll.

**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.

For the year ended June 30, 2021, the contributions recognized as part of pension expense for each plan were as follows:

	Miscellaneous			
	Tier 1	Tier 2	PEPRA	Total
Contributions - employer	\$3,143,507	\$ 43,567	\$501,809	\$3,688,883

	Safety			
	Tier 1	Tier 2	PEPRA	Total
Contributions - employer	\$1,861,733	\$193,862	\$507,368	\$2,562,963

Total pension expense for both Plans for the year ended June 30, 2021 was \$8,744,634.

**Actuarial Methods and Assumptions** – The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2020-2021 for the Miscellaneous Plan and the Safety Plan were derived from the June 30, 2018 funding valuation report.

For the measurement period ended June 30, 2020, the total pension liability was determined by rolling forward the June 30, 2019 total pension liability determined in the June 30, 2019 actuarial accounting valuation. The June 30, 2020 total pension liability was based on the following actuarial methods and assumptions:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.625%
Salary increases	Varies by entry age and service
Payroll growth	2.875%
Investment rate of return	7.25% net of pension plan investment and administrative expenses; includes 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. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. Details of the Experience Study report can be found on the CalPERS' website.

**Change of Assumption** – There were no changes of assumptions in 2020.

**Discount Rate** – The discount rate used to measure the total pension liability was 7.15 percent. 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** - The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, both short-term and long-term market return expectations, as well as the expected pension fund (Public Employee's Retirement Fund) cash flows were taken into account. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical and forecasted information for all the funds' asset classes, expected compound (geometric) returns were

calculated over the short-term (first 10 years) and the long-term (11+ years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set to equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class can be found in CalPERS' Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020.

***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.

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

Net difference between projected and actual earnings on pension plan investments	5 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.

### **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:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2019	\$102,798,380	\$ 68,579,684	\$ 34,218,696
Changes recognized for the measurement period:			
Service cost	1,887,852	--	1,887,852
Interest on total pension liability	7,267,610	--	7,267,610
Changes of assumptions	--	--	--
Differences between expected and actual experience	461,262	--	461,262
Net plan to plan resource movement	--	--	--
Contributions – employer	--	3,648,621	(3,648,621)
Contributions - employees	--	795,917	(795,917)
Net investment income	--	3,466,881	(3,466,881)
Benefit payments, including refunds of employee contributions	(5,117,341)	(5,117,341)	--
Administrative expense	--	(96,681)	96,681
Other miscellaneous income / (expense)	--	--	--
Net changes during 2019-2020	4,499,383	2,697,397	1,801,986
Balance at June 30, 2020	\$107,297,763	\$ 71,277,081	\$ 36,020,682

**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 7.15 percent, 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% 6.15%	Current Discount Rate 7.15%	Discount Rate + 1% 8.15%
Net pension liability	\$50,777,556	\$36,020,682	\$23,889,236

### ***Pension Expense / (Income) for Measurement Period Ended June 30, 2020***

Service cost	\$ 1,887,852
Interest on total pension liability	7,267,610
Recognized changes of assumptions	1,068,512
Recognized differences between expected and actual experience	(444,469)
Plan to plan resource movement	--
Employee contributions	(795,917)
Projected earnings on pension plan investments	(4,861,165)
Recognized differences between projected and actual earnings on plan investments	515,632
Administrative expense	96,681
Other miscellaneous (income) / expense	--
Total pension expense / (income)	<u>\$ 4,734,736</u>

**Deferred Outflows and Deferred Inflows of Resources** - As of June 30, 2020, the City reports the following deferred outflows and deferred inflows of resources related to pensions for the Miscellaneous Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 3,688,883	\$ --
Changes of assumptions	--	( 128,630)
Differences between expected and actual experiences	451,727	( 422,200)
Net difference between projected and actual earnings on pension plan Investments	527,008	--
Total	\$ 4,667,618	\$ ( 550,830)

Deferred outflows of \$3,688,883 related to contributions after the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Periods Ended June 30	Deferred Outflows / (Inflows) of Resources
2022	\$ (653,473)
2023	347,854
2024	454,668
2025	278,856
2026	--
Remaining	--

The Expected Average Remaining Service Lifetime (EARSL) for the Plan for the measurement period ending June 30, 2020 is 3.9 years, which was obtained by dividing the total service years of 2,321 (the sum of remaining service lifetimes of the active employees) by 595 (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.

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

- 1) *Actuarial Accrued Liability* - Determined based on the Actuarial Accrued Liability from the most recent Actuarial Valuation Report as of June 30, 2019 used for funding purposes.
- 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, 2019 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, 2020.

**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, 2020, the measurement date, the City's proportionate share of the Safety Risk Pool's net pension liability is 0.2881161 percent. As of June 30, 2020, the City reports net pension liability of \$19,195,315 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 7.15 percent, 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% 6.15%	Current Discount Rate 7.15%	Discount Rate + 1% 8.15%
Net pension liability	\$29,955,666	\$19,195,315	\$10,365,429

**Pension Expense** – The City's pension expense for its Safety Plan for the measurement period ended June 30, 2020 is \$4,009,898.

**Deferred Outflows and Deferred Inflows of Resources** - As of June 30, 2020, 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	\$ 2,562,963	\$ --
Changes of assumptions	--	( 63,940)
Differences between expected and actual experiences	1,488,499	--
Change in proportion	1,104,157	--
Difference between projected and actual earnings on investments	417,195	--
Difference between actual contributions and proportionate share of contributions	--	(1,173,838)
Total	\$ 5,572,814	\$ (1,237,778)

Deferred outflows of \$2,562,963 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, 2022. Amounts reported as deferred outflow and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Periods Ended June 30	Deferred Outflows / (Inflows) of Resources
2022	\$ 479,608
2023	625,711
2024	457,715
2025	209,039
2026	--
Thereafter	--

The Expected Average Remaining Service Lifetime (EARSL) for the public agency cost-sharing multiple-employer defined benefit pension plan for the June 30, 2020 measurement date is 3.8 years, which was obtained by dividing the total service years of 548,581 ( the sum of remaining service lifetimes of the active employees ) by 145,663 (the total number of participants: active, inactive and retired). Inactive employees and retirees have remaining service lifetimes equal to 0. 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 4 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.

Eligibility and benefit provisions specific to retirees are as follows: An employee must have completed 5 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, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	26
Inactive employees entitled to but not yet receiving benefit payments	18
Active employees	297
Total	<u>341</u>

### **Total OPEB liability**

The City's total OPEB liability of \$11,027,066 was based on an actuarial valuation as of June 30, 2021, a measurement date of June 30, 2021 and the following actuarial method and assumptions:

Actuarial cost method	Entry age
Actuarial assumptions:	
Inflation	2.50%
Investment return/discount rate	2.16% 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 2017 CalPERS Mortality tables
Costs for retiree coverage	Retiree liabilities are based on actual retiree premium plus an implicit rate subsidy of 87.0% of non-Medicare medical premium.

All actuarial assumptions used in measuring the total OPEB liability are described in the October 11, 2021 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, 2021 were as follows:

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2020	\$11,814,913	\$ --	\$11,814,913
Service cost	972,833	--	972,833
Interest on total OPEB liability	270,629	--	270,629
Employer contributions	--	440,854	(440,854)
Benefit payments	(440,854)	(440,854)	--
Administrative expenses	--	--	--
Experience (gains) / losses	(1,629,357)	--	(1,629,357)
Changes in assumptions	38,902	--	38,902
Other	--	--	--
Net change 2020-2021	(787,847)	--	(787,847)
Balance at June 30, 2021	\$11,027,066	\$ --	\$11,027,066

**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, 2021 calculated using the discount rate of 2.16 percent, 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:

	1% Decrease 1.16%	Current Rate 2.16%	1% Increase 3.16%
Total OPEB liability	\$12,039,018	\$11,027,066	\$10,091,284

**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, 2021, 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:

	1% Decrease 3.00%	Current Rate 4.00%	1% Increase 5.00%
Total OPEB liability	\$9,534,761	\$11,027,066	\$12,835,439

### **OPEB expense**

For the fiscal year ended June 30, 2021, the City recognized OPEB expense of \$939,204 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, 2021 were as follows:

Service cost	\$	972,833
Interest cost		270,629
Expected return on assets		--
Administrative expenses		--
Recognition of experience (gain) / loss deferrals		(337,549)
Recognition of assumptions change deferrals		33,291
Recognition of investment (gain) / loss deferrals		--
Employee contributions		--
Changes in benefit terms		--
Net OPEB expense	\$	<u>939,204</u>

### **Deferred outflows of resources and deferred inflows of resources related to OPEB**

At June 30, 2021, the City reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ --	\$ --
Difference between expected and actual experience	--	(2,502,579)
Changes of assumptions	331,427	(123,819)
Difference between projected and actual earnings on OPEB plan investments	--	--
Total	\$ <u>331,427</u>	\$ <u>(2,626,398)</u>

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

Year Ended June 30	Deferred Outflows / (Inflows) of Resources
2022	\$ (304,258)
2023	(304,258)
2024	(274,972)
2025	(261,044)
2026	(266,856)
Thereafter	(883,583)

#### **NOTE 7 – Insurance recoveries**

On February 18, 2020, the City's Main Library located at 41 W. Thurman, suffered a catastrophic loss due to a fire. The City received an initial payment in the amount of \$2,500,000 from the insurance companies in April 2020. In fiscal year 2020-2021, the City received insurance proceeds of \$4,853,082. This amount is being reported as other financing source in the fund financial statements. The City Council approved and adopted Resolution number 41-2020 on June 2, 2020, to commit all proceeds of the insurance policy coverage on the library facility to the reimbursement of expenditures related to the loss of the City Library and the establishment of a new one.

#### **NOTE 8 – Prior period adjustment**

In fiscal year 2020-2021, a prior period adjustment was made to increase net position for governmental activities in the government-wide Statement of Activities in the amount of \$429,885. The same adjustment was made to the net position of the General Fund. In the fiduciary funds, the beginning net position of the Custodial Fund was restated with the amount of \$88,245 to recognize net additions from prior years. These adjustments are the result of the reclassification of certain accounts formerly reported in the agency fund, in accordance with the requirements of Governmental Accounting Standards Board Statement No. 84.

#### **NOTE 9 – Subsequent events**

On July 15, 2021, the City completed the refinancing of the 2015 Certificates of Participation (COPs) held by Capital One Public Funding. The 2015 COPs were originally issued to advance refund the 2002 Public Building COPs and prepay the 2013 Lease Agreement with Rabobank, NA. The 2015 COPs were not callable until 2025 and included a 2 percent prepayment penalty. Capital One agreed to waive the 2025 call date and lower the interest rate from 3.85 percent to 2.70 percent. The refinancing mirrors the structure of the 2015 COPs, with final maturity on June 1, 2035.

#### **NOTE 10 – 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.

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 percent per annum, compounded annually, commencing on February 1, 2010, the date of the promissory note. As of June 30, 2021, the principal balance of the note is \$930,000 with interest accrued of \$312,014.

#### 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 percent to 4.625 percent. 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, 2021 amount to \$6,335,000.

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 230,000	\$ 255,831
2023	245,000	246,631
2024	250,000	236,831
2025	260,000	226,831
2026	270,000	218,181
2027 – 2031	1,495,000	936,938
2032 – 2036	1,825,000	606,069
2037 – 2040	1,760,000	188,994
Total	<u>\$ 6,335,000</u>	<u>\$ 2,916,306</u>

#### Changes in long-term liabilities

Long-term liability activity for the fiscal year ended June 30, 2021, 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	\$ 6,560,000	\$ --	\$ ( 225,000)	\$ 6,335,000	\$ 230,000
Total bonds payable	<u>6,560,000</u>	<u>--</u>	<u>( 225,000)</u>	<u>6,335,000</u>	<u>230,000</u>
Total long-term liabilities	<u>\$ 6,560,000</u>	<u>\$ --</u>	<u>\$ ( 225,000)</u>	<u>\$ 6,335,000</u>	<u>\$ 230,000</u>

***This page is intentionally blank.***

**Required Supplementary  
Information**





# REQUIRED SUPPLEMENTARY INFORMATION

## Miscellaneous Plan Agent Multiple-Employer Defined Benefit Pension Plan

### Schedule of Changes in the Net Pension Liability and Related Ratios Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020
Total pension liability:							
Service cost	\$ 1,707,141	\$ 1,564,655	\$ 1,599,260	\$ 1,867,841	\$ 1,803,826	\$ 1,797,973	\$ 1,887,852
Interest on total pension liability	5,754,567	6,004,410	6,317,200	6,529,749	6,664,096	6,957,854	7,267,610
Changes of assumptions	-	(1,533,174)	-	5,686,424	(514,523)	-	-
Difference between expected and actual experience	-	(531,640)	374,140	(925,820)	(1,688,803)	217,475	461,262
Benefit payments, including refunds of employee contributions	(3,352,011)	(3,776,390)	(3,967,074)	(4,160,895)	(4,405,712)	(4,742,193)	(5,117,341)
Net change in total pension liability	4,109,697	1,727,861	4,323,526	8,997,299	1,858,884	4,231,109	4,499,383
Total pension liability, beginning	77,550,004	81,659,701	83,387,562	87,711,088	96,708,387	98,567,271	102,798,380
Total pension liability, ending	\$ 81,659,701	\$ 83,387,562	\$ 87,711,088	\$ 96,708,387	\$ 98,567,271	\$ 102,798,380	\$ 107,297,763
Plan fiduciary net position:							
Contributions - employer	\$ 2,163,264	\$ 2,291,778	\$ 2,545,784	\$ 2,750,175	\$ 2,911,663	\$ 3,240,602	\$ 3,648,621
Contributions - employee	799,335	785,498	811,025	734,565	747,704	873,924	795,917
Net investment income	8,234,935	1,260,596	273,011	6,175,766	5,168,019	4,263,395	3,466,881
Benefit payments, including refunds of employee contributions	(3,352,011)	(3,776,390)	(3,967,074)	(4,160,895)	(4,405,712)	(4,742,193)	(5,117,341)
Plan to plan resource movement	-	1,790	-	-	(151)	-	-
Administrative expense	-	(62,756)	(34,005)	(81,832)	(94,811)	(46,378)	(96,681)
Other miscellaneous income / (expense) (1)	-	-	-	-	(180,048)	151	-
Net change in fiduciary net position	7,845,523	500,516	(371,259)	5,417,779	4,146,664	3,589,501	2,697,397
Plan fiduciary net position, beginning (2)	47,450,960	55,296,483	55,796,999	55,425,740	60,843,519	64,990,183	68,579,684
Plan fiduciary net position, ending	\$ 55,296,483	\$ 55,796,999	\$ 55,425,740	\$ 60,843,519	\$ 64,990,183	\$ 68,579,684	\$ 71,277,081
Plan net pension liability / (asset), ending	\$ 26,363,218	\$ 27,590,563	\$ 32,285,348	\$ 35,864,868	\$ 33,577,088	\$ 34,218,696	\$ 36,020,682
Plan fiduciary net position as a percentage of the total pension liability	67.72%	66.91%	63.19%	62.91%	65.93%	66.71%	66.43%
Covered payroll (3)	\$ 9,479,377	\$ 9,209,814	\$ 9,567,816	\$ 10,250,475	\$ 9,958,186	\$ 10,052,966	\$ 10,750,867
Plan net pension liability / (asset) as a percentage of covered payroll	278.11%	299.58%	337.44%	349.88%	337.18%	340.38%	335.05%

(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 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-19; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

**Note: GASB Statement No. 68 was implemented during fiscal year ending June 30, 2015.  
Additional information will be added as they become available in the future.**

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

##### Benefit changes:

The figures above include any liability impact that may have resulted from voluntary benefit changes that occurred after the June 30, 2019 valuation. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the June 30, 2019 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 2019 or 2020.

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 percent to 7.15 percent.

In 2016, there were no changes.

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

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

# REQUIRED SUPPLEMENTARY INFORMATION

## Miscellaneous Plan Agent Multiple-Employer Defined Benefit Pension Plan

### Schedule of Pension Plan Contributions Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021
Actuarially determined contribution	\$ 2,163,264	\$ 2,291,778	\$ 2,545,784	\$ 2,750,175	\$ 2,911,663	\$ 2,967,905	\$ 3,381,108	\$ 3,688,883
Contributions in relation to the actuarially determined contribution	<u>(2,163,264)</u>	<u>(2,291,778)</u>	<u>(2,545,784)</u>	<u>(2,750,175)</u>	<u>(2,911,663)</u>	<u>(2,967,905)</u>	<u>(3,381,108)</u>	<u>(3,688,883)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 9,479,377</u>	<u>\$ 9,209,814</u>	<u>\$ 9,567,816</u>	<u>\$ 10,250,475</u>	<u>\$ 9,958,186</u>	<u>\$ 10,052,966</u>	<u>\$ 10,750,867</u>	<u>\$ 10,613,482</u>
Contributions as a percentage of covered payroll	<u>22.821%</u>	<u>24.884%</u>	<u>26.608%</u>	<u>26.830%</u>	<u>29.239%</u>	<u>29.523%</u>	<u>31.450%</u>	<u>34.757%</u>

**Note:** GASB Statement No. 68 was implemented during fiscal year ending June 30, 2015.

**Additional information will be added as they become available in the future.**

**Notes to Schedule of Pension Plan Contributions:**

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2019-20 were derived from the June 30, 2017 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	2.625%
Salary increases	Varies by entry age and service
Payroll growth	2.875%
Investment rate of return	7.25% net of pension plan investment and administrative expenses; includes 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. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

## REQUIRED SUPPLEMENTARY INFORMATION

### Safety Plan Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

#### Schedule of Proportionate Share of the Net Pension Liability / (Asset) and Related Ratios as of the Measurement Date Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020
Plan's proportion of the net pension liability / (asset)	0.15770%	0.2255%	0.2509%	0.2557%	0.2639%	0.2741%	0.2881%
Plan's proportionate share of the net pension liability / (asset)	\$ 9,812,745	\$ 9,292,237	\$ 12,993,517	\$ 15,278,946	\$ 15,485,991	\$ 17,109,138	\$ 19,195,315
Plan's covered payroll	\$ 5,317,226	\$ 6,191,102	\$ 6,228,105	\$ 6,601,426	\$ 6,493,831	\$ 7,020,010	\$ 7,901,644
Plan's proportionate share of the net pension liability / (asset) as a percentage of its covered payroll	184.55%	150.09%	208.63%	231.45%	238.47%	243.72%	242.93%
Plan's proportionate share of the fiduciary net position as a percentage of the plan's total pension liability	82.13%	83.72%	78.53%	77.29%	78.16%	77.07%	75.77%
Plan's proportionate share of aggregate employer contributions	\$ 4,736,050	\$ 1,314,328	\$ 1,349,037	\$ 1,457,258	\$ 1,549,392	\$ 1,804,487	\$ 2,200,419

**Note:** GASB Statement No. 68 was implemented during fiscal year ending June 30, 2015.  
Additional information will be added as they become available in the future.

# REQUIRED SUPPLEMENTARY INFORMATION

## Safety Plan Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

### Schedule of Pension Plan Contributions Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021
Actuarially determined contribution	\$ 1,359,021	\$ 1,314,328	\$ 1,349,037	\$ 1,457,258	\$ 1,549,392	\$ 1,804,487	\$ 2,200,419	\$ 2,562,963
Contributions in relation to the actuarially determined contribution	<u>(4,918,683)</u>	<u>(1,314,328)</u>	<u>(1,349,037)</u>	<u>(1,457,258)</u>	<u>(1,549,392)</u>	<u>(1,804,487)</u>	<u>(2,200,419)</u>	<u>(2,562,963)</u>
Contributions deficiency (excess)	<u>\$ (3,559,662)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 5,317,226</u>	<u>\$ 6,191,102</u>	<u>\$ 6,228,105</u>	<u>\$ 6,601,426</u>	<u>\$ 6,493,831</u>	<u>\$ 7,020,010</u>	<u>\$ 7,901,644</u>	<u>\$ 8,876,114</u>
Contributions as a percentage of covered payroll	<u>92.505%</u>	<u>21.229%</u>	<u>21.660%</u>	<u>22.075%</u>	<u>23.859%</u>	<u>25.705%</u>	<u>27.848%</u>	<u>28.875%</u>

**Note: GASB Statement No. 68 was implemented during fiscal year ending June 30, 2015.**  
Additional information will be added as they become available in the future.

## REQUIRED SUPPLEMENTARY INFORMATION

### Other Postemployment Benefits Plan

#### Schedule of Changes in Total OPEB Liability and Related Ratios Last Ten Fiscal Years

	2018	2019	2020	2021
Total OPEB liability:				
Service cost	\$ 603,307	\$ 589,097	\$ 881,580	\$ 972,833
Interest	385,952	429,914	417,844	270,629
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	-	(368,922)	(1,116,113)	(1,629,357)
Changes of assumptions	(327,957)	456,546	72,793	38,902
Benefit payments	(309,991)	(10,163)	(161,553)	(440,854)
Net change in total OPEB liability	351,311	1,096,472	94,551	(787,847)
Total OPEB liability - beginning	10,272,579	10,623,890	11,720,362	11,814,913
Total OPEB liability - ending	\$ 10,623,890	\$ 11,720,362	\$ 11,814,913	\$ 11,027,066
Covered employee payroll	\$ 16,408,990	\$ 17,305,003	\$ 18,596,503	\$ 22,449,239
Total OPEB liability as a percentage of covered employee payroll	64.74%	67.73%	63.53%	49.12%

**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 2021.

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:

2021	2.16%
2020	2.20%
2019	3.50%
2018	3.90%

**City of Porterville**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive(Negative)</u>
<b>REVENUES</b>				
Property tax	\$ 7,818,000	\$ 7,818,000	\$ 8,106,766	\$ 288,766
Sales and use tax	5,760,000	5,760,000	7,735,526	1,975,526
Utility users tax	3,700,000	3,700,000	4,251,538	551,538
Franchise tax	1,631,134	1,631,134	1,659,969	28,835
Transient occupancy tax	400,000	400,000	764,374	364,374
Business licenses	400,000	400,000	431,323	31,323
Building permits	280,000	280,000	361,176	81,176
Plumbing permits	185,000	185,000	244,823	59,823
Electrical permits	110,000	110,000	196,193	86,193
Other licenses and permits	14,300	14,300	12,836	(1,464)
Vehicle license fees	48,000	48,000	43,753	(4,247)
State grants/reimbursements	287,514	287,514	295,926	8,412
Federal grants	100,000	100,000	1,274,709	1,174,709
Planning and zoning	55,000	55,000	171,260	116,260
Engineering and inspection	105,000	105,000	110,491	5,491
Police services	411,000	411,000	222,320	(188,680)
Fire services	59,000	59,000	(1,708)	(60,708)
Library services	10,000	10,000	537	(9,463)
Parks and recreational activities	2,540,300	2,540,300	2,049,682	(490,618)
Other service charges	28,818	28,818	28,391	(427)
Interdepartmental service charge	3,040,000	3,040,000	3,276,317	236,317
Special assessments and fees	5,272	5,272	5,075	(197)
Parking fines	7,000	7,000	13,930	6,930
Vehicle code fines	2,200	2,200	3,158	958
Other fines	17,000	17,000	18,453	1,453
Interest	300,000	300,000	156,270	(143,730)
Rent	182,000	182,000	128,967	(53,033)
Contributions	3,500	3,500	-	(3,500)
Other revenues	98,500	98,500	268,557	170,057
Total revenues	<u>27,598,538</u>	<u>27,598,538</u>	<u>31,830,612</u>	<u>4,232,074</u>
<b>EXPENDITURES</b>				
Current:				
Community and economic development	1,204,139	1,241,639	1,020,659	220,980
General government	3,334,594	4,116,022	3,617,373	498,649
Parks and recreation	6,451,823	8,579,950	7,741,254	838,696
Public safety - fire	4,402,993	4,307,124	4,257,882	49,242
Public safety - police	11,182,575	11,167,031	10,180,740	986,291
Public works	2,891,033	2,891,033	2,819,550	71,483
Capital outlay	1,077,531	1,077,531	1,293,761	(216,230)
Total expenditures	<u>30,544,688</u>	<u>33,380,330</u>	<u>30,931,219</u>	<u>2,449,111</u>
Excess (deficiency) of revenues over (under) expenditures	(2,946,150)	(5,781,792)	899,393	6,681,185
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,437,447	1,437,447	1,480,435	42,988
Transfers out	(3,109,321)	(3,109,321)	(2,506,552)	602,769
Insurance recoveries	4,853,082	4,853,082	4,853,082	-
Total other financing sources (uses)	<u>(1,671,874)</u>	<u>(1,671,874)</u>	<u>3,826,965</u>	<u>645,757</u>
Net change in fund balance	(4,618,024)	(7,453,666)	4,726,358	7,326,942
Fund balance - beginning	21,710,367	21,710,367	21,710,367	-
Prior period adjustment	429,885	429,885	429,885	-
Fund balance - ending	<u>\$ 17,522,228</u>	<u>\$ 14,256,701</u>	<u>\$ 26,866,610</u>	<u>\$ 12,609,909</u>



**City of Porterville**  
**Measure I Sales Tax Fund**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**

**For the Fiscal Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
			<u>Amounts</u>	<u>Positive(Negative)</u>
<b>REVENUES</b>				
Sales tax	\$ 7,000,000	\$ 7,000,000	\$ 9,868,321	\$ 2,868,321
Charges for services	2,000	2,000	29,765	27,765
Investment earnings	30,000	30,000	115,283	85,283
Total revenues	<u>7,032,000</u>	<u>7,032,000</u>	<u>10,013,369</u>	<u>2,981,369</u>
<b>EXPENDITURES</b>				
Current:				
Public safety - fire	990,535	990,535	1,088,164	(97,629)
Public safety - police	2,829,677	2,845,221	2,991,145	(145,924)
Public works	295,972	295,972	45,791	250,181
Capital outlay	510,000	510,000	325,303	184,697
Total expenditures	<u>4,626,184</u>	<u>4,641,728</u>	<u>4,450,403</u>	<u>191,325</u>
Excess(deficiency) of revenues over(under) expenditures	<u>2,405,816</u>	<u>2,390,272</u>	<u>5,562,966</u>	<u>3,172,694</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(3,011,038)</u>	<u>3,011,038</u>	<u>(1,683,362)</u>	<u>(4,694,400)</u>
Total other financing sources (uses)	<u>(3,011,038)</u>	<u>3,011,038</u>	<u>(1,683,362)</u>	<u>(4,694,400)</u>
Net change in fund balance	<u>(605,222)</u>	<u>5,401,310</u>	<u>3,879,604</u>	<u>(1,521,706)</u>
Fund balance - beginning	<u>1,488,149</u>	<u>1,488,149</u>	<u>7,435,614</u>	<u>5,947,465</u>
Fund balance - ending	<u>\$ 882,927</u>	<u>\$ 6,889,459</u>	<u>\$ 11,315,218</u>	<u>\$ 4,425,759</u>

**City of Porterville**  
**American Rescue Plan Act Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive(Negative)</u>
<b>REVENUES</b>				
Intergovernmental:				
Federal grants	\$ -	\$ -	\$ 9,566	\$ 9,566
Investment earnings	-	-	64,359	64,359
Total revenues	-	-	73,925	73,925
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	(9,566)	(9,566)
Total other financing sources (uses)	-	-	(9,566)	(9,566)
Net change in fund balance	-	-	64,359	64,359
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ 64,359	\$ 64,359

**Supplemental  
Statements**



## **NONMAJOR GOVERNMENTAL FUNDS**

### **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.

**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 FUNDS**

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, 2021**

	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	\$ 2,015,907	\$ 2,087,464	\$ 6,058,021	\$ -	\$ 518,809	\$ 169,369	\$ 204,596
Receivables - misc (net):							
Interest	-	-	-	-	397,919	-	-
Taxes	933,625	201,530	245,210	-	-	-	1,249
Other	-	-	-	-	-	-	-
Receivables - housing (net)	-	-	-	-	9,289,463	-	-
Intergovernmental receivables	2,918	265,855	17,160	12,036	150,751	31,999	-
Interfund receivables	-	-	2,765,693	-	-	-	-
Restricted - cash with fiscal agent	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	975,000	-	-
Total assets	<u>\$ 2,952,450</u>	<u>\$ 2,554,849</u>	<u>\$ 9,086,084</u>	<u>\$ 12,036</u>	<u>\$ 11,331,942</u>	<u>\$ 201,368</u>	<u>\$ 205,845</u>
<b>LIABILITIES</b>							
Accounts and other payables	\$ 21,068	\$ -	\$ -	\$ -	\$ 178	\$ 1,062	\$ 16,031
Payroll payable	144,357	-	-	-	14,275	10,118	387
Total liabilities	<u>165,425</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,453</u>	<u>11,180</u>	<u>16,418</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue - intergovernmental	-	265,855	-	-	397,919	-	-
Total deferred inflows of resources	<u>-</u>	<u>265,855</u>	<u>-</u>	<u>-</u>	<u>397,919</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>							
Restricted							
Building construction	-	-	-	-	-	-	-
Community development	-	-	-	-	10,919,570	-	-
Debt Service	-	-	-	-	-	-	-
Landscape maintenance districts	-	-	-	-	-	-	189,427
Public safety	2,787,025	-	-	-	-	190,188	-
Public works	-	2,288,994	9,086,084	12,036	-	-	-
Total fund balances	<u>2,787,025</u>	<u>2,288,994</u>	<u>9,086,084</u>	<u>12,036</u>	<u>10,919,570</u>	<u>190,188</u>	<u>189,427</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,952,450</u>	<u>\$ 2,554,849</u>	<u>\$ 9,086,084</u>	<u>\$ 12,036</u>	<u>\$ 11,331,942</u>	<u>\$ 201,368</u>	<u>\$ 205,845</u>

**CITY OF PORTERVILLE**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2021**

	Special Revenue				Debt Service	Total Nonmajor Governmental Funds
	Transportation Development	Park Development	Storm Drain Development	Building Construction	General Government	
<b>ASSETS</b>						
Cash and investments	\$ 2,046,097	\$ -	\$ 2,263,560	\$ 175,344	\$ 52,194	\$ 15,591,361
Receivables - misc (net):						
Interest	-	-	-	-	-	397,919
Taxes	-	-	-	-	-	1,381,614
Other	-	-	4,277	-	-	4,277
Receivables - housing (net)	-	-	-	-	-	9,289,463
Intergovernmental receivables	-	-	-	-	-	480,719
Interfund receivables	-	-	-	-	-	2,765,693
Restricted - cash with fiscal agent	-	-	-	-	1,011,728	1,011,728
Notes receivable	-	-	-	-	-	975,000
Total assets	<u>\$ 2,046,097</u>	<u>\$ -</u>	<u>\$ 2,267,837</u>	<u>\$ 175,344</u>	<u>\$ 1,063,922</u>	<u>\$ 31,897,774</u>
<b>LIABILITIES</b>						
Accounts and other payables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,339
Payroll payable	-	-	-	-	-	169,137
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>207,476</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - intergovernmental	-	-	-	-	-	663,774
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>663,774</u>
<b>FUND BALANCES</b>						
Restricted						
Building construction	-	-	-	175,344	-	175,344
Community development	-	-	-	-	-	10,919,570
Debt service	-	-	-	-	1,063,922	1,063,922
Landscape maintenance districts	-	-	-	-	-	189,427
Public safety	-	-	-	-	-	2,977,213
Public works	<u>2,046,097</u>	<u>-</u>	<u>2,267,837</u>	<u>-</u>	<u>-</u>	<u>15,701,048</u>
Total fund balances	<u>2,046,097</u>	<u>-</u>	<u>2,267,837</u>	<u>175,344</u>	<u>1,063,922</u>	<u>31,026,524</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,046,097</u>	<u>\$ -</u>	<u>\$ 2,267,837</u>	<u>\$ 175,344</u>	<u>\$ 1,063,922</u>	<u>\$ 31,897,774</u>

**CITY OF PORTERVILLE**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2021**

	Special Revenue						
	Public Safety Sales Tax	Special Gas Tax	Local Transportation Fund	Traffic Safety	Community Development Block Grant	Public Safety Grant	Landscape Maintenance District
Revenues:							
Sales taxes	\$ 4,906,981	-	-	\$ -	\$ -	\$ -	-
Intergovernmental	-	3,316,561	3,751,214	-	1,529,394	273,718	-
Charges for services	30,156	-	-	-	2,734	-	-
Special assessments and fees	-	-	-	-	-	-	150,930
Fines and forfeitures	-	-	-	103,581	-	-	-
Investment earnings	11,038	8,156	44,605	303	50,183	2,240	-
Miscellaneous	-	-	-	-	-	640	-
Total revenues	<u>4,948,175</u>	<u>3,324,717</u>	<u>3,795,819</u>	<u>103,884</u>	<u>1,582,311</u>	<u>276,598</u>	<u>150,930</u>
Expenditures:							
Community and economic development	-	-	-	-	434,864	-	-
Parks and recreation	298,419	-	-	-	-	-	171,663
Public safety - fire	1,677,116	-	-	-	-	-	-
Public safety - police	1,745,051	-	-	-	-	258,604	-
Debt redemption - principal	-	-	-	-	273,000	-	-
Debt redemption - interest & charges	-	-	-	-	23,535	-	-
Capital outlay	-	-	-	-	-	13,920	-
Total expenditures	<u>3,720,586</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>731,399</u>	<u>272,524</u>	<u>171,663</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,227,589</u>	<u>3,324,717</u>	<u>3,795,819</u>	<u>103,884</u>	<u>850,912</u>	<u>4,074</u>	<u>(20,733)</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	(168,349)	(2,832,860)	(6,792,806)	(107,393)	(119,925)	(1,199)	-
Total other financing sources (uses)	<u>(168,349)</u>	<u>(2,832,860)</u>	<u>(6,792,806)</u>	<u>(107,393)</u>	<u>(119,925)</u>	<u>(1,199)</u>	<u>-</u>
Net change in fund balances	<u>1,059,240</u>	<u>491,857</u>	<u>(2,996,987)</u>	<u>(3,509)</u>	<u>730,987</u>	<u>2,875</u>	<u>(20,733)</u>
Fund balances - July 1	<u>1,727,785</u>	<u>1,797,137</u>	<u>12,083,071</u>	<u>15,545</u>	<u>10,188,583</u>	<u>187,313</u>	<u>210,160</u>
Fund balances - June 30	<u>\$ 2,787,025</u>	<u>\$ 2,288,994</u>	<u>\$ 9,086,084</u>	<u>\$ 12,036</u>	<u>\$ 10,919,570</u>	<u>\$ 190,188</u>	<u>\$ 189,427</u>



**CITY OF PORTERVILLE**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
June 30, 2021**

	Special Revenue				Debt Service	Total Nonmajor Governmental Funds
	Transportation Development	Park Development	Storm Drain Development	Building Construction	General Government	
Revenues:						
Sales taxes	\$ -	\$ -	\$ -	\$ -	\$ -	4,906,981
Intergovernmental	-	-	-	-	-	8,870,887
Charges for services	-	-	-	-	-	32,890
Special assessments and fees	248,585	131,796	279,852	-	-	811,163
Fines and forfeitures	-	-	-	-	-	103,581
Investment earnings	7,601	166	6,254	(3,032)	70	127,584
Miscellaneous	-	-	-	-	35,869	36,509
Total revenues	<u>256,186</u>	<u>131,962</u>	<u>286,106</u>	<u>(3,032)</u>	<u>35,939</u>	<u>14,889,595</u>
Expenditures:						
Community and economic development	-	-	-	-	-	434,864
Parks and recreation	-	-	-	-	-	470,082
Public safety - fire	-	-	-	-	-	1,677,116
Public safety - police	-	-	-	-	-	2,003,655
Debt redemption - principal	-	-	-	-	1,535,000	1,808,000
Debt redemption - interest & charges	-	-	-	-	736,660	760,195
Capital outlay	-	-	-	-	-	13,920
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,271,660</u>	<u>7,167,832</u>
Excess (deficiency) of revenues over (under) expenditures	<u>256,186</u>	<u>131,962</u>	<u>286,106</u>	<u>(3,032)</u>	<u>(2,235,721)</u>	<u>7,721,763</u>
Other financing sources (uses):						
Transfers in	-	-	104,154	-	2,284,073	2,388,227
Transfers out	<u>(150,000)</u>	<u>(131,962)</u>	<u>(159,323)</u>	<u>(2,298)</u>	<u>-</u>	<u>(10,466,115)</u>
Total other financing sources (uses)	<u>(150,000)</u>	<u>(131,962)</u>	<u>(55,169)</u>	<u>(2,298)</u>	<u>2,284,073</u>	<u>(8,077,888)</u>
Net change in fund balances	<u>106,186</u>	<u>-</u>	<u>230,937</u>	<u>(5,330)</u>	<u>48,352</u>	<u>(356,125)</u>
Fund balances - July 1	<u>1,939,911</u>	<u>-</u>	<u>2,036,900</u>	<u>180,674</u>	<u>1,015,570</u>	<u>31,382,649</u>
Fund balances - June 30	<u>\$ 2,046,097</u>	<u>\$ -</u>	<u>\$ 2,267,837</u>	<u>\$ 175,344</u>	<u>\$ 1,063,922</u>	<u>\$ 31,026,524</u>

**CITY OF PORTERVILLE**

**PUBLIC SAFETY SALES TAX FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2021**

	Totals		
	Original and Final Budgeted Amounts	Actual	Variance Favorable (Unfavorable)
Revenues:			
Sales taxes	\$ 3,600,000	\$ 4,906,981	\$ 1,306,981
Charges for services	1,000	30,156	29,156
Investment earnings	5,000	11,038	6,038
Total revenues	<u>3,606,000</u>	<u>4,948,175</u>	<u>1,342,175</u>
Expenditures:			
Parks and recreation	525,000	298,419	226,581
Public safety - fire	1,626,716	1,677,116	(50,400)
Public safety - police	1,845,816	1,745,051	100,765
Total expenditures	<u>3,997,532</u>	<u>3,720,586</u>	<u>276,946</u>
Other Financing Uses:			
Transfers out	<u>(160,983)</u>	<u>(168,349)</u>	<u>(7,366)</u>
Total other financing uses	<u>(160,983)</u>	<u>(168,349)</u>	<u>(7,366)</u>
Net change in fund balance	\$ <u><u>(552,515)</u></u>	1,059,240	\$ <u><u>1,057,863</u></u>
Fund balance - July 1		<u>1,727,785</u>	
Fund balance - June 30		\$ <u><u>2,787,025</u></u>	

**CITY OF PORTERVILLE**

**GAS TAX SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2021**

	Totals		
	Original and Final Budgeted Amounts	Actual	Variance Favorable (Unfavorable)
Revenues:			
Other taxes:			
State gasoline tax section 2103	\$ 509,151	\$ 398,002	\$ (111,149)
State gasoline tax section 2105	319,412	303,922	(15,490)
State gasoline tax section 2106	176,265	170,249	(6,016)
State gasoline tax section 2107	384,256	411,257	27,001
State gasoline tax section 2107.5	7,500	7,500	-
Total other taxes	<u>1,396,584</u>	<u>1,290,930</u>	<u>(105,654)</u>
Intergovernmental:			
State grants	1,725,298	1,982,086	256,788
Federal grants	<u>732,818</u>	<u>43,545</u>	<u>(689,273)</u>
Total intergovernmental	<u>2,458,116</u>	<u>2,025,631</u>	<u>(432,485)</u>
Investment earnings	<u>20,113</u>	<u>8,156</u>	<u>(11,957)</u>
Total revenues	<u>3,874,813</u>	<u>3,324,717</u>	<u>(550,096)</u>
Other financing uses:			
Transfers out	<u>(3,643,023)</u>	<u>(2,832,860)</u>	<u>810,163</u>
Total other financing uses	<u>(3,643,023)</u>	<u>(2,832,860)</u>	<u>810,163</u>
Net change in fund balance	\$ <u><u>231,790</u></u>	491,857	\$ <u><u>260,067</u></u>
Fund balance - July 1		<u>1,797,137</u>	
Fund balance - June 30		\$ <u><u>2,288,994</u></u>	

**CITY OF PORTERVILLE**

**LOCAL TRANSPORTATION SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2021**

	Totals		
	Original and Final Budgeted Amounts	Actual	Variance Favorable (Unfavorable)
Revenues:			
Other taxes:			
State gasoline tax - LTF	\$ 2,500,000	\$ 2,408,704	\$ (91,296)
Sales tax - County Measure R	7,915,476	1,321,391	(6,594,085)
Total other taxes	<u>10,415,476</u>	<u>3,730,095</u>	<u>(6,685,381)</u>
Intergovernmental:			
State grants	-	-	-
Federal grants	1,828,145	21,119	(1,807,026)
Investment earnings	100,000	44,605	(55,395)
Total revenues	<u>12,343,621</u>	<u>3,795,819</u>	<u>(8,547,802)</u>
Other financing uses:			
Transfers out	(24,028,909)	(6,792,806)	17,236,103
Total other financing uses	<u>(24,028,909)</u>	<u>(6,792,806)</u>	<u>17,236,103</u>
Net change in fund balance	\$ <u>(11,685,288)</u>	(2,996,987)	\$ <u>8,688,301</u>
Fund balance - July 1		<u>12,083,071</u>	
Fund balance - June 30		\$ <u>9,086,084</u>	

**CITY OF PORTERVILLE**

**TRAFFIC SAFETY SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2021**

	Totals		
	Original and Final Budgeted Amounts	Actual	Variance Favorable (Unfavorable)
Revenues:			
Fines and forfeitures:			
Penal code fines	\$ 100,000	\$ 103,581	\$ 3,581
Investment earnings	400	303	(97)
Total revenues	<u>100,400</u>	<u>103,884</u>	<u>3,484</u>
Other financing uses:			
Transfers out	<u>(100,400)</u>	<u>(107,393)</u>	<u>(6,993)</u>
Total other financing uses	<u>(100,400)</u>	<u>(107,393)</u>	<u>(6,993)</u>
Net change in fund balance	\$ <u>-</u>	(3,509)	\$ <u>(3,509)</u>
Fund balance - July 1		<u>15,545</u>	
Fund balance - June 30		\$ <u><u>12,036</u></u>	

**CITY OF PORTERVILLE**

**COMMUNITY DEVELOPMENT BLOCK GRANT  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2021**

	Totals		
	Original and Final Budgeted Amounts	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental:			
Federal grants	\$ 1,320,518	\$ 1,529,394	\$ 208,876
Charges for services	200	2,734	2,534
Investment earnings	30,000	50,183	20,183
Total revenues	<u>1,350,718</u>	<u>1,582,311</u>	<u>231,593</u>
Expenditures:			
Current			
Community development	534,885	434,864	100,021
Debt Service			
Principal	273,000	273,000	-
Interest and administrative charges	23,535	23,535	-
Total expenditures	<u>831,420</u>	<u>731,399</u>	<u>100,021</u>
Other financing uses:			
Transfers out	<u>(755,795)</u>	<u>(119,925)</u>	<u>635,870</u>
Total other financing uses	<u>(755,795)</u>	<u>(119,925)</u>	<u>635,870</u>
Net change in fund balance	\$ <u>(236,497)</u>	730,987	\$ <u>967,484</u>
Fund balance - July 1		<u>10,188,583</u>	
Fund balance - June 30		\$ <u><u>10,919,570</u></u>	

**CITY OF PORTERVILLE**

**PUBLIC SAFETY GRANT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2021**

	Totals		
	Original and Final Budgeted Amounts	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental:			
State grants	\$ 205,500	\$ 259,317	\$ 53,817
Federal grants	14,401	14,401	-
Total intergovernmental	<u>219,901</u>	<u>273,718</u>	<u>53,817</u>
Investment earnings	1,500	2,240	740
Other	<u>-</u>	<u>640</u>	<u>640</u>
Total revenues	<u>221,401</u>	<u>276,598</u>	<u>55,197</u>
Expenditures:			
Public safety - police	455,966	258,604	197,362
Capital outlay	<u>-</u>	<u>13,920</u>	<u>(13,920)</u>
Total expenditures	<u>455,966</u>	<u>272,524</u>	<u>183,442</u>
Other financing uses:			
Transfers out	<u>-</u>	<u>(1,199)</u>	<u>(1,199)</u>
Total other financing uses	<u>-</u>	<u>(1,199)</u>	<u>(1,199)</u>
Net change in fund balance	\$ <u>(234,565)</u>	2,875	\$ <u>(129,444)</u>
Fund balance - July 1		<u>187,313</u>	
Fund balance - June 30		\$ <u><u>190,188</u></u>	

**CITY OF PORTERVILLE**

**LANDSCAPE MAINTENANCE DISTRICT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2021**

	Totals		
	Original and Final Budgeted Amounts	Actual	Variance Favorable (Unfavorable)
Revenues:			
Special assessments	\$ 154,753	\$ 150,930	\$ (3,823)
Total revenues	<u>154,753</u>	<u>150,930</u>	<u>(3,823)</u>
Expenditures:			
Parks and leisure services:			
Cost of service	<u>202,429</u>	<u>171,663</u>	<u>30,766</u>
Total expenditures	<u>202,429</u>	<u>171,663</u>	<u>30,766</u>
Net change in fund balance	\$ <u>(47,676)</u>	(20,733)	\$ <u>(34,589)</u>
Fund balance - July 1		<u>210,160</u>	
Fund balance - June 30		\$ <u><u>189,427</u></u>	



**CITY OF PORTERVILLE**

**TRANSPORTATION DEVELOPMENT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2021**

	Totals		
	Original and Final Budgeted Amounts	Actual	Variance Favorable (Unfavorable)
Revenues:			
Transportation impact fees	\$ 200,000	\$ 248,585	\$ 48,585
Investment earnings	15,000	7,601	(7,399)
Total revenues	<u>215,000</u>	<u>256,186</u>	<u>41,186</u>
Other financing sources (uses):			
Transfers out	<u>(241,750)</u>	<u>(150,000)</u>	<u>91,750</u>
Total other financing sources (uses)	<u>(241,750)</u>	<u>(150,000)</u>	<u>91,750</u>
Net change in fund balance	\$ <u>(26,750)</u>	106,186	\$ <u>132,936</u>
Fund balance - July 1		<u>1,939,911</u>	
Fund balance - June 30		\$ <u><u>2,046,097</u></u>	

**CITY OF PORTERVILLE**

**PARK DEVELOPMENT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2021**

	Totals		
	Original and Final Budgeted Amounts	Actual	Variance Favorable (Unfavorable)
Revenues:			
Park impact fees	\$ 75,000	\$ 131,796	\$ 56,796
Investment earnings	50	166	116
Total revenues	<u>75,050</u>	<u>131,962</u>	<u>56,912</u>
Other financing uses:			
Transfers out	<u>(75,050)</u>	<u>(131,962)</u>	<u>(56,912)</u>
Total other financing uses	<u>(75,050)</u>	<u>(131,962)</u>	<u>(56,912)</u>
Net change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund balance - July 1		<u>-</u>	
Fund balance - June 30		\$ <u>-</u>	

**CITY OF PORTERVILLE**

**STORM DRAIN DEVELOPMENT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2021**

	Totals		
	Original and Final Budgeted Amounts	Actual	Variance Favorable (Unfavorable)
Revenues:			
Storm drain fees	\$ 150,000	\$ 279,852	\$ 129,852
Investment earnings	25,000	6,254	(18,746)
Total revenues	<u>175,000</u>	<u>286,106</u>	<u>111,106</u>
Other financing uses:			
Transfers in	-	104,154	104,154
Transfers out	<u>(2,118,002)</u>	<u>(159,323)</u>	<u>1,958,679</u>
Total other financing uses	<u>(2,118,002)</u>	<u>(55,169)</u>	<u>2,062,833</u>
Net change in fund balance	\$ <u><u>(1,943,002)</u></u>	230,937	\$ <u><u>2,173,939</u></u>
Fund balance - July 1		<u>2,036,900</u>	
Fund balance - June 30		\$ <u><u>2,267,837</u></u>	

**CITY OF PORTERVILLE**

**BUILDING CONSTRUCTION SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2021**

	Totals		
	Original and Final Budgeted Amounts	Actual	Variance Favorable (Unfavorable)
Revenues:			
Investment earnings	\$ 5,000	\$ (3,032)	\$ (8,032)
Total revenues	<u>5,000</u>	<u>(3,032)</u>	<u>(8,032)</u>
Other financing uses:			
Transfers out	<u>(12,568)</u>	<u>(2,298)</u>	<u>10,270</u>
Total other financing uses	<u>(12,568)</u>	<u>(2,298)</u>	<u>10,270</u>
Net change in fund balance	\$ <u>(7,568)</u>	(5,330)	\$ <u>2,238</u>
Fund balance - July 1		<u>180,674</u>	
Fund balance - June 30		\$ <u><u>175,344</u></u>	

**CITY OF PORTERVILLE**

**GENERAL GOVERNMENT DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2021**

	Totals		
	Original and Final Budgeted Amounts	Actual	Variance Favorable (Unfavorable)
Revenues:			
Investment earnings	\$ -	\$ 70	\$ 70
Other	-	35,869	35,869
Total revenues	-	35,939	35,939
Expenditures:			
General government:			
Administration	1,350	3,700	(2,350)
Debt redemption, principal	1,535,000	1,535,000	-
Debt redemption, interest	732,960	732,960	-
Total expenditures	2,269,310	2,271,660	(2,350)
Excess (deficiency) of revenues over (under) expenditures	(2,269,310)	(2,235,721)	33,589
Other financing sources (uses):			
Transfers in	1,674,185	2,284,073	609,888
Total other financing sources (uses)	1,674,185	2,284,073	609,888
Net change in fund balance	\$ (595,125)	48,352	\$ 643,477
Fund balance - July 1		1,015,570	
Fund balance - June 30		\$ 1,063,922	

## **NONMAJOR ENTERPRISE FUNDS**

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.

### **Airport Fund**

This fund was established to account 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.

### **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, 2021**

	<b>Zalud House</b>	<b>Airport Operations</b>	<b>Golf Course</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 42,863	\$ 3,532,427	\$ -	\$ 3,575,290
Receivables (net of allowance for uncollectibles)	-	81,446	1,110	82,556
Intergovernmental receivables	-	27,652	-	27,652
Inventories	-	122,205	-	122,205
Total current assets	<u>42,863</u>	<u>3,763,730</u>	<u>1,110</u>	<u>3,807,703</u>
Noncurrent assets:				
Notes receivable	-	331,466	-	331,466
Capital assets:				
Land	23,240	1,000,125	102,048	1,125,413
Construction in progress	-	239,641	-	239,641
Buildings	75,526	604,352	71,219	751,097
Improvements other than buildings	3,547	9,966,921	385,918	10,356,386
Machinery and equipment	63,341	994,978	379,131	1,437,450
Less accumulated depreciation	<u>(130,104)</u>	<u>(6,233,392)</u>	<u>(672,708)</u>	<u>(7,036,204)</u>
Total noncurrent assets	<u>35,550</u>	<u>6,904,091</u>	<u>265,608</u>	<u>7,205,249</u>
Total assets	<u>78,413</u>	<u>10,667,821</u>	<u>266,718</u>	<u>11,012,952</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pension-related items	-	67,688	42,481	110,169
Deferred OPEB-related items	-	3,572	2,381	5,953
Total deferred outflows of resources	<u>-</u>	<u>71,260</u>	<u>44,862</u>	<u>116,122</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts and other payables	474	43,858	19,628	63,960
Payroll payable	897	9,462	7,324	17,683
Interfund payable	-	-	1,584,840	1,584,840
Compensated absences payable	-	6,137	6,239	12,376
Other postemployment benefits liability	-	4,343	2,895	7,238
Total current liabilities	<u>1,371</u>	<u>63,800</u>	<u>1,620,926</u>	<u>1,686,097</u>
Noncurrent liabilities:				
Compensated absences payable	-	2,378	4,605	6,983
Net pension liability	-	414,099	276,791	690,890
Other postemployment benefits liability	-	106,651	102,833	209,484
Total noncurrent liabilities	<u>-</u>	<u>523,128</u>	<u>384,229</u>	<u>907,357</u>
Total liabilities	<u>1,371</u>	<u>586,928</u>	<u>2,005,155</u>	<u>2,593,454</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred pension-related items	-	7,988	5,013	13,001
Deferred OPEB-related items	-	26,402	18,428	44,830
Total deferred inflow of resources	<u>-</u>	<u>34,390</u>	<u>23,441</u>	<u>57,831</u>
<b>NET POSITION</b>				
Net investment in capital assets	35,550	6,550,734	265,608	6,851,892
Unrestricted	41,492	3,567,029	(1,982,624)	1,625,897
Total net position	<u>\$ 77,042</u>	<u>\$ 10,117,763</u>	<u>\$ (1,717,016)</u>	<u>\$ 8,477,789</u>

**City of Porterville**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Nonmajor Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2021**

	<b>Zalud House</b>	<b>Airport Operations</b>	<b>Golf Course</b>	<b>Total Nonmajor Enterprise Funds</b>
Operating revenues:				
Charges for services	\$ 1,584	\$ 1,701,185	\$ 260,903	\$ 1,963,672
Other revenues	61	259,561	292	259,914
Total operating revenues	<u>1,645</u>	<u>1,960,746</u>	<u>261,195</u>	<u>2,223,586</u>
Operating expenses:				
Cost of sales and services	11,894	1,130,790	300,595	1,443,279
General and administrative	4,131	198,598	150,911	353,640
Depreciation/amortization	3,017	322,545	28,488	354,050
Total operating expenses	<u>19,042</u>	<u>1,651,933</u>	<u>479,994</u>	<u>2,150,969</u>
Operating income (loss)	<u>(17,397)</u>	<u>308,813</u>	<u>(218,799)</u>	<u>72,617</u>
Nonoperating revenues (expenses):				
Federal grants	-	30,000	-	30,000
State grants and reimbursements	-	10,000	-	10,000
Investment earnings	(133)	23,601	845	24,313
Total nonoperating revenues (expenses)	<u>(133)</u>	<u>63,601</u>	<u>845</u>	<u>64,313</u>
Income before contributions and transfers	<u>(17,530)</u>	<u>372,414</u>	<u>(217,954)</u>	<u>136,930</u>
Capital contributions and transfers:				
Capital contributions - federal and state grants	-	212,066	-	212,066
Transfers in	10,000	6,161	69,000	85,161
Total contributions and transfers	<u>10,000</u>	<u>218,227</u>	<u>69,000</u>	<u>297,227</u>
Change in net position	<u>(7,530)</u>	<u>590,641</u>	<u>(148,954)</u>	<u>434,157</u>
Net position - beginning	<u>84,572</u>	<u>9,527,122</u>	<u>(1,568,062)</u>	<u>8,043,632</u>
Net position - ending	<u>\$ 77,042</u>	<u>\$ 10,117,763</u>	<u>\$ (1,717,016)</u>	<u>\$ 8,477,789</u>



**City of Porterville**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended June 30, 2021**

	<u>Zalud House</u>	<u>Airport Operations</u>	<u>Golf Course</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash receipts from customers	\$ 1,645	\$ 1,934,220	\$ 261,961	\$ 2,197,826
Payments to employees	(9,610)	(202,442)	(172,926)	(384,978)
Payments to suppliers and others	(5,334)	(1,142,120)	(273,880)	(1,421,334)
Net cash provided (used) by operating activities	<u>(13,299)</u>	<u>589,658</u>	<u>(184,845)</u>	<u>391,514</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Cash from interfund	-	-	115,000	115,000
Subsidy from federal and state grants	-	40,000	-	40,000
Transfers in from other funds	10,000	6,161	69,000	85,161
Net cash provided (used) by noncapital financing	<u>10,000</u>	<u>46,161</u>	<u>184,000</u>	<u>240,161</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Construction and other capital projects	-	(205,819)	-	(205,819)
Principal payments on notes receivable	-	58,328	-	58,328
Subsidy from federal and state grants	-	184,414	-	184,414
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>36,923</u>	<u>-</u>	<u>36,923</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	(133)	23,601	845	24,313
Net cash provided by investing activities	<u>(133)</u>	<u>23,601</u>	<u>845</u>	<u>24,313</u>
Net Increase (decrease) in cash and cash equivalents	(3,432)	696,343	-	692,911
Balances - beginning of year	46,295	2,836,084	-	2,882,379
Balances - end of the year	<u>\$ 42,863</u>	<u>\$ 3,532,427</u>	<u>\$ -</u>	<u>\$ 3,575,290</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ (17,397)	\$ 308,813	\$ (218,799)	\$ 72,617
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation and amortization	3,017	322,545	28,488	354,050
Changes in assets and liabilities:				
Accounts payable	275	4,878	(5,758)	(605)
Compensated absences	-	665	(95)	570
Customer receivable	-	(26,526)	766	(25,760)
Inventory	-	(37,356)	-	(37,356)
Net pension liability	-	14,670	15,229	29,899
Deferred outflow - pension-related items	-	702	(5,300)	(4,598)
Deferred inflow - pension-related items	-	(4,085)	(2,845)	(6,930)
Other postemployment benefits liability	-	(7,761)	(5,174)	(12,935)
Deferred outflow - OPEB-related items	-	447	298	745
Deferred inflow - OPEB-related items	-	12,223	8,148	20,371
Salaries and benefits payable	806	443	197	1,446
Net cash provided (used) by operating activities	<u>\$ (13,299)</u>	<u>\$ 589,658</u>	<u>\$ (184,845)</u>	<u>\$ 391,514</u>
<b>Schedule of non-cash capital and related financing activities</b>				
Acquisition of capital assets on account	\$ -	\$ 21,891	\$ -	\$ 21,891
Unrealized increase in fair market value of investments	\$ 413	\$ 29,616	\$ 2,217	\$ 32,246

## **INTERNAL SERVICE FUNDS**

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, 2021**

	<u>Risk Management</u>	<u>Equipment Management</u>	<u>Total Internal Service Funds</u>
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 1,067,630	\$ 1,477,825	\$ 2,545,455
Receivables (net of allowance for uncollectibles)	48,749	85,072	133,821
Intergovernmental receivable	-	1,145	1,145
Total current assets:	<u>1,116,379</u>	<u>1,564,042</u>	<u>2,680,421</u>
Noncurrent assets:			
Capital assets:			
Construction in progress	-	129,617	129,617
Machinery and equipment	-	907,138	907,138
Less accumulated depreciation	-	(786,328)	(786,328)
Total noncurrent assets:	<u>-</u>	<u>250,427</u>	<u>250,427</u>
Total assets	<u>1,116,379</u>	<u>1,814,469</u>	<u>2,930,848</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pension-related items	63,062	173,158	236,220
Deferred OPEB-related items	1,505	9,615	11,120
Total deferred outflows of resources	<u>64,567</u>	<u>182,773</u>	<u>247,340</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts and other payables	274,933	238,565	513,498
Payroll payable	9,857	33,190	43,047
Accrued claims	1,988,701	-	1,988,701
Compensated absences payable	3,531	18,650	22,181
Other postemployment liability	2,802	10,977	13,779
Total current liabilities	<u>2,279,824</u>	<u>301,382</u>	<u>2,581,206</u>
Noncurrent liabilities:			
Accrued claims	4,203,000	-	4,203,000
Compensated absences payable	3,861	10,347	14,208
Net pension liability	400,276	1,239,195	1,639,471
Other postemployment liability	52,259	311,488	363,747
Total noncurrent liabilities	<u>4,659,396</u>	<u>1,561,030</u>	<u>6,220,426</u>
Total liabilities	<u>6,939,220</u>	<u>1,862,412</u>	<u>8,801,632</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pension-related items	7,442	20,435	27,877
Deferred OPEB-related items	15,868	66,498	82,366
Total deferred inflows of resources	<u>23,310</u>	<u>86,933</u>	<u>110,243</u>
<b>NET POSITION</b>			
Net investment in capital assets	-	250,427	250,427
Unrestricted	<u>(5,781,584)</u>	<u>(202,530)</u>	<u>(5,984,114)</u>
Total net position	<u>\$ (5,781,584)</u>	<u>\$ 47,897</u>	<u>\$ (5,733,687)</u>

**City of Porterville**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2021**

	<u>Risk Management</u>	<u>Equipment Management</u>	<u>Total Internal Service Funds</u>
Operating revenues:			
Charges for services	\$ 7,415,323	\$ 3,635,641	\$ 11,050,964
Other revenues	941	135,217	136,158
Total operating revenues	<u>7,416,264</u>	<u>3,770,858</u>	<u>11,187,122</u>
Operating expenses:			
Cost of sales and services	10,460,927	3,575,059	14,035,986
General and administrative	246,857	82,943	329,800
Depreciation/amortization	-	37,043	37,043
Total operating expenses	<u>10,707,784</u>	<u>3,695,045</u>	<u>14,402,829</u>
Operating income (loss)	<u>(3,291,520)</u>	<u>75,813</u>	<u>(3,215,707)</u>
Nonoperating revenues (expenses):			
Investment earnings	<u>(10,990)</u>	<u>1,849</u>	<u>(9,141)</u>
Total nonoperating revenues (expenses)	<u>(10,990)</u>	<u>1,849</u>	<u>(9,141)</u>
Income(loss) before transfers	(3,302,510)	77,662	(3,224,848)
Transfers out	<u>(73,563)</u>	<u>-</u>	<u>(73,563)</u>
Change in net position	<u>(3,376,073)</u>	<u>77,662</u>	<u>(3,298,411)</u>
Net position - beginning	<u>(2,405,511)</u>	<u>(29,765)</u>	<u>(2,435,276)</u>
Net position - ending	<u>\$ (5,781,584)</u>	<u>\$ 47,897</u>	<u>\$ (5,733,687)</u>

**City of Porterville**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended June 30, 2021**

	Risk Management	Equipment Management	Total Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customer	\$ 7,800,339	\$ 3,805,090	\$ 11,605,429
Payments to employees	(210,409)	(482,609)	(693,018)
Payments to suppliers and others	(7,858,177)	(3,122,062)	(10,980,239)
Net cash provided (used) by operating activities	(268,247)	200,419	(67,828)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Intergovernmental - operating assistance	759	3,754	4,513
Transfers out to other funds	(73,563)	-	(73,563)
Net cash provided (used) by noncapital financing	(72,804)	3,754	(69,050)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of capital assets	-	(12,600)	(12,600)
Net cash provided (used) by capital and related financing activities	-	(12,600)	(12,600)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	(10,990)	1,849	(9,141)
Net cash provided by investing activities	(10,990)	1,849	(9,141)
Net Increase (decrease) in cash and cash equivalents	(352,041)	193,422	(158,619)
Balances - beginning of year	1,419,671	1,284,403	2,704,074
Balances - end of the year	\$ 1,067,630	\$ 1,477,825	\$ 2,545,455
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (3,291,520)	\$ 75,813	\$ (3,215,707)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation and amortization	-	37,043	37,043
Changes in assets and liabilities:			
Accounts payable	6,272	9,275	15,547
Accrued claims	2,612,787	-	2,612,787
Compensated absences	2,605	2,120	4,725
Customer receivable	384,075	34,232	418,307
Net pension liability	38,005	26,835	64,840
Deferred outflow - pension-related items	(17,361)	28,056	10,695
Deferred inflow - pension-related items	(10,128)	(26,017)	(36,145)
Other postemployment benefits liability	(5,007)	(19,618)	(24,625)
Deferred outflow - OPEB-related items	289	1,131	1,420
Deferred inflow - OPEB-related items	7,885	30,896	38,781
Salaries and benefits payable	3,851	653	4,504
Net cash provided (used) by operating activities	\$ (268,247)	\$ 200,419	\$ (67,828)
<b>Schedule of non-cash capital and related financing activities</b>			
Unrealized increase in fair market value of investments	\$ 11,509	\$ 12,829	\$ 24,338

## Statistical Section



## STATISTICAL SECTION

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.

<b>Contents</b>	<b>Page</b>
Financial Trends	127
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	133
These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.	
Debt Capacity	146
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	150
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	152
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 comprehensive annual financial reports for the relevant year.

**CITY OF PORTERVILLE**  
**NET POSITION BY COMPONENT (in thousands)**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Governmental activities:										
Net investment in capital assets	\$ 352,352	\$ 350,078	\$ 362,675	\$ 376,078	\$ 376,681	\$ 380,683	\$ 384,474	\$ 387,285	\$ 388,794	\$ 393,491
Restricted	9,160	8,266	4,152	26,482	25,262	25,297	26,719	29,986	40,053	43,885
Unrestricted	23,043	28,545	32,343	(18,340)	(17,650)	(10,323)	(20,249)	(21,168)	(27,453)	(24,998)
Total governmental activities net position	<u>\$ 384,555</u>	<u>\$ 386,889</u>	<u>\$ 399,170</u>	<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>
Business-type activities:										
Net investment in capital assets	\$ 44,059	\$ 44,211	\$ 43,444	\$ 47,096	\$ 52,217	\$ 51,993	\$ 54,180	\$ 62,142	\$ 66,712	\$ 65,993
Restricted	3,271	3,239	3,272	3,297	3,326	3,373	3,434	-	-	-
Unrestricted	21,633	24,254	27,762	16,239	15,222	24,660	26,393	32,760	37,993	44,832
Total business-type activities net position	<u>\$ 68,963</u>	<u>\$ 71,704</u>	<u>\$ 74,478</u>	<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>
Primary government:										
Net investment in capital assets	\$ 396,411	\$ 394,289	\$ 406,119	\$ 423,174	\$ 428,898	\$ 432,676	\$ 438,654	\$ 449,427	\$ 455,506	\$ 459,484
Restricted	12,431	11,505	7,424	29,779	28,588	28,670	30,153	29,986	40,053	43,885
Unrestricted	44,676	52,799	60,105	(2,101)	(2,428)	14,337	6,144	11,592	10,540	19,834
Total primary government net position	<u>\$ 453,518</u>	<u>\$ 458,593</u>	<u>\$ 473,648</u>	<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>

Note: GASB Statement No. 68, Accounting and Financial Reporting for pensions was implemented beginning with the fiscal year ending June 30, 2015. It required that the net pension liability and other pension-related items be presented on the financial statements. The result of the adjustments made for pension-related items was a decrease in unrestricted net position.

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 (in thousands)**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<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>
<b>EXPENSES</b>										
Governmental activities:										
Community and economic development	\$ 1,975	\$ 1,450	\$ 1,350	\$ 1,572	\$ 2,156	\$ 725	\$ 1,594	\$ 1,250	\$ 1,755	\$ 1,696
General government	3,041	2,923	2,816	3,197	3,213	2,129	3,415	3,305	3,902	4,391
Parks and recreation	5,832	5,350	5,490	5,865	6,550	5,362	7,332	7,514	8,003	9,244
Public safety - fire	4,878	4,498	4,692	4,283	4,660	5,080	6,805	6,263	7,490	8,533
Public safety - police	10,368	9,788	10,863	10,174	10,765	11,233	13,822	13,630	16,001	18,010
Public works	7,135	6,694	5,258	7,271	5,679	4,782	6,583	6,338	7,590	8,134
Interest on long-term debt	1,524	1,080	1,205	1,203	1,122	1,088	1,045	991	926	871
Total governmental activities expenses	<u>34,753</u>	<u>31,783</u>	<u>31,674</u>	<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>
Business-type activities:										
Airport	1,563	1,335	1,534	1,570	1,619	1,723	1,729	1,449	1,295	1,685
Golf course	384	383	403	358	373	358	449	452	445	502
Sewer	6,697	6,235	6,500	6,654	6,976	6,466	7,145	7,357	7,827	7,967
Solid waste	5,338	5,233	5,450	5,574	5,568	5,428	6,185	6,375	6,996	7,213
Transit	2,210	2,303	3,084	3,258	4,459	4,584	4,910	5,563	6,718	6,088
Water	4,971	4,829	5,472	5,544	5,695	7,164	7,106	7,742	7,786	9,285
Zalud estate	28	27	26	21	26	29	27	27	30	19
Total business-type activities expenses	<u>21,191</u>	<u>20,345</u>	<u>22,469</u>	<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>
Total primary government expenses	<u>\$ 55,944</u>	<u>\$ 52,128</u>	<u>\$ 54,143</u>	<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>
<b>PROGRAM REVENUES</b>										
Governmental activities:										
Charges for services:										
Community and economic development	\$ 258	\$ 352	\$ 373	\$ 51	\$ 29	\$ 36	\$ 136	\$ 56	\$ 90	\$ 174
General government	1,622	1,656	1,746	1,786	2,037	2,554	2,622	2,628	2,662	2,646
Parks and recreation	1,931	1,942	1,695	1,766	2,007	2,378	2,673	2,945	2,725	2,213
Public safety - fire	80	70	86	77	104	331	229	385	191	41
Public safety - police	587	624	485	530	411	388	526	518	487	321
Public works	298	219	390	355	303	427	569	432	331	860
Operating grants and contributions:										
Community and economic development	1,489	854	796	904	887	554	719	887	635	1,389
General government	469	469	449	523	511	491	524	508	610	613
Parks and recreation	53	243	33	89	297	264	126	123	110	2,144
Public safety - fire	6	71	76	61	72	2	--	--	--	546
Public safety - police	400	255	247	427	354	367	273	239	337	707
Public works	1,850	1,241	1,306	1,884	2,022	1,932	3,836	2,641	2,817	3,846
Capital grants and contributions:										
Community and economic development	--	--	--	--	--	101	--	--	--	--
General government	--	--	--	--	--	--	--	409	212	--
Parks and recreation	59	331	1,283	510	183	428	138	125	2,855	3,102
Public safety - fire	128	50	--	27	--	--	--	33	--	180
Public safety - police	76	141	108	21	--	--	62	162	12	150
Public works	4,854	4,894	14,199	11,688	2,653	6,556	4,008	5,228	4,895	4,536
Total governmental activities program revenues	<u>14,160</u>	<u>13,412</u>	<u>23,272</u>	<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>

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Business-type activities:										
Charges for services:										
Airport	1,485	1,206	1,415	1,343	1,591	1,831	1,650	1,251	1,159	1,961
Golf course	235	226	214	208	198	176	170	160	158	261
Sewer	6,868	7,115	7,011	7,253	7,574	8,527	7,512	7,574	7,975	7,888
Solid waste	5,536	5,659	5,676	5,793	5,970	5,902	5,996	6,045	6,151	6,341
Transit	381	462	624	622	626	643	682	669	531	268
Water	4,736	4,942	5,073	4,676	5,766	10,856	11,557	11,639	12,194	13,034
Zalud estate	7	7	3	6	4	10	8	6	5	1
Operating grants and contributions:										
Airport	10	10	10	10	10	25	63	10	10	40
Sewer	--	--	--	--	--	--	--	150	--	--
Solid waste	10	6	8	6	578	23	22	35	25	15
Transit	1,452	1,796	3,140	1,673	3,534	3,694	3,557	3,605	5,112	3,593
Water	--	--	--	16	--	902	446	--	--	--
Capital grants and contributions:										
Airport	306	32	35	65	33	32	44	27	929	212
Sewer	16	25	34	47	87	192	35	66	103	188
Solid waste	525	--	1,221	--	--	696	--	--	489	801
Transit	69	1,001	551	1,385	2,022	215	1,601	6,028	3,770	1,795
Water	33	75	250	195	251	303	98	1,024	556	2,151
Total business-type activities program revenues	21,669	22,562	25,265	23,298	28,244	34,027	33,441	38,289	39,167	38,549
Total primary government program revenues	\$ 35,829	\$ 35,974	\$ 48,537	\$ 43,997	\$ 40,114	\$ 50,836	\$ 49,882	\$ 55,608	\$ 58,136	\$ 62,017
Net (expense)/revenue										
Governmental activities	\$ (20,593)	\$ (18,371)	\$ (8,402)	\$ (12,866)	\$ (22,275)	\$ (13,590)	\$ (24,155)	\$ (21,972)	\$ (26,698)	\$ (27,411)
Business-type activities	478	2,217	2,796	319	3,528	8,275	5,890	9,324	8,070	5,790
Total primary government net expense	\$ (20,115)	\$ (16,154)	\$ (5,606)	\$ (12,547)	\$ (18,747)	\$ (5,315)	\$ (18,265)	\$ (12,648)	\$ (18,628)	\$ (21,621)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property tax	\$ 7,238	\$ 7,347	\$ 7,406	\$ 7,425	\$ 6,784	\$ 6,629	\$ 7,041	\$ 7,355	\$ 7,749	\$ 8,107
Sales tax	6,484	7,163	7,401	7,596	9,049	9,626	9,724	12,201	18,284	22,511
Utility users tax	3,908	3,970	3,955	3,883	3,752	3,913	4,056	3,911	3,856	4,252
Other taxes	1,819	1,838	1,923	2,056	2,108	2,116	2,183	2,170	2,137	2,424
Unrestricted investment earnings	666	191	603	382	605	326	527	1,495	1,560	490
Miscellaneous	96	87	66	256	138	841	91	110	103	267
Transfers	(83)	109	(85)	(87)	(87)	(89)	(95)	(111)	(93)	(87)
Total governmental activities	20,128	20,705	21,269	21,511	22,349	23,362	23,527	27,131	33,596	37,964
Business-type activities:										
Unrestricted investment earnings	479	105	408	292	499	238	236	1,456	1,633	243
Miscellaneous	1	528	36	2	19	658	--	4	7	--
Transfers	83	(109)	85	87	87	89	95	111	93	87
Total business-type activities	563	524	529	381	605	985	331	1,571	1,733	330
Total primary government	\$ 20,691	\$ 21,229	\$ 21,798	\$ 21,892	\$ 22,954	\$ 24,347	\$ 23,858	\$ 28,702	\$ 35,329	\$ 38,294
Extraordinary items - governmental activities	\$ 4,221	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
<b>Change in Net Position</b>										
Governmental activities	\$ 3,756	\$ 2,334	\$ 12,867	\$ 8,645	\$ 74	\$ 9,772	\$ (628)	\$ 5,159	\$ 6,898	\$ 10,553
Business-type activities	1,041	2,741	3,325	700	4,133	9,260	6,221	10,895	9,803	6,120
Total primary government	\$ 4,797	\$ 5,075	\$ 16,192	\$ 9,345	\$ 4,207	\$ 19,032	\$ 5,593	\$ 16,054	\$ 16,701	\$ 16,673

**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>Sales Tax</u>	<u>Total</u>
2011-12	\$ 7,237,972	\$ 1,482,657	\$ 3,908,443	\$ 309,577	\$ 6,484,037	\$ 19,422,686
2012-13	7,346,813	1,473,957	3,969,652	335,319	7,163,179	20,288,920
2013-14	7,406,413	1,551,762	3,955,357	370,999	7,401,187	20,685,718
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

**CITY OF PORTERVILLE**  
**FUND BALANCES OF GOVERNMENTAL FUNDS (in thousands)**  
**LAST TEN FISCAL YEARS**

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<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>
General fund:										
Nonspendable	\$ 5,551	\$ 5,323	\$ 5,245	\$ 4,472	\$ 4,354	\$ 1,614	\$ 1,105	\$ 3,834	\$ 3,826	\$ 3,787
Restricted	439	418	62	62	62	220	220	220	257	259
Committed	2,091	4,373	4,894	5,018	6,213	9,882	10,419	10,597	12,083	16,201
Assigned	5,654	6,251	6,573	6,668	7,253	8,272	8,460	5,974	5,023	6,098
Unassigned	<u>2,372</u>	<u>1,070</u>	<u>1,539</u>	<u>599</u>	<u>596</u>	<u>592</u>	<u>581</u>	<u>560</u>	<u>521</u>	<u>521</u>
Total general fund	<u>\$ 16,107</u>	<u>\$ 17,435</u>	<u>\$ 18,313</u>	<u>\$ 16,819</u>	<u>\$ 18,478</u>	<u>\$ 20,580</u>	<u>\$ 20,785</u>	<u>\$ 21,185</u>	<u>\$ 21,710</u>	<u>\$ 26,866</u>
 All other governmental funds:										
Restricted	\$ 17,341	\$ 18,744	\$ 18,386	\$ 26,420	\$ 25,023	\$ 25,077	\$ 25,347	\$ 29,861	\$ 39,256	\$ 42,849
Unassigned	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(150)</u>	<u>(1,884)</u>	<u>(454)</u>	<u>(876)</u>	<u>(878)</u>
Total all other governmental funds	<u>\$ 17,341</u>	<u>\$ 18,744</u>	<u>\$ 18,386</u>	<u>\$ 26,420</u>	<u>\$ 25,023</u>	<u>\$ 24,927</u>	<u>\$ 23,463</u>	<u>\$ 29,407</u>	<u>\$ 38,380</u>	<u>\$ 41,971</u>

**CITY OF PORTERVILLE**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (in thousands)**  
**LAST TEN FISCAL YEARS**

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
<b>Revenues:</b>										
Taxes	\$ 19,450	\$ 20,317	\$ 20,709	\$ 20,959	\$ 21,694	\$ 22,285	\$ 23,004	\$ 25,637	\$ 32,027	\$ 37,294
Licenses and permits	749	780	882	967	1,023	966	1,048	1,065	1,316	1,290
Intergovernmental	8,202	6,879	16,084	14,718	5,956	7,979	6,920	10,959	7,793	10,451
Charges for services	4,178	4,263	4,312	3,998	4,257	5,193	5,979	6,164	5,874	5,920
Special assessments and fees	539	933	413	318	430	804	658	459	778	816
Fines and forfeitures	286	233	280	231	191	197	154	124	145	139
Investment earnings	665	279	668	545	880	607	512	1,654	1,708	598
Miscellaneous	109	145	96	183	186	584	210	135	138	305
<b>Total revenues</b>	<b>34,178</b>	<b>33,829</b>	<b>43,444</b>	<b>41,919</b>	<b>34,617</b>	<b>38,615</b>	<b>38,485</b>	<b>46,197</b>	<b>49,779</b>	<b>56,813</b>
<b>Expenditures:</b>										
Community/Economic development	1,860	1,373	1,154	1,471	2,084	1,068	1,427	1,129	1,556	1,456
General government	2,674	2,612	2,562	2,856	2,909	2,818	2,955	2,972	3,419	3,617
Parks and recreation	5,149	4,809	4,803	5,071	5,959	6,073	6,463	6,818	6,939	8,253
Public safety:										
Fire	4,501	4,203	3,950	4,012	4,263	4,855	5,178	5,492	6,373	7,066
Police	9,441	8,957	9,406	9,514	9,976	10,784	10,704	11,811	13,638	15,176
Public works	4,642	4,140	2,643	3,834	2,994	2,907	3,578	3,417	4,146	4,639
Capital outlay	4,142	3,544	16,731	16,490	4,175	7,445	6,779	5,857	4,031	10,560
Debt service:										
Principal	914	948	571	1,099	984	1,324	1,686	1,748	1,800	1,808
Interest and other charges	1,516	1,810	1,205	1,955	952	975	932	877	817	760
<b>Total expenditures</b>	<b>34,839</b>	<b>32,396</b>	<b>43,025</b>	<b>46,302</b>	<b>34,296</b>	<b>38,249</b>	<b>39,702</b>	<b>40,121</b>	<b>42,719</b>	<b>53,335</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(661)</b>	<b>1,433</b>	<b>419</b>	<b>(4,383)</b>	<b>321</b>	<b>366</b>	<b>(1,217)</b>	<b>6,076</b>	<b>7,060</b>	<b>3,478</b>
<b>Other financing sources (uses):</b>										
Transfers in	9,798	7,914	18,904	18,017	7,388	7,558	7,793	9,756	7,350	14,652
Transfers out	(9,851)	(7,805)	(18,989)	(18,104)	(7,476)	(7,647)	(7,888)	(9,867)	(7,441)	(14,666)
Issuance of long-term debt	--	21,060	3,765	23,437	--	--	--	--	--	--
Payments on refunding	--	(19,887)	(3,560)	(23,186)	--	--	--	--	--	--
Sale of capital assets	15	16	--	12	29	--	52	380	29	--
Insurance recoveries	--	--	--	152	--	137	--	--	2,500	4,853
<b>Total other financing sources (uses)</b>	<b>(38)</b>	<b>1,298</b>	<b>120</b>	<b>328</b>	<b>(59)</b>	<b>48</b>	<b>(43)</b>	<b>269</b>	<b>2,438</b>	<b>4,839</b>
<b>Net change in fund balances before extraordinary items</b>	<b>(699)</b>	<b>2,731</b>	<b>539</b>	<b>(4,055)</b>	<b>262</b>	<b>414</b>	<b>(1,260)</b>	<b>6,345</b>	<b>9,498</b>	<b>8,317</b>
<b>Extraordinary item</b>	<b>(1,586)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Net change in fund balances</b>	<b>\$ (2,285)</b>	<b>\$ 2,731</b>	<b>\$ 539</b>	<b>\$ (4,055)</b>	<b>\$ 262</b>	<b>\$ 414</b>	<b>\$ (1,260)</b>	<b>\$ 6,345</b>	<b>\$ 9,498</b>	<b>\$ 8,317</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>7.916%</b>	<b>7.490%</b>	<b>6.032%</b>	<b>8.044%</b>	<b>6.417%</b>	<b>7.463%</b>	<b>7.952%</b>	<b>7.661%</b>	<b>6.764%</b>	<b>6.004%</b>

**CITY OF PORTERVILLE  
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Secured Locally Assessed</u>	<u>State Assessed</u>	<u>Unsecured</u>	<u>Total Taxable Assessed Value (1)</u>	<u>Total Direct Tax Rate</u>
2011-12	\$ 2,039,834,161	\$ 1,983,897	\$ 86,842,153	\$ 2,128,660,211	0.118%
2012-13	1,982,402,325	1,965,732	81,810,544	2,066,178,601	0.118%
2013-14	2,048,455,363	2,191,850	81,633,705	2,132,280,918	0.118%
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%

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**  
(per \$100 of assessed value)

**LAST TEN FISCAL YEARS**

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<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>
Direct Rates:										
City Basic Rate	0.11825	0.11820	0.11807	0.11806	0.11837	0.11848	0.11861	0.11861	0.11891	0.11928
County of Tulare	0.18201	0.18138	0.18065	0.18058	0.18082	0.18098	0.17995	0.17993	0.17921	0.17939
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	0.00462	0.00462	0.00461	0.00461	0.00462	0.00462	0.00463	0.00463	0.00463	0.00464
Porterville Memorial District	0.00849	0.00849	0.00849	0.00849	0.00850	0.00850	0.00850	0.00850	0.00850	0.00851
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	0.00213	0.00212	0.00211	0.00212	0.00212	0.00213	0.00211	0.00211	0.00208	0.00208
Education Revenue Augmentation	0.23756	0.23825	0.23913	0.23920	0.23863	0.23836	0.23927	0.23929	0.23974	0.23917
Total Direct Rate	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Overlapping Rates:										
Burton Elementary School	0.02390	0.02630	0.02630	0.02630	0.02630	0.02500	0.03190	0.03060	0.05860	0.03690
Porterville Unified School	0.04660	0.05670	0.06000	0.06000	0.06160	0.06160	0.06160	0.06990	0.06860	0.06580
Kern Community College	0.00906	0.00850	0.01264	0.01045	0.01357	0.01318	0.03625	0.03367	0.03303	0.03385

**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

Source: County of Tulare Office of the Auditor-Controller

**CITY OF PORTERVILLE  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2020-2021			2011-2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Wal-Mart Realty Company	\$ 95,044,941	1	3.22%	\$ 77,270,234	1	3.63%
Del Mesa Farms (Foster Poultry Farms)	28,762,860	2	0.97%	46,320,000	2	2.18%
Village at Henderson LLC	28,090,800	3	0.95%			
Henderson-Prospect Partners II LP	23,135,181	4	0.78%			
Target Corporation	19,769,126	5	0.67%	18,163,186	3	0.85%
Porterville Investments 2005 LP	13,491,242	6	0.46%	11,626,647	8	0.55%
Lowes HIW Inc	13,233,800	7	0.45%	15,803,361	4	0.74%
Southern California Edison Company	12,795,427	8	0.43%			
Foxwood Apartments LLC	11,480,393	9	0.39%			
Porterville Retirement Res LLC	10,662,164	10	0.36%			0.00%
Royalty Carpet Mills Inc				13,104,151	5	0.62%
Beckman Coulter Inc				12,348,446	6	0.58%
Daryl & Victoria Nicholson (TRS)				11,933,056	7	0.56%
Vallarta Properties LLC				11,548,758	9	0.54%
Cherry Keith (SCSR)				10,818,953	10	0.51%
Subtotal	256,465,934		8.69%	228,936,792		10.75%
Total taxable assessed value of other taxpayers	2,694,891,858		91.31%	1,899,723,419		89.25%
Total taxable assessed value	\$ 2,951,357,792		100.00%	\$ 2,128,660,211		100.00%

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
2011-12	\$ 2,453,938	\$ 2,252,910	91.81%	\$ 82,257	\$ 2,335,167	95.16%
2012-13	2,398,457	2,171,025	90.52%	83,571	2,254,596	94.00%
2013-14	2,472,270	2,354,390	95.23%	80,621	2,435,011	98.49%
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%	N/A	3,259,224	94.36%

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**

Fiscal Year	Effective Date	State Tax Rate	County Transportation Tax Rate	City Tax Rate*	County District Tax Rate	Combined Rate
2011-12	07/01/2011	6.25%	0.25%	1.25%	0.50%	8.25%
2012-13	07/01/2011	6.25%	0.25%	1.25%	0.50%	8.25%
	01/01/2013	6.50%	0.25%	1.25%	0.50%	8.50%
2013-14	01/01/2013	6.50%	0.25%	1.25%	0.50%	8.50%
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%

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 (in thousands)**  
**LAST TEN FISCAL YEARS**

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<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>
General retail	\$ 176,415	\$ 185,195	\$ 189,682	\$ 185,774	\$ 177,516	\$ 184,006	\$ 188,892	\$ 187,883	\$ 180,709	\$ 209,031
Transportation	118,399	133,007	143,345	153,340	144,124	148,012	167,745	173,302	169,448	196,312
Food products	101,837	104,115	101,042	106,871	113,106	120,458	110,411	115,764	119,288	131,834
Construction	49,088	52,286	56,000	60,825	61,845	69,100	71,417	67,205	70,277	92,571
Business to business	16,211	19,169	24,228	21,304	26,386	30,240	25,390	20,787	20,779	29,942
Miscellaneous	<u>6,007</u>	<u>4,983</u>	<u>6,030</u>	<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>
Total	<u>\$ 467,957</u>	<u>\$ 498,755</u>	<u>\$ 520,327</u>	<u>\$ 534,367</u>	<u>\$ 529,486</u>	<u>\$ 558,531</u>	<u>\$ 571,322</u>	<u>\$ 575,044</u>	<u>\$ 569,986</u>	<u>\$ 666,920</u>

Source: MuniServices

**CITY OF PORTERVILLE  
SEWER OPERATIONS REVENUE  
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Sewer Service Charges</u>	<u>Lab Service Charges</u>	<u>Connection Fees</u>	<u>Other</u>	<u>Total</u>
2011-12	\$ 6,068,089	\$ 326,127	\$ 264,428	\$ 209,754	\$ 6,868,398
2012-13	6,278,051	344,206	303,851	189,212	7,115,320
2013-14	6,171,141	379,558	272,981	187,559	7,011,240
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

Source: City of Porterville Finance Department

**CITY OF PORTERVILLE  
SEWER RATES  
LAST TEN FISCAL YEARS**

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<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>
<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	\$26.87
Multiple Family (per unit)	\$25.52	\$25.52	\$25.52	\$25.52	\$25.52	\$25.52	\$25.52	\$25.52	\$25.52	\$25.52
Mobile Homes Park (per space)	\$25.52	\$25.52	\$25.52	\$25.52	\$25.52	\$25.52	\$25.52	\$25.52	\$25.52	\$25.52
<b>B. Commercial</b>										
<b>(per 100 cubic feet of water used with a minimum of \$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	\$1.22
Restaurants	\$2.97	\$2.97	\$2.97	\$2.97	\$2.97	\$2.97	\$2.97	\$2.97	\$2.97	\$2.97
Retail Stores, Offices	\$1.04	\$1.04	\$1.04	\$1.04	\$1.04	\$1.04	\$1.04	\$1.04	\$1.04	\$1.04
Auto Repair, Service Station	\$1.36	\$1.36	\$1.36	\$1.36	\$1.36	\$1.36	\$1.36	\$1.36	\$1.36	\$1.36
Car Wash, Laundry, Packing House	\$0.96	\$0.96	\$0.96	\$0.96	\$0.96	\$0.96	\$0.96	\$0.96	\$0.96	\$0.96
Hospital, Rest Homes	\$1.09	\$1.09	\$1.09	\$1.09	\$1.09	\$1.09	\$1.09	\$1.09	\$1.09	\$1.09
Mortuaries	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95
Schools	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30
Churches	\$0.42	\$0.42	\$0.42	\$0.42	\$0.42	\$0.42	\$0.42	\$0.42	\$0.42	\$0.42
City of Porterville	\$0.83	\$0.83	\$0.83	\$0.83	\$0.83	\$0.83	\$0.83	\$0.83	\$0.83	\$0.83
State Hospital	\$1.09	\$1.09	\$1.09	\$1.09	\$1.09	\$1.09	\$1.09	\$1.09	\$1.09	\$1.09
Multi-unit with consumption	\$1.19	\$1.19	\$1.19	\$1.19	\$1.19	\$1.19	\$1.19	\$1.19	\$1.19	\$1.19
<b>C. Industrial</b>	\$0.93	\$0.93	\$0.93	\$0.93	\$0.93	\$0.93	\$0.93	\$0.93	\$0.93	\$0.93
<b>(per 100 cubic feet of water used with a minimum of \$26.87 per month)</b>										

Source: City of Porterville Finance Department

**CITY OF PORTERVILLE  
TOP TEN SEWER USERS BY REVENUE  
CURRENT YEAR AND NINE YEARS AGO**

	<u>2020-21</u>		<u>2011-12</u>	
	<u>Rank</u>	<u>Revenue</u>	<u>Rank</u>	<u>Revenue</u>
Porterville State Developmental Center	1	\$ 169,338	1	\$ 169,338
Foster Farms	2	\$ 137,208	2	\$ 128,764
Golden Hills Mobile Home Park, LLC	3	\$ 68,292	3	\$ 68,292
Village at Henderson LLC	4	\$ 51,755		
Mission Bell Park	5	\$ 48,998	4	\$ 48,998
Holiday Retirement Site 5280	6	\$ 39,505	5	\$ 39,505
Ranchview Mobile Home Park	7	\$ 36,443	6	\$ 36,443
Santa Fe Plaza	8	\$ 32,155	7	\$ 32,155
Villa Robles Apartments	9	\$ 31,849	8	\$ 31,849
County of Tulare GSA	10	\$ 28,247		
Parkview Apartments			9	\$ 26,949
Porterville Pacific Associates			10	\$ 25,418
 Total Number of Sewer Users	 <u>13,317</u>		 <u>11,947</u>	

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
2011-12	\$ 4,528,544	\$ 10,102	\$ 83,691	\$ 10,221	\$ 102,944	\$ 4,735,502
2012-13	4,749,951	13,554	84,139	9,351	85,365	4,942,360
2013-14	4,646,737	37,303	97,465	32,333	234,491	5,048,329
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

Source: City of Porterville Finance Department

**CITY OF PORTERVILLE  
WATER RATES  
LAST TEN FISCAL YEARS**

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<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>
<b>A. Metered</b>										
<b>Monthly meter charge</b>										
Meter Size										
Less than 1 inch	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 10.00	\$ 16.50	\$ 16.88	\$ 17.27	\$ 17.67	\$ 18.08
1 inch	\$ 5.50	\$ 5.50	\$ 5.50	\$ 5.50	\$ 11.00	\$ 18.15	\$ 18.57	\$ 19.00	\$ 19.44	\$ 19.89
1-1/4 inch	\$ 6.75	\$ 6.75	\$ 6.75	\$ 6.75	\$ 13.50	\$ 22.28	\$ 22.79	\$ 23.31	\$ 23.85	\$ 24.40
1-1/2 inch	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 16.00	\$ 26.40	\$ 27.01	\$ 27.63	\$ 28.27	\$ 28.92
2 inches	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 20.00	\$ 33.00	\$ 33.76	\$ 34.54	\$ 35.33	\$ 36.14
3 inches	\$ 13.50	\$ 13.50	\$ 13.50	\$ 13.50	\$ 27.00	\$ 44.55	\$ 45.57	\$ 46.62	\$ 47.69	\$ 48.79
4 inches	\$ 16.50	\$ 16.50	\$ 16.50	\$ 16.50	\$ 33.00	\$ 54.45	\$ 55.70	\$ 56.98	\$ 58.29	\$ 59.63
6 inches	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 40.00	\$ 66.00	\$ 67.52	\$ 69.07	\$ 70.66	\$ 77.79
8 inches	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 50.00	\$ 82.50	\$ 84.40	\$ 86.34	\$ 88.32	\$ 90.36
<b>Water consumption charge</b>										
Per 100 cubic feet of water	\$ 0.72	\$ 0.72	\$ 0.72	\$ 0.72	\$ 0.90	\$ 1.75	\$ 1.79	\$ 1.83	\$ 1.87	\$ 1.91
<b>B. Unmetered</b>										
Flat rate charge per month	\$ 29.93	\$ 29.93	\$ 29.93	\$ 29.93	\$ 42.80	\$ 79.01	\$ 80.83	\$ 82.69	\$ 84.59	\$ 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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<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>
Single-family residential	13,023	13,071	13,204	13,265	13,435	13,817	14,345	14,337	14,560	14,763
Multi-family residential	861	860	860	879	883	889	886	879	881	892
Commercial	1,039	1,041	1,043	1,041	1,054	1,065	1,080	1,071	1,069	1,078
Industrial	20	20	17	17	17	17	17	17	17	17
Other	355	352	363	376	383	393	395	405	416	424
Total	<u>15,298</u>	<u>15,344</u>	<u>15,487</u>	<u>15,578</u>	<u>15,772</u>	<u>16,181</u>	<u>16,723</u>	<u>16,709</u>	<u>16,943</u>	<u>17,174</u>

**CITY OF PORTERVILLE  
TOP TEN WATER USERS BY REVENUE  
CURRENT YEAR AND NINE YEARS AGO**

	<u>2020-21</u>		<u>2011-12</u>	
	<u>Rank</u>	<u>Revenue</u>	<u>Rank</u>	<u>Revenue</u>
Foster Farms	1	\$ 281,261	1	\$ 99,928
City of Porterville Sports Complex	2	\$ 112,097		
City of Porterville Golf Course	3	\$ 77,499	2	\$ 32,698
Porterville High School	4	\$ 71,658	4	\$ 28,508
Granite Hills High School	5	\$ 53,915	6	\$ 14,949
Monache High School	6	\$ 50,251	5	\$ 17,862
County of Tulare - GSA	7	\$ 50,240		
Kern JT Jr College	8	\$ 41,503	3	\$ 28,655
Sierra View District Hospital	9	\$ 34,205		
Burton School District	10	\$ 32,850	7	\$ 13,673
City of Porterville Murry Park			8	\$ 11,990
Pioneer Middle School			9	\$ 11,913
Villa Robles Apartments			10	\$ 11,691
<b>Total Number of Connections</b>	<u>17,147</u>		<u>15,291</u>	
<b>Total Water Consumption (in hundred cubic feet)</b>		<u>4,497,037</u>		<u>4,669,838</u>

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>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<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>
Governmental activities:										
Notes	\$ 2,925	\$ 2,747	\$ 2,556	\$ 2,352	\$ 2,133	\$ 1,899	\$ 1,648	\$ 1,380	\$ 1,095	\$ 822
Pension obligation bond	-	-	3,765	3,275	2,770	2,250	1,710	1,155	585	-
Certificates of Participation	21,220	21,292	23,374	23,437	23,138	22,529	21,594	20,630	19,645	18,656
Business-type activities:										
Notes	12,708	12,372	12,024	11,663	11,290	10,841	10,439	29,321	28,393	27,266
Revenue bonds	17,483	17,630	18,712	18,760	18,809	18,858	18,908	-	-	-
Certificates of Participation	<u>7,633</u>	<u>6,745</u>	<u>6,116</u>	<u>5,033</u>	<u>3,880</u>	<u>2,657</u>	<u>1,365</u>	<u>-</u>	<u>13,768</u>	<u>49,003</u>
Total primary government	<u>\$ 61,969</u>	<u>\$ 60,786</u>	<u>\$ 66,547</u>	<u>\$ 64,520</u>	<u>\$ 62,020</u>	<u>\$ 59,034</u>	<u>\$ 55,664</u>	<u>\$ 52,486</u>	<u>\$ 63,486</u>	<u>\$ 95,747</u>
Percentage of personal income (1)*	6.61%	6.56%	6.93%	6.67%	6.93%	6.04%	5.39%	5.02%	5.83%	8.79% *
Per capita (1)	1,125	1,095	1,195	1,155	1,032	985	916	871	1,064	1,607

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.

\*Current information is not available. The Census Bureau has not updated FY 2020-21 data.

**CITY OF PORTERVILLE**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**As of June 30, 2021**

2020-21 Assessed Valuation: \$ 2,951,357,792  
 Redevelopment Incremental Valuation: \$ 219,175,020  
 Adjusted Assessed Valuation: \$ 3,170,532,812

	Total Debt 6/30/21	% Applicable	City's Share of Debt 6/30/21
<b>OVERLAPPING TAX AND ASSESSMENT DEBT:</b>			
Kern Community College District School Facilities Improvement District No. 1	\$ 109,353,183	3.293%	\$ 3,601,000
Kern Community College District Safety, Repair and Improvement District	106,761,081	3.313%	3,536,995
Porterville Unified School District - Strathmore High	1,465,000	0.052%	762
Porterville Unified School District School Facilities Improvement District	16,540,506	81.184%	13,428,244
Burton School District	7,149,338	96.168%	6,875,375
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$ 27,442,376</b>
<b>DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT:</b>			
Tulare County General Fund Obligations	\$ 29,800,000	8.222%	\$ 2,450,156
Tulare County Pension Obligation Bonds	222,800,000	8.222%	18,318,616
Tulare County Board of Education Certificates of Participation	36,800,000	8.222%	3,025,696
Kern Community College District General Fund Obligations	26,208,000	2.971%	778,640
Kern Community College District Benefit Obligations	75,640,000	2.971%	2,247,264
Porterville Unified School District General Fund Obligations	33,360,961	47.032%	15,690,327
Burton School District Certificates of Participation	3,435,000	96.168%	3,303,371
<b>City of Porterville Certificates of Participation</b>	<b>18,656,120</b>	<b>100.000%</b>	<b>18,656,120 (2)</b>
<b>City of Porterville Notes Payable - HUD</b>	<b>822,000</b>	<b>100.000%</b>	<b>822,000</b>
<b>TOTAL DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT</b>			<b>\$ 65,292,190</b>
<b>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</b>	<b>\$ 6,335,000</b>	<b>100.000%</b>	<b>\$ 6,335,000</b>
<b>TOTAL DIRECT DEBT</b>			<b>\$ 19,478,120</b>
<b>TOTAL OVERLAPPING DEBT</b>			<b>\$ 79,591,446</b>
<b>COMBINED TOTAL DEBT</b>			<b>\$ 99,069,566 (3)</b>

(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.

(2) Excludes refunding Certificates of Participation dated 7/15/21.

(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, and non-bonded capital lease obligations.

**Ratios to 2020-21 Assessed Valuation:**

Overlapping Tax and Assessment Debt	0.87%
<b>Total Direct Debt (\$18,105,000)</b>	<b>0.61%</b>
Combined Total Debt	3.12%

**Ratios to Redevelopment Successor Agency Incremental Valuation (\$219,175,020):**

Total Overlapping Tax Increment Debt	2.89%
--------------------------------------	-------

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)**

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Assessed valuation	\$ 2,128,660	\$ 2,066,179	\$ 2,132,281	\$ 2,225,582	\$ 2,314,184	\$ 2,485,871	\$ 2,612,846	\$ 2,716,578	\$ 2,858,798	\$ 2,951,358
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	532,165	516,545	533,070	556,396	578,546	621,468	653,211	679,144	714,700	737,839
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	79,825	77,482	79,961	83,459	86,782	93,220	97,982	101,872	107,205	110,676
Total net debt applicable to limit:										
General obligation bonds (1)	-	-	-	-	-	-	-	-	-	-
Pension obligations bonds	-	-	3,765	3,275	2,770	2,250	1,710	1,155	585	-
Total net debt	-	-	3,765	3,275	2,770	2,250	1,710	1,155	585	-
Legal debt margin	\$ <u>79,825</u>	\$ <u>77,482</u>	\$ <u>76,196</u>	\$ <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>
Total debt applicable to the limit as a percentage of debt limit	0%	0%	5%	4%	3%	2%	2%	1%	1%	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

(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>									
2011-12	\$ 4,858	\$ 3,441	\$ 1,417	\$ 681	2.08	\$ 736	\$ 476	1.55	\$ 260
2012-13	4,978	3,233	1,745	684	2.55	1,061	476	2.23	585
2013-14	5,135	3,867	1,268	684	1.85	584	476	1.23	108
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
<b>Sewer system improvement projects</b>									
2011-12	\$ 7,158	\$ 3,848	\$ 3,310	\$ 2,102	1.57	\$ 1,208	\$ 285	4.24	\$ 923
2012-13	7,162	3,441	3,721	1,786	2.08	1,935	285	6.79	1,650
2013-14	7,248	3,688	3,560	1,779	2.00	1,781	285	6.25	1,496
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

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>
2011-12	55,107	\$ 937,370,070	\$ 17,010	29.0	69.7% High school graduate or higher	18,335	13.9%
2012-13	55,490	\$ 926,960,450	\$ 16,705	28.0	68.5% High school graduate or higher	18,623	13.6%
2013-14	55,697	\$ 960,661,856	\$ 17,248	29.6	68.9% High school graduate or higher	18,892	12.4%
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	\$ 1,088,703,750 *	\$ 18,276 *	30.5 *	70.2% High school graduate or higher	19,727	13.9%

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)

\*Current information is not available. The Census Bureau has not updated FY 2020-21 data.

**CITY OF PORTERVILLE  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

Employer	2020-21			2011-12		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Porterville Public Schools	1,538	1	6.28%	1,715	1	7.80%
Porterville State Developmental Center	1,140	2	4.65%	1,414	2	6.43%
Wal-Mart Distribution Center	1,080	3	4.41%	1341	3	6.10%
Sierra View Medical Center	793	4	3.24%	965	4	4.39%
Burton School District	625	5	2.55%	412	8	1.87%
City of Porterville	557	6	2.27%	525	5	2.39%
Eagle Mountain Casino	441	7	1.80%	505	6	2.30%
Foster Farms	369	8	1.51%	420	7	1.91%
Family Healthcare Network	299	9	1.22%			0.00%
Wal-Mart Retail Store	277	10	1.13%			0.00%
SmithCare, Inc.				250	9	1.14%
Bank of the Sierra				206	10	0.94%
Total	<u>7,119</u>		<u>29.06%</u>	<u>7,753</u>		<u>35.24%</u>
City labor force	<u>24,500</u>			<u>22,000</u>		

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**

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<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>
<b>Function</b>										
General government	25	25	23	26	26	25	25	27	24	25
Public safety:										
Fire										
Sworn	35	32	35	33	38	36	36	39	41	43
Unsworn	3	3	2	2	2	2	2	2	3	3
Police										
Sworn	54	60	59	56	58	57	57	65	69	71
Unsworn	26	28	31	27	30	28	31	35	31	31
Public works:										
Engineering and building	18	17	17	16	16	17	16	17	20	16
Streets maintenance	6	5	5	5	5	6	6	6	7	9
Community development:										
Planning and zoning	6	8	6	7	8	8	7	6	7	5
Economic development	2	2	2	2	2	2	2	2	2	2
Housing	2	2	2	1	1	1	1	1	3	3
Parks and Leisure Services:										
Parks	18	17	18	19	19	18	18	18	17	17
Leisure Services	5	4	4	4	4	4	4	4	5	5
Library	10	10	10	10	10	10	10	10	9	7
Sewer operations	13	17	16	14	15	14	12	12	13	13
Solid waste	20	20	20	22	21	20	20	22	20	25
Airport operations	1	2	2	2	3	3	3	3	3	3
Golf course	2	2	2	2	2	2	2	2	2	2
Water operations	12	12	15	15	14	14	19	18	21	20
Equipment maintenance	7	7	6	6	8	8	8	8	8	8
Total	<u>265</u>	<u>273</u>	<u>275</u>	<u>269</u>	<u>282</u>	<u>275</u>	<u>279</u>	<u>297</u>	<u>305</u>	<u>308</u>

Source: City of Porterville, Finance Department

**CITY OF PORTERVILLE  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<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>
<b>Function</b>										
Public safety:										
Police:										
Stations	1	1	1	1	2	2	2	2	2	2
Patrol units	75	68	68	65	64	74	69	81	82	90
Fire:										
Stations	2	2	2	2	3	3	3	3	3	3
Hydrants	1,929	1,937	1,875	1,902	1,916	2,002	2,190	2,026	2,087	2110
Public works:										
Streets, lights, signals										
Miles	196	196	196	206	206	206	207	208	208	208
Streetlights	3,336	3,336	3,535	3,701	3760	3778	3839	3885	3894	3894
Traffic signals	49	49	49	49	50	50	50	50	50	50
Sewers (miles)	171	171	176	179	179	179	181	195	197	197
Water mains (miles)	212	213	213	213	213	213	214	275	278	278
Storm drains (miles)	52	52	52	52	52	52	53	53	53	53
Parks and Leisure Services:										
Parks acreage	306	306	308	308	308	308	308	300	308	308
Parks	24	24	25	25	25	25	25	25	26	26
Community centers	1	1	1	1	1	1	1	1	1	1
Library volumes/circulations	297,900	288,326	300,662	296,498	260,834	251,155	231,831	217,488	104,960	3009

Sources: Various city departments

**CITY OF PORTERVILLE  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>FUNCTION</b>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<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>
<b>Police</b>										
Crimes (1):										
Homicide	3	3	7	3	3	4	1	3	2	4
Rape	7	12	7	10	13	14	6	14	12	21
Robbery	47	73	39	37	55	52	65	43	41	29
Assaults	467	461	408	405	444	472	548	444	445	399
Burglary	558	542	436	278	308	306	343	279	204	192
Theft	1,003	936	737	717	796	807	1,002	880	782	518
Stolen vehicles	162	253	190	204	225	279	287	281	210	179
Traffic accidents:										
Non-injury	373	329	293	291	280	313	320	316	292	310
Injury	220	182	222	202	241	273	266	241	237	239
Fatal	2	6	3	4	4	5	4	2	5	4
Calls for service	31,895	31,701	30,263	33,848	38,991	38,247	54,614	43,699	40,398	40,067
Officer-initiated activity	38,394	33,868	33,322	31,866	25,606	22,027	17,718	24,540	23,000	20,940
Reports	9,268	9,159	8,723	8,374	8,293	8,038	7,831	8,174	7,776	3,179
Arrests:										
Felony	1,204	1,246	1,457	1,168	1,090	984	914	888	1,052	1,298
Misdemeanor	2,463	2,094	2,295	2,831	2,937	2,556	2,208	2,967	2,654	3,759
Mover citations	2,725	3,433	2,536	2,233	1,286	1,299	998	1,391	756	2,153
Non-mover and other citations	2,917	3,965	3,115	2,408	1,711	1,582	1,129	1,232	1,638	1,742
<b>Fire</b>										
Emergency responses:										
Fires	431	521	409	364	249	252	347	356	446	539
Medical	2,985	3,247	3,055	3,582	3,222	3,310	3,194	3,176	3,145	2,426
Hazardous materials	-	-	-	-	-	-	-	-	-	-
Other	942	1,004	967	1,206	1,345	1,414	1,523	487	1,633	1,469
Inspections	1,125	1,588	1,100	1,038	1,032	1,222	732	1,170	714	78
Hazard abatement	1,461	769	1,276	-	-	-	-	-	-	-
Violations noticed/citations issued	154	473	382	66	291	70	549	738	604	60
Public education - presentations and tours	204	123	118	167	77	59	64	60	-	-
Investigations	146	262	133	164	200	236	312	62	54	31

**CITY OF PORTERVILLE  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>FUNCTION</b>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<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>
<b>Public works:</b>										
Building permits issued	240	222	211	252	274	292	297	317	257	266
Streets:										
Street resurfacing (square feet)	1,687,492	1,936,432	1,309,796	1,189,247	712,095	446,997	394,158	632,492	864,321	902,395
Potholes repaired (square feet)	14,396	10,511	8,717	8,517	28,962	33,817	18,641	32,454	24,650	38,138
Solid waste:										
Refuse collected (tons/day)	123	109	96	101	104	107	111	114	116	120
Recyclables collected (tons/day)	50	50	45	31	38	41	37	40	40	41
Water:										
Number of consumers	15,214	15,395	15,450	15,576	15,635	15,406	16,492	16,838	17,002	17,268
Water introduced into system (millions of gallons)	4,208	4,284	4,196	3,548	3,019	3,206	3,548	3,368	3,555	3,846
Metered water deliveries (millions of gallons)	3,955	3,836	3,642	3,223	2,552	2,959	2,946	2,983	3,034	3,364
New water connections	54	74	102	144	148	704	625	174	180	216
Water mains breaks	3	6	11	11	19	17	21	18	12	13
Wastewater:										
Average daily sewage treatment (millions of gallons)	4.8	4.8	4.6	4.4	4.4	4.4	4.4	4.3	4.3	4.6
<b>Parks and leisure services:</b>										
Athletic field permits issued	54	70	69	137	191	188	107	101	122	54
Facility rentals										
Community rooms/centers	42	34	28	40	32	32	4	3	-	1
Municipal swimming pool	45	56	60	52	64	62	79	68	35	27
Park pavilions	525	552	530	592	623	581	589	548	260	117
Zalud Estate house and gardens	9	15	11	14	13	10	11	12	6	2
Recreation program enrollment:										
Recreation afterschool program (RAP)	1,917	1,622	1,485	1,663	1,656	1,778	1,709	1,716	1,284	0
Sports activities	2,101	2,621	2,499	2,449	2,199	2,016	2,214	2,194	1,601	73
Summer/winter camp	417	353	441	586	607	548	529	412	254	82
Kindergarten/pre-school classes	352	316	394	289	341	328	315	300	85	0

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*

*291 North Main Street · Porterville, CA 93257*

*(559) 782-7566 · Fax (559) 784-4569*