



CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

CITY OF PORTERVILLE, CALIFORNIA

PREPARED BY THE DEPARTMENT OF FINANCE

MARIA BEMIS

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

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For the Fiscal Year Ended June 30, 2022

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Introductory Section



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291 North Main Street
Porterville, CA 93257

February 28, 2023

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, 2022, 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, 2022. The independent auditors' report is located at the front of the financial section of this report.

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

Profile of the Government

The City of Porterville, incorporated on May 7, 1902, is located midway between San Francisco and Los Angeles, an hour from Fresno and Bakersfield. It is situated in the southeastern portion of California's San Joaquin Valley, the most diverse agricultural area in the world. The City currently occupies a land area of 18.73 square miles. Its population has grown 11 percent in the last ten years to 62,345.

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 CalFire/US Forest Service Air Attack Base, the Army Corps of Engineers Lake Success Facility, and the Porterville College campus of the Kern Community College District.

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

The local economy continues to thrive and has shown some resiliency at this time. Assessed property values continue to increase at a rate of 3.2 percent in the past 2 fiscal years. Taxable sales increased 10.6 percent during the year, attributable to the continued increase in retail prices of goods and commodities. Unemployment rate is slightly down to 11.4 percent from a high of 13.9 percent in the prior fiscal year.

Utility users tax grew another 12.5 percent during the fiscal year and transient occupancy tax increased 10.13 percent, both amounting to their highest level in the last ten years.

Business development is always a priority. This year saw 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. Downtown continues to see growth with the opening of EECU Credit Union, Take the Cake Bakery & Café and the Palace Kitchen and Craft Bar. We expect a busy 2023 with Goodwill Industries developing a new location and the planned development of Wienerschnitzel.

The development of a new 103-room Fairfield Inn & Suites continues to be planned along with the construction on the new Hampton Inn and Suites which has been delayed. Several housing developments are in various stages of completion, which will add over 700 single-family units. The Finca Serena affordable housing development which includes 40 permanent supportive housing units and 40 units that will be available to the general public is well under construction with half of the units scheduled to be available in January or 2023. The “Carolita”, another affordable housing project broke ground in May 2022. Carolita is a \$19.9 million project that will provide 68 units for low-income families.

The relocation and construction of the new Eagle Mountain Casino by the Tule River Indian Tribe is nearing completion, expecting to open its doors in early 2023. It is being built on a 40-acre site west of the Porterville Municipal Airport. 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.

Construction of the new \$7.5 million USDA Sequoia National Forest Headquarters in Porterville is near completion. 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 will serve as a “home base” for 66 employees and is expected to welcome visitors in early 2023.

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 17,700 vaccines were administered to individuals the end of the program in April 2022, with each individual receiving \$100 vaccine incentives. The City has spent almost \$1.8 million of CSLFRF for these vaccine incentives that benefited local businesses and the local economy.

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 towards the end of 2022 or early 2023. The process is underway to issue a third permit for one additional cannabis adult-use dispensary within the City.

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 \$42,202,768. 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.

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

In 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 \$4,084,555 earmarked for this purpose. The temporary interim library facility opened on July 1, 2022 in an 8,000 square foot leased property which features 35,000 materials, study tables, programming space, leisure reading areas, public computers, and free W-Fi.

On December 7, 2021, the City Council chose the site for a new community library facility on a 4-acre property owned by the City, zoned appropriately and has room for expansion. The library needs assessment commissioned by the City Council concluded that the City will need a building of approximately 40,000 square feet. In September 2022, the City was awarded \$7.26 million in grant funds by the California State Library for the construction of the new library. The City expects the design of the facility to commence in 2023.

In January 2022, the City entered into a grant contract with the California Department of Parks and Recreation through the Statewide Park Development and Community Revitalization 2018 Parks Bond Act for a grant amount not to exceed \$7.8 million for the development of a new community center and park. The project consists of the construction of a multi-use community center with exterior park amenities that include an ADA accessible playground, splash pad, challenge course, public art wall, mini pitch soccer arena, outdoor exercise equipment area, picnic shelters, pump track, landscaping, and solar lighting throughout the park area. Project design is currently underway and the City projects completion of the project in 2025.

Plans are also 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.

In May 2022, the City awarded a contract for the design of a new non-motorized transportation facility called the Butterfield Stage Corridor that will provide safe and improved access to education, retail opportunities, job centers, housing, and the transit center. It consists of approximately nine miles of passageway that was formerly the Union Pacific Railroad right of way, between Tea Pot Dome to the south and Avenue 196 in Strathmore to the north. Funding for the construction will include a \$7.1 million Active Transportation Program grant.

Additionally, the City received notification from the California Transportation Commission of a grant award of \$1.5 million from the 2023 Active Transportation Program for a HAWK (High Intensity Activated crossWalk) pedestrian crossing project. The HAWK crossing system is a unique design proven to be safer for pedestrians and more effective for motorists than

conventional crosswalk designs. It is also less costly to build and more energy efficient than traditional traffic signal systems.

In addition, the City received a Clean California Grant award from the California Department of Transportation in the amount of \$3.6 million for the Santa Fe Byway project which consists of the revitalization of 1.3 miles of the Rails to Trails Parkway which is an underutilized trail within a quarter mile of five underserved communities. Design of the project is currently ongoing.

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.

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

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, and providing local business assistance. ARPA funds will also be used on government services up to the revenue loss amount, including funding to complete the construction of the new animal shelter, support the construction of the new community recreation center and the lighting of baseball and softball fields.

In coordination with the Tule River Tribe, construction of the tertiary wastewater system facility (TWSF) near the casino resort is well underway. The project is initially funded with proceeds from the issuance of the 2021 Water System Financing Project Certificates of Participation, which provided over \$35 million in project funds. Approximately \$15 million of the project funds was appropriated for the TWSF 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.

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

connecting taxiways, reconstructing the connecting taxiways in FAA compliant geometry and alignment. It will also include improvements to the airfield electrical systems serving the taxiways. The project will facilitate safe passage of jet and propeller aircraft.

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

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. A construction contract was just recently awarded with completion anticipated to be in 2023. Total construction cost is estimated at \$7.3 million. A major portion of the funding for this project, \$4.8 million is coming from the ARPA funds.

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 2024 to 2028.

Construction of sewer infrastructure extending the City's sewer system to several annexed areas lacking in sewer facilities is well underway. The project will add 14 miles of sewer lines connecting with existing sewer trunks and approximately 1,117 lateral connections. The project is funded by the proceeds from the issuance of the 2019 Sewer Revenue Certificates of Participation. Construction is expected to be completed in early 2023.

With the establishment of the Tulare County Regional Transit Agency (TCRTA), a joint powers agency formed by the County of Tulare and the cities of Dinuba, Exeter, Farmersville, Lindsay, Porterville, Tulare, and Woodlake, the transit operations of the City of Porterville have been transferred to TCRTA at the beginning of the 2023-2024 fiscal year. Through a Memorandum of Understanding, the City assigned and TCRTA assumed responsibility to own, operate and administer the City's public transportation system.

The City continues to address issues surrounding homelessness by working with various community partners. Efforts include supporting the Porterville Welcome Center, the first low barrier Navigation Center in Tulare County. The navigation center has served over 2,300 unduplicated individuals experiencing homelessness since opening in 2020. The navigation center offers 15 emergency beds and 15 bridge housing beds with wrap around services.

In addition, the City has entered into partnerships with CalTrans, Tulare County Association of Governments, Workforce Investment Board, and Community Services Employment Training for

the administration of work programs for individuals experiencing homelessness. The Bridges to Employment Program has received 28 referrals, with 7 job placements taking place within City departments and 18 enrollments in career services since inception.

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, 2021. This was the 32nd consecutive year that the city has received this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable program requirements.

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

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the 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



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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

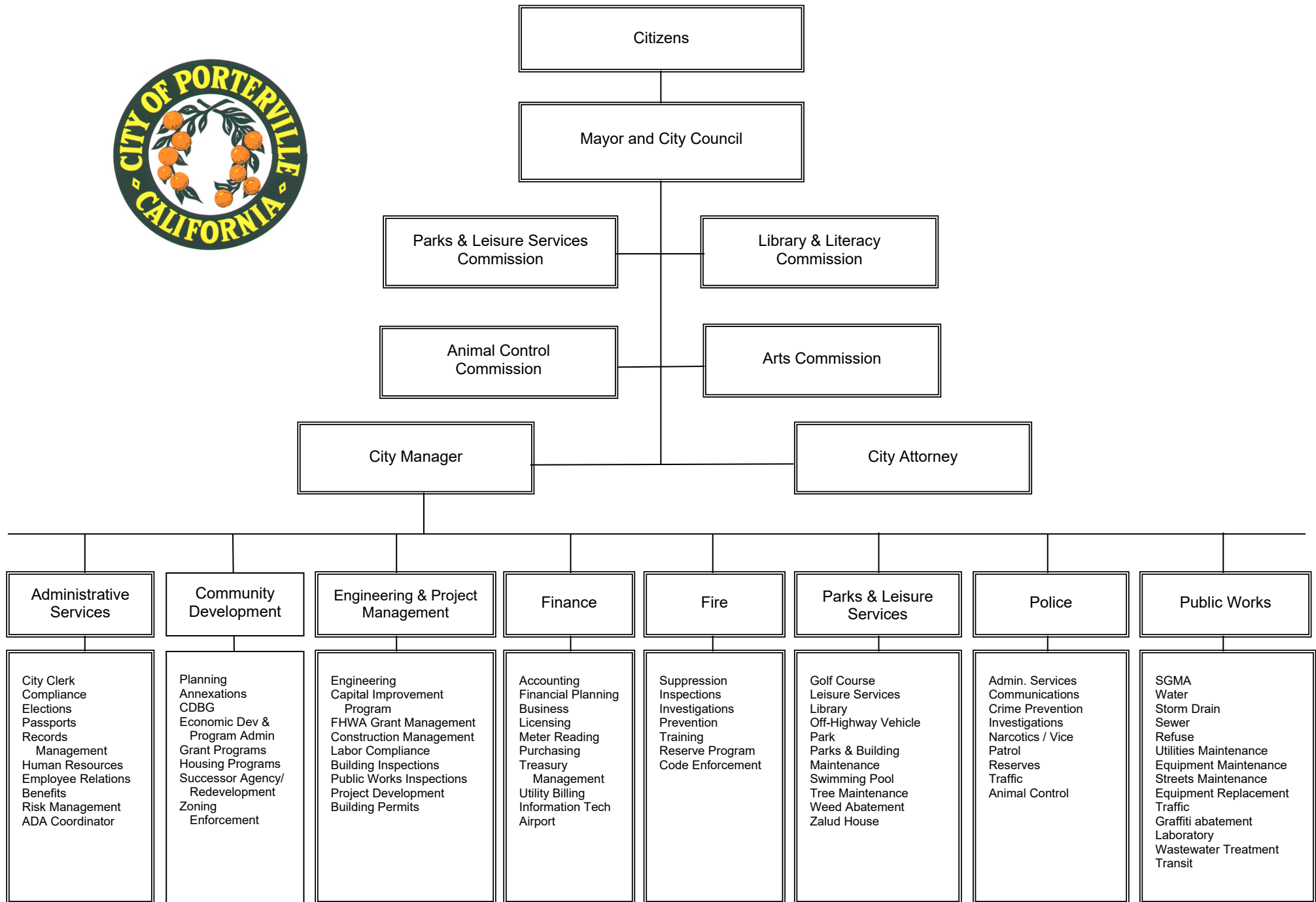
**City of Porterville
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



CITY OF PORTERVILLE
CITY OFFICIALS – COUNCIL, COMMISSIONS AND STAFF
As of June 30, 2022

<u>City Council</u>		<u>Term Expires</u>
Martha A. Flores	Mayor and Chairperson	Nov 2024
Kellie Carrillo	Vice Mayor and Vice-Chairperson	Nov 2024
Adrian Monte Reyes	Council Member and Agency Member	Nov 2022
Milt Stowe	Council Member and Agency Member	Nov 2022
Lawana Tate	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
Jake Castellow	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

Susan Uptain, Chairperson
Edith LaVonne, Vice-Chairperson
Esther Figueroa, Member
Patience Christenson, Member
Kim Baumgardner, Member
Karen Stover, Member
VACANT, Member

Parks and Leisure Services Commission

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

Arts Commission

Kyree Perkins, Chairperson
Emily Luna
Diego Monterrubio
Eden Santos
Maria Menga

Animal Control Commission

Kathy Guinn, Chairperson
Jerry Hall, Member
Kat Harris, Member
Art Duron, Member
Shawn Schwartzenberger, Member

Financial Section





INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
City of Porterville
Porterville, California

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Emphasis of Matter

Change in Accounting Principles

As discussed in Note 1 G. to the financial statements, effective July 1, 2021, the City of Porterville adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios and schedule of plan contributions, schedule of proportionate share of the net pension liability / (asset) and related ratios, schedule of change in total OPEB liability and related ratios, and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Porterville's basic financial statements. The combining individual and nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining individual and nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2023, on our consideration of the City of Porterville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control

Honorable Mayor and City Council
City of Porterville

over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Porterville's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Porterville's internal control over financial reporting and compliance.

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

CliftonLarsonAllen LLP

Roseville, California
February 28, 2023

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, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 - 7 of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City of Porterville exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$548,544,463 (*net position*). Of this amount, \$44,126,812 represents unrestricted net position, which may be used to meet Porterville's ongoing obligations to citizens and creditors. \$466,603,012 is the net investment in capital assets which includes all major infrastructure systems.
- The City's total net position increased by \$25,341,480 from prior year from current activities. Governmental activities' net position increased by \$18,887,517. The business-type activities' net position increased by \$6,453,963 mainly from the water fund and the retail sales of water.
- At June 30, 2022, the City of Porterville's governmental funds reported combined fund balances of \$81,620,265, an increase of \$12,782,434 from the prior year.
- The Measure I Sales Tax Fund which had been reported as a special revenue fund in the prior fiscal years was consolidated with the General Fund during the fiscal year, to be in accord with the Ordinance that had established the fund. This change resulted in the increase in the General Fund balance of \$11,315,218.
- 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 \$42,202,768, or approximately 120.9 percent of total general fund expenditures.
- The City implemented the provisions of GASB Statement No. 87, Leases, in fiscal year 2021-2022. GASB 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows or outflows of resources based on the payment provisions of the contract. Additional information on the City's leases can be found on Note 1-E-9, Note 4-C and Note 4-G.

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 32 - 33 of this report.

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

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

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

The City of Porterville maintains fifteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and American

Rescue Plan Act Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic governmental fund financial statements can be found on pages 34 - 37 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 38 – 41 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 42 - 43 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 44 - 90 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 92 - 100 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 104 - 127 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, 2022, the City of Porterville's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$548,544,463.

City of Porterville's Net Position						
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 108,220,250	\$ 89,172,924	\$ 109,811,067	\$ 107,418,763	\$ 218,031,317	\$ 196,591,687
Capital assets	<u>413,102,538</u>	<u>413,525,691</u>	<u>102,522,420</u>	<u>93,228,268</u>	<u>515,624,958</u>	<u>506,753,959</u>
Total assets	<u>521,322,788</u>	<u>502,698,615</u>	<u>212,333,487</u>	<u>200,647,031</u>	<u>733,656,275</u>	<u>703,345,646</u>
Deferred outflows of resources	<u>10,986,694</u>	<u>10,391,805</u>	<u>1,279,730</u>	<u>2,818,384</u>	<u>12,266,424</u>	<u>13,210,189</u>
Long-term liabilities outstanding	60,462,153	80,576,305	82,526,034	89,100,369	142,988,187	169,676,674
Other liabilities	<u>23,659,431</u>	<u>16,485,565</u>	<u>8,279,339</u>	<u>2,775,607</u>	<u>31,938,770</u>	<u>19,261,172</u>
Total liabilities	<u>84,121,584</u>	<u>97,061,870</u>	<u>90,805,373</u>	<u>91,875,976</u>	<u>174,926,957</u>	<u>188,937,846</u>
Deferred inflows of resources	<u>16,922,440</u>	<u>3,650,609</u>	<u>5,528,839</u>	<u>764,397</u>	<u>22,451,279</u>	<u>4,415,006</u>
Net position:						
Net investment in capital assets	395,304,220	393,491,264	71,298,792	65,992,870	466,603,012	459,484,134
Restricted	37,814,639	43,884,882	--	--	37,814,639	43,884,882
Unrestricted	<u>(1,853,401)</u>	<u>(24,998,205)</u>	<u>45,980,213</u>	<u>44,832,172</u>	<u>44,126,812</u>	<u>19,833,967</u>
Total net position	<u>\$ 431,265,458</u>	<u>\$ 412,377,941</u>	<u>\$ 117,279,005</u>	<u>\$ 110,825,042</u>	<u>\$ 548,544,463</u>	<u>\$ 523,202,983</u>

Current and other assets in the governmental activities increased by \$19,047,326 from the prior year. Almost \$10 million of this increase comes from the second tranche of American Rescue Plan Act funds received in June 2022. Tax revenues for the year showed a combined increase of over \$3 million compared to the prior year.

The receipt of the second 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

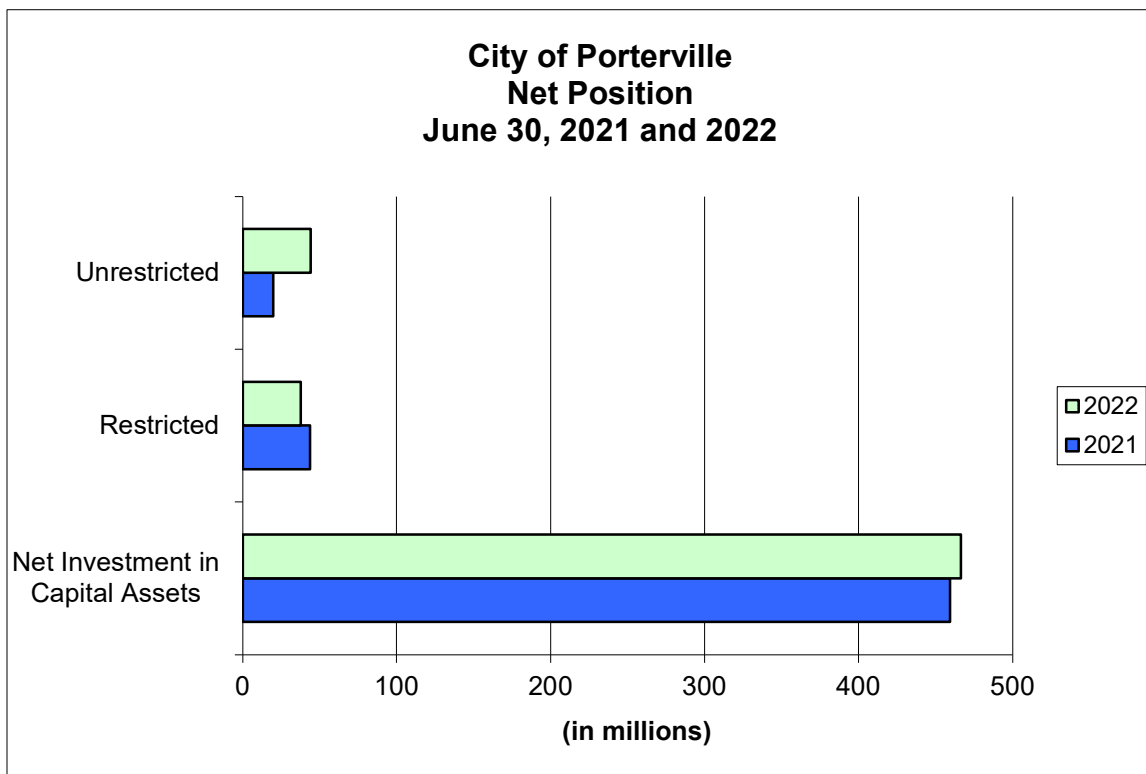
reports over \$18 million of unearned revenues at June 30, 2022 compared to about \$10 million in the prior year.

Long-term liabilities, which consist of bonds, notes, leases, compensated absences, and postemployment benefit obligations decreased by \$26,688,487 from the previous year for governmental and business-type activities combined. The City's net pension liability decreased by \$21 million during the year, mainly as a result of the net investment income experienced by CalPERS which increased the City's plan fiduciary net position and lowered the City's net pension liability.

By far, the largest portion of the City's net position, \$466,603,012 (85 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, right-to-use lease assets, and infrastructure), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide a variety of services to its citizens. Consequently, these assets are not available for future spending. Although the City of Porterville's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Porterville's net position, \$37,814,639 (6.9 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 \$44,126,812. The business-type activities unrestricted net position was \$45,980,213 while governmental activities reported a deficit balance of \$1,853,401.



The City's total net position increased by \$25,341,480 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.

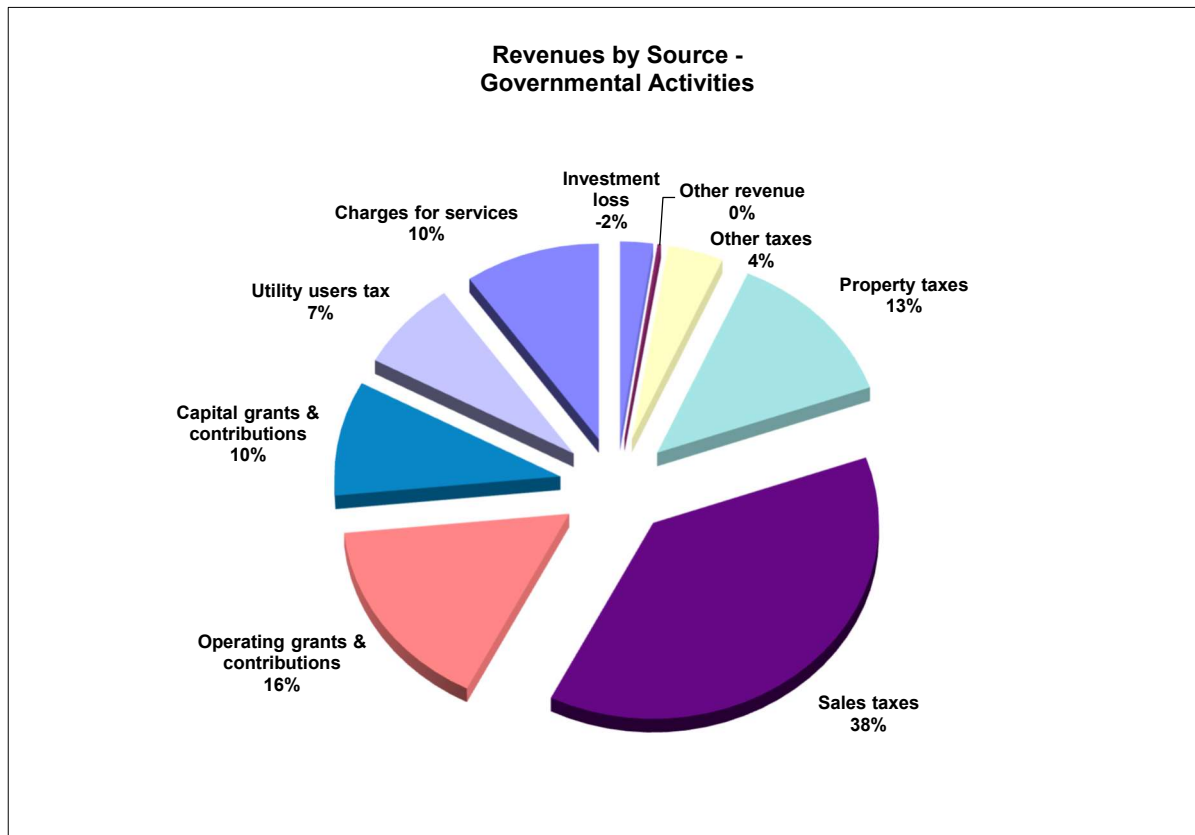
City of Porterville's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 6,287,745	\$ 6,254,913	\$ 31,224,841	\$ 29,755,311	\$ 37,512,586	\$ 36,010,224
Operating grants and contributions	10,340,895	9,245,468	3,574,909	3,647,924	13,915,804	12,893,392
Capital grants and contributions	6,123,995	7,968,627	5,436,285	5,146,426	11,560,280	13,115,053
General revenues:						
Property taxes	8,420,350	8,106,766	--	--	8,420,350	8,106,766
Sales and use tax	24,529,465	22,510,828	--	--	24,529,465	22,510,828
Other taxes	7,367,793	6,675,881	--	--	7,367,793	6,675,881
Investment earnings (loss)	(1,516,577)	489,553	(1,244,349)	242,672	(2,760,926)	732,225
Other	156,746	267,396	219,594	--	376,340	267,396
Total revenues	<u>61,710,412</u>	<u>61,519,432</u>	<u>39,211,280</u>	<u>38,792,333</u>	<u>100,921,692</u>	<u>100,311,765</u>
Expenses:						
Community/economic development	1,675,065	1,696,123	--	--	1,675,065	1,696,123
General government	6,272,844	4,390,806	--	--	6,272,844	4,390,806
Parks and recreation	7,858,033	9,244,880	--	--	7,858,033	9,244,880
Public safety - fire	6,285,572	8,533,309	--	--	6,285,572	8,533,309
Public safety - police	11,971,958	18,009,990	--	--	11,971,958	18,009,990
Public works	7,771,816	8,133,063	--	--	7,771,816	8,133,063
Interest on long-term debt	898,354	870,706	--	--	898,354	870,706
Airport	--	--	2,017,271	1,684,668	2,017,271	1,684,668
Golf course	--	--	490,856	501,678	490,856	501,678
Sewer	--	--	7,799,443	7,967,535	7,799,443	7,967,535
Solid waste	--	--	6,798,422	7,212,669	6,798,422	7,212,669
Transit	--	--	6,630,525	6,088,012	6,630,525	6,088,012
Water	--	--	9,066,139	9,285,561	9,066,139	9,285,561
Zalud estate	--	--	43,914	19,042	43,914	19,042
Total expenses	<u>42,733,642</u>	<u>50,878,877</u>	<u>32,846,570</u>	<u>32,759,165</u>	<u>75,580,212</u>	<u>83,638,042</u>
Increase (decrease) in net position before transfers	18,976,770	10,640,555	6,364,710	6,033,168	25,341,480	16,673,723
Transfers	<u>(89,253)</u>	<u>(86,986)</u>	<u>89,253</u>	<u>86,986</u>	<u>--</u>	<u>--</u>
Increase (decrease) in net position	18,887,517	10,553,569	6,453,963	6,120,154	25,341,480	16,673,723
Net position - July 1	412,377,941	401,394,487	110,825,042	104,704,888	523,202,983	506,099,375
Prior period adjustment	--	429,885	--	--	--	429,885
Net position - June 30	<u>\$ 431,265,458</u>	<u>\$ 412,377,941</u>	<u>\$ 117,279,005</u>	<u>\$ 110,825,042</u>	<u>\$ 548,544,463</u>	<u>\$ 523,202,983</u>

Governmental activities. During the fiscal year, the City of Porterville's net position in governmental activities increased by \$18,887,517 from current activities. Total governmental revenues for the year of \$62,976,751 were only slightly higher, 2.3 percent, than the previous year revenue of \$61,519,432. Sales and use taxes for the year increased by \$2 million. Total taxable sales grew 11 percent during the year with increases in general retail, transportation and

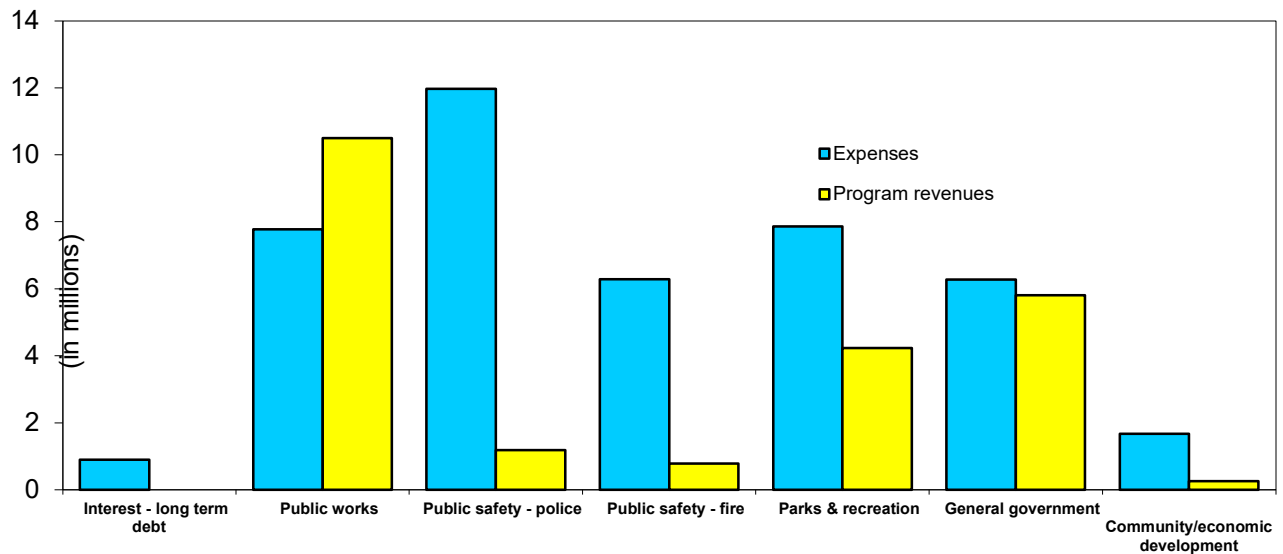
food products. Property tax, utility users tax, franchise tax, and transient occupancy tax all showed positive growth during the fiscal year. Operating grants increased revenues by \$1 million mainly due to the recognition of ARPA grant proceeds during the year. The reopening of schools and the resumption of several of the City's leisure services program, brought about a rebound in revenues from charges for services. These increases are offset by the reported investment loss of \$1,516,577 caused by the rapid rise in interest rates depressing the bond market and adversely affecting the City's fixed income portfolio.

The following graph shows governmental revenues by source.



Overall operating expenses in governmental activities declined by \$8,145,235 for the fiscal year. This is mostly the result of the pension adjustment made at the end of the year as a consequence of the extraordinary investment gains experienced by CalPERS during the measurement period. This adjustment offset the personnel costs in each functional area on the Statement of Activities. Expenses in general government increased by \$1,874,038, primarily due to the use of ARPA grant funds during the year. Almost \$1.8 million of ARPA funds was spent on a vaccination incentive program to support the local effort promoting the benefits of getting the COVID-19 vaccine. While a hugely successful program, it also benefitted local businesses. Another \$434,940 of ARPA funds was used on premium pay for the City's police and fire personnel who respond to daily callouts for assistance from the public during the COVID-19 epidemic.

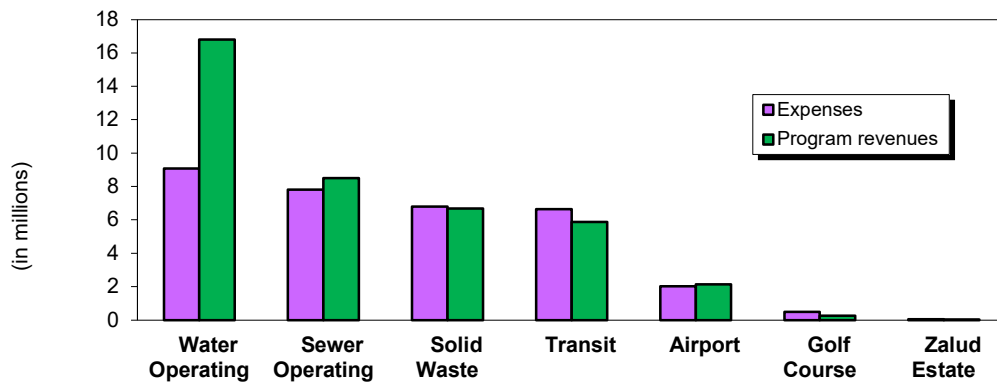
Expenses and Program Revenues - Governmental Activities



Business-type activities. Business-type activities increased the City of Porterville's net position by \$6,453,963 in the current year, ending with a net position of \$117,279,005 particularly from change in net position in the Water Fund amounting to \$7.2 million.

Charges for services for the sewer, water and solid waste operations showed positive gains during the year. This increase is tempered by the investment loss at the end of the year of \$1.2 million. Total operating revenues exceeded total operating expenses by \$5,480,019 in the Water Fund. A majority of this net operating income is being banked to finance water supply projects and to build a reserve for emergencies.

Expenses and Program Revenues - 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.

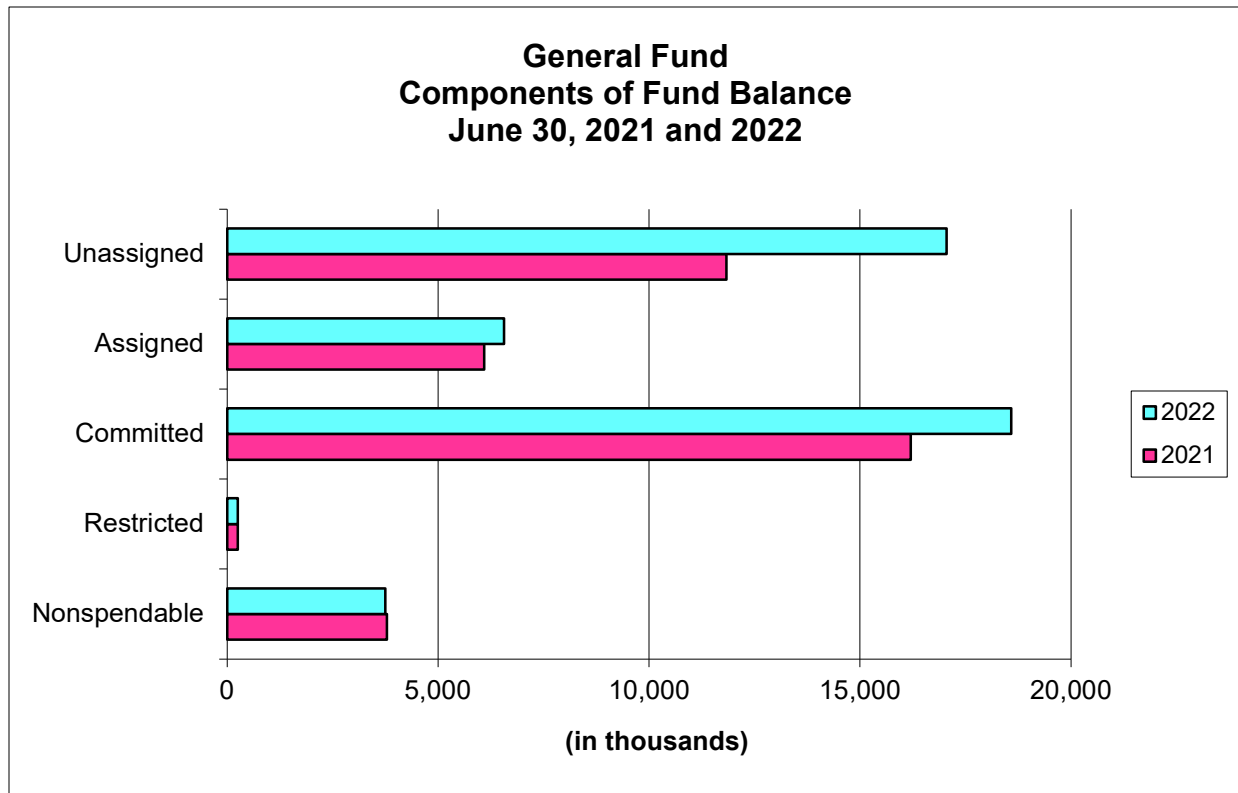
Governmental funds. The focus of the City of Porterville's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve 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, 2022, the City of Porterville's governmental funds reported combined ending fund balances of \$81,620,265, an increase of \$12,782,434 in comparison with the prior year. Fund balance of \$3,748,414 is classified as *nonspendable* and not available for spending in the current period. This includes the long-term portion of loans receivable. \$36,386,831 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 \$6,566,273 and \$18,583,171, respectively. Total unassigned fund balance at the end of the fiscal year amounts to \$16,335,576.

General Fund

The General Fund is the chief operating fund of the City of Porterville. At the end of June 30, 2022, unassigned fund balance of the general fund was \$17,053,324, while total fund balance reached \$46,210,464. This was bolstered by the consolidation of the Measure I Sales Tax Fund with the General Fund. During the year, it was established that the Measure I Sales Tax Fund, which was previously reported as a special revenue fund should actually be reported as a component of the General Fund, as per the language on the ordinance that established the fund. An adjustment was made in the fiscal year to restate the fund balance at June 30, 2021 increasing it by \$11,315,218.

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 48.9 percent of total general fund expenditures, while total fund balance represents 132.4 percent of that same amount. At June 30, 2022, the committed fund balance in the general fund included \$4,708,007 in the budget stabilization reserve which is 13.4 percent of total general fund expenditures. \$3,138,671 is committed for catastrophic / emergency reserve and \$6,342,852 for capital construction or improvements, facility, equipment and infrastructure deferred maintenance and improvements. In addition, \$4,084,555 of the insurance proceeds from the fire that consumed the library has been committed by the City Council for expenditures relating to the fire and to the establishment of a new library.



Total revenues of \$44,079,406 were higher than prior year revenues by \$2,235,425. Property tax grew 3.9 percent during the year and sales and use tax, transient occupancy tax and utility users tax have continued to increase in comparison to the prior year. Sales and use tax grew by 9.3 percent or \$1.63 million and utility users tax rose by 12.5% or \$532,662. Transient occupancy tax, although a small component of general fund revenue grew by 10.1 percent. Another component of the increase in general fund revenues was in charges for services, particularly in the police department and parks and leisure services department. Current year expenditures included over \$2 million in charges related to the library fire and \$781,428 related to the COVID-19 pandemic. Overall expenditures in the general fund finished the year with a slight decrease of 1.4 percent ending at \$34,896,723. The parks and leisure department reported much lower expenditures than the prior year which included the cleanup and remediation of combustion by-products at City Hall resulting from the library fire.

Other Major Governmental Funds

Total assets in the American Rescue Plan Act (ARPA) Fund, which was established to account for the proceeds and the expenditure of the grant funds allocated to the City by the US Department of the Treasury from the Coronavirus State and Local Fiscal Recovery Fund under the American Rescue Plan Act amounted to \$16,843,552 at the end of the fiscal year. The City received the second tranche of ARPA funds in the amount of \$9,992,358 in June 2022. The City expended \$2,870,401 of the grant fund during the year, with the majority of it, \$1.8 million spent towards vaccination incentives and \$435,000 in premium pay. The unspent portion of the grant funds, \$17,104,750, was reported as a liability – unearned revenue in the financial statement at June 30, 2022.

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, 2022, amounted to \$33,930,275 with an increase of \$431,097 from activities in the current year. Of the total net position, \$14,789,352 or 43.6 percent is unrestricted and 56.4 percent is invested in capital assets or \$19,140,923.

The Water Operations Fund's total net position at the end of the current fiscal year was \$53,806,899. Current activities increased net position by \$7,202,710. The City booked \$1,078,101 in capital grants from the State Department of Water Resources in the current fiscal year for the construction of a new well for the East Porterville water supply system. Another \$1.9 million was reported as contribution from the Tule River Tribe for their one third share in the construction cost of the tertiary wastewater system facility. Unrestricted net position at the end of the year is 52.5 percent of the total or \$28,253,205. Net position invested in capital assets amounted to \$25,553,694 or 47.5 percent.

At June 30, 2022, the Solid Waste fund had total net position of \$5,171,967, a decrease of \$290,351 from current year activities. Total amount invested in capital assets amounted to \$2,246,608 or 43.4 percent and \$2,925,359 or 56.6 percent in unrestricted net position.

The Transit Operations Fund reports total net position of \$17,347,406 at June 30, 2022. Current activities reduced net position by \$763,372. The cost of sales and services have grown but passenger fares have not rebounded to pre-COVID 19 levels. Of the total net position, \$17,821,769 is invested in capital assets which leaves the fund with a deficit unrestricted net position of \$474,363.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year, the original budget appropriations was amended to increase the fire department's budget to accommodate the purchase of Class A uniforms for the fire officers, a new patrol apparatus, personal protective equipment and other equipment for the additional firefighter positions recently approved. There was no need for any other significant amendments to increase the original estimated revenues and expenditures.

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

<u>Revenue Source</u>	<u>Estimated Revenues</u>	<u>Actual Revenues</u>	<u>Difference</u>
Property tax	\$8,212,000	\$8,420,350	\$ 208,350
Sales and use tax	15,977,916	19,242,609	3,264,693
Utility users tax	4,000,000	4,784,200	784,200
Transient occupancy tax	575,000	841,823	266,823
Licenses and permits	1,057,100	1,462,829	405,729
Charges for services	5,972,500	7,180,566	1,208,066
Investment earnings	572,414	(593,948)	(1,166,362)

It has been the City's practice to conservatively estimate General Fund revenues. In FY 2021-2022, property taxes finished the year just slightly higher than what was estimated for the year. Actual revenues from sales and use tax, transient occupancy tax and utility users tax continued to increase with positive variances at the end of the year compared to the budgeted amounts. Business licenses and construction permits also ended the year with higher-than-expected revenues, indicative of the resiliency of the local economy. Revenues from charges for services had bounced back with several recreational program activities coming back online after the closures and stoppages brought on by COVID-19. The shortfall in investment earnings was a result of the lower market values of securities held by the City in its investment portfolio.

General Fund expenditures at the end of the year totaled \$34,896,723 and were under budget by \$1,698,308. Variance between the budget and actual expenditures in the police department is mainly due to a number of vacant positions. The fire department finished the year with a negative variance primarily due to overtime expenditures of fire personnel responding to wildfires in the State. Most of these expenditures will be reimbursed by CalFire or USDA.

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, 2022, amounts to \$515,624,958 (net of accumulated depreciation). This investment in capital assets includes land, distribution and collection systems, buildings, improvements, machinery and equipment, right-to-use lease assets, works of art and historical collections, park facilities, roads, highways and bridges. The total increase in Porterville's investment in capital assets for the current fiscal year was \$8,870,999.

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

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 274,532,652	\$274,460,627	\$ 9,763,656	\$ 6,680,664	\$ 284,296,308	\$ 281,141,291
Works of art and collections	50,450	50,450	--	--	50,450	50,450
Buildings	13,756,802	14,001,080	2,628,389	2,737,920	16,385,191	16,738,990
Improvements other than buildings	7,618,231	8,012,643	7,125,198	7,569,934	14,743,429	15,582,577
Machinery and equipment	7,529,915	7,046,845	18,344,378	20,967,677	25,874,293	28,014,522
Right-to-use leased building	531,925	--	--	--	531,925	--
Right-to-use leased equipment	38,545	--	--	--	38,545	--
Infrastructure	96,284,937	98,856,699	1,195,021	609,614	97,479,958	99,466,313
Distribution and collection systems	--	--	51,118,722	47,740,116	51,118,722	47,740,116
Construction in progress	12,759,081	11,097,357	12,347,056	6,922,343	25,106,137	18,019,700
Total	<u>\$ 413,102,538</u>	<u>\$413,525,691</u>	<u>\$ 102,522,420</u>	<u>\$93,228,268</u>	<u>\$ 515,624,958</u>	<u>\$ 506,753,959</u>

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

- In April 2022, the City acquired property consisting of 2 parcels approximately 152.75 acres east of the Friant-Kern canal for \$3,082,992. The property is to be used in the management of the City's groundwater.
- In September 2021, the City purchased a 2,379 square foot commercial building on an approximately 0.15-acre property located at 38 East Cleveland Avenue for \$250,000. The property will be initially utilized to provide city services in the interim and ultimately be developed by the City in conjunction with the Centennial Plaza Park.
- In April 2022, the City issued a request for proposals for the remodel of an existing building for a new animal shelter facility. The project included frontage improvements, a pedestrian trail and a dog park behind the facility. The total engineer's estimate for the project is \$6,636,400. The contract was awarded in September 2022 and construction is anticipated to commence shortly.
- The Henderson Avenue reconstruction project which began early in July 2020 is almost complete and is in the final inspection phase. 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 total that had been spent on the project as of June 30, 2022, amounted to \$8,814,993.
- Several street reconstruction projects are currently being designed including Main Street, Newcomb Street, Union Avenue, and Villa Street.
- A new traffic signal at the intersection of Olive Avenue and Newcomb Street is currently being constructed and expected to be completed by the end of December 2022. The project includes the installation of a new traffic signal to accommodate protected left-turn phasing as well as accessibility improvements. The project is partially funded by a Highway Safety Improvement Program grant of \$327,420.
- Construction on the sewer annexation projects began during the year and is expected to be completed in the next fiscal year. The project consists of the installation of sewer mains and laterals, as well as appurtenant facilities to former unincorporated areas annexed into the City and lacking sewer infrastructure. The estimated cost of the project is \$14.3 million to serve over 1,100 properties. The 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 rehabilitation of digesters #2 and #3 at the wastewater treatment facility was completed during the year. Both had experienced structural damage of their steel dome covers. Total project costs amounted to \$2,786,659.
- Construction on the tertiary wastewater system facility near the new casino resort commenced during the year. Initial funding for the project comes from the proceeds of the issuance of the 2021 Water System Financing Project certificates of participation. As of June 30, 2022, the project is 52% complete and construction costs total \$6,488,439.

- The construction and equipping of the Well No. 35 pumping plant was finished in March 2022. The project included the installation of a 125HP pump, electrical system and above ground discharge piping. The total cost of the project was \$2,179,423. 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 was funded with grant funds from the California State Water Resource Control Board.
- The transit center electrification project was completed during the year at a total cost of \$663,127. The project included the installation of electrical conduit and wiring and solar photovoltaic systems and two 200KW charging stations.
- During the year, the City acquired 3 electric passenger transit vans for \$199,223. Several vehicles were purchased for the Police, Fire and Parks departments. New trucks and transfer trailer were purchased for the City's streets paving program. Several other equipment were purchased throughout the year for the City's various departments. New playground equipment were installed at both Zalud Park and Murry Park.

Additional information on the City's capital assets can be found in Note 1-E-4 on pages 48 - 49 and Note 4-E on pages 65 – 66 of this report.

Long-term debt. At the end of the current fiscal year, the City of Porterville had total principal debt outstanding of \$84,989,938. The City's total debt decreased \$2,818,162 during the year.

City of Porterville's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Certificates of participation	17,722,681	18,105,000	40,965,000	41,615,000	58,687,681	59,720,000
Notes payable	276,000	822,000	26,026,257	27,266,100	26,302,257	28,088,100
Total	<u>\$ 17,998,681</u>	<u>\$ 18,927,000</u>	<u>\$ 66,991,257</u>	<u>\$ 68,881,100</u>	<u>\$ 84,989,938</u>	<u>\$ 87,808,100</u>

The governmental debt includes certificates of participation (COPs) in the amount of \$17,722,681 issued in July of 2021 which refunded the 2015 Refinancing Project COPs effectively lowering the interest rate from 3.85 to 2.70 percent per annum. It also includes \$276,000 in notes payable to HUD which funded the construction of the Heritage Community Center. Before the end of the fiscal year, the City made an extra payment towards the principal of the note.

The business-type debt includes \$11,665,000 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 principal balance of the 2021 Water System Financing Project COPs at the end of the fiscal year was \$29,300,000, which 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 \$2,837,700 for the sewer fund and \$5,916,557 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, 2022 also includes \$17,272,000 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-".

On July 20, 2022, S&P Global Ratings issued and published the Issuer's Credit Rating (ICR) of "AA-" to the City of Porterville with a stable outlook. The "AA-" ICR reflects S&P's view of the City's general creditworthiness.

Additional information on the City's long-term debt can be found in Note 4-H on pages 68 - 72 of this report.

Economic Factors and Next Year's Budget and Rates

- The City continues to make progress toward improving services to the community and overall quality of life for its residents, and at the same time preparing for future opportunities and fiscal challenges. The City heads into the new fiscal year with a strong fund balance with the General Fund budget stabilization reserve funded at 15% of the annual operating budget, plus another 10% in the catastrophic/emergency reserves and 20% in the capital improvement/replacement reserves. Continuing with the City's practice of conservatively estimating revenues, next fiscal year's projections of the tax revenues are only slightly higher than fiscal year 2021-2022 revenues.
- The City's largest expenditure relates to personnel costs. Salaries and benefits are tied to the labor agreements with each bargaining group. The fiscal year 2022-2023 budget includes appropriation for several new positions including 2 new code enforcement officers and an administrative assistant, a chief finance officer, an assistant city engineer, an information technology technician, a parks maintenance worker, a crime analyst, and a social worker.
- The United States Department of the Treasury allocated \$19,984,717 from the Coronavirus State and Local Fiscal Recovery Fund established by the American Rescue Plan Act (ARPA) to assist the City and its residents in responding to the public health emergency and its negative economic impacts brought about by the COVID-19 pandemic. Almost \$7.5 million of ARPA funds has been appropriated for capital outlay in the next fiscal year and \$250,000 was obligated to Self-Help Enterprises and UPHoldings for the Finca Serena housing project which includes the development of several units to support individuals experiencing homelessness.
- Due to increased State organic recycling requirements, as well as higher costs of recycling, expenses in the Solid Waste Fund are anticipated to surpass revenues by 5.5 percent in fiscal year 2022-2023. 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 a new animal shelter facility, the remodel and expansion of the three existing fire stations and fire training facility, the design of the Santa Fe Byway, the Fourth Street Community Center and Park and the Butterfield Stage Corridor, construction of the Tule River Parkway, Phase III, the design of the new library, the completion of the tertiary wastewater system facility, the construction of sewer infrastructure extending sewer lines into former unincorporated areas annexed into the City, the rehabilitation of the parallel taxiway and reconfiguration of the connecting taxiways at the Airport, and several street reconstruction projects.

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.



**Basic
Financial Statements**



City of Porterville
Statement of Net Position
June 30, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 57,814,719	\$ 55,217,868	\$ 113,032,587
Restricted assets - cash and investments	17,841,996	47,523,947	65,365,943
Restricted - customer deposits	-	214,413	214,413
Receivables - utility (net of allowance for uncollectibles)	-	4,910,206	4,910,206
Receivables - misc (net of allowance for uncollectibles)	8,013,861	790,538	8,804,399
Receivables - housing (net of allowance for uncollectibles)	8,871,185	-	8,871,185
Receivables - intergovernmental	4,878,906	2,533,279	7,412,185
Receivables - leases	533,014	1,950,754	2,483,768
Inventories	-	153,336	153,336
Prepays	395,563	-	395,563
Internal balances	5,431,091	(5,431,091)	-
Notes receivable	4,439,915	1,947,817	6,387,732
Capital assets not being depreciated:			
Land	274,532,652	9,763,656	284,296,308
Construction in progress	12,759,081	12,347,056	25,106,137
Works of art and collection	50,450	-	50,450
Capital assets, net of accumulated depreciation/amortization:			
Buildings	13,756,802	2,628,389	16,385,191
Improvements other than buildings	7,618,231	7,125,198	14,743,429
Machinery and equipment	7,529,915	18,344,378	25,874,293
Right-to-use assets	570,470	-	570,470
Infrastructure	96,284,937	1,195,021	97,479,958
Distribution and collection systems	-	51,118,722	51,118,722
Total Assets	521,322,788	212,333,487	733,656,275
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	1,184,228	686,998	1,871,226
Deferred pension-related items	9,607,839	540,258	10,148,097
Deferred OPEB-related items	194,627	52,474	247,101
Total Deferred Outflows of Resources	10,986,694	1,279,730	12,266,424
LIABILITIES			
Accounts payable and other current liabilities	4,826,770	7,071,099	11,897,869
Accrued interest payable	44,165	908,844	953,009
Deposits payable	752,250	214,413	966,663
Unearned revenue	18,036,246	84,983	18,121,229
Non-current liabilities:			
Due in 1 year	3,875,628	2,316,922	6,192,550
Due in more than 1 year	20,918,038	71,808,216	92,726,254
Net pension liability	27,723,150	6,203,521	33,926,671
Other postemployment benefits liability	7,945,337	2,197,375	10,142,712
Total Liabilities	84,121,584	90,805,373	174,926,957
DEFERRED INFLOWS OF RESOURCES			
Deferred pension-related items	13,599,953	2,850,884	16,450,837
Deferred OPEB-related items	2,804,028	810,810	3,614,838
Deferred lease-related items	518,459	1,867,145	2,385,604
Total Deferred Inflows of Resources	16,922,440	5,528,839	22,451,279
NET POSITION			
Net investment in capital assets	395,304,220	71,298,792	466,603,012
Restricted for:			
Building construction	168,348	-	168,348
Community development	11,399,280	-	11,399,280
Debt service	1,076,551	-	1,076,551
Landscape maintenance districts	155,015	-	155,015
Parks and leisure	259,282	-	259,282
Public safety	3,998,902	-	3,998,902
Public works	20,757,261	-	20,757,261
Unrestricted	(1,853,401)	45,980,213	44,126,812
Total Net Position	\$ 431,265,458	\$ 117,279,005	\$ 548,544,463

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, 2022

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
			Operating	Capital	Primary Government		
Functions/Programs	Expenses	Charges for Services	Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
Community and economic development	\$ 1,675,065	\$ 68,550	\$ 1,242,753	\$ -	\$ (363,762)	\$ -	\$ (363,762)
General government	6,272,844	2,724,468	3,082,051	-	(466,325)	-	(466,325)
Parks and recreation	7,858,033	2,633,046	154,420	385,165	(4,685,402)	-	(4,685,402)
Public safety - fire	6,285,572	207,372	577,012	-	(5,501,188)	-	(5,501,188)
Public safety - police	11,971,958	538,533	628,373	15,814	(10,789,238)	-	(10,789,238)
Public works	7,771,816	115,776	4,656,286	5,723,016	2,723,262	-	2,723,262
Interest on long-term debt	898,354	-	-	-	(898,354)	-	(898,354)
Total governmental activities	42,733,642	6,287,745	10,340,895	6,123,995	(19,981,007)	-	(19,981,007)
Business-type Activities:							
Airport	2,017,271	2,054,306	23,000	56,250	-	116,285	116,285
Golf course	490,856	256,762	-	-	-	(234,094)	(234,094)
Sewer	7,799,443	8,399,349	-	99,075	-	698,981	698,981
Solid waste	6,798,422	6,648,504	19,360	-	-	(130,558)	(130,558)
Transit	6,630,525	387,850	3,513,395	1,965,197	-	(764,083)	(764,083)
Water	9,066,139	13,472,199	-	3,315,763	-	7,721,823	7,721,823
Zalud estate	43,914	5,871	19,154	-	-	(18,889)	(18,889)
Total business-type activities	32,846,570	31,224,841	3,574,909	5,436,285	-	7,389,465	7,389,465
Total primary government	\$ 75,580,212	\$ 37,512,586	\$ 13,915,804	\$ 11,560,280	(19,981,007)	7,389,465	(12,591,542)
General revenues:							
					8,420,350	-	8,420,350
					24,529,465	-	24,529,465
					4,784,200	-	4,784,200
					1,741,770	-	1,741,770
					841,823	-	841,823
					(1,516,577)	(1,244,349)	(2,760,926)
					54,634	219,594	274,228
					102,112	-	102,112
					(89,253)	89,253	-
					38,868,524	(935,502)	37,933,022
					18,887,517	6,453,963	25,341,480
					412,377,941	110,825,042	523,202,983
					\$ 431,265,458	\$ 117,279,005	\$ 548,544,463

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

**City of Porterville
Balance Sheet
Governmental Funds
June 30, 2022**

	General	American Rescue Plan Act	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 37,012,105	\$ 26,736	\$ 19,338,759	\$ 56,377,600
Receivables - misc (net):				
Interest	361,606	-	427,169	788,775
Taxes	4,143,961	-	1,523,737	5,667,698
Other	1,344,228	-	2,679	1,346,907
Receivables - housing (net)	-	-	8,871,185	8,871,185
Intergovernmental receivable	166,306	-	4,705,706	4,872,012
Lease receivable	533,014	-	-	533,014
Interfund receivables	2,416,759	-	2,677,059	5,093,818
Prepaid items	283,499	-	5,151	288,650
Restricted - cash/fiscal agent	-	16,816,816	1,025,180	17,841,996
Notes receivable	3,464,915	-	975,000	4,439,915
Total assets	<u>\$ 49,726,393</u>	<u>\$ 16,843,552</u>	<u>\$ 39,551,625</u>	<u>\$ 106,121,570</u>
LIABILITIES				
Accounts and other payables	\$ 773,670	\$ 3,434	\$ 1,585,064	\$ 2,362,168
Payroll payable	1,063,475	23,302	239,498	1,326,275
Deposits payable	752,250	-	-	752,250
Unearned revenue	60,408	17,104,750	871,088	18,036,246
Advances payable	347,667	-	-	347,667
Total liabilities	<u>2,997,470</u>	<u>17,131,486</u>	<u>2,695,650</u>	<u>22,824,606</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	1,158,240	1,158,240
Lease related	518,459	-	-	518,459
Total deferred inflows of resources	<u>518,459</u>	<u>-</u>	<u>1,158,240</u>	<u>1,676,699</u>
FUND BALANCES				
Nonspendable	3,748,414	-	5,151	3,753,565
Restricted	259,282	-	36,122,398	36,381,680
Committed	18,583,171	-	-	18,583,171
Assigned	6,566,273	-	-	6,566,273
Unassigned	17,053,324	(287,934)	(429,814)	16,335,576
Total fund balances	<u>46,210,464</u>	<u>(287,934)</u>	<u>35,697,735</u>	<u>81,620,265</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 49,726,393</u>	<u>\$ 16,843,552</u>	<u>\$ 39,551,625</u>	<u>\$ 106,121,570</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, 2022

Fund balances of governmental funds	\$	81,620,265
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Amounts reported for *governmental activities* in the statement of net position are different because:

Long-term liabilities, including bonds payable, leases, pension, OPEB, and compensated absences are not due and payable in the current period and therefore are not reported in the funds.		(53,261,159)
--	--	--------------

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.		9,522,066
--	--	-----------

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.		186,099
--	--	---------

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.		(13,125,278)
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Deferred inflows related to other postemployment benefits, including changes of assumptions are not applicable to the current period and are not reported in the funds.		(2,691,270)
---	--	-------------

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.		(4,618,474)
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Other long-term assets are not available to pay for current period expenditures and therefore, are reported as unavailable revenue in the funds.		1,158,240
--	--	-----------

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		411,904,499
--	--	-------------

Right-to-use assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		570,470
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Net position of governmental activities	\$	<u><u>431,265,458</u></u>
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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, 2022

	General	American Rescue Plan Act	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property tax	\$ 8,420,350	\$ -	\$ -	\$ 8,420,350
Sales and use tax	19,242,609	-	5,286,856	24,529,465
Utility users tax	4,784,200	-	-	4,784,200
Franchise tax	1,741,770	-	-	1,741,770
Transient occupancy tax	841,823	-	-	841,823
Licenses and permits	1,462,829	-	-	1,462,829
Vehicle license fees	68,820	-	-	68,820
Intergovernmental	521,761	2,870,401	9,831,723	13,223,885
Charges for services	7,180,566	-	66,552	7,247,118
Special assessments and fees	27,717	-	1,106,994	1,134,711
Fines and forfeitures	37,922	-	223,592	261,514
Investment earnings	(593,948)	(352,293)	(440,915)	(1,387,156)
Miscellaneous	342,987	-	2,273	345,260
Total revenues	<u>44,079,406</u>	<u>2,518,108</u>	<u>16,077,075</u>	<u>62,674,589</u>
EXPENDITURES				
Current:				
Community and economic development	1,009,330	-	686,524	1,695,854
General government	3,134,261	2,870,401	-	6,004,662
Parks and recreation	6,479,285	-	834,063	7,313,348
Public safety - fire	6,396,751	-	1,982,108	8,378,859
Public safety - police	13,340,455	-	2,201,311	15,541,766
Public works	3,081,628	-	1,531,637	4,613,265
Debt service:				
Principal	108,505	-	1,677,634	1,786,139
Interest and administrative charges	19,981	-	545,371	565,352
Refunding bonds issuance costs	-	-	654,869	654,869
Capital outlay	<u>1,326,527</u>	<u>-</u>	<u>2,777,158</u>	<u>4,103,685</u>
Total expenditures	<u>34,896,723</u>	<u>2,870,401</u>	<u>12,890,675</u>	<u>50,657,799</u>
Excess (deficiency) of revenues over expenditures	<u>9,182,683</u>	<u>(352,293)</u>	<u>3,186,400</u>	<u>12,016,790</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	12,867,020	-	6,133,316	19,000,336
Transfers out	(2,797,698)	-	(16,278,158)	(19,075,856)
Refunding bonds issued	-	-	18,854,315	18,854,315
Debt redemption - principal	-	-	(18,105,000)	(18,105,000)
Leases (as lessee)	37,215	-	-	37,215
Sale of capital assets	<u>54,634</u>	<u>-</u>	<u>-</u>	<u>54,634</u>
Total other financing sources and uses	<u>10,161,171</u>	<u>-</u>	<u>(9,395,527)</u>	<u>765,644</u>
Net change in fund balances	<u>19,343,854</u>	<u>(352,293)</u>	<u>(6,209,127)</u>	<u>12,782,434</u>
Fund balances - beginning	<u>26,866,610</u>	<u>64,359</u>	<u>41,906,862</u>	<u>68,837,831</u>
Fund balances - ending	<u>\$ 46,210,464</u>	<u>\$ (287,934)</u>	<u>\$ 35,697,735</u>	<u>\$ 81,620,265</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, 2022

Net change in fund balances --total governmental funds	\$ 12,782,434
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.	(1,029,312)
The net effect of various miscellaneous transactions involving capital assets is to decrease net position.	(47,192)
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.	1,446,903
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.	(83,528)
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.	6,100,198
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.	(385,621)
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.	(213,997)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	317,632
Change in net position of governmental activities	\$ <u><u>18,887,517</u></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, 2022

	Business-Type Activities						Governmental Activities
	Sewer Operations	Water Operations	Solid Waste Operations	Transit Operations	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
ASSETS							
Current assets:							
Cash and investments	\$ 16,923,651	\$ 27,674,109	\$ 6,511,493	\$ -	\$ 4,108,615	\$ 55,217,868	\$ 1,437,119
Restricted - customer deposits	-	200,009	14,404	-	-	214,413	-
Receivables-utility (net of allowance for uncollectibles)	1,159,093	2,687,088	1,064,025	-	-	4,910,206	-
Receivables-misc (net of allowance for uncollectibles)	211,985	36,874	171,656	169,656	200,367	790,538	210,481
Intergovernmental receivable	-	29,402	-	2,447,627	56,250	2,533,279	6,894
Lease receivable - current	177,234	-	-	-	117,237	294,471	-
Inventories	-	-	-	-	153,336	153,336	-
Prepays	-	-	-	-	-	-	106,913
Total current assets:	18,471,963	30,627,482	7,761,578	2,617,283	4,635,805	64,114,111	1,761,407
Noncurrent assets:							
Advances receivable	179,391	168,276	-	-	-	347,667	-
Notes receivable	-	1,947,817	-	-	-	1,947,817	-
Lease receivable - noncurrent	132,718	-	-	-	1,523,565	1,656,283	-
Capital assets:							
Land	3,443,689	4,841,955	-	352,599	1,125,413	9,763,656	-
Construction in progress	773,241	7,825,659	-	3,449,114	299,042	12,347,056	129,617
Buildings	1,715,971	296,688	-	2,757,699	751,097	5,521,455	-
Improvements other than buildings	-	-	-	3,513,979	10,356,386	13,870,365	-
Machinery and equipment	10,861,182	3,253,870	9,517,178	19,749,237	1,393,128	44,774,595	907,138
Infrastructure	-	-	-	1,970,729	-	1,970,729	-
Distribution and collection systems	54,837,528	47,413,582	-	-	-	102,251,110	-
Less accumulated depreciation	(33,332,605)	(26,012,515)	(7,270,570)	(13,971,588)	(7,389,268)	(87,976,546)	(812,648)
Restricted assets - investments	13,249,509	34,274,438	-	-	-	47,523,947	-
Total noncurrent assets:	51,860,624	74,009,770	2,246,608	17,821,769	8,059,363	153,998,134	224,107
Total assets	70,332,587	104,637,252	10,008,186	20,439,052	12,695,168	218,112,245	1,985,514
DEFERRED OUTFLOWS OF RESOURCES							
Deferred charge on refunding	686,998	-	-	-	-	686,998	-
Deferred pension-related items	106,998	158,194	213,384	23,611	38,071	540,258	85,773
Deferred OPEB-related items	10,404	12,028	24,180	1,341	4,521	52,474	8,528
Total deferred outflows of resources	804,400	170,222	237,564	24,952	42,592	1,279,730	94,301
LIABILITIES							
Current liabilities:							
Accounts and other payables	134,046	5,453,098	279,473	245,051	63,206	6,174,874	695,291
Payroll payable	43,700	80,654	77,631	7,494	20,250	229,729	39,574
Interfund payable	-	-	-	2,677,059	1,736,554	4,413,613	680,205
Retainage payable	17,652	648,844	-	-	-	666,496	-
Customer deposits payable - restricted	-	200,009	14,404	-	-	214,413	-
Unearned revenue	-	-	84,983	-	-	84,983	-
Accrued claims	-	-	-	-	-	-	1,499,439
Compensated absences payable	25,741	52,581	45,625	-	16,285	140,232	17,380
Accrued interest payable	364,975	543,869	-	-	-	908,844	-
Loans and bonds payable	1,328,177	771,219	-	-	-	2,099,396	-
Other postemployment benefits liability	11,920	25,591	32,403	1,703	5,677	77,294	10,274
Total current liabilities:	1,926,211	7,775,865	534,519	2,931,307	1,841,972	15,009,874	2,942,163
Noncurrent liabilities:							
Accrued claims	-	-	-	-	-	-	3,194,000
Compensated absences payable	3,099	19,690	13,115	-	4,910	40,814	9,599
Loans and bonds payable	31,919,792	39,847,610	-	-	-	71,767,402	-
Net pension liability	2,018,722	1,676,041	2,072,756	27,498	408,504	6,203,521	979,904
Other postemployment benefits liability	406,633	598,647	952,869	37,528	201,698	2,197,375	350,335
Total noncurrent liabilities:	34,348,246	42,141,988	3,038,740	65,026	615,112	80,209,112	4,533,838
Total liabilities	36,274,457	49,917,853	3,573,259	2,996,333	2,457,084	95,218,986	7,476,001
DEFERRED INFLOWS OF RESOURCES							
Deferred pension-related items	557,869	836,868	1,156,654	101,946	197,547	2,850,884	474,675
Deferred OPEB-related items	141,146	245,854	343,870	18,319	61,621	810,810	112,758
Lease-related items	233,240	-	-	-	1,633,905	1,867,145	-
Total deferred inflows of resources	932,255	1,082,722	1,500,524	120,265	1,893,073	5,528,839	587,433
NET POSITION							
Net investment in capital assets	19,140,923	25,553,694	2,246,608	17,821,769	6,535,798	71,298,792	224,107
Unrestricted	14,789,352	28,253,205	2,925,359	(474,363)	1,851,805	47,345,358	(6,207,726)
Total net position	\$ 33,930,275	\$ 53,806,899	\$ 5,171,967	\$ 17,347,406	\$ 8,387,603	118,644,150	\$ (5,983,619)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						(1,365,145)	
Net position of business-type activities						\$ 117,279,005	

City of Porterville
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2022

	Business-type Activities						Governmental Activities
	Sewer Operations	Water Operations	Solid Waste Operations	Transit Operations	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Operating revenues:							
Charges for services	\$ 7,064,514	\$ 13,378,342	\$ 6,624,148	\$ 387,832	\$ 2,082,255	\$ 29,537,091	\$ 11,282,006
Connection fees	970,740	38,639	-	-	-	1,009,379	-
Other revenues	364,095	55,218	24,356	18	234,684	678,371	125,744
Total operating revenues	8,399,349	13,472,199	6,648,504	387,850	2,316,939	31,224,841	11,407,750
Operating expenses:							
Cost of sales and services	3,064,226	3,492,068	5,481,668	3,159,348	1,775,301	16,972,611	11,251,296
General and administrative	1,493,155	3,261,866	787,630	871,145	343,190	6,756,986	296,229
Depreciation	1,588,879	1,238,246	514,729	2,599,321	430,768	6,371,943	26,320
Total operating expenses	6,146,260	7,992,180	6,784,027	6,629,814	2,549,259	30,101,540	11,573,845
Operating income (loss)	2,253,089	5,480,019	(135,523)	(6,241,964)	(232,320)	1,123,301	(166,095)
Nonoperating revenues (expenses):							
Intergovernmental revenues	-	-	-	118,306	-	118,306	-
Federal grants	-	-	-	3,054,237	32,154	3,086,391	-
State grants and reimbursements	-	-	19,360	42,628	10,000	71,988	-
Investment earnings	(492,371)	(536,131)	(174,188)	-	(41,659)	(1,244,349)	(70,104)
Interest expense	(1,593,439)	(1,061,560)	-	-	-	(2,654,999)	-
Loss on disposal of capital assets	(54,096)	-	-	-	-	(54,096)	-
Sale of capital assets	216,840	2,754	-	-	-	219,594	-
Total nonoperating revenues (expenses)	(1,923,066)	(1,594,937)	(154,828)	3,215,171	495	(457,165)	(70,104)
Income(loss) before contributions and transfers	330,023	3,885,082	(290,351)	(3,026,793)	(231,825)	666,136	(236,199)
Capital contributions and transfers:							
Capital contributions, developer fees	99,075	289,845	-	-	-	388,920	-
Capital contributions, federal and state grants	-	1,078,101	-	1,772,299	56,250	2,906,650	-
Capital contributions, other	-	1,947,817	-	491,122	-	2,438,939	-
Transfers in	1,999	1,865	-	-	85,389	89,253	-
Transfers out	-	-	-	-	-	-	(13,733)
Total capital contributions and transfers	101,074	3,317,628	-	2,263,421	141,639	5,823,762	(13,733)
Change in net position	431,097	7,202,710	(290,351)	(763,372)	(90,186)	6,489,898	(249,932)
Net position - beginning	33,499,178	46,604,189	5,462,318	18,110,778	8,477,789		(5,733,687)
Net position - ending	\$ 33,930,275	\$ 53,806,899	\$ 5,171,967	\$ 17,347,406	\$ 8,387,603		\$ (5,983,619)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						(35,935)	
Change in net position of business-type activities						\$ 6,453,963	

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, 2022

	Business-type Activities						Governmental Activities
	Sewer Operations	Water Operations	Solid Waste Operations	Transit Operations	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers	\$ 8,378,285	\$ 13,151,532	\$ 6,621,244	\$ 277,682	\$ 2,214,482	\$ 30,643,225	\$ 11,331,090
Receipts of customer deposits	-	21,625	46,584	-	-	68,209	-
Payments to employees	(1,274,038)	(1,792,891)	(1,946,755)	(171,025)	(438,979)	(5,623,688)	(1,041,644)
Payments to suppliers and others	(3,304,957)	(4,546,948)	(4,349,370)	(3,821,430)	(1,723,860)	(17,746,565)	(11,988,401)
Return of customer deposits	-	(173,693)	(44,325)	-	-	(218,018)	-
Net cash provided (used) by operating activities	<u>3,799,290</u>	<u>6,659,625</u>	<u>327,378</u>	<u>(3,714,773)</u>	<u>51,643</u>	<u>7,123,163</u>	<u>(1,698,955)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Receipts from interfund	-	-	-	(88,634)	151,714	63,080	680,205
Intergovernmental - operating assistance	-	-	-	56,667	-	56,667	(5,749)
Subsidy from federal and state grants	-	-	625,311	4,042,856	42,154	4,710,321	-
Transfers in from other funds	1,999	1,865	-	-	85,389	89,253	-
Transfers out to other funds	-	-	-	-	-	-	(13,733)
Net cash provided (used) by noncapital financing	<u>1,999</u>	<u>1,865</u>	<u>625,311</u>	<u>4,010,889</u>	<u>279,257</u>	<u>4,919,321</u>	<u>660,723</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Construction and other capital projects	(2,492,048)	(2,553,899)	-	(1,349,982)	(59,401)	(6,455,330)	-
Contributed capital, developer's fees	99,075	289,845	-	-	-	388,920	-
Contributed capital, other	-	-	-	192,898	-	192,898	-
Interest paid on long-term debt and advances	(1,296,980)	(1,497,051)	-	-	-	(2,794,031)	-
Lease of capital assets	(76,712)	-	-	-	(6,897)	(83,609)	-
Principal payments on long-term debt	(1,212,385)	(677,458)	-	-	-	(1,889,843)	-
Principal receipts on notes receivable	87,119	80,397	-	-	331,466	498,982	-
Purchase of capital assets	(263,694)	(3,535,129)	(20,921)	(298,224)	(33,382)	(4,151,350)	-
Sale of capital assets	146,593	-	-	-	-	146,593	-
Subsidy from federal and state grants	-	2,198,379	-	1,159,192	27,652	3,385,223	-
Net cash provided (used) by capital and related financing activities	<u>(5,009,032)</u>	<u>(5,694,916)</u>	<u>(20,921)</u>	<u>(296,116)</u>	<u>259,438</u>	<u>(10,761,547)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest on investments	(492,371)	(536,131)	(174,188)	-	(57,013)	(1,259,703)	(70,104)
Net cash provided by investing activities	<u>(492,371)</u>	<u>(536,131)</u>	<u>(174,188)</u>	<u>-</u>	<u>(57,013)</u>	<u>(1,259,703)</u>	<u>(70,104)</u>
Net Increase (decrease) in cash and cash equivalents	(1,700,114)	430,443	757,580	-	533,325	21,234	(1,108,336)
Balances - beginning 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>
Balances - end of the year	<u>\$ 30,173,160</u>	<u>\$ 62,148,556</u>	<u>\$ 6,525,897</u>	<u>\$ -</u>	<u>\$ 4,108,615</u>	<u>\$ 102,956,228</u>	<u>\$ 1,437,119</u>
As shown on the proprietary statement of net position:							
Cash and investments	\$ 16,923,651	\$ 27,674,109	\$ 6,511,493	\$ -	\$ 4,108,615	\$ 55,217,868	\$ 1,437,119
Restricted assets - customer deposits	-	200,009	14,404	-	-	214,413	-
Restricted assets - investments	13,249,509	34,274,438	-	-	-	47,523,947	-
Balances - end of year	<u>\$ 30,173,160</u>	<u>\$ 62,148,556</u>	<u>\$ 6,525,897</u>	<u>\$ -</u>	<u>\$ 4,108,615</u>	<u>\$ 102,956,228</u>	<u>\$ 1,437,119</u>

	Business-type Activities						Governmental
	Sewer Operations	Water Operations	Solid Waste Operations	Transit Operations	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$ 2,253,089	\$ 5,480,019	\$ (135,523)	\$ (6,241,964)	\$ (232,320)	\$ 1,123,301	\$ (166,095)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation	1,588,879	1,238,246	514,729	2,599,321	430,768	6,371,943	26,320
Changes in assets and liabilities:							
Accounts payable	51,403	470,233	68,285	47,537	(754)	636,704	181,793
Accrued claims payable	-	-	-	-	-	-	(1,498,262)
Compensated absences	(11,377)	8,227	1,460	-	1,836	146	(9,410)
Customer deposits payable	-	(152,068)	2,259	-	-	(149,809)	-
Customer receivable	(21,064)	(320,667)	(27,260)	(110,168)	(102,457)	(581,616)	(76,660)
Inventory	-	-	-	-	(31,131)	(31,131)	-
Prepaid expense	-	-	-	-	-	-	(106,913)
Net pension liability	(795,752)	(1,186,017)	(1,621,732)	(158,912)	(282,386)	(4,044,799)	(659,567)
Deferred outflow - pension-related items	201,560	293,104	384,082	53,056	72,098	1,003,900	150,447
Deferred inflow - pension-related items	521,456	783,610	1,086,147	92,898	184,546	2,668,657	446,798
Other postemployment benefits liability	(19,627)	(42,137)	(53,354)	(2,804)	(9,347)	(127,269)	(16,917)
Deferred outflow - OPEB-related items	3,008	6,458	8,177	430	1,432	19,505	2,592
Deferred inflow - OPEB-related items	35,261	75,700	95,851	5,037	16,791	228,640	30,392
Salaries and benefits payable	(7,546)	4,917	4,257	796	2,567	4,991	(3,473)
Net cash provided (used) by operating activities	<u>\$ 3,799,290</u>	<u>\$ 6,659,625</u>	<u>\$ 327,378</u>	<u>\$ (3,714,773)</u>	<u>\$ 51,643</u>	<u>\$ 7,123,163</u>	<u>\$ (1,698,955)</u>
Schedule of non-cash capital and related financing activities							
Contributions of capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acquisition of capital assets on account	\$ -	\$ 5,072,308	\$ -	\$ -	\$ -	\$ 5,072,308	\$ -
Unrealized decrease in fair market value of investments	\$ (545,117)	\$ (639,080)	\$ (191,338)	\$ -	\$ (128,504)	\$ (1,504,039)	\$ (55,015)

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, 2022

	Private- purpose Trust Fund	Custodial Fund
ASSETS		
Cash and investments	\$ 325,631	\$ 171,198
Receivables - housing (net)	172,368	-
Notes receivable	930,000	-
Interest receivable	339,914	
Restricted cash - bond proceeds	207	-
Total assets	<u>1,768,120</u>	<u>171,198</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	365,425	-
Total deferred outflows of resources	<u>365,425</u>	<u>-</u>
LIABILITIES		
Due to other governments	-	65,856
Payroll payable	390	-
Accrued interest payable	20,552	-
Bonds payable	6,105,000	-
Total liabilities	<u>6,125,942</u>	<u>65,856</u>
NET POSITION		
Restricted for:		
Individuals, organizations and other governments	<u>(3,992,397)</u>	<u>105,342</u>
Total net position	<u>\$ (3,992,397)</u>	<u>\$ 105,342</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, 2022

	<u>Private-purpose Trust Fund</u>	<u>Custodial Fund</u>
ADDITIONS		
Contributions:		
Property taxes	\$ 524,408	\$ -
Asset seizures - individuals	-	31,595
School impact fees	-	1,397,614
Investment earnings:		
Interest	<u>31,656</u>	<u>-</u>
Total additions	<u>556,064</u>	<u>1,429,209</u>
DEDUCTIONS		
Administrative expenses	52,793	-
Debt redemption, interest	275,946	-
Return of seized funds	-	36,357
School impact fees	<u>-</u>	<u>1,397,614</u>
Total deductions	<u>328,739</u>	<u>1,433,971</u>
Change in net position	<u>227,325</u>	<u>(4,762)</u>
Net position - beginning	<u>(4,219,722)</u>	<u>110,104</u>
Net position - ending	<u><u>\$ (3,992,397)</u></u>	<u><u>\$ 105,342</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, 2022

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

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

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

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 *American Rescue Plan Act fund* is a special revenue fund established to account for monies received from the United States Department of the Treasury Coronavirus State and Local Fiscal Recovery Fund (CSLRF) established under the American Rescue Plan Act (ARPA). The funds are intended to provide significant resources to respond to the COVID-19 public health emergency and its

economic impacts. The covered period is March 3, 2021 through December 31, 2024. Costs can be incurred or obligated by December 31, 2024 but must be expended by December 31, 2026.

The 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 on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, and claims and judgments, post-employment benefits are recognized late based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the City the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through 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 60 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 appropriation

Expenditures in the American Rescue Plan Act Fund exceeded appropriations for the year by \$2,870,401. Grant funds received from the Coronavirus State and Local Fiscal Recovery Funds were the funding source for the expenditures incurred during the year.

In the Community Development Block Grant Fund, expenditures for the fiscal year exceeded appropriations by \$139,539, primarily from consultant fees incurred by the City for the preparation of pre-approved architectural plans for residential accessory dwelling units and multi-family developments. These plans are funded by a grant from the State of California Department of Housing and Community Development.

Expenditures in the Landscape and Maintenance District Fund exceeded appropriations for the year by \$1,862. Revenue from the annual assessments was sufficient to cover the additional expenditures.

In the Debt Service Fund, expenditures exceeded appropriations by \$677,911 at the end of the fiscal year. This is due to the issuance costs from the refinancing of the 2015 Refinancing Project Certificate of Participation which lowered the interest rate of the bonds. The issuance costs were paid out of the proceeds from the refunding.

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.

As the City constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost (except for intangible right-to-use assets, the measurement of which is discussed in Note E9 below). 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, the right-to-use 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
Right-to-use 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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. The City reports three items under this category. The deferred charge on refunding reported in the government-wide statement of net position results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to pension and OPEB result from differences between estimated and actual investment earnings, changes in actuarial assumptions and other pension and OPEB related charges.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources, represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports three items under this category. Unavailable revenue is reported only in the

governmental funds balance sheet. The City reports *unavailable revenue* from federal and state grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide financial statements, the City reports deferred amounts related to leases and deferred amounts related to pension and OPEB.

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. 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.

9. Leases

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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 general governmental purposes of the City, with any transactions and use tax revenue received to be placed into the City's general fund. The City adopted Ordinance No. 1850 adding Article IIB to Title 22 of the Porterville Municipal Code on December 10, 2018. The new tax became effective on April 1, 2019.

6. 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 June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to improve the accounting and financial reporting for leases by governments. GASB Statement No. 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The City of Porterville implemented this Statement for the year ended June 30, 2022.

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 \$53,261,159 difference are as follows:

Bonds payable	\$ 17,722,681
Less: Deferred charge on refunding (to be amortized as interest expense)	(1,184,228)
Notes payable	276,000
Lease payable	582,318
Accrued interest payable	44,165
Net pension liability	26,743,246
Net other postemployment benefits obligation	7,841,586
Compensated absences	<u>1,235,391</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ 53,261,159</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 \$4,618,474 difference are as follows:

Net position of the internal service funds	\$ (5,983,619)
Add: Internal receivable representing costs in excess of charges to business-type activities – prior years	1,329,210
Add: Internal receivable representing costs in excess of charges to business-type activities – current year	<u>35,935</u>
Net adjustment to decrease <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	\$ <u>(4,618,474)</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 \$411,904,499 difference are as follows:

Land	\$ 274,532,652
Construction in progress	12,226,002
Works of art and collection	50,450
Buildings	22,053,381
Less: Accumulated depreciation – buildings	(8,296,579)
Improvements other than buildings	12,338,931
Less: Accumulated depreciation – improvements other than buildings	(4,720,700)
Machinery and equipment	17,770,220
Less: Accumulated depreciation – machinery and equipment	(10,334,795)
Infrastructure	143,276,692
Less: Accumulated depreciation - infrastructure	(46,991,755)
Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	\$ <u>411,904,499</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 \$1,029,312 difference are as follows:

Capital outlay	\$ 4,103,685
Depreciation expense	(5,132,997)
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>(1,029,312)</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 \$1,446,903 difference are as follows:

Principal repayments:	
Certificates of participation	\$ 19,236,634
Notes payable	546,000
Lease payable	108,505
Debt issued or incurred:	
Certificates of participation issued	(18,854,315)
Deferred charge on refunding – 2021 refinancing	1,332,257
Deferred charge on refunding – 2015 refinancing	(1,436,083)
Retirement of premium on 2015 refinancing bonds	551,120
Leases	(37,215)
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>1,446,903</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 \$83,528 difference are as follows:

Compensated absences	\$ 41,899
Accrued interest	22,602
Amortization of deferred charge on refunding	(148,029)
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>(83,528)</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 \$213,997 difference are as follows:

Change in net position of the internal service funds	\$ (249,932)
Profit from charges to business-type activities	35,935
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>(213,997)</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 \$1,365,145 difference are as follows:

Internal payable representing costs in excess of charges to business-type activities – prior years	\$ (1,329,210)
Internal payable representing charges in excess of costs to business-type activities – current year	<u>(35,935)</u>
Net adjustment to decrease <i>net position total enterprise funds</i> to arrive at <i>net position – business-type activities</i>	\$ <u>(1,365,145)</u>

NOTE 3 - Stewardship, compliance, and accountability

A. Deficit fund equity

At June 30, 2022, the American Rescue Plan Act, a major governmental fund, has a deficit net position of \$287,934. This deficit is the result of the unrealized decrease in the fair market value of investments.

The Capital Projects Fund, a nonmajor governmental fund, has a deficit net position of \$429,814 at June 30, 2022. This deficit is a temporary condition as grant funds are still expected to be paid and received in the next fiscal year.

At June 30, 2022, the Golf Course Fund, a nonmajor enterprise fund, has a deficit net position of \$1,888,562. 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, 2022 amounting to \$5,985,323. This is primarily due to the amount of estimated outstanding workers' compensation claims which totals \$4,052,000 and the estimated accrued medical claims of \$641,439 at the end of the fiscal year. This includes projected case reserves and an amount estimated for incurred but not reported liabilities.

At the end of the fiscal year, the Private-purpose Trust Fund reports a deficit net position of \$3,992,397, arising essentially from the amount of tax allocation refunding bonds that remain outstanding at June 30, 2022.

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, 2022 are classified in the accompanying financial statements as follows:

Statement of net position:		
Cash and investments	\$	113,032,587
Cash and investments - restricted		65,580,356
Fiduciary funds:		
Cash and investments		496,829
Cash and investments – restricted		<u>207</u>
Total cash and investments	\$	<u>179,109,979</u>

Cash and investments as of June 30, 2022, consist of the following:

Cash on hand	\$	3,285
Deposits with financial institution		1,929,164
Outstanding items		(2,038,519)
Investments		179,216,049
Total cash and investments	\$	<u>179,109,979</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 \$1,929,164 and cash on hand was \$3,285 and \$1,985,762 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, 2022, 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, 2022:

Investment Pool	Fair Value	Interest Rates	Maturities	Weighted Average Maturity
Federal agency securities	\$ 35,640,054	0.58%-4.0%	12/23-6/27	1,485 days
Corporate bonds	14,373,573	1.0%-4.0%	9/22-9/26	895 days
Negotiable certificates of deposit	10,973,901	1.1%-3.55%	7/22-6/27	747 days
Certificates of deposit	9,776,558	0.8%-3.5%	7/22-6/27	646 days
Money market funds	51,048	variable	On demand	0
Capital stock	286,500	--	--	--
Local Agency Investment Fund	43,099,951	variable	On demand	0
Tulare County Investment Pool	9,363,384	variable	On demand	0
CSJVRMA JPA Investment Pool	7,101,745	variable	On demand	0
	<u>130,666,714</u>			
<u>Investments outside investment pool</u>				
Money market funds	<u>48,549,335</u>			
Total investments	\$ <u>179,216,049</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, 2022, 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)
Investments by fair value level				
Federal agency securities	\$ 35,640,054	-	\$35,640,054	-
Corporate bonds	14,373,573	-	14,373,573	-
Negotiable certificates of deposit	10,973,901	-	10,973,901	-
Total investments measured at fair value	\$ 60,987,528	\$ -	\$60,987,528	\$ -
Investments not measured at fair value				
Certificates of deposit	\$ 9,776,558			
Money market mutual funds	48,600,383			
Capital stock	286,500			
Local Agency Investment Fund	43,099,951			
Tulare County Investment Pool	9,363,384			
CSJVRMA JPA Investment Pool	7,101,745			
Total investments	\$179,216,049			

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:

		Remaining maturity (in months)		
Investment type		12 months or less	13-24 months	25-60 months
Federal agency securities	\$ 35,640,054	\$ --	\$ 1,000,750	\$ 34,639,304
Corporate bonds	14,373,573	4,003,680	1,989,480	8,380,413
Negotiable certificates of deposit	10,973,901	4,711,795	2,231,699	4,030,407
Certificates of deposit	9,776,558	3,493,083	2,763,525	3,519,950
Money market funds	51,048	51,048	--	--
Capital stock	286,500	286,500	--	--
Local Agency Investment Fund	43,099,951	43,099,951	--	--
Tulare County Investment Pool	9,363,384	9,363,384	--	--
CSJVRMA JPA Investment Pool	7,101,745	7,101,745	--	--
Held by bond trustees:				
Money market funds	48,549,335	48,549,335	--	--
Total	\$ 179,216,049	\$ 120,660,521	\$ 7,985,454	\$ 50,570,074

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, 2022. 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, 2022:

		Moody's	Standard & Poor's	Fitch Ratings	Percentage of Total Investments
Federal Home Loan Banks	\$ 31,626,044	Aaa	AA+	AAA	17.65%
Federal Farm Credit Banks	2,821,340	Aaa	AA+	AAA	1.57%
Federal Home Loan Mortgage Corp	1,192,670	Aaa	AA+	AAA	0.67%
Corporate bonds	999,950	Aa2	AA	AA-	0.56%
Corporate bonds	1,854,611	A2	A+	AA-	1.03%
Corporate bonds	916,030	A2	BBB+	A+	0.51%
Corporate bonds	990,170	A1	A	A+	0.55%
Corporate bonds	999,620	A1	A+	A+	0.56%
Corporate bonds	999,770	Aaa	AA+	--	0.56%
Corporate bonds	1,004,340	A1	A	AA-	0.56%
Corporate bonds	999,310	A1	AA-	AA-	0.56%
Corporate bonds	1,847,332	A1	A	AA-	1.03%
Corporate bonds	948,260	A2	A-	AA-	0.53%
Corporate bonds	1,825,990	A3	BBB+	A	1.02%
Corporate bonds	988,190	A2	A-	AA	0.55%
Negotiable certificates of deposit	10,973,901	N/R	N/R	N/R	6.12%
Certificates of deposit	9,776,558	N/R	N/R	N/R	5.46%
Money market funds	48,600,383	N/R	N/R	N/R	27.12%
Capital stock	286,500	N/R	N/R	N/R	0.16%
Local Agency Investment Fund	43,099,951	N/R	N/R	N/R	24.05%
Tulare County Investment Pool	9,363,384	N/R	N/R	N/R	5.22%
CSJVRMA JPA Investment Pool	7,101,745	N/R	N/R	N/R	3.96%
Total Investments	\$ 179,216,049				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, 2022, 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	\$ 31,626,044

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, 2022, 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	\$ 35,640,054
Corporate bonds	\$ 14,373,573
Negotiable certificates of deposit	\$ 10,973,901

B. Receivables

Amounts other than lease receivable is aggregated into a single accounts receivable (net of allowance for doubtful accounts) line for certain funds and aggregated columns. Receivables as of June 30, 2022, 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	Sewer Operations	Water Operations	Solid Waste Operations
Receivables:				
Interest	\$ 361,606	\$ 55	\$ 141	\$ --
Taxes	4,143,961	5,230	--	--
Other accounts receivable	1,344,228	1,401,641	2,797,635	1,268,589
Intergovernmental – restricted	166,306	--	29,402	--
Gross receivables	6,016,101	1,406,926	2,827,178	1,268,589
Less: allowance for doubtful accounts	--	(35,848)	(73,814)	(32,908)
Net total receivables	<u>\$ 6,016,101</u>	<u>\$ 1,371,078</u>	<u>\$ 2,753,364</u>	<u>\$ 1,235,681</u>

	Transit Operations	Nonmajor and Other Funds	Total
Receivables:			
Interest	\$ --	\$ 442,523	\$ 804,325
Taxes	--	1,523,737	5,672,928
Other accounts receivable	169,656	9,269,358	16,251,107
Intergovernmental - restricted	2,447,627	4,768,850	7,412,185
Gross receivables	2,617,283	16,004,468	30,140,545
Less: allowance for doubtful accounts	--	--	(142,570)
Net total receivables	<u>\$ 2,617,283</u>	<u>\$ 16,004,468</u>	<u>\$ 29,997,975</u>

C. Lease receivable

Pursuant to GASB 87, the City reports lease receivable of \$2,483,768 at June 30, 2022. Lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term. Deferred inflow of resources associated with the leases will be recognized a revenue over the lease term.

New Cingular Wireless PCS, LLC – On May 1, 2014, the City entered into a lease agreement with New Cingular Wireless PCS, LLC for the use of 154 square feet of property located at 40 West Cleveland Avenue, for the placement of a communication facility. The initial lease term was 5 years with five automatic renewals of additional 4-year terms. The monthly rent increases by 12 percent over the rent paid during the previous 4-year term. The City recognized lease revenue of \$14,462 and interest revenue of \$9,623 during the fiscal year. As of June 30, 2022, the City's receivable for lease payments was \$251,557 and the balance of deferred inflow of resources associated with this lease was \$243,600.

Fresno MSA Limited Partnership d/b/a Verizon Wireless (Verizon Wireless) – On May 1, 2008, the City entered into a land lease agreement with Verizon Wireless for a portion of property located at 500 Newcomb Street, for the installation and maintenance of a communication facility. The initial lease term was for 5 years and automatically extends for four additional 5-year terms. The monthly rent increase by 10 percent over the rent paid during the previous 5-year term. The City recognized lease revenue of \$22,567 and interest revenue of \$10,082 during the fiscal year. Lease receivable as of June 30, 2022 was \$258,890 and deferred inflow of resources was \$251,725.

OACYS Technology – On December 7, 2021, the City entered into a conduit lease agreement with OACYS Technology to use the City-owned conduit for the provision of fiber optic cabling alongside the City's fiber cabling system. The term of the lease is 20 years. Under the lease, the lessee will initially use 1,240 feet of conduit at \$1.25 per linear foot per year or \$1,550. The rate will adjust at the beginning of each 5-year anniversary by the greater of 10 percent or the percentage increase in the Consumer Price Index (CPI) within the applicable 5-year measuring period. In fiscal year 2021-2022, the City recognized lease revenue of \$671 and interest revenue of \$311. Lease receivable as of June 30, 2022 was \$22,567 and deferred inflow of resources was \$23,134.

Perigo Roadsiding – On November 1, 2019, the City entered into a lease agreement with Pergo Roadsiding allowing the lessee to farm several parcels (reclamation property) owned by the City for the specific purpose of dispersing effluent from the City wastewater operations to irrigate crops not used for human consumption. The lease term ends on October 31, 2024. The initial lease is for 682.4 acres at an annual rent of \$165 per acre. The total acreage of the reclamation property was reduced to 617.15 on February 15, 2022. In fiscal year 2021-22, the City recognized lease revenue of \$99,687 and interest revenue of \$8,515. As of June 30, 2022, the City's receivable for lease payments was \$309,952 and the balance of deferred inflow of resources was \$233,240.

Southern California Edison Company – On August 30, 2010, the City entered into a solar farm lease with Southern California Edison Company for the use of approximately 33 acres of unimproved land for the development, construction and operation of solar photovoltaic facilities. The initial term of the lease is for a period of 21 years with the option to extend the term of the lease for a period of 5 years. The initial rent was \$2,400 per acre per year which is adjusted annually by the percentage increase in the CPI. The City recognized lease revenue of \$70,927 and interest revenue of \$32,282 during the fiscal year. As of June 30, 2022 the balance of receivable for lease payments was \$1,013,671 and deferred inflow of resources associated with this lease was \$1,005,409.

Airway Café – On March 21, 2017, the City entered into an operating and lease agreement with Debie Lowe for the use of facilities at the Porterville Municipal Airport for the purpose of operating a public restaurant. The term of the agreement was 5 years with an option to extend the terms for additional 5-year periods. The monthly rent is adjusted annually on the first of each calendar year by the annual percentage increase or decrease in the CPI. The City recognized lease revenue of \$13,323 and interest revenue of \$2,288 during the fiscal year. Lease receivable as of June 30, 2022 was \$64,230 and deferred inflow of resources was \$63,331.

Skydive Elsinore LLC – On April 7, 2020, the City entered into a lease agreement with Skydive Elsinore LLC to use a portion of unimproved airport property for a skydive landing zone. The term of the agreement is 5 years with the option to renew the agreement for two additional 5-year periods. The initial rental rate was \$35 per acre per year for approximately 179 acres of land area. The rate is adjusted annually on the first of January by the annual percentage increase or decrease in the CPI. The City recognized lease revenue of \$4,832 and interest revenue of \$2,438 during the year. As of June 30, 2022, receivable for lease payments was \$62,595 and deferred inflow of resources was \$61,647.

Various Airport Land Leases – The City has engaged in several land leasing arrangements at the Porterville Municipal Airport allowing the use of airport property mainly for the purpose of operating aircraft hangars to be used for the parking and storage of aircraft and other incidental activities or for the operation of aeronautical-related facilities and services. The terms of the leases range from 5 to 20 years with the rental rates adjusted annually by the percentage increase or decrease in the CPI. The total lease receivable for the airport land leases at June 30, 2022 was \$500,306 and deferred inflow of resources was \$503,518.

D. Notes receivable

On March 1, 2007, the City accepted a promissory note from Porterville Pacific Associates which evidenced an obligation to pay the City the principal amount of \$975,000 for funds loaned to finance the leasing and development

of Porterville Sequoia Village at Rivers Edge. The loan was funded by Home Investment Partnerships Program funds. The note bears a simple interest rate of 3 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, 2022, the principal balance of the note is \$975,000 with interest accrued in the amount of \$427,169.

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, 2022, the outstanding loan balance is \$650,240.

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 60th month, when the final balloon payment of \$311,764 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. In February 2022, the City received the final balloon payment of \$311,764 from GreenPower Motor Company, Inc.

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, 1/10th of the loan shall be forgiven and after the completion of 10 years of employment, the loan plus all accrued interest shall be deemed satisfied and paid in full. As of June 30, 2022, there were eight PPOA employees who have taken advantage of the program. A total of \$7,000 had been written off during the year and the total amount outstanding at June 30, 2022 is \$36,164.

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, 2022, the outstanding loan balance is \$2,778,511 which includes accrued interest added to the principal.

On August 31, 2021, the City entered into a Development and Reimbursement Agreement with the Porterville Area Development Authority and the Tule River Tribe for the development of a wastewater and recycled water system facilities and improvements to mitigate the impacts of the Tribe's casino-resort project near the Porterville Municipal Airport and within the boundaries of the City. The City had issued the 2021 Water System Financing Project certificates of participation for the purpose of financing the acquisition and construction of a tertiary wastewater system facility, wastewater and storm drain retention basin improvements. The parties agree that 2/3 of the total actual cost of the improvements shall be the responsibility of the City and 1/3 shall be the responsibility of the Tribe. As of June 30, 2022, the City has recorded a receivable from the Tribe in the amount of \$1,947,817 equivalent to 1/3 of the actual costs expended on the construction of the tertiary wastewater system facility.

E. Capital assets

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

	Beginning Balance	Increases*	Decreases	Ending Balance
Governmental activities:				
<u>Capital assets, not being depreciated:</u>				
Land	\$ 274,460,627	\$ 72,025	\$ --	\$ 274,532,652
Construction in progress	11,097,357	1,977,255	(315,531)	12,759,081
Works of art and collections	50,450	--	--	50,450
Total capital assets, not being depreciated	285,608,434	2,049,280	(315,531)	287,342,183
<u>Capital assets, being depreciated:</u>				
Buildings	21,838,726	214,655	--	22,053,381
Improvements other than buildings	12,333,835	5,096	--	12,338,931
Machinery and equipment	17,523,999	1,823,502	(670,143)	18,677,358
Right-to-use building	--	643,828	--	643,828
Right-to-use equipment	--	46,995	--	46,995
Infrastructure	143,008,353	268,339	--	143,276,692
Total capital assets, being depreciated	194,704,913	3,002,415	(670,143)	197,037,185
Less accumulated depreciation for:				
Buildings	(7,837,656)	(458,923)	--	(8,296,579)
Improvements other than buildings	(4,321,192)	(399,508)	--	(4,720,700)
Machinery and equipment	(10,477,154)	(1,340,432)	670,143	(11,147,443)
Right-to-use building	--	(111,903)	--	(111,903)
Right-to-use equipment	--	(8,450)	--	(8,450)
Infrastructure	(44,151,654)	(2,840,101)	--	(46,991,755)
Total accumulated depreciation	(66,787,656)	(5,159,317)	670,143	(71,276,830)
Total capital assets, being depreciated, net\$	127,917,257	(2,156,902)	--	125,760,355
Governmental activities capital assets, net	413,525,691	\$ (107,622)	\$ (315,531)	\$ 413,102,538

*Includes the impact of implementing GASB 87.

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

Governmental activities:	
Community and economic development	\$ 47,858
General government	360,714
Parks and recreation	652,926
Public safety – fire	311,239
Public safety – police	575,802
Public works	3,184,458
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	26,320
Total depreciation expense - governmental activities	\$ 5,159,317

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
<u>Capital assets, not being depreciated:</u>				
Land	\$ 6,680,664	\$ 3,082,992	\$ --	\$ 9,763,656
Construction in progress	6,922,343	8,296,278	(2,871,565)	12,347,056
Total capital assets, not being depreciated	13,603,007	11,379,270	(2,871,565)	22,110,712
<u>Capital assets, being depreciated:</u>				
Buildings	5,521,455	--	--	5,521,455
Improvements other than buildings	13,862,204	8,161	--	13,870,365
Machinery and equipment	44,103,472	1,068,359	(397,235)	44,774,596
Distribution and collection systems	96,813,257	5,472,839	(34,987)	102,251,109
Infrastructure	1,307,602	663,127	--	1,970,729
Total capital assets, being depreciated	161,607,990	7,212,486	(432,222)	168,388,254
<u>Less accumulated depreciation for:</u>				
Buildings	(2,783,535)	(109,531)	--	(2,893,066)
Improvements other than buildings	(6,292,270)	(452,897)	--	(6,745,167)
Machinery and equipment	(23,135,795)	(3,645,434)	351,011	(26,430,218)
Distribution and collection systems	(49,073,141)	(2,086,361)	27,115	(51,132,387)
Infrastructure	(697,988)	(77,720)	--	(775,708)
Total accumulated depreciation	(81,982,729)	(6,371,943)	378,126	(87,976,546)
Total capital assets, being depreciated, net	79,625,261	840,543	(54,096)	80,411,708
Business-type activities capital assets, net	\$ 93,228,268	\$ 12,219,813	\$ (2,925,661)	\$ 102,522,420

F. Interfund and advances receivable/payable, and transfers

The composition of interfund balances as of June 30, 2022, is as follows:

Interfund receivable/payable

Receivable Fund	Payable Fund	Amount	Purpose
General fund	Nonmajor enterprise fund	\$ 1,736,554	Temporary operating loan
General fund	Internal service fund	680,205	Temporary operating loan
Nonmajor governmental funds	Transit operations fund	2,677,059	Temporary operating loan
Total		\$ 5,093,818	

Advances receivable/payable

Receivable Fund	Payable Fund	Amount	Purpose
Sewer operations	General fund	\$ 179,391	Certificate forward purchase proceeds dedicated for sports park
Water operations	General fund	168,276	Certificate forward purchase proceeds dedicated for sports park
Total		<u>\$ 347,667</u>	

Interfund transfers

	Transfers In						
Transfers Out	General Fund	Nonmajor Governmental Funds	Sewer	Water	Nonmajor Enterprise Funds	Total	
General fund	\$ --	\$ 2,714,834	\$ 1,999	\$ 1,865	\$ 79,000	\$ 2,797,698	
Nonmajor governmental funds	12,867,020	3,404,749	--	--	6,389	16,278,158	
Internal service funds	--	13,733	--	--	--	13,733	
Total	\$ 12,867,020	\$ 6,133,316	\$ 1,999	\$ 1,865	\$ 85,389	\$ 19,089,589	

Transfers are used to move revenues from the funds with collection authorization to the capital projects fund to finance various capital outlays including several construction projects. Resources were also moved to the debt service fund as debt service principal and interest payments become due. The general fund received an infusion of funds from non-major funds to help pay for debt service. The beginning fund balance of the Measure I sales tax fund was transferred and consolidated with the general fund during the year. The golf course and the Zalud enterprise funds received general fund resources to aid in the operations of the funds.

G. Lease liabilities

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

On September 14, 2017, the City entered into a non-cancelable agreement with C.A. Reding Company Inc. to lease a wide format color digital imaging system for a term of 60 months. An initial lease liability and intangible right-to-use asset was recorded in the amount of \$9,780. As of June 30, 2022, the balance of the lease liability was \$5,496. The City is required to make monthly principal and interest payments of \$374. The City used its estimated incremental borrowing rate of 2.80%. The value of the right-to-use asset as of June 20, 2022 was \$5,345, which is net of the accumulated amortization of \$4,435.

On December 1, 2020, the City entered into an agreement with 50 West Olive LLC to lease approximately 8,057 square feet of retail space situated in a shopping center at 50 West Olive, Suite B as the site of the temporary public library. The term of the lease is three years commencing 60 days after delivery of the premises, on April 1, 2021. The City is required to make monthly principal and interest payments of \$10,000. The City used its estimated incremental borrowing rate of 3.6%. The agreement includes an option to extend the term for a maximum of 3 successive 1-year periods with the monthly principal and interest payments increasing to \$10,600 per month. An initial lease liability and intangible right-to-use asset in the amount of \$643,828. As of June 30, 2022, the balance

of the lease liability was \$543,106 and the value of the right-to-use asset was \$531,925 which is net of the accumulated amortization of \$111,903.

On October 28, 2021, the City entered into a lease agreement with Pitney Bowes for the use of a mailing system equipment. The term of the lease is 60 months commencing on December 16, 2021. The City is required to make quarterly principal and interest payments in the amount of is \$1,999. As of June 30, 2022, the balance of the lease liability was \$33,716 and the value of the right-to-use asset was \$33,200, which is net of accumulated amortization of \$4,015.

The future principal and interest lease payments as of June 30, 2022, are as follows:

Fiscal Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2023	\$ 113,938	\$ 18,543	\$ 132,481
2024	116,304	14,601	130,905
2025	124,841	10,354	135,195
2026	129,275	5,921	135,196
2027	97,960	1,440	99,400
	<u>\$ 582,318</u>	<u>\$ 50,859</u>	<u>\$ 633,177</u>

H. Long-term debt

Certificates of Participation

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

2021 Refinancing Project

On July 15, 2021, the City issued the 2021 Refinancing Project Certificates of Participation in an aggregate principal amount of \$18,854,315, through a private placement with Capital One Public Funding, LLC, acting solely as the lender extending credit to the City evidenced by the Certificates. Proceeds from the Certificates were used to redeem the 2015 Refinancing Project Certificates, which was owned by Capital One Public Funding, LLC. The refinancing lowered the interest rate from 3.85 percent per annum to 2.70 percent per annum, with the final maturity remaining the same, on June 1, 2035. Net proceeds of \$18,552,294 were immediately transferred to Capital One Public Funding, LLC to redeem the 2015 Certificates which included the outstanding principal amount of \$18,105,000 plus a 2 percent redemption premium of \$362,100 plus accrued interest of \$85,194. As a result, the 2015 Certificates are considered defeased and the liability had been removed from the City's financial statements. The reacquisition price exceeded the net carrying amount of the old debt by \$1,332,258. This amount is being reported as a deferred outflow of resources and amortized over the remaining life of the refunded debt. The difference between the cash flows required to service the old debt of \$23,613,484 and the cash flows required to service the new debt of \$22,708,218 is \$905,266. This refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$744,209.

The principal amount of the 2021 Refinancing Project Certificates of Participation outstanding at June 30, 2022 is \$17,722,681.

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, 2022, the outstanding principal amount of the 2019 Sewer Revenue Financing Project Certificates of Participation is \$11,665,000.

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 at June 30, 2022 is \$29,300,000.

Debt service requirements on Certificates of Participation are as follows:

Fiscal Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 1,125,554	\$ 470,915	\$ 745,000	\$ 1,669,400
2024	1,186,508	440,113	775,000	1,639,000
2025	1,221,817	407,839	810,000	1,604,500
2026	1,256,245	374,618	845,000	1,565,675
2027	1,284,927	340,506	890,000	1,524,950
2028 – 2032	6,984,341	1,158,135	5,120,000	6,944,625
2033 – 2037	4,663,289	222,568	6,325,000	5,743,900
2038 – 2042	--	--	7,720,000	4,343,600
2043 – 2047	--	--	9,425,000	2,634,100
2048 – 2051	--	--	8,310,000	640,600
Total	<u>\$ 17,722,681</u>	<u>\$ 3,414,694</u>	<u>\$ 40,965,000</u>	<u>\$ 28,310,350</u>

Notes payable

On October 1, 2003, the City of Porterville was awarded \$3,885,000 under the U.S. Department of Housing and Urban Development's (HUD) Section 108 Loan Guarantee Program to fund the construction of a new neighborhood community center. Annual debt service payments began on February 1, 2005. Repayment will be made over a 20-year term with interest rates ranging from 2.42 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 a result of available funds, the City Council, on April 19, 2022, approved a substantial amendment to the 2021-2022 Community Development Block Grant (CDBG) Action Plan, including the prepayment of the next fiscal year's scheduled debt service payment. As of June 30, 2022, the outstanding balance of the note is \$276,000.

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, 2022 is \$2,837,700.

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, 2022 is \$4,827,806.

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, 2022, \$1,088,751 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 \$17,272,000.

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
2023	\$ --	\$ 7,728	\$ 1,354,396	\$ 881,379
2024	276,000	3,864	1,397,433	835,588
2025	--	--	1,447,970	785,208
2026	--	--	1,498,022	734,580
2027	--	--	1,549,607	682,200
2028 – 2032	--	--	8,567,762	2,562,647
2033 – 2037	--	--	9,253,449	982,524
2038 – 2040	--	--	957,618	37,915
Total	<u>\$ 276,000</u>	<u>\$ 11,592</u>	<u>\$ 26,026,257</u>	<u>\$ 7,502,041</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, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Additions**</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
Certificates payable	\$ 18,105,000	\$ 18,854,315	\$ (19,236,634)	\$ 17,722,681	\$ 1,125,554
Plus deferred amounts:					
For issuance premiums	<u>551,120</u>	<u>--</u>	<u>(551,120)</u>	<u>--</u>	<u>--</u>
Total bonds payable	<u>18,656,120</u>	<u>18,854,315</u>	<u>(19,787,754)</u>	<u>17,722,681</u>	<u>1,125,554</u>
Notes from direct borrowings	822,000	--	(546,000)	276,000	--
Claims*	6,191,701	3,691,020	(5,189,282)	4,693,439	1,499,439
Compensated absences*	1,313,679	1,245,355	(1,296,664)	1,262,370	879,839
Leases	--	690,823	(108,505)	582,318	113,938
Net pension liability	44,967,677	--	(17,244,527)	27,723,150	--
Other post employment liability	<u>8,625,128</u>	<u>--</u>	<u>(422,933)</u>	<u>8,202,195</u>	<u>256,858</u>
Governmental activity					
Long-term liabilities	<u>\$ 80,576,305</u>	<u>\$ 24,481,513</u>	<u>\$ (44,595,665)</u>	<u>\$ 60,462,153</u>	<u>\$ 3,875,628</u>

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

** Includes the impact of implementing GASB 87.

	<u>Beginning Balance</u>	<u>Additions**</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type activities:					
Bonds payable:					
Certificates payable	\$ 41,615,000	\$ --	\$ (650,000)	\$ 40,965,000	\$ 745,000
Plus deferred amounts:					
For issuance premiums	<u>7,388,111</u>	<u>--</u>	<u>(512,570)</u>	<u>6,875,541</u>	<u>--</u>
Total bonds payable	<u>49,003,111</u>	<u>--</u>	<u>(1,162,569)</u>	<u>47,840,541</u>	<u>745,000</u>
Notes from direct borrowings and direct placements	27,266,100	--	(1,239,843)	26,026,257	1,354,396
Compensated absences	180,900	199,866	(199,720)	181,046	140,232
Net pension liability	10,248,320	--	(4,044,799)	6,203,521	--
Other post employment liability	<u>2,401,938</u>	<u>--</u>	<u>(127,269)</u>	<u>2,274,669</u>	<u>77,294</u>
Business-type activity					
Long-term liabilities	<u>\$ 89,100,369</u>	<u>\$ 199,866</u>	<u>\$ (6,774,201)</u>	<u>\$ 82,526,034</u>	<u>\$ 2,316,922</u>

**Includes the impact of implementing GASB 87.

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.

I. 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, 2022, is as follows:

	General	American Rescue Plan Act	Other Governmental Funds	Total Governmental Funds
Nonspendable:				
Long-term notes receivable	\$3,464,915	\$ --	\$ --	\$3,464,915
Prepaid items	283,499	--	5,151	288,650
Total nonspendable	3,748,414	--	5,151	3,753,565
Restricted:				
Ballpark projects	61,821	--	--	61,821
Library	197,461	--	--	197,461
Public safety	--	--	3,875,433	3,875,433
Community development	--	--	10,793,372	10,793,372
Public works	--	--	20,053,679	20,053,679
Building construction	--	--	168,348	168,348
Debt service	--	--	1,076,551	1,076,551
Landscape maintenance districts	--	--	155,015	155,015
Total restricted	259,282	--	36,122,398	36,381,680
Committed:				
Porterville hotel project	209,086	--	--	209,086
Budget stabilization	4,708,007	--	--	4,708,007
Catastrophic/emergency reserve	3,138,671	--	--	3,138,671
Council special purposes	100,000	--	--	100,000
Capital construction/improvement	2,114,284	--	--	2,114,284
Facility deferred maintenance and equipment maintenance	2,114,284	--	--	2,114,284
Infrastructure deferred and improvements	2,114,284	--	--	2,114,284
Library fire insurance proceeds	4,084,555	--	--	4,084,555
Total committed	18,583,171	--	--	18,583,171

Assigned:				
Equipment replacement	5,900,258	--	--	5,900,258
Parks facility	208,398	--	--	208,398
Other	457,617	--	--	457,617
Total assigned	6,566,273	--	--	6,566,273
Unassigned	17,053,324	(287,934)	(429,814)	16,335,576
Total fund balances	\$46,210,464	\$(287,934)	\$35,697,735	\$81,620,265

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, 2022, the City's defeased debt had been paid off.

NOTE 6 - Other information

A. Joint venture

The City is a member of the Central San Joaquin Valley Risk Management Authority (the Authority). The Authority is comprised of 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, 2022 for the workers' compensation and liability programs.

	Workers' Compensation Program	Liability Program
<u>Net Position</u>		
Assets	\$ 98,195,955	\$ 39,755,174
Liabilities to member cities	<u>(82,607,684)</u>	<u>(30,517,940)</u>
Net position, reserved for insurance claims and losses	<u>\$ 15,588,271</u>	<u>\$ 9,237,234</u>
<u>Changes in Net Position</u>		
Operating revenues	\$ 27,223,353	\$ 23,611,400
Operating expenses	<u>(15,702,777)</u>	<u>(17,400,596)</u>
Operating income (loss)	11,520,576	6,210,804
Non-operating revenues (expenses)	<u>(5,030,152)</u>	<u>(2,415,464)</u>
Change in net position	6,490,424	3,795,340
Net position, July 1	<u>9,097,847</u>	<u>5,441,894</u>
Net position, June 30	<u>\$ 15,588,271</u>	<u>\$ 9,237,234</u>

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

B. Risk management

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

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
Continental Indemnity Company
\$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, 2022, \$4,693,439 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	
	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Unpaid claims, beginning of year	\$ 6,191,701	\$ 3,578,914
Incurred claims	3,691,020	9,192,268
Claim payments	<u>(5,189,282)</u>	<u>(6,579,481)</u>
Unpaid claims, end of year	<u>\$ 4,693,439</u>	<u>\$ 6,191,701</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, 2022. The following are the City's significant commitments with contractors at fiscal yearend:

Project	Amount	Spent to Date as of June 30, 2022	Remaining Commitment
Animal shelter facility	\$ 727,840	\$ 518,413	\$ 209,427
Automotive equipment	4,327,127	898,951	3,428,176
Butterfield Stage corridor	1,029,971	68,184	961,705
Henderson Ave reconstruction – Indiana to Jaye	4,576,532	4,371,943	204,589
Henderson Ave reconstruction – Second to Plano	4,071,366	3,879,600	191,766
Main St reconstruction	315,898	175,384	140,514
Olive Ave / Newcomb St traffic signal	515,285	282,029	233,256
Police department equipment – contract	2,517,063	261,966	2,255,097
Sewer annexation projects	11,218,682	335,380	9,883,302
Tertiary wastewater system facility	\$ 13,254,560	\$ 3,594,939	\$ 9,659,621
Thurman Ave / Third St storm drain	676,708	--	676,708
Transit consulting – HOPE program	314,169	111,619	202,550
WWTF digester rehab	2,900,237	2,365,955	534,282

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, 2022, the amount of encumbrances to be honored upon performance by the vendor in the next fiscal year are as follows:

General fund	\$ 2,908,565
Nonmajor governmental funds	2,752,145
Nonmajor enterprise funds	239,360
Sewer operations fund	10,917,717
Solid waste fund	69,894
Transit operations fund	2,754,255
Water operations fund	9,816,900
Internal service funds	203,567
Total	<u>\$ 29,662,403</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, administered by Mission Square Retirement, has two provisions to accommodate regular and part-time, temporary and seasonal employees (PTS). For regular employees, the plan permits them to defer a portion of their salary until future years. Participation in the plan is optional. For PTS employees, participation is not optional. In lieu of participation in PERS, PTS employees must contribute 7.5 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.

In addition to Mission Square Retirement, the City contracted with Newport Retirement Services to administer the plans and offer several investment options. The choice of the investment option(s) is available only to regular employees and is made solely by the participants. Employees are permitted to make contributions to the plan up to the applicable Internal Revenue Code limits, and are immediately

vested in their own contributions and earnings on those contributions. The City has no liability for investment losses under the plan.

Effective on July 1, 2012, the City implemented a two-tiered retirement benefit program. Concurrently, a supplemental deferred compensation (457) plan with a City-match component was implemented for all new employees hired between July 1, 2012 and January 1, 2013. With the supplemental 457 plan, the City shall match, from the first dollar contributed by an employee, all employee contributions to said supplemental 457 plan, provided that the City's contribution on behalf of the employee to CalPERS plus the City's contribution to the supplemental 457 plan shall not exceed twenty five percent of the employee's gross salary. During the year ended June 30, 2022, the City contributed \$21,081 to the plan.

F. Defined benefit pension plan

General Information about the Pension Plans

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

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, 2022, are summarized as follows:

	Miscellaneous		
	Tier 1	Tier 2	PEPRA
	Prior to	On or after	On or after
Hire date	July 1, 2012	July 1, 2012	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*	38.03%	38.03%	38.03%

	Safety		
	Tier 1	Tier 2	PEPRA
	Prior to July 1, 2012	On or after July 1, 2012	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%	13.0%
Required employer contribution rates*			
Safety fire plan	51.76%	20.22%	13.72%
Safety police plan	51.76%	20.58%	13.82%

*Required employer contribution rates include 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, 2022 the contributions recognized as part of pension expense for each plan were as follows:

	Miscellaneous			
	Tier 1	Tier 2	PEPRA	Total
Contributions - employer	\$3,364,932	\$ 48,899	\$515,142	\$3,928,973

	Safety			
	Tier 1	Tier 2	PEPRA	Total
Contributions - employer	\$1,999,459	\$200,671	\$575,317	\$2,775,447

Total pension expense for both Plans for the year ended June 30, 2022 was \$426,061.

Actuarial Methods and Assumptions – The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2021-2022 for the Miscellaneous Plan and the Safety Plan were derived from the June 30, 2019 funding valuation report.

For the measurement period ended June 30, 2021, the total pension liability was determined by rolling forward the June 30, 2020 total pension liability determined in the June 30, 2020 actuarial accounting valuation. The June 30, 2021 total pension liability was based on the following actuarial methods and assumptions:

Valuation date	June 30, 2020
Measurement date	June 30, 2021
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.5%
Salary increases	Varies by entry age and service
Payroll growth	2.75%
Investment rate of return	7.00% net of pension plan investment and administrative expenses; 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, 2020 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 2021.

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, 2021.

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, 2020	\$107,297,763	\$ 71,277,081	\$ 36,020,682
Changes recognized for the measurement period:			
Service cost	1,929,478	--	1,929,478
Interest on total pension liability	7,490,263	--	7,490,263
Changes of assumptions	--	--	--
Differences between expected and actual experience	(879,791)	--	(879,791)
Net plan to plan resource movement	--	--	--
Contributions – employer	--	3,945,287	(3,945,287)
Contributions - employees	--	843,188	(843,188)
Net investment income	--	16,206,050	(16,206,050)
Benefit payments, including refunds of employee contributions	(5,247,576)	(5,247,576)	--
Administrative expense	--	(71,201)	71,201
Other miscellaneous income / (expense)	--	--	--
Net changes during 2020-2021	3,292,374	15,675,748	(12,383,374)
Balance at June 30, 2021	<u>\$110,590,137</u>	<u>\$ 86,952,829</u>	<u>\$ 23,637,308</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the Miscellaneous Plan as of the measurement date, calculated using the discount rate of 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	\$38,756,934	\$23,637,308	\$11,201,769

Pension Expense / (Income) for Measurement Period Ended June 30, 2021

Service cost	\$ 1,929,478
Interest on total pension liability	7,490,263
Recognized changes of assumptions	(128,630)
Recognized differences between expected and actual experience	(475,146)
Plan to plan resource movement	--
Employee contributions	(843,188)
Projected earnings on pension plan investments	(5,063,685)
Recognized differences between projected and actual earnings on plan investments	(2,503,757)
Administrative expense	71,201
Other miscellaneous (income) / expense	--
Total pension expense / (income)	<u>\$ 476,536</u>

Deferred Outflows and Deferred Inflows of Resources - As of June 30, 2021, 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	\$ 3,928,973	\$ --
Changes of assumptions	--	--
Differences between expected and actual experiences	279,086	(654,204)
Net difference between projected and actual earnings on pension plan Investments	--	(8,111,600)
Total	\$ 4,208,059	\$ (8,765,804)

Deferred outflows of \$3,928,973 related to contributions after the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. 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	\$ (2,106,206)
2023	(1,999,392)
2024	(2,152,647)
2025	(2,228,473)
2026	--
Remaining	--

The Expected Average Remaining Service Lifetime (EARSL) for the Plan for the measurement period ending June 30, 2021 is 3.9 years, which was obtained by dividing the total service years of 2,419 (the sum of remaining service lifetimes of the active employees) by 618 (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 pool 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, 2020 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, 2020 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, 2021.

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, 2021, the measurement date, the City's proportionate share of the Safety Risk Pool's net pension liability is 0.2931872 percent. As of June 30, 2021, the City reports net pension liability of \$10,289,362 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	\$21,516,607	\$10,289,363	\$ 1,067,568

Pension Expense – The City's pension expense for its Safety Plan for the measurement period ended June 30, 2021 is a negative \$50,475.

Deferred Outflows and Deferred Inflows of Resources - As of June 30, 2021, 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	\$ 2,775,447	\$ --
Changes of assumptions	--	--
Differences between expected and actual experiences	1,757,929	--
Change in proportion	1,406,662	--
Difference between projected and actual earnings on investments	--	(6,124,148)
Difference between actual contributions and proportionate share of contributions	--	(1,560,885)
Total	\$ 5,940,038	\$ (7,685,033)

Deferred outflows of \$2,775,447 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, 2023. 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	\$ (712,550)
2023	(884,333)
2024	(1,238,279)
2025	(1,685,280)
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, 2021 measurement date is 3.7 years, which was obtained by dividing the total service years of 561,622 (the sum of remaining service lifetimes of the active employees) by 150,648 (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, 2022, 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 \$10,476,864 was based on an actuarial valuation as of June 30, 2021, a measurement date of June 30, 2022 and the following actuarial method and assumptions:

Actuarial cost method	Entry age
Actuarial assumptions:	
Inflation	2.50%
Investment return/discount rate	3.54% 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 July 14, 2022 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, 2022 were as follows:

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2021	\$11,027,066	\$ --	\$11,027,066
Service cost	1,025,485	--	1,025,485
Interest on total OPEB liability	245,651	--	245,651
Employer contributions*	--	334,152	(334,152)
Benefit payments	(334,152)	(334,152)	--
Administrative expenses	--	--	--
Experience (gains) / losses	--	--	--
Changes in assumptions	(1,487,186)	--	(1,487,186)
Other	--	--	--
Net change 2021-2022	(550,202)	--	(550,202)
Balance at June 30, 2022	\$10,476,864	\$ --	\$10,476,864

*Includes \$248,472 due to implied rate subsidy.

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, 2022 calculated using the discount rate of 3.54 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 2.54%	Current Rate 3.54%	1% Increase 4.54%
Total OPEB liability	\$11,568,341	\$10,476,864	\$9,684,601

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, 2022, 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	\$9,016,769	\$10,476,864	\$12,179,270

OPEB expense

For the fiscal year ended June 30, 2022, the City recognized OPEB expense of \$856,716 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, 2022 were as follows:

Service cost	\$ 1,025,485
Interest cost	245,651
Expected return on assets	--
Administrative expenses	--
Recognition of experience (gain) / loss deferrals	(337,549)
Recognition of assumption change deferrals	(76,871)
Recognition of investment (gain) / loss deferrals	--
Employee contributions	--
Changes in benefit terms	--
Net OPEB expense	<u>\$ 856,716</u>

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

At June 30, 2022, 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	--	(2,165,030)
Changes of assumptions	247,101	(1,449,808)
Difference between projected and actual earnings on OPEB plan investments	--	--
Total	<u>\$ 247,101</u>	<u>\$ (3,614,838)</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
2023	\$ (414,420)
2024	(385,134)
2025	(371,206)
2026	(377,018)
2027	(227,974)
Thereafter	(1,591,985)

NOTE 7 – Subsequent events

On April 20, 2020, the Tulare County Association of Governments (TCAG) approved a Joint Powers Agreement (JPA) for the formation and operation of the Tulare County Regional Transit Agency (TCRTA) with full power and authority to own, operate and administer a public transportation system within the jurisdiction of the member agencies. TCRTA is a public agency separate and apart from the member agencies. On July 7, 2020, the City Council of the City of Porterville adopted Resolution No. 54-2020 enabling the City to be a member agency of the TCRTA. Effective July 1, 2022, the City's transit operations were transferred to TCRTA.

NOTE 8 – 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, 2022, the principal balance of the note is \$930,000 with interest accrued of \$339,914.

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, 2022 amount to \$6,105,000.

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 245,000	\$ 246,631
2024	250,000	236,831
2025	260,000	226,831
2026	270,000	218,181
2027	275,000	209,182
2027 – 2031	1,555,000	878,125
2032 – 2036	1,905,000	529,850
2037 – 2040	<u>1,345,000</u>	<u>114,844</u>
Total	<u>\$ 6,105,000</u>	<u>\$ 2,660,475</u>

Changes in long-term liabilities

Long-term liability activity for the fiscal year ended June 30, 2022, 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	\$ 6,335,000	\$ --	\$ (230,000)	\$ 6,105,000	\$ 245,000
Total bonds payable	<u>6,335,000</u>	<u>--</u>	<u>(230,000)</u>	<u>6,105,000</u>	<u>245,000</u>
Total long-term liabilities	<u>\$ 6,335,000</u>	<u>\$ --</u>	<u>\$ (230,000)</u>	<u>\$ 6,105,000</u>	<u>\$ 245,000</u>

**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	2021
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	\$ 1,929,478
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	7,490,263
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	(879,791)
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)	(5,247,576)
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	3,292,374
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	107,297,763
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	\$ 110,590,137
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	\$ 3,945,287
Contributions - employee	799,335	785,498	811,025	734,565	747,704	873,924	795,917	843,188
Net investment income	8,234,935	1,260,596	273,011	6,175,766	5,168,019	4,263,395	3,466,881	16,206,050
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)	(5,247,576)
Plan to plan resource movement	-	1,790	-	-	(151)	-	-	-
Administrative expense	-	(62,756)	(34,005)	(81,832)	(94,811)	(46,378)	(96,681)	(71,201)
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	15,675,748
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	71,277,081
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	\$ 86,952,829
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	\$ 23,637,308
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%	78.63%
Covered payroll (3)	\$ 9,479,377	\$ 9,209,814	\$ 9,567,816	\$ 10,250,475	\$ 9,958,186	\$ 10,052,966	\$ 10,750,867	\$ 11,263,738
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%	209.85%

(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, 2018-21; 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 generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the measurement date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions:

None in 2019 - 2021.

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

In 2017, the discount rate was reduced from 7.65 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	2022
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	\$ 3,928,973
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>	<u>(3,928,973)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<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>\$ 11,263,738</u>	<u>\$ 11,350,295</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>32.750%</u>	<u>34.616%</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 2020-21 were derived from the June 30, 2018 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	2.500%
Salary increases	Varies by entry age and service
Payroll growth	2.750%
Investment rate of return	7.00% 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	2021
Plan's proportion of the net pension liability / (asset)	0.15770%	0.2255%	0.2509%	0.2557%	0.2639%	0.2741%	0.2881%	0.2932%
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	\$ 10,289,362
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	\$ 8,876,114
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%	115.92%
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%	87.66%
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	\$ 2,562,963

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	2022
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	\$ 2,775,447
Contributions in relation to the actuarially determined contribution	(4,918,683)	(1,314,328)	(1,349,037)	(1,457,258)	(1,549,392)	(1,804,487)	(2,200,419)	(2,562,963)	(2,775,447)
Contributions deficiency (excess)	<u>\$ (3,559,662)</u>	<u>\$ -</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>	<u>\$ 8,909,418</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>	<u>31.152%</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	2022
Total OPEB liability:					
Service cost	\$ 603,307	\$ 589,097	\$ 881,580	\$ 972,833	\$ 1,025,485
Interest	385,952	429,914	417,844	270,629	245,651
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	(1,487,186)
Benefit payments	(309,991)	(10,163)	(161,553)	(440,854)	(334,152)
Net change in total OPEB liability	351,311	1,096,472	94,551	(787,847)	(550,202)
Total OPEB liability - beginning	10,272,579	10,623,890	11,720,362	11,814,913	11,027,066
Total OPEB liability - ending	\$ 10,623,890	\$ 11,720,362	\$ 11,814,913	\$ 11,027,066	\$ 10,476,864
Covered employee payroll	\$ 16,408,990	\$ 17,305,003	\$ 18,596,503	\$ 22,449,239	\$ 21,582,460
Total OPEB liability as a percentage of covered employee payroll	64.74%	67.73%	63.53%	49.12%	48.54%

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 2022.

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:

2022	3.54%
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, 2022

	<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>
REVENUES				
Property tax	\$ 8,212,000	\$ 8,212,000	\$ 8,420,350	\$ 208,350
Sales and use tax	15,977,916	15,977,916	19,242,609	3,264,693
Utility users tax	4,000,000	4,000,000	4,784,200	784,200
Franchise tax	1,651,134	1,651,134	1,741,770	90,636
Transient occupancy tax	575,000	575,000	841,823	266,823
Licenses and permits	1,057,100	1,057,100	1,462,829	405,729
Vehicle license fees	43,000	43,000	68,820	25,820
Intergovernmental	455,000	491,507	521,761	30,254
Charges for services	5,972,500	5,972,500	7,180,566	1,208,066
Special assessments and fees	5,090	5,090	27,717	22,627
Fines and forfeitures	22,200	22,200	37,922	15,722
Investment earnings	572,414	572,414	(593,948)	(1,166,362)
Miscellaneous	79,000	79,000	342,987	263,987
Total revenues	<u>38,622,354</u>	<u>38,658,861</u>	<u>44,079,406</u>	<u>5,420,545</u>
EXPENDITURES				
Current:				
Community and economic development	1,082,653	1,082,653	1,009,330	73,323
General government	3,609,326	3,651,326	3,134,261	517,065
Parks and recreation	7,117,720	7,129,431	6,479,285	650,146
Public safety - fire	5,474,421	5,908,485	6,396,751	(488,266)
Public safety - police	14,066,233	14,066,233	13,340,455	725,778
Public works	3,322,901	3,407,903	3,081,628	326,275
Debt service	-	-	128,486	(128,486)
Capital outlay	1,289,000	1,349,000	1,326,527	22,473
Total expenditures	<u>35,962,254</u>	<u>36,595,031</u>	<u>34,896,723</u>	<u>1,698,308</u>
Excess (deficiency) of revenues over (under) expenditures	2,660,100	2,063,830	9,182,683	7,118,853
OTHER FINANCING SOURCES (USES)				
Transfers in	1,499,773	1,499,773	12,867,020	11,367,247
Transfers out	(8,235,656)	(8,235,656)	(2,797,698)	5,437,958
Leases (as lessee)	-	-	37,215	37,215
Sale of capital assets	-	-	54,634	54,634
Total other financing sources (uses)	<u>(6,735,883)</u>	<u>(6,735,883)</u>	<u>10,161,171</u>	<u>16,897,054</u>
Net change in fund balance	<u>(4,075,783)</u>	<u>(4,672,053)</u>	<u>19,343,854</u>	<u>24,015,907</u>
Fund balance - beginning	26,866,610	26,866,610	26,866,610	-
Fund balance - ending	<u>\$ 22,790,827</u>	<u>\$ 22,194,557</u>	<u>\$ 46,210,464</u>	<u>\$ 24,015,907</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, 2022

	<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>
REVENUES				
Intergovernmental:				
Federal grants	\$ -	\$ -	\$ 2,870,401	\$ 2,870,401
Investment earnings	-	-	(352,293)	(352,293)
Total revenues	-	-	2,518,108	2,518,108
EXPENDITURES				
Current:				
General government	-	-	2,870,401	(2,870,401)
Total expenditures	-	-	2,870,401	(2,870,401)
Excess(deficiency) of revenues over(under) expenditures	-	-	(352,293)	(352,293)
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,000,000)	(2,000,000)	-	2,000,000
Total other financing sources (uses)	(2,000,000)	(2,000,000)	-	2,000,000
Net change in fund balance	(2,000,000)	(2,000,000)	(352,293)	1,647,707
Fund balance - beginning	64,359	64,359	64,359	-
Fund balance - ending	\$ (1,935,641)	\$ (1,935,641)	\$ (287,934)	\$ 1,647,707

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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.

Measure I Sales Tax Fund

This 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 general governmental purposed of the City. The transactions and use tax revenue received is to be placed in the City's general fund. This fund was merged with the general fund as of July 1, 2021.

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 FUND

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

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

CAPITAL PROJECTS FUND

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital projects not being financed by proprietary funds.

General Government Fund - This fund was created to account for all resources used in the acquisition or construction of capital facilities and operating capital outlays by the City of Porterville.

CITY OF PORTERVILLE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue							
	Public Safety Sales Tax	Measure I Sales Tax	Special Gas Tax	Local Transportation Fund	Traffic Safety	Community Development Block Grant	Public Safety Grant	Landscape Maintenance District
ASSETS								
Cash and investments	\$ 3,100,127	\$ -	\$ 3,219,680	\$ 5,204,710	\$ -	\$ 1,436,814	\$ 78,190	\$ 171,178
Receivables - misc (net):								
Interest	-	-	-	-	-	427,169	-	-
Taxes	903,286	-	333,676	283,445	-	-	-	3,330
Other	-	-	-	-	-	-	-	-
Receivables - housing (net)	-	-	-	-	-	8,871,185	-	-
Intergovernmental receivables	-	-	265,855	3,435,471	142,718	577,165	107,663	-
Interfund receivables	-	-	-	2,677,059	-	-	-	-
Prepays	5,151	-	-	-	-	-	-	-
Restricted - cash with fiscal agent	-	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	975,000	-	-
Total assets	<u>\$ 4,008,564</u>	<u>\$ -</u>	<u>\$ 3,819,211</u>	<u>\$ 11,600,685</u>	<u>\$ 142,718</u>	<u>\$ 12,287,333</u>	<u>\$ 185,853</u>	<u>\$ 174,508</u>
LIABILITIES								
Accounts and other payables	\$ 29,351	\$ -	\$ -	\$ -	\$ -	277	13,486	18,896
Payroll payable	150,462	-	-	-	-	16,688	20,266	597
Unearned revenue	-	-	-	-	-	871,088	-	-
Total liabilities	<u>179,813</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>888,053</u>	<u>33,752</u>	<u>19,493</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - intergovernmental	-	-	265,855	9,375	-	605,908	100,268	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>265,855</u>	<u>9,375</u>	<u>-</u>	<u>605,908</u>	<u>100,268</u>	<u>-</u>
FUND BALANCES								
Nonspendable	5,151	-	-	-	-	-	-	-
Restricted								
Building construction	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	10,793,372	-	-
Debt Service	-	-	-	-	-	-	-	-
Landscape maintenance districts	-	-	-	-	-	-	-	155,015
Public safety	3,823,600	-	-	-	-	-	51,833	-
Public works	-	-	3,553,356	11,591,310	142,718	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>3,828,751</u>	<u>-</u>	<u>3,553,356</u>	<u>11,591,310</u>	<u>142,718</u>	<u>10,793,372</u>	<u>51,833</u>	<u>155,015</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,008,564</u>	<u>\$ -</u>	<u>\$ 3,819,211</u>	<u>\$ 11,600,685</u>	<u>\$ 142,718</u>	<u>\$ 12,287,333</u>	<u>\$ 185,853</u>	<u>\$ 174,508</u>

CITY OF PORTERVILLE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue				Debt Service	Capital Projects	Total Nonmajor Governmental Funds
	Transportation Development	Park Development	Storm Drain Development	Building Construction	General Government	General Government	
ASSETS							
Cash and investments	\$ 2,205,128	\$ -	\$ 2,558,488	\$ 168,348	\$ 51,371	\$ 1,144,725	\$ 19,338,759
Receivables - misc (net):							
Interest	-	-	-	-	-	-	427,169
Taxes	-	-	-	-	-	-	1,523,737
Other	-	-	2,679	-	-	-	2,679
Receivables - housing (net)	-	-	-	-	-	-	8,871,185
Intergovernmental receivables	-	-	-	-	-	176,834	4,705,706
Interfund receivables	-	-	-	-	-	-	2,677,059
Prepays	-	-	-	-	-	-	5,151
Restricted - cash with fiscal agent	-	-	-	-	1,025,180	-	1,025,180
Notes receivable	-	-	-	-	-	-	975,000
Total assets	<u>\$ 2,205,128</u>	<u>\$ -</u>	<u>\$ 2,561,167</u>	<u>\$ 168,348</u>	<u>\$ 1,076,551</u>	<u>\$ 1,321,559</u>	<u>\$ 39,551,625</u>
LIABILITIES							
Accounts and other payables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,523,054	\$ 1,585,064
Payroll payable	-	-	-	-	-	51,485	239,498
Unearned revenue	-	-	-	-	-	-	871,088
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,574,539</u>	<u>2,695,650</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - intergovernmental	-	-	-	-	-	176,834	1,158,240
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>176,834</u>	<u>1,158,240</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	5,151
Restricted							
Building construction	-	-	-	168,348	-	-	168,348
Community development	-	-	-	-	-	-	10,793,372
Debt service	-	-	-	-	1,076,551	-	1,076,551
Landscape maintenance districts	-	-	-	-	-	-	155,015
Public safety	-	-	-	-	-	-	3,875,433
Public works	2,205,128	-	2,561,167	-	-	-	20,053,679
Unassigned	-	-	-	-	-	(429,814)	(429,814)
Total fund balances	<u>2,205,128</u>	<u>-</u>	<u>2,561,167</u>	<u>168,348</u>	<u>1,076,551</u>	<u>(429,814)</u>	<u>35,697,735</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,205,128</u>	<u>\$ -</u>	<u>\$ 2,561,167</u>	<u>\$ 168,348</u>	<u>\$ 1,076,551</u>	<u>\$ 1,321,559</u>	<u>\$ 39,551,625</u>

CITY OF PORTERVILLE

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2022**

	Special Revenue							
	Public Safety Sales Tax	Measure I Sales Tax	Special Gas Tax	Local Transportation Fund	Traffic Safety	Community Development Block Grant	Public Safety Grant	Landscape Maintenance District
Revenues:								
Sales taxes	\$ 5,286,856	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	3,469,542	4,988,576	-	1,178,077	195,528	-
Charges for services	65,408	-	-	-	-	351	793	-
Special assessments and fees	-	-	-	-	-	-	-	160,445
Fines and forfeitures	-	-	-	-	223,592	-	-	-
Investment earnings	(64,229)	-	(61,008)	(259,570)	221	62,928	1,599	-
Miscellaneous	3,500	-	-	-	-	-	616	-
Total revenues	<u>5,291,535</u>	<u>-</u>	<u>3,408,534</u>	<u>4,729,006</u>	<u>223,813</u>	<u>1,241,356</u>	<u>198,536</u>	<u>160,445</u>
Expenditures:								
Community and economic development	-	-	-	-	-	686,524	-	-
Parks and recreation	370,827	-	-	-	-	-	-	194,857
Public safety - fire	1,892,302	-	-	-	-	-	89,630	-
Public safety - police	1,969,864	-	-	-	-	-	231,447	-
Public works	-	-	-	-	-	-	-	-
Debt redemption - principal	-	-	-	-	-	546,000	-	-
Debt redemption - interest & charges	-	-	-	-	-	20,968	-	-
Refunding bonds issuance costs	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	15,814	-
Total expenditures	<u>4,232,993</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,253,492</u>	<u>336,891</u>	<u>194,857</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,058,542</u>	<u>-</u>	<u>3,408,534</u>	<u>4,729,006</u>	<u>223,813</u>	<u>(12,136)</u>	<u>(138,355)</u>	<u>(34,412)</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(16,816)	(11,315,218)	(2,144,172)	(2,223,780)	(93,131)	(114,062)	-	-
Refunding bonds issued	-	-	-	-	-	-	-	-
Debt redemption - principal	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(16,816)</u>	<u>(11,315,218)</u>	<u>(2,144,172)</u>	<u>(2,223,780)</u>	<u>(93,131)</u>	<u>(114,062)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>1,041,726</u>	<u>(11,315,218)</u>	<u>1,264,362</u>	<u>2,505,226</u>	<u>130,682</u>	<u>(126,198)</u>	<u>(138,355)</u>	<u>(34,412)</u>
Fund balances - July 1	<u>2,787,025</u>	<u>11,315,218</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>
Fund balances - June 30	<u>\$ 3,828,751</u>	<u>\$ -</u>	<u>\$ 3,553,356</u>	<u>\$ 11,591,310</u>	<u>\$ 142,718</u>	<u>\$ 10,793,372</u>	<u>\$ 51,833</u>	<u>\$ 155,015</u>

CITY OF PORTERVILLE

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
June 30, 2022**

	Special Revenue				Debt Service	Capital Projects	Total Nonmajor Governmental Funds
	Transportation Development	Park Development	Storm Drain Development	Building Construction	General Government	General Government	
Revenues:							
Sales taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	5,286,856
Intergovernmental	-	-	-	-	-	-	9,831,723
Charges for services	-	-	-	-	-	-	66,552
Special assessments and fees	369,190	177,577	399,782	-	-	-	1,106,994
Fines and forfeitures	-	-	-	-	-	-	223,592
Investment earnings	(60,159)	193	(66,155)	(5,021)	5,220	5,066	(440,915)
Miscellaneous	-	-	-	-	(1,843)	-	2,273
Total revenues	<u>309,031</u>	<u>177,770</u>	<u>333,627</u>	<u>(5,021)</u>	<u>3,377</u>	<u>5,066</u>	<u>16,077,075</u>
Expenditures:							
Community and economic development	-	-	-	-	-	-	686,524
Parks and recreation	-	-	-	-	-	268,379	834,063
Public safety - fire	-	-	-	-	-	176	1,982,108
Public safety - police	-	-	-	-	-	-	2,201,311
Public works	-	-	-	-	-	1,531,637	1,531,637
Debt redemption - principal	-	-	-	-	1,131,634	-	1,677,634
Debt redemption - interest & charges	-	-	-	-	524,403	-	545,371
Refunding bonds issuance costs	-	-	-	-	654,869	-	654,869
Capital outlay	-	-	-	-	-	2,761,344	2,777,158
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,310,906</u>	<u>4,561,536</u>	<u>12,890,675</u>
Excess (deficiency) of revenues over (under) expenditures	<u>309,031</u>	<u>177,770</u>	<u>333,627</u>	<u>(5,021)</u>	<u>(2,307,529)</u>	<u>(4,556,470)</u>	<u>3,186,400</u>
Other financing sources (uses):							
Transfers in	-	-	937	-	1,570,843	4,561,536	6,133,316
Transfers out	(150,000)	(177,770)	(41,234)	(1,975)	-	-	(16,278,158)
Refunding bonds issued	-	-	-	-	18,854,315	-	18,854,315
Debt redemption - principal	-	-	-	-	(18,105,000)	-	(18,105,000)
Total other financing sources (uses)	<u>(150,000)</u>	<u>(177,770)</u>	<u>(40,297)</u>	<u>(1,975)</u>	<u>2,320,158</u>	<u>4,561,536</u>	<u>(9,395,527)</u>
Net change in fund balances	<u>159,031</u>	<u>-</u>	<u>293,330</u>	<u>(6,996)</u>	<u>12,629</u>	<u>5,066</u>	<u>(6,209,127)</u>
Fund balances - July 1	<u>2,046,097</u>	<u>-</u>	<u>2,267,837</u>	<u>175,344</u>	<u>1,063,922</u>	<u>(434,880)</u>	<u>41,906,862</u>
Fund balances - June 30	<u>\$ 2,205,128</u>	<u>\$ -</u>	<u>\$ 2,561,167</u>	<u>\$ 168,348</u>	<u>\$ 1,076,551</u>	<u>\$ (429,814)</u>	<u>\$ 35,697,735</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, 2022**

	Totals		
	Original and Final Budgeted Amounts	Actual	Variance Favorable (Unfavorable)
Revenues:			
Sales taxes	\$ 4,423,052	\$ 5,286,856	\$ 863,804
Charges for services	1,000	65,408	64,408
Investment earnings	10,000	(64,229)	(74,229)
Miscellaneous	-	3,500	3,500
Total revenues	<u>4,434,052</u>	<u>5,291,535</u>	<u>857,483</u>
Expenditures:			
Parks and recreation	597,100	370,827	226,273
Public safety - fire	1,691,114	1,892,302	(201,188)
Public safety - police	1,952,921	1,969,864	(16,943)
Capital outlay	-	-	-
Total expenditures	<u>4,241,135</u>	<u>4,232,993</u>	<u>8,142</u>
Other Financing Uses:			
Transfers out	-	(16,816)	(16,816)
Total other financing uses	<u>-</u>	<u>(16,816)</u>	<u>(16,816)</u>
Net change in fund balance	\$ <u>192,917</u>	1,041,726	\$ <u>832,525</u>
Fund balance - July 1		<u>2,787,025</u>	
Fund balance - June 30		\$ <u>3,828,751</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, 2022**

	Totals		
	Original and Final Budgeted Amounts	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental:			
State gasoline tax section 2103	\$ 532,331	\$ 472,403	\$ (59,928)
State gasoline tax section 2105	346,869	331,909	(14,960)
State gasoline tax section 2106	189,031	190,067	1,036
State gasoline tax section 2107	441,418	397,089	(44,329)
State gasoline tax section 2107.5	7,500	7,500	-
State grants	1,853,778	1,892,031	38,253
Federal grants	827,420	178,543	(648,877)
Total intergovernmental	<u>4,198,347</u>	<u>3,469,542</u>	<u>(728,805)</u>
Investment earnings	<u>2,000</u>	<u>(61,008)</u>	<u>(63,008)</u>
Total revenues	<u>4,200,347</u>	<u>3,408,534</u>	<u>(791,813)</u>
Other financing uses:			
Transfers out	<u>(6,436,767)</u>	<u>(2,144,172)</u>	<u>4,292,595</u>
Total other financing uses	<u>(6,436,767)</u>	<u>(2,144,172)</u>	<u>4,292,595</u>
Net change in fund balance	\$ <u>(2,236,420)</u>	1,264,362	\$ <u>3,500,782</u>
Fund balance - July 1		<u>2,288,994</u>	
Fund balance - June 30		\$ <u>3,553,356</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, 2022**

	Totals		
	Original and Final Budgeted Amounts	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental:			
State gasoline tax - LTF	\$ 2,500,000	\$ 3,426,096	\$ 926,096
Sales tax - County Measure R	14,397,488	1,562,480	(12,835,008)
Total intergovernmental	16,897,488	4,988,576	(11,908,912)
Investment earnings	125,000	(259,570)	(384,570)
Total revenues	17,022,488	4,729,006	(12,293,482)
Other financing uses:			
Transfers out	(21,215,788)	(2,223,780)	18,992,008
Total other financing uses	(21,215,788)	(2,223,780)	18,992,008
Net change in fund balance	\$ <u>(4,193,300)</u>	2,505,226	\$ <u>6,698,526</u>
Fund balance - July 1		<u>9,086,084</u>	
Fund balance - June 30		\$ <u>11,591,310</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, 2022**

	Totals		
	Original and Final Budgeted Amounts	Actual	Variance Favorable (Unfavorable)
Revenues:			
Fines and forfeitures:			
Penal code fines	\$ 100,000	\$ 223,592	\$ 123,592
Investment earnings	200	221	21
Total revenues	<u>100,200</u>	<u>223,813</u>	<u>123,613</u>
Other financing uses:			
Transfers out	<u>(100,200)</u>	<u>(93,131)</u>	<u>7,069</u>
Total other financing uses	<u>(100,200)</u>	<u>(93,131)</u>	<u>7,069</u>
Net change in fund balance	\$ <u>-</u>	130,682	\$ <u>130,682</u>
Fund balance - July 1		<u>12,036</u>	
Fund balance - June 30		\$ <u>142,718</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, 2022**

	Totals		
	Original and Final Budgeted Amounts	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental:			
State grants	\$ 742,754	\$ 4,411	\$ (738,343)
Federal grants	1,249,072	1,173,666	(75,406)
Charges for services	300	351	51
Investment earnings	30,000	62,928	32,928
Total revenues	<u>2,022,126</u>	<u>1,241,356</u>	<u>(42,427)</u>
Expenditures:			
Current			
Community development	546,985	686,524	(139,539)
Debt Service			
Principal	546,000	546,000	-
Interest and administrative charges	20,968	20,968	-
Total expenditures	<u>1,113,953</u>	<u>1,253,492</u>	<u>(139,539)</u>
Other financing uses:			
Transfers out	<u>(777,873)</u>	<u>(114,062)</u>	<u>663,811</u>
Total other financing uses	<u>(777,873)</u>	<u>(114,062)</u>	<u>663,811</u>
Net change in fund balance	\$ <u>130,300</u>	(126,198)	\$ <u>(256,498)</u>
Fund balance - July 1		<u>10,919,570</u>	
Fund balance - June 30		\$ <u>10,793,372</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, 2022**

	Totals		
	Original and Final Budgeted Amounts	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental:			
State grants	\$ 281,784	\$ 190,352	\$ (91,432)
Federal grants	15,000	5,176	(9,824)
Total intergovernmental	<u>296,784</u>	<u>195,528</u>	<u>(101,256)</u>
Investment earnings	2,000	1,599	(401)
Other	<u>1,000</u>	<u>1,409</u>	<u>409</u>
Total revenues	<u>299,784</u>	<u>198,536</u>	<u>(101,248)</u>
Expenditures:			
Public safety - fire	-	89,630	(89,630)
Public safety - police	397,067	231,447	165,620
Capital outlay	<u>-</u>	<u>15,814</u>	<u>(15,814)</u>
Total expenditures	<u>397,067</u>	<u>336,891</u>	<u>60,176</u>
Net change in fund balance	\$ <u>(97,283)</u>	(138,355)	\$ <u>(161,424)</u>
Fund balance - July 1		<u>190,188</u>	
Fund balance - June 30		\$ <u><u>51,833</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, 2022**

	Totals		
	Original and Final Budgeted Amounts	Actual	Variance Favorable (Unfavorable)
Revenues:			
Special assessments	\$ 154,753	\$ 160,445	\$ 5,692
Total revenues	<u>154,753</u>	<u>160,445</u>	<u>5,692</u>
Expenditures:			
Parks and leisure services:			
Cost of service	<u>192,995</u>	<u>194,857</u>	<u>(1,862)</u>
Total expenditures	<u>192,995</u>	<u>194,857</u>	<u>(1,862)</u>
Net change in fund balance	\$ <u>(38,242)</u>	(34,412)	\$ <u>7,554</u>
Fund balance - July 1		<u>189,427</u>	
Fund balance - June 30		\$ <u>155,015</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, 2022**

	Totals		
	Original and Final Budgeted Amounts	Actual	Variance Favorable (Unfavorable)
Revenues:			
Transportation impact fees	\$ 200,000	\$ 369,190	\$ 169,190
Investment earnings	15,000	(60,159)	(75,159)
Total revenues	<u>215,000</u>	<u>309,031</u>	<u>94,031</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>	159,031	\$ <u>185,781</u>
Fund balance - July 1		<u>2,046,097</u>	
Fund balance - June 30		\$ <u><u>2,205,128</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, 2022**

	Totals		
	Original and Final Budgeted Amounts	Actual	Variance Favorable (Unfavorable)
Revenues:			
Park impact fees	\$ 100,000	\$ 177,577	\$ 77,577
Investment earnings	50	193	143
Total revenues	<u>100,050</u>	<u>177,770</u>	<u>77,720</u>
Other financing uses:			
Transfers out	<u>(100,050)</u>	<u>(177,770)</u>	<u>(77,720)</u>
Total other financing uses	<u>(100,050)</u>	<u>(177,770)</u>	<u>(77,720)</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, 2022**

	Totals		
	Original and Final Budgeted Amounts	Actual	Variance Favorable (Unfavorable)
Revenues:			
Storm drain fees	\$ 200,000	\$ 399,782	\$ 199,782
Investment earnings	20,000	(66,155)	(86,155)
Total revenues	<u>220,000</u>	<u>333,627</u>	<u>113,627</u>
Other financing uses:			
Transfers in	-	937	937
Transfers out	(2,048,554)	(41,234)	2,007,320
Total other financing uses	<u>(2,048,554)</u>	<u>(40,297)</u>	<u>2,008,257</u>
Net change in fund balance	\$ <u>(1,828,554)</u>	293,330	\$ <u>2,121,884</u>
Fund balance - July 1		<u>2,267,837</u>	
Fund balance - June 30		\$ <u>2,561,167</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, 2022**

	Totals		
	Original and Final Budgeted Amounts	Actual	Variance Favorable (Unfavorable)
Revenues:			
Investment earnings	\$ 1,000	\$ (5,021)	\$ (6,021)
Total revenues	<u>1,000</u>	<u>(5,021)</u>	<u>(6,021)</u>
Other financing uses:			
Transfers out	<u>(1,000)</u>	<u>(1,975)</u>	<u>(975)</u>
Total other financing uses	<u>(1,000)</u>	<u>(1,975)</u>	<u>(975)</u>
Net change in fund balance	\$ <u>-</u>	(6,996)	\$ <u>(6,996)</u>
Fund balance - July 1		<u>175,344</u>	
Fund balance - June 30		\$ <u><u>168,348</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, 2022**

	Totals		
	Original and Final Budgeted Amounts	Actual	Variance Favorable (Unfavorable)
Revenues:			
Investment earnings	\$ -	\$ 5,220	\$ 5,220
Other	-	(1,843)	(1,843)
Total revenues	-	3,377	3,377
Expenditures:			
General government:			
Debt redemption, principal	945,000	1,131,634	(186,634)
Debt redemption, interest	687,995	524,403	163,592
Refunding bonds issuance costs	-	654,869	(654,869)
Total expenditures	1,632,995	2,310,906	(677,911)
Excess (deficiency) of revenues over (under) expenditures	(1,632,995)	(2,307,529)	(674,534)
Other financing sources (uses):			
Transfers in	1,634,345	1,570,843	(63,502)
Refunding bonds issued	-	18,854,315	18,854,315
Debt redemption - principal	-	(18,105,000)	(18,105,000)
Total other financing sources (uses)	1,634,345	2,320,158	685,813
Net change in fund balance	\$ <u>1,350</u>	12,629	\$ <u>11,279</u>
Fund balance - July 1		<u>1,063,922</u>	
Fund balance - June 30		\$ <u><u>1,076,551</u></u>	

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, 2022

	Zalud House	Airport Operations	Golf Course	Total Nonmajor Enterprise Funds
ASSETS				
Current assets:				
Cash and investments	\$ 36,459	\$ 4,072,156	\$ -	\$ 4,108,615
Receivables (net of allowance for uncollectibles)	-	199,797	570	200,367
Intergovernmental receivable	-	56,250	-	56,250
Lease receivable	-	117,237	-	117,237
Inventories	-	153,336	-	153,336
Total current assets	<u>36,459</u>	<u>4,598,776</u>	<u>570</u>	<u>4,635,805</u>
Noncurrent assets:				
Lease receivable, noncurrent	-	1,523,565	-	1,523,565
Capital assets:				
Land	23,240	1,000,125	102,048	1,125,413
Construction in progress	-	299,042	-	299,042
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	985,393	344,394	1,393,128
Less accumulated depreciation	<u>(132,981)</u>	<u>(6,599,951)</u>	<u>(656,336)</u>	<u>(7,389,268)</u>
Total noncurrent assets	<u>32,673</u>	<u>7,779,447</u>	<u>247,243</u>	<u>8,059,363</u>
Total assets	<u>69,132</u>	<u>12,378,223</u>	<u>247,813</u>	<u>12,695,168</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension-related items	-	24,440	13,631	38,071
Deferred OPEB-related items	-	2,713	1,808	4,521
Total deferred outflows of resources	<u>-</u>	<u>27,153</u>	<u>15,439</u>	<u>42,592</u>
LIABILITIES				
Current liabilities:				
Accounts and other payables	702	38,248	24,256	63,206
Payroll payable	1,570	10,830	7,850	20,250
Interfund payable	-	-	1,736,554	1,736,554
Compensated absences payable	-	9,317	6,968	16,285
Other postemployment benefits liability	-	3,406	2,271	5,677
Total current liabilities	<u>2,272</u>	<u>61,801</u>	<u>1,777,899</u>	<u>1,841,972</u>
Noncurrent liabilities:				
Compensated absences payable	-	689	4,221	4,910
Net pension liability	-	226,909	181,595	408,504
Other postemployment benefits liability	-	101,980	99,718	201,698
Total noncurrent liabilities	<u>-</u>	<u>329,578</u>	<u>285,534</u>	<u>615,112</u>
Total liabilities	<u>2,272</u>	<u>391,379</u>	<u>2,063,433</u>	<u>2,457,084</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred pension-related items	-	134,310	63,237	197,547
Deferred OPEB-related items	-	36,477	25,144	61,621
Lease-related items	-	1,633,905	-	1,633,905
Total deferred inflow of resources	<u>-</u>	<u>1,804,692</u>	<u>88,381</u>	<u>1,893,073</u>
NET POSITION				
Net investment in capital assets	32,673	6,255,882	247,243	6,535,798
Unrestricted	<u>34,187</u>	<u>3,953,423</u>	<u>(2,135,805)</u>	<u>1,851,805</u>
Total net position	<u>\$ 66,860</u>	<u>\$ 10,209,305</u>	<u>\$ (1,888,562)</u>	<u>\$ 8,387,603</u>

City of Porterville
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2022

	Zalud House	Airport Operations	Golf Course	Total Nonmajor Enterprise Funds
Operating revenues:				
Charges for services	\$ 5,486	\$ 1,820,862	\$ 255,907	\$ 2,082,255
Other revenues	<u>385</u>	<u>233,444</u>	<u>855</u>	<u>234,684</u>
Total operating revenues	<u>5,871</u>	<u>2,054,306</u>	<u>256,762</u>	<u>2,316,939</u>
Operating expenses:				
Cost of sales and services	34,722	1,438,037	302,542	1,775,301
General and administrative	6,312	178,898	157,980	343,190
Depreciation/amortization	<u>2,877</u>	<u>398,680</u>	<u>29,211</u>	<u>430,768</u>
Total operating expenses	<u>43,911</u>	<u>2,015,615</u>	<u>489,733</u>	<u>2,549,259</u>
Operating income (loss)	<u>(38,040)</u>	<u>38,691</u>	<u>(232,971)</u>	<u>(232,320)</u>
Nonoperating revenues (expenses):				
Federal grants	19,154	13,000	-	32,154
State grants and reimbursements	-	10,000	-	10,000
Investment earnings	<u>(1,296)</u>	<u>(32,788)</u>	<u>(7,575)</u>	<u>(41,659)</u>
Total nonoperating revenues (expenses)	<u>17,858</u>	<u>(9,788)</u>	<u>(7,575)</u>	<u>495</u>
Income before contributions and transfers	<u>(20,182)</u>	<u>28,903</u>	<u>(240,546)</u>	<u>(231,825)</u>
Capital contributions and transfers:				
Capital contributions - federal and state grants	-	56,250	-	56,250
Transfers in	<u>10,000</u>	<u>6,389</u>	<u>69,000</u>	<u>85,389</u>
Total contributions and transfers	<u>10,000</u>	<u>62,639</u>	<u>69,000</u>	<u>141,639</u>
Change in net position	<u>(10,182)</u>	<u>91,542</u>	<u>(171,546)</u>	<u>(90,186)</u>
Net position - beginning	<u>77,042</u>	<u>10,117,763</u>	<u>(1,717,016)</u>	<u>8,477,789</u>
Net position - ending	<u>\$ 66,860</u>	<u>\$ 10,209,305</u>	<u>\$ (1,888,562)</u>	<u>\$ 8,387,603</u>

City of Porterville
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2022

	<u>Zalud House</u>	<u>Airport Operations</u>	<u>Golf Course</u>	<u>Total Nonmajor Enterprise Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 5,871	\$ 1,951,309	\$ 257,302	\$ 2,214,482
Payments to employees	(23,664)	(233,182)	(182,133)	(438,979)
Payments to suppliers and others	(16,469)	(1,429,929)	(277,462)	(1,723,860)
Net cash provided (used) by operating activities	<u>(34,262)</u>	<u>288,198</u>	<u>(202,293)</u>	<u>51,643</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Receipts from interfund	-	-	151,714	151,714
Subsidy from federal and state grants	19,154	23,000	-	42,154
Transfers in from other funds	10,000	6,389	69,000	85,389
Net cash provided (used) by noncapital financing	<u>29,154</u>	<u>29,389</u>	<u>220,714</u>	<u>279,257</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Construction and other capital projects	-	(59,401)	-	(59,401)
Lease of acapital assets	-	(6,897)	-	(6,897)
Principal payments on notes receivable	-	331,466	-	331,466
Purchase of capital assets	-	(22,536)	(10,846)	(33,382)
Subsidy from federal and state grants	-	27,652	-	27,652
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>270,284</u>	<u>(10,846)</u>	<u>259,438</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	(1,296)	(48,142)	(7,575)	(57,013)
Net cash provided by investing activities	<u>(1,296)</u>	<u>(48,142)</u>	<u>(7,575)</u>	<u>(57,013)</u>
Net Increase (decrease) in cash and cash equivalents	(6,404)	539,729	-	533,325
Balances - beginning of year	42,863	3,532,427	-	3,575,290
Balances - end of the year	<u>\$ 36,459</u>	<u>\$ 4,072,156</u>	<u>\$ -</u>	<u>\$ 4,108,615</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (38,040)	\$ 38,691	\$ (232,971)	\$ (232,320)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation and amortization	2,877	398,680	29,211	430,768
Changes in assets and liabilities:				
Accounts payable	228	(5,610)	4,628	(754)
Compensated absences	-	1,491	345	1,836
Customer receivable	-	(102,997)	540	(102,457)
Inventory	-	(31,131)	-	(31,131)
Net pension liability	-	(187,190)	(95,196)	(282,386)
Deferred outflow - pension-related items	-	43,248	28,850	72,098
Deferred inflow - pension-related items	-	126,322	58,224	184,546
Other postemployment benefits liability	-	(5,608)	(3,739)	(9,347)
Deferred outflow - OPEB-related items	-	859	573	1,432
Deferred inflow - OPEB-related items	-	10,075	6,716	16,791
Salaries and benefits payable	673	1,368	526	2,567
Net cash provided (used) by operating activities	<u>\$ (34,262)</u>	<u>\$ 288,198</u>	<u>\$ (202,293)</u>	<u>\$ 51,643</u>
Schedule of non-cash capital and related financing activities				
Unrealized increase (decrease) in fair market value of investments	\$ (1,236)	\$ (118,663)	\$ (8,605)	\$ (128,504)

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, 2022

	<u>Risk Management</u>	<u>Equipment Management</u>	<u>Total Internal Service Funds</u>
ASSETS			
Current assets:			
Cash and investments	\$ -	\$ 1,437,119	\$ 1,437,119
Receivables (net of allowance for uncollectibles)	110,123	100,358	210,481
Intergovernmental receivable	-	6,894	6,894
Prepays	106,913	-	106,913
Total current assets:	<u>217,036</u>	<u>1,544,371</u>	<u>1,761,407</u>
Noncurrent assets:			
Capital assets:			
Construction in progress	-	129,617	129,617
Machinery and equipment	-	907,138	907,138
Less accumulated depreciation	-	(812,648)	(812,648)
Total noncurrent assets:	<u>-</u>	<u>224,107</u>	<u>224,107</u>
Total assets	<u>217,036</u>	<u>1,768,478</u>	<u>1,985,514</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension-related items	24,284	61,489	85,773
Deferred OPEB-related items	1,133	7,395	8,528
Total deferred outflows of resources	<u>25,417</u>	<u>68,884</u>	<u>94,301</u>
LIABILITIES			
Current liabilities:			
Accounts and other payables	417,478	277,813	695,291
Payroll payable	9,709	29,865	39,574
Interfund payable	680,205	-	680,205
Accrued claims	1,499,439	-	1,499,439
Compensated absences payable	3,067	14,313	17,380
Other postemployment liability	1,476	8,798	10,274
Total current liabilities	<u>2,611,374</u>	<u>330,789</u>	<u>2,942,163</u>
Noncurrent liabilities:			
Accrued claims	3,194,000	-	3,194,000
Compensated absences payable	1,094	8,505	9,599
Net pension liability	206,113	773,791	979,904
Other postemployment liability	51,155	299,180	350,335
Total noncurrent liabilities	<u>3,452,362</u>	<u>1,081,476</u>	<u>4,533,838</u>
Total liabilities	<u>6,063,736</u>	<u>1,412,265</u>	<u>7,476,001</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension-related items	143,806	330,869	474,675
Deferred OPEB-related items	20,234	92,524	112,758
Total deferred inflows of resources	<u>164,040</u>	<u>423,393</u>	<u>587,433</u>
NET POSITION			
Net investment in capital assets	-	224,107	224,107
Unrestricted	<u>(5,985,323)</u>	<u>(222,403)</u>	<u>(6,207,726)</u>
Total net position	<u>\$ (5,985,323)</u>	<u>\$ 1,704</u>	<u>\$ (5,983,619)</u>

City of Porterville
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2022

	<u>Risk Management</u>	<u>Equipment Management</u>	<u>Total Internal Service Funds</u>
Operating revenues:			
Charges for services	\$ 7,458,802	\$ 3,823,204	\$ 11,282,006
Other revenues	<u>874</u>	<u>124,870</u>	<u>125,744</u>
Total operating revenues	<u>7,459,676</u>	<u>3,948,074</u>	<u>11,407,750</u>
Operating expenses:			
Cost of sales and services	7,415,277	3,836,019	11,251,296
General and administrative	206,606	89,623	296,229
Depreciation/amortization	<u>-</u>	<u>26,320</u>	<u>26,320</u>
Total operating expenses	<u>7,621,883</u>	<u>3,951,962</u>	<u>11,573,845</u>
Operating income (loss)	<u>(162,207)</u>	<u>(3,888)</u>	<u>(166,095)</u>
Nonoperating revenues (expenses):			
Investment earnings	<u>(27,799)</u>	<u>(42,305)</u>	<u>(70,104)</u>
Total nonoperating revenues (expenses)	<u>(27,799)</u>	<u>(42,305)</u>	<u>(70,104)</u>
Income(loss) before transfers	(190,006)	(46,193)	(236,199)
Transfers out	<u>(13,733)</u>	<u>-</u>	<u>(13,733)</u>
Change in net position	<u>(203,739)</u>	<u>(46,193)</u>	<u>(249,932)</u>
Net position - beginning	<u>(5,781,584)</u>	<u>47,897</u>	<u>(5,733,687)</u>
Net position - ending	<u>\$ (5,985,323)</u>	<u>\$ 1,704</u>	<u>\$ (5,983,619)</u>

City of Porterville
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2022

	Risk Management	Equipment Management	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customer	\$ 7,398,302	\$ 3,932,788	\$ 11,331,090
Payments to employees	(221,433)	(820,211)	(1,041,644)
Payments to suppliers and others	(8,883,172)	(3,105,229)	(11,988,401)
Net cash provided (used) by operating activities	<u>(1,706,303)</u>	<u>7,348</u>	<u>(1,698,955)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash from interfund	680,205	-	680,205
Intergovernmental - operating assistance	-	(5,749)	(5,749)
Transfers out to other funds	(13,733)	-	(13,733)
Net cash provided (used) by noncapital financing	<u>666,472</u>	<u>(5,749)</u>	<u>660,723</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	(27,799)	(42,305)	(70,104)
Net cash provided by investing activities	<u>(27,799)</u>	<u>(42,305)</u>	<u>(70,104)</u>
Net Increase (decrease) in cash and cash equivalents	<u>(1,067,630)</u>	<u>(40,706)</u>	<u>(1,108,336)</u>
Balances - beginning of year	1,067,630	1,477,825	2,545,455
Balances - end of the year	<u>\$ -</u>	<u>\$ 1,437,119</u>	<u>\$ 1,437,119</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (162,207)	\$ (3,888)	\$ (166,095)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation and amortization	-	26,320	26,320
Changes in assets and liabilities:			
Accounts payable	142,545	39,248	181,793
Accrued claims	(1,498,262)	-	(1,498,262)
Compensated absences	(3,231)	(6,179)	(9,410)
Customer receivable	(61,374)	(15,286)	(76,660)
Prepaid expense	(106,913)	-	(106,913)
Net pension liability	(194,163)	(465,404)	(659,567)
Deferred outflow - pension-related items	38,778	111,669	150,447
Deferred inflow - pension-related items	136,364	310,434	446,798
Other postemployment benefits liability	(2,430)	(14,487)	(16,917)
Deferred outflow - OPEB-related items	372	2,220	2,592
Deferred inflow - OPEB-related items	4,366	26,026	30,392
Salaries and benefits payable	(148)	(3,325)	(3,473)
Net cash provided (used) by operating activities	<u>\$ (1,706,303)</u>	<u>\$ 7,348</u>	<u>\$ (1,698,955)</u>
Schedule of non-cash capital and related financing activities			
Unrealized increase (decrease) in fair market value of investments	\$ (16,290)	\$ (38,725)	\$ (55,015)

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.

Contents	Page
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)

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Governmental activities:										
Net investment in capital assets	\$ 350,078	\$ 362,675	\$ 376,078	\$ 376,681	\$ 380,683	\$ 384,474	\$ 387,285	\$ 388,794	\$ 393,491	\$ 395,304
Restricted	8,266	4,152	26,482	25,262	25,297	26,719	28,274	32,617	32,570	37,814
Unrestricted	28,545	32,343	(18,340)	(17,650)	(10,323)	(20,249)	(19,456)	(20,017)	(13,683)	(1,853)
Total governmental activities net position	<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>	<u>\$ 431,265</u>
Business-type activities:										
Net investment in capital assets	\$ 44,211	\$ 43,444	\$ 47,096	\$ 52,217	\$ 51,993	\$ 54,180	\$ 62,142	\$ 66,712	\$ 65,993	\$ 71,299
Restricted	3,239	3,272	3,297	3,326	3,373	3,434	-	-	-	-
Unrestricted	24,254	27,762	16,239	15,222	24,660	26,393	32,760	37,993	44,832	45,980
Total business-type activities net position	<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>	<u>\$ 117,279</u>
Primary government:										
Net investment in capital assets	\$ 394,289	\$ 406,119	\$ 423,174	\$ 428,898	\$ 432,676	\$ 438,654	\$ 449,427	\$ 455,506	\$ 459,484	\$ 466,603
Restricted	11,505	7,424	29,779	28,588	28,670	30,153	28,274	32,617	32,570	37,814
Unrestricted	52,799	60,105	(2,101)	(2,428)	14,337	6,144	13,304	17,976	31,149	44,127
Total primary government net position	<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>	<u>\$ 548,544</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.

Note: In fiscal year 2021-2022, components of the governmental activities net position were reclassified to consolidate the former Measure I Sales Tax Fund with the General Fund in accordance with the Ordinance that had established the Measure I sales and use tax which states that the revenue generated by the Measure was to be placed in the General Fund. For consistency with the fiscal year 2021-2022 presentation, the components of governmental activities net position for fiscal years 2018-2019 through 2020-2021 were also reclassified.

CITY OF PORTERVILLE
CHANGES IN NET POSITION (in thousands)
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	<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>	<u>2021-22</u>
EXPENSES										
Governmental activities:										
Community and economic development	\$ 1,450	\$ 1,350	\$ 1,572	\$ 2,156	\$ 725	\$ 1,594	\$ 1,250	\$ 1,755	\$ 1,696	\$ 1,675
General government	2,923	2,816	3,197	3,213	2,129	3,415	3,305	3,902	4,391	6,273
Parks and recreation	5,350	5,490	5,865	6,550	5,362	7,332	7,514	8,003	9,244	7,858
Public safety - fire	4,498	4,692	4,283	4,660	5,080	6,805	6,263	7,490	8,533	6,285
Public safety - police	9,788	10,863	10,174	10,765	11,233	13,822	13,630	16,001	18,010	11,972
Public works	6,694	5,258	7,271	5,679	4,782	6,583	6,338	7,590	8,134	7,772
Interest on long-term debt	1,080	1,205	1,203	1,122	1,088	1,045	991	926	871	898
Total governmental activities expenses	<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>	<u>42,733</u>
Business-type activities:										
Airport	1,335	1,534	1,570	1,619	1,723	1,729	1,449	1,295	1,685	2,017
Golf course	383	403	358	373	358	449	452	445	502	491
Sewer	6,235	6,500	6,654	6,976	6,466	7,145	7,357	7,827	7,967	7,800
Solid waste	5,233	5,450	5,574	5,568	5,428	6,185	6,375	6,996	7,213	6,798
Transit	2,303	3,084	3,258	4,459	4,584	4,910	5,563	6,718	6,088	6,631
Water	4,829	5,472	5,544	5,695	7,164	7,106	7,742	7,786	9,285	9,066
Zalud estate	27	26	21	26	29	27	27	30	19	44
Total business-type activities expenses	<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>	<u>32,847</u>
Total primary government expenses	<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>	<u>\$ 75,580</u>
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
Community and economic development	\$ 352	\$ 373	\$ 51	\$ 29	\$ 36	\$ 136	\$ 56	\$ 90	\$ 174	\$ 69
General government	1,656	1,746	1,786	2,037	2,554	2,622	2,628	2,662	2,646	2,724
Parks and recreation	1,942	1,695	1,766	2,007	2,378	2,673	2,945	2,725	2,213	2,633
Public safety - fire	70	86	77	104	331	229	385	191	41	207
Public safety - police	624	485	530	411	388	526	518	487	321	539
Public works	219	390	355	303	427	569	432	331	860	116
Operating grants and contributions:										
Community and economic development	854	796	904	887	554	719	887	635	1,389	1,243
General government	469	449	523	511	491	524	508	610	613	3,082
Parks and recreation	243	33	89	297	264	126	123	110	2,144	154
Public safety - fire	71	76	61	72	2	--	--	--	546	577
Public safety - police	255	247	427	354	367	273	239	337	707	628
Public works	1,241	1,306	1,884	2,022	1,932	3,836	2,641	2,817	3,846	4,656
Capital grants and contributions:										
Community and economic development	--	--	--	--	101	--	--	--	--	-
General government	--	--	--	--	--	--	409	212	--	-
Parks and recreation	331	1,283	510	183	428	138	125	2,855	3,102	385
Public safety - fire	50	--	27	--	--	--	33	--	180	-
Public safety - police	141	108	21	--	--	62	162	12	150	16
Public works	4,894	14,199	11,688	2,653	6,556	4,008	5,228	4,895	4,536	5,723
Total governmental activities program revenues	<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>	<u>22,752</u>

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Business-type activities:										
Charges for services:										
Airport	1,206	1,415	1,343	1,591	1,831	1,650	1,251	1,159	1,961	2,054
Golf course	226	214	208	198	176	170	160	158	261	257
Sewer	7,115	7,011	7,253	7,574	8,527	7,512	7,574	7,975	7,888	8,399
Solid waste	5,659	5,676	5,793	5,970	5,902	5,996	6,045	6,151	6,341	6,649
Transit	462	624	622	626	643	682	669	531	268	388
Water	4,942	5,073	4,676	5,766	10,856	11,557	11,639	12,194	13,034	13,472
Zalud estate	7	3	6	4	10	8	6	5	1	6
Operating grants and contributions:										
Airport	10	10	10	10	25	63	10	10	40	23
Sewer	--	--	--	--	--	--	150	--	--	--
Solid waste	6	8	6	578	23	22	35	25	15	19
Transit	1,796	3,140	1,673	3,534	3,694	3,557	3,605	5,112	3,593	3,514
Water	--	--	16	--	902	446	--	--	--	--
Zalud estate	--	--	--	--	--	--	--	--	--	19
Capital grants and contributions:										
Airport	32	35	65	33	32	44	27	929	212	56
Sewer	25	34	47	87	192	35	66	103	188	99
Solid waste	--	1,221	--	--	696	--	--	489	801	-
Transit	1,001	551	1,385	2,022	215	1,601	6,028	3,770	1,795	1,965
Water	75	250	195	251	303	98	1,024	556	2,151	3,316
Total business-type activities program revenues	22,562	25,265	23,298	28,244	34,027	33,441	38,289	39,167	38,549	40,236
Total primary government program revenues	\$ 35,974	\$ 48,537	\$ 43,997	\$ 40,114	\$ 50,836	\$ 49,882	\$ 55,608	\$ 58,136	\$ 62,017	\$ 62,988
Net (expense)/revenue										
Governmental activities	\$ (18,371)	\$ (8,402)	\$ (12,866)	\$ (22,275)	\$ (13,590)	\$ (24,155)	\$ (21,972)	\$ (26,698)	\$ (27,411)	\$ (19,981)
Business-type activities	2,217	2,796	319	3,528	8,275	5,890	9,324	8,070	5,790	7,389
Total primary government net expense	\$ (16,154)	\$ (5,606)	\$ (12,547)	\$ (18,747)	\$ (5,315)	\$ (18,265)	\$ (12,648)	\$ (18,628)	\$ (21,621)	\$ (12,592)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property tax	\$ 7,347	\$ 7,406	\$ 7,425	\$ 6,784	\$ 6,629	\$ 7,041	\$ 7,355	\$ 7,749	\$ 8,107	\$ 8,420
Sales tax	7,163	7,401	7,596	9,049	9,626	9,724	12,201	18,284	22,511	24,529
Utility users tax	3,970	3,955	3,883	3,752	3,913	4,056	3,911	3,856	4,252	4,784
Other taxes	1,838	1,923	2,056	2,108	2,116	2,183	2,170	2,137	2,424	2,584
Unrestricted investment earnings	191	603	382	605	326	527	1,495	1,560	490	(1,517)
Miscellaneous	87	66	256	138	841	91	110	103	267	157
Transfers	109	(85)	(87)	(87)	(89)	(95)	(111)	(93)	(87)	(89)
Total governmental activities	20,705	21,269	21,511	22,349	23,362	23,527	27,131	33,596	37,964	38,868
Business-type activities:										
Unrestricted investment earnings	105	408	292	499	238	236	1,456	1,633	243	(1,244)
Miscellaneous	528	36	2	19	658	--	4	7	--	220
Transfers	(109)	85	87	87	89	95	111	93	87	89
Total business-type activities	524	529	381	605	985	331	1,571	1,733	330	(935)
Total primary government	\$ 21,229	\$ 21,798	\$ 21,892	\$ 22,954	\$ 24,347	\$ 23,858	\$ 28,702	\$ 35,329	\$ 38,294	\$ 37,933
Change in Net Position										
Governmental activities	\$ 2,334	\$ 12,867	\$ 8,645	\$ 74	\$ 9,772	\$ (628)	\$ 5,159	\$ 6,898	\$ 10,553	\$ 18,887
Business-type activities	2,741	3,325	700	4,133	9,260	6,221	10,895	9,803	6,120	6,454
Total primary government	\$ 5,075	\$ 16,192	\$ 9,345	\$ 4,207	\$ 19,032	\$ 5,593	\$ 16,054	\$ 16,701	\$ 16,673	\$ 25,341

**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 and Use Tax</u>	<u>Total</u>
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
2021-22	8,420,350	1,741,770	4,784,200	841,823	24,529,465	40,317,609

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

	<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>	<u>2021-22</u>
General fund:										
Nonspendable	\$ 5,323	\$ 5,245	\$ 4,472	\$ 4,354	\$ 1,614	\$ 1,105	\$ 3,834	\$ 3,826	\$ 3,787	\$ 3,749
Restricted	418	62	62	62	220	220	220	257	259	259
Committed	4,373	4,894	5,018	6,213	9,882	10,419	10,597	12,083	16,201	18,583
Assigned	6,251	6,573	6,668	7,253	8,272	8,460	5,974	5,023	6,098	6,566
Unassigned	<u>1,070</u>	<u>1,539</u>	<u>599</u>	<u>596</u>	<u>592</u>	<u>581</u>	<u>2,272</u>	<u>7,957</u>	<u>11,836</u>	<u>17,053</u>
Total general fund	<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>\$ 22,897</u>	<u>\$ 29,146</u>	<u>\$ 38,181</u>	<u>\$ 46,210</u>
All other governmental funds:										
Restricted	\$ 18,744	\$ 18,386	\$ 26,420	\$ 25,023	\$ 25,077	\$ 25,347	\$ 28,149	\$ 31,820	\$ 31,534	\$ 36,128
Unassigned	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(150)</u>	<u>(1,884)</u>	<u>(454)</u>	<u>(876)</u>	<u>(878)</u>	<u>(718)</u>
Total all other governmental funds	<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>\$ 27,695</u>	<u>\$ 30,944</u>	<u>\$ 30,656</u>	<u>\$ 35,410</u>

Note: In fiscal year 2021-2022, fund balance in the other governmental funds, particularly the former Measure I Sales Tax Fund, was reclassified and consolidated with the General Fund unassigned fund balance. In accordance with the Ordinance that had established the Measure I sales and use tax, the revenue generated was to be placed in the General Fund. For consistency with the fiscal year 2021-2022 presentation, the unassigned fund balance in the General Fund and the restricted fund balance in the other governmental funds, were also reclassified for fiscal years 2018-2019 through 2020-2021.

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

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Revenues:										
Taxes	\$ 20,317	\$ 20,709	\$ 20,959	\$ 21,694	\$ 22,285	\$ 23,004	\$ 25,637	\$ 32,027	\$ 37,294	\$ 40,318
Licenses and permits	780	882	967	1,023	966	1,048	1,065	1,316	1,290	1,532
Intergovernmental	6,879	16,084	14,718	5,956	7,979	6,920	10,959	7,793	10,451	13,224
Charges for services	4,263	4,312	3,998	4,257	5,193	5,979	6,164	5,874	5,920	7,247
Special assessments and fees	933	413	318	430	804	658	459	778	816	1,135
Fines and forfeitures	233	280	231	191	197	154	124	145	139	261
Investment earnings	279	668	545	880	607	512	1,654	1,708	598	(1,387)
Miscellaneous	145	96	183	186	584	210	135	138	305	345
Total revenues	33,829	43,444	41,919	34,617	38,615	38,485	46,197	49,779	56,813	62,675
Expenditures:										
Community/Economic development	1,373	1,154	1,471	2,084	1,068	1,427	1,129	1,556	1,456	1,696
General government	2,612	2,562	2,856	2,909	2,818	2,955	2,972	3,419	3,617	6,005
Parks and recreation	4,809	4,803	5,071	5,959	6,073	6,463	6,818	6,939	8,253	7,313
Public safety:										
Fire	4,203	3,950	4,012	4,263	4,855	5,178	5,492	6,373	7,066	8,379
Police	8,957	9,406	9,514	9,976	10,784	10,704	11,811	13,638	15,176	15,542
Public works	4,140	2,643	3,834	2,994	2,907	3,578	3,417	4,146	4,639	4,613
Capital outlay	3,544	16,731	16,490	4,175	7,445	6,779	5,857	4,031	10,560	4,104
Debt service:										
Principal	948	571	1,099	984	1,324	1,686	1,748	1,800	1,808	1,786
Interest and other charges	1,810	1,205	1,955	952	975	932	877	817	760	1,220
Total expenditures	32,396	43,025	46,302	34,296	38,249	39,702	40,121	42,719	53,335	50,658
Excess of revenues over (under) expenditures	1,433	419	(4,383)	321	366	(1,217)	6,076	7,060	3,478	12,017
Other financing sources (uses):										
Transfers in	7,914	18,904	18,017	7,388	7,558	7,793	9,756	7,350	14,652	7,685
Transfers out	(7,805)	(18,989)	(18,104)	(7,476)	(7,647)	(7,888)	(9,867)	(7,441)	(14,666)	(7,761)
Issuance of long-term debt	21,060	3,765	23,437	--	--	--	--	--	--	18,854
Payments on refunding	(19,887)	(3,560)	(23,186)	--	--	--	--	--	--	(18,105)
Leases	--	--	--	--	--	--	--	--	--	37
Sale of capital assets	16	--	12	29	--	52	380	29	--	55
Insurance recoveries	--	--	152	--	137	--	--	2,500	4,853	--
Total other financing sources (uses)	1,298	120	328	(59)	48	(43)	269	2,438	4,839	765
Net change in fund balances	\$ 2,731	\$ 539	\$ (4,055)	\$ 262	\$ 414	\$ (1,260)	\$ 6,345	\$ 9,498	\$ 8,317	\$ 12,782
Debt service as a percentage of noncapital expenditures	7.490%	6.032%	8.044%	6.417%	7.463%	7.952%	7.661%	6.764%	6.004%	6.457%

**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>
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%
2021-22	2,933,194,936	677,143	113,186,785	3,047,058,864	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>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>	<u>2021-22</u>
Direct Rates:										
City Basic Rate	0.11820	0.11807	0.11806	0.11837	0.11848	0.11861	0.11861	0.11891	0.11928	0.11927
County of Tulare	0.18138	0.18065	0.18058	0.18082	0.18098	0.17995	0.17993	0.17921	0.17939	0.17929
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	0.00461	0.00461	0.00462	0.00462	0.00463	0.00463	0.00463	0.00464	0.00464
Porterville Memorial District	0.00849	0.00849	0.00849	0.00850	0.00850	0.00850	0.00850	0.00850	0.00851	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	0.00212	0.00211	0.00212	0.00212	0.00213	0.00211	0.00211	0.00208	0.00208	0.00208
Education Revenue Augmentation	0.23825	0.23913	0.23920	0.23863	0.23836	0.23927	0.23929	0.23974	0.23917	0.23928
Total Direct Rate	<u>1.00000</u>	<u>1.00000</u>	<u>1.00000</u>	<u>1.00000</u>	<u>1.00000</u>	<u>1.00000</u>	<u>1.00000</u>	<u>1.00000</u>	<u>1.00000</u>	<u>1.00000</u>
Overlapping Rates:										
Burton Elementary School	0.02630	0.02630	0.02630	0.02630	0.02500	0.03190	0.03060	0.05860	0.03690	0.04110
Porterville Unified School	0.05670	0.06000	0.06000	0.06160	0.06160	0.06160	0.06990	0.06860	0.06580	0.06140
Kern Community College	0.00850	0.01264	0.01045	0.01357	0.01318	0.03625	0.03367	0.03303	0.03385	0.05501

Note:

In 1978, the State of California passed Proposition 13 which set the property tax rate at a 1% fixed amount. This 1% is shared by all taxing agencies for which the subject property resides within. In addition to the 1% fixed amount, taxes are levied within the tax rate area to pay interest and redemption charges on voter-approved indebtedness. Some of the bonds are applicable to only a few tax rate areas within the City.

Source: County of Tulare Office of the Auditor-Controller

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

Taxpayer	2021-2022			2012-2013		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Wal-Mart Realty Company	\$ 96,085,975	1	3.15%	\$ 80,357,483	1	3.89%
Del Mesa Farms (Foster Poultry Farms)	36,004,800	2	1.18%	45,064,906	2	2.18%
Village at Henderson LLC	28,381,821	3	0.93%			
Henderson-Prospect Partners II LP	24,713,186	4	0.81%			
Target Corporation	19,887,716	5	0.65%	18,288,333	3	0.89%
Southern California Edison Company	13,753,975	6	0.45%			
Lowes HIW Inc	13,411,860	7	0.44%	14,657,433	4	0.71%
Moyes Jason	12,343,818	8	0.41%			
Porterville Investments 2005 LP	12,147,829	9	0.40%	9,818,000	9	0.48%
Foxwood Apartments LLC	11,532,423	10	0.38%			
Royalty Carpet Mills Inc				12,667,076	5	0.61%
Beckman Coulter Inc				11,702,298	7	0.57%
Daryl & Victoria Nicholson (TRS)				12,113,348	6	0.59%
Cherry Keith (SCSR)				11,057,668	8	0.54%
Grand-Prospect Partners LP				9,722,332	10	0.47%
Subtotal	268,263,403		8.80%	225,448,877		10.91%
Total taxable assessed value of other taxpayers	<u>2,778,795,461</u>		<u>91.20%</u>	<u>1,840,729,724</u>		<u>89.09%</u>
Total taxable assessed value	<u>\$ 3,047,058,864</u>		<u>100.00%</u>	<u>\$ 2,066,178,601</u>		<u>100.00%</u>

Source: County of Tulare Office of the Auditor-Controller

**CITY OF PORTERVILLE
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Total Tax Levy*	Collections within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
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%	74,874	3,259,224	94.36%
2021-22	3,569,015	3,370,248	94.43%	N/A	3,370,248	94.43%

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
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%
2021-22	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>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>	<u>2021-22</u>
General retail	\$ 185,195	\$ 189,682	\$ 185,774	\$ 177,516	\$ 184,006	\$ 188,892	\$ 187,883	\$ 180,709	\$ 209,031	\$ 217,768
Transportation	133,007	143,345	153,340	144,124	148,012	167,745	173,302	169,448	196,312	234,512
Food products	104,115	101,042	106,871	113,106	120,458	110,411	115,764	119,288	131,834	154,688
Construction	52,286	56,000	60,825	61,845	69,100	71,417	67,205	70,277	92,571	89,378
Business to business	19,169	24,228	21,304	26,386	30,240	25,390	20,787	20,779	29,942	37,015
Miscellaneous	<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>	<u>6,199</u>
Total	<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>	<u>\$ 739,560</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>
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
2021-22	6,721,508	343,006	970,740	364,095	8,399,349

Source: City of Porterville Finance Department

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

	<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>	<u>2021-22</u>
A. Residential										
(rate per month)										
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. Commercial										
(per 100 cubic feet of water used with a minimum of \$26.87 per month)										
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
C. Industrial	\$0.93	\$0.93	\$0.93	\$0.93	\$0.93	\$0.93	\$0.93	\$0.93	\$0.93	\$0.93
(per 100 cubic feet of water used with a minimum of \$26.87 per month)										

Source: City of Porterville Finance Department

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

	<u>2021-22</u>		<u>2012-13</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	\$ 148,553	2	\$ 143,604
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
County of Tulare GSA	8	\$ 33,303		
Santa Fe Plaza	9	\$ 32,155	7	\$ 32,155
Villa Robles Apartments	10	\$ 31,849	8	\$ 31,849
Parkview Apartments			9	\$ 26,949
Porterville Pacific Associates			10	\$ 25,418
 Total Number of Sewer Users	 <u>13,613</u>		 <u>11,956</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
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
2021-22	13,357,262	5,959	15,120	38,639	55,218	13,472,199

Source: City of Porterville Finance Department

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

	<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>	<u>2021-22</u>
A. Metered										
Monthly meter charge										
<u>Meter Size</u>										
Less than 1 inch	\$ 5.00	\$ 5.00	\$ 5.00	\$ 10.00	\$ 16.50	\$ 16.88	\$ 17.27	\$ 17.67	\$ 18.08	\$ 18.08
1 inch	\$ 5.50	\$ 5.50	\$ 5.50	\$ 11.00	\$ 18.15	\$ 18.57	\$ 19.00	\$ 19.44	\$ 19.89	\$ 19.89
1-1/4 inch	\$ 6.75	\$ 6.75	\$ 6.75	\$ 13.50	\$ 22.28	\$ 22.79	\$ 23.31	\$ 23.85	\$ 24.40	\$ 24.40
1-1/2 inch	\$ 8.00	\$ 8.00	\$ 8.00	\$ 16.00	\$ 26.40	\$ 27.01	\$ 27.63	\$ 28.27	\$ 28.92	\$ 28.92
2 inches	\$ 10.00	\$ 10.00	\$ 10.00	\$ 20.00	\$ 33.00	\$ 33.76	\$ 34.54	\$ 35.33	\$ 36.14	\$ 36.14
3 inches	\$ 13.50	\$ 13.50	\$ 13.50	\$ 27.00	\$ 44.55	\$ 45.57	\$ 46.62	\$ 47.69	\$ 48.79	\$ 48.79
4 inches	\$ 16.50	\$ 16.50	\$ 16.50	\$ 33.00	\$ 54.45	\$ 55.70	\$ 56.98	\$ 58.29	\$ 59.63	\$ 59.63
6 inches	\$ 20.00	\$ 20.00	\$ 20.00	\$ 40.00	\$ 66.00	\$ 67.52	\$ 69.07	\$ 70.66	\$ 77.79	\$ 77.79
8 inches	\$ 25.00	\$ 25.00	\$ 25.00	\$ 50.00	\$ 82.50	\$ 84.40	\$ 86.34	\$ 88.32	\$ 90.36	\$ 90.36
Water consumption charge										
Per 100 cubic feet of water	\$ 0.72	\$ 0.72	\$ 0.72	\$ 0.90	\$ 1.75	\$ 1.79	\$ 1.83	\$ 1.87	\$ 1.91	\$ 1.91
B. Unmetered										
Flat rate charge per month	\$ 29.93	\$ 29.93	\$ 29.93	\$ 42.80	\$ 79.01	\$ 80.83	\$ 82.69	\$ 84.59	\$ 86.54	\$ 86.54

*Rates effective August 1, 2016

**Rates effective October 1, 2020

Source: City of Porterville Finance Department

**CITY OF PORTERVILLE
WATER CUSTOMERS BY TYPE
LAST TEN FISCAL YEARS**

	<u>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>	<u>2021-22</u>
Single-family residential	13,071	13,204	13,265	13,435	13,817	14,345	14,337	14,560	14,763	14,945
Multi-family residential	860	860	879	883	889	886	879	881	892	910
Commercial	1,041	1,043	1,041	1,054	1,065	1,080	1,071	1,069	1,078	1,100
Industrial	20	17	17	17	17	17	17	17	17	15
Other	352	363	376	383	393	395	405	416	424	443
Total	<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>	<u>17,413</u>

Source: City of Porterville Finance Department

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

	2021-22		2012-13	
	Rank	Revenue	Rank	Revenue
Foster Farms	1	\$ 305,959	1	\$ 111,417
City of Porterville Sports Complex	2	\$ 89,405		
City of Porterville Golf Course	3	\$ 85,173	2	\$ 38,295
County of Tulare - GSA	4	\$ 59,224		
Granite Hills High School	5	\$ 53,497	5	\$ 24,399
The Village at Henderson LLC	6	\$ 47,765		
Porterville High School	7	\$ 46,050	6	\$ 23,907
Burton Middle School	8	\$ 43,971	7	\$ 17,801
Summitt Charter Collegiate Academy	9	\$ 41,742		
Sierra View District Hospital	10	\$ 39,513		
Kern JT Jr College			3	\$ 32,001
Monache High School			4	\$ 27,037
Jim Maples Academy			8	\$ 15,839
City of Porterville Zalud Park			9	\$ 15,270
Pioneer Middle School			10	\$ 13,570
Total Number of Connections	17,413		15,298	
Total Water Consumption (in hundred cubic feet)		4,398,207		5,196,017

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>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>	<u>2021-22</u>
Governmental activities:										
Notes	\$ 2,747	\$ 2,556	\$ 2,352	\$ 2,133	\$ 1,899	\$ 1,648	\$ 1,380	\$ 1,095	\$ 822	\$ 276
Pension obligation bond	-	3,765	3,275	2,770	2,250	1,710	1,155	585	-	-
Certificates of Participation	21,292	23,374	23,437	23,138	22,529	21,594	20,630	19,645	18,656	17,723
Business-type activities:										
Notes	12,372	12,024	11,663	11,290	10,841	10,439	29,321	28,393	27,266	26,026
Revenue bonds	17,630	18,712	18,760	18,809	18,858	18,908	-	-	-	-
Certificates of Participation	<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>	<u>47,841</u>
Total primary government	<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>	<u>\$ 91,866</u>
Percentage of personal income (1)*	6.56%	6.93%	6.67%	6.93%	6.04%	5.39%	5.02%	5.83%	8.28%	7.22%
Per capita (1)	1,095	1,195	1,155	1,032	985	916	871	1,064	1,607	1,474

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

CITY OF PORTERVILLE
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2022

2021-22 Assessed Valuation: \$ 3,047,058,864
 Redevelopment Incremental Valuation: \$ 226,077,344
 Adjusted Assessed Valuation: \$ 3,273,136,208

	Total Debt 6/30/22	% Applicable (1)	City's Share of Debt 6/30/22
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Kern Community College District School Facilities Improvement District No. 1	\$ 151,153,183	3.317%	\$ 5,013,751
Kern Community College District Safety, Repair and Improvement District	94,711,081	3.337%	3,160,509
Porterville Unified School District - Strathmore High	1,260,000	0.051%	643
Porterville Unified School District School Facilities Improvement District	15,240,063	80.989%	12,342,775
Burton School District	6,803,921	96.248%	6,548,638
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 27,066,316

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT:			
Tulare County General Fund Obligations	\$ 44,495,640	8.061%	\$ 3,586,794
Tulare County Pension Obligation Bonds	212,080,000	8.061%	17,095,769
Tulare County Board of Education Certificates of Participation	35,600,000	8.061%	2,869,716
Kern Community College District General Fund Obligations	24,647,000	2.988%	736,452
Kern Community College District Benefit Obligations	74,455,000	2.988%	2,224,715
Porterville Unified School District General Fund Obligations	32,359,806	47.011%	15,212,668
Burton School District Certificates of Participation	3,125,000	96.248%	3,007,750
City of Porterville Certificates of Participation	17,722,681	100.000%	17,722,681
City of Porterville Notes Payable - HUD	276,000	100.000%	276,000
TOTAL DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT			\$ 62,732,545

OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	\$ 6,105,000	100.000%	\$ 6,105,000
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TOTAL DIRECT DEBT	\$ 17,998,681
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TOTAL OVERLAPPING DEBT	\$ 77,905,180
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COMBINED TOTAL DEBT	\$ 95,903,861 (2)
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(1) The percentage of overlapping debt applicable to the City is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the City divided by the district's total taxable assessed value.

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

Ratios to 2021-22 Assessed Valuation:

Overlapping Tax and Assessment Debt	0.83%
Total Direct Debt (\$17,998,681)	0.55%
Combined Total Debt	2.93%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$226,077,344):

Total Overlapping Tax Increment Debt	2.70%
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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)**

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Assessed valuation	\$ 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	\$ 3,047,059
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	516,545	533,070	556,396	578,546	621,468	653,211	679,144	714,700	737,839	761,765
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	77,482	79,961	83,459	86,782	93,220	97,982	101,872	107,205	110,676	114,265
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>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>	\$ <u>114,265</u>
Total debt applicable to the limit as a percentage of debt limit	0%	5%	4%	3%	2%	2%	1%	1%	0%	0%

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

(1) The City of Porterville does not have any general obligation debt.

Sources:
County of Tulare Office of the Auditor-Controller
City of Porterville Department of Finance

**CITY OF PORTERVILLE
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS
(amounts expressed in thousands)**

<u>Fiscal Year</u>	<u>Total Revenue (1)</u>	<u>Less: Operating Expense (2)</u>	<u>Net Available Revenue</u>	<u>Senior Debt Service</u>	<u>Senior Debt Service Coverage</u>	<u>Remaining Net Revenue</u>	<u>Parity / Subordinate Debt Service</u>	<u>Parity / Subordinate Coverage</u>	<u>Net Revenue After Debt Service</u>
Water system improvement projects									
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
2021-22	12,936	6,754	6,182	1,713	3.61	4,469	461	9.69	4,008
Sewer system improvement projects									
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
2021-22	7,907	4,557	3,350	2,225	1.51	1,125	285	3.95	840

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>
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	\$ 1,156,749,678	\$ 19,418	30.9	70.2% High school graduate or higher	19,727	13.9%
2021-22	62,345	\$ 1,273,022,555	\$ 20,419	31.8	71.1% High school graduate or higher	19,757	11.4%

Sources:

- (1) California Department of Finance / City of Porterville Community Development Department
- (2) U.S. Census Bureau "American Community Survey ", at 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

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

Employer	2021-22			2012-13		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Porterville Public Schools	1,422	1	5.64%	1,656	1	7.60%
Wal-Mart Distribution Center	1,360	2	5.40%	1,016	3	4.66%
Porterville State Developmental Center	1,104	3	4.38%	1,327	2	6.09%
Sierra View Medical Center	799	4	3.17%	965	4	4.43%
Burton School District	770	5	3.06%	418	9	1.92%
City of Porterville	530	6	2.10%	505	6	2.32%
Eagle Mountain Casino	508	7	2.02%	529	5	2.43%
Foster Farms	395	8	1.57%	505	7	2.32%
Family Healthcare Network	303	9	1.20%	495	8	2.27%
Wal-Mart Retail Store	245	10	0.97%			0.00%
Bank of the Sierra				355	10	1.63%
Total	<u>7,436</u>		<u>29.51%</u>	<u>7,771</u>		<u>35.65%</u>
City labor force	<u>25,200</u>			<u>21,800</u>		

Source: City of Porterville Community Development Department
California Employment Development Department "Unemployment Rates and Labor Force," at www.labormarketinfo.edd.ca.gov

CITY OF PORTERVILLE
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	<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>	<u>2021-22</u>
Function										
General government	25	23	26	26	25	25	27	24	25	27
Public safety:										
Fire										
Sworn	32	35	33	38	36	36	39	41	43	46
Unsworn	3	2	2	2	2	2	2	3	3	4
Police										
Sworn	60	59	56	58	57	57	65	69	71	61
Unsworn	28	31	27	30	28	31	35	31	31	32
Public works:										
Engineering and building	17	17	16	16	17	16	17	20	16	16
Streets maintenance	5	5	5	5	6	6	6	7	9	6
Community development:										
Planning and zoning	8	6	7	8	8	7	6	7	5	5
Economic development	2	2	2	2	2	2	2	2	2	2
Housing	2	2	1	1	1	1	1	3	3	3
Parks and Leisure Services:										
Parks	17	18	19	19	18	18	18	17	17	19
Leisure Services	4	4	4	4	4	4	4	5	5	5
Library	10	10	10	10	10	10	10	9	7	8
Sewer operations	17	16	14	15	14	12	12	13	13	10
Solid waste	20	20	22	21	20	20	22	20	25	24
Airport operations	2	2	2	3	3	3	3	3	3	3
Golf course	2	2	2	2	2	2	2	2	2	2
Water operations	12	15	15	14	14	19	18	21	20	22
Equipment maintenance	7	6	6	8	8	8	8	8	8	7
Total	<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>	<u>302</u>

Source: City of Porterville, Finance Department

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

	<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>	<u>2021-22</u>
Function										
Public safety:										
Police:										
Stations	1	1	1	2	2	2	2	2	2	2
Patrol units	68	68	65	64	74	69	81	82	90	90
Fire:										
Stations	2	2	2	3	3	3	3	3	3	3
Hydrants	1,937	1,875	1,902	1,916	2,002	2,190	2,026	2,087	2110	2,228
Public works:										
Streets, lights, signals										
Miles	196	196	206	206	206	207	208	208	208	210
Streetlights	3,336	3,535	3,701	3760	3778	3839	3885	3894	3894	3,950
Traffic signals	49	49	49	50	50	50	50	50	50	51
Sewers (miles)	171	176	179	179	179	181	195	197	197	199
Water mains (miles)	213	213	213	213	213	214	275	278	278	279
Storm drains (miles)	52	52	52	52	52	53	53	53	53	54
Parks and Leisure Services:										
Parks acreage	306	308	308	308	308	308	300	308	308	309
Parks	24	25	25	25	25	25	25	26	26	26
Community centers	1	1	1	1	1	1	1	1	1	1
Library volumes/circulations	288,326	300,662	296,498	260,834	251,155	231,831	217,488	104,960	3009	104

Sources: Various city departments

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

FUNCTION	<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>	<u>2021-22</u>
Police										
Crimes (1):										
Homicide	3	7	3	3	4	1	3	2	4	6
Rape	12	7	10	13	14	6	14	12	21	22
Robbery	73	39	37	55	52	65	43	41	29	42
Assaults	461	408	405	444	472	548	444	445	399	284
Burglary	542	436	278	308	306	343	279	204	192	242
Theft	936	737	717	796	807	1,002	880	782	518	840
Stolen vehicles	253	190	204	225	279	287	281	210	179	325
Traffic accidents:										
Non-injury	329	293	291	280	313	320	316	292	310	346
Injury	182	222	202	241	273	266	241	237	239	306
Fatal	6	3	4	4	5	4	2	5	4	7
Calls for service	31,701	30,263	33,848	38,991	38,247	54,614	43,699	40,398	40,067	36,865
Officer-initiated activity	33,868	33,322	31,866	25,606	22,027	17,718	24,540	23,000	20,940	18,114
Reports	9,159	8,723	8,374	8,293	8,038	7,831	8,174	7,776	3,179	7,868
Arrests:										
Felony	1,246	1,457	1,168	1,090	984	914	888	1,052	1,298	986
Misdemeanor	2,094	2,295	2,831	2,937	2,556	2,208	2,967	2,654	3,759	2,433
Mover citations	3,433	2,536	2,233	1,286	1,299	998	1,391	756	2,153	635
Non-mover and other citations	3,965	3,115	2,408	1,711	1,582	1,129	1,232	1,638	1,742	985
Fire										
Emergency responses:										
Fires	521	409	364	249	252	347	356	446	539	456
Medical	3,247	3,055	3,582	3,222	3,310	3,194	3,176	3,145	2,426	2,556
Hazardous materials	-	-	-	-	-	-	-	-	-	-
Other	1,004	967	1,206	1,345	1,414	1,523	487	1,633	1,469	1,562
Inspections	1,588	1,100	1,038	1,032	1,222	732	1,170	714	78	168
Hazard abatement	769	1,276	-	-	-	-	-	-	-	-
Violations noticed/citations issued	473	382	66	291	70	549	738	604	60	172
Public education - presentations and tours	123	118	167	77	59	64	60	-	-	-
Investigations	262	133	164	200	236	312	62	54	31	33

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

FUNCTION	<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>	<u>2021-22</u>
Public works:										
Building permits issued	222	211	252	274	292	297	317	257	266	201
Streets:										
Street resurfacing (square feet)	1,936,432	1,309,796	1,189,247	712,095	446,997	394,158	632,492	864,321	902,395	1,084,707
Potholes repaired (square feet)	10,511	8,717	8,517	28,962	33,817	18,641	32,454	24,650	38,138	74,768
Solid waste:										
Refuse collected (tons/day)	109	96	101	104	107	111	114	116	120	131
Recyclables collected (tons/day)	50	45	31	38	41	37	40	40	41	42
Water:										
Number of consumers	15,395	15,450	15,576	15,635	15,406	16,492	16,838	17,002	17,268	17,294
Water introduced into system (millions of gallons)	4,284	4,196	3,548	3,019	3,206	3,548	3,368	3,555	3,846	3,575
Metered water deliveries (millions of gallons)	3,836	3,642	3,223	2,552	2,959	2,946	2,983	3,034	3,364	3,333
New water connections	74	102	144	148	704	625	174	180	216	171
Water mains breaks	6	11	11	19	17	21	18	12	13	9
Wastewater:										
Average daily sewage treatment (millions of gallons)	4.8	4.6	4.4	4.4	4.4	4.4	4.3	4.3	4.6	4.6
Parks and leisure services:										
Athletic field permits issued	70	69	137	191	188	107	101	122	54	143
Facility rentals										
Community rooms/centers	34	28	40	32	32	4	3	-	1	1
Municipal swimming pool	56	60	52	64	62	79	68	35	27	53
Park pavilions	552	530	592	623	581	589	548	260	117	344
Zalud Estate house and gardens	15	11	14	13	10	11	12	6	2	11
Recreation program enrollment:										
Recreation afterschool program (RAP)	1,622	1,485	1,663	1,656	1,778	1,709	1,716	1,284	0	1,354
Sports activities	2,621	2,499	2,449	2,199	2,016	2,214	2,194	1,601	73	1,787
Summer/winter camp	353	441	586	607	548	529	412	254	82	-
Kindergarten/pre-school classes	316	394	289	341	328	315	300	85	-	-

Sources: Various city departments

Note: (1) These are the seven primary categories of crime, uniformly reported to the FBI and the State of California; they are used as indicators nationwide of the crime rate for the state, county and local jurisdictions.



City of Porterville, California

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