

**CITY OF CORCORAN
CALIFORNIA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2020**

**CITY OF CORCORAN
JUNE 30, 2020**

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of Corcoran, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Corcoran, California (the City) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Corcoran, California, as of June 30, 2020, 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.

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Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Government 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. Our opinion of the on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules on pages 52-55, Proportionate Share of Net Pension Liability on page 58, and the Schedule of Contributions on page 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2021, on our consideration of the City of Corcoran, California's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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's internal control over financial reporting and compliance.

Price Pange & Company

Clovis, California
March 19, 2021

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**CITY OF CORCORAN
STATEMENT OF NET POSITION
JUNE 30, 2020**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments:			
Unrestricted	\$ 10,136,377	\$ 10,574,227	\$ 20,710,604
Restricted	-	120,601	120,601
Cash and investments with fiscal agent - restricted	600,650	950,587	1,551,237
Receivables, net of allowance	12,515,186	1,508,886	14,024,072
Prepaid expenses	-	84,441	84,441
Property held for resale	2,613,492	-	2,613,492
Internal balances	81,194	(81,194)	-
Capital assets:			
Nondepreciable	8,020,986	3,387,864	11,408,850
Depreciable, net of accumulated depreciation	11,527,155	22,501,623	34,028,778
Total assets	45,495,040	39,047,035	84,542,075
DEFERRED OUTFLOWS OF RESOURCES			
Deferred refunding	-	3,906,575	3,906,575
Pension deferrals	1,748,226	449,404	2,197,630
Total deferred outflows of resources	1,748,226	4,355,979	6,104,205
LIABILITIES			
Accounts payable	637,767	609,031	1,246,798
Deposits	85,422	-	85,422
Interest payable	-	387,219	387,219
Unearned revenues	-	212,866	212,866
Noncurrent liabilities:			
Due within one year:			
Long-term debt	-	529,668	529,668
Compensated absences	145,083	54,061	199,144
Due in more than one year:			
Long-term debt	-	22,831,378	22,831,378
Compensated absences	185,466	27,566	213,032
Net pension liability	6,923,902	1,710,708	8,634,610
Total liabilities	7,977,640	26,362,497	34,340,137
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals	286,324	179,258	465,582
Total deferred inflows of resources	286,324	179,258	465,582
NET POSITION			
Net investment in capital assets	19,548,141	6,519,457	26,067,598
Restricted for:			
Pension contributions	600,650	63,367	664,017
Debt service	6,145	1,007,821	1,013,966
Community development	13,812,298	-	13,812,298
Public safety	222,421	-	222,421
Public works	197,068	-	197,068
Transportation and streets	2,962,730	-	2,962,730
Parks and recreation	1,422	-	1,422
Unrestricted	1,628,427	9,270,614	10,899,041
Total net position	\$ 38,979,302	\$ 16,861,259	\$ 55,840,561

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

**CITY OF CORCORAN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
FUNCTIONS/PROGRAMS:							
Governmental activities:							
General government	\$ 390,443	\$ -	\$ 1,115,187	\$ -	\$ 724,744	\$ -	\$ 724,744
Community development	429,096	119,768	263,789	-	(45,539)	-	(45,539)
Public safety	5,481,009	38,782	2,088,558	4,452	(3,349,217)	-	(3,349,217)
Public works	1,302,205	-	913,169	571,427	182,391	-	182,391
Parks and recreation	675,360	-	-	233,797	(441,563)	-	(441,563)
Total governmental activities	8,278,113	158,550	4,380,703	809,676	(2,929,184)	-	(2,929,184)
Business-type activities:							
Water	5,676,028	5,468,499	-	28,603	-	(178,926)	(178,926)
Sewer	1,272,535	1,323,486	-	35,247	-	86,198	86,198
Refuse	2,118,714	2,165,459	-	-	-	46,745	46,745
Transit	1,115,839	57,383	913,521	144,436	-	(499)	(499)
Storm drain	351,060	314,044	-	13,522	-	(23,494)	(23,494)
Total business-type activities	10,534,176	9,328,871	913,521	221,808	-	(69,976)	(69,976)
Total	\$ 18,812,289	\$ 9,487,421	\$ 5,294,224	\$ 1,031,484	(2,929,184)	(69,976)	(2,999,160)
General revenues:							
Taxes:							
Property taxes					1,671,076	-	1,671,076
Franchise taxes					405,428	-	405,428
Other taxes					272,782	-	272,782
Motor vehicle in-lieu					2,692,634	-	2,692,634
Unrestricted investment income					142,225	199,187	341,412
Rental income					529,328	4,700	534,028
Gain on disposal of fixed assets					165,222	-	165,222
Miscellaneous					107,797	79,013	186,810
Transfers					5,000	(5,000)	-
Total general revenues					5,991,492	277,900	6,269,392
Change in net position					3,062,308	207,924	3,270,232
Net position - beginning, restated					35,916,994	16,653,335	52,570,329
Net position - ending					\$ 38,979,302	\$ 16,861,259	\$ 55,840,561

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

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FUND FINANCIAL STATEMENTS

CITY OF CORCORAN
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2020

	General Fund	Community Development Block Grant Special Revenue Fund	HOME Program Special Revenue Fund	Police Department Construction Special Revenue Fund	Transportation and Streets Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and investments:							
Unrestricted	\$ 4,816,142	\$ 1,047,204	\$ 1,015,206	\$ -	\$ 2,845,229	\$ 412,596	\$ 10,136,377
Cash and investments with fiscal agent:							
Restricted	593,941	776	716	-	4,975	242	600,650
Receivables, net of allowance	358,913	3,576,256	7,901,877	-	293,250	384,890	12,515,186
Due from other funds	372,379	-	-	-	-	-	372,379
Property held for resale	2,418,492	-	-	-	-	195,000	2,613,492
Total assets	\$ 8,559,867	\$ 4,624,236	\$ 8,917,799	\$ -	\$ 3,143,454	\$ 992,728	\$ 26,238,084
LIABILITIES							
Accounts payable	\$ 330,941	\$ 858	\$ 64,414	\$ 7,989	\$ 175,749	\$ 57,816	\$ 637,767
Due to other funds	-	-	-	121,298	-	169,887	291,185
Deposits	84,722	-	-	-	-	700	85,422
Total liabilities	415,663	858	64,414	129,287	175,749	228,403	1,014,374
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues	59,282	3,572,935	7,898,794	-	-	162,237	11,693,248
Total deferred inflows of resources	59,282	3,572,935	7,898,794	-	-	162,237	11,693,248
FUND BALANCES							
Nonspendable:							
Property held for resale	2,418,492	-	-	-	-	-	2,418,492
Restricted for:							
Pension contributions	593,941	776	716	-	4,975	242	600,650
Debt service	-	-	-	-	-	6,145	6,145
Community development	-	1,049,667	953,875	-	-	174,790	2,178,332
Public safety	-	-	-	-	-	222,421	222,421
Public works	-	-	-	-	-	197,068	197,068
Transportation and streets	-	-	-	-	2,962,730	-	2,962,730
Parks and recreation	-	-	-	-	-	1,422	1,422
Assigned to:							
Subsequent year budget deficit	295,020	-	-	-	-	-	295,020
Unassigned	4,777,469	-	-	(129,287)	-	-	4,648,182
Total fund balances	8,084,922	1,050,443	954,591	(129,287)	2,967,705	602,088	13,530,462
Total liabilities, deferred inflows of resources, and fund balances	\$ 8,559,867	\$ 4,624,236	\$ 8,917,799	\$ -	\$ 3,143,454	\$ 992,728	\$ 26,238,084

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

CITY OF CORCORAN
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2020

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

Total fund balances - governmental funds		\$ 13,530,462
Capital assets used in governmental activities are not current financial resources; therefore, they are not reported in the governmental funds.		19,548,141
Certain long-term assets are not available to pay for current period expenditures; therefore, they are unavailable in the governmental funds.		11,693,248
Pension related deferred outflows and inflows of resources are not reported in the governmental funds. These amounts consist of:		
Deferred outflows of resources	1,748,226	
Deferred inflows of resources	<u>(286,324)</u>	1,461,902
Long-term liabilities were not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:		
Compensated absences	(330,549)	
Net pension liability	<u>(6,923,902)</u>	<u>(7,254,451)</u>
Net position of governmental activities		<u>\$ 38,979,302</u>

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

CITY OF CORCORAN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	Community Development Block Grant Special Revenue Fund	HOME Program Special Revenue Fund	Police Department Construction Special Revenue Fund	Transportation and Streets Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
REVENUES							
Property taxes	\$ 430,076	\$ -	\$ -	\$ -	\$ -	\$ 45,537	\$ 475,613
Other taxes	3,150,398	-	-	-	-	-	3,150,398
Licenses and permits	215,612	-	-	-	-	-	215,612
Intergovernmental	3,955,257	-	188,835	4,452	1,484,596	243,724	5,876,864
Charges for services	282,584	-	-	-	-	35,190	317,774
Fines and penalties	51,810	-	-	-	-	-	51,810
Use of money and property	581,947	18,947	15,542	5,909	48,732	28,269	699,346
Gain on acquisition of property	164,967	-	-	-	-	-	164,967
Grant drawdowns	-	-	-	-	-	155,948	155,948
Loan repayments	-	156,477	282,902	-	-	9,701	449,080
Miscellaneous	154,498	11,612	-	-	20,005	2,665	188,780
Total revenues	8,987,149	187,036	487,279	10,361	1,553,333	521,034	11,746,192
EXPENDITURES							
Current:							
General government	726,315	-	-	-	-	806	727,121
Community development	14,336	33,358	414,301	-	-	60,069	522,064
Public safety	4,586,874	-	-	81,494	-	144,881	4,813,249
Public works	345,808	-	-	-	832,895	28,028	1,206,731
Parks and recreation	536,456	-	-	-	-	240,745	777,201
Capital outlay:							
Public safety	-	-	-	1,698,768	-	-	1,698,768
Total expenditures	6,209,789	33,358	414,301	1,780,262	832,895	474,529	9,745,134
Excess (deficiency) of revenues over (under) expenditures	2,777,360	153,678	72,978	(1,769,901)	720,438	46,505	2,001,058
OTHER FINANCING SOURCES (USES)							
Proceeds from sale of capital assets	-	-	-	-	255	-	255
Operating transfers in	5,000	-	-	790,240	-	186,209	981,449
Operating transfers out	(812,449)	(164,000)	-	-	-	-	(976,449)
Total other financing sources (uses)	(807,449)	(164,000)	-	790,240	255	186,209	5,255
Net change in fund balances	1,969,911	(10,322)	72,978	(979,661)	720,693	232,714	2,006,313
Fund balances - beginning	6,115,011	1,060,765	881,613	850,374	2,247,012	369,374	11,524,149
Fund balances - ending	\$ 8,084,922	\$ 1,050,443	\$ 954,591	\$ (129,287)	\$ 2,967,705	\$ 602,088	\$ 13,530,462

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

CITY OF CORCORAN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

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

Net change in fund balances - total governmental funds	\$ 2,006,313
Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is capitalized. This is the amount of capital assets recorded.	2,445,669
Depreciation expense on capital assets is reported in the government-wide statement of activities, but it does not require the use of current financial resources; therefore, depreciation expense is not reported as an expenditure in the governmental funds.	(692,527)
Compensated absences expense reported in the statement of activities does not require the use of current financial resources; therefore, it is not reported as an expenditure in the governmental funds.	17,254
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(3,802)
The net change in unavailable revenue as a result of the distribution, payments, interest accrued, and foreclosures of housing loans previously identified as unavailable revenue in the governmental funds are recognized in the statement of activities.	(286,280)
Net pension liability and pension related deferred outflows and inflows of resources are not due in the current period and, therefore, are not reported in the funds.	<u>(424,319)</u>
Change in net position of governmental activities	<u>\$ 3,062,308</u>

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ENTERPRISE FUNDS

**CITY OF CORCORAN
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
JUNE 30, 2020**

	Water Fund	Sewer Fund	Refuse Fund	Transit Fund	Storm Drain Fund	Total
ASSETS						
Current assets:						
Cash and cash equivalents:						
Unrestricted	\$ 7,792,583	\$ 1,188,952	\$ -	\$ 1,487,780	\$ 104,912	\$ 10,574,227
Restricted	-	-	-	120,601	-	120,601
Cash and investments with fiscal agent - restricted	913,981	13,228	1,348	18,833	3,197	950,587
Receivables, net of allowance	347,814	163,741	286,926	666,924	43,481	1,508,886
Prepays	84,441	-	-	-	-	84,441
Total current assets	<u>9,138,819</u>	<u>1,365,921</u>	<u>288,274</u>	<u>2,294,138</u>	<u>151,590</u>	<u>13,238,742</u>
Noncurrent assets:						
Capital assets:						
Nondepreciable	2,799,736	432,494	-	57,500	98,134	3,387,864
Depreciable, net of accumulated depreciation	16,975,574	2,171,921	-	2,113,698	1,240,430	22,501,623
Total noncurrent assets	<u>19,775,310</u>	<u>2,604,415</u>	<u>-</u>	<u>2,171,198</u>	<u>1,338,564</u>	<u>25,889,487</u>
Total assets	<u>28,914,129</u>	<u>3,970,336</u>	<u>288,274</u>	<u>4,465,336</u>	<u>1,490,154</u>	<u>39,128,229</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred refunding	3,906,575	-	-	-	-	3,906,575
Pension deferrals	183,949	97,446	11,781	133,934	22,294	449,404
Total deferred outflows of resources	<u>4,090,524</u>	<u>97,446</u>	<u>11,781</u>	<u>133,934</u>	<u>22,294</u>	<u>4,355,979</u>
LIABILITIES						
Current liabilities:						
Accounts payable	361,743	57,466	157,309	25,745	6,768	609,031
Interest payable	387,219	-	-	-	-	387,219
Unearned revenue	-	-	3,184	209,682	-	212,866
Due to other funds	-	-	81,194	-	-	81,194
Compensated absences	19,354	14,576	1,971	18,160	-	54,061
Long-term debt	529,668	-	-	-	-	529,668
Total current liabilities	<u>1,297,984</u>	<u>72,042</u>	<u>243,658</u>	<u>253,587</u>	<u>6,768</u>	<u>1,874,039</u>
Noncurrent liabilities:						
Compensated absences	20,862	2,792	2,195	(1,778)	3,495	27,566
Long-term debt	22,831,378	-	-	-	-	22,831,378
Net pension liability	698,968	370,988	46,161	510,067	84,524	1,710,708
Total noncurrent liabilities	<u>23,551,208</u>	<u>373,780</u>	<u>48,356</u>	<u>508,289</u>	<u>88,019</u>	<u>24,569,652</u>
Total liabilities	<u>24,849,192</u>	<u>445,822</u>	<u>292,014</u>	<u>761,876</u>	<u>94,787</u>	<u>26,443,691</u>
DEFERRED INFLOWS OF RESOURCES						
Pension deferrals	73,602	38,933	4,029	53,570	9,124	179,258
Total deferred inflows of resources	<u>73,602</u>	<u>38,933</u>	<u>4,029</u>	<u>53,570</u>	<u>9,124</u>	<u>179,258</u>
NET POSITION						
Net investment in capital assets	405,280	2,604,415	-	2,171,198	1,338,564	6,519,457
Restricted for:						
Pension contributions	26,761	13,228	1,348	18,833	3,197	63,367
Debt service	887,220	-	-	120,601	-	1,007,821
Unrestricted	6,762,598	965,384	2,664	1,473,192	66,776	9,270,614
Total net position	<u>8,081,859</u>	<u>3,583,027</u>	<u>4,012</u>	<u>3,783,824</u>	<u>1,408,537</u>	<u>16,861,259</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 33,004,653</u>	<u>\$ 4,067,782</u>	<u>\$ 300,055</u>	<u>\$ 4,599,270</u>	<u>\$ 1,512,448</u>	<u>\$ 43,484,208</u>

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

CITY OF CORCORAN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Water Fund	Sewer Fund	Refuse Fund	Transit Fund	Storm Drain Fund	Total
OPERATING REVENUES:						
Charges for services	\$ 5,467,614	\$ 1,323,486	\$ 2,165,459	\$ 57,383	\$ 314,044	\$ 9,327,986
Connection fees	885	-	-	-	-	885
Total operating revenues	<u>5,468,499</u>	<u>1,323,486</u>	<u>2,165,459</u>	<u>57,383</u>	<u>314,044</u>	<u>9,328,871</u>
OPERATING EXPENSES:						
Personnel costs	727,407	384,597	67,410	533,136	82,706	1,795,256
Maintenance and supplies	2,400,331	496,873	1,842,151	58,039	60,646	4,858,040
Depreciation	1,204,257	200,618	-	199,669	93,593	1,698,137
Administrative and allocated costs	454,576	190,447	209,153	324,995	114,115	1,293,286
Total operating expenses	<u>4,786,571</u>	<u>1,272,535</u>	<u>2,118,714</u>	<u>1,115,839</u>	<u>351,060</u>	<u>9,644,719</u>
Operating income (loss)	<u>681,928</u>	<u>50,951</u>	<u>46,745</u>	<u>(1,058,456)</u>	<u>(37,016)</u>	<u>(315,848)</u>
NONOPERATING REVENUES (EXPENSES):						
Investment income	142,949	21,156	29	23,507	7,276	194,917
Rental income	-	4,270	-	4,700	-	8,970
Grants	-	-	-	250,556	-	250,556
Development fees	28,603	82,185	-	-	13,522	124,310
Intergovernmental	-	-	-	807,401	-	807,401
Other revenues	16,000	12,476	379	1,220	2,000	32,075
Interest and fiscal charges	<u>(889,457)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(889,457)</u>
Total nonoperating revenues (expenses)	<u>(701,905)</u>	<u>120,087</u>	<u>408</u>	<u>1,087,384</u>	<u>22,798</u>	<u>528,772</u>
Income before transfers	(19,977)	171,038	47,153	28,928	(14,218)	212,924
Operating transfers out	<u>(5,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,000)</u>
Change in net position	(24,977)	171,038	47,153	28,928	(14,218)	207,924
Net position - beginning as restated	<u>8,106,836</u>	<u>3,411,989</u>	<u>(43,141)</u>	<u>3,754,896</u>	<u>1,422,755</u>	<u>16,653,335</u>
Net position - ending	<u>\$ 8,081,859</u>	<u>\$ 3,583,027</u>	<u>\$ 4,012</u>	<u>\$ 3,783,824</u>	<u>\$ 1,408,537</u>	<u>\$ 16,861,259</u>

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

**CITY OF CORCORAN
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	Water Fund	Sewer Fund	Refuse Fund	Transit Fund	Storm Drain Fund	Total
Cash flows from operating activities:						
Cash received from customers	\$ 5,596,854	\$ 1,323,629	\$ 2,137,530	\$ 57,383	\$ 313,045	\$ 9,428,441
Cash payments to suppliers for goods and services	(2,463,410)	(583,539)	(1,828,451)	(54,256)	(71,255)	(5,000,911)
Cash payments to employees for services	(627,116)	(324,004)	(40,332)	(445,580)	(74,393)	(1,511,425)
Cash payments to other funds for allocated costs	(454,576)	(190,447)	(209,153)	(324,995)	(114,115)	(1,293,286)
Net cash provided (used) by operating activities	<u>2,051,752</u>	<u>225,639</u>	<u>59,594</u>	<u>(767,448)</u>	<u>53,282</u>	<u>1,622,819</u>
Cash flows from noncapital financing activities:						
Cash received from intergovernmental revenues	-	-	3,184	862,033	-	865,217
Cash received from developer fees	28,603	82,185	-	-	13,522	124,310
Cash payments to (from) other funds (short-term borrowings)	-	-	(62,313)	-	-	(62,313)
Cash payments for transfers to other funds	(5,000)	-	-	-	-	(5,000)
Cash received from other revenue	16,000	12,476	379	1,220	2,000	32,075
Net cash provided (used) by noncapital financing activities	<u>39,603</u>	<u>94,661</u>	<u>(58,750)</u>	<u>863,253</u>	<u>15,522</u>	<u>954,289</u>
Cash flows from capital and related financing activities:						
Cash payments for principal paid on capital debt	(514,668)	-	-	-	-	(514,668)
Cash payments for interest on capital debt	(752,045)	-	-	-	-	(752,045)
Cash payments for the acquisition of capital assets	(584,319)	(121,486)	-	(26,492)	(59,622)	(791,919)
Net cash provided (used) by capital and related financing activities	<u>(1,851,032)</u>	<u>(121,486)</u>	<u>-</u>	<u>(26,492)</u>	<u>(59,622)</u>	<u>(2,058,632)</u>
Cash flows from investing activities:						
Cash received from interest on investments	167,006	23,117	29	27,341	8,766	226,259
Cash received from the rental of property	-	4,270	-	4,700	-	8,970
Net cash provided (used) by investing activities	<u>167,006</u>	<u>27,387</u>	<u>29</u>	<u>32,041</u>	<u>8,766</u>	<u>235,229</u>
Increase (decrease) in cash and cash equivalents	407,329	226,201	873	101,354	17,948	753,705
Cash and cash equivalents, beginning	<u>8,299,235</u>	<u>975,979</u>	<u>475</u>	<u>1,525,860</u>	<u>90,161</u>	<u>10,891,710</u>
Cash and cash equivalents, ending	<u>\$ 8,706,564</u>	<u>\$ 1,202,180</u>	<u>\$ 1,348</u>	<u>\$ 1,627,214</u>	<u>\$ 108,109</u>	<u>\$ 11,645,415</u>

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

**CITY OF CORCORAN
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020
(Continued)**

	Water Fund	Sewer Fund	Refuse Fund	Transit Fund	Storm Drain Fund	Total
Operating income (loss)	\$ 681,928	\$ 50,951	\$ 46,745	\$ (1,058,456)	\$ (37,016)	\$ (315,848)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	1,204,257	200,618	-	199,669	93,593	1,698,137
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable, net	128,355	143	(27,929)	-	(999)	99,570
(Increase) decrease in prepaid expenses	3,128	-	-	-	-	3,128
(Increase) decrease in deferred outflows of resources	(7,899)	(7,249)	(6,820)	(10,066)	(7)	(32,041)
Increase (decrease) in accounts payable	(66,207)	(86,666)	13,700	3,783	(10,609)	(145,999)
Increase (decrease) in compensated absences	9,129	3,157	2,352	6,805	14	21,457
Increase (decrease) in deferred inflows of resources	4,871	2,872	1,925	3,161	121	12,950
Increase (decrease) in net pension liability	94,190	61,813	29,621	87,656	8,185	281,465
Net cash provided (used) by operating activities	<u>\$ 2,051,752</u>	<u>\$ 225,639</u>	<u>\$ 59,594</u>	<u>\$ (767,448)</u>	<u>\$ 53,282</u>	<u>\$ 1,622,819</u>

Reconciliation of Cash to Balance Sheet

	Water Fund	Sewer Fund	Refuse Fund	Transit Fund	Storm Drain Fund	Total
Cash and cash equivalents:						
Unrestricted	\$ 7,792,583	\$ 1,188,952	\$ -	\$ 1,487,780	\$ 104,912	\$ 10,574,227
Restricted	-	-	-	120,601	-	120,601
Cash and investments with fiscal agent - restricted	<u>913,981</u>	<u>13,228</u>	<u>1,348</u>	<u>18,833</u>	<u>3,197</u>	<u>950,587</u>
Total cash and cash equivalents	<u>\$ 8,706,564</u>	<u>\$ 1,202,180</u>	<u>\$ 1,348</u>	<u>\$ 1,627,214</u>	<u>\$ 108,109</u>	<u>\$ 11,645,415</u>

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

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FIDUCIARY FUNDS

**CITY OF CORCORAN
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020**

	Agency Funds	Successor Agency Private Purpose Trust Fund
ASSETS		
Cash and investments:		
Unrestricted	\$ 39,831	\$ 189,687
Cash with fiscal agent	-	8
Receivables:		
Notes	592,147	-
Property held for resale	-	550,278
Total assets	631,978	739,973
DEFERRED OUTFLOWS OF RESOURCES		
Loss on bond refunding	-	163,738
	-	163,738
LIABILITIES		
Accounts payable	-	270
Interest payable	-	16,772
Bond payable	-	1,657,000
Due to other agencies	631,978	-
Total liabilities	631,978	1,674,042
NET POSITION		
Held in trust		\$ (770,331)

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

**CITY OF CORCORAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Successor Agency Private Purpose Trust Fund</u>
ADDITIONS	
Taxes	\$ 473,056
Other	<u>124</u>
Total additions	<u>473,180</u>
DEDUCTIONS	
Planning and community development	57,715
Interest	<u>57,722</u>
Total deductions	<u>115,437</u>
Change in net position	357,743
Net position - beginning	<u>(1,128,074)</u>
Net position - ending	<u>\$ (770,331)</u>

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CORCORAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City of Corcoran (the City) was incorporated on August 11, 1914 as a general law city. The City has a council/manager form of government and is governed by a five-member elected council. The City Manager is appointed by the City Council. The City provides the following services: public safety (police), water utility, sanitation (solid waste disposal, sanitary wastewater and storm water utilities), parks and recreation, community development, public works, and general administrative services.

A primary government is financially accountable if a) it appoints a voting majority of an organization's governing body and it is able to impose its will on the organization, b) or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens, on the primary government. A primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Based upon the application of these criteria, the following is a brief description of each component unit included within the City's reporting entity. The City's component unit has been "blended" as though it is part of the primary government because the component unit's governing body is substantially the same as the City's primary government and there is a financial benefit or burden relationship between the City and the component unit, management of the City has operational responsibilities for the component unit, and/or the component units provide services entirely, or almost entirely, to the City or otherwise exclusively, or almost exclusively, benefits the City, even though it does not provide services directly to it, or the City is entirely or almost entirely responsible for the repayment of the debt of the component unit.

B. Blended Component Unit

The **Corcoran Joint Powers Finance Authority** (the Authority) is a nonprofit corporation incorporated under the laws of the State of California in 1987. The formation of the Authority creates a financing entity through which tax allocation revenue bonds can be issued for the purpose of financing or refinancing capital projects of the Community Redevelopment Agency as permitted by the Community Law. The City Council acts as the governing board of the Authority and is responsible for the Authority's fiscal and administrative activities. The funds of the Authority have been included in the governmental activities in the financial statements.

C. Basis of Presentation

The accounts of the City are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Government-Wide Financial Statements – The statement of net position and the statement of activities display information about the primary government (the City) and its component unit. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental and business-type activities* of the City. Governmental activities are generally financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

CITY OF CORCORAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for each different identifiable activity of the City's *business-type activities* and for each function of the City's *governmental activities*. Direct expenses are those that are specifically associated with a program or function and, therefore, are included in the program expense reported for individual function. Certain indirect costs, which cannot be identified and broken down, are included in the program expense reported for individual functions and activities. Program revenues include, 1) fines, fees, and charges paid by the recipients of goods and services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the statement of net position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the statement of activities those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated: Due to/Due from Other Funds, Interfund Note Receivable/Interfund Long-term Debt, and Transfers In/Transfers Out.

Fund Financial Statements – The fund financial statements provide information about the City's funds. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – 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. An accompanying schedule is presented to reconcile and explain the differences in funds and changes in fund balances as presented in these statements to the net position and changes in net position presented in the government-wide financial statements.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal value. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

The City reports the following major governmental funds:

- The **General Fund** is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- The **Community Development Block Grant Special Revenue Fund** is used to account for the federal grants that provide for development of a viable urban community by providing suitable housing, principally for low and moderate income residents.
- The **HOME Program Special Revenue Fund** is used to account for the federal grants that provide financing for low-income household for the acquisition, rehabilitation, or new construction of single-family homes.
- The **Police Department Construction Special Revenue Fund** is used to account for the resources provided by the State of California for the construction of a new police department.
- The **Transportation and Streets Special Revenue Fund** is used to account for the resources provided by the State of California for the Transit Division and street and road improvements.

CITY OF CORCORAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation (Continued)

Enterprise fund financial statements include a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows for each major enterprise fund and nonmajor fund.

The City has five major enterprise funds, the Water, Sewer, Refuse, Transit, and Storm Drain, which are used to account for operations that are financed and operated in a manner similar to private business enterprise. In an enterprise fund, the intent of the City Council is that costs (expenses, including depreciation) of providing services to the general public, on a continuing basis, be financed or recovered primarily through user charges.

The City reports the following major enterprise funds:

- The **Water Fund** accounts for financial activity of the water utility system.
- The **Sewer Fund** is used to account for the financial activity of the sewage collection and wastewater treatment utility system.
- The **Refuse Fund** is used to account for the financial activity of the solid waste collection and disposal utility system.
- The **Transit Fund** is used to account for the financial activity of the transit activities including Dial-A-Ride, Amtrak ticket sales, and related street construction and maintenance.
- The **Storm Drain Fund** is used to account for the financial activity of the storm drain system.

The City's fiduciary funds are used to account for resources held for the benefit of parties outside the government. The fund's activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. The City uses a private purpose trust fund to account for activities and changes in fiduciary net position of the Successor Agency. The City uses Agency Funds to account for assets held for, due to, and other. This fund is custodial in nature and does not involve measurement of results of operations. Accordingly, it presents only a statement of fiduciary net position and does not present a statement of changes in fiduciary net position.

Fiduciary funds are not reflected in the government-wide statements because the resources of those funds are not available to support the City's own programs. Fiduciary funds are presented on an economic resources measurement focus and the accrual basis of accounting, similar to the government-wide financial statements.

The City reports the following fiduciary funds:

- The **Successor Agency Private Purpose Trust Fund** is used to account for assets and liabilities of the former redevelopment agency until they are distributed to other units of state and local government as a result of the dissolution of the redevelopment agency.
- The **Assets Seizure (Unprocessed) Agency Fund** accounts for money that is seized as part of a police action and this money is used to help purchase fixed assets for the police department. Expenditures are limited to police-related activities.
- The **Kings County CDBG Agency Fund** accounts for Kings County Community Development Block Grants Program collections on notes receivable and remittance to Kings County.
- The **Cafeteria Plan Agency Fund** accounts for the moneys deducted from employees for their Cafeteria Plan.
- The **Police Activities League Agency Fund** accounts for money collected from various sources for use of different police related events and activities.

**CITY OF CORCORAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus, Basis of Accounting

Government-Wide, Proprietary and Fiduciary Fund Financial Statements – The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary funds financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, certain grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales taxes are recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements – Governmental funds are reported using current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when measurable and available. Property and sales taxes, interest, and charges for services are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be both measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments and compensated absences, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. *Operating revenues*, such as charges for services, result from exchange transactions associated with the principal activity of each fund. *Nonoperating revenues*, such as interest income, state and federal grants, and subsidies, result from nonexchange transactions or ancillary activities. *Operating expenses* include costs for providing services and delivering goods such as administrative expenses and depreciation on capital assets. All other expenses not meeting this definition are reported as *nonoperating expenses*.

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

Cash and Cash Equivalents

For the statement of cash flows, the City considers all highly liquid investments with maturities of three months or less when acquired as cash and cash equivalents.

All cash and cash equivalents of the enterprise funds are pooled with the City's pooled cash and cash equivalents.

Restricted Assets

Certain proceeds of general obligation debt and enterprise debt are classified as restricted assets on the balance sheet because their use is limited by applicable debt covenants. "Cash with fiscal agent" is used to report resources set aside for potential deficiencies in the repayment ability of the debt service fund and enterprise funds, and for payment of construction projects undertaken by the City.

**CITY OF CORCORAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Interfund Transactions

Interfund transactions are reflected as loans, services provided or used, reimbursements or transfers. Loans reported as receivables and payables as, appropriate, are subject to elimination upon consolidation and are referred to as either “due to/from other funds” (i.e. the current portion of interfund loans) or “advances to/from other funds” (i.e. the noncurrent portion of interfund loans). Any residual balances outstanding between the *governmental activities* and the *business-type activities* are reported in the fund financial statements, and are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

Receivables

Enterprise fund receivables are shown net of an allowance for uncollectible accounts. All customers are billed monthly. The estimated value of services provided, but unbilled at year-end, has been included in the accompanying financial statements.

Grant and entitlement revenues are recorded as receivables in the funds when all eligibility requirements have been met. The corresponding governmental fund revenues are recorded when they become available, with the differences recorded as unavailable revenue. Enterprise fund revenues are recorded as nonoperating revenues when the receivables are recorded. Some grant and entitlement revenues are not susceptible to accrual, in which case the corresponding revenues are recorded when received.

Property Tax Calendar

Property taxes are assessed, collected and allocated by Kings County throughout the fiscal year according to the following property tax calendar.

Lien Date	January 1
Levy Date	July 1 to June 30
Due Dates	November 1, 1 st installment, February 1, 2 nd installment
Delinquent Dates	December 10, 1 st installment, April 10, 2 nd installment

Revenues from taxpayer-assessed taxes (sales and use, business license, transient occupancy, utility users, gas, and franchise fees) are accrued in the governmental funds when they are both measurable and available. The City considers these revenues available if they are received during the period when settlement of prior fiscal year accounts payable occurs. Historically, the majority of these taxes are received within 60 days of the fiscal year-end.

**CITY OF CORCORAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Assets

The City's assets are capitalized at historical cost or estimated historical cost. City policy has set the capitalization threshold for reporting capital assets at \$5,000. Gifts or contributions of capital assets are recorded at fair value when received. Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

Buildings and improvements	25-40 years
Infrastructures	20-40 years
Equipment	3-10 years
Vehicles	5-10 years
Utility system	30 years

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34 which requires the inclusion of infrastructure capital assets in local governments' basic financial statements. In accordance with Statement No. 34, the City has included the value of all infrastructure acquired since the beginning of the 2003 fiscal year. The City made a decision not to capitalize infrastructure in place prior to the adoption of GASB Statement No 34.

The City defines infrastructure as capital assets that are stationery and have expected useful lives significantly in excess of most capital assets. The assets include the street system, water purification and distribution system, sewer collection and treatment system, park and recreation improvement, storm water conveyance system, and buildings combined with the site amenities such as parking and landscaped areas used by the City in the conduct of its business.

Risk Management

The City participates with other public entities in a joint venture under a joint powers agreement which establishes the Central San Joaquin Valley Risk Management Authority (CSJVRMA). The relationship between the City and CSJVRMA is such that CSJVRMA is not a component unit of the City for financial reporting purposes.

Property Held for Resale

Property held for resale consists of parcels of land and improvements. The parcels are recorded at cost unless obtained by the City as a result of defaulted low and moderate income loans which are recorded at fair market value.

Interest Payable

In the government-wide financial statements, interest payable of long-term debt is recognized as the liability is incurred for the governmental fund-types and proprietary-fund types.

In the fund financial statements, proprietary fund-types recognize the interest payable when the liability is incurred.

Unearned Revenue

Unearned revenue is that for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The City typically records intergovernmental revenues (primary grants and subventions) received but not earned (qualifying expenditures not yet incurred).

CITY OF CORCORAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Unavailable Revenue

In the fund financial statements, unavailable revenue is recorded when transactions have not yet met the revenue recognition criteria based on the modified accrual basis of accounting. The City records unavailable revenue for transactions for which revenues have been earned, but for which funds are not available to meet current financial obligations.

Compensated Absences Payable

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

The City limits accumulated vacation to 30 working days for employees and 45 working days for management. All outstanding vacation pay is payable upon termination of employment.

Pensions

In government-wide financial statements, pensions are recognized and disclosed using the accrual basis of accounting (see Note 10 and pages 58-59 of the RSI section), regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The City recognizes a net pension liability for each qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the qualified pension plan, measured as of the City's fiscal year-end or the City's proportionate share thereof in the case of a cost-sharing multiple-employer plan. Changes in the net pension liability during the period are recorded as pension expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants including retirees, in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they arose. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

Long-Term Debt

In the government-wide and proprietary fund-type 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 are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discounts. Bond issuance costs are expensed immediately.

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.

**CITY OF CORCORAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Classification of Net Position

In the government-wide financial statements, net position is classified in the following categories:

Net investment in capital assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted net position – This category represents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Additionally, this category presents restrictions placed on the categories of capital projects, and specific projects and programs as established by the City Council.

Unrestricted net position – This category represents the net position of the City, which is not restricted for any project or other purpose.

When both restricted and unrestricted resources are available, restricted resources are depleted first before the unrestricted resources are used.

Fund Balance

Fund Balance Classification: The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council or through the City Council delegating this responsibility to the Finance Director through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

Unassigned – This classification includes any negative residual amounts that may exist as a result of expenditures incurred for specific purposes in excess of amounts restricted, committed or assigned to those purposes.

The City would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

**CITY OF CORCORAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Minimum Fund Balance Policy

The City's current minimum fund balance policy requires the City to maintain a General Fund reserve of \$2,000,000 which will not be used to support long-term, on-going operating expenditures unless specifically approved by the City Council.

Encumbrances

The City does not use encumbrance accounting.

Budgetary and Budgetary Accounting

Budgets are adopted annually for the general funds, special revenue funds, capital funds, debt service funds, and enterprise funds. Formal budgetary integration is employed as a management control device during the year for these funds. The annual budgets are prepared on the basis of accounting utilized by the fund.

Expenditures may not legally exceed budgeted appropriations at the fund level. All revisions must be reported to the City Council.

Use of Estimates

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

NOTE 2 – CASH AND INVESTMENTS

The City follows the practice of pooling cash and investments of all funds. Interest income earned on pooled cash and investments is allocated monthly to the various funds based on the month-end cash and investment balances.

A. Summary of Deposits and Investments

A reconciliation of the City's deposit and investment balances as of June 30, 2020 is as follows:

Cash on hand	\$ 1,685
Deposits with financial institutions	2,022,198
Investments	<u>20,588,085</u>
 Total cash and investments	 <u>\$ 22,611,968</u>
 Government-Wide:	
Statement of Net Position:	
Unrestricted	\$ 20,710,604
Restricted	120,601
Cash with fiscal agents - restricted	1,551,237
 Fiduciary Funds:	
Statement of Net Position:	
Cash and investments	<u>229,518</u>
 Total cash and investments	 <u>\$ 22,611,968</u>

**CITY OF CORCORAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 2 – CASH AND INVESTMENTS (Continued)

B. Investments Authorized by the California Government Code and the City’s Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City’s investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City’s investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provision of debt agreements of the City, rather than the general provisions of the California Government Code or the City’s investment policy.

Securities of the U.S. Government, or its agencies	Local agency investment fund deposits (state pool)
Certificates of deposit (or time deposits) placed with commercial banks and/or savings & loan companies	Passbook savings account demand deposits
Negotiable certificates of deposit	Small business administration loans
Bankers' acceptances	Repurchase agreements
Commercial paper	Reverse repurchase agreements

C. Investments Authorized by the Debt Agreements

Investments of debt proceeds held by the bond trustee are governed by provisions of the debt agreements rather than the general provisions of the California Government Code or the City’s investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risks, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in On Issuer
U.S. Treasury Bonds/Bills	None	None	None
U.S. Government Agency Bonds	None	None	None
Negotiable Certificates of Deposit	365 days	None	None
Time Certificates of Deposit	365 days	None	None
Banker's Acceptances	365 days	None	None
Commercial Paper	365 days	None	None
Money Market Fund	None	None	None

All City investment activities were within State statutes and the City’s investment policy.

**CITY OF CORCORAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 2 – CASH AND INVESTMENTS (Continued)

D. 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 to changes in market interest rates. One of the ways the City manages its exposure to interest rate risk is by maintaining funds in liquid, short-term investments which can be converted to cash when necessary to meet disbursement requirements.

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

Investment Type	Total	Remaining Maturity (in Months) 12 Months or Less
State investment pool	\$ 18,877,076	\$ 18,877,076
CSJVRMA investment pool	159,764	159,764
Public Agency Retirement Fund (PARS)	664,025	664,025
Held by bond trustee:		
Money market funds	<u>887,220</u>	<u>887,220</u>
Total	<u>\$ 20,588,085</u>	<u>\$ 20,588,085</u>

E. 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. Presented below is the minimum rating required (where applicable) by the California Government Code, the City’s investment policy, or debt agreements, and the actual rating as of year-end for each investment type. The column marked “exempt from disclosure” identifies those investment types for which GASB Statement No. 40 does not require disclosure as to credit risk:

Investment Type	Total	Rating as of Year-End	
		Aaa-mf	Not Rated
State investment pool	\$ 18,877,076	\$ -	\$ 18,877,076
CSJVRMA investment pool	159,764	-	159,764
Public Agency Retirement Fund (PARS)	664,025	-	664,025
Held by bond trustee:			
Money market funds	<u>887,220</u>	<u>887,220</u>	-
Total	<u>\$ 20,588,085</u>	<u>\$ 887,220</u>	<u>\$ 19,700,865</u>

F. Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The City does not have any investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City’s investments.

CITY OF CORCORAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 – CASH AND INVESTMENTS (Continued)

G. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a city will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterpart (e.g. broker-dealer) to a transaction, a city will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by the state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under the state law (unless so waived by the government unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.

GASB Statement No. 40 requires the following disclosure be made with respect to custodial credit risk relating to deposits and investments.

As of June 30, 2020, the carrying amount of the City's bank deposits was \$2,022,216 and the respective bank balances totaled \$2,442,173. The total amount of bank balances was insured and/or collateralized with securities held by the pledging financial institutions in the City's name.

H. Local Agency Investment Fund

The City participates in an external investment pool, as defined by the Government Accounting Standards Board (GASB) Statement No. 31, by way of its funds on deposit in the Local Agency Investment Fund (LAIF) managed by the State of California Treasurer and is not registered with the Securities and Exchange Commission. These funds are pooled with those of other agencies in the State and invested in accordance with State guidelines. The value of the City's shares in the LAIF that may be withdrawn is determined on an amortized costs basis, which may be different from the fair value of the City's position in the pool. The City's portion of the June 30, 2020 balance was \$18,877,076. A breakdown of the investments included in the balance is not available at the balance sheet date.

I. Investment Valuation

The City categorizes the fair value of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Fair value measurements of the City's investments are as follows at June 30, 2020:

- Investments in the Local Agency Investment Fund (LAIF) are valued at \$18,877,076 based on the City's pro-rata share of the amortized cost provided by LAIF for the entire LAIF portfolio. LAIF invests in numerous types of investments ranging all levels of the fair value hierarchy. Accordingly, LAIF is not an investment type that can be categorized in any particular level in the fair value hierarchy.
- Investments in the CSJVRMA Investment Pool (CSJVRMA) are valued at \$159,764 based on the City's pro-rata share of the amortized cost provided by CSJVRMA for the entire CSJVRMA portfolio. CSJVRMA invests in numerous types of investments ranging all levels of the fair value hierarchy. Accordingly, CSJVRMA is not an investment type that can be categorized in any particular level in the fair value hierarchy.
- Investments in the Public Agency Retirement Fund (PARS) consists of mutual funds, index funds, money market funds and cash holdings for which identical assets are not found within active markets. These investments have been classified as Level 2 within the fair value hierarchy.

**CITY OF CORCORAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 – RECEIVABLES

Receivables as of June 30, 2020 consisted of the following for the governmental funds:

	General Fund	Community Development Block Grant Special Revenue Fund	HOME Program Special Revenue Fund	Police Department Construction Special Revenue Fund	Transportation and Streets Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Receivables:							
Interest	\$ 9,713	\$ 3,322	\$ 3,082	\$ -	\$ 8,779	\$ 3,225	\$ 28,121
Other	349,200	-	-	-	284,471	219,426	853,097
Notes	-	3,572,934	7,898,795	-	-	162,239	11,633,968
Allowance for uncollectibles	-	-	-	-	-	-	-
Receivables, net	<u>\$ 358,913</u>	<u>\$ 3,576,256</u>	<u>\$ 7,901,877</u>	<u>\$ -</u>	<u>\$ 293,250</u>	<u>\$ 384,890</u>	<u>\$ 12,515,186</u>

Receivables as of June 30, 2020 consisted of the following for the enterprise funds:

	Water Fund	Sewer Fund	Refuse Fund	Transit Fund	Storm Drain Fund	Total
Receivables:						
Accounts	\$ 388,517	\$ 177,912	\$ 268,001	\$ -	\$ 46,040	\$ 880,470
Interest	23,776	3,641	-	3,868	1,231	32,516
Intergovernmental	-	-	-	663,056	-	663,056
Other	96	-	46,179	-	-	46,275
Allowance for uncollectibles	(64,575)	(17,812)	(27,254)	-	(3,790)	(113,431)
Receivables, net	<u>\$ 347,814</u>	<u>\$ 163,741</u>	<u>\$ 286,926</u>	<u>\$ 666,924</u>	<u>\$ 43,481</u>	<u>\$ 1,508,886</u>

NOTE 4 – INTERFUND TRANSACTIONS

A. Due to and From Other Funds

Due to/from balances have primarily been recorded when funds overdraw their share of pooled cash. Activities within fund types have been eliminated within the government-wide financial statements.

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year.

	Due From	Due To
Governmental Funds		
Major Funds:		
General Fund	\$ 372,379	\$ -
Police Department Construction Special Revenue Fund	-	121,298
Nonmajor Funds:		
Parks Capital Special Revenue Fund	-	141,986
Restricted Property Acquisitions Special Revenue Fund	-	27,901
Enterprise Funds		
Major Funds:		
Refuse Fund	-	81,194
Total	<u>\$ 372,379</u>	<u>\$ 372,379</u>

**CITY OF CORCORAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 – INTERFUND TRANSACTIONS (Continued)

B. Transfers In and Transfers Out

With the City Council’s approval, resources may be transferred from one City fund to another. Transfers within fund types have been eliminated within the government-wide financial statements.

In general, the City uses interfund transfers to:

- Transfer unrestricted revenues collected in the General Fund to help finance various programs and capital projects accounted for in other funds
- Transfer unrestricted revenues collected in the General Fund to help cover excess expenditures over revenues accounted for in other funds
- Fund operations (move revenues from the funds that collect them to the funds that statute or budget requires to expend them)
- Fund interdepartmental cost reimbursements
- Fund capital projects

	Transfers In	Transfers Out
Governmental Funds		
Major Funds:		
General Fund	\$ 5,000	\$ 812,449
Community Development Block Grant Special Revenue Fund	-	164,000
Police Department Construction Special Revenue Fund	790,240	-
Nonmajor Funds:		
Restricted Property Acquisitions	186,209	-
Enterprise Funds		
Major Funds:		
Water Fund	-	5,000
Total	\$ 981,449	\$ 981,449

NOTE 5 – NOTES RECEIVABLE

Notes receivable consisted of the following as of June 30, 2020:

	Major Funds		Other Governmental Fund	
	Community Development Block Grant Special Revenue Fund	HOME Program Special Revenue Fund	Housing Authority Special Revenue Fund	Total
Loans receivable under the Community Development Block Grant Programs, secured by deeds of trust on the rehabilitated properties.	\$ 3,572,934	\$ -	\$ 162,239	\$ 3,735,173
Loans receivable under the HOME Program, secured by deeds of trust on the rehabilitated properties.	-	7,898,795	-	7,898,795
Total notes receivable	\$ 3,572,934	\$ 7,898,795	\$ 162,239	\$ 11,633,968

**CITY OF CORCORAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 5 – NOTES RECEIVABLE (Continued)

Program disbursements are recorded as expenditures in the year the loans are made to participants even though the amounts will be recovered as the loans are repaid. The City maintains detailed records of these loans and records loan principal and interest payments as program revenues in the year such payments are received. Loans recorded as receivable include “performing” loans with monthly/annual activity and “deferred” loans that do not require payments until a future date, as described in the following paragraph.

The deferred payment loan receivables under the Community Development Block Grant Programs, HOME Program, the State Deferred Loan Program, and Community Redevelopment Housing Set-Aside Funds are not required to be paid back until the participating homeowner sells, transfers title to the rehabilitated property, or discontinues residence in the dwelling, or a certain agreed-upon amount of time has passed, at which time the full amount of the deferred loan is due. Deferred payment loans are “non-performing” loans; however, since it is expected that the City will eventually receive full reimbursement for these loans, such loans are also included as receivables in the in the financial statements.

NOTE 6 – CAPITAL ASSETS

Capital assets activity of the governmental activities for the year ended June 30, 2020 is as follows:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 502,027	\$ -	\$ -	\$ 502,027
Construction in progress	5,360,972	2,157,987	-	7,518,959
Total capital assets not being depreciated	<u>5,862,999</u>	<u>2,157,987</u>	<u>-</u>	<u>8,020,986</u>
Capital assets being depreciated:				
Buildings and other improvements	10,039,880	175,163	-	10,215,043
Machinery and equipment	2,712,418	18,861	-	2,731,279
Infrastructure	8,552,278	-	-	8,552,278
Vehicles	1,420,073	93,658	(91,995)	1,421,736
Total capital assets being depreciated	<u>22,724,649</u>	<u>287,682</u>	<u>(91,995)</u>	<u>22,920,336</u>
Less accumulated depreciation for:				
Buildings and other improvements	(5,165,362)	(307,184)	-	(5,472,546)
Machinery and equipment	(2,220,774)	(62,619)	-	(2,283,393)
Infrastructure	(2,340,782)	(214,780)	-	(2,555,562)
Vehicles	(1,065,731)	(107,944)	91,995	(1,081,680)
Total accumulated depreciation	<u>(10,792,649)</u>	<u>(692,527)</u>	<u>91,995</u>	<u>(11,393,181)</u>
Total capital assets being depreciated, net	<u>11,932,000</u>	<u>(404,845)</u>	<u>-</u>	<u>11,527,155</u>
Governmental activities capital assets, net	<u>\$ 17,794,999</u>	<u>\$ 1,753,142</u>	<u>\$ -</u>	<u>\$ 19,548,141</u>

**CITY OF CORCORAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6 – CAPITAL ASSETS (Continued)

Depreciation expense on capital assets was charged to the governmental functions as follows:

Governmental Activities:	
General government	\$ 212,149
Community development	569
Public safety	121,801
Public works	200,153
Parks and recreation	<u>157,855</u>
 Total	 <u>\$ 692,527</u>

Capital assets activity of the business-type activities for the year ended June 30, 2020 is as follows:

	Restated Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 985,983	\$ 51,481	\$ -	\$ 1,037,464
Construction in progress	<u>2,134,629</u>	<u>401,739</u>	<u>(185,968)</u>	<u>2,350,400</u>
Total capital assets not being depreciated	<u>3,120,612</u>	<u>453,220</u>	<u>(185,968)</u>	<u>3,387,864</u>
Capital assets being depreciated:				
Buildings and other improvements	2,465,549	8,661	-	2,474,210
Utility systems	47,788,146	269,170	-	48,057,316
Machinery and equipment	2,646,962	213,585	-	2,860,547
Vehicles	<u>1,822,694</u>	<u>33,252</u>	<u>-</u>	<u>1,855,946</u>
Total capital assets being depreciated	<u>54,723,351</u>	<u>524,668</u>	<u>-</u>	<u>55,248,019</u>
Less accumulated depreciation for:				
Buildings and other improvements	(878,547)	(79,831)	-	(958,378)
Utility systems	(27,054,507)	(1,378,797)	-	(28,433,304)
Machinery and equipment	(1,674,171)	(161,140)	-	(1,835,311)
Vehicles	<u>(1,441,034)</u>	<u>(78,369)</u>	<u>-</u>	<u>(1,519,403)</u>
Total accumulated depreciation	<u>(31,048,259)</u>	<u>(1,698,137)</u>	<u>-</u>	<u>(32,746,396)</u>
Total capital assets being depreciated, net	<u>23,675,092</u>	<u>(1,173,469)</u>	<u>-</u>	<u>22,501,623</u>
Business-type activities capital assets, net	<u>\$ 26,795,704</u>	<u>\$ (720,249)</u>	<u>\$ (185,968)</u>	<u>\$ 25,889,487</u>

Depreciation expense was charged to business-type functions as follows:

Business-Type Activities:	
Water	\$ 1,204,257
Sewer	200,618
Transit	199,669
Storm Drain	<u>93,593</u>
 Total	 <u>\$ 1,698,137</u>

**CITY OF CORCORAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7 – COMPENSATED ABSENCES

The City’s policy relating to compensated absences is described in Note 1. As shown in the table below, the long-term portion of this debt, amounting to \$185,466 for governmental activities and \$27,566 for business-type activities at June 30, 2020, is expected to be paid in future years from future resources.

At June 30, 2020, the current balance is \$145,083 for governmental activities, and \$54,061 for the business-type activities.

	<u>Balance June 30, 2019</u>	<u>Incurred</u>	<u>Satisfied</u>	<u>Balance June 30, 2020</u>	<u>Amounts Due Within One Year</u>	<u>Amounts Due in More Than One Year</u>
Governmental Activities:						
Compensated absences	\$ 347,803	\$ 212,200	\$ (229,454)	\$ 330,549	\$ 145,083	\$ 185,466
Business-Type Activities:						
Compensated absences	\$ 60,170	\$ 69,105	\$ (47,648)	\$ 81,627	\$ 54,061	\$ 27,566

NOTE 8 – LONG-TERM DEBT

The following is a summary of long-term obligation transactions for business-type activities for the year ended June 30, 2020:

	<u>Balance July 1, 2019</u>	<u>Incurred or Issued</u>	<u>Satisfied or Matured</u>	<u>Balance June 30, 2020</u>	<u>Amounts Due Within One Year</u>	<u>Amounts Due in More Than One Year</u>
Business-Type Activities:						
2012A Water Revenue Refunding Bonds	\$ 3,850,000	\$ -	\$ (175,000)	\$ 3,675,000	\$ 180,000	\$ 3,495,000
2016A Water Revenue Refunding Bonds	19,195,000	-	(310,000)	18,885,000	320,000	18,565,000
Plus: 2016A Water Revenue Refunding Bonds Premium	830,714	-	(29,668)	801,046	29,668	771,378
Total business-type activities	\$ 23,875,714	\$ -	\$ (514,668)	\$ 23,361,046	\$ 529,668	\$ 22,831,378

**CITY OF CORCORAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8 – LONG-TERM DEBT (Continued)

A. Notes Payable

The 2012A Water Revenue Refunding Bonds

The 2012A Water Revenue Refunding Bonds were issued September 26, 2012. These bonds provided for the refunding of the 2003 Certificates of Participations that were issued on July 1, 2003. Certificates authorized and issued have interest rates ranging from 3.00% to 4.00% and mature July 1, 2035. The 2012A series bonds include a provision whereby if the City defaults on any other debt instrument or other obligation, the Trustee, at its discretion, may declare all or any part of the bonds immediately due and payable.

The following is a schedule of the future estimated minimum payments related to the 2012A Water Revenue Refunding Bonds at June 30, 2020:

2012A Water Revenue Refunding Bonds			
Fiscal Years Ending	Principal	Interest	Total
2021	\$ 180,000	\$ 128,288	\$ 308,288
2022	185,000	122,888	307,888
2023	190,000	117,338	307,338
2024	195,000	111,638	306,638
2025	200,000	105,788	305,788
2026-2030	1,105,000	427,175	1,532,175
2031-2035	1,325,000	215,069	1,540,069
2036	<u>295,000</u>	<u>11,800</u>	<u>306,800</u>
Totals	<u>\$ 3,675,000</u>	<u>\$ 1,239,984</u>	<u>\$ 4,914,984</u>

The 2016A Water Revenue Refunding Bonds

The 2016A Water Revenue Refunding Bonds were issued August 11, 2016. These bonds provided for the refunding of the 2008 Certificates of Participations that were issued on March 27, 2008. Certificates authorized and issued have interest rates ranging from 2.00% to 4.00% and mature July 1, 2036. The 2016A series bonds include a provision whereby if the City defaults on any other debt instrument or other obligation, the Trustee, at its discretion, may declare all or any part of the bonds immediately due and payable.

The following is a schedule of the future estimated minimum payments related to the 2016A Water Revenue Refunding Bonds at June 30, 2020:

2016A Water Revenue Refunding Bonds			
Fiscal Years Ending	Principal	Interest	Total
2021	\$ 320,000	\$ 639,750	\$ 959,750
2022	330,000	626,750	956,750
2023	345,000	613,250	958,250
2024	360,000	599,150	959,150
2025	375,000	584,450	959,450
2026-2030	2,125,000	2,678,850	4,803,850
2031-2035	2,600,000	2,207,750	4,807,750
2036-2040	4,445,000	1,575,150	6,020,150
2041-2045	5,530,000	793,200	6,323,200
2046-2047	<u>2,455,000</u>	<u>74,175</u>	<u>2,529,175</u>
Subtotal	18,885,000	10,392,475	29,277,475
Plus: unamortized premium	<u>801,046</u>	-	<u>801,046</u>
Totals	<u>\$ 19,686,046</u>	<u>\$ 10,392,475</u>	<u>\$ 30,078,521</u>

**CITY OF CORCORAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9 – DEFERRED OUTFLOWS / INFLOWS OF RESOURCES

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items to report in this category: \$4,051,263 related to a deferred refunding of long term debt, and \$2,174,772 related to deferred outflows of resources related to pensions (see Note 10 for detailed information).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types: deferred inflows of resources related to pensions and unavailable revenues.

- The City has \$385,470 in pension related items that qualify to be reported in deferred inflows of resources. The pension related deferred inflows of resources are described in detail in Note 10.
- Unavailable revenues arise only under a modified accrual basis of accounting and is reported only in the governmental funds balance sheet. Deferred inflows of resources reported in the governmental funds for unavailable revenues are as follows:

	General Fund	Community Development Block Grant Special Revenue Fund	HOME Program Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Loans	\$ -	\$ 3,572,935	\$ 7,898,794	\$ 162,237	\$ 11,633,966
Intergovernmental	<u>59,282</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,282</u>
	<u>\$ 59,282</u>	<u>\$ 3,572,935</u>	<u>\$ 7,898,794</u>	<u>\$ 162,237</u>	<u>\$ 11,693,248</u>

NOTE 10 – DEFINED BENEFIT PENSION PLAN

A. General Information about the Pension Plans

Plan Description – All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost Sharing Multiple-Employer Plan (Plan) administered by the California Public Employees’ Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other.) Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City of Corcoran (City) sponsors four rate plans (two miscellaneous and two safety.) Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**CITY OF CORCORAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

A. General Information about the Pension Plans (Continued)

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

The rate plan provisions and benefits in effect at June 30, 2020 are summarized as follows:

	Miscellaneous 1st Tier	Miscellaneous PEPRA
	Prior to	On or after
Hire Date	January 1, 2013	January 1, 2013
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of annual salary	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7.000%	6.750%
Required employer contribution rates	10.221%	6.985%
	Safety 1st Tier	Safety PEPRA
	Prior to	On or after
Hire date	January 1, 2013	January 1, 2013
Benefit formula	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	50 - 57
Monthly benefits, as a % of annual salary	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9.000%	12.000%
Required employer contribution rates	20.073%	13.034%

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund, if applicable. The dollar amounts are billed on a monthly basis. The City’s required contribution for the unfunded liability was \$633,810 for the fiscal year ended June 30, 2020.

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer rates for all public employers are 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 actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

The City’s contributions to the plan recognized as a part of pension expense for the year ended June 30, 2020 were \$954,101.

**CITY OF CORCORAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

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

As of June 30, 2020, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$8,634,610.

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018, rolled forward to June 30, 2019, using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2018 and 2019 was as follows:

Proportion - June 30, 2018	0.0831%
Proportion - June 30, 2019	0.0843%
Change - Increase (Decrease)	0.0012%

For the year ended June 30, 2020, the City recognized pension expense of \$1,796,852. At June 30, 2020 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 1,110,159	\$ -
Changes of Assumptions	385,358	110,876
Differences between actual and expected experience	572,175	14,131
Net differences between projected and actual earnings on plan investments	-	136,279
Change in employer's proportion	129,938	1,778
Differences between the employer's actual contributions and the employer's proportionate share of contributions	-	202,518
Total	\$ 2,197,630	\$ 465,582

\$1,110,159 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflow of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30	
2021	\$ 594,921
2022	(73,337)
2023	73,176
2024	27,129
2025	-
Therafter	-

**CITY OF CORCORAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

B. Actuarial Assumptions

The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry- Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.15% ⁽¹⁾
Mortality	Derived using CalPERS' Membership Data for all Funds ⁽²⁾

⁽¹⁾ Net of pension plan investment expenses, including inflation

⁽²⁾ The mortality table was developed based on CalPERS specific data.
The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016.

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

C. Discount Rate

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

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected PERF cash flows. Using historical returns of 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 for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

**CITY OF CORCORAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

C. Discount Rate (Continued)

The expected real rates of return by asset class are as follows:

<u>Asset Class ^(a)</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10^(b)</u>	<u>Real Return Years 11+^(c)</u>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	100%		

^(a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

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

^(c) An expected inflation of 2.92% used for this period

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City’s proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

<u>Discount Rate -1% 6.15%</u>	<u>Current Discount Rate 7.15%</u>	<u>Discount Rate +1% 8.15%</u>
\$ 13,330,569	\$ 8,634,610	\$ 4,769,406

D. Pension Plan Fiduciary Net Position

Detailed information about the Plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

E. Payable to the Pension Plan

The City did not have an outstanding amount of contributions to the pension plan required for the year ended June 30, 2020.

**CITY OF CORCORAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 11 – RISK MANAGEMENT

The City participates with other public entities in a joint venture under a joint powers agreement which establishes the Central San Joaquin Valley Risk Management Authority (CSJVRMA). The relationship between the City and CSJVRMA is such that CSJVRMA is not a component unit of the City for financial reporting purposes.

Each member city self-insures a portion of each of its claims, which for Corcoran is the first \$25,000 of each claim (occurrence) in the liability program and \$50,000 in the workers' compensation program. If a claim exceeds a member's retained limit, the amount exceeding the retained limit is distributed to the pool layers above the city's retained limit, and that cost is shared amongst the members with the various pool layers.

For the Liability Program, the CSJVRMA's risk sharing pool covers the first \$1,000,000 of each claim. The CSJVRMA participates in an excess pool, the California Affiliated Risk Management Authorities (CARMA) that provides excess liability coverage in excess of \$1,000,000. CARMA's risk sharing pool covers the first \$4,000,000 of each claim and CARMA purchases a combination of reinsurance and excess insurance through AmTrust Financial Group and Colony for a total of \$29,000,000 in coverage.

For the Workers' Compensation Program, the CSJVRMA's risk sharing pool covers the first \$500,000 of each claim. The CSJVRMA purchases excess workers' compensation coverage through the Local Agency Workers' Compensation Excess JPA (LAWCX) for the amount in excess of \$500,000. LAWCX's risk sharing pool covers the first \$5 million of each claim, and LAWCX purchases a combination of reinsurance and excess insurance through CSAC EIA with statutory limits.

The Central San Joaquin Valley Risk Management Authority is a consortium of fifty-four (54) cities in the San Joaquin Valley, California. It was established under the provisions of California Government Code Section 6500 et. Seq. The Central San Joaquin Valley Risk Management Authority is governed by a Board of Directors, which meets three times per year, and consists of one member . A management group employed by CSJVRMA handles the day-to-day business.

At the termination of the joint venture agreement and after all claims have been settled, any excess or deficit will be divided among the cities in proportion to the aggregate amount of contribution made by each.

The following is a summary of financial information of the CSJVRMA as of and for the fiscal year ended June 30, 2020:

Total assets	\$ 140,373,479
Total liabilities	<u>120,609,137</u>
Member's equity	<u>\$ 19,764,342</u>
Total revenues	\$ 58,244,856
Total expenses	<u>57,261,330</u>
Excess of expenses (loss) over income	<u>\$ 983,526</u>

**CITY OF CORCORAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 12 – COMMITMENTS AND CONTINGENCIES

A. General Liability

There are various claims and legal actions pending against the City for which no provision has been made in the financial statements. In the opinion of the City Attorney and City Management, liabilities arising from these claims and legal actions, if any, will not be material to these financial statements.

B. Federal Awards and Grants

The City participates in grant programs which are governed by various rules and regulation of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any moneys received may be required and collectability of any related receivable may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to the compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

C. COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic. In response, the State of California has issued Stay At Home Orders which include the temporary closure of all businesses deemed to be nonessential. The most recent Regional Stay At Home Order, effective December 7, 2020 for Kings County, requires individuals living in the San Joaquin Valley Region to stay at home, except as allowed, to maintain continuity of the federal critical infrastructure sectors. Accordingly, some functions of the City's operations have been limited to protect the health and safety of its employees. The financial impact that could occur as a result of the pandemic is unknown at this time.

NOTE 13 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Excess of Expenditures Over Appropriations

The following funds incurred expenditures in excess of appropriations in the following amounts for the year ended June 30, 2020:

Police Department Construction Special Revenue Fund	
Current expenditures:	
Public safety	\$ 81,394

**CITY OF CORCORAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 14 – PRIOR PERIOD ADJUSTMENT

During the current fiscal year management became aware that certain assets in the Water Fund were not properly depreciated. The related assets should have been fully depreciated but were not assigned any depreciation expense over multiple fiscal years. Accordingly, the City has recorded a prior period adjustment in the Water Fund for \$451,992.

A summary of the original net position and effects of the correction are noted below.

	Government-Wide	Enterprise Funds
	Business-Type Activities	Water Fund
Net position, June 30, 2019, as previously reported	\$ 17,105,327	\$ 8,558,828
Prior period adjustments:		
Overstatement of capital assets	(451,992)	(451,992)
Total prior period adjustments	(451,992)	(451,992)
Net position, July 1, 2019, as restated	\$ 16,653,335	\$ 8,106,836

NOTE 15 – SUCCESSOR AGENCY TRUST FUND

On January 30, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with Assembly Bill 1X26 (the “Bill”) which dissolved all redevelopment agencies in the State of California.

Under the control of an oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution of the redevelopment agency (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

Successor agencies are only allocated revenue in the amount that is necessary to pay 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.

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

After the date of the 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.

A. Cash and Investments

A reconciliation of the Successor Agency Trust Fund’s cash and investment balances as of June 30, 2020 is as follows:

Cash and investments	\$ 189,687
Total cash	\$ 189,687

**CITY OF CORCORAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 15 – SUCCESSOR AGENCY TRUST FUND (Continued)

B. Long-term Debt

The following is a summary of long-term obligation transactions for the Successor Agency Trust Fund at June 30, 2020:

	Balance June 30, 2019	Incurred or Issued	Satisfied or Matured	Balance June 30, 2020	Amounts Due Within One Year	Amounts Due in More Than One Year
<i>Direct Placement</i>						
2016 Tax Allocation Refunding Bond	\$ 1,950,000	\$ -	\$ (293,000)	\$ 1,657,000	\$ 303,000	\$ 1,354,000
Total	<u>\$ 1,950,000</u>	<u>\$ -</u>	<u>\$ (293,000)</u>	<u>\$ 1,657,000</u>	<u>\$ 303,000</u>	<u>\$ 1,354,000</u>

2016 Tax Allocation Refunding Bonds

The 2016 Tax Allocation Refunding Bonds were issued on June 30, 2016, by the Successor Agency to the Corcoran Redevelopment Agency to refund the 2004 Tax Allocation Refunding Bonds issued by the Agency. Bonds authorized and issued have an interest rate of 2.44% and mature August 1, 2031. The 2016 Tax Allocation Refunding bonds include a provision whereby if the City defaults on punctual payment of the principal or interest when payable, the Trustee will declare all or any part of the bonds immediately due and payable.

Annual debt service requirements to maturity for the 2016 Tax Allocation Refunding Bonds are as follows:

<u>Fiscal Years Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 303,000	\$ 32,139	\$ 335,139
2022	308,000	25,274	333,274
2023	317,000	18,233	335,233
2024	84,000	14,951	98,951
2025	88,000	12,995	100,995
2026-2030	461,000	34,847	495,847
2031	<u>96,000</u>	<u>-</u>	<u>96,000</u>
Totals	<u>\$ 1,657,000</u>	<u>\$ 138,439</u>	<u>\$ 1,795,439</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CORCORAN
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 421,450	\$ 421,450	\$ 430,076	\$ 8,626
Other taxes	2,611,991	2,611,991	3,150,398	538,407
Licenses and permits	171,750	171,750	215,612	43,862
Intergovernmental	2,836,926	2,836,926	3,955,257	1,118,331
Charges for services	271,800	271,800	282,584	10,784
Fines and penalties	54,000	54,000	51,810	(2,190)
Use of money and property	570,682	570,682	581,947	11,265
Gain on acquisition of property	-	-	164,967	164,967
Grant drawdowns	200,000	-	-	-
Miscellaneous	50,000	50,000	154,498	104,498
Total revenues	7,188,599	6,988,599	8,987,149	1,998,550
EXPENDITURES				
Current:				
General government	737,818	930,180	726,315	203,865
Community development	136,000	136,750	14,336	122,414
Public safety	4,876,116	4,871,266	4,586,874	284,392
Public works	330,697	408,587	345,808	62,779
Parks and recreation	705,302	743,182	536,456	206,726
Capital outlay:				
General government	-	750	-	750
Total expenditures	6,785,933	7,090,715	6,209,789	880,926
Excess (deficiency) of revenues over (under) expenditures	402,666	(102,116)	2,777,360	2,879,476
OTHER FINANCING SOURCES (USES)				
Operating transfers in	605,000	605,000	5,000	(600,000)
Operating transfers out	(600,000)	(1,232,000)	(812,449)	419,551
Total other financing sources (uses)	5,000	(627,000)	(807,449)	(180,449)
Net change in fund balances	407,666	(729,116)	1,969,911	2,699,027
Fund balances - beginning	6,115,011	6,115,011	6,115,011	-
Fund balances - ending	\$ 6,522,677	\$ 5,385,895	\$ 8,084,922	\$ 2,699,027

CITY OF CORCORAN
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,800,000	\$ 1,800,000	\$ -	\$ (1,800,000)
Use of money and property	-	-	18,947	18,947
Loan repayments	200,900	200,900	156,477	(44,423)
Miscellaneous	-	-	11,612	11,612
Total revenues	2,000,900	2,000,900	187,036	(1,813,864)
EXPENDITURES				
Current:				
Community development	2,130,475	2,130,475	33,358	2,097,117
Public works	1,000	1,000	-	1,000
Total expenditures	2,131,475	2,131,475	33,358	2,098,117
Excess (deficiency) of revenues over (under) expenditures	(130,575)	(130,575)	153,678	284,253
OTHER FINANCING SOURCES (USES)				
Operating transfers out	-	(164,000)	(164,000)	-
Total other financing sources (uses)	-	(164,000)	(164,000)	-
Net change in fund balances	(130,575)	(294,575)	(10,322)	284,253
Fund balances - beginning	1,060,765	1,060,765	1,060,765	-
Fund balances - ending	\$ 930,190	\$ 766,190	\$ 1,050,443	\$ 284,253

**CITY OF CORCORAN
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
HOME PROGRAM SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 300,000	\$ 300,000	\$ 188,835	\$ (111,165)
Use of money and property	-	-	15,542	15,542
Loan repayments	173,400	173,400	282,902	109,502
Total revenues	473,400	473,400	487,279	13,879
EXPENDITURES				
Current:				
Community development	681,535	686,535	414,301	272,234
Total expenditures	681,535	686,535	414,301	272,234
Excess (deficiency) of revenues over (under) expenditures	(208,135)	(213,135)	72,978	286,113
Net change in fund balances	(208,135)	(213,135)	72,978	286,113
Fund balances - beginning	881,613	881,613	881,613	-
Fund balances - ending	\$ 673,478	\$ 668,478	\$ 954,591	\$ 286,113

CITY OF CORCORAN
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
POLICE DEPARTMENT CONSTRUCTION SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 4,452	\$ 4,452
Use of money and property	<u>10,000</u>	<u>-</u>	<u>5,909</u>	<u>5,909</u>
Total revenues	<u>10,000</u>	<u>-</u>	<u>10,361</u>	<u>10,361</u>
EXPENDITURES				
Current:				
Community development	(750)	750	-	750
Public safety	100	100	81,494	(81,394)
Capital outlay:				
Public safety	<u>1,750,000</u>	<u>1,750,000</u>	<u>1,698,768</u>	<u>51,232</u>
Total expenditures	<u>1,749,350</u>	<u>1,750,850</u>	<u>1,780,262</u>	<u>(29,412)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,739,350)</u>	<u>(1,750,850)</u>	<u>(1,769,901)</u>	<u>(19,051)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	<u>-</u>	<u>-</u>	<u>790,240</u>	<u>790,240</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>790,240</u>	<u>790,240</u>
Net change in fund balances	(1,739,350)	(1,750,850)	(979,661)	771,189
Fund balances - beginning	<u>850,374</u>	<u>850,374</u>	<u>850,374</u>	<u>-</u>
Fund balances - ending	<u>\$ (888,976)</u>	<u>\$ (900,476)</u>	<u>\$ (129,287)</u>	<u>\$ 771,189</u>

CITY OF CORCORAN
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
TRANSPORTATION AND STREETS SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amount		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,176,545	\$ 1,176,545	\$ 1,484,596	\$ 308,051
Use of money and property	31,000	-	48,732	48,732
Miscellaneous	-	-	20,005	20,005
Total revenues	1,207,545	1,176,545	1,553,333	376,788
EXPENDITURES				
Current:				
General government	-	750	-	750
Public safety	50,000	50,000	-	50,000
Public works	(2,639,770)	2,750,970	832,895	1,918,075
Total expenditures	(2,589,770)	2,801,720	832,895	1,968,825
Excess (deficiency) of revenues over (under) expenditures	3,797,315	(1,625,175)	720,438	2,345,613
OTHER FINANCING SOURCES (USES)				
Sale of assets	-	-	255	255
Total other financing sources (uses)	-	-	255	255
Net change in fund balances	3,797,315	(1,625,175)	720,693	2,345,868
Fund balances - beginning	2,247,012	2,247,012	2,247,012	-
Fund balances - ending	\$ 6,044,327	\$ 621,837	\$ 2,967,705	\$ 2,345,868

**CITY OF CORCORAN
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 1 – BUDGETARY INFORMATION

The City follows the following procedures, annually, in establishing the budgetary data reflected in the budgetary comparison schedules:

1. The City Manager submits to the City Council a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
2. The City Council reviews the proposed budget at specially scheduled sessions, which are open to the public. The Council also conducts a public hearing on the proposed budget to obtain comments from interested persons.
3. Prior to July 1, the budget is legally adopted through passage of an ordinance. This budget is reported as Original Budget in the budgetary comparison schedules.
4. During the fiscal year, changes to the adopted budget may be authorized, as follows:
 - a. Items requiring City Council action – appropriation of fund balance reserves; transfers of appropriations between funds; appropriation of any non-departmental revenue; new interfund loans or advances; and creation of new capital projects or increases to existing capital projects.
 - b. Items delegated to the City Manager – transfers between departments within funds; appropriation of unbudgeted departmental revenues; and approval of transfers which increase salary and benefit appropriations.
 - c. Items delegated to the department head – allocation of departmental appropriations to line item level.
5. Formal budgetary integration is employed as a management tool for all funds. Annual budgets are legally adopted and amended as required for the general, special revenue, and enterprise funds. Project length budgets are adopted for the capital projects funds. All budgets are prepared on a basis consistent with generally accepted accounting principles (GAAP), and budgetary comparisons for the general and major special revenue funds are presented on that basis in the required supplementary information. A debt service payment schedule for the debt service funds is also approved as part of the budget process.
6. Budget amounts are reflected after all authorized amendments and revisions. This budget is reported as the Final Budget in the budgetary comparison schedules.
7. For each legally adopted operating budget, expenditures may not exceed budgeted appropriations at the activity level. The legal appropriation basis is at the level called “department”. A “department” for legal appropriation purposes may be a single organization or an entire department having multiple organizations within the same fund, or an entire fund.

**CITY OF CORCORAN
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
PROPORTIONATE SHARE OF NET PENSION LIABILITY
LAST 10 YEARS*
AS OF JUNE 30, 2020**

	2015	2016	2017	2018	2019	2020
Proportion of the net pension liability	0.0890%	0.0810%	0.0824%	0.0823%	0.0831%	0.0843%
Proportionate share of the net pension liability	\$5,588,247	\$5,560,451	\$7,128,067	\$8,158,790	\$8,005,171	\$8,634,610
Covered payroll	\$3,670,305	\$3,415,899	\$3,372,419	\$3,515,008	\$3,460,016	\$3,673,726
Proportionate share of the net pension liability as percentage of covered payroll	152.26%	162.78%	211.36%	232.11%	231.36%	235.04%
Plan fiduciary net position as a percentage of the total pension liability	77.90%	79.05%	75.11%	74.05%	75.76%	75.08%

NOTES TO THE SCHEDULE

Changes in Benefit Terms - None

Changes of Assumptions - None

*Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

**CITY OF CORCORAN
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
LAST 10 YEARS*
AS OF JUNE 30, 2020**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially required contribution (actuarially determined)	\$ 687,235	\$ 670,378	\$ 699,724	\$ 776,784	\$ 830,062	\$ 954,101	\$ 1,110,159
Contributions in relation to the actuarially determined contributions	<u>687,235</u>	<u>670,378</u>	<u>699,724</u>	<u>776,784</u>	<u>830,062</u>	<u>954,101</u>	<u>1,110,159</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$3,670,305	\$3,415,899	\$3,372,419	\$3,515,008	\$3,460,016	\$3,673,726	\$3,874,044
Contributions as a percentage of covered payroll	18.72%	19.63%	20.75%	22.10%	23.99%	25.97%	28.66%

*Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

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OTHER SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

The ***Special Revenue Funds*** are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes. The City maintains five nonmajor special revenue funds.

The **Housing Authority Fund** is used to account for future financing for low-income household for the acquisition, rehabilitation, or new construction of single-family homes.

The **Public Safety Fund** is used to account for grant funds received for supplemental public safety expenditures, adjudicated cash and other assets seized from drug arrests that are available for police department enhancements and revenues and expenditures related to a rail spur study.

The **Parks Capital Fund** is used to account for residential development tax funds that are restricted to acquisition, improvement and expansion of public park, playground and recreation facilities.

The **Assessment Districts Fund** are used to account for two landscape and lighting districts that were established for subdivisions to provide for the maintenance to turf areas, shrubs, trees, and irrigations systems and walls.

The **Restricted Property Acquisitions Fund** is used to account for revenue and expenses associated with properties acquired by the City which were in default of Federal CDBG housing grant loans.

The **Debt Service Fund** is used to account for the accumulation of resources for the payment of principal and interest on general debt of the City.

The **Corcoran Joint Powers Finance Authority Fund** is used to account for the repayment of debt issued by the Corcoran Joint Powers Finance Authority.

**CITY OF CORCORAN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

	Nonmajor Special Revenue Funds	Corcoran Joint Powers Finance Authority Debt Service Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments:			
Unrestricted	\$ 406,451	\$ 6,145	\$ 412,596
Cash and investments with fiscal agent:			
Restricted	242	-	242
Receivables	384,890	-	384,890
Property held for resale	<u>195,000</u>	<u>-</u>	<u>195,000</u>
 Total assets	 <u>\$ 986,583</u>	 <u>\$ 6,145</u>	 <u>\$ 992,728</u>
LIABILITIES			
Accounts payable	\$ 57,816	\$ -	\$ 57,816
Due to other funds	169,887	-	169,887
Deposits	<u>700</u>	<u>-</u>	<u>700</u>
 Total liabilities	 <u>228,403</u>	 <u>-</u>	 <u>228,403</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	<u>162,237</u>	<u>-</u>	<u>162,237</u>
 Total deferred inflows of resources	 <u>162,237</u>	 <u>-</u>	 <u>162,237</u>
FUND BALANCES			
Restricted for:			
Pension contributions	242	-	242
Debt service	-	6,145	6,145
Community development	174,790	-	174,790
Public safety	222,421	-	222,421
Public works	197,068	-	197,068
Parks and recreation	<u>1,422</u>	<u>-</u>	<u>1,422</u>
 Total fund balances	 <u>595,943</u>	 <u>6,145</u>	 <u>602,088</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 986,583</u>	 <u>\$ 6,145</u>	 <u>\$ 992,728</u>

**CITY OF CORCORAN
COMBINING STATEMENT OF REVENUES EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	Nonmajor Special Revenue Funds	Corcoran Joint Powers Finance Authority Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES			
Property taxes	\$ 45,537	\$ -	\$ 45,537
Use of money and property	27,898	371	28,269
Charges for services	35,190	-	35,190
Intergovernmental revenues	243,724	-	243,724
Grant drawdowns	155,948	-	155,948
Repayment of loans	9,701	-	9,701
Miscellaneous	2,665	-	2,665
Total revenues	<u>520,663</u>	<u>371</u>	<u>521,034</u>
EXPENDITURES			
Current services:			
General government	806	-	806
Community development	60,069	-	60,069
Parks and recreation	240,745	-	240,745
Public works	28,028	-	28,028
Public safety	144,881	-	144,881
Total expenditures	<u>474,529</u>	<u>-</u>	<u>474,529</u>
Excess (deficiency) of revenues over (under) expenditures	<u>46,134</u>	<u>371</u>	<u>46,505</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	<u>186,209</u>	<u>-</u>	<u>186,209</u>
Total other financing sources (uses)	<u>186,209</u>	<u>-</u>	<u>186,209</u>
Net change in fund balances	232,343	371	232,714
Fund balances - beginning	<u>363,600</u>	<u>5,774</u>	<u>369,374</u>
Fund balances - ending	<u>\$ 595,943</u>	<u>\$ 6,145</u>	<u>\$ 602,088</u>

**CITY OF CORCORAN
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020**

	Housing Authority	Public Safety	Parks Capital	Assessment Districts	Restricted Property Acquisitions	Totals
ASSETS						
Cash and investments:						
Unrestricted	\$ 9,686	\$ 199,295	\$ -	\$ 197,470	\$ -	\$ 406,451
Restricted with fiscal agents	242	-	-	-	-	242
Receivables	162,238	23,126	198,707	819	-	384,890
Property held for resale	-	-	-	-	195,000	195,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>195,000</u>	<u>195,000</u>
Total assets	<u>\$ 172,166</u>	<u>\$ 222,421</u>	<u>\$ 198,707</u>	<u>\$ 198,289</u>	<u>\$ 195,000</u>	<u>\$ 986,583</u>
LIABILITIES						
Accounts payable	\$ 1,296	\$ -	\$ 55,299	\$ 1,221	\$ -	\$ 57,816
Due to other funds	-	-	141,986	-	27,901	169,887
Deposits	700	-	-	-	-	700
	<u>700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>700</u>
Total liabilities	<u>1,996</u>	<u>-</u>	<u>197,285</u>	<u>1,221</u>	<u>27,901</u>	<u>228,403</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	<u>162,237</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>162,237</u>
Total deferred inflows of resources	<u>162,237</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>162,237</u>
FUND BALANCES						
Restricted for:						
Pension contributions	242	-	-	-	-	242
Community development	7,691	-	-	-	167,099	174,790
Public safety	-	222,421	-	-	-	222,421
Public works	-	-	-	197,068	-	197,068
Parks and recreation	-	-	1,422	-	-	1,422
	<u>-</u>	<u>-</u>	<u>1,422</u>	<u>-</u>	<u>-</u>	<u>1,422</u>
Total fund balances	<u>7,933</u>	<u>222,421</u>	<u>1,422</u>	<u>197,068</u>	<u>167,099</u>	<u>595,943</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 172,166</u>	<u>\$ 222,421</u>	<u>\$ 198,707</u>	<u>\$ 198,289</u>	<u>\$ 195,000</u>	<u>\$ 986,583</u>

CITY OF CORCORAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Housing Authority	Public Safety	Parks Capital	Assessment Districts	Restricted Property Acquisitions	Totals
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ 45,537	\$ -	\$ 45,537
Intergovernmental	-	45,117	198,607	-	-	243,724
Charges for services	-	-	35,190	-	-	35,190
Use of money and property	19,055	4,884	395	3,564	-	27,898
Grant drawdowns	-	155,948	-	-	-	155,948
Loan repayments	9,701	-	-	-	-	9,701
Miscellaneous	2,665	-	-	-	-	2,665
Total revenues	<u>31,421</u>	<u>205,949</u>	<u>234,192</u>	<u>49,101</u>	<u>-</u>	<u>520,663</u>
EXPENDITURES						
Current:						
General government	806	-	-	-	-	806
Community development	40,959	-	-	-	19,110	60,069
Public safety	-	144,881	-	-	-	144,881
Public works	-	-	-	28,028	-	28,028
Parks and recreation	-	-	240,745	-	-	240,745
Total expenditures	<u>41,765</u>	<u>144,881</u>	<u>240,745</u>	<u>28,028</u>	<u>19,110</u>	<u>474,529</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,344)</u>	<u>61,068</u>	<u>(6,553)</u>	<u>21,073</u>	<u>(19,110)</u>	<u>46,134</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	-	-	-	186,209	186,209
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>186,209</u>	<u>186,209</u>
Net change in fund balances	(10,344)	61,068	(6,553)	21,073	167,099	232,343
Fund balances - beginning	<u>18,277</u>	<u>161,353</u>	<u>7,975</u>	<u>175,995</u>	<u>-</u>	<u>363,600</u>
Fund balances - ending	<u>\$ 7,933</u>	<u>\$ 222,421</u>	<u>\$ 1,422</u>	<u>\$ 197,068</u>	<u>\$ 167,099</u>	<u>\$ 595,943</u>

**CITY OF CORCORAN
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<u>ASSETS SEIZURES (UNPROCESSED)</u>				
ASSETS				
Cash	\$ 750	\$ -	\$ -	\$ 750
Total assets	\$ 750	\$ -	\$ -	\$ 750
LIABILITIES				
Due to other agencies	\$ 750	\$ -	\$ -	\$ 750
Total liabilities	\$ 750	\$ -	\$ -	\$ 750
<u>KINGS COUNTY CDBG</u>				
ASSETS				
Cash	\$ 26,866	\$ 75,058	\$ (79,373)	\$ 22,551
Receivables:				
Notes	666,277	-	(74,130)	592,147
Total assets	\$ 693,143	\$ 75,058	\$ (153,503)	\$ 614,698
LIABILITIES				
Due to other agencies	\$ 693,143	\$ 75,058	\$ (153,503)	\$ 614,698
Total liabilities	\$ 693,143	\$ 75,058	\$ (153,503)	\$ 614,698
<u>CAFETERIA PLAN FUND</u>				
ASSETS				
Cash	\$ 7,279	\$ 656	\$ (974)	\$ 6,961
Total assets	\$ 7,279	\$ 656	\$ (974)	\$ 6,961
LIABILITIES				
Due to other agencies	\$ 7,279	\$ 656	\$ (974)	\$ 6,961
Total liabilities	\$ 7,279	\$ 656	\$ (974)	\$ 6,961

CITY OF CORCORAN
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020
(Continued)

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>POLICE ACTIVITIES LEAGUE</u>				
ASSETS				
Cash	\$ 15,969	\$ 1,385	\$ (7,785)	\$ 9,569
Total assets	<u>\$ 15,969</u>	<u>\$ 1,385</u>	<u>\$ (7,785)</u>	<u>\$ 9,569</u>
LIABILITIES				
Due to other agencies	\$ 15,969	\$ 1,385	\$ (7,785)	\$ 9,569
Total liabilities	<u>\$ 15,969</u>	<u>\$ 1,385</u>	<u>\$ (7,785)</u>	<u>\$ 9,569</u>
<u>TOTAL</u>				
ASSETS				
Cash	\$ 50,864	\$ 77,099	\$ (88,132)	\$ 39,831
Receivables:				
Notes	<u>666,277</u>	<u>-</u>	<u>(74,130)</u>	<u>592,147</u>
Total assets	<u>\$ 717,141</u>	<u>\$ 77,099</u>	<u>\$ (162,262)</u>	<u>\$ 631,978</u>
LIABILITIES				
Due to other agencies	\$ 717,141	\$ 77,099	\$ (162,262)	\$ 631,978
Total liabilities	<u>\$ 717,141</u>	<u>\$ 77,099</u>	<u>\$ (162,262)</u>	<u>\$ 631,978</u>