



City of Kingsburg California



**Annual Comprehensive
Financial Report
For the Fiscal Year Ended June 30, 2021**



**CITY OF KINGSBURG
CALIFORNIA**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

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

**Prepared by
Finance Department**

**CITY OF KINGSBURG
ANNUAL COMPREHENSIVE FINANCIAL REPORT
JUNE 30, 2021**

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INTRODUCTORY SECTION

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City of Kingsburg

1401 Draper Street, Kingsburg, CA 93631-1908
(559) 897-5821 (559) 897-5568

February 28, 2022

Honorable Mayor, Members of the City Council, and Citizens of the City of Kingsburg

SUBJECT: Annual Comprehensive Financial Report - June 30, 2021

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Kingsburg (City) for the fiscal year ended June 30, 2021. This report is published in accordance with local ordinance and state law requirements that financial statements be presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the City. Management assumes full responsibility for the completeness and reliability of all information presented in this report. In order to provide a reasonable basis for making these representations, management of the City has established an internal control framework designed both to ensure the assets of the government are protected from loss, theft or misuse, and to ensure adequate accounting data is compiled to allow for the preparation of the financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. As a recipient of federal, state, and local financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to the appropriate programs. This internal control structure is subject to periodic evaluation by management.

Price Paige & Company, a firm of licensed certified public accountants approved by the City Council, has audited the City's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2021, were free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

Price Paige & Company concluded based upon the audit, that there is reasonable basis for rendering an unmodified ("clean") opinion that the City's financial statements for the fiscal year ended June 30, 2021, were fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

In addition, the City may be required to undergo an annual single audit in compliance with provisions of Title 2 U.S. Code of Federal Regulations. The report of the Single Audit, if required, is published separately from this ACFR

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found in the financial section of this document, immediately following the report of the independent auditor.

Profile of the City Kingsburg

Located in the central San Joaquin Valley of California, the City of Kingsburg has a rich history as a settlement of Native Americans, a wild west outpost for outlaws and cattlemen, a farming community settled by people of Swedish descent and today as a diverse agricultural base town with a Swedish flair. The first known residents, the Nutununtu tribe, first encountered Europeans in 1773 when the Spanish explorer Pedro Fages explored the area and named the Kings River "Rio de los Santo Reyes" (English translation is "River of the Sainted Kings"). In 1871 Southern Pacific built a train depot in Kingsburg and named it "Kings River Switch". As a small settlement, it went by different names until the postal authorities and the Fresno Weekly Expositor reported the name Kingsburg in 1875. By the late 1870's the first Swedish settlers began to settle in Kingsburg. The Swedish colony mostly consisted of sober, hardworking men who began to replace stock raising with farming, and is thought to put an end to the Wild West atmosphere, which lasted until the as late as the 1910's. In 1908 Kingsburg incorporated and in the same election the citizens voted the saloons out. In 1921 a survey showed that 94% of the population within a 3-mile radius of Kingsburg was of Swedish descent. Kingsburg, known as the Swedish Village, continues to design many of its buildings with Swedish architecture. As a diverse and multicultural town today, Kingsburg's population is now estimated over 12,000 people and is known for farming of grapes and stone fruit. The Kings River brings summer recreation of fishing, boating, jet skiing and rafting. The Kings River Golf and Country Club boasts beautiful views of the river and is a championship 18-hole course. With 18 churches within its 2.8 square miles, Kingsburg is a family friendly safe community that prides itself on civic leadership and community engagement. Kingsburg is centrally located on Highway 99 between San Francisco and Los Angeles with the Sierra Nevada's to the east and the Pacific Coast to the west, all a short drive away.

The City delivers a full range of municipal services which include Police, Fire, Community and Economic Development, Recreation, Park Maintenance, and Public Utilities under the Council- Manager form of government. The City Council meets the first and third Wednesdays of every month. Policy making and legislative authority are vested in the City Council, which consists of a Mayor and four Council Members. The Mayor is a current City Council Member who is elected by the Council and serves a two-year term. The Five Council Members are elected and serve four-year terms. The City Manager is appointed by the City Council and is responsible for implementing policies and overseeing the day-to-day operations of the City.

The City Council is required to adopt a budget no later than the close of the prior fiscal year. The budget is prepared by fund (e.g. General Fund) and department (e.g. Police). After adoption, departmental adjustments may be done with the approval from the City Manager provided that there is no

change to the fund balance. Budget amendments to increase appropriations may be taken to the City Council for their approval throughout the year.

Local Economy

The local economy continues to evolve similar to nation-wide trends. This includes the movement away from brick and mortar retailers, who continue to downsize and centralize their operations in larger populaces. The city has been successful in their ongoing efforts to invest in more ‘experience-based’ opportunities, which includes revitalization efforts in the downtown core. A year ago, as the council considered adopting our financial blueprint, the budget was filled with conservative forecasting, anticipated revenue loss, and a general unknown of what the coming year would bring. As we entered the final quarter of our fiscal year, the entire world was impacted by the COVID-19 pandemic. U.S. state and local governments, on the front lines of the response to the pandemic of the new coronavirus disease, projected the potential of record budget shortfalls.

This past year has been unlike any other, but city employees met each obstacle head on and provided a steady presence in our community. The measured and sustainable growth through targeted economic development efforts continues to promote ongoing private investment into Kingsburg. Our public-private partnership (P3) programs continue to grow and remain well utilized. Our development programs now include nine (9) different ways to partner with the city. These programs have provided a catalyst for investment in our community, with over \$50M in valuation and over 600 permits processed this past year.

In April 2019 New T-Mobile announced their intention to locate their new Customer Experience Center (CEC) in Kingsburg. The announcement of the new CEC brings the creation of more than 1,000 new jobs, positioning the New T-Mobile to be one of the largest employers in the area.

The CEC will provide:

- 1,000+ new jobs;
- Contribute \$122mm to California’s economy
- Pay an average wage that is 51% higher than the average wage in Fresno Co.
- New T-Mobile will become one of the largest and highest-paying employers in the Central Valley

The location of the call center will bring immediate economic impact to the entire Central Valley. An Economic Impact Assessment completed by the Berkeley Research Group concluded the CEC would directly and indirectly provide up to 1,500 jobs and \$105 million to the economy of Fresno County on an annual basis. T-Mobile began infrastructure improvements in 2021, investing over \$40M locally. The CEC will be completed in Q1 2022, with hiring already underway. The center will become fully operational in Q2 2022.

Both revenues and expenditures have been influenced by the uptick in commercial and single family residential building activity. FY21 and beyond we are trending higher for revenues associated with single family residential development. 500 new housing starts have been approved, with 84 new homes given occupancy over the past two years. While full build outs are anticipated over several years, depending upon market demand, we anticipate that FY22 will continue to see similar single family home starts.

Long Term Financial Planning

The City maintains an annual budget and it serves as the foundation for the City's financial planning and control. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget adopted by the City Council. The level of budgetary control (i.e. the level where the expenditures cannot legally exceed the appropriated amount) is maintained at the departmental level for the General Fund and at the fund level for all other funds. Department heads may transfer resources within a department as they see fit with the approval of the City Manager. The City Council may amend funds by an affirmative vote at any regular or special City Council Meeting.

The City Council has approved a standard set of financial policies. The fund balance in the General fund shall not be less than 20% of the budgeted general fund appropriations as approved by the City Council as of July 1 of each year. This policy provides increased protection against the uncertain dynamics associated with changes in the local economy.

Changes to employee pension contributions continues to be the most pressing issue impacting long-term planning. In 2018, the Council adopted a financial resolution that created a 'waterfall' policy that designates any surplus funding to three designated funds:

1. CalPERS UAL (70%)
2. Economic Stabilization (15%)
3. Equipment Reserve (15%)

All three funds are designed to leverage the City's current financial health to plan for the potential impact of future years.

The City remains focused on managing expenditures and monitoring revenues while keeping restoration in mind. It is with diligence and tenacity that the City strives to meet future goals of economic expansion and fiscal sustainability. The City will also focus on maintaining public safety needs and invest in the maintenance and replacement of aging infrastructure.

Major Achievements and Initiatives

In 2013, the City committed to a strategic planning process that engaged council members, employees and consultants. The goal of the session was to align all the community has to offer with the vision for its' future. Financial stewardship and planning, economic incentives for growth, retention of our employees and succession planning for those who retire were key driving forces for the plan.

Council and staff reinvested in the strategic planning process in 2015, reevaluating core initiatives and examining the overall progress made since 2013. With several of the main objectives addressed, Council and staff identified new goals to continue the progression of keeping Kingsburg the "Gem of the Valley."

In 2018, Council completed the most recent update to our strategic planning process. The document serves as the City of Kingsburg's 2018-2023 Strategic Plan. Its purpose is to help the City prioritize its efforts, allocating both fiscal and human capital to achieve a shared vision and goals that also reflect community priorities and needs. The Plan is the result of a comprehensive review by

Regional Government Services (RGS) of the City's current operations and finances, interviews with staff members and discussions with City Council members and an online survey taken by Kingsburg residents.

The findings and conclusions of the review and survey results were presented to Council and staff at a one-day Study Session. The Study Session, which was open to the public, resulted in the development of a Mission Statement, a Vision Statement, a set of Core Values and six Goals to guide the City's future operations:

1. Ensure Financial Stability
2. Improve Public Safety
3. Provide Recreation Opportunities for All Ages
4. Improve Community Communication
5. Increase Retail Opportunities
6. Promote Sustainable Development

Over the past few years, the Council has taken on several policy initiatives to ensure the long-term financial viability of the community. Those include:

- Adoption of Community Facility Districts as a condition of approval for newly annexed development. This allows the city to adequately provide and pay for the resources that come with the ongoing impacts of new development, specifically single family residential.
- In 2018, the Council presented, and voters approved (72% in favor) a 1% add-on sales tax measure to help fund public safety improvements. The fund has helped hire over 15 new positions, purchase much needed equipment and has helped both our police and fire departments grow responsibility to help meet the needs of the community.
- To address our unfunded actuarial liability related to employee pension costs, Council has adopted an ongoing resolution that directs surplus funding to a dedicated fund to help provide additional flexibility for pre-payments. The City has contributed additional discretionary payments to CalPERS in 2019 and 2021, with an expected long-term interest savings of ~\$1.8M.

We are committed to providing the highest level of service and quality of life to our citizens.

Cash Management

The City finance staff focuses on safety, liquidity and yield of investments. The highest priority of cash management and investments is to ensure adequate funds are available to meet the City's obligations and all investments are in safe instruments. Yield, while important, is considered in third priority after safety and liquidity. The City invests in the Local Agency Investment Fund (LAIF) operated by the state for the benefit of local governments.

Awards and Acknowledgments


The City was honored to receive The Government Finance Officers Association Distinguished Budget Award in 2022 for the City's 2021-2022 budget. This award is given to local governments that have prepared budgets that exceed expectations and reflect the guidelines established by the National Advisory Council on State and Local Budgeting and the Government Finance Officers Association (GFOA). The award reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting.

The City received The Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for its Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2020. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting. The certificate represents a significant accomplishment. This was the fifth consecutive year that the City of Kingsburg has achieved this prestigious award.

We would like to extend our thanks and appreciation to the City Council for their interest in and suggestions to the financial reporting of the City. The preparation of this ACFR could not have been accomplished without the efforts and dedication of the staff of the City's Finance Department and the auditing firm of Price Paige & Company. We also extend our appreciation to the staff and other personnel from various departments, agencies and authorities who assisted in the preparation of this report.

Respectfully submitted,


Alma Colado
Finance Director


Alexander J. Henderson
City Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Kingsburg
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

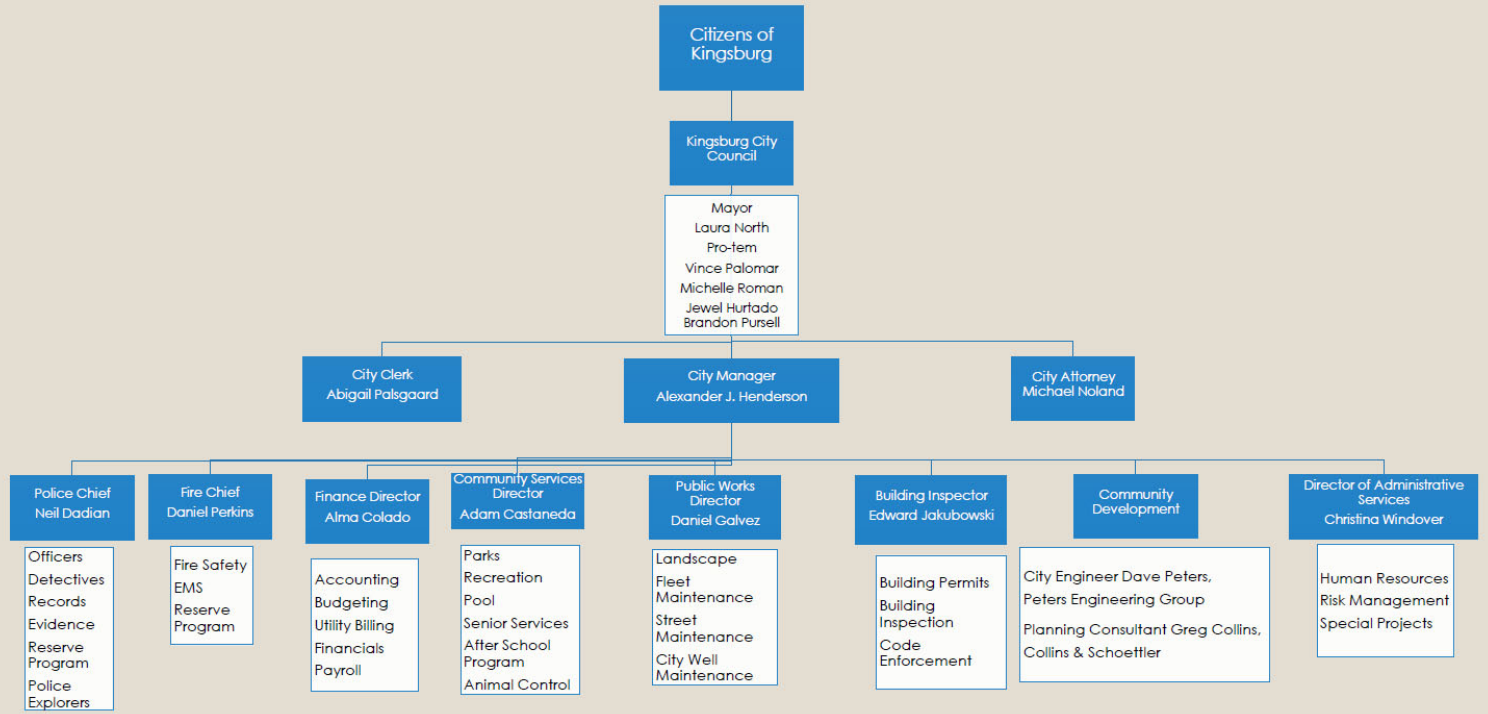
June 30, 2020

Christopher P. Morill

Executive Director/CEO

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City of Kingsburg Organizational Chart



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**CITY OF KINGSBURG
LIST OF ELECTED AND APPOINTED OFFICIALS
JUNE 30, 2021**

Elected Officials

Mayor
Mayor Pro Tem
Council Member
Council Member
Council Member

Laura North
Vince Palomar
Michelle Roman
Jewel Hurtado
Brandon Pursell Jr.

Appointed Officials

City Manager
City Attorney
City Clerk
Director of Administrative Services
Police Chief
Fire Chief
Building Official
Finance Director/City Treasurer

Alexander J. Henderson
Michael Noland
Abigail Palsgaard
Christina Windover
Neil Dadian
Daniel Perkins
Edward Jakubowski
Alma Colado

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kingsburg, California (the City), as of and for the year ended June 30, 2021, 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, the proportionate share of net pension liability, and the schedule of contributions as listed on the table of contents to 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 introductory section, combining and individual nonmajor fund financial statements and the related budgetary comparison schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Clovis, California
February 28, 2022



MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2021

The management of the City of Kingsburg is pleased to present the following discussion and analysis that provides an overview of the financial position and activities of the City of Kingsburg as of and for the year ended June 30, 2021. The discussion should be read in conjunction with the financial statements and accompanying notes to the basic financial statements which follow this section.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, parks and community services, public safety, public works, highways and streets, and planning and community development. The business-type activities of the City include Water, Disposal and Ambulance/Fire.

The government-wide financial statements include the Kingsburg Joint Powers Authority. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The Joint Powers Authority, although legally separate, functions for all practical purposes as a department of the City, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 14-15 of this report.

Fund Financial Statements

Fund Financial Statements provide more detailed information about the City's most significant funds, not the City as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State Law or by bond covenants. Management establishes other funds to control and manage money for particular purposes or to show the City is meeting legal responsibilities for using certain taxes, grants, and other money. All the funds of the City can be classified as governmental, proprietary and fiduciary.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Such information is useful in evaluating a governments near-term financing requirement.

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

The City of Kingsburg maintains seventeen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the General, Local Transportation Funds, Measure E, Kingsburg Joint Powers Authority, Capital Facilities, and Linnea Villas funds which are considered to be major funds. Data from the other funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for the City's funds. A budgetary comparison schedule has been provided for the General Fund, Local Transportation Funds, and Measure E to demonstrate compliance to this budget and can be found on pages 60-62.

The governmental fund financial statements can be found on pages 16-19 of this report.

Proprietary funds. The City has three enterprise funds, Water, Disposal, and Ambulance/Fire, which are used to account for operations that financed and operated in a manner similar to private business enterprises. Enterprise funds are used to report the same functions represented as business-type activities in the government-wide financial statements. The City utilizes enterprise funds to account for those activities that are supported primarily by user charges to external users. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Disposal, and Ambulance/Fire, all of which are major funds. The basic proprietary fund financial statements can be found on pages 20-23 of this report.

Fiduciary funds. The City uses fiduciary funds to account for resources held for the benefits of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the City cannot use these funds to finance its operations.

The basic fiduciary fund financial statements can be found on pages 24-25 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes describe the nature of the City's operations and significant accounting policies and provide clarification regarding unique financial information. The notes to the basic financial basic statements can be found on pages 28-58 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 60-65 of this report.

The statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Statements and schedules can be found on pages 68-94 of this report.

Financial Highlights

Government-wide financial highlights for the fiscal year ended June 30, 2021:

I. Statement of Net Position

Condensed Statement of Net Position

	<u>2021</u>	<u>2020</u>	
Assets	\$ 56,054,201	\$ 50,759,917	Government-wide total assets at fiscal year ending June 30, 2021 increased by \$5,294,284 which is 10.4% higher than fiscal year ending June 30, 2020.
Liabilities	\$ 15,131,741	\$ 15,035,659	Government-wide total liabilities at fiscal year ending June 30, 2021 increased by \$96,082 which is 0.6% more than fiscal year ending June 30, 2020.
Deferred Outflows/Inflows of Resources	\$ 1,945,570	\$ 2,641,017	Net of Deferred Outflows/Inflows of Resources - Result of contribution to pension plan in current fiscal year, pension deferrals and loss of refunding of debt.
Net Position	\$ 42,868,030	\$ 38,365,275	The Net Position (assets less liabilities) at fiscal year ending June 30, 2021 increased by \$4,502,755 which is 11.7% more than fiscal year ending June 30, 2020. The net position includes \$1,945,570 of deferred outflows/inflows of resources.

Statement of Net Position (Detail)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Assets:						
Current and other assets	\$ 19,694,066	16,974,241	\$ 1,575,451	\$ 3,155,091	\$ 21,269,517	\$ 20,129,332
Capital assets	21,378,095	19,570,670	13,406,589	11,059,915	34,784,684	30,630,585
Total assets	<u>41,072,161</u>	<u>36,544,911</u>	<u>14,982,040</u>	<u>14,215,006</u>	<u>56,054,201</u>	<u>50,759,917</u>
Deferred Outflows of Resources:						
Total deferred outflows of resources	<u>1,960,339</u>	<u>2,470,618</u>	<u>623,238</u>	<u>516,996</u>	<u>2,583,577</u>	<u>2,987,614</u>
Liabilities:						
Current and other liabilities	4,408,495	3,922,861	3,359,666	3,406,646	7,768,161	7,329,507
Long-term liabilities	5,518,214	6,444,675	1,845,366	1,261,477	7,363,580	7,706,152
Total liabilities	<u>9,926,709</u>	<u>10,367,536</u>	<u>5,205,032</u>	<u>4,668,123</u>	<u>15,131,741</u>	<u>15,035,659</u>
Deferred Inflows of Resources:						
Total deferred inflows of resources	<u>478,053</u>	<u>265,137</u>	<u>159,954</u>	<u>81,460</u>	<u>638,007</u>	<u>346,597</u>
Net Position:						
Net investment in capital assets	19,058,680	16,971,072	11,355,099	6,482,788	30,413,779	23,453,860
Restricted	12,661,892	11,157,339	-	-	12,661,892	11,157,339
Unrestricted	907,166	254,445	(1,114,807)	3,499,631	(207,641)	3,754,076
Total net position	<u>\$ 32,627,738</u>	<u>\$ 28,382,856</u>	<u>\$ 10,240,292</u>	<u>\$ 9,982,419</u>	<u>\$ 42,868,030</u>	<u>\$ 38,365,275</u>

Of the total net position, \$30,413,779 or 71% is the City's investment in capital assets (e.g., land, buildings and improvements, machinery and equipment and infrastructure) less any related debt used to acquire those assets that is still outstanding.

The Statement of Net Position reflects a net effect of \$1,945,570 a separate section for deferred outflows of resources (asset) and a deferred inflow of resources (liability) for other pension related deferrals, and loss of refunding of debt.

GASB Statement No. 68 was issued to improve accounting and financial reporting by state and local governments for pensions. The net pension liability amount is \$7,363,580 and is described in Note 10.

Almost all the City's long-term liabilities relate to the acquisition of capital assets. These capital assets are utilized to provide services to citizens and are not available for future spending. The repayment of the debt on these assets must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position amounts to \$12,661,892 or 30% of the total. Restricted net position represents resources that are subject to external restriction imposed by the State on how they may be used.

Unrestricted net position represents resources which may be used to meet the City's ongoing commitments to citizens and creditors. Government activities unrestricted net position is \$907,166 while the business-type activities account for a deficit of \$1,114,807. The City can only use this amount to finance the continuing operations of the Water, Disposal, and Ambulance/Fire.

Governmental Activities. Governmental activities account for \$32,627,738 or 76% of the total government-wide net position. This is an increase of \$4,244,882 or 15% over the June 30, 2020 governmental net position ending balance.

Changes in Net Position. Below is a current year recap of the changes in net position. The full statement of Activities can be found on page 15.

Statement of Revenues, Expenses and Change in Net Position (Condensed)

	<u>2021</u>	<u>2020</u>
Operating revenues	\$ 23,088,092	\$ 22,116,975
Operating expenses	18,520,968	17,289,072
Increase in net position	<u>4,567,124</u>	<u>4,827,903</u>
Prior Period Adjustment	(64,369)	-
Net position, beginning of year	<u>38,365,275</u>	<u>33,537,372</u>
Net position, end of year	<u><u>\$ 42,868,030</u></u>	<u><u>\$ 38,365,275</u></u>

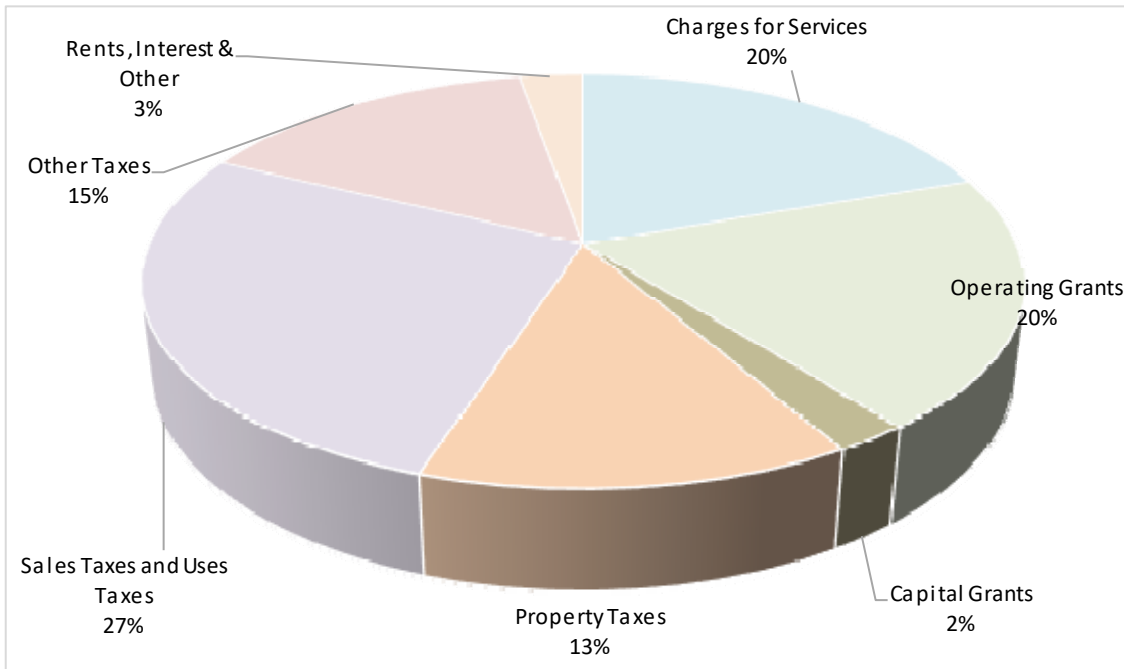
Changes in Net Position (Detail)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
REVENUES						
Program revenues:						
Charges for services	\$ 2,612,979	\$ 3,493,622	\$ 7,450,737	\$ 7,114,028	\$ 10,063,716	\$ 10,607,650
Operating grants	2,592,719	1,763,066	2,362,855	1,324,235	4,955,574	3,087,301
Capital grants	307,350	439,572	-	102,078	307,350	541,650
General revenues:						
Property taxes	1,780,984	1,665,338	-	-	1,780,984	1,665,338
Sales and use taxes	3,590,893	3,092,695	-	-	3,590,893	3,092,695
Other taxes	2,001,006	1,961,034	-	-	2,001,006	1,961,034
Rent, interest and other	367,586	1,054,262	20,983	107,045	388,569	1,161,307
Total revenues	13,253,517	13,469,589	9,834,575	8,647,386	23,088,092	22,116,975
EXPENSES						
General government	715,354	2,054,881	-	-	715,354	2,054,881
Parks and community services	767,773	494,862	-	-	767,773	494,862
Public safety	4,472,718	4,665,132	-	-	4,472,718	4,665,132
Public works	723,805	950,088	-	-	723,805	950,088
Highway and streets	1,254,211	535,748	-	-	1,254,211	535,748
Planning and community	650,586	426,503	-	-	650,586	426,503
Interest	124,188	141,335	-	-	124,188	141,335
Water	-	-	2,349,264	1,939,622	2,349,264	1,939,622
Disposal	-	-	2,161,473	1,967,168	2,161,473	1,967,168
Ambulance/fire	-	-	5,301,596	4,113,733	5,301,596	4,113,733
Total expenses	8,708,635	9,268,549	9,812,333	8,020,523	18,520,968	17,289,072
Increase (decrease) in net position before transfers	4,544,882	4,201,040	22,242	626,863	4,567,124	4,827,903
Transfers	(300,000)	(500,000)	300,000	500,000	-	-
Increase (decrease) in net position	4,244,882	3,701,040	322,242	1,126,863	4,567,124	4,827,903
Net Position - beginning of year	28,382,856	24,681,816	9,982,419	8,855,556	38,365,275	33,537,372
Prior Period Adjustments	-	-	(64,369)	-	(64,369)	-
Net Position - end of year	\$ 32,627,738	\$ 28,382,856	\$ 10,240,292	\$ 9,982,419	\$ 42,868,030	\$ 38,365,275

Total governmental revenues for the year were \$13,253,517 with charges for services comprising of 20% of the total revenue. Taxes, which include property, sales and other taxes, account for \$7,372,883 or 56% of the City's governmental activities revenue.

Total governmental expenses for the year were \$8,708,635. Public Safety accounts for \$4,472,718 or 51% of the total governmental activities expenses, followed by Highways and Streets, Parks and Community Services, Public Works, General Government, and Planning and Community with \$1,254,211, \$767,773, \$723,805, \$715,354, \$650,586 or 14%, 9%, 8%, 8%, 7% respectively.

Revenues by Source - Governmental Activities

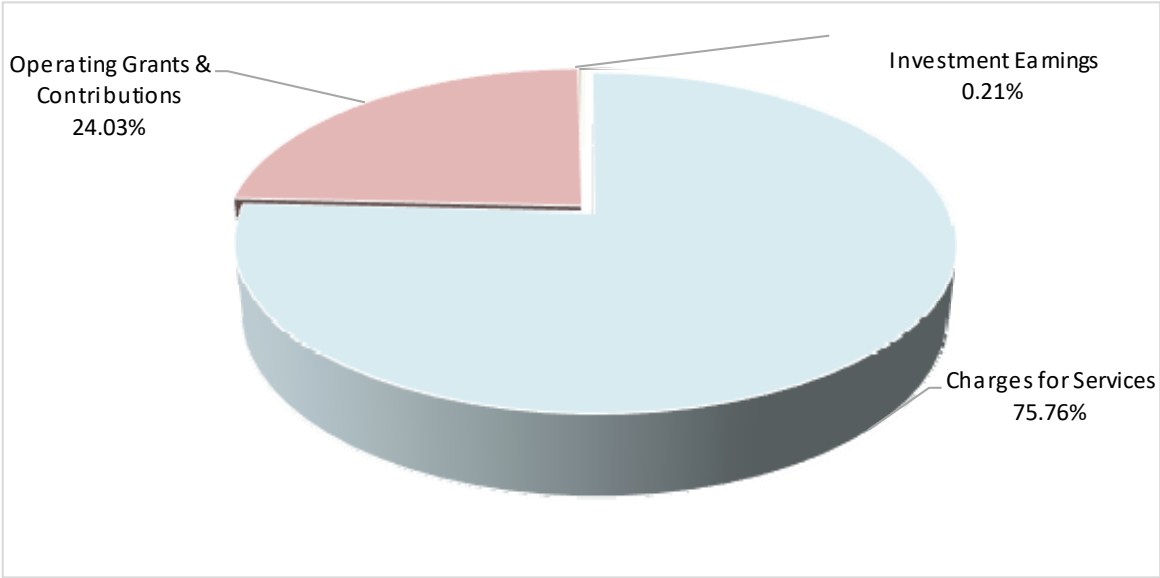


Program revenues which include charges for services, grant revenues and developer capital contributions account for \$5,513,048 or approximately 42% of the total governmental activity revenue. The amounts necessary to fully fund the governmental activity programs are made up by “general” revenues such as taxes, interest and developer fees.

Business-Type Activities

Business-type activities account for \$10,240,292 or 24% of the total government-wide net position. This is an increase of \$257,873 or 3% compared to June 30, 2020. Charges for current services account for \$7,450,737 or 76% of the total business-type activity revenue (excluding transfers).

Revenues by Source - Business-Type Activities



Operating Expenses and Operating Revenues-Business Type Activities



In a review of the chart illustrating Operating Expenses and Operating Revenues, it can be noted that operating revenues exceeded operating expenses in Water by \$117,067. Disposal operating expense exceeded revenue by \$235,598 and Ambulance/Fire expenses exceeded operating revenues by approximately \$2,093,520 for fiscal year ending June 30, 2021.

Financial Analysis

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

Governmental Funds. The ending fund balance for all governmental funds is \$18,149,235 which is an increase of \$2,012,312 or 12% when compared to the prior year balance (page 18). Of the total fund balance, \$2,273,944 is unassigned, which is available for spending at the City’s discretion, within the limitations of the fund’s purpose. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been restricted and committed for the following:

Restricted

- Capital improvement projects \$5,922,962
- Circulation improvements 2,253,818
- Debt Service 2,303,533
- Public safety programs 1,607,190
- Land held for low and moderate housing 574,389

Committed

- Pension reserve \$2,645,765
- Equipment reserve 567,634

The General Fund is the chief operating fund of the City. As of June 30, 2021, the total fund balance of the General Fund was \$6,091,855 with unassigned fund balance of \$2,878,456. The General Fund total fund balance increased \$939,394 or 18% from the previous fiscal year. The unassigned portion, as indicated, is available for spending at the City’s discretion. The increase in the General Fund balance indicates that the General Fund had more revenues and transfers in than it had expenditures and transfers out.

Proprietary Funds. As indicated in the description, proprietary funds are enterprise funds. The City’s Water Fund ended the year with a positive unrestricted net position. The Disposal and Ambulance/Fire Funds ended the year with a negative unrestricted net position.

General Fund Budgetary Highlights

The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual General Fund on page 60 outlines the differences between the budget and actual numbers. The City experienced \$390,550 or 6% more total revenues due to an increase of Property taxes and development related fees and \$226,692 or 4% decrease in total expenditures that the final budget allowed due to savings in travel or conferences through the end of the FY20, freeze on non-essential hiring, freeze on equipment purchases not already ordered (capital items), and programs reduction (After School Recreation, Summer Recreation, Lifeguards, etc.) Revenues and transfers exceeded expenditures and transfers out and increased the General Fund balance by \$939,394.

Capital Assets and Debt Administration

Capital Assets. The City’s investment in capital assets for its governmental and business-type activities as of June 30, 2021 amounts to \$30,413,779 (net of depreciation). This investment in capital assets includes land, building and improvements, machinery and equipment, and infrastructure.

Major capital additions this year include the following:

Infrastructure	\$ 791,274
Machinery and equipment	933,623
Construction in progress (CIP)	3,994,261

Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 587,014	\$ 587,014	\$ 83,216	\$ 83,216	\$ 670,230	\$ 670,230
Buildings and improvements	1,989,652	2,164,199	5,864,042	6,066,964	7,853,694	8,231,163
Machinery and equipment	1,190,501	995,428	2,742,839	2,673,258	3,933,340	3,668,686
Construction in progress	1,796,985	282,736	4,716,492	2,236,480	6,513,477	2,519,216
Infrastructure	15,813,943	15,541,293	-	-	15,813,943	15,541,293
Total	<u>\$ 21,378,095</u>	<u>\$ 19,570,670</u>	<u>\$ 13,406,589</u>	<u>\$ 11,059,918</u>	<u>\$ 34,784,684</u>	<u>\$ 30,630,588</u>

Additional information on the City's capital assets can be found in Note 6 on pages 44-45.

Long-term Debt. The City's long-term debt as of June 30, 2021 was \$4,436,090 with governmental activities accounting for \$2,384,600 or 54% and business-type activities accounting for \$2,051,490 or 46%.

The City consolidated the PFA Revenue Bond 1991 & 1992 into the PFA Refunding Revenue Bonds Series 2015. This resulted in a historically low interest rate with a net surplus to the City of \$441,078. Additionally, the City also refinanced the 2004 Lease Revenue Bond to the PFA 2015 Lease Revenue Refunding Bond. This bond was rated by Standard & Poors and was given an A+ rating based on the City's existing financial policies and fund balance strength, and with a low interest rate of 3.25%. The City was able to greatly reduce annual obligations and improve overall cash flow to the Ambulance/Fire Fund (enterprise fund), as well as the Fire Capital Facilities Fund.

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
PFA Refunding Revenue Bonds, Series 2015	\$ 409,600	\$ 570,900	\$ -	\$ -	\$ 409,600	\$ 570,900
PFA 2015 Lease Revenue Refunding Bonds	1,975,000	2,100,000	-	-	1,975,000	2,100,000
Capital Lease	-	3,732	-	-	-	3,732
CIEDB Water Loan	-	-	1,779,587	1,880,863	1,779,587	1,880,863
Water Meter Capital Lease	-	-	271,903	401,264	271,903	401,264
Total	<u>\$ 2,384,600</u>	<u>\$ 2,674,632</u>	<u>\$ 2,051,490</u>	<u>\$ 2,282,127</u>	<u>\$ 4,436,090</u>	<u>\$ 4,956,759</u>

Additional information on the City's long-term debt can be found in Note 8 on pages 45-48.

Economic Factors and Next Year's Budgets

A year ago, as the council considered adopting our financial blueprint, the budget was filled with conservative forecasting, anticipated revenue loss, and a general unknown of what the coming year would bring. As we entered the final quarter of our fiscal year, the entire world was impacted by the COVID-19 pandemic. U.S. state and local governments, on the front lines of the response to the pandemic of the new coronavirus disease, projected the potential of record budget shortfalls.

As we consider our next year ahead, there is tempered optimism that we find ourselves in a better financial position than anticipated, and are prepared to fully return to conditions similar to those pre-pandemic.

The past year has come with challenges both visible and not. We watched our community rally around shuttered businesses to help them weather the storm of public health guidelines that limited their activity. We have heard stories of those in our community who have struggled with navigating the pandemic at home and in the workplace, affecting their mental health.

Fiscally, our sales tax, fuel tax, and tourism related revenues are lower than pre-pandemic collections. Property taxes and development related fees have all performed higher than anticipated. This, combined with reduced spending from anticipated shortfalls, has led to an expected general fund surplus of ~\$300,000.

In last year's budget, the city predicted to utilize fund balance to continue to maintain staffing, provide regular programs, and provide a structurally balanced budget. It is unlikely, however, that we will need to utilize those fund balances given our increased revenues and conservative spending plan.

Faced with difficult decisions, officials acted quickly in the wake of the pandemic. While much of our discretionary programming was forced to halt, other discretionary spending was suspended, including:

- No travel or conferences through end of FY20
- Freeze on non-essential hiring
- Freeze on equipment purchases not already ordered (capital items)
- Revenue-neutral programs shut-down and those employees laid off (After School Rec, Summer Rec, Lifeguards, etc.)

The pandemic, unfortunately, has shown no signs of letting up. This has impacted supply chains, employee hiring and retention, and could impact the year(s) ahead. Although the total impact of the COVID-19 emergency on the City's finances continues to be uncertain, the City remains fiscally sound thanks to prudent and conservative planning by the City Council.

The City has approved nearly 500 new single family lots on several separate housing tracts. While the rate of building is largely dependent upon market factors, the City has prepared by forming Community Facility Districts that will properly assess new development in order to help fund critical services impacted by the new growth, including police, fire, landscaping, lighting and more. As these building permits are pulled, the City expects to experience a higher collection of impact fees, to be utilized on appropriate infrastructure investment.

Other factors impacting local governments include changes to pension contribution rates. The City has begun saving one-time funds to help provide additional payments to reduce the long-term liability. In addition, Council has adopted an ongoing resolution that directs surplus funding to a dedicated fund to help provide additional flexibility for pre-payments. The City has contributed additional discretionary payments to CalPERS in 2019 and 2021, with an expected long-term interest savings of ~\$1.8M.

Finally, the city, like all U.S. cities, will receive an allocation stemming from the American Rescue Plan Act (ARPA). The Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program delivers \$350 billion to state, local, and Tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency. These funds can be used by governments to respond to the public health and economic emergency, provide premium pay to essential workers, replace revenue lost due to the pandemic, and make necessary investments in water, sewer and broadband infrastructure. Kingsburg's allocation is \$2,896,491. City Council has spent some of these funds conservatively to address pandemic impacts, including purchasing PPE, addressing city revenue loss, and providing meals for our senior population. Future spending will be determined by council as impacts of the pandemic continue to be analyzed.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director, City of Kingsburg, 1401 Draper Street, Kingsburg, CA 93631.

BASIC FINANCIAL STATEMENTS

CITY OF KINGSBURG
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 11,702,586	\$ 4,929,105	\$ 16,631,691
Restricted cash and investments	277,418	-	277,418
Receivables (net of allowance for uncollectibles)	1,882,099	1,823,920	3,706,019
Advances to Successor Agency	80,000	-	80,000
Land held for low and moderate housing projects	574,389	-	574,389
Internal balances	5,177,574	(5,177,574)	-
Capital assets, not being depreciated	2,383,999	4,799,708	7,183,707
Capital assets, net of accumulated depreciation	<u>18,994,096</u>	<u>8,606,881</u>	<u>27,600,977</u>
 Total assets	 <u>41,072,161</u>	 <u>14,982,040</u>	 <u>56,054,201</u>
DEFERRED OUTFLOWS OF RESOURCES			
Loss on refunding of debt	51,175	-	51,175
Deferred outflows related to pensions	<u>1,909,164</u>	<u>623,238</u>	<u>2,532,402</u>
 Total deferred outflows of resources	 <u>1,960,339</u>	 <u>623,238</u>	 <u>2,583,577</u>
LIABILITIES			
Accounts payable and accrued expenses	1,489,138	1,096,457	2,585,595
Accrued interest payable	29,337	34,586	63,923
Deposits	55,693	-	55,693
Long-term liabilities:			
Due within one year:			
Compensated absences	224,299	90,145	314,444
Long-term debt	289,100	238,000	527,100
Due in more than one year:			
Compensated absences	239,438	86,988	326,426
Long-term debt	2,081,490	1,813,490	3,894,980
Net pension liability	<u>5,518,214</u>	<u>1,845,366</u>	<u>7,363,580</u>
 Total liabilities	 <u>9,926,709</u>	 <u>5,205,032</u>	 <u>15,131,741</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	<u>478,053</u>	<u>159,954</u>	<u>638,007</u>
 Total deferred inflows of resources	 <u>478,053</u>	 <u>159,954</u>	 <u>638,007</u>
NET POSITION			
Net investment in capital assets	19,058,680	11,355,099	30,413,779
Restricted for:			
Capital improvement projects	5,922,962	-	5,922,962
Circulation improvements	2,253,818	-	2,253,818
Debt service	2,303,533	-	2,303,533
Public safety	1,607,190	-	1,607,190
Land held for low and moderate housing projects	574,389	-	574,389
Unrestricted	<u>907,166</u>	<u>(1,114,807)</u>	<u>(207,641)</u>
 Total net position	 <u>\$ 32,627,738</u>	 <u>\$ 10,240,292</u>	 <u>\$ 42,868,030</u>

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

**CITY OF KINGSBURG
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

FUNCTIONS/PROGRAMS:	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating	Capital	Governmental Activities	Business-Type Activities	Total
			Grants and Contributions	Grants and Contributions			
Primary government:							
Governmental activities:							
General government	\$ 715,354	\$ 237,639	\$ 138,442	\$ -	\$ (339,273)	\$ -	\$ (339,273)
Parks and community services	767,773	152,314	74,619	57,926	(482,914)	-	(482,914)
Public safety	4,472,718	31,523	168,328	-	(4,272,867)	-	(4,272,867)
Public works	723,805	20,367	-	-	(703,438)	-	(703,438)
Highway and streets	1,254,211	-	1,181,686	179,024	106,499	-	106,499
Planning and community	650,586	2,171,136	1,029,644	70,400	2,620,594	-	2,620,594
Interest and fiscal charges	124,188	-	-	-	(124,188)	-	(124,188)
Total governmental activities	<u>8,708,635</u>	<u>2,612,979</u>	<u>2,592,719</u>	<u>307,350</u>	<u>(3,195,587)</u>	<u>-</u>	<u>(3,195,587)</u>
Business-type activities:							
Water	2,349,264	2,380,274	-	-	-	31,010	31,010
Disposal	2,161,473	1,925,875	-	-	-	(235,598)	(235,598)
Ambulance/Fire	5,301,596	3,144,588	2,362,855	-	-	205,847	205,847
Total business-type activities	<u>9,812,333</u>	<u>7,450,737</u>	<u>2,362,855</u>	<u>-</u>	<u>-</u>	<u>1,259</u>	<u>1,259</u>
Total primary government	<u>\$ 18,520,968</u>	<u>\$ 10,063,716</u>	<u>\$ 4,955,574</u>	<u>\$ 307,350</u>	<u>(3,195,587)</u>	<u>1,259</u>	<u>(3,194,328)</u>
General revenues:							
Property taxes					1,780,984	-	1,780,984
Sales and use taxes					3,590,893	-	3,590,893
Franchise taxes					519,474	-	519,474
Transient occupancy taxes					295,857	-	295,857
Motor vehicle in-lieu					1,185,675	-	1,185,675
Investment earnings					124,720	20,983	145,703
Miscellaneous					242,866	-	242,866
Transfers					(300,000)	300,000	-
Total general revenues and transfers					<u>7,440,469</u>	<u>320,983</u>	<u>7,761,452</u>
Change in net position					<u>4,244,882</u>	<u>322,242</u>	<u>4,567,124</u>
Net position - beginning of year					28,382,856	9,982,419	38,365,275
Prior period adjustments					-	(64,369)	(64,369)
Net position - beginning, restated					<u>28,382,856</u>	<u>9,918,050</u>	<u>38,300,906</u>
Net position - ending					<u>\$ 32,627,738</u>	<u>\$ 10,240,292</u>	<u>\$ 42,868,030</u>

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

CITY OF KINGSBURG
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds			Debt	Capital		Other	Total
	General	Local Transportation	Measure E	Service Funds Kingsburg Joint Powers Authority	Capital Facilities	Projects Funds Linnea Villas Public Project		
ASSETS								
Cash and investments	\$ 2,110,452	\$ 1,432,060	\$ 1,056,284	\$ -	\$ 3,826,877	\$ 7,384	\$ 3,269,529	\$ 11,702,586
Restricted cash and investments	-	-	-	277,418	-	-	-	277,418
Receivables	505,125	211,297	447,358	-	3,407	234,126	480,786	1,882,099
Due from other funds	4,174,403	-	-	-	-	-	-	4,174,403
Advances to other funds	-	-	-	2,287,000	-	-	-	2,287,000
Advances to Successor Agency	-	-	-	80,000	-	-	-	80,000
Land held for low and moderate housing projects	-	-	-	-	-	-	574,389	574,389
Total assets	\$ 6,789,980	\$ 1,643,357	\$ 1,503,642	\$ 2,644,418	\$ 3,830,284	\$ 241,510	\$ 4,324,704	\$ 20,977,895
LIABILITIES								
Accounts payable and accrued expenses	\$ 643,041	\$ 209,436	\$ 138,699	\$ -	\$ -	\$ 229,568	\$ 268,394	\$ 1,489,138
Due to other funds	-	-	-	340,885	-	300,615	445,329	1,086,829
Deposits	55,084	-	-	-	-	-	609	55,693
Advances from other funds	-	-	-	-	-	-	197,000	197,000
Total liabilities	698,125	209,436	138,699	340,885	-	530,183	911,332	2,828,660
FUND BALANCES								
Restricted for:								
Capital improvements	-	-	-	-	3,830,284	-	2,092,678	5,922,962
Circulation improvements	-	1,433,921	-	-	-	-	819,897	2,253,818
Debt service	-	-	-	2,303,533	-	-	-	2,303,533
Public safety	-	-	1,364,943	-	-	-	242,247	1,607,190
Land held for low and moderate housing projects	-	-	-	-	-	-	574,389	574,389
Committed to:								
Pension reserve	2,645,765	-	-	-	-	-	-	2,645,765
Equipment reserve	567,634	-	-	-	-	-	-	567,634
Unassigned	2,878,456	-	-	-	-	(288,673)	(315,839)	2,273,944
Total fund balances	6,091,855	1,433,921	1,364,943	2,303,533	3,830,284	(288,673)	3,413,372	18,149,235
Total liabilities and fund balances	\$ 6,789,980	\$ 1,643,357	\$ 1,503,642	\$ 2,644,418	\$ 3,830,284	\$ 241,510	\$ 4,324,704	\$ 20,977,895

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

**CITY OF KINGSBURG
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021**

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

Total fund balances - governmental funds		\$ 18,149,235
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		21,378,095
Losses related to the refunding of debt were recognized in the governmental funds, but are capitalized and amortized over the life of the debt in the statement of net position.		51,175
Long-term liabilities are 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:		
Revenue bonds	(2,370,590)	
Compensated absences	(463,737)	
Net pension liability	(5,518,214)	(8,352,541)
Pension related deferrals are reported as deferred outflows and inflows of resources on the statement of net position.		1,431,111
Interest on long-term debt is reported as an expenditure of the governmental funds when paid because it requires the use of current financial resources; however, accrued interest must be recorded in the government-wide financial statements when incurred.		(29,337)
Net position of governmental activities		\$ 32,627,738

CITY OF KINGSBURG
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds		Debt	Capital		Other	Total	
	General	Local Transportation	Measure E	Service Fund Kingsburg Joint Powers Authority	Projects Fund			
					Capital Facilities			Linnea Villas Public Project
REVENUES								
Taxes	\$ 3,784,541	\$ -	\$ 2,313,063	\$ -	\$ -	\$ -	\$ 6,241,264	
Licenses and permits	564,818	-	-	-	-	-	564,818	
Intergovernmental	1,336,839	210,053	-	-	1,029,644	1,584,477	4,161,013	
Charges for services	321,432	-	-	-	-	-	321,432	
Fines and forfeitures	5,023	-	-	-	-	-	5,023	
Development fees	563,351	-	-	-	934,457	-	1,778,943	
Use of money and property	-	8,825	3,334	76,803	21,624	-	124,720	
Other revenues	211,976	-	397	-	-	30,493	242,866	
Total revenues	6,787,980	218,878	2,316,794	76,803	956,081	1,029,644	13,440,079	
EXPENDITURES								
Current:								
General government	1,147,009	-	-	-	-	-	1,147,009	
Parks and community services	393,572	-	-	-	-	193,720	587,292	
Public safety	2,688,708	-	1,069,537	-	-	296,437	4,054,682	
Public works	564,783	-	-	-	-	-	564,783	
Highway and streets	-	68,011	-	-	-	480,912	548,923	
Planning and community development	536,503	-	-	-	43,945	61,200	641,648	
Capital outlay	308,656	220,217	487,852	-	3,626	1,318,317	3,176,074	
Debt service:								
Principal	4,333	-	-	286,300	-	-	290,633	
Interest and fiscal charges	22	-	-	82,410	-	-	116,723	
Total expenditures	5,643,586	288,228	1,557,389	368,710	47,571	1,903,966	11,127,767	
Excess (deficiency) of revenues over (under) expenditures	1,144,394	(69,350)	759,405	(291,907)	908,510	(288,673)	2,312,312	
OTHER FINANCING SOURCES/(USES)								
Transfers in	150,000	-	-	-	-	55,000	205,000	
Transfers out	(355,000)	-	-	-	-	(150,000)	(505,000)	
Total other financing sources (uses)	(205,000)	-	-	-	-	(95,000)	(300,000)	
Net change in fund balances	939,394	(69,350)	759,405	(291,907)	908,510	(288,673)	2,012,312	
Fund balances - beginning, restated	5,152,461	1,503,271	605,538	2,595,440	2,921,774	-	16,136,923	
Fund balances (deficit) - ending	\$ 6,091,855	\$ 1,433,921	\$ 1,364,943	\$ 2,303,533	\$ 3,830,284	\$ (288,673)	\$ 18,149,235	

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

**CITY OF KINGSBURG
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

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

Net change in fund balances - total governmental funds	\$ 2,012,312
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
The capital outlay expenditures are, therefore, added back to fund balance.	2,713,007
Depreciation expense is deducted from the fund balance.	(905,582)
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>	
	(53,367)
<p>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.</p>	
	212,105
<p>In the statement of activities, interest is accrued on long-term debt; whereas, in governmental funds, interest expenditure is recorded when paid.</p>	
	2,383
<p>Changes to net pension liability and pension related deferred outflows and inflows of resources do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
	(16,160)
<p>The issuance of long-term debt (e.g., bonds) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued; whereas these amounts are deferred and amortized in the statement of activities. The increases (decreases) for long-term debt and related items are listed below:</p>	
Principal payments on long-term debt	290,032
Amortization of the loss on refunding of debts	(8,838)
Amortization of bond discounts	(1,010)
	4,244,882
Change in net position of governmental activities	\$ 4,244,882

**CITY OF KINGSBURG
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021**

	Business-Type Activities — Enterprise Funds			
	Water	Disposal	Ambulance/Fire	Total
ASSETS				
Current assets:				
Cash and investments	\$ 4,929,105	\$ -	\$ -	\$ 4,929,105
Receivables (net of allowance for uncollectibles)	<u>202,160</u>	<u>151,098</u>	<u>1,470,662</u>	<u>1,823,920</u>
Total current assets	<u>5,131,265</u>	<u>151,098</u>	<u>1,470,662</u>	<u>6,753,025</u>
Noncurrent assets:				
Property, plant and equipment, net of accumulated depreciation	<u>9,138,123</u>	<u>-</u>	<u>4,268,466</u>	<u>13,406,589</u>
Total noncurrent assets	<u>9,138,123</u>	<u>-</u>	<u>4,268,466</u>	<u>13,406,589</u>
Total assets	<u>14,269,388</u>	<u>151,098</u>	<u>5,739,128</u>	<u>20,159,614</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	<u>176,251</u>	<u>79,062</u>	<u>367,925</u>	<u>623,238</u>
Total deferred outflows of resources	<u>176,251</u>	<u>79,062</u>	<u>367,925</u>	<u>623,238</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	720,286	253,209	122,962	1,096,457
Accrued interest payable	34,586	-	-	34,586
Due to other funds	-	404,724	2,682,850	3,087,574
Compensated absences	28,612	15,391	46,142	90,145
Current portion of long-term debt	<u>238,000</u>	<u>-</u>	<u>-</u>	<u>238,000</u>
Total current liabilities	<u>1,021,484</u>	<u>673,324</u>	<u>2,851,954</u>	<u>4,546,762</u>
Noncurrent liabilities:				
Long-term debt	1,813,490	-	-	1,813,490
Advances from other funds	115,000	-	1,975,000	2,090,000
Compensated absences	12,099	3,507	71,382	86,988
Net pension liability	<u>606,351</u>	<u>273,724</u>	<u>965,291</u>	<u>1,845,366</u>
Total noncurrent liabilities	<u>2,546,940</u>	<u>277,231</u>	<u>3,011,673</u>	<u>5,835,844</u>
Total liabilities	<u>3,568,424</u>	<u>950,555</u>	<u>5,863,627</u>	<u>10,382,606</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	<u>48,117</u>	<u>21,304</u>	<u>90,533</u>	<u>159,954</u>
Total deferred inflows of resources	<u>48,117</u>	<u>21,304</u>	<u>90,533</u>	<u>159,954</u>
NET POSITION				
Net investment in capital assets	7,086,633	-	4,268,466	11,355,099
Unrestricted	<u>3,742,465</u>	<u>(741,699)</u>	<u>(4,115,573)</u>	<u>(1,114,807)</u>
Total net position (deficit)	<u>\$ 10,829,098</u>	<u>\$ (741,699)</u>	<u>\$ 152,893</u>	<u>\$ 10,240,292</u>

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

CITY OF KINGSBURG
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION – PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities — Enterprise Funds			
	Water	Disposal	Ambulance/Fire	Total
OPERATING REVENUES:				
Charges for services	\$ 2,380,274	\$ 1,925,875	\$ 1,156,445	\$ 5,462,594
Total operating revenue	<u>2,380,274</u>	<u>1,925,875</u>	<u>1,156,445</u>	<u>5,462,594</u>
OPERATING EXPENSES:				
Contractual services and utilities	901,638	1,778,587	1,187,093	3,867,318
Personnel services	894,427	353,835	1,707,663	2,955,925
Supplies and materials	40,514	27,479	123,929	191,922
Depreciation and amortization	<u>426,628</u>	<u>1,572</u>	<u>231,280</u>	<u>659,480</u>
Total operating expenses	<u>2,263,207</u>	<u>2,161,473</u>	<u>3,249,965</u>	<u>7,674,645</u>
Operating income (loss)	<u>117,067</u>	<u>(235,598)</u>	<u>(2,093,520)</u>	<u>(2,212,051)</u>
NONOPERATING REVENUES (EXPENSES):				
Interest income	20,983	-	-	20,983
Grants	-	-	2,362,855	2,362,855
Interest and fiscal charges	<u>(86,057)</u>	-	<u>(63,488)</u>	<u>(149,545)</u>
Total nonoperating revenues (expenses)	<u>(65,074)</u>	<u>-</u>	<u>2,299,367</u>	<u>2,234,293</u>
Net income (loss) before transfers	<u>51,993</u>	<u>(235,598)</u>	<u>205,847</u>	<u>22,242</u>
Transfers in	<u>-</u>	<u>-</u>	<u>300,000</u>	<u>300,000</u>
Change in net position	51,993	(235,598)	505,847	322,242
Net position (deficit) - beginning, restated	<u>10,777,105</u>	<u>(506,101)</u>	<u>(352,954)</u>	<u>9,918,050</u>
Net position (deficit) - ending	<u>\$ 10,829,098</u>	<u>\$ (741,699)</u>	<u>\$ 152,893</u>	<u>\$ 10,240,292</u>

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

**CITY OF KINGSBURG
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Business-Type Activities — Enterprise Funds			
	Water	Disposal	Ambulance/Fire	Total
Cash flows from operating activities:				
Receipts from customers and users	\$ 2,379,086	\$ 1,909,622	\$ 621,801	\$ 4,910,509
Payments to suppliers for goods and services	(876,755)	(1,687,487)	(1,316,816)	(3,881,058)
Payments to or on behalf of employees for services	(656,469)	(241,820)	(1,560,389)	(2,458,678)
Net cash provided by (used for) operating activities	<u>845,862</u>	<u>(19,685)</u>	<u>(2,255,404)</u>	<u>(1,429,227)</u>
Cash flows from noncapital financing activities:				
Transfers from other funds	-	-	300,000	300,000
Interfund loan activity	-	19,685	211,815	231,500
Noncapital grant revenue	-	-	2,362,855	2,362,855
Net cash provided by noncapital financing activities	<u>-</u>	<u>19,685</u>	<u>2,874,670</u>	<u>2,894,355</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(2,575,374)	-	(430,778)	(3,006,152)
Principal paid on long-term debt	(230,637)	-	-	(230,637)
Interfund loan repayment	(80,000)	-	(125,000)	(205,000)
Interest and fiscal charges	(86,057)	-	(63,488)	(149,545)
Net cash provided by (used for) capital and related financing activities	<u>(2,972,068)</u>	<u>-</u>	<u>(619,266)</u>	<u>(3,591,334)</u>
Cash flows from investing activities:				
Interest on investments	<u>20,983</u>	<u>-</u>	<u>-</u>	<u>20,983</u>
Net cash provided by investing activities	<u>20,983</u>	<u>-</u>	<u>-</u>	<u>20,983</u>
Net increase (decrease) in cash and cash equivalents	(2,105,223)	-	-	(2,105,223)
Cash and cash equivalents, beginning	<u>7,034,328</u>	<u>-</u>	<u>-</u>	<u>7,034,328</u>
Cash and cash equivalents, ending	<u>\$ 4,929,105</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,929,105</u>

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

**CITY OF KINGSBURG
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021
(Continued)**

	Business-Type Activities			Total Enterprise Funds
	Water	Disposal	Ambulance/Fire	
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ 117,067	\$ (235,598)	\$ (2,093,520)	\$ (2,212,051)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	426,628	1,572	231,280	659,480
(Increase) decrease in:				
Accounts receivable, net	(1,188)	(16,253)	(599,013)	(616,454)
Deferred outflows of resources from pensions	(57,363)	(25,589)	(23,290)	(106,242)
Increase (decrease) in:				
Accounts payable and accrued expenses	65,397	118,579	(5,794)	178,182
Compensated absences	(4,501)	3,603	6,373	5,475
Net pension liability	278,012	124,630	181,247	583,889
Deferred inflows of resources from pension	<u>21,810</u>	<u>9,371</u>	<u>47,313</u>	<u>78,494</u>
Net cash provided by (used for) operating activities	<u>\$ 845,862</u>	<u>\$ (19,685)</u>	<u>\$ (2,255,404)</u>	<u>\$ (1,429,227)</u>

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

**CITY OF KINGSBURG
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2021**

	<u>Successor Agency of the Redevelopment Agency Private- Purpose Trust</u>
ASSETS	
Cash and investments	\$ 103,708
Other assets	<u>17,266</u>
Total assets	<u>120,974</u>
LIABILITIES	
Accrued interest payable	2,650
Deposits	11,750
Advances from the City	<u>80,000</u>
Total liabilities	<u>94,400</u>
NET POSITION	
Restricted for:	
Redevelopment agency dissolution	<u><u>\$ 26,574</u></u>

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

**CITY OF KINGSBURG
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Successor Agency of the Redevelopment Agency Private- Purpose Trust</u>
ADDITIONS	
Taxes	<u>\$ 51,320</u>
Total additions	<u>51,320</u>
DEDUCTIONS	
Interest and fiscal charges	<u>4,543</u>
Total deductions	<u>4,543</u>
Net increase in fiduciary net position	46,777
Net position (deficit) - beginning	<u>(20,203)</u>
Net position - ending	<u><u>\$ 26,574</u></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 KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Kingsburg, California (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 governmental accounting and financial reporting principles. The most significant of the government's accounting principles are described below.

These financial statements present the government and its component units, entities for which the City is considered to be financially accountable. Blended component units are, in substance, part of the government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. There is a blended component unit included in these financial statements and it has a June 30 year-end. There are no discretely presented component units included in these financial statements. The following sections further describe the significant policies of the City.

A. Reporting Entity

The City was incorporated as a general law city in 1908. The City operates under a Council-Manager form of government. The City's major operations include public safety, public works, water and disposal, parks and recreation, building inspection, public improvements, planning and community development, and general administrative services.

The accompanying basic financial statements include the financial activities of the City, the primary government, and its blended component unit, the Kingsburg Joint Powers Authority (KJPA). Financial information for the City and its component units is accounted for in the accompanying financial statements in accordance with principles defining the governmental reporting entity adopted by the GASB. The KJPA was established June 30, 1990 through a Joint Exercise of Powers Agreement. The formation of the joint powers authority was approved by the City Council who is also designated as the Board of Directors for the KJPA. The City Manager is appointed Secretary with the City staff providing all support services. The purpose of the KJPA is solely to provide funds from the sale of revenue bonds to finance or refinance the costs of various projects for the City. The City set up the KJPA to act as a financing/lending type institution only. The KJPA/City legislative meetings are held concurrently. The KJPA is reported as a debt service fund and does not issue separate financial statements.

B. Basis of Presentation – Fund Accounting

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 units. 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 generally are 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.

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 functions. Certain indirect costs, which cannot be identified and broken down, are included in the program expense reported for individual functions and activities. Amounts reported as program revenues include: 1) charges to customers or applicant who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation – Fund Accounting (Continued)

Fund Financial Statements – The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component units. 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 non-major funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The City reports the following major governmental funds:

The ***General Fund*** is the general operating fund of the City. It is used for all financial resources except those required legally, or by sound financial management to be accounted for in another fund. Generally, the General Fund is used to account for those traditional governmental services of the City, such as police and fire protection, planning and general administrative services.

The ***Local Transportation Fund*** accounts for revenues received and expenditures made for use on certain transportation and transit projects within Fresno County. Financing is generated from a one-quarter percent sales and use tax made pursuant to the California Transportation Development Act (TDA). Expenditures of these moneys must be made in accordance with TDA provisions.

The ***Measure E Fund*** accounts for apportioned local sales tax revenues used exclusively to hire police officers, firefighters, and paramedics, and to replace outdated equipment.

The ***Kingsburg Public Joint Powers Authority Fund*** is used to account for revenues and expenditures of the Kingsburg Public Finance Authority Revenue Bonds. Bond proceeds are to be used to finance or refinance the costs of various improvement projects for the City and other public agencies.

The ***Capital Facilities Fund*** is used to account for the AB1600 fees received to help the City mediate the cost of growth in the City. These fees are collected from developers to construct facilities related to arterial streets, fire facilities, police facilities, city hall facilities, public works facilities and special recreation facilities.

The ***Linnea Villas Public Project Fund*** is used to account for revenues and expenditures as a result of a development agreement with the Housing Authority of Fresno County for the development of a multi-family senior apartment project of up to sixty (60) units for low-income persons ages sixty-two (62) years and older.

Proprietary 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.

The City has three major enterprise funds, the Water, Disposal, and Ambulance/Fire, which are used to account for operations that are financed and operated in a manner similar to private business enterprises. 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.

CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation – Fund Accounting (Continued)

The City reports the following major enterprise funds:

The **Water Fund** is used to account for financial activity of the water utility system.

The **Disposal Fund** is used to account for the financial activity of the solid waste collection and disposal utility system.

The **Ambulance/Fire Fund** is used to account for the financial activity of the Ambulance/Fire activities.

Additionally, the City reports the following private-purpose fund type:

The **Successor Agency of the Redevelopment Agency Private-Purpose Trust Fund** accounts 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.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in the governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column. Interfund services provided and used are not eliminated in the process of consolidation.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities' column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

C. Measurement Focus and Basis of Accounting

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

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

CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

The governmental fund financial statements are reported using *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible with the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Entitlements are recorded as revenue when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 day of the year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary funds and the private-purpose trust fund are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

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*.

D. Budgetary Information

Budgetary and Budgetary Accounting

Annual budgets are adopted on basis consistent with generally accepted accounting principles for the general fund, special revenue funds, capital funds, debt service funds and enterprise funds.

The City, in establishing the budgetary data reflected in the basic financial statements and supplementary information, utilizes the following procedures:

- 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.
- 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 interest persons.
- Prior to July 1, the budget is legally adopted through passage of an ordinance.
- The budget is amended during the fiscal year to reflect all transfers and amendments.

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary information (Continued)

The appropriated budget is prepared by fund, department, and account. The City's department heads may make transfers of appropriations within a department. The City Manager is authorized to make budget transfers between departments within funds. All revisions must be reported to the City Council. Transfer of appropriations between funds required the approval of the City Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

All annual appropriations lapse at fiscal year-end to the extent they have not been expended.

The actual results of operations compared to the appropriations adopted by the City Council for budgeted major governmental funds are included in the fund financial statements. The comparisons of actual results with budget for nonmajor funds are presented as supplemental information in the combining schedules.

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

Cash and Cash Equivalents – Cash and cash equivalents represent the City's cash bank accounts including, but not limited to, certificates of deposit, money market funds and cash management pools for reporting purposes in the statement of cash flows. Additionally, investments with maturities of three months or less when purchased are included as cash equivalents in the statement of cash flows.

The City maintains a cash and investment pool that is available for use by all funds. Interest earnings as a result of this pooling are distributed to the appropriate funds based on month-end cash balances in each fund.

Investments of the pool include only those investments authorized by the California Government Code such as United States Treasury securities, agencies guaranteed by the United States Government, registered state warrants, and other investments. Investments primarily consist of deposits in the State of California Local Agency Investment Fund. Investments are stated at cost or amortized cost.

Accounts Receivable – Billed, but unpaid, services provided to individuals or non-governmental entities are recorded as accounts receivable. The proprietary funds include a year-end accrual for services through the end of the fiscal year which have not yet been billed. Accounts receivable are reported net of an allowance for uncollectible accounts.

Property Tax Calendar – Fresno County is responsible for the assessment, collection and apportionment of property taxes for all taxing jurisdictions. Property taxes are levied in equal installments on November 1 and February 1. They become delinquent on December 10 and April 10, respectively. The lien date is January 1 of each year. Property taxes are accounted for in the General Fund. Property tax revenues are recognized when they become measurable and available to finance current liabilities. The City considers property taxes as available if they are collected within 60 days after the year-end. Property taxes on the unsecured roll are due on July 1 and become delinquent if unpaid on August 31. However, unsecured property taxes are not susceptible to year-end accrual.

The City is permitted by Article XIII A of the State of California Constitution (known as Proposition 13) to levy a maximum tax of \$1.00 per \$100 of full cash value.

Due From/To Other Funds – Items classified as due from/to other funds represent short-term lending/borrowing transactions between funds. This classification also includes the current portion of an advance to or from another fund.

CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Advances To/From Other Funds – This classification represents noncurrent portions of any long-term lending/borrowing transactions between funds. This amount will be equally offset by a reserve of fund balance which indicates that it does not represent available financial resources and, therefore, is not available for appropriation.

Land Held for Low and Moderate Housing Projects – Land acquired for future sale are shown as land held for low and moderate housing projects in the accompanying financial statements. Land held for low and moderate housing projects is carried at the lower of cost or net realizable value.

Capital Assets – Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the in the government-wide statement of net position and the proprietary funds' statement of net position. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Capital outlays are recorded as expenditures of the governmental funds and as assets in the government-wide financial statements to the extent the City's capitalization threshold is met. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	10-50 years
Plant system	20-40 years
Machinery and equipment	5-10 years
Infrastructure.....	40 years

Interest Payable – In the government-wide financial statements, interest payable on long-term debt is recognized as the liability is incurred for governmental fund-types and proprietary fund-types. In the fund financial statements, proprietary fund-types recognize the interest payable when the liability is incurred.

CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Long-term Obligations – In the government-wide financial statements, proprietary fund types in the fund financial statements, and private-purpose trust fund 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. Initial-issue bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Offering costs are expensed when incurred. Bonds payable are reported net of the unamortized portion of applicable premium or discount. Deferred amounts on refunding are reported as deferred outflows of resources. Bond issuance costs, including underwriters' discount, are expensed when incurred. Amortization of bond premiums or discounts and deferred amounts on refunding are included in interest expense.

In the governmental funds financial statements, bond premiums, discounts, and issuance costs are recognized during the period issued. The face amount of debt issued is reported as other financing sources. Premiums received are reported as other financing sources, while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Interest and principal payments are reported as debt service expenditures.

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).

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.

Pensions - For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Kingsburg's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Compensated Absences - Accumulated unpaid vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide financial statements as long-term debt. For governmental funds, the current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resources. These amounts are reported in the fund from which the employees who have accumulated leave are paid.

Sick leave is accumulated at 15 days per year for full-time regular employees. Vacation is accumulated at 12 days per year for full-time regular employees with less than five years of service to a maximum of 25 days per year for full-time regular employees with over 20 years of service with no limit on accrual of unused hours. Upon employment termination, unused sick leave is paid out at 50% for less than 20 years of service and 75% for more than 20 years of service. These amounts are included as liabilities in the government-wide and enterprise fund financial statements.

CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 presents 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.

Unrestricted net position – This category presents the net position of assets that do not meet the definition of “net investment in capital assets” or “restricted net position”.

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

Fund Balances - 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 (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 is the residual classification for the general fund and represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. In other governmental funds it 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 resources 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 KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Stabilization Arrangement – The Economic Stabilization Fund (Stabilization Fund) was established by Resolution No. 2018-052 and adopted by City Council on July 18, 2018. Additions to the stabilization amount are a result of the General Fund’s surplus above the 20% appropriations for a given year. The Stabilization Fund is then allocated 15% of the given year’s surplus funding.

The Stabilization Fund was created to help stabilize future budgets in instance of lower than anticipated revenues (including more volatile revenues). Use of the funds would be only with the approval of Council. The balance of the Stabilization Fund as of June 30, 2021 is \$754,634 which is included in the General Fund’s unassigned fund balance.

Encumbrances – The City does not use encumbrance accounting.

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 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Deficit Fund Equity

The following is a summary of deficit fund balances and net position as of June 30, 2021:

Governmental Funds

Major Funds:

Linnea Villas Public Project	\$	288,673
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Nonmajor Special Revenue Funds:

Senior Center	\$	66,985
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School Resource Officer	\$	170,264
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Nonmajor Capital Projects Funds:

Street Projects	\$	25,554
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Nonmajor Debt Service Fund:

Assessment District	\$	53,036
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Enterprise Funds

Major Funds:

Disposal Fund	\$	741,699
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The deficit fund balance in the Senior Center Fund, School Resource Officer Fund, Street Projects Fund, and Assessment Districts Fund, is due to reclassification of outstanding debt into the fund as an advance. The deficit will be eliminated as resources are obtained from other funds.

The deficit fund balances in the Linnea Villas Public Project Fund and Disposal Fund is due to operating expenditures exceeding operating revenues. Future revenues are expected to offset these deficits.

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 – CASH AND INVESTMENTS

The City pools all of its cash and investments except those funds required to be held by bond trustee or outside fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash is allocated to the various funds on average cash balances. Interest income from cash investments held by bond trustee is credited directly to the related funds.

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

Statement of net position:	
Cash and investments - unrestricted	\$ 16,631,691
Cash and investments - restricted	277,418
Fiduciary funds:	
Cash and investments	<u>103,708</u>
 Total cash and investments	 <u><u>\$ 17,012,817</u></u>

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

Cash on hand	\$ 1,050
Deposits with financial institutions	1,578,226
Investments	
Local Agency Investment Fund	15,156,123
Held by Fiscal Agent:	
Money Market Account	<u>277,418</u>
 Total cash and investments	 <u><u>\$ 17,012,817</u></u>

Restricted cash and investments of \$277,418 are held in the Kingsburg Joint Powers Authority Debt Service Fund for debt service payments.

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 – CASH AND INVESTMENTS (Continued)

A. Investments Authorized by the California Government Code and the City's Investments Policy

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investments 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. The City's investment policy does not contain any specific provisions intended to limit the City's exposure to interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debts proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20%	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
JSA Pools (other investment pools)	N/A	None	None

CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 – CASH AND INVESTMENTS (Continued)

B. Investments Authorized by Debt Agreements

Investment of debt proceeds held by 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 risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	180 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	N/A	None	None

C. Disclosures Relating to 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. The City manages its exposure to interest rate risk is by investing 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 to market interest rate fluctuations is provided by the following schedule that shows the distribution of the City’s investments by maturity:

Investment Type	Remaining Maturity (in Months)				
	Total	12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
Local Agency Investment Fund Held by Bond Trustee:					
Money Market Account	\$ 15,156,123	\$ 15,156,123	\$ -	\$ -	\$ -
	<u>277,418</u>	<u>277,418</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 15,433,541</u>	<u>\$ 15,433,541</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 – CASH AND INVESTMENTS (Continued)

D. Disclosures Relating to 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	Exempt from Disclosure	Rating as of Year-End		
			A-1+	AAAm	Not Rated
Local Agency Investment Fund Held by Bond Trustee:	\$ 15,156,123	\$ -	\$ -	\$ -	\$ 15,156,123
Money Market Account	<u>277,418</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>277,418</u>
Total	<u>\$ 15,433,541</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,433,541</u>

E. 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. At June 30, 2021, the City did 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 investments.

F. Custodial Credit Risk-Deposits

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside 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, other than the following provisions for deposits:

At June 30, 2021, the carrying amount of the City’s deposits was \$1,578,226. Bank balances before reconciling items were \$1,648,808 at that date, the total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City’s name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City’s cash deposits by pledging securities as collateral. This code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City’s name.

According to California law, the fair value of pledged securities with banking institutions must equal at least 110% of the City’s cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City’s total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The City, however, has not waived the collateralization requirements.

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 – CASH AND INVESTMENTS (Continued)

G. Custodial Credit Risk-Investments

The custodial risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in 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 investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to the City's indirect investment in securities through the use of mutual funds or government investments pools such as the Local Agency Investment Fund (LAIF).

H. Investment in State Investment Pool

The City is a voluntary participant in the LAIF that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investments in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

I. Investment Valuation

The City categorizes the fair value measurements 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.

The majority of the City's investments, which are allocated at fair value, are in a State of California Local Agency Investment Fund (LAIF). LAIF invests in numerous types of investments ranging all levels in the fair value hierarchy. Accordingly, LAIF is not an investment type that can be categorized in any particular level in the fair value hierarchy.

NOTE 4 – RECEIVABLES

Receivables as of June 30, 2021 consisted of the following for the governmental funds:

	General	Local Transportation Fund	Measure E	Capital Facilities	Linnea Villas Public Project	Other Governmental Funds	Total Governmental Funds
Receivables:							
Taxes	\$ 369,261	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 369,261
Intergovernmental	<u>135,864</u>	<u>211,297</u>	<u>447,358</u>	<u>3,407</u>	<u>234,126</u>	<u>480,786</u>	<u>1,512,838</u>
Receivables	<u>\$ 505,125</u>	<u>\$ 211,297</u>	<u>\$ 447,358</u>	<u>\$ 3,407</u>	<u>\$ 234,126</u>	<u>\$ 480,786</u>	<u>\$ 1,882,099</u>

Receivables as of June 30, 2021 consisted of the following for the proprietary funds:

	Water	Disposal	Ambulance/Fire	Total Proprietary Funds
Receivables:				
Accounts	\$ 250,235	\$ 207,833	\$ 2,034,335	\$ 2,492,403
Less: Allowance for doubtful accounts	<u>(48,075)</u>	<u>(56,735)</u>	<u>(563,673)</u>	<u>(668,483)</u>
Receivables, net	<u>\$ 202,160</u>	<u>\$ 151,098</u>	<u>\$ 1,470,662</u>	<u>\$ 1,823,920</u>

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5 – INTERFUND ACTIVITIES

A. Due From/To Other Funds

Due from/to other funds balances as of June 30, 2021 are as follows:

	<u>Due From</u>	<u>Due To</u>
Governmental Funds		
Major Funds:		
General Fund	\$ 4,174,403	\$ -
Kingsburg Public Finance Authority Debt Service Fund	-	340,885
Linnea Villas Public Project	-	300,615
Nonmajor Funds:		
Senior Center Special Revenue Fund	-	54,092
School Resource Officer Special Revenue Fund	-	186,697
Street Projects Capital Projects Fund	-	204,540
Enterprise Funds		
Major Funds:		
Disposal Fund	-	404,724
Ambulance/Fire Fund	-	2,682,850
	<u> </u>	<u> </u>
Total	<u>\$ 4,174,403</u>	<u>\$ 4,174,403</u>

The “due from” balances in the funds listed above represents loans made to other funds to cover operating cash deficits and are expected to be collected in the subsequent year.

B. Advances From/To Other Funds

The Kingsburg Joint Powers Authority issued revenue bonds and used the bond proceeds to acquire qualified obligations of the City of Kingsburg to finance various capital improvements and projects. These advances carry a stated interest rate and have scheduled debt service payments. They are not expected to be repaid within one year. The long-term interfund loan balances as of June 30, 2021 are as follows:

	<u>Advances From</u>	<u>Advances To</u>
Governmental Funds		
Major Funds:		
Kingsburg Joint Powers Authority Debt Service Fund	\$ 2,287,000	\$ -
Nonmajor Fund:		
Assessment Districts Debt Service Fund	-	197,000
Enterprise Funds		
Major Funds:		
Ambulance/Fire Enterprise Fund	-	1,975,000
Water Enterprise Fund	-	115,000
	<u> </u>	<u> </u>
Total	<u>\$ 2,287,000</u>	<u>\$ 2,287,000</u>

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5 – INTERFUND ACTIVITIES (Continued)

C. Interfund Transfers

The composition of interfund transfers for the year ended June 30, 2021 is as follows:

	Transfer In	Transfer Out
Governmental Funds		
Major Funds:		
General Fund	\$ 150,000	\$ 355,000
Nonmajor Fund:		
Senior Center Special Revenue Fund	55,000	-
COPS Grant Special Revenue Fund	-	150,000
 Enterprise Funds		
Major Funds:		
Water Enterprise Fund	-	-
Ambulance/Fire Enterprise Fund	300,000	-
Total	\$ 505,000	\$ 505,000

During the fiscal year, the City made the following transfers:

- (1) The General Fund transferred \$300,000 to the Ambulance/Fire enterprise fund and \$55,000 to the Senior Center special revenue fund to cover operating cash deficits.
- (2) The COPS Grant special revenue fund transferred \$150,000 to the general fund to cover costs of officers reported in General Fund expenses.

CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 – CAPITAL ASSETS

Capital assets activity of the governmental activities for the year ended June 30, 2021 is as follows:

	<u>Balances</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>June 30, 2021</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 587,014	\$ -	\$ -	\$ 587,014
Construction in progress	<u>282,736</u>	<u>1,514,249</u>	<u>-</u>	<u>1,796,985</u>
Total capital assets, not being depreciated	<u>869,750</u>	<u>1,514,249</u>	<u>-</u>	<u>2,383,999</u>
Capital assets, being depreciated:				
Buildings and improvements	5,129,174	-	-	5,129,174
Infrastructure	19,441,980	766,173	-	20,208,153
Machinery and equipment	<u>4,158,164</u>	<u>432,585</u>	<u>-</u>	<u>4,590,749</u>
Total capital assets, being depreciated	<u>28,729,318</u>	<u>1,198,758</u>	<u>-</u>	<u>29,928,076</u>
Less accumulated depreciation for:				
Buildings and improvements	(2,964,975)	(174,547)	-	(3,139,522)
Infrastructure	(3,900,687)	(493,523)	-	(4,394,210)
Machinery and equipment	<u>(3,162,736)</u>	<u>(237,512)</u>	<u>-</u>	<u>(3,400,248)</u>
Total accumulated depreciation	<u>(10,028,398)</u>	<u>(905,582)</u>	<u>-</u>	<u>(10,933,980)</u>
Total capital assets being depreciated, net	<u>18,700,920</u>	<u>293,176</u>	<u>-</u>	<u>18,994,096</u>
Governmental activities capital assets, net	<u>\$ 19,570,670</u>	<u>\$ 1,807,425</u>	<u>\$ -</u>	<u>\$ 21,378,095</u>

Depreciation expense is charged to governmental functions as follows:

Governmental activities:	
General government	\$ 17,164
Parks and community services	107,423
Highways and streets	537,179
Public safety	<u>243,816</u>
Total	<u>\$ 905,582</u>

CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 – CAPITAL ASSETS (Continued)

Capital assets activity of the business-type activities for the year ended June 30, 2021 is as follows:

	Restated Balances July 1, 2020	Additions	Deletions	Balances June 30, 2021
Business-Type Activities:				
Capital assets, not being depreciated:				
Land	\$ 83,216	\$ -	\$ -	\$ 83,216
Construction in progress	<u>2,236,480</u>	<u>2,480,012</u>	<u>-</u>	<u>4,716,492</u>
Total capital assets, not being depreciated	<u>2,319,696</u>	<u>2,480,012</u>	<u>-</u>	<u>4,799,708</u>
Capital assets, being depreciated:				
Buildings, improvements and plants	11,102,190	25,101	-	11,127,291
Machinery and equipment	<u>5,183,104</u>	<u>501,038</u>	<u>(422,952)</u>	<u>5,261,190</u>
Total capital assets, being depreciated	<u>16,285,294</u>	<u>526,139</u>	<u>(422,952)</u>	<u>16,388,481</u>
Less accumulated depreciation for:				
Buildings, improvements and plants	(5,035,226)	(228,023)	-	(5,263,249)
Machinery and equipment	<u>(2,509,846)</u>	<u>(431,457)</u>	<u>422,952</u>	<u>(2,518,351)</u>
Total accumulated depreciation	<u>(7,545,072)</u>	<u>(659,480)</u>	<u>422,952</u>	<u>(7,781,600)</u>
Total capital assets being depreciated, net	<u>8,740,222</u>	<u>(133,341)</u>	<u>-</u>	<u>8,606,881</u>
Business-type activities capital assets, net	<u>\$ 11,059,918</u>	<u>\$ 2,346,671</u>	<u>\$ -</u>	<u>\$ 13,406,589</u>

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

Business-type activities:	
Water	\$ 426,628
Disposal	1,572
Ambulance/Fire	<u>231,280</u>
Total	<u>\$ 659,480</u>

CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 – OPERATING LEASE

The City has a non-cancelable lease for the City’s Council Chambers. The lease was extended on November 1, 2018 and expires October 31, 2021. For the fiscal year-end June 30, 2021 rent expense was \$33,800. The lease payments are \$2,600 per month.

Future minimum lease payments for the lease are as follows:

<u>Fiscal Year Ending</u>	<u>Principal</u>
2022	\$ 10,400
Total	<u>\$ 10,400</u>

NOTE 8 – LONG-TERM DEBT

The City generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the related debt.

In government fund-types, debt discounts and issuance costs are recognized in the current period. Debt discounts and issuance costs incurred in proprietary funds are deferred and amortized over the term of the debt using the bonds-outstanding method, which approximates the effective interest method. The City’s debt activities are summarized below and discussed in detail thereafter:

	<u>Balances July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances June 30, 2021</u>	<u>Amounts Due Within One Year</u>
Governmental Activities Long-Term Debt:					
<i>Direct Placement:</i>					
Bonds Payable:					
PFA Refunding Revenue Bonds, Series 2015	\$ 570,900	\$ -	\$ (161,300)	\$ 409,600	\$ 159,100
Total Direct Placements:	<u>570,900</u>	<u>-</u>	<u>(161,300)</u>	<u>409,600</u>	<u>159,100</u>
<i>Direct Borrowings:</i>					
Bonds Payable:					
PFA 2015 Lease Revenue Refunding Bonds	2,100,000	-	(125,000)	1,975,000	130,000
Unamortized bond discounts	(15,020)	-	1,010	(14,010)	-
Capital lease	<u>3,732</u>	<u>-</u>	<u>(3,732)</u>	<u>-</u>	<u>-</u>
Total Direct Borrowings:	<u>2,088,712</u>	<u>-</u>	<u>(127,722)</u>	<u>1,960,990</u>	<u>130,000</u>
Compensated absences	<u>447,577</u>	<u>380,315</u>	<u>(364,155)</u>	<u>463,737</u>	<u>224,299</u>
Total governmental activities debt	<u>3,107,189</u>	<u>380,315</u>	<u>(653,177)</u>	<u>2,834,327</u>	<u>513,399</u>
Business-Type Activities Long-Term Debt:					
<i>Direct Borrowings:</i>					
CIEDB water loan	1,880,863	-	(101,276)	1,779,587	104,294
Water meter capital lease	<u>401,264</u>	<u>-</u>	<u>(129,361)</u>	<u>271,903</u>	<u>133,706</u>
Total Direct Borrowings:	<u>2,282,127</u>	<u>-</u>	<u>(230,637)</u>	<u>2,051,490</u>	<u>238,000</u>
Compensated absences	<u>171,658</u>	<u>189,841</u>	<u>(184,366)</u>	<u>177,133</u>	<u>90,145</u>
Total business-type activities debt	<u>2,453,785</u>	<u>189,841</u>	<u>(415,003)</u>	<u>2,228,623</u>	<u>328,145</u>
Total long-term debt	<u>\$ 5,560,974</u>	<u>\$ 570,156</u>	<u>\$ (1,068,180)</u>	<u>\$ 5,062,950</u>	<u>\$ 841,544</u>

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 – LONG-TERM DEBT (Continued)

The liability for compensated absences will be liquidated by the fund in which the employees' salaries are charged. The governmental activities liability is made up of 95% in the general fund and 5% in the Gas Tax fund.

Long-term debt at June 30, 2021 was comprised of the following individual issues:

A. Governmental Activities

Kingsburg Joint Powers Authority Refunding Revenue Bonds, Series 2015 – On April 28, 2015, the City issued \$1,439,100 in direct placement revenue bonds with interest rate of 2.85% payable semi-annually. The bonds were to refund \$945,000 of outstanding Kingsburg Public Finance Authority Revenue Bonds, Series 1991 and \$1,215,000 of outstanding Kingsburg Public Finance Authority Revenue Bonds, Series 1992. These bonds are payable from assessments on the property owners within the district and are payable from other funds of the City. The principal payments range from \$162,400 to \$250,500 and are due annually through fiscal year 2023. At June 30, 2021 bonds outstanding amount to \$409,600.

There is a provision in the note whereby in an event of default the Kingsburg Joint Powers Authority, with written consent by the insurer, may declare the unpaid principal and accrued interest and related expenses to be due and payable immediately if the City is unable to make payment.

Annual debt service requirements to maturity for Kingsburg Joint Powers Authority Refunding Revenue Bonds, Series 2015 at June 30, 2021 are as follows:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 159,100	\$ 9,406	\$ 168,506
2023	<u>250,500</u>	<u>3,570</u>	<u>254,070</u>
Total	<u>\$ 409,600</u>	<u>\$ 12,976</u>	<u>\$ 422,576</u>

Kingsburg Public Joint Powers Authority 2004 Lease Revenue Bonds, Fire Department Facilities – On August 1, 2004, the City issued \$3,395,000 in revenue bonds to construct a new satellite fire/ambulance station and to remodel the current station. On May 14, 2015, the City issued Kingsburg Joint Powers Authority 2015 Lease Revenue Refunding Bonds, Fire Department Facilities Refunding Project to refund the outstanding amount of \$2,685,000.

Kingsburg Joint Powers Authority 2015 Lease Revenue Refunding Bonds, Fire Department Facilities Refunding Project – On May 14, 2015, the City issued \$2,700,000 in direct borrowing lease revenue bonds with interest rates range from 2.0% to 3.5% payable semi-annually. The bonds were to refund \$2,685,000 of outstanding Kingsburg Public Financing Authority 2004 Lease Revenue Bonds, Fire Department Facilities. These bonds are payable from fees for ambulance services. The principal payments in amounts from \$125,000 to \$850,000 are due annually through fiscal year 2034. At June 30, 2021 bonds outstanding amount to \$1,975,000.

There is a provision in the bond agreement whereby in an event of default the Kingsburg Joint Powers Authority, with written consent by the insurer, may declare the unpaid principal and accrued interest and related expenses to be due and payable immediately if the City is unable to make payment.

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 – LONG-TERM DEBT (Continued)

A. Governmental Activities (Continued)

Annual debt service requirements to maturity for Kingsburg Joint Powers Authority 2015 Lease Revenue Refunding Bonds, Fire Department Facilities Refunding Project are as follows:

Fiscal Year Ending	Principal	Interest	Total
2022	\$ 130,000	\$ 60,287	\$ 190,287
2023	130,000	56,388	186,388
2024	135,000	52,413	187,413
2025	140,000	48,637	188,637
2026-2030	750,000	180,481	930,481
2031-2034	<u>690,000</u>	<u>49,175</u>	<u>739,175</u>
	1,975,000	447,381	2,422,381
Unamortized Bonds Discount	<u>(14,010)</u>	-	<u>(14,010)</u>
Total	<u>\$ 1,960,990</u>	<u>\$ 447,381</u>	<u>\$ 2,408,371</u>

Police Vehicles Capital Lease – On August 12, 2015, the City, as Lessee entered into a capital equipment lease/purchase agreement with Leasource Financial Service, Inc., as Lessor, for purchase of two police vehicles. The agreement bears interest at 3.429% with quarterly payments of \$4,370. At June 30, 2021 the capital lease was completely paid off.

The lease agreements are secured by the leased vehicles and include provisions whereby in an event of default the lessor can demand immediate payment of the outstanding principal and interest, or that the City return the leased vehicles at the cost of the City.

B. Business-Type Activities

CIEDB Water Loan – On August 31, 2004, the City, as purchaser, entered into an installment sale agreement with the California Infrastructure and Economic Development Bank (CIEDB), as seller, of a water system upgrade. As part of the agreement, CIEDB agreed to design, acquire and construct the project for, and sell the project to, the purchaser. In order to implement these provisions, the CIEDB appointed the City as its agent for the purpose of such design, acquisition and construction. The City has pledged all net system revenues to repay the CIEDB Loan. The agreement after the 2011 amendment, in the amount not to exceed \$3,147,396, bears interest at 2.98% with semi-annual payments on August 1 and February 1. Under the terms of the agreement, CIEDB issued tax-exempt bonds to be used for the funding of the project. At June 30, 2021, the loan outstanding amounts to \$1,779,587.

There is a provision in the loan agreement whereby in an event of default the CIEDB may declare the unpaid principal and accrued interest and related expenses to be due and payable immediately if the City is unable to make payment or if the City seeks reorganization or arrangement under federal or state bankruptcy laws.

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 – LONG-TERM DEBT (Continued)

B. Business-Type Activities (Continued)

Annual debt service requirements for the CIEDB Water Loan are as follows:

Fiscal Year Ending	Principal	Interest	Total
2022	\$ 104,294	\$ 51,478	\$ 155,772
2023	107,402	48,323	155,725
2024	110,602	45,076	155,678
2025	113,898	41,730	155,628
2026	117,293	38,286	155,579
2027-2031	641,022	136,054	777,076
2032-2035	585,076	35,510	620,586
	<u>\$ 1,779,587</u>	<u>\$ 396,457</u>	<u>\$ 2,176,044</u>

Water Meter Capital Lease – On September 27, 2012, the City, as Lessee entered into a capital equipment lease/purchase agreement with the Government Capital Corporation, as Lessor, for purchase and installation of 1,800 water meters. The agreement bears interest at 3.36% with annual payments of \$142,839 on September 1st. At June 30, 2021, the capital lease outstanding amounts to \$271,903.

The lease agreement is secured by the leased meters and include provisions whereby in an event of default the lessor can demand immediate payment of the outstanding principal and interest, or that the City return the leased meters at the cost of the City.

Annual debt service requirements for the Water Meter Capital Lease are as follows:

Fiscal Year Ending	Principal	Interest	Total
2022	133,706	9,133	142,839
2023	138,197	4,642	142,839
	<u>\$ 271,903</u>	<u>\$ 13,775</u>	<u>\$ 285,678</u>

Leased equipment under capital leases in capital assets at June 30, 2021, included the following:

Water meters	\$ 1,660,689
Less: Accumulated depreciation	<u>(774,989)</u>
Water meters, net of depreciation	<u>\$ 885,700</u>

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. 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 a loss on refunding of debt reported in the government-wide statement of net position. A loss on refunding of debt results from the difference in the carrying value of the refunded debt and its reacquisition price. The amount is amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows of resources for loss on refunding of debt reported in the governmental activities of the government-wide statement of net position are \$51,175.

In addition to the deferred outflows and inflows of resources described above, the City has pension related items that qualify to be reported in these categories. The pension related deferred outflows and inflows of resources are described in detail in Note 10.

NOTE 10 – 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 Kingsburg's (City) sponsors six rate plans (two miscellaneous and four 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.

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.

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 – PENSION PLAN (Continued)

A. General Information about the Pension Plans (Continued)

The Plans' provisions and benefits in effect at June 30, 2021 are summarized as follows:

	Miscellaneous 1st Tier	Miscellaneous PEPRA
Hire date	Prior to January 1, 2013	On or after 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	10.484%	7.732%
	Safety - Police 1st Tier	Safety - Police PEPRA
Hire date	Prior to January 1, 2013	On or after 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%	13.000%
Required employer contribution rates	20.585%	13.044%
	Safety - Fire 1st Tier	Safety - Fire PEPRA
Hire date	Prior to January 1, 2013	On or after 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%	13.000%
Required employer contribution rates	20.585%	13.044%

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. The dollar amounts are billed on a monthly basis. The City's required contribution for the unfunded liability was \$606,549 for the fiscal year ended June 30, 2021.

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, 2021 were \$1,902,272.

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 – PENSION PLAN (Continued)

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

As of June 30, 2021, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$7,363,580.

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, 2020, 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, 2019, rolled forward to June 30, 2020, 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, 2019 and 2020 was as follows:

Proportion - June 30, 2019	0.0752%
Proportion - June 30, 2020	0.0677%
Change - Increase (Decrease)	-0.0075%

For the year ended June 30, 2021, the City recognized pension expense of \$1,467,892. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 1,124,362	\$ -
Changes in assumptions	-	34,524
Differences between actual and expected experience	502,610	-
Net differences between project and actual earnings on plan investments	181,005	-
Change in employer's proportion	2,382	595,488
Differences between the employer's actual contributions and the employer's proportionate share of contributions	<u>722,043</u>	<u>7,995</u>
Total	<u>\$ 2,532,402</u>	<u>\$ 638,007</u>

\$1,124,362 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 ended June 30, 2022. Other amounts reported as deferred outflow of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>	
2022	\$185,536
2023	280,674
2024	215,306
2025	88,517
2026	-
Thereafter	-

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 – PENSION PLAN (Continued)

C. Actuarial Assumptions

The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
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⁾

Depending on age, service and type of employment

⁽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.

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 – PENSION PLAN (Continued)

D. 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.

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

Asset Class ^(a)	New Strategic Allocation	Real Return Years 1-10 ^(b)	Real Return Years 11+ ^(c)
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 ACFR, 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

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 – PENSION PLAN (Continued)

D. Discount Rate (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City’s proportionate share of the net pension liability for 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:

Discount Rate -1% 6.15%	Current Discount Rate 7.15%	Discount Rate +1% 8.15%
\$11,143,564	\$7,363,580	\$4,253,098

E. Pension Plan Fiduciary Net Position

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

F. Payable to the Pension Plan

The City had an outstanding amount of contributions payable to the pension plan in the amount of \$101,053 for the year ended June 30, 2021.

NOTE 11 – POST-RETIREMENT HEALTHCARE BENEFITS

The City provides no post-employment benefits for its employees. However, former employees may be maintained on the City’s health insurance programs through the City’s Consolidated Omnibus Budget Reconciliation Act (COBRA) insurance continuation plan.

NOTE 12 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omission; injuries to employees and others; natural disaster. 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 Kingsburg 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.

CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 12 – RISK MANAGEMENT (Continued)

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 Allied World National Assurance Company for a total of \$39,000,000 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 PRISM (previously 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 appointed by each member city. A management group employed by CSJVRMA handles the day-to-day business.

The summary financial position and results of operations for CSJVRMA, as of June 30, 2021, is presented as follows:

Total assets	\$ 150,621,596
Total liabilities	129,774,819
Total net position	<u>\$ 20,846,777</u>
Revenues	\$ 55,391,674
Expenses	<u>54,309,239</u>
Change in net position	<u>\$ 1,082,435</u>

At the terminations 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.

NOTE 13 – CONTINGENCIES

The City participates in a number of Federal and State assisted grant programs which are subject to financial and compliance audits. Audits for these programs and the respective findings are to be determined at a future date, and the City expects the amount, if any, of the expenditures which may be disallowed by the granting agency to be immaterial.

The City is subject to litigation arising in the normal course of business. In the opinion of the City attorney there is no pending litigation which is likely to have a material adverse effect on the financial position of the City.

On March 11, 2020 the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic. 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.

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 14 – RESTATEMENT OF BEGINNING NET POSITION BALANCE

During the year ended June 30, 2021 the City identified an overstatement of net position in the Ambulance/Fire fund due to prior year revenues that were improperly recognized. This had the effect of overstating opening net position by \$64,369 in the Ambulance fund and Business-Type Activities. A summary of the restatement has been included below.

	<u>Government-Wide</u> <u>Business-Type</u> <u>Activities</u>	<u>Enterprise Fund</u> <u>Ambulance/Fire</u>
Net position, June 30, 2020, as previously reported	\$ 9,982,419	\$ (288,585)
Prior period adjustment:		
Overstatement of revenue	<u>(64,369)</u>	<u>(64,369)</u>
Net position, July 1, 2020, as restated	<u>\$ 9,918,050</u>	<u>\$ (352,954)</u>

NOTE 15 – FUND RECLASSIFICATION

During the year ended June 30, 2021 the City made the determination the Transient Oriented Development fund, previously classified as a nonmajor special revenue fund, was more appropriately reported within the Measure C fund. Opening fund balance of \$9,200 and related assets for the Transient Oriented Development fund have been incorporated to reflect as Measure C as of July 1, 2020.

NOTE 16 – SUCCESSOR AGENCY TRUST FUND

On January 18, 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.

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 16 – SUCCESSOR AGENCY TRUST FUND (Continued)

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.

Other Assets

The amount reported as "Other Assets" in the Successor Agency Trust Fund consists of the following:

Downtown directional signs	<u>\$ 17,266</u>
	<u>\$ 17,266</u>

Long-term Debt

Long-term debt reported in the Successor Agency Trust Fund at June 30, 2021 was comprised of the following individual issue:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2021</u>	<u>Due Within One Year</u>
Kingsburg RDA Tax Refunding Bonds	\$ 115,000	\$ -	\$ 35,000	\$ 80,000	\$ 35,000
	<u>\$ 115,000</u>	<u>\$ -</u>	<u>\$ 35,000</u>	<u>\$ 80,000</u>	<u>\$ 35,000</u>

Kingsburg RDA Tax Refunding Bonds – The former Kingsburg Redevelopment Agency issued a tax allocation bond payable in annual installments ranging from \$25,000 to \$40,000 with interest payable semi-annually at an average overall rate of 7.9% per annum. At June 30, 2021 the bond outstanding amounts to \$80,000.

Annual debt service requirements to maturity for the Kingsburg RDA Tax Refunding Bonds are as follows:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 40,000	\$ 4,740	\$ 44,740
2023	<u>40,000</u>	<u>1,580</u>	<u>41,580</u>
Total	<u>\$ 80,000</u>	<u>\$ 6,320</u>	<u>\$ 86,320</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF KINGSBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 3,068,610	\$ 3,564,440	\$ 3,784,541	\$ 220,101
Licenses and permits	312,900	565,900	564,818	(1,082)
Intergovernmental	1,050,000	1,199,000	1,336,839	137,839
Charges for services	312,280	299,480	321,432	21,952
Fines and penalties	12,250	12,250	5,023	(7,227)
Development fees	115,450	581,450	563,351	(18,099)
Other revenue	<u>123,910</u>	<u>174,910</u>	<u>211,976</u>	<u>37,066</u>
Total revenues	<u>4,995,400</u>	<u>6,397,430</u>	<u>6,787,980</u>	<u>390,550</u>
EXPENDITURES				
Current:				
General government:				
City council	30,250	30,250	23,378	6,872
City attorney	87,168	87,168	58,492	28,676
Non-departmental	300,622	497,622	379,253	118,369
City manager	241,818	241,818	222,321	19,497
City clerk	147,705	147,705	140,326	7,379
Finance	191,895	204,680	200,541	4,139
Human resources/management assistant	<u>109,768</u>	<u>117,768</u>	<u>122,698</u>	<u>(4,930)</u>
Total general government	<u>1,109,226</u>	<u>1,327,011</u>	<u>1,147,009</u>	<u>180,002</u>
Parks and community services:				
Community services	240,568	166,233	180,677	(14,444)
Pool	<u>156,759</u>	<u>195,409</u>	<u>212,895</u>	<u>(17,486)</u>
Total parks and community services	<u>397,327</u>	<u>361,642</u>	<u>393,572</u>	<u>(31,930)</u>
Public safety	<u>2,651,452</u>	<u>2,721,452</u>	<u>2,688,708</u>	<u>32,744</u>
Public works:				
Public works - administration	58,071	58,071	60,453	(2,382)
Landscape maintenance	282,367	294,551	292,030	2,521
Facility maintenance	58,334	58,334	62,523	(4,189)
Vehicle maintenance	<u>148,814</u>	<u>148,814</u>	<u>149,777</u>	<u>(963)</u>
Total public works	<u>547,586</u>	<u>559,770</u>	<u>564,783</u>	<u>(5,013)</u>
Planning and community development	<u>336,033</u>	<u>494,033</u>	<u>536,503</u>	<u>(42,470)</u>
Capital outlay	<u>352,000</u>	<u>402,000</u>	<u>308,656</u>	<u>93,344</u>
Debt service:				
Principal	4,333	4,333	4,333	-
Interest and fiscal charges	<u>37</u>	<u>37</u>	<u>22</u>	<u>15</u>
Total debt service	<u>4,370</u>	<u>4,370</u>	<u>4,355</u>	<u>15</u>
Total expenditures	<u>5,397,994</u>	<u>5,870,278</u>	<u>5,643,586</u>	<u>226,692</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(402,594)</u>	<u>527,152</u>	<u>1,144,394</u>	<u>617,242</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	(911,568)	(911,568)	150,000	1,061,568
Transfers out	<u>(380,000)</u>	<u>(380,000)</u>	<u>(355,000)</u>	<u>25,000</u>
Total other financing sources (uses)	<u>(1,291,568)</u>	<u>(1,291,568)</u>	<u>(205,000)</u>	<u>1,086,568</u>
Change in fund balance	<u>\$ (1,694,162)</u>	<u>\$ (764,416)</u>	939,394	<u>\$ 1,703,810</u>
Fund balance - beginning			<u>5,152,461</u>	
Fund balance - ending			<u>\$ 6,091,855</u>	

CITY OF KINGSBURG
SCHEDULE OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LOCAL TRANSPORTATION FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 413,735	\$ 209,606	\$ 210,053	\$ 447
Use of money and property	<u>20,687</u>	<u>20,687</u>	<u>8,825</u>	<u>(11,862)</u>
Total revenues	<u>434,422</u>	<u>230,293</u>	<u>218,878</u>	<u>(11,415)</u>
EXPENDITURES				
Current:				
Highway and streets	102,500	102,500	68,011	34,489
Capital outlay	<u>486,070</u>	<u>486,070</u>	<u>220,217</u>	<u>265,853</u>
Total expenditures	<u>588,570</u>	<u>588,570</u>	<u>288,228</u>	<u>300,342</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (154,148)</u>	<u>\$ (358,277)</u>	(69,350)	<u>\$ 288,927</u>
Fund balance - beginning			<u>1,503,271</u>	
Fund balance - ending			<u>\$ 1,433,921</u>	

**CITY OF KINGSBURG
SCHEDULE OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MEASURE E FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 1,550,000	\$ 2,267,000	\$ 2,313,063	\$ 46,063
Use of money and property	-	-	3,334	3,334
Other revenues	-	-	397	397
Total revenues	<u>1,550,000</u>	<u>2,267,000</u>	<u>2,316,794</u>	<u>49,794</u>
EXPENDITURES				
Current:				
Public safety	1,052,093	1,140,817	1,069,537	71,280
Capital outlay	<u>430,500</u>	<u>507,350</u>	<u>487,852</u>	<u>19,498</u>
Total expenditures	<u>1,482,593</u>	<u>1,648,167</u>	<u>1,557,389</u>	<u>90,778</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 67,407</u>	<u>\$ 618,833</u>	759,405	<u>\$ 140,572</u>
Fund balance - beginning			<u>605,538</u>	
Fund balance - ending			<u>\$ 1,364,943</u>	

**CITY OF KINGSBURG
PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2021
LAST 10 YEARS***

	2015	2016	2017	2018	2019	2020	2021
Proportion of the net pension liability	0.0890%	0.0811%	0.0756%	0.0743%	0.0753%	0.0752%	0.0677%
Proportionate share of the net pension liability	\$ 5,591,747	\$ 5,568,697	\$ 6,544,355	\$ 7,365,800	\$ 7,256,090	\$ 7,706,149	\$ 7,363,580
Covered payroll	\$ 2,539,694	\$ 2,746,794	\$ 2,823,084	\$ 2,997,055	\$ 3,175,012	\$ 3,358,370	\$ 3,784,976
Proportionate share of the net pension liability as percentage of covered payroll	220.17%	202.73%	231.82%	245.77%	228.54%	229.46%	194.55%
Plan fiduciary net position as a percentage of the total pension liability	79.48%	80.20%	75.41%	73.93%	75.45%	74.98%	77.03%

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 KINGSBURG
SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2021
LAST 10 YEARS***

	2014	2015	2016	2017	2018	2019	2020	2021
Actuarially required contribution (actuarially determined)	\$ 541,072	\$ 574,035	\$ 658,448	\$ 732,726	\$ 795,513	\$ 886,480	\$ 1,902,272	\$ 1,124,362
Contributions in relation to the actuarially determined contributions	<u>541,072</u>	<u>574,035</u>	<u>658,448</u>	<u>732,726</u>	<u>795,513</u>	<u>886,480</u>	<u>1,902,272</u>	<u>1,124,362</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,539,694	\$ 2,746,794	\$ 2,823,084	\$ 2,997,055	\$ 3,175,012	\$ 3,358,370	\$ 3,784,976	\$ 4,006,934
Contributions as a percentage of covered-employee payroll	21.30%	20.90%	23.32%	24.45%	25.06%	26.40%	50.26%	28.06%

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

**CITY OF KINGSBURG
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

NOTE 1 – BUDGETARY DATA

The appropriated budget is prepared by fund, department, and account. The City of Kingsburg, California's (the City) department heads may make transfers of appropriations within a department. The City Manager is authorized to make budget transfers between departments within funds. All revisions must be reported to the City Council. Transfer of appropriations between funds requires the approval of the City Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

All annual appropriations lapse at fiscal year-end to the extent they have not been expended.

The actual results of operations compared to the appropriations adopted by the City Council for budgeted major governmental funds are included in the fund financial statements. The comparisons of actual results with budget for nonmajor funds are presented as supplemental information in the combining schedules.

The budget is reported on the same basis as the fund types and on a basis consistent with accounting principles generally accepted in the United States of America. Additional appropriations or other changes during the fiscal year may be submitted by the department for Council review and approval.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The City incurred expenditures in excess of appropriations in the following amounts for the year ended June 30, 2021:

General Fund:	
General government:	
Human resources/management assistant	\$ 4,930
Parks and community services:	
Community services	14,444
Pool	17,486
Public works:	
Public works - administration	2,382
Facility maintenance	4,189
Vehicle maintenance	963
Planning and community development	42,470

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COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

The **Special Revenue Funds** are used to account for the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.

Measure C Fund – to account for apportioned local sales tax revenues to be used exclusively for maintenance and improvement of the City's streets and roads.

Gas Tax Fund – to account for revenues and expenditures apportioned to the City under the Streets and Highway Code, Sections 2105, 2106, 2107 and 2107.5 of the State of California. Expenditures for administration, maintenance and construction must be street related.

Senior Center Fund - to account for revenue from federal grants and contributions to fund the activities of the senior center services. The services provide recreational, educational, social and nutritional programs to citizens 55 years and older.

COPS Grant Fund – to account for State revenue received from front line law enforcement.

San Joaquin Valley Air Grant Fund – to account for grant revenue received for the purchase of a police vehicle.

Low and Moderate Income Housing Fund - to administer the housing assets and functions related to the Low and Moderate Income Housing Program retained by the City following the dissolution of the Redevelopment Agency on February 1, 2012. This fund is primarily funded by loan repayment program income generated from the former Redevelopment Agency's housing assets.

Vehicle Abandonment Fund – to account for the abandoned vehicle abatement program in which the City receives funds from the Council of Fresno County Governments. These funds will be used to abate any abandoned vehicles in the City of Kingsburg.

ACT Task Force Grant Fund - to be used to compensate the cost of one Police Officer for the assignment to the ACT (Adult Compliance Team).

School Resource Officer Fund – This fund is for the School Resource Officer Grant which is used to compensate the cost of one Police Officer for the assignment to the Schools Resource Officer.

DEBT SERVICE FUNDS

The **Debt Service Funds** are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Assessment District Fund – to accumulate assessments levied for payment of bonds issued for the Improvement Bonds in Districts No. 1991-1 and No. 1992-1.

NONMAJOR GOVERNMENTAL FUNDS
(Continued)

CAPITAL PROJECTS FUNDS

The ***Capital Projects Funds*** are used to account for financial resources that are restricted, committed or assigned to expenditures for the acquisition of land or acquisition and construction of major facilities other than those financed in the proprietary fund types.

Street Projects Fund – to account for related street construction and maintenance.

Sewer Connection Fund - to account for the sewer connection fees from developers. The money is used to construct sewer facilities within the City limits.

Storm Drain Fund – to account for the storm drain improvements, operations and maintenance. The activities of the fund include building new storm drains and obtaining storm drains completed by developers.

Parks and Recreation Fund – to account for the revenue from the construction assessments to be used for acquisition and development of parks and recreation facilities.

Equipment Replacement Fund – to account for the transfer revenues received for the reserve fund to replace equipment in the future.

**CITY OF KINGSBURG
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 1,036,488	\$ 141,975	\$ 2,091,066	\$ 3,269,529
Receivables	216,577	1,989	262,220	480,786
Land held for low and moderate housing projects	<u>574,389</u>	<u>-</u>	<u>-</u>	<u>574,389</u>
Total assets	<u>\$ 1,827,454</u>	<u>\$ 143,964</u>	<u>\$ 2,353,286</u>	<u>\$ 4,324,704</u>
LIABILITIES				
Accounts payable and accrued expenses	\$ 186,772	\$ -	\$ 81,622	\$ 268,394
Due to other funds	240,789	-	204,540	445,329
Deposits	609	-	-	609
Advances from other funds	<u>-</u>	<u>197,000</u>	<u>-</u>	<u>197,000</u>
Total liabilities	<u>428,170</u>	<u>197,000</u>	<u>286,162</u>	<u>911,332</u>
FUND BALANCES				
Restricted:				
Capital improvements	-	-	2,092,678	2,092,678
Circulation improvements	819,897	-	-	819,897
Public safety programs	242,247	-	-	242,247
Land held for low and moderate housing projects	574,389	-	-	574,389
Unassigned	<u>(237,249)</u>	<u>(53,036)</u>	<u>(25,554)</u>	<u>(315,839)</u>
Total fund balances	<u>1,399,284</u>	<u>(53,036)</u>	<u>2,067,124</u>	<u>3,413,372</u>
Total liabilities and fund balances	<u>\$ 1,827,454</u>	<u>\$ 143,964</u>	<u>\$ 2,353,286</u>	<u>\$ 4,324,704</u>

**CITY OF KINGSBURG
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ -	\$ 143,660	\$ -	\$ 143,660
Intergovernmental	1,405,453	-	179,024	1,584,477
Development fees	-	-	281,135	281,135
Use of money and property	3,562	-	10,572	14,134
Other revenues	<u>30,493</u>	<u>-</u>	<u>-</u>	<u>30,493</u>
Total revenues	<u>1,439,508</u>	<u>143,660</u>	<u>470,731</u>	<u>2,053,899</u>
EXPENDITURES				
Current:				
Parks and community services	193,720	-	-	193,720
Public safety	296,437	-	-	296,437
Highway and streets	480,912	-	-	480,912
Planning and community development	61,200	-	-	61,200
Capital outlay	540,234	-	297,172	837,406
Debt service:				
Interest and fiscal charges	<u>-</u>	<u>34,291</u>	<u>-</u>	<u>34,291</u>
Total expenditures	<u>1,572,503</u>	<u>34,291</u>	<u>297,172</u>	<u>1,903,966</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(132,995)</u>	<u>109,369</u>	<u>173,559</u>	<u>149,933</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	55,000	-	-	55,000
Transfers out	<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>(150,000)</u>
Total other financing sources (uses)	<u>(95,000)</u>	<u>-</u>	<u>-</u>	<u>(95,000)</u>
Net change in fund balances	(227,995)	109,369	173,559	54,933
Fund balances - beginning	<u>1,627,279</u>	<u>(162,405)</u>	<u>1,893,565</u>	<u>3,358,439</u>
Fund balances - ending	<u>\$ 1,399,284</u>	<u>\$ (53,036)</u>	<u>\$ 2,067,124</u>	<u>\$ 3,413,372</u>

**CITY OF KINGSBURG
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021**

	Measure C	Gas Tax	Senior Center	COPS Grant	San Joaquin Valley Air Grant	Low and Moderate Income Housing Asset
ASSETS						
Cash and investments	\$ 517,893	\$ 290,566	\$ -	\$ 180,162	\$ 21	\$ -
Receivables	143,192	23,545	-	-	-	-
Land held for low and moderate housing projects	-	-	-	-	-	574,389
Total assets	\$ 661,085	\$ 314,111	\$ -	\$ 180,162	\$ 21	\$ 574,389
LIABILITIES						
Accounts payable and accrued expenses	\$ 145,375	\$ 9,924	\$ 12,284	\$ -	\$ -	\$ -
Due to other funds	-	-	54,092	-	-	-
Deposits	-	-	609	-	-	-
Total liabilities	145,375	9,924	66,985	-	-	-
FUND BALANCES						
Restricted:						
Circulation improvements	515,710	304,187	-	-	-	-
Public safety	-	-	-	180,162	21	-
Land held for low and moderate housing projects	-	-	-	-	-	574,389
Unassigned	-	-	(66,985)	-	-	-
Total fund balances	515,710	304,187	(66,985)	180,162	21	574,389
Total liabilities and fund balances	\$ 661,085	\$ 314,111	\$ -	\$ 180,162	\$ 21	\$ 574,389

**CITY OF KINGSBURG
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021
(Continued)**

	Vehicle Abandonment	ACT Task Force Grant	School Resource Officer	Total
ASSETS				
Cash and investments	\$ 16,626	\$ 31,220	\$ -	\$ 1,036,488
Receivables	-	27,779	22,061	216,577
Land held for low and moderate housing projects	-	-	-	574,389
Total assets	\$ 16,626	\$ 58,999	\$ 22,061	\$ 1,827,454
LIABILITIES				
Accounts payable and accrued expenses	\$ -	\$ 13,561	\$ 5,628	\$ 186,772
Due to other funds	-	-	186,697	240,789
Deposits	-	-	-	609
Total liabilities	-	13,561	192,325	428,170
FUND BALANCES				
Restricted:				
Circulation improvements	-	-	-	819,897
Public safety	16,626	45,438	-	242,247
Land held for low and moderate housing projects	-	-	-	574,389
Unassigned	-	-	(170,264)	(237,249)
Total fund balances	16,626	45,438	(170,264)	1,399,284
Total liabilities and fund balances	\$ 16,626	\$ 58,999	\$ 22,061	\$ 1,827,454

**CITY OF KINGSBURG
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Measure C	Gas Tax	Senior Center	COPS Grant	San Joaquin Valley Air Grant	Low and Moderate Income Housing Asset
REVENUES						
Intergovernmental	\$ 540,316	\$ 501,717	\$ 73,007	\$ 156,727	\$ -	\$ -
Use of money and property	1,557	2,005	-	-	-	-
Other revenues	-	30,493	-	-	-	-
Total revenues	<u>541,873</u>	<u>534,215</u>	<u>73,007</u>	<u>156,727</u>	<u>-</u>	<u>-</u>
EXPENDITURES						
Current:						
Parks and community services	-	-	193,720	-	-	-
Public safety	-	-	-	-	-	-
Highway and streets	159,130	321,782	-	-	-	-
Planning and community development	61,200	-	-	-	-	-
Capital outlay	<u>190,152</u>	<u>350,082</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>410,482</u>	<u>671,864</u>	<u>193,720</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>131,391</u>	<u>(137,649)</u>	<u>(120,713)</u>	<u>156,727</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES/(USES)						
Transfers in	-	-	55,000	-	-	-
Transfers out	-	-	-	(150,000)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>55,000</u>	<u>(150,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	131,391	(137,649)	(65,713)	6,727	-	-
Fund balances - beginning	<u>384,319</u>	<u>441,836</u>	<u>(1,272)</u>	<u>173,435</u>	<u>21</u>	<u>574,389</u>
Fund balances - ending	<u>\$ 515,710</u>	<u>\$ 304,187</u>	<u>\$ (66,985)</u>	<u>\$ 180,162</u>	<u>\$ 21</u>	<u>\$ 574,389</u>

CITY OF KINGSBURG
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021
(Continued)

	Vehicle Abandonment	ACT Task Force Grant	School Resource Officer	Total
REVENUES				
Intergovernmental	\$ -	\$ 133,195	\$ 491	\$ 1,405,453
Use of money and property	-	-	-	3,562
Other revenues	-	-	-	30,493
Total revenues	<u>-</u>	<u>133,195</u>	<u>491</u>	<u>1,439,508</u>
EXPENDITURES				
Current:				
Parks and community services	-	-	-	193,720
Public safety	-	125,682	170,755	296,437
Highway and streets	-	-	-	480,912
Planning and community development	-	-	-	61,200
Capital outlay	-	-	-	540,234
Total expenditures	<u>-</u>	<u>125,682</u>	<u>170,755</u>	<u>1,572,503</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>7,513</u>	<u>(170,264)</u>	<u>(132,995)</u>
OTHER FINANCING SOURCES/(USES)				
Transfers in	-	-	-	55,000
Transfers out	-	-	-	(150,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(95,000)</u>
Net change in fund balances	-	7,513	(170,264)	(227,995)
Fund balances - beginning	<u>16,626</u>	<u>37,925</u>	<u>-</u>	<u>1,627,279</u>
Fund balances - ending	<u>\$ 16,626</u>	<u>\$ 45,438</u>	<u>\$ (170,264)</u>	<u>\$ 1,399,284</u>

CITY OF KINGSBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUND – MEASURE C FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 531,218	\$ 616,426	\$ 540,316	\$ (76,110)
Use of money and property	-	-	1,557	1,557
Total revenues	<u>531,218</u>	<u>616,426</u>	<u>541,873</u>	<u>(74,553)</u>
EXPENDITURES				
Current:				
Highway and streets	210,500	210,500	159,130	51,370
Planning and community development	147,800	147,800	61,200	86,600
Capital outlay	<u>201,000</u>	<u>220,000</u>	<u>190,152</u>	<u>29,848</u>
Total expenditures	<u>559,300</u>	<u>578,300</u>	<u>410,482</u>	<u>167,818</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (28,082)</u>	<u>\$ 38,126</u>	131,391	<u>\$ 93,265</u>
Fund balance - beginning			<u>384,319</u>	
Fund balance - ending			<u>\$ 515,710</u>	

CITY OF KINGSBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUND – GAS TAX FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 502,897	\$ 537,217	\$ 501,717	\$ (35,500)
Use of money and property	-	-	2,005	2,005
Other revenues	-	-	30,493	30,493
Total revenues	502,897	537,217	534,215	(3,002)
EXPENDITURES				
Current:				
Highway and streets	308,122	308,122	321,782	(13,660)
Capital outlay	234,000	350,082	350,082	-
Total expenditures	542,122	658,204	671,864	(13,660)
Excess (deficiency) of revenues over (under) expenditures	\$ (39,225)	\$ (120,987)	(137,649)	\$ (16,662)
Fund balances - beginning			441,836	
Fund balances - ending			\$ 304,187	

**CITY OF KINGSBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUND – SENIOR CENTER FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 6,000	\$ 78,000	\$ 73,007	\$ (4,993)
Other revenues	4,000	-	-	-
Total revenues	<u>10,000</u>	<u>78,000</u>	<u>73,007</u>	<u>(4,993)</u>
EXPENDITURES				
Current:				
Parks and community services	74,174	178,174	193,720	(15,546)
Total expenditures	<u>74,174</u>	<u>178,174</u>	<u>193,720</u>	<u>(15,546)</u>
Excess (deficiency) of revenues over (under) expenditures	(64,174)	(100,174)	(120,713)	(20,539)
OTHER FINANCING SOURCES/(USES)				
Transfers in	75,000	75,000	55,000	(20,000)
Net change in fund balances	<u>\$ 10,826</u>	<u>\$ (25,174)</u>	(65,713)	<u>\$ (40,539)</u>
Fund balances - beginning			<u>(1,272)</u>	
Fund balances - ending			<u>\$ (66,985)</u>	

CITY OF KINGSBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUND – COPS GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 150,000	\$ 150,000	\$ 156,727	\$ 6,727
Total revenues	<u>150,000</u>	<u>150,000</u>	<u>156,727</u>	<u>6,727</u>
EXPENDITURES				
Current:				
Public safety	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	150,000	150,000	156,727	6,727
OTHER FINANCING SOURCES/(USES)				
Transfers out	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	6,727	<u>\$ 6,727</u>
Fund balances - beginning			<u>173,435</u>	
Fund balances - ending			<u>\$ 180,162</u>	

CITY OF KINGSBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUND – ACT TASK FORCE GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 120,764	\$ 120,764	\$ 133,195	\$ 12,431
Total revenues	<u>120,764</u>	<u>120,764</u>	<u>133,195</u>	<u>12,431</u>
EXPENDITURES				
Current:				
Public safety	120,764	120,764	125,682	(4,918)
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>120,764</u>	<u>120,764</u>	<u>125,682</u>	<u>(4,918)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	7,513	<u>\$ 7,513</u>
Fund balances - beginning			<u>37,925</u>	
Fund balances - ending			<u>\$ 45,438</u>	

CITY OF KINGSBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUND – SCHOOL RESOURCE OFFICER FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 171,403	\$ 70,000	\$ 491	\$ (69,509)
Total revenues	<u>171,403</u>	<u>70,000</u>	<u>491</u>	<u>(69,509)</u>
EXPENDITURES				
Current:				
Public safety	<u>171,403</u>	<u>171,403</u>	<u>170,755</u>	<u>648</u>
Total expenditures	<u>171,403</u>	<u>171,403</u>	<u>170,755</u>	<u>648</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (101,403)</u>	<u>\$ (170,264)</u>	<u>\$ (70,157)</u>
Fund balances - beginning			<u>-</u>	
Fund balances - ending			<u>\$ (170,264)</u>	

**CITY OF KINGSBURG
 COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUNDS
 JUNE 30, 2021**

	Assessment District
ASSETS	
Cash and investments	\$ 141,975
Receivables	1,989
Total assets	\$ 143,964
LIABILITIES	
Advances from other funds	\$ 197,000
Total liabilities	197,000
FUND BALANCES	
Unassigned	(53,036)
Total fund balances	(53,036)
Total liabilities and fund balances	\$ 143,964

**CITY OF KINGSBURG
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR DEBT SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021**

	Assessment District
REVENUES	
Taxes	\$ 143,660
Total revenues	143,660
EXPENDITURES	
Debt service:	
Interest and fiscal charges	34,291
Total expenditures	34,291
Excess (deficiency) of revenues over (under) expenditures	109,369
Fund balances - beginning	(162,405)
Fund balances - ending	\$ (53,036)

CITY OF KINGSBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
NONMAJOR DEBT SERVICE FUND – ASSESSMENT DISTRICT FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 163,000	\$ 163,000	\$ 143,660	\$ (19,340)
Total revenues	<u>163,000</u>	<u>163,000</u>	<u>143,660</u>	<u>(19,340)</u>
EXPENDITURES				
Debt service:				
Interest and fiscal charges	<u>34,012</u>	<u>34,012</u>	<u>34,291</u>	<u>(279)</u>
Total expenditures	<u>34,012</u>	<u>34,012</u>	<u>34,291</u>	<u>(279)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 128,988</u>	<u>\$ 128,988</u>	109,369	<u>\$ (19,619)</u>
Fund balances - beginning			<u>(162,405)</u>	
Fund balances - ending			<u>\$ (53,036)</u>	

CITY OF KINGSBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
MAJOR DEBT SERVICE FUND – KINGSBURG JOINT POWERS AUTHORITY FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ 110,000	\$ 110,000	\$ 76,803	\$ (33,197)
Total revenues	<u>110,000</u>	<u>110,000</u>	<u>76,803</u>	<u>(33,197)</u>
EXPENDITURES				
Debt service:				
Principal	161,300	161,300	286,300	(125,000)
Interest and fiscal charges	<u>18,922</u>	<u>18,922</u>	<u>82,410</u>	<u>(63,488)</u>
Total expenditures	<u>180,222</u>	<u>180,222</u>	<u>368,710</u>	<u>(188,488)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (70,222)</u>	<u>\$ (70,222)</u>	(291,907)	<u>\$ (221,685)</u>
Fund balances - beginning			<u>2,595,440</u>	
Fund balances - ending			<u>\$ 2,303,533</u>	

**CITY OF KINGSBURG
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2021**

	<u>Street Projects</u>	<u>Sewer Connection</u>	<u>Storm Drain</u>	<u>Parks and Recreation</u>	<u>Equipment Replacement</u>	<u>Total</u>
ASSETS						
Cash and investments	\$ -	\$ 1,341,133	\$ 301,580	\$ 422,923	\$ 25,430	\$ 2,091,066
Receivables	260,608	1,054	269	289	-	262,220
	<u>260,608</u>	<u>1,342,187</u>	<u>301,849</u>	<u>423,212</u>	<u>25,430</u>	<u>2,353,286</u>
Total assets	<u>\$ 260,608</u>	<u>\$ 1,342,187</u>	<u>\$ 301,849</u>	<u>\$ 423,212</u>	<u>\$ 25,430</u>	<u>\$ 2,353,286</u>
LIABILITIES						
Accounts payable and accrued expenses	\$ 81,622	\$ -	\$ -	\$ -	\$ -	\$ 81,622
Due to other funds	204,540	-	-	-	-	204,540
	<u>286,162</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>286,162</u>
Total liabilities	<u>286,162</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>286,162</u>
FUND BALANCES						
Restricted:						
Capital improvements	-	1,342,187	301,849	423,212	25,430	2,092,678
Unassigned	(25,554)	-	-	-	-	(25,554)
	<u>(25,554)</u>	<u>1,342,187</u>	<u>301,849</u>	<u>423,212</u>	<u>25,430</u>	<u>2,067,124</u>
Total fund balances	<u>(25,554)</u>	<u>1,342,187</u>	<u>301,849</u>	<u>423,212</u>	<u>25,430</u>	<u>2,067,124</u>
Total liabilities and fund balances	<u>\$ 260,608</u>	<u>\$ 1,342,187</u>	<u>\$ 301,849</u>	<u>\$ 423,212</u>	<u>\$ 25,430</u>	<u>\$ 2,353,286</u>

**CITY OF KINGSBURG
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Street Projects</u>	<u>Sewer Connection</u>	<u>Storm Drain</u>	<u>Parks and Recreation</u>	<u>Equipment Replacement</u>	<u>Total</u>
REVENUES						
Intergovernmental	\$ 179,024	\$ -	\$ -	\$ -	\$ -	\$ 179,024
Development fees	-	112,959	110,250	57,926	-	281,135
Use of money and property	-	7,211	1,419	1,942	-	10,572
Total revenues	<u>179,024</u>	<u>120,170</u>	<u>111,669</u>	<u>59,868</u>	<u>-</u>	<u>470,731</u>
EXPENDITURES						
Capital outlay	<u>294,982</u>	<u>-</u>	<u>2,190</u>	<u>-</u>	<u>-</u>	<u>297,172</u>
Total expenditures	<u>294,982</u>	<u>-</u>	<u>2,190</u>	<u>-</u>	<u>-</u>	<u>297,172</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(115,958)</u>	<u>120,170</u>	<u>109,479</u>	<u>59,868</u>	<u>-</u>	<u>173,559</u>
Net change in fund balances	(115,958)	120,170	109,479	59,868	-	173,559
Fund balances - beginning	<u>90,404</u>	<u>1,222,017</u>	<u>192,370</u>	<u>363,344</u>	<u>25,430</u>	<u>1,893,565</u>
Fund balances - ending	<u>\$ (25,554)</u>	<u>\$ 1,342,187</u>	<u>\$ 301,849</u>	<u>\$ 423,212</u>	<u>\$ 25,430</u>	<u>\$ 2,067,124</u>

CITY OF KINGSBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
NONMAJOR CAPITAL PROJECTS FUND – STREET PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 3,209,340	\$ 3,227,340	\$ 179,024	\$ (3,048,316)
Use of money and property	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>3,209,340</u>	<u>3,227,340</u>	<u>179,024</u>	<u>(3,048,316)</u>
EXPENDITURES				
Capital outlay	<u>3,409,563</u>	<u>3,409,563</u>	<u>294,982</u>	<u>3,114,581</u>
Total expenditures	<u>3,409,563</u>	<u>3,409,563</u>	<u>294,982</u>	<u>3,114,581</u>
Excess (deficiency) of revenues over (under) expenditures	(200,223)	(182,223)	(115,958)	66,265
OTHER FINANCING SOURCES/(USES)				
Transfers in	<u>200,223</u>	<u>200,223</u>	<u>-</u>	<u>(200,223)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 18,000</u>	(115,958)	<u>\$ (133,958)</u>
Fund balances - beginning			<u>90,404</u>	
Fund balances - ending			<u>\$ (25,554)</u>	

CITY OF KINGSBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
NONMAJOR CAPITAL PROJECTS FUND – SEWER CONNECTION FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Development fees	\$ 55,000	\$ 112,000	\$ 112,959	\$ 959
Use of money and property	-	-	7,211	7,211
Total revenues	<u>55,000</u>	<u>112,000</u>	<u>120,170</u>	<u>8,170</u>
EXPENDITURES				
Current:				
Public works	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 55,000</u>	<u>\$ 112,000</u>	120,170	<u>\$ 8,170</u>
Fund balances - beginning			<u>1,222,017</u>	
Fund balances - ending			<u>\$ 1,342,187</u>	

CITY OF KINGSBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
NONMAJOR CAPITAL PROJECTS FUND – STORM DRAIN FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Development fees	\$ 8,500	\$ 110,000	\$ 110,250	\$ 250
Use of money and property	-	-	1,419	1,419
Total revenues	8,500	110,000	111,669	1,669
EXPENDITURES				
Capital outlay	-	-	2,190	(2,190)
Total expenditures	-	-	2,190	(2,190)
Excess (deficiency) of revenues over (under) expenditures	\$ 8,500	\$ 110,000	109,479	\$ 3,859
Fund balances - beginning			192,370	
Fund balances - ending			\$ 301,849	

CITY OF KINGSBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
NONMAJOR CAPITAL PROJECTS FUND – PARKS AND RECREATION FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Development fees	\$ -	\$ 57,900	\$ 57,926	\$ 26
Use of money and property	-	-	1,942	1,942
Total revenues	-	57,900	59,868	1,968
EXPENDITURES				
Current:				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	57,900	59,868	1,968
Net change in fund balances	\$ -	\$ 57,900	59,868	\$ 1,968
Fund balances - beginning			363,344	
Fund balances - ending			\$ 423,212	

CITY OF KINGSBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
MAJOR CAPITAL PROJECTS FUND – CAPITAL FACILITIES FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Development fees	\$ 339,000	\$ 929,500	\$ 934,457	\$ 4,957
Use of money and property	<u>-</u>	<u>-</u>	<u>21,624</u>	<u>21,624</u>
Total revenues	<u>339,000</u>	<u>929,500</u>	<u>956,081</u>	<u>26,581</u>
EXPENDITURES				
Current:				
Planning and community development	-	38,950	43,945	(4,995)
Capital outlay	<u>223,000</u>	<u>223,000</u>	<u>3,626</u>	<u>219,374</u>
Total expenditures	<u>223,000</u>	<u>261,950</u>	<u>47,571</u>	<u>214,379</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 116,000</u>	<u>\$ 667,550</u>	908,510	<u>\$ 240,960</u>
Fund balances - beginning			<u>2,921,774</u>	
Fund balances - ending			<u>\$ 3,830,284</u>	

CITY OF KINGSBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
MAJOR CAPITAL PROJECTS FUND – LINNEA VILLAS PUBLIC PROJECT FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ 1,140,000	\$ 1,029,644	\$ (110,356)
Total revenues	<u>-</u>	<u>1,140,000</u>	<u>1,029,644</u>	<u>(110,356)</u>
EXPENDITURES				
Capital outlay	<u>-</u>	<u>1,142,000</u>	<u>1,318,317</u>	<u>(176,317)</u>
Total expenditures	<u>-</u>	<u>1,142,000</u>	<u>1,318,317</u>	<u>(176,317)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (2,000)</u>	(288,673)	<u>\$ (286,673)</u>
Fund balances - beginning			<u>-</u>	
Fund balances - ending			<u>\$ (288,673)</u>	

STATISTICAL SECTION

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STATISTICAL SECTION

This part of the City of Kingsburg's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the government's overall financial health.

Contents

Financial Trend – These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity – These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity – These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information – These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Source – Unless otherwise noted, the information in these schedules are derived from the Annual Comprehensive Financial Report for the relevant year.

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**CITY OF KINGSBURG
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	FISCAL YEARS									
	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>
<u>Governmental Activities</u>										
Net investment in										
capital assets	\$ 7,581,429	\$ 8,175,220	\$ 8,958,525	\$ 11,010,739	\$ 11,917,893	\$ 13,726,605	\$ 13,580,330	\$ 14,634,885	\$ 16,971,072	\$ 19,058,680
Restricted	9,856,824	9,783,215	9,678,997	8,593,486	8,917,767	8,540,239	9,169,130	4,314,137	11,157,339	12,661,892
Unrestricted	<u>(363,909)</u>	<u>(217,842)</u>	<u>248,329</u>	<u>(2,336,196)</u>	<u>(1,786,896)</u>	<u>(314,962)</u>	<u>356,161</u>	<u>5,732,794</u>	<u>254,445</u>	<u>907,166</u>
Total Net Position	<u>\$ 17,074,344</u>	<u>\$ 17,740,593</u>	<u>\$ 18,885,851</u>	<u>\$ 17,268,029</u>	<u>\$ 19,048,764</u>	<u>\$ 21,951,882</u>	<u>\$ 23,105,621</u>	<u>\$ 24,681,816</u>	<u>\$ 28,382,856</u>	<u>\$ 32,627,738</u>
<u>Business-type Activities</u>										
Net investment in										
capital assets	\$ 5,948,959	\$ 5,660,682	\$ 6,408,380	\$ 6,998,393	\$ 6,432,895	\$ 6,330,963	\$ 3,774,918	\$ 4,300,883	\$ 6,482,788	\$ 11,355,099
Unrestricted	<u>(4,285,183)</u>	<u>(4,142,048)</u>	<u>(4,624,256)</u>	<u>(4,436,064)</u>	<u>(3,228,171)</u>	<u>(2,841,875)</u>	<u>4,604,156</u>	<u>4,554,673</u>	<u>3,499,631</u>	<u>(1,114,807)</u>
Total Net Position	<u>\$ 1,663,776</u>	<u>\$ 1,518,634</u>	<u>\$ 1,784,124</u>	<u>\$ 2,562,329</u>	<u>\$ 3,204,724</u>	<u>\$ 3,489,088</u>	<u>\$ 8,379,074</u>	<u>\$ 8,855,556</u>	<u>\$ 9,982,419</u>	<u>\$ 10,240,292</u>
<u>Total Primary Government</u>										
Net investment in										
capital assets	\$ 13,530,388	\$ 13,835,902	\$ 15,366,905	\$ 18,009,132	\$ 18,350,788	\$ 20,057,568	\$ 17,355,248	\$ 18,935,768	\$ 23,453,860	\$ 30,413,779
Restricted	9,856,824	9,783,215	9,678,997	8,593,486	8,917,767	8,540,239	9,169,130	4,314,137	11,157,339	12,661,892
Unrestricted	<u>(4,649,092)</u>	<u>(4,359,890)</u>	<u>(4,375,927)</u>	<u>(6,772,260)</u>	<u>(5,015,067)</u>	<u>(3,156,837)</u>	<u>4,960,317</u>	<u>10,287,467</u>	<u>3,754,076</u>	<u>(207,641)</u>
Total Net Position	<u>\$ 18,738,120</u>	<u>\$ 19,259,227</u>	<u>\$ 20,669,975</u>	<u>\$ 19,830,358</u>	<u>\$ 22,253,488</u>	<u>\$ 25,440,970</u>	<u>\$ 31,484,695</u>	<u>\$ 33,537,372</u>	<u>\$ 38,365,275</u>	<u>\$ 42,868,030</u>

Source: City of Kingsburg Finance Department

**CITY OF KINGSBURG
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

EXPENSES:	FISCAL YEARS									
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Governmental activities:										
General government	\$ 1,022,861	\$ 732,573	\$ 699,807	\$ 933,367	\$ 810,747	\$ 1,005,379	\$ 965,020	\$ 1,008,560	\$ 2,054,881	\$ 715,354
Parks and recreation	344,004	317,664	387,003	430,240	408,729	481,177	530,429	555,326	494,862	767,773
Public safety	1,635,259	1,816,354	1,927,391	1,785,462	1,542,352	1,797,401	2,787,216	3,660,296	4,665,132	4,472,718
Highway and streets	-	454,231	434,677	380,773	766,093	893,071	878,158	1,166,319	950,088	723,805
Public works	1,153,597	735,781	778,900	814,979	557,321	599,999	717,507	673,068	535,748	1,254,211
Planning and community development	334,737	166,881	104,243	189,723	286,768	356,258	367,442	477,762	426,503	650,586
Interest	550,981	416,929	437,404	300,066	199,851	187,158	173,912	158,427	141,335	124,188
Total governmental activities	<u>5,041,439</u>	<u>4,640,413</u>	<u>4,769,425</u>	<u>4,834,610</u>	<u>4,571,861</u>	<u>5,320,443</u>	<u>6,419,684</u>	<u>7,699,758</u>	<u>9,268,549</u>	<u>8,708,635</u>
Business-type activities:										
Water	1,748,110	1,890,846	1,886,697	1,716,307	1,536,034	1,924,632	1,961,341	2,112,020	1,939,622	2,349,264
Disposal	1,647,144	1,668,555	1,697,655	1,810,815	1,854,083	1,940,311	1,924,253	1,986,773	1,967,168	2,161,473
Ambulance/Fire	1,568,302	1,524,414	1,649,811	1,705,874	2,437,389	2,296,617	4,730,318	4,322,083	4,113,733	5,301,596
Building fee	50,680	47,184	66,880	113,451	-	-	-	-	-	-
Total business-type activities	<u>5,014,236</u>	<u>5,130,999</u>	<u>5,301,043</u>	<u>5,346,447</u>	<u>5,827,506</u>	<u>6,161,560</u>	<u>8,615,912</u>	<u>8,420,876</u>	<u>8,020,523</u>	<u>9,812,333</u>
Total primary government expenses	<u>\$ 10,055,675</u>	<u>\$ 9,771,412</u>	<u>\$ 10,070,468</u>	<u>\$ 10,181,057</u>	<u>\$ 10,399,367</u>	<u>\$ 11,482,003</u>	<u>\$ 15,035,596</u>	<u>\$ 16,120,634</u>	<u>\$ 17,289,072</u>	<u>\$ 18,520,968</u>
PROGRAM REVENUES:										
Governmental activities:										
Charges for services	\$ 287,035	\$ 409,626	\$ 713,585	\$ 562,899	\$ 703,733	\$ 1,742,760	\$ 1,223,069	\$ 1,059,138	\$ 3,493,622	\$ 2,612,979
Operating grants	1,157,695	1,061,521	1,303,802	1,191,204	1,104,208	1,271,688	1,391,409	1,473,950	1,763,066	2,592,719
Capital grants	1,134,825	792,635	284,076	1,189,281	876,625	1,086,239	92,955	364,811	439,572	307,350
Total governmental activities	<u>2,579,555</u>	<u>2,263,782</u>	<u>2,301,463</u>	<u>2,943,384</u>	<u>2,684,566</u>	<u>4,100,687</u>	<u>2,707,433</u>	<u>2,897,899</u>	<u>5,696,260</u>	<u>5,513,048</u>
Business-type activities:										
Charges for services	4,090,957	4,158,866	4,598,066	6,663,662	4,783,627	4,664,727	6,589,431	6,644,726	7,114,028	7,450,737
Operating grants	-	-	203,192	199,462	899,983	1,391,447	1,712,967	1,231,609	1,324,235	2,362,855
Capital grants	-	-	203,192	199,462	-	-	-	591,320	102,078	-
Total business-type activities	<u>4,090,957</u>	<u>4,158,866</u>	<u>5,004,450</u>	<u>7,062,586</u>	<u>5,683,610</u>	<u>6,056,174</u>	<u>8,302,398</u>	<u>8,467,655</u>	<u>8,540,341</u>	<u>9,813,592</u>
Total primary government program revenues	<u>\$ 6,670,512</u>	<u>\$ 6,422,648</u>	<u>\$ 7,305,913</u>	<u>\$ 10,005,970</u>	<u>\$ 8,368,176</u>	<u>\$ 10,156,861</u>	<u>\$ 11,009,831</u>	<u>\$ 11,365,554</u>	<u>\$ 14,236,601</u>	<u>\$ 15,326,640</u>

Source: City of Kingsburg Finance Department

**CITY OF KINGSBURG
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**
(Continued)

	FISCAL YEARS									
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Net (expense)/revenue:										
Governmental activities	\$ (2,461,884)	\$ (2,376,631)	\$ (2,467,962)	\$ (1,891,226)	\$ (1,887,295)	\$ (1,219,756)	\$ (3,712,251)	\$ (4,801,859)	\$ (3,572,289)	\$ (3,195,587)
Business-type activities	(923,279)	(972,133)	(296,593)	1,716,139	(143,896)	(105,386)	(313,514)	46,779	519,818	1,259
 Total primary government (expenses) revenue, net	<u>\$ (3,385,163)</u>	<u>\$ (3,348,764)</u>	<u>\$ (2,764,555)</u>	<u>\$ (175,087)</u>	<u>\$ (2,031,191)</u>	<u>\$ (1,325,142)</u>	<u>\$ (4,025,765)</u>	<u>\$ (4,755,080)</u>	<u>\$ (3,052,471)</u>	<u>\$ (3,194,328)</u>
 GENERAL REVENUES:										
Governmental activities:										
Taxes:										
Property taxes	\$ 1,105,258	\$ 880,544	\$ 877,251	\$ 891,467	\$ 1,128,016	\$ 1,072,835	\$ 1,422,746	\$ 1,472,558	\$ 1,665,338	\$ 1,780,984
Sales and use taxes	986,848	894,327	1,123,783	1,195,203	953,113	1,051,840	982,698	2,460,290	3,092,695	3,590,893
Franchise taxes	324,743	332,448	329,884	227,745	371,609	375,520	483,749	433,177	476,016	519,474
Other taxes	-	-	-	-	-	-	-	-	-	-
Special assessments	269,198	265,045	284,800	227,861	243,108	249,630	243,785	239,557	-	-
Business licenses and transient occupancy taxes	319,203	343,694	409,513	421,535	471,331	515,696	539,949	538,169	320,034	295,857
Motor vehicle in-lieu	839,275	829,356	852,912	890,591	959,489	1,051,648	1,081,176	1,105,422	1,164,984	1,185,675
Investment earnings	384,396	372,519	294,378	281,981	190,689	205,053	227,180	211,383	210,807	124,720
Miscellaneous	143,316	172,589	123,042	160,211	133,675	90,403	63,707	267,498	843,455	242,866
Gain/Loss on sale of capital assets	-	-	-	1,113,000	-	-	-	-	-	-
Transfers	(688,126)	(826,055)	(794,705)	(1,126,357)	(783,000)	(383,000)	(179,000)	(350,000)	(500,000)	(300,000)
Extraordinary item-RDA dissolution	(224,517)	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>3,459,594</u>	<u>3,264,467</u>	<u>3,500,858</u>	<u>4,283,237</u>	<u>3,668,030</u>	<u>4,229,625</u>	<u>4,865,990</u>	<u>6,378,054</u>	<u>7,273,329</u>	<u>7,440,469</u>
Business-type activities:										
Investment earnings	-	936	1,081	1,321	3,291	6,750	24,500	79,703	107,045	20,983
Miscellaneous	787	826,055	-	-	-	-	-	-	-	-
Transfers	702,034	-	794,705	1,126,357	783,000	383,000	179,000	350,000	500,000	300,000
Extraordinary item-settlement revenue	-	-	-	-	-	-	5,000,000	-	-	-
Total business-type activities	<u>702,821</u>	<u>826,991</u>	<u>795,786</u>	<u>1,127,678</u>	<u>786,291</u>	<u>389,750</u>	<u>5,203,500</u>	<u>429,703</u>	<u>607,045</u>	<u>320,983</u>
 Changes in net position:										
Governmental activities	997,710	887,836	1,032,896	2,392,011	1,780,735	3,009,869	1,153,739	1,576,195	3,701,040	4,244,882
Business-type activities	(220,458)	(145,142)	499,193	2,843,817	642,395	284,364	4,889,986	476,482	1,126,863	322,242
 Total primary government changes in net position	<u>\$ 777,252</u>	<u>\$ 742,694</u>	<u>\$ 1,532,089</u>	<u>\$ 5,235,828</u>	<u>\$ 2,423,130</u>	<u>\$ 3,294,233</u>	<u>\$ 6,043,725</u>	<u>\$ 2,052,677</u>	<u>\$ 4,827,903</u>	<u>\$ 4,567,124</u>

Source: City of Kingsburg Finance Department

**CITY OF KINGSBURG
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED BASIS OF ACCOUNTING)**

	FISCAL YEARS									
	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>
General Fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ 162,769	\$ 130,397	\$ 96,706	\$ 61,652	\$ 25,180	\$ -	\$ -
Committed	-	-	-	-	-	-	-	3,360,441	2,507,499	3,213,399
Unassigned	<u>1,086,800</u>	<u>1,232,012</u>	<u>1,461,498</u>	<u>2,443,302</u>	<u>2,629,738</u>	<u>3,531,436</u>	<u>4,491,553</u>	<u>1,968,125</u>	<u>2,644,962</u>	<u>2,878,456</u>
Total General Fund	<u>\$ 1,086,800</u>	<u>\$ 1,232,012</u>	<u>\$ 1,461,498</u>	<u>\$ 2,606,071</u>	<u>\$ 2,760,135</u>	<u>\$ 3,628,142</u>	<u>\$ 4,553,205</u>	<u>\$ 5,353,746</u>	<u>\$ 5,152,461</u>	<u>\$ 6,091,855</u>
All Other Governmental Funds:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 3,957,000	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	9,856,824	9,783,215	9,678,997	8,593,486	4,621,378	8,540,239	9,169,130	4,314,137	11,157,339	12,661,892
Unassigned	<u>(1,937,912)</u>	<u>(1,646,087)</u>	<u>(1,108,285)</u>	<u>(809,095)</u>	<u>(1,150,379)</u>	<u>(465,268)</u>	<u>(374,335)</u>	<u>4,428,564</u>	<u>(172,877)</u>	<u>(604,512)</u>
Total all other governmental funds	<u>\$ 7,918,912</u>	<u>\$ 8,137,128</u>	<u>\$ 8,570,712</u>	<u>\$ 7,784,391</u>	<u>\$ 7,427,999</u>	<u>\$ 8,074,971</u>	<u>\$ 8,794,795</u>	<u>\$ 8,742,701</u>	<u>\$ 10,984,462</u>	<u>\$ 12,057,380</u>

Source: City of Kingsburg Finance Department

**CITY OF KINGSBURG
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED BASIS OF ACCOUNTING)**

	FISCAL YEARS									
	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>
REVENUES										
Taxes	\$ 2,952,582	\$ 2,626,639	\$ 2,874,558	\$ 2,806,079	\$ 2,978,556	\$ 3,079,961	\$ 3,494,437	\$ 4,955,546	\$ 5,500,950	\$ 6,241,264
Licenses and permits	840,982	972,680	1,004,639	1,050,552	334,854	636,645	372,683	308,666	619,929	564,818
Intergovernmental revenue	1,250,400	1,945,310	1,988,815	2,685,956	2,965,168	3,298,906	2,438,320	3,070,976	3,450,740	4,161,013
Charges for services	254,067	261,621	331,805	358,346	326,563	384,310	451,115	391,458	375,013	321,432
Fines and penalties	31,262	28,912	24,930	14,854	18,693	12,677	15,464	20,424	11,679	5,023
Development fees	134,788	132,633	393,690	206,034	229,372	1,005,356	689,517	541,125	2,557,760	1,778,943
Interest	384,398	372,522	294,376	281,982	190,689	205,053	227,180	211,383	210,808	124,720
Other revenue	145,219	174,619	123,834	170,895	133,675	90,403	63,707	267,498	843,455	242,866
Total revenues	<u>5,993,698</u>	<u>6,514,936</u>	<u>7,036,647</u>	<u>7,574,698</u>	<u>7,177,570</u>	<u>8,713,311</u>	<u>7,752,423</u>	<u>9,767,076</u>	<u>13,570,334</u>	<u>13,440,079</u>
EXPENDITURES										
Current:										
General Government	547,042	647,725	754,204	630,146	726,070	972,276	893,467	923,719	1,172,306	1,147,009
Parks and community services	339,590	314,095	339,903	374,605	351,214	380,758	448,594	490,816	442,329	587,292
Public Safety	1,531,296	1,724,612	1,830,589	1,805,649	1,919,580	2,055,197	2,305,276	2,718,914	3,959,415	4,054,682
Public Works	904,472	429,704	453,140	461,645	438,132	397,214	408,377	708,016	571,131	564,783
Tax pass-through	153,500	-	-	-	-	-	-	-	-	-
Highway and streets	-	438,270	433,283	372,677	574,122	613,152	542,592	561,280	564,402	548,923
Planning and community development	191,037	166,744	104,194	189,215	315,118	311,654	355,537	395,608	547,095	641,648
Capital outlay	1,552,710	840,407	1,069,364	1,633,605	1,297,259	2,080,185	493,628	2,404,518	3,334,931	3,176,074
Debt service:										
Principal	715,272	265,000	265,000	5,190,000	317,349	292,914	314,516	314,697	304,370	290,633
Interest and fiscal charges	543,079	498,896	441,557	478,100	163,665	179,620	166,549	151,061	133,879	116,723
Bond issuance costs	-	-	-	268,580	-	-	-	-	-	-
Total expenditures	<u>6,477,998</u>	<u>5,325,453</u>	<u>5,691,234</u>	<u>11,404,222</u>	<u>6,102,509</u>	<u>7,282,970</u>	<u>5,928,536</u>	<u>8,668,629</u>	<u>11,029,858</u>	<u>11,127,767</u>
Excess of revenues Over (under) Expenditures	<u>(484,300)</u>	<u>1,189,483</u>	<u>1,345,413</u>	<u>(3,829,524)</u>	<u>1,075,061</u>	<u>1,430,341</u>	<u>1,823,887</u>	<u>1,098,447</u>	<u>2,540,476</u>	<u>2,312,312</u>
OTHER FINANCING SOURCES (USES)										
Transfers in	1,325,075	425,271	337,833	230,168	499,805	294,677	585,473	153,715	155,000	205,000
Transfers out	(2,013,201)	(1,251,326)	(1,132,538)	(1,356,525)	(1,282,805)	(677,677)	(764,473)	(503,715)	(655,000)	(505,000)
Capital lease	-	-	-	-	80,000	-	-	-	-	-
Total other financing sources (uses)	<u>(688,126)</u>	<u>(826,055)</u>	<u>(794,705)</u>	<u>(1,126,357)</u>	<u>(703,000)</u>	<u>(383,000)</u>	<u>(179,000)</u>	<u>(350,000)</u>	<u>(500,000)</u>	<u>(300,000)</u>
EXTRAORDINARY ITEM										
RDA dissolution	<u>(738,672)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>\$ (1,911,098)</u>	<u>\$ 363,428</u>	<u>\$ 550,708</u>	<u>\$ (4,955,881)</u>	<u>\$ 372,061</u>	<u>\$ 1,047,341</u>	<u>\$ 1,644,887</u>	<u>\$ 748,447</u>	<u>\$ 2,040,476</u>	<u>\$ 2,012,312</u>
Debt service as a percentage of noncapital expenditures	25.55%	17.03%	15.29%	58.01%	10.01%	9.08%	8.85%	7.44%	5.70%	4.84%

Source: City of Kingsburg Finance Department

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

Fiscal Year	Real Property		Personal Property		Exemption Real Property	Net	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		Assessed Value	Estimated Actual Value
2011	657,011,437	657,011,437	31,508,270	31,508,270	13,192,500	675,327,207	688,519,707
2012	645,899,699	645,899,699	34,245,120	34,245,120	12,790,300	667,354,519	680,144,819
2013	671,443,117	671,443,117	28,981,580	28,981,580	12,806,700	687,617,997	700,424,697
2014	701,662,334	701,662,334	29,990,240	29,990,240	12,499,900	719,152,674	731,652,574
2015	877,189,470	877,189,470	50,748,640	50,748,640	12,285,700	915,652,410	927,938,110
2016	947,962,408	947,962,408	68,868,920	68,868,920	11,904,300	1,004,927,028	1,016,831,328
2017	981,408,294	981,408,294	65,683,876	65,683,876	11,530,500	1,035,561,670	1,047,092,170
2018	1,019,962,455	1,019,962,455	51,286,384	51,286,384	11,203,500	1,060,045,339	1,071,248,839
2020	1,087,881,484	1,087,881,484	44,222,390	44,222,390	11,007,500	1,121,096,374	1,132,103,874
2021	1,108,598,397	1,108,598,397	44,135,237	44,135,237	10,865,700	1,141,867,934	1,152,733,634

Source: Fresno County Auditor/Controller

**CITY OF KINGSBURG
 ASSESSED VALUE OF TAXABLE PROPERTY
 LAST FIVE FISCAL YEARS**

Fiscal Year End	Residential Property	Commercial Property	Industrial Property	Other Property	Unsecured Property	Less Tax- Exempt Property	Taxable Assessed Value	Total	Estimated Actual Taxable Value ⁽²⁾	Factor of Taxable Assessed Value ⁽²⁾
								Direct Tax Rate ⁽¹⁾		
2016-17	\$ 648,069,132	\$ 121,712,507	\$ 155,223,530	\$ 34,710,051	\$ 68,825,940	\$ 23,725,212	\$ 1,004,815,948	1.10283	\$ 1,142,033,614	1.13656
2017-18	680,632,513	126,149,224	147,261,420	35,594,962	65,643,166	22,437,155	1,032,844,130	1.155064	1,141,242,154	1.10495
2018-19	725,665,588	126,738,869	146,395,878	43,805,088	51,769,384	34,329,468	1,060,045,339	1.145616	1,321,236,906	1.24640
2019-20	770,982,279	132,721,111	145,289,353	56,919,372	44,947,600	29,932,131	1,120,927,584	1.141002	1,328,422,713	1.18511
2020-21	794,587,439	136,342,357	146,092,510	67,359,507	44,404,487	47,075,116	1,141,711,184	1.51188	1,316,087,978	1.15273

Source: Avenu Insights & Analytics

2015-16 is the City's first ACFR publication, therefore prior year data availability is limited.

Other property includes state unitary in the amount of \$39,659.

⁽¹⁾ Total Direct Tax Rate is represented by TRA 6-000.

⁽²⁾ Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sale prices.

Based on these calculations a factor was extrapolated and applied to current assessed values.

**CITY OF KINGSBURG
TAX REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES
LAST TEN FISCAL YEARS**

Fiscal Year	Property	Sales	Franchise	Motor Vehicle	Other Taxes	Total
2011-2012	1,105,258	986,848	324,743	839,275	588,401	3,844,525
2012-2013	880,544	894,327	332,448	829,356	608,739	3,545,414
2013-2014	877,251	1,123,783	329,884	852,912	694,313	3,878,143
2014-2015	891,467	1,195,203	227,745	890,591	649,396	3,854,402
2015-2016	1,128,016	953,113	371,609	959,489	714,439	4,126,666
2016-2017	1,072,835	1,051,840	375,520	1,051,648	765,326	4,317,169
2017-2018	1,422,746	982,698	483,749	1,081,176	783,734	4,754,103
2018-2019	1,472,558	2,460,290	433,177	1,105,422	777,726	6,249,173
2019-2020	1,665,338	3,092,695	476,016	1,164,984	320,034	6,719,067
2020-2021	1,780,984	3,590,893	519,474	1,185,675	295,857	7,372,883

Source: City of Kingsburg Finance Department

**CITY OF KINGSBURG
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST FIVE FISCAL YEARS**

	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>
Basic City and County Levy					
FRESNO CO LIBRARY	0.017500	0.017500	0.017500	0.017500	0.017500
KINGSBURG CEMETARY	0.013880	0.013880	0.013880	0.013880	0.013880
KINGSBURG HOSPITAL	0.043010	0.043010	0.043010	0.043010	0.043010
CONSOLIDATED MOSQ	0.008160	0.008160	0.008160	0.008160	0.008160
KINGSBURG ELEM	0.168810	0.168810	0.168810	0.168810	0.168810
KINGSBURG HIGH	0.166870	0.166870	0.166870	0.166870	0.166870
STATE CENTER COMM	0.051700	0.051700	0.051700	0.051700	0.051700
SCH EQUALIZATION	0.029850	0.029850	0.029850	0.029850	0.029850
CITY OF KINGSBURG	0.167150	0.167150	0.167150	0.167150	0.167150
FRESNO COUNTY	0.333070	0.333070	0.333070	0.333070	0.333070
TOTAL	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>
Override Assessments					
STATE CC 2012 REF	0.002562	0.002580	0.002284	0.002044	0.001944
KINGSBURG JUES 16 REF	0.016346	0.002584	0.006122	0.005328	0.030188
KINGSBURG 2004 BD	0.010330	0.001456	0.000000	0.000000	0.000000
KINGSBURG 2006 REF	0.005576	0.017282	0.019682	0.018148	0.000000
KNGSBG HS 06 S08	0.001722	0.000000	0.000000	0.000000	0.000000
KINGSBURG HIGH 16 REF	0.027752	0.028416	0.028298	0.026658	0.027164
KINGSBURG HI 98	0.027536	0.029258	0.027426	0.025948	0.028058
KINGSBURG 2006	0.000000	0.000000	0.000000	0.000000	0.000000
KINGSBURG 2013 REF	0.000000	0.000000	0.000000	0.000000	0.000000
KINGSBURG HI 14A	0.005088	0.007664	0.007552	0.007180	0.007272
KINGSBURG HI 14B	0.000000	0.017210	0.014906	0.013522	0.015026
KINGS JUES 2016 A	0.000000	0.025260	0.018664	0.018432	0.006470
KINGS JUES 2016 B	0.000000	0.000000	0.000000	0.000000	0.011338
ST COL 2002 2007A	0.001724	0.000000	0.000000	0.000000	0.000000
ST COLL 02 S 09A	0.000482	0.000452	0.000452	0.000000	0.000000
ST COLL 02 S 09B	0.000540	0.000514	0.000504	0.000000	0.000000
STATE CCC 15 REF	0.003172	0.004056	0.004286	0.004614	0.004272
ST COLL 2016 GO A	0.000000	0.018332	0.015440	0.014730	0.000002
STATE CC 17 REF	0.000000	0.000000	0.000000	0.000440	0.000002
STATE CC 02 S 18A	0.000000	0.000000	0.000000	0.003958	0.002750
STATE CCC 16 B	<u>0.000000</u>	<u>0.000000</u>	<u>0.000000</u>	<u>0.000000</u>	<u>0.016702</u>
TOTAL	<u>0.102830</u>	<u>0.155064</u>	<u>0.145616</u>	<u>0.141002</u>	<u>0.151188</u>
TOTAL TAX RATE	<u>1.102830</u>	<u>1.155064</u>	<u>1.145616</u>	<u>1.141002</u>	<u>1.151188</u>

Source: Fresno County Auditor/Controller data, Avenu Insights & Analytics

2015-16 is the City's first ACFR publication, therefore prior year data availability is limited.

TRA 6-000 is represented for this report

*In 1978, California voters inacted Proposition 13 which held property taxes to 1% of the assessed Value.

Taxing entity's do not impose mileage rates but instead receive a share of the total 1% tax.

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

Taxpayer	2020-2021		2010-11	
	Taxable Value (\$)	Percent of Total	Taxable Value (\$)	Percent of Total
		City Taxable Value (%)		City Taxable Value (%)
Guardian Industries Corporation	70,081,757	6.14%		
Sun-Maid Raisin Growers of California	67,547,561	5.92%		
PCA Central California	16,826,000	1.47%		
Alves George J & Louise N L Trustees	11,298,443	0.99%		
Kingsburg Kings Pointe LLC	11,039,287	0.97%		
K Prop LLC	9,773,998	0.86%		
JBBBS LLC	9,663,412	0.85%		
Superb Hospitality LLC	7,772,443	0.68%	7,644,934	1.13%
Calico-Kingsburg LLC	5,859,831	0.51%		
DFA of California	5,191,579	0.45%		
PLT Kingsburg LLC	5,156,700	0.45%	4,555,000	0.67%
Cencal CNC Inc	3,984,200	0.35%		
RMP Properties LLC	3,981,465	0.35%	3,398,686	0.50%
Vie-Del Company	3,902,574	0.34%		
Foster Poultry Farms	3,873,300	0.34%	1,571,241	0.23%
KES Kingsburg L P	3,673,800	0.32%		
MSYS LLC	3,541,170	0.31%		
Shahbazian John & Linda Trustees	3,489,848	0.31%	1852675	0.27%
Kingsburg Investments LLC	3,323,817	0.29%	3,192,272	0.47%
Public Properties Inc	3,238,747	0.28%		
Gong Billy Kwock Trustee	3,146,723	0.28%	2,787,359	0.41%
Wiebe Abe Ann Trustees	2,904,415	0.25%	2,479,291	0.37%
Sai Hospitality LLC	2,789,460	0.24%		
Alamsi Ahmed	2,758,100	0.24%		
Kingsburg Court LLC	2,596,641	0.23%	2,624,578	0.39%
Del Monte Corp			31,833,298	4.72%
Silgan Containers Mfg. Corp			13,699,600	2.03%
Emster XII LLC			4,500,000	0.67%
Kings View LP			4,450,200	0.66%
Satterberg Estates LLC			4,174,577	0.62%
85 Almond St Inc.			2,853,959	0.42%
Park Kingsburg			2,678,000	0.40%
FILPER Corp			2,172,900	0.32%
Canzoneri Richard M Norma G Tr			2,164,299	0.32%
Henderson EZ Storage LP			1,982,939	0.29%
VBW Investments			1,955,800	0.29%
Comcast of Fresno Inc.			1,664,100	0.25%
Swedish Inn LLC			1,656,132	0.25%
Gianulias Vasio			1,507,400	0.22%
Serpa Matilda D Trustee			1,504,656	0.22%
Sushi Investors			1,395,930	0.21%
Total Top 25 Taxpayers	267,415,271	23.42%	110,299,826	16.34%
Total Taxable Value	1,141,711,184	100.00%	675,040,085	100.00%

Source: Avenu Insights & Analytics

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

Fiscal Year	Current Tax Levies	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections
2011-2012	1,772,100	1,772,100	100%	-	1,772,100
2012-2013	1,805,714	1,805,714	100%	-	1,805,714
2013-2014	1,847,084	1,847,084	100%	-	1,847,084
2014-2015	2,105,664	2,105,664	100%	-	2,105,664
2015-2016	1,916,057	1,916,057	100%	-	1,916,057
2016-2017	2,198,316	2,198,316	100%	-	2,198,316
2017-2018	2,270,184	2,270,184	100%	-	2,270,184
2018-2019	2,342,997	2,342,997	100%	-	2,342,997
2019-2020	2,377,674	2,377,674	100%	-	2,377,674
2020-2021	2,420,200	2,420,200	100%	-	2,420,200

Source: Fresno County Auditor/Controller

Notes: Revenue and Taxation Code Sections 7401 through 4717 provide for an alternative method of distribution of tax levies and collections known as the Teeter Plan. Fresno County distributes 100% of the current secured roll to the City of Kingsburg.

**CITY OF KINGSBURG
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities				Business Type Activities			Total Primary Government	Percentage of Estimate Actual Value of Taxable Property ⁽¹⁾
	Tax Allocation	CIEDB Police Bldg Loan	Capital Leases	Lease Revenue Bonds	Water Meter Capital Lease	CIEDB Water Loan			
	Bonds								
2012	2,800,000	-	-	2,894,777	-	2,592,390	8,287,167	1.24%	
2013	2,610,000	-	-	2,821,161	-	2,512,316	7,943,477	1.18%	
2014	2,425,000	-	-	2,742,545	1,093,774	2,429,858	8,691,177	1.30%	
2015	1,439,100	-	-	2,679,930	987,674	2,344,942	7,451,646	1.08%	
2016	1,262,900	-	68,853	2,570,000	878,011	2,257,496	7,037,260	0.98%	
2017	1,095,300	-	53,539	2,441,950	764,664	2,167,443	6,522,896	0.71%	
2018	911,600	-	37,693	2,327,960	647,510	2,074,708	5,999,471	0.60%	
2019	733,300	-	20,697	2,208,970	526,420	1,979,208	5,468,595	0.53%	
2020	570,900	-	3,732	2,084,980	401,264	1,880,863	4,941,739	0.47%	
2021	409,600	-	-	1,960,990	271,903	1,779,587	4,422,080	0.39%	

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

Source: City of Kingsburg Financial Report

⁽¹⁾ See the schedule of Assessed and Actual Value of Property.

**CITY OF KINGSBURG
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	General Debt Outstanding			Total Assessed Property Value	Population	Percent of Actual Taxable Value of Property	Per Capita
	General Fund Debt Outstanding	Less Amounts Available in Debt Service Fund	Total				
2011	5,694,777	235,000	5,459,777	675,327,207	11,590	0.81%	471
2012	5,431,161	270,000	5,161,161	667,354,519	11,685	0.77%	442
2013	5,167,545	270,000	4,897,545	687,617,997	11,711	0.71%	418
2014	4,119,030	306,200	3,812,830	719,152,674	12,101	0.53%	315
2015	3,901,753	277,600	3,624,153	915,652,410	12,101	0.40%	299
2016	3,590,789	144,006	3,446,783	1,004,927,028	12,338	0.34%	279
2018	3,277,253	174,572	3,177,461	1,035,561,670	12,253	0.31%	259
2019	2,962,967	192,881	2,770,086	1,060,045,339	12,392	0.26%	224
2020	2,659,612	211,273	2,448,339	1,121,096,374	12,883	0.22%	190
2021	2,370,590	277,418	2,093,172	1,141,867,934	12,883	0.18%	162

Source: City of Kingsburg Finance Department

**CITY OF KINGSBURG
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2021**

	Total Debt 6/30/2021	% Applicable	City's Share of Debt 6/30/2021
OVERLAPPING TAX AND ASSESSMENT DEBT:			
State Center Community College District	\$ 343,015,000	1.208%	\$ 4,143,621
Selma Unified School District	47,996,126	4.677%	2,244,779
Kingsburg Joint Union High School District	18,796,640	47.605%	8,948,140
Kingsburg Elementary Charter School District	18,157,316	62.771%	11,397,529
City of Kingsburg 1915 Act Bonds	197,000	100.000%	<u>197,000</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 26,931,069 ⁽¹⁾
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Fresno County General Fund Obligations	\$ 29,055,000	1.318%	\$ 382,945
Fresno County Pension Obligation Bonds	215,756,193	1.318%	2,843,667
Selma Unified School District Certificates of Participation	9,876,052	4.677%	461,903
Kingsburg Elementary Charter School District Certificates of Participation	3,455,118	62.771%	2,168,812
City of Kingsburg General Fund Obligations	1,975,000	100.000%	<u>1,975,000</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 7,832,327
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	\$ 80,000	100.000%	\$ 80,000
TOTAL DIRECT DEBT			\$ 1,975,000
TOTAL OVERLAPPING DEBT			\$ 32,868,396
COMBINED TOTAL DEBT			\$ 34,843,396 ⁽²⁾

⁽¹⁾ The percentage of overlapping debt applicable to the City is estimated using taxable assessed property value. Applicable percentage were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the City divided by the district's total taxable assessed value.

⁽²⁾ Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease

Ratios to 2020-2021 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	2.34%
Total Direct Debt (\$2,100,000)	0.17%
Combined Total Debt	3.02%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$118,505,737):

Total Overlapping Tax Increment Debt	0.07%
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Source: Avenu Insights & Analytics

**CITY OF KINGSBURG
LEGAL DEBT MARGIN INFORMATION
AS OF JUNE 30, 2021**

ASSESSSED VALUATION	
Assessed Value	\$ 1,141,867,934
Add back exempt property	<u>10,865,700</u>
Total Assessed Value	<u>1,152,733,634</u>
LEGAL BONDED DEBT LIMIT (15% OF ASSESSED VALUE)	
	172,910,045
AMOUNT OF DEBT SUBJECT TO LIMIT:	
Total Bonded debt	2,370,590
Less Tax Allocation Bonds not subject to limit	<u>-</u>
Amount Subject to limit	<u>2,370,590</u>
LEGAL BONDED DEBT MARGIN	<u>\$ 170,539,455</u>

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2012	103,277,956	2,920,000	100,357,956	2.91%
2013	102,021,723	2,845,000	99,176,723	2.87%
2014	105,063,705	2,845,000	102,218,705	2.78%
2015	109,747,886	2,765,000	106,982,886	2.58%
2016	139,190,717	2,570,000	136,620,717	1.88%
2017	152,524,699	3,537,250	148,987,449	2.37%
2018	157,063,826	3,239,560	153,824,266	2.11%
2019	160,687,326	2,942,270	157,745,056	1.87%
2020	169,815,581	2,655,880	167,159,701	1.59%
2021	172,910,045	2,370,590	170,539,455	1.39%

Source: Fresno County Auditor/Controller

**CITY OF KINGSBURG
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST FIVE FISCAL YEARS**

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Personal Income (2)	Median Age (4)	**Public School Enrollment	County Unemployment Rate (%) (3)	City Unemployment Rate (%) (3)	County Population (1)
2016-2017	12,338	333,693,548	27,046	34.7	3,391	9.4%	9.6%	995,975
2017-2018	12,253	352,478,498	28,767	34.2	3,390	8.7%	7.3%	1,007,229
2018-2019	12,392	376,006,738	30,343	34.1	3,396	6.4%	5.8%	1,018,241
2019-2020	12,883	406,565,321	31,558	35.2	3,333	15.7%	11.1%	1,023,358
2020-2021	13,084	445,686,311	34,063	34.8	3,307	11.3%	7.6%	1,026,681

Source: Avenu Insights & Analytics, U.S. Census Bureau, 2010 American Community Survey.

2015-16 is the City's first ACFR publication, therefore prior year data availability is limited.

(1) Population projections are provided by the California Department of Finance Projections.

(2) Income Data is provided by the U.S. Census Bureau, 2010 American Community Survey.

(3) Unemployment Data is provided by the EDD's Bureau of Labor Statistics Department.

(4) Median Age reflects the U.S. Census data estimation table.

**Student Enrollment reflects the total number of students enrolled in Kingsburg Elementary Charter and Kingsburg Joint Union High.

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

Business Name	2020-2021		2015-2016	
	Number of Employees	Percent of Total Employment (%)	Number of Employees	Percent of Total Employment (%)
Kingsburg Elementary Charter School District *	310	5.85%		0.00%
Guardian Industries Corporation	230	4.34%	298	5.14%
Kingsburg Joint Union High School District	140	2.64%		0.00%
Kingsburg Care Center **	93	1.75%		0.00%
Save Mart	89	1.68%	70	1.21%
Jensen McClarty LLC	67	1.26%	100	1.72%
Cencal CNC Inc.	78	1.47%		0.00%
Cornerstone Cold Storage ***	53	1.00%		0.00%
Kings River Union School District	55	1.04%	51	0.88%
City of Kingsburg	63	1.19%	46	0.79%
Kmart			70	1.21%
Nutrius			45	0.78%
Waste Connection			36	0.62%
Denny's			32	0.55%
Fairfield Inn & Suites			19	0.33%
Total Top 10 Employers	1,178	22.23%	767	13.22%
Total City Labor Force (1)	5,300		5,800	

Source: Avenu Insights & Analytics

2015-16 is the city's first ACFR publication, therefore, prior year data availability is limited.

Results based on direct correspondence with city's local businesses.

*Includes FTE, Substitutes & Coaches

** Includes FTE & On-call

*** Includes seasonal employees

(1) Total City Labor Force provided by EDD Labor Force Data.

**CITY OF KINGSBURG
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

Function/Programs	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
City Council	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
City Manager	1.00	1.00	1.00	1.00	1.00	1.44	1.42	1.50	1.35	1.34
City Clerk	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.20	1.00
Finance	1.00	1.00	1.00	1.00	1.00	1.00	0.95	1.00	5.00	0.95
Community Services	3.85	3.85	3.85	3.85	3.85	7.27	8.41	6.00	6.00	5.54
Human Resource	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Police Department	18.00	18.00	18.00	18.00	18.00	18.07	20.36	21.50	19.72	20.50
Planning & Development	0.25	0.25	0.55	0.55	1.35	2.00	2.00	2.00	2.00	2.00
Public Works	3.03	3.03	3.03	3.03	3.03	3.00	5.34	7.00	7.00	2.34
Total Governmental Activities	34.13	34.13	34.43	34.43	35.23	39.78	45.48	46.00	48.27	39.67
Business-Type-Activities										
Water	5.83	5.83	5.83	5.83	5.83	4.00	4.08	4.00	3.00	2.58
Solid Waste	2.05	2.05	2.05	2.05	2.05	2.00	2.13	-	-	2.58
Ambulance/Fire	9.50	9.20	9.50	12.50	12.50	11.70	11.27	14.50	15.00	14.50
Building Permit	0.65	0.65	0.65	1.35	-	-	-	-	-	-
Total Business Type Activities	18.03	17.73	18.03	21.73	20.38	17.70	17.48	18.50	18.00	19.66
Full Time Employees	52.16	51.86	52.46	56.16	55.61	57.48	62.96	64.50	66.27	59.33

Source: City of Kingsburg Finance Department

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
# of calls for service	15,644	17,424	19,109	12,736	8,125	9,840	9,635	9,003	8,599	9,153
# of arrests	427	361	370	369	276	383	388	309	165	286
# of traffic citations	532	502	655	293	302	657	815	715	229	586
Fire										
# of fire calls	317	380	509	598	441	622	495	560	536	653
# of EMS calls	1,613	1,450	1,594	1,651	1,285	1,768	1,657	1,894	2,084	2,157
# of inspections	6	14	10	8	6	10	6	24	150	225
Parks and Recreation										
# of recreation classes	5	5	5	5	5	5	6	6	2	6
# of facility rentals	276	278	304	341	303	251	292	309	103	230
Public Works										
# of street miles maintained	47.50	47.50	47.50	47.50	47.50	50.00	72.00	72.00	72.00	72.00
# of Facilities sq ft maintained	67,078	67,078	67,078	67,078	67,078	67,078	67,078	67,078	67,078	67,078
Utilities:										
# of utility accounts	3,446	3,589	3,602	3,607	3,614	3,666	3,701	3,732	3,818	3,894
Water Production volume (in millions)	1,240.30	1,343.70	1,129.00	837.50	805.24	980.18	878.10	844.01	930.01	1,072.97
Planning and Building										
# of building permits	255	241	233	388	310	416	379	426	684	889
# of planning applications	20	32	34	27	14	40	25	32	27	20
# of code complaints	-	-	-	30	50	14	61	321	162	231

Source: City of Kingsburg Finance Department

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	2	2	2	2	2	2	2	2	2	2
Public Utilities:										
Streets (miles)	47.50	47.50	47.50	47.50	47.50	50.00	72.00	72.00	72.00	72.00
Community Services:										
Parks	8	8	8	9	9	9	9	9	9	9
Utilities:										
Water Wells	8	8	8	8	8	8	8	8	8	8

Source: City of Kingsburg Finance Department