

CITY OF
CLOVIS
CALIFORNIA



Annual
Comprehensive
Financial
Report

For the Fiscal Year ended
June 30, 2021

***ANNUAL COMPREHENSIVE
FINANCIAL REPORT***

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

***CITY OF CLOVIS
CALIFORNIA***



JOSE FLORES, MAYOR

**LYNNE ASHBECK, MAYOR PRO-TEM
DREW BESSINGER, COUNCILMEMBER
VONG MOUANOUTOUA, COUNCILMEMBER
ROBERT WHALEN, COUNCILMEMBER**

LUKE SERPA, CITY MANAGER

Prepared by City of Clovis Finance Department

Jay Schengel, Finance Director

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I N T R O D U C T I O N S E C T I O N



CITY *of* CLOVIS

1033 FIFTH STREET • CLOVIS, CA 93612

November 15, 2021

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Clovis:

It is with pleasure that I present to you the City of Clovis Annual Comprehensive Financial Report (ACFR). This report has been formatted to comply with the financial reporting model as prescribed by the Governmental Accounting Standards Board (GASB). These statements have been audited in accordance with Generally Accepted Auditing Standards (GAAS) by a firm of licensed certified public accountants as required by State law. Pursuant to that requirement, we hereby issue the ACFR of the City of Clovis of the fiscal year ended June 30, 2021.

This report consists of management's representations concerning the finances of the City of Clovis. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management of the City of Clovis has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Clovis' financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City of Clovis' comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Clovis' financial statements have been audited by The Pun Group LLP. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Clovis for the fiscal year ended June 30, 2021, are 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. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion that the City of Clovis' financial statements for the fiscal year ended June 30, 2021, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP 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 MD&A and should be read in conjunction with it. The City of Clovis' MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Clovis, incorporated in 1912, as a general law City of the State of California, is located near the middle of the state in the San Joaquin Valley. The Central Valley is considered to be a national and world leader in the agricultural industry. The City of Clovis currently occupies over 25 square miles and serves a population of 121,834.

The City of Clovis operates under the council-manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the mayor and four other members. The council is elected on a non-partisan basis. Council members serve four-year staggered terms, with two council members elected in one election and three elected in another election, separated by two years. The mayor is selected from among the council members by the council members and serves a two-year term. All five members of the governing board are elected at large. The council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City's manager and attorney. The City manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments.

The City of Clovis provides a full range of services, including police and fire protection; the construction, maintenance, and cleaning of streets and other infrastructure; planning and development services; water service; refuse collection, disposal, and recycling services; sewer service; storm drainage; transit services; recreation activities and cultural events; and general administration.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriations to the City manager during the second week of March each year. The City manager uses these requests along with input from the council to develop a proposed budget. By the second Monday in May the proposed budget is presented to the City council for review. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 30, the close of the City of Clovis' fiscal year. The appropriated budget is prepared by fund and department. The City manager may make transfers of appropriations between departments within a specific fund of up to \$5,000 and up to \$2,500 from reserves. Transfers in excess of those amounts require council action. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, the budget-to-actual comparison is presented on page 35 as part of the basic financial statements. For all other governmental funds with appropriated annual budgets, other than the general fund, this comparison is presented in the governmental fund subsection of this report, which starts on page 88.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Clovis operates.

Local economy. In March of 2020, it became apparent the spread of the novel coronavirus was going to severely disrupt the economy. This disruption did not spare the City of Clovis, but the severity of the impact has not been as deep as expected. The City has enjoyed higher than average retail sales when compared to other cities and the state, and significantly better occupancy at hotels than both forecasted and experienced elsewhere. Sales taxes had large increases from budgeted projections that were not expected due the accelerated pace of online sales in response to the pandemic. Building activity is continuing to beat the 10-year average and is expected to remain that way for the next year. While the City's unemployment rate spiked from 3.2% to 12.1% in June of 2020, the economy has been rebounding and showing strength despite numerous closure orders and an uncertain environment. In June of 2021 the City's unemployment decreased to 6.0%, which was lower than the Fresno County rate of 9.4%, the State of California average of 8.0%, and slightly less than the national average of 6.1%.

The City experienced a 2.2% growth in population in 2021 compared to the 10-year average growth rate of 2.3%. The City is seeing demand for retail space as a closed Pier 1 store was demolished to make way for a new restaurant and the City is working toward filling a few big box vacancies such as the recently closed Sears store at Sierra Vista Mall. In addition, one hotel was completed and one more is under construction. This will more than double the room count in the City in the next few years. Clovis Community Hospital continued construction on another bed tower building and recently completed additional medical offices and a heart and lung institute. This expansion continues to be one of the biggest job creation projects in Fresno County in recent years. Also, California Health Sciences University has completed its first building that will house a medical doctoral program near the hospital and has completed its first year of operations. The City is seeing a boost in office and industrial development with Cabinet Connections, a cabinet manufacturer, becoming fully operational in Clovis, along with many other small professional offices, such as an engineering consulting firm and industrial users developing in the City's business parks. The County of Fresno is continuing to move 2,000 employees into the City of Clovis including converting a vacant Costco store into class A office. This activity demonstrates the City is moving forward with job generation despite the pandemic and continues to grow.

Major employers include Costco with over 300 employees, Clovis Community Hospital with over 2,100 employees, Wawona Frozen Foods with over 500 employees, Anlin Industries with 400 employees and the largest employer, Clovis Unified School District with over 5,000 employees. Of the 34,231 total jobs in Clovis, 7,190 jobs are generated by the top ten employers. The City has a total labor-force of 55,000 with many Clovis residents employed outside of the City limits.

The expansion to the Dry Creek Industrial Park added 44 lots on 30 acres bringing the total park to approximately 64 lots on 60 acres. Demand has been high for the space in the park by professional and industrial users and is expected to add to employment growth in the City as buildings are now underway with many completed. The California Health Sciences University opened its permanent campus at the City's Central Valley Research and

Technology Park with plans for 2,000 students and several hundred employees. The School will offer additional areas of discipline as it expands. The City has sold 13 acres to an industrial developer and the developer has received entitlements to construct approximately 400,000 square feet of space and another industrial developer has received building permits to construct 400,000 of industrial space in the Clovis Industrial Park.

The City of Clovis is part of the Fresno/Clovis Metropolitan Area. This includes the City of Clovis, City of Fresno and developed areas of the County of Fresno in and around the cities of Clovis and Fresno. The population of Fresno County is 1,033,303 as of January 1, 2021. There are approximately 402,000 jobs in Fresno County. The county-wide unemployment rate is 9.4%, which is about the same as last year. Normally the area experiences higher unemployment rates than other counties since Fresno County has a high agricultural employment sector. The City of Clovis has an unemployment rate of 6.0% with 52,600 employed out of a workforce of 55,000.

Long-term financial planning. As part of the City of Clovis land use planning process, the City's completed General Plan is at the top of the City's land use regulation hierarchy. It is the foundation for most of the Council's budgeting decisions in terms of capital facilities, staffing, programs, utility infrastructure, and levels of service; it establishes a land use pattern for lands beyond the City limit; it provides the vision and guidance for capital improvements and the development of City infrastructure; and it is used to create development impact fees and provides the basis for environmental analysis of the growth of the City. The plan is intended to guide development for a period of ten years and will be the basis of the City's annual 5 year operating and capital forecast.

Part of the previous General Plan was the construction of a wastewater treatment plant to serve the needs of the new growth area. The plant is expected to accommodate growth through 2023 when construction of phase two of the facility is anticipated. The wastewater treatment plant creates approximately 2.4 million gallons of disinfected recycled water each day and distributes this water through a "purple pipe" distribution system for landscape irrigation throughout the east side of the City. The reuse of this water will help conserve and manage a limited water supply. The City also obtained long-term financing for the purchase of various fire vehicles, police vehicles and for the installation of LED lighting in City facilities. The City considers long-term financing appropriate to provide funding for larger Community Improvement Projects.

Also, to finance current growth, the City has in place a variety of user and developer fees to pay for streets, parks, water wells and lines, and sewer lines. The City reviews these fees on an annual basis to assure that the fee structure is in line with the cost of construction. The Water and Sewer Funds have approved annual increases of 3% into the future if necessary. The Community Sanitation Fund has approved annual increases of 4% into the future if needed. For fiscal year 2020/21, the City implemented a 3% increase in water rates, a 4% increase in recycling and green-waste rates and a 2% increase in refuse and disposal rates. The Sewer Fund will not have a rate increase and the \$7.30 bond surcharge will continue to be fully rebated.

Structurally Balanced Budget Policy. Prior to the economic recession, in fiscal year 2006/07, the City Council utilized the emergency reserve when budgetary demand for services exceeded available resources. However, with a decline in building activity beginning in the fall of 2007, the City Council acted quickly to cut costs and services to ensure a

balanced budget. Although it was necessary in 2007/08 to utilize additional funds from the emergency reserve, the efforts of the Council to develop a “structurally balanced budget” has paid off and the reserve has been rebuilt from 5.5% of expenditures in 2007/08 to 19.0% of the 2021/22 general fund budgeted expenditures. The Council is determined to maintain a structurally balanced budget where current estimated expenditures are within projected current revenues in order to provide budgetary stability for all operating budgets.

Assigned for Emergencies. The City currently has a policy to assign a portion of its fund balance for emergencies. These emergencies can range from major catastrophic incidents to significant economic downturns. The City Council annually considers an increase in the fund balance assigned for emergencies whenever there is unexpected or one-time revenue or expenditure savings are realized. The use of the assigned fund balance must be approved by 4/5ths of the Council.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Clovis for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. This was the thirty second consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated July 1, 2021. In order to qualify for the Distinguished Budget Presentation Award, the governments' budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report has been accomplished with the efficient and dedicated service of the City's Finance Department. I would like to express my appreciation to everyone who assisted in its preparation, especially, Gina Daniels, Jeff Blanks, Susan Evans, Calvin Campbell, Elena Mendrin, Jose Reynoso and Jose Cortez.

Respectfully submitted,



Jay Schengel, CPA
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Clovis
California**

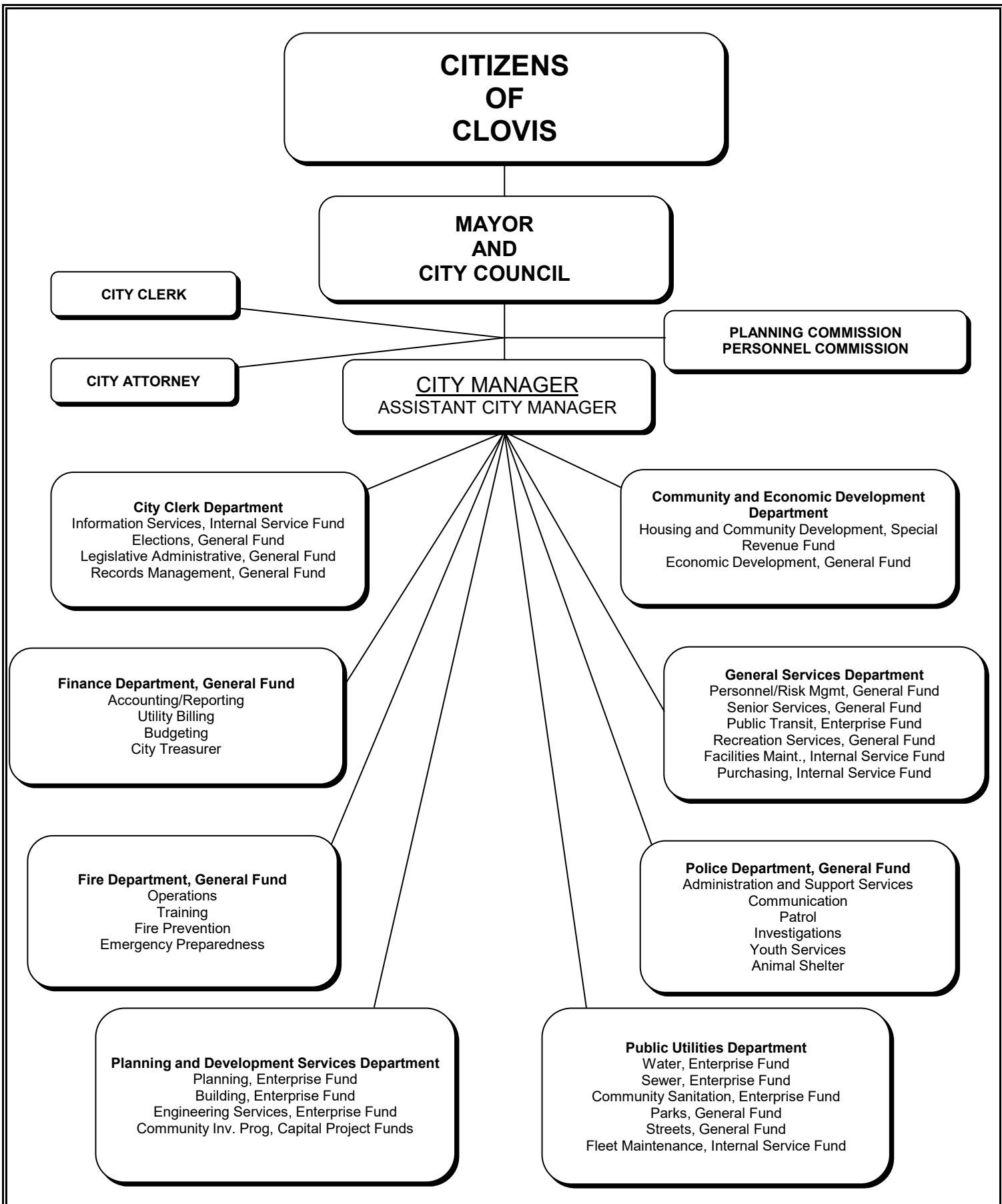
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

CITY OF CLOVIS ORGANIZATION CHART



CITY OF CLOVIS
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2021

Title

Name

City Manager

Luke Serpa

Assistant City Manager/City Clerk

John Holt

*Community & Economic
Development Director*

Andrew Haussler

Finance Director/City Treasurer

Jay Schengel

Fire Chief

John Binaski

General Services Director

Shonna Halterman

Planning & Development Services Director

Renee Mathis

Police Chief

Curt Fleming

Public Utilities Director

Scott Redelfs

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of City Council
of the City of Clovis
Clovis, California

Report on 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 Clovis, 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, and the respective budgetary comparison schedule for the General Fund, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Implementation of New GASB Pronouncements

As discussed in Note I.D.14 to the basic financial statements, the City implemented Governmental Accounting Standards Board ("GASB") Statements No. 84, *Fiduciary Activities* and No. 87, *Leases* during the year. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules, the Schedules of Changes in Net Pension Liability and Related Ratios, and the Schedule of Pension Contributions 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 as a whole. The Introductory Section, the Combining and Individual Nonmajor Fund Financial Statements, the Budget Comparison Schedules, and the 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

To the Honorable Mayor and Members of City Council
of the City of Clovis
Clovis, California
Page 3

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2021 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 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 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.

A handwritten signature in black ink that reads "The PwC Group, LLP". The signature is written in a cursive, flowing style.

San Diego, California
November 15, 2021

Management's Discussion and Analysis

This discussion and analysis of the City of Clovis' financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to those financial statements.

Financial Highlights

The City's government-wide total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources (net position) at the close of the fiscal year by \$886 million, which is 4% more than 2020. Of this amount, \$76 million is in unrestricted net position, which is available to meet the City's ongoing commitments to citizens and creditors.

The City's General Fund, including Landscape Maintenance, Parking and Business Improvement (PBIA), and Supplemental Law Enforcement, ended the year with a fund balance of \$25 million, which represents a net increase of \$1 million from the previous year. The unassigned balance of \$1 million is available for carryover to fund future general fund expenditures.

During the year, previously approved rate increases of 4% were implemented for recycling and green waste programs along with a 2% increase in the refuse collection and disposal program. A 3% increase in the Water Fund was also implemented during the 2021 fiscal year. In addition, Council voted to rebate the full sewer bond surcharge of \$7.30 per month.

Overview of the Financial Statements

This annual report consists of a series of financial statements. These statements include all activities of the City of Clovis, using the integrated approach as prescribed by GASB Statement No. 34. The Statement of Net Position and Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements tell how these services are financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside the Government.

Reporting the City as a Whole

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances. These statements include all assets and liabilities of the City using the *accrual basis of accounting*, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid out.

The *statement of net position* presents information on all the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as one indicator of whether the City's financial position is improving or deteriorating.

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

The government-wide financial statements of the City are divided as follows:

Governmental Activities: Most of the City's basic services are included here such as public safety, transportation (street and roads), community development, culture and recreation and general government. These services are primarily financed by property and sales taxes and federal and state grants.

Business-type Activities: The City charges fees to customers to cover the costs of services provided. The City's utilities, water, sewer, community sanitation (refuse and street cleaning), planning and development services as well as public transit services are included here.

The government-wide financial statements can be found on pages 30-31 of this report.

Fund financial statements. The 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 into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on 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 government's near-term financing requirements.

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 Clovis maintains seven individual governmental funds. Information is presented separately in the governmental funds' balance sheet and in the governmental funds' statement of revenues, expenditures, and changes in fund balances for the General Fund and the Local Transportation Fund, both of which are considered major funds. Data from the other five funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for the General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance to this budget. The basic governmental fund financial statements can be found on pages 32-35 of this report.

Proprietary funds. The City has two different types of proprietary funds, enterprise funds and internal service funds. 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, and includes community sanitation, sewer disposal, water, transit and planning and development services. Internal service funds are used to account for activities that are supported by user charges primarily to the City's other programs and activities and include employee benefits, general services, self-insurance and fleet services. Because all these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the enterprise funds since they are all major funds. All the internal service funds are combined into a single, aggregated presentation in the fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. The basic proprietary fund financial statements can be found on pages 36-41 of this report.

Fiduciary funds. Fiduciary funds are used 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 42-43 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund statements. The notes to the financial statements can be found on pages 44-79 of this report.

Government-wide Financial Analysis

Below is a table showing the City's net position for the fiscal year ended June 30, 2021, with comparative data for the fiscal year ended June 30, 2020.

City of Clovis' Net Position

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 171,950,453	\$ 130,467,241	\$ 160,003,046	\$ 155,706,120	\$ 331,953,499	\$ 286,173,361
Capital and intangible assets	628,742,037	607,938,513	280,992,880	284,178,463	909,734,917	892,116,976
Total assets	800,692,490	738,405,754	440,995,926	439,884,583	1,241,688,416	1,178,290,337
Deferred Outflows of Resources	22,366,889	21,375,842	5,471,646	5,136,458	27,838,535	26,512,300
Long-term liabilities outstanding	201,928,495	172,820,490	154,730,750	156,492,503	356,659,245	329,312,993
Other liabilities	14,550,064	10,483,166	8,402,477	10,821,450	22,952,541	21,304,616
Total liabilities	216,478,559	183,303,656	163,133,227	167,313,953	379,611,786	350,617,609
Deferred Inflows of Resources	656,105	1,989,139	3,283,535	2,773,768	3,939,640	4,762,907
Net Position:						
Net investment in capital assets	595,863,289	587,763,941	171,482,301	168,488,757	767,345,590	756,252,698
Restricted	42,460,018	38,522,175	14	493	42,460,032	38,522,668
Unrestricted	(32,398,592)	(51,797,315)	108,568,495	106,444,070	76,169,903	54,646,755
Total net position	\$ 605,924,715	\$ 574,488,801	\$ 280,050,810	\$ 274,933,320	\$ 885,975,525	\$ 849,422,121

As of June 30, 2021, the City's government-wide total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources (net position) by \$886 million. Governmental activities finished the year with a positive net position balance of \$606 million, an increase of \$31 million, or 5%, over 2020. Business-type activities finished the year with a positive balance of \$280 million, an increase of \$5 million, or 2%, over 2020. Net position, as noted earlier, may serve over time as a useful indicator of the City's health of financial position.

Of the total net position, \$767 million, or 87%, is the City's net investment in capital assets (e.g. land, buildings and improvements, machinery and equipment and the road network) less any related debt used to acquire those assets that is still outstanding. The City's investment in capital assets increased \$11 million, restricted net position increased by \$4 million and unrestricted net position increased by \$22 million, accounting for the increase in total net position of \$37 million. This is primarily due to the City's investment in the road network, buildings and related improvements, and machinery and equipment.

The majority of the City's long-term liabilities relate to the City's net pension liability and the acquisition of capital assets. Some of those assets include the City's corporation yard, fire stations, police vehicles and sewer and water infrastructure including the surface water treatment plant and the sewer treatment-water reuse facility. 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 is \$42 million, which represents 5% of the total net position. Restricted net position represents those resources that are subject to external restrictions on how they may be used. These restrictions are established by bond covenants or restrictions on the use of funds by state or federal regulations.

Unrestricted net position represents those resources which may be used to meet the City's ongoing commitments to citizens and creditors. Government-wide unrestricted net position is \$76 million, or 9% of the total net position, which is a 39% increase from the previous year. Governmental activities have a negative \$(32) million unrestricted net position, which is an increase of \$19 million compared to last year. Business-type activities have \$109 million in unrestricted net position, an increase of \$3 million, or 2%, compared to last year.

Governmental activities. Governmental activities account for \$606 million, or 68%, of the total Government-wide net position. This is an increase of \$31 million, or 5%, over June 30, 2020. Donated and constructed assets increased by \$13 million while the amounts available for debt service, street and road construction and community development increased by \$4 million. Additionally, the amount accumulated during the year for normal activities, unrestricted net position, increased by \$19 million.

The following lists key components of this increase:

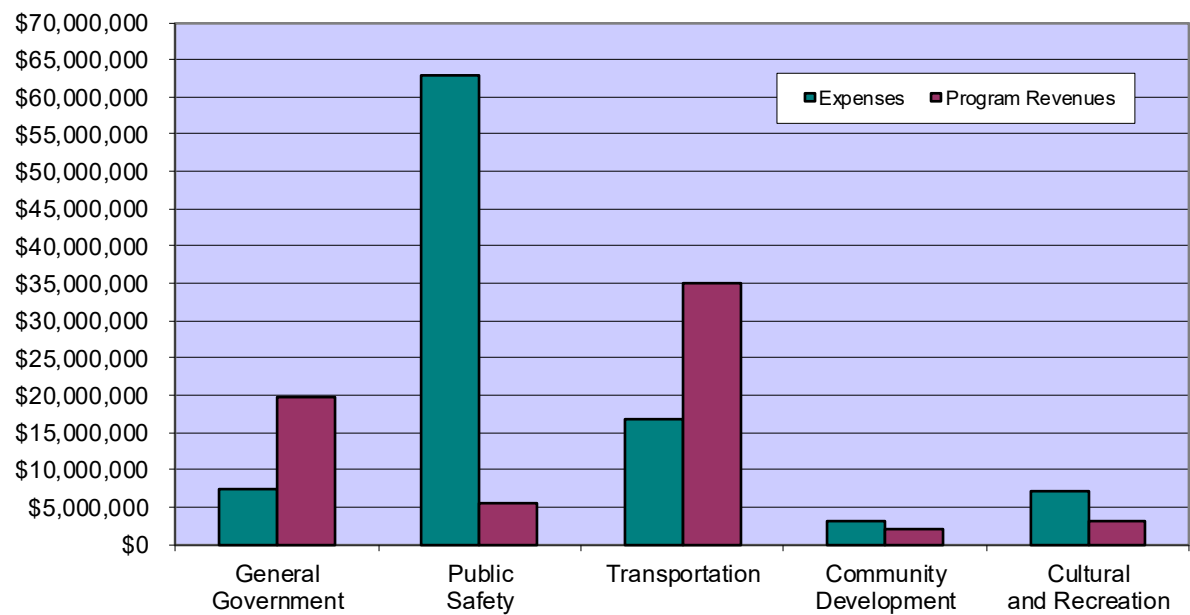
City of Clovis' Changes in Net Position

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 31,686,043	\$ 28,166,526	\$ 82,126,743	\$ 81,770,047	\$ 113,812,786	\$ 109,936,573
Operating grants and contributions	12,466,179	762,540	4,495,790	4,542,409	16,961,969	5,304,949
Capital grants and contributions	21,005,130	23,438,840	2,652,346	2,102,274	23,657,476	25,541,114
General revenues:						
Property taxes	30,377,419	28,520,413			30,377,419	28,520,413
Sales taxes	27,526,307	22,393,757			27,526,307	22,393,757
Franchise Fees	2,599,469	6,008,671			2,599,469	6,008,671
Other taxes	3,538,141	2,743,490			3,538,141	2,743,490
Unrestricted investment earnings	456,414	3,037,361	55,898	4,898,573	512,312	7,935,934
Total revenues	129,655,102	115,071,598	89,330,777	93,313,303	218,985,879	208,384,901
Expenses:						
General government	7,426,034	7,436,381			7,426,034	7,436,381
Public safety	62,766,429	59,875,617			62,766,429	59,875,617
Transportation	16,632,292	18,884,463			16,632,292	18,884,463
Community development	2,994,634	285,557			2,994,634	285,557
Cultural and recreation	7,174,222	7,114,673			7,174,222	7,114,673
Interest and other charges	725,577	694,111			725,577	694,111
Community Sanitation			22,078,675	21,743,550	22,078,675	21,743,550
Sewer			19,541,438	19,465,478	19,541,438	19,465,478
Water			24,963,531	18,551,314	24,963,531	18,551,314
Transit			6,791,962	7,008,077	6,791,962	7,008,077
Planning & Development Services			11,337,681	11,662,063	11,337,681	11,662,063
Total expenses	97,719,188	94,290,802	84,713,287	78,430,482	182,432,475	172,721,284
Increase in net position before transfers	31,935,914	20,780,796	4,617,490	14,882,821	36,553,404	35,663,617
Transfers	(500,000)	(250,000)	500,000	250,000	0	0
Increase in net position	31,435,914	20,530,796	5,117,490	15,132,821	36,553,404	35,663,617
Net position-beginning	574,488,801	529,883,334	274,933,320	283,875,170	849,422,121	813,758,504
Prior period adjustments (Note V.F.)		24,074,671		(24,074,671)	0	0
Net position - ending	\$ 605,924,715	\$ 574,488,801	\$ 280,050,810	\$ 274,933,320	\$ 885,975,525	\$ 849,422,121

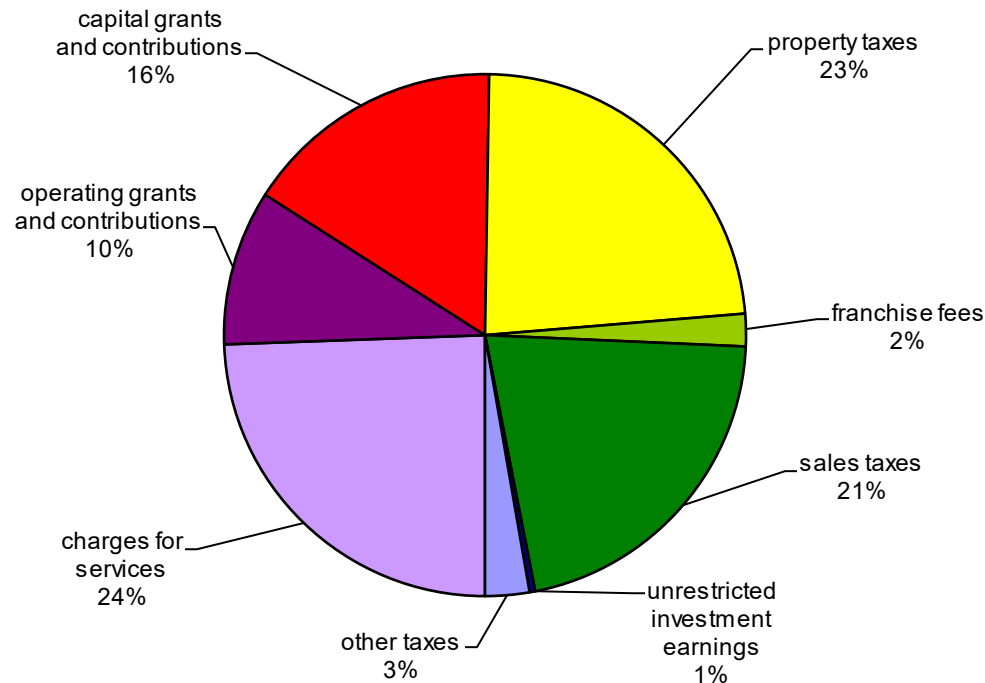
Total governmental revenues for the year were \$130 million, which is \$15 million, or 13%, more than in 2020. The majority of this increase is attributable to federal relief funding for Covid-19 and Sales taxes. Taxes, including property, sales, franchise fees, and other taxes, account for \$64 million, or 49%, of the City's governmental activities revenue and increased \$4 million, or 7%, from 2020. Property taxes increased by \$2 million due to higher property values and the shift of former redevelopment tax increment to the City. Sales taxes increased by \$5 million mainly due to the accelerated pace of online sales due to Covid-19. Other taxes had an increase of \$1 million due largely to an increase in Transient Occupancy Taxes.

Total governmental expenses for the year were \$98 million, an increase of \$4 million, or 4%, from 2020. Public Safety, which includes police and fire, accounts for \$63 million, or 64%, of the total governmental activities' expenses. Public Safety expenses increased \$3 million, or 5%, from 2020 primarily due to increases in salary and benefit costs and the increased costs of services, materials and supplies. Community development expenses increased from 2020. General government expenses were unchanged from 2020. Transportation expenses were \$17 million, a decrease by 12% when compared to 2020. Cultural and Recreation expenses were \$7 million, unchanged when compared to 2020.

Expenses and Program Revenues-Governmental Activities



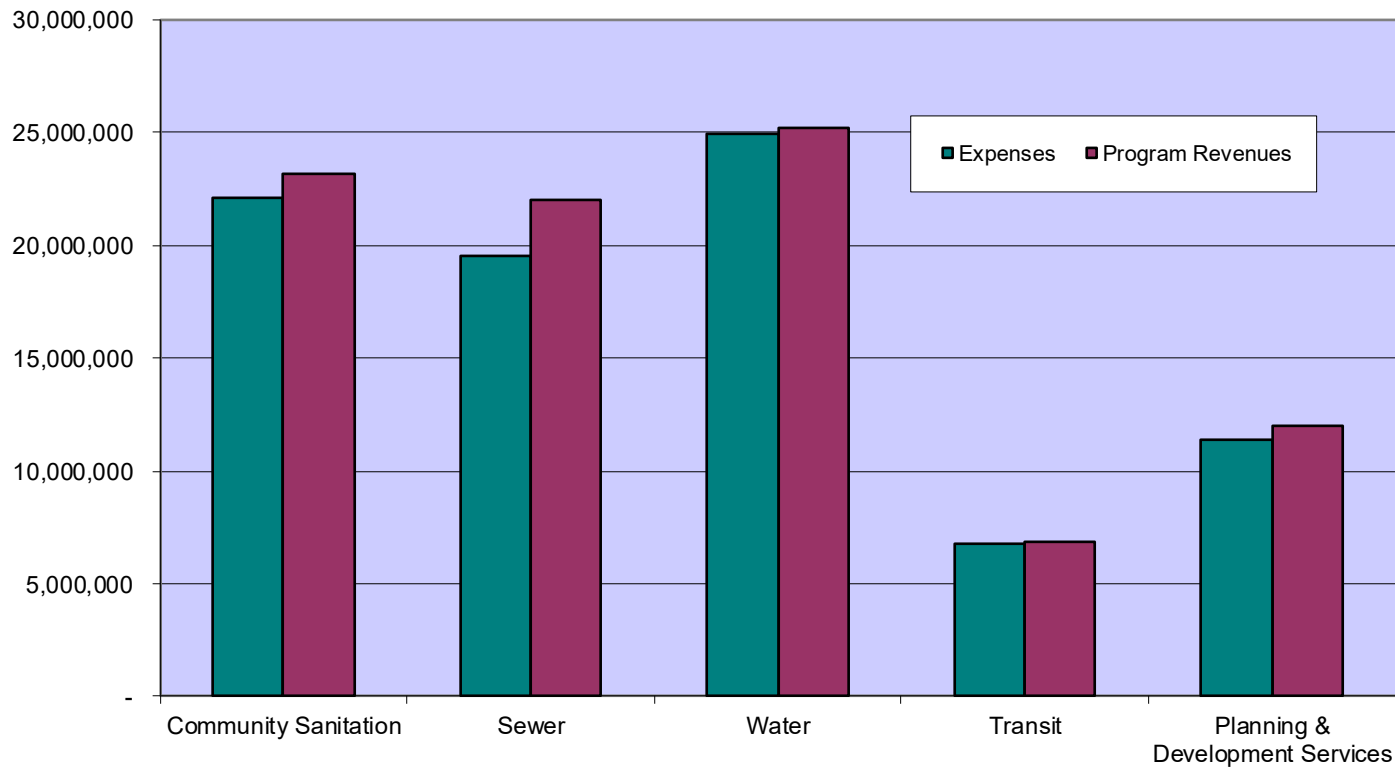
Revenues by Source-Governmental Activities



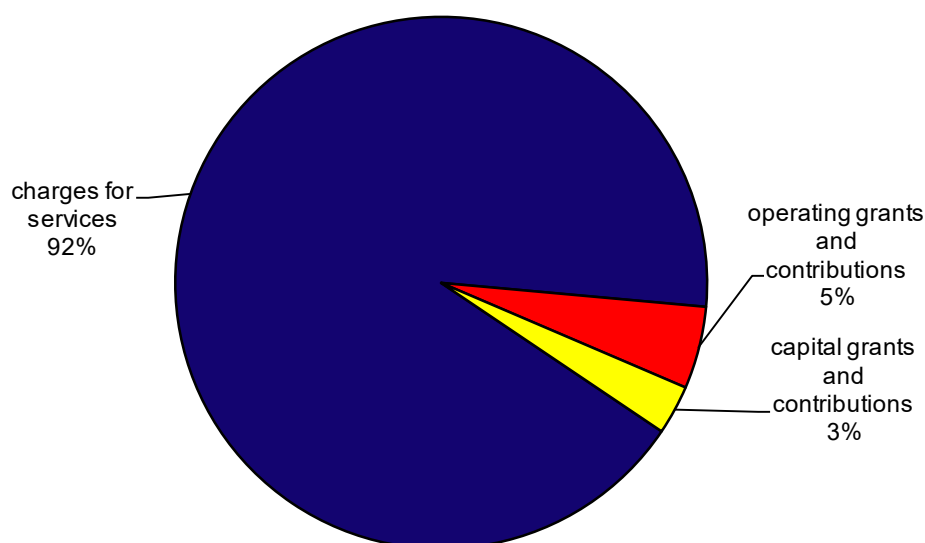
Program revenues that include charges for services and grants specific to certain programs were \$65 million, or 49% of the total governmental activity revenue. Much of the growth in program revenues, notably in General Government, resulted from Coronavirus Relief and American Rescue Plan Act funds, as well as the reclassification of business license revenues from general to program revenues. The amounts necessary to fully fund the governmental activity programs are made up of “general” revenues such as taxes, interest, and grants and contributions.

Business-type Activities. Business-type activities account for \$280 million, or 33% of the total Government-wide net position. This is an increase of \$5 million, or 2%, from June 30, 2020. The component, “Net Investment in Capital Assets” accounts for \$171 million, or 61% of the total net position, and is an increase of \$3 million from 2020. The amount of restricted net position represents less than 5% of the total net position. The amount of net position that is unrestricted, \$108 million, or 39%, decreased \$2 million from 2020. Charges for current services were \$82 million, or 92% of the total business-type activity revenue, and slightly increased from 2020. Grants and contributions of \$7 million represent \$3 million in contributions of sewer and water mains from developers and \$4 million in state transit assistance.

Expenses and Program Revenues-Business-type Activities



Revenues by Source-Business-type Activities



Included in charges for current services are development fees relating to the construction of capital improvements for sewer disposal and water operations. The revenues generated by these development fees are normally accumulated until such time as there are sufficient reserves to construct or acquire capital assets or to pay debt service on previously incurred debt. Debt service payments of principal are not considered a program expense and are, therefore, not reflected in this chart.

Financial Analysis of the City's Funds

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

Governmental funds. Fund balance is defined in five categories: nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balances cannot be spent because of their form. Restricted fund balance has limitations imposed externally by creditors, grantors, contributors, or laws and regulations of other governments. Committed fund balance has self-imposed limitations set in place prior to the end of the period. Assigned fund balance is the amount left available for appropriation at the City's discretion within the fund's purpose.

The City's governmental funds ended the year with positive fund balances. The ending fund balance for all funds is \$62 million, which is an \$4 million increase from the previous year. Of the total fund balance, \$1 million or 2% is unassigned, which, within the limitations of the fund's purpose, is available for spending at the City's discretion. The remainder of the fund balance is not available for new spending because it is either in a form not able to be spent or has already been restricted, assigned or committed for the following: (in millions)

Capital Projects	\$20.6
Community Development	14.2
Debt service	0.4
Landscape Maintenance	6.5
Parking and Business Improvement	0.1
Law Enforcement	<0.1
Services materials and supplies	0.7
Capital Outlay	1.9
Emergencies	16.4

The general fund is the chief operating fund of the City. As of June 30, 2021, the *total* fund balance (including all categories) of the general fund was \$25 million, an increase of \$1.3 million from June 30, 2020. The total fund balance of \$25 million includes restricted balances of \$6.7 million, assigned balances of \$17 million, and an unassigned balance of \$1.3 million.

The general fund *restricted* balances of \$6.7 million increased by \$0.9 million over 2020 due to an increase in the amount restricted for the landscape maintenance. The *assigned* balance for unforeseen expenditures increased due to additional available funds being assigned, which represents 21.0% of the 2021 actual expenditures in order to reach the 20%-25% level established by Council policy. The *unassigned* fund balance decreased \$2.8 million when compared to June 30, 2020. The \$1.3 million unassigned portion is the amount carried over to offset the impact of revenue shortfall that may occur in the next year due to economic uncertainty.

Revenues exceeded expenditures by \$18.8 million excluding landscape maintenance where revenues exceeded expenditures by a little over \$0.7 million. The revenue category "Other taxes" came in over budgeted amounts by \$1.3 million, revenue "From other agencies" came in over budgeted amounts by \$12.5 million, "Property taxes" came in near the budgeted amount, "Franchise fees" came in \$0.6 million over budgeted amounts, "Sales taxes," came in over budget by \$8.9 million; "Licenses and permits" came in near the budgeted amount; and "Other revenues" came in over budget by \$0.3 million. "Sales taxes" significantly increased from budget due to the increase in online sales due to Covid-19 and the impact of AB147. The increase in "From other agencies" revenue primarily represents funds from the Coronavirus Aid, Relief, and Economic Security Act (CARES) and the American Rescue Plan Act (ARPA).

Several departments experienced expenditure savings including "Attorney", \$0.1 million, "Manager", \$0.1 million, "General Services", \$0.4 million, "Finance", \$0.2 million, "Police", \$0.3 million and "Public Utilities", \$0.5 million. Most of the expenditure savings in the departments were savings achieved by staffing vacancies, savings in services and supplies and postponed capital expenditures. Most savings attributed to "projects" that were not commenced before the end of the fiscal year are included in the "Assigned for Services, Materials and Supplies" or the "Assigned for Capital" amount and will be spent in the next fiscal year.

The local transportation fund, used to account for all street construction projects, incurred less than budgeted expenditures as a result of several large projects awarded towards the end of the fiscal year and limited staff resources. The ending fund balance of \$20.5 million is \$2.4 million more than June 30, 2020.

Proprietary funds. As indicated in the description of proprietary funds, there are two types of funds, enterprise and internal service funds. The City's enterprise funds ended the year with positive unrestricted net position except for the Transit Fund. This deficit balance is attributable to the liability of CalPERS pension funds. This liability is long-term in nature, not requiring current resources, and is not being funded at this time.

All the internal service funds finished with positive unrestricted net position. The current liability for workers' compensation claims is \$9.0 million. The City funds the current year workers' compensation expenditures with charges to City programs. The City has also funded approximately \$2.5 million of the accrued liability through charges to City programs in prior years. The balance of the liability is of a long-term nature, not requiring current resources, and therefore has not been funded.

General Fund Budgetary Highlights

Throughout the fiscal year it was necessary to adjust the original General Fund budget. The Statement of Revenues, Expenditures, and Change in Fund Balance-Budget to Actual, General Fund, on page 35 shows the original budget and final budget. Below is a summary of the primary amendments:

\$ 669,000	Fire Department - out of county emergency response overtime
\$ 160,000	City Clerk - unanticipated election costs

Capital Assets and Debt Administration

Capital Assets. The City's capital assets for its governmental and business-type activities as of June 30, 2021, amount to \$910 million (net of depreciation/amortization), an increase of \$18 million over 2020. Capital assets include land, buildings and improvements, machinery and equipment, and road network and intangible capacity rights for water and sewer.

Major capital asset additions this year include the following:

Land	\$ 8 million
Road network improvements and land acquisitions	\$ 6 million

During the year the City made improvements to various streets and received developer donated infrastructure. The sewer system improvements include the City's share of capital projects for the Fresno-Clovis regional wastewater treatment plant. Additional information on the City's capital assets can be found in note IV.E on pages 61-62.

CITY OF CLOVIS'
Capital Assets
(net of depreciation)

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 264,065,286	\$ 258,271,675	\$ 37,937,477	\$ 37,884,361	\$ 302,002,763	\$ 296,156,036
Buildings and improvements	79,048,384	85,126,964	212,819,638	214,920,507	291,868,022	300,047,471
Right to use direct borrowings buildings	11,942,657				11,942,657	
Machinery and equipment	15,052,131	16,199,669	3,703,364	4,164,050	18,755,495	20,363,719
Right to use direct borrowings equipment	3,934,969				3,934,969	
Road network	254,698,610	248,340,205			254,698,610	248,340,205
Intangibles			26,532,401	27,209,545	26,532,401	27,209,545
Total	\$ 628,742,037	\$ 607,938,513	\$ 280,992,880	\$ 284,178,463	\$ 909,734,917	\$ 892,116,976

Long-term Debt. The City's long-term debt as of June 30, 2021, was \$141 million, with governmental activities accounting for \$33 million, or 23%, and business-type activities accounting for \$107 million, or 77%.

CITY OF CLOVIS'
Outstanding Bonds, Loans, Notes from Direct Borrowings and Contracts

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Loans payable	\$ 2,439,906	\$ 2,768,484			\$ 2,439,906	\$ 2,768,484
Notes from direct borrowings	16,494,902	17,406,088			16,494,902	17,406,088
Revenue bonds	13,943,940		\$ 104,255,562	\$ 109,265,726	118,199,502	109,265,726
Contracts payable			3,455,186	4,505,029	3,455,186	4,505,029
Total	\$ 32,878,748	\$ 20,174,572	\$ 107,710,748	\$ 113,770,755	\$ 140,589,496	\$ 133,945,327

General obligation debt are direct obligations of the City and are backed by the full faith and credit of the City requiring voter approval and may have a tax rate set to cover repayment. State statutes limit the amount of general obligation debt to 15% of the City's total assessed valuation. The City of Clovis' debt limit is \$1.8 billion. The City currently has no general obligation debt outstanding. Detailed information on the City's long-term debt activity can be found in Note F. of the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The City is closely watching the national economy and keeping up with the state's budget issues and the impact these have on Clovis. During the budget development process for the 2021/22 fiscal year, the City was able to increase general fund expenditures by \$7 million compared to the estimated 2020/21 expenditures. The increase is largely due to funding previously frozen vacant positions due to the pandemic. Additionally, the increase is due to negotiated salary increases, increased costs to provide employee benefits and general price increases impacting the cost of services, and supplies.

Economic forecasts for the Central Valley and Fresno were severely impacted by the onset of the COVID-19 pandemic and related business closures. Some revenue categories did rebound greater than anticipated. Taxable sales were projected to decrease by nearly 19% compared to the previous year due to Covid-19, but due to the accelerated pace of online sales, sales tax significantly exceeded the budgeted amount by nearly \$9 million. While the City's unemployment rate spiked from 3.2% to 12.1% in June of 2020, the economy has

been rebounding and showing strength despite numerous closure orders and an uncertain environment. In June of 2021 the City's unemployment decreased to 6.0%, which was lower than the Fresno County rate of 9.4%, the State of California average of 8.0%, and slightly less than the national average of 6.1%.

The City is seeing demand for retail space as a closed Pier 1 store was demolished to make way for a new restaurant and the City is working toward filling a few big box vacancies such as the recently closed Sears store at Sierra Vista Mall. In addition, one hotel was completed and one more is under construction. This will more than double the room count in the City in the next few years. Clovis Community Hospital continued construction on another bed tower building and recently completed additional medical offices and a heart and lung institute. This expansion continues to be one of the biggest job creation projects in Fresno County in recent years. Also, California Health Sciences University has completed its first building that will house a medical doctoral program near the hospital and has completed its first year of operations. The City is seeing a boost in office and industrial development with Cabinet Connections, a cabinet manufacturer, becoming fully operational in Clovis, along with many other small professional offices, such as an engineering consulting firm and industrial users developing in the City's business parks. The County of Fresno is continuing to move 2,000 employees into the City of Clovis including converting a vacant Costco store into class A office. This activity demonstrates the City is moving forward with job generation despite the pandemic and continues to grow.

Total city-wide expenditures, excluding capital expenditures, were projected to increase approximately 7% due primarily to increased operational costs.

On June 30, 2021, the General Fund has an assigned fund balance of \$16.3 million, or 19% of 2021/22 budgeted expenditures set aside for unforeseen emergencies. The City continues to monitor the impacts of the COVID-19 pandemic on the economy and the City's budget and adjust its strategies to address those impacts.

The Council determined that it was necessary for the Community Sanitation Fund to implement a rate increase of 4% for the green waste and recycling programs and to implement a rate increase of 2% for the refuse collection and disposal program for the 2021/22 fiscal year. Furthermore, the Council determined that a 3% increase was necessary for the Water Fund. The Sewer Fund will not have a rate increase and the full \$7.30 bond surcharge will continue to be fully rebated.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City of Clovis' finances and to demonstrate the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Finance Director, City of Clovis, 1033 Fifth Street, Clovis, CA, 93612.

B A S I C F I N A N C I A L S T A T E M E N T S

City of Clovis
Statement of Net Position
June 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 156,765,257	\$ 139,908,349	\$ 296,673,606
Receivables	6,602,940	13,031,443	19,634,383
Internal balances	(4,784,050)	4,784,050	
Due from other governments	11,655,112	2,279,190	13,934,302
Inventories	856,000		856,000
Assets held for resale	253,956		253,956
Restricted assets:			
Cash and investments	601,238	14	601,252
Capital assets, not being depreciated	264,065,286	37,937,477	302,002,763
Capital assets (net of accumulated depreciation)	364,676,751	216,523,002	581,199,753
Intangible assets (net of accumulated amortization)		26,532,401	26,532,401
Total assets	<u>800,692,490</u>	<u>440,995,926</u>	<u>1,241,688,416</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	22,366,889	5,330,918	27,697,807
Deferred loss on bond refunding		140,728	140,728
	<u>22,366,889</u>	<u>5,471,646</u>	<u>27,838,535</u>
LIABILITIES			
Accounts payable	6,841,186	4,011,960	10,853,146
Accrued payroll	2,991,003		2,991,003
Unearned revenue	4,717,875	4,390,517	9,108,392
Noncurrent liabilities:			
Due within one year	37,334,129	12,800,032	50,134,161
Due in more than one year	164,594,366	141,930,718	306,525,084
Total liabilities	<u>216,478,559</u>	<u>163,133,227</u>	<u>379,611,786</u>
DEFERRED INFLOWS OF RESOURCES			
Lease related deferred inflows	292,285	1,236,994	1,529,279
Pension related deferred inflows	363,820	105,983	469,803
Deferred gain on bond refunding		1,940,558	1,940,558
	<u>656,105</u>	<u>3,283,535</u>	<u>3,939,640</u>
NET POSITION			
Net investment in capital assets	595,863,289	171,482,301	767,345,590
Restricted for:			
Debt service	1,013,582	14	1,013,596
Streets and roads	20,551,326		20,551,326
Community development	14,426,895		14,426,895
Landscape maintenance	6,468,215		6,468,215
Unrestricted (deficit)	(32,398,592)	108,568,495	76,169,903
Total net position	<u>\$ 605,924,715</u>	<u>\$ 280,050,810</u>	<u>\$ 885,975,525</u>

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

City of Clovis
Statement of Activities
For the Year Ended June 30, 2021

Function/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Business-type Activities
Primary government:						
Governmental activities:						
General government	\$ 7,426,034	\$ 8,933,951	\$10,733,086		\$ 12,241,003	\$ 12,241,003
Public safety	62,766,429	4,215,817	235,234	\$ 1,012,397	(57,302,981)	(57,302,981)
Transportation	16,632,292	15,446,255		19,630,329	18,444,292	18,444,292
Community development	2,994,634	321,968	1,449,718	150,187	(1,072,761)	(1,072,761)
Cultural and recreation	7,174,222	2,768,052	48,141	212,217	(4,145,812)	(4,145,812)
Interest and other charges	725,577				(725,577)	(725,577)
Total governmental activities	97,719,188	31,686,043	12,466,179	21,005,130	(32,561,836)	(32,561,836)
Business-type activities:					0	
Community sanitation	22,078,675	23,165,408			\$ 1,086,733	1,086,733
Sewer disposal	19,541,438	21,006,886		1,005,456	2,470,904	2,470,904
Water	24,963,531	23,542,330		1,646,890	225,689	225,689
Transit	6,791,962	2,674,862	4,220,240		103,140	103,140
Planning & Development Services	11,337,681	11,737,257	275,550		675,126	675,126
Total business-type activities	84,713,287	82,126,743	4,495,790	2,652,346	4,561,592	4,561,592
Total primary government	\$ 182,432,475	\$ 113,812,786	\$ 16,961,969	\$ 23,657,476	(32,561,836)	(28,000,244)
General revenues:						
Property taxes					30,377,419	30,377,419
Sales taxes					27,526,307	27,526,307
Franchise Fees					2,599,469	2,599,469
Other taxes					3,538,141	3,538,141
Unrestricted investment earnings					456,414	55,898
Transfers					(500,000)	512,312
Total general revenues and transfers					63,997,750	0
Changes in net position					31,435,914	64,553,648
Net position-beginning					574,488,801	36,553,404
Net position-ending					\$ 605,924,715	274,933,320
					\$ 280,050,810	849,422,121
						\$ 885,975,525

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

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

	Major Funds		Other	Total
	General	Local Transportation	Governmental Funds	Governmental Funds
ASSETS				
Cash and investments	\$ 20,631,087	\$ 46,313,419	\$ 13,518,944	\$ 80,463,450
Cash with agents-restricted		24,000		24,000
Receivables	2,564,252	327,868	3,244,753	6,136,873
Due from other governments	6,361,289	5,124,007	161,758	11,647,054
Assets held for resale			253,956	253,956
Total assets	<u>\$ 29,556,628</u>	<u>\$ 51,789,294</u>	<u>\$ 17,179,411</u>	<u>\$ 98,525,333</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,144,367	\$ 1,161,020	\$ 550,980	\$ 2,856,367
Accrued payroll	2,991,003			2,991,003
Due to other governments	26,852			26,852
Deposits and other liabilities	304,235	29,615,941	34,259	29,954,435
Unearned revenue	117,698	532,240		649,938
Total liabilities	<u>4,584,155</u>	<u>31,309,201</u>	<u>585,239</u>	<u>36,478,595</u>
Fund balances:				
Restricted for:				
Capital projects		20,480,093	71,233	20,551,326
Community development	31,270		14,215,095	14,246,365
Debt service			436,344	436,344
Landscape maintenance	6,468,215			6,468,215
Parking and business improvement	104,218			104,218
Law enforcement	76,312			76,312
Assigned for:				
Services, materials and supplies	651,500			651,500
Capital			1,871,500	1,871,500
Emergencies	16,360,000			16,360,000
Unassigned, reported in:				
General fund	1,280,958			1,280,958
Total fund balances	<u>24,972,473</u>	<u>20,480,093</u>	<u>16,594,172</u>	<u>62,046,738</u>
Total liabilities and fund balances	<u>\$ 29,556,628</u>	<u>\$ 51,789,294</u>	<u>\$ 17,179,411</u>	

Reconciliation of the Governmental Fund Balances to the Governmental Activities Net Position

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. (Net of \$89,550,822 of internal service fund capital assets)	539,191,215
Internal service funds are used by management to charge the costs of fleet management, employee benefits, liability and property insurance and general services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. (Net of \$4,784,050 allocated to business-type activities)	104,225,150
Long-term liabilities, including compensated absences, and net pension liability, are not due and payable in the current period and therefore are not reported in the funds.	(99,538,388)
Net Position of Governmental Activities	<u>\$ 605,924,715</u>

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

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

	Major Funds		Other	Total
	General	Local Transportation	Governmental Funds	Governmental Funds
REVENUES				
Property taxes	\$ 30,377,419			\$30,377,419
Sales taxes	27,526,307			27,526,307
Business license/Franchise fee	6,360,691			6,360,691
Other taxes	3,538,141			3,538,141
Licenses and permits	804,977			804,977
Fines and forfeitures	150,920			150,920
Use of money and property	153,703	\$ 95,242	\$ 22,065	271,010
From other agencies	16,425,016	12,643,064	2,179,290	31,247,370
Charges for current services	5,918,828	154,621	1,980,985	8,054,434
Other revenues	6,150,313	2,957	20	6,153,290
Total revenue	<u>97,406,315</u>	<u>12,895,884</u>	<u>4,182,360</u>	<u>114,484,559</u>
EXPENDITURES				
Current:				
General government	7,576,845			7,576,845
Public safety	58,574,671			58,574,671
Transportation	4,481,127			4,481,127
Community development	35	370,824	2,629,017	2,999,876
Cultural and recreation	7,179,605			7,179,605
Capital outlays		10,182,759	529,320	10,712,079
Total expenditures	<u>77,812,283</u>	<u>10,553,583</u>	<u>3,158,337</u>	<u>91,524,203</u>
Excess (deficiency) of revenues over (under) expenditures	<u>19,594,032</u>	<u>2,342,301</u>	<u>1,024,023</u>	<u>22,960,356</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				0
Transfers out	(18,295,300)		(150,000)	(18,445,300)
Total other financing sources (uses)	<u>(18,295,300)</u>	<u>0</u>	<u>(150,000)</u>	<u>(18,445,300)</u>
Net change in fund balances	1,298,732	2,342,301	874,023	4,515,056
Fund balances-beginning	23,673,741	18,137,792	15,720,149	57,531,682
Fund balances-ending	<u>\$ 24,972,473</u>	<u>\$ 20,480,093</u>	<u>\$ 16,594,172</u>	<u>\$62,046,738</u>

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

City of Clovis
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Government-Wide Statement of Activities
For the Year Ended June 30, 2021

Amounts reported for governmental activities in the statement of activities (page 31) are different because:

Net change in fund balances-total governmental funds (page 33)	\$ 4,515,056
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(1,422,810)
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The net effect of donations and miscellaneous transactions involving capital assets (i.e., sales and trade-ins) is to increase net position.	14,983,320
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(7,949,287)
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Internal service funds are used by management to charge the costs of fleet maintenance, employee benefits, liability and property insurance and general services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities. Net of \$2,646,755 allocated to business-type activities.	21,309,635
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Change in net position of governmental activities (page 31)	<u>\$ 31,435,914</u>
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The notes to the financial statements are an integral part of this statement.

City of Clovis
Statement 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
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUE				
Property taxes	\$ 30,381,000	\$ 30,381,000	\$ 30,377,419	\$ (3,581)
Sales taxes	18,582,000	18,582,000	27,526,307	8,944,307
Business license/Franchise fee	5,723,000	5,723,000	6,360,691	637,691
Other taxes	2,178,000	2,178,000	3,538,141	1,360,141
Licenses and permits	550,000	550,000	804,977	254,977
Fines and forfeitures	203,000	203,000	150,920	(52,080)
Use of money and property	140,400	140,400	153,703	13,303
From other agencies	3,580,400	3,913,299	16,425,016	12,511,717
Charges for current services	5,785,652	5,975,652	5,918,828	(56,824)
Other revenues	6,206,500	6,206,500	6,150,313	(56,187)
Total revenues	<u>73,329,952</u>	<u>73,852,851</u>	<u>97,406,315</u>	<u>23,553,464</u>
EXPENDITURES				
Council	355,200	355,200	334,183	21,017
Clerk	489,271	649,271	648,312	959
Attorney	966,000	966,000	894,489	71,511
Manager	1,990,669	1,990,669	1,846,832	143,837
General services	2,193,110	2,193,110	1,768,631	424,479
Finance/Treasurer	3,344,335	3,344,335	3,144,383	199,952
Police	39,631,360	40,020,102	39,683,619	336,483
Fire	17,751,353	18,891,552	18,891,054	498
Public utilities	10,836,156	11,123,156	10,600,780	522,376
Total expenditures	<u>77,557,454</u>	<u>79,533,395</u>	<u>77,812,283</u>	<u>1,721,112</u>
Excess (deficiency) of revenues over expenditures	(4,227,502)	(5,680,544)	19,594,032	25,274,576
OTHER FINANCING SOURCES (USES)				
Transfers In		57,000	0	(57,000)
Transfers Out	(550,000)	(607,000)	(18,295,300)	(17,688,300)
Total other financing sources (uses)	<u>(550,000)</u>	<u>(550,000)</u>	<u>(18,295,300)</u>	<u>(17,745,300)</u>
Net change in fund balance	(4,777,502)	(6,230,544)	1,298,732	7,529,276
Fund balance-beginning	23,673,741	23,673,741	23,673,741	
Fund balance-ending	<u>\$ 18,896,239</u>	<u>\$ 17,443,197</u>	<u>\$ 24,972,473</u>	<u>\$ 7,529,276</u>

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

City of Clovis
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-Type Activities-Enterprise Funds						Governmental Activities Internal Service Funds
	Major Enterprise Funds			Nonmajor			
	Community Sanitation	Sewer Disposal	Water	Planning & Development Services	Transit	Totals	
ASSETS							
Current assets:							
Cash and investments	\$ 16,025,852	\$ 40,720,553	\$ 64,071,029	\$ 16,953,421	\$ 2,137,494	\$ 139,908,349	\$ 76,301,807
Receivables	4,291,981	4,002,466	4,446,438	277,869	12,689	13,031,443	466,067
Due from other governments				256	2,278,934	2,279,190	8,058
Inventories						0	856,000
Total current assets	20,317,833	44,723,019	68,517,467	17,231,546	4,429,117	155,218,982	77,631,932
Noncurrent assets:							
Cash with fiscal agent-bond accounts		12	2			14	577,238
Total restricted assets	0	12	2	0	0	14	577,238
Capital assets:							
Land	19,076,813	4,687,370	14,173,294			37,937,477	8,872,400
Buildings and improvements	7,509,880	172,585,340	132,706,455			312,801,675	102,247,265
Machinery and equipment	3,113,606	839,517	1,707,806	55,081	5,911,296	11,627,306	55,400,362
Less accumulated depreciation	(3,431,573)	(56,776,487)	(43,408,251)	(36,043)	(4,253,625)	(107,905,979)	(76,969,205)
Total capital assets (net of accumulated depreciation)	26,268,726	121,335,740	105,179,304	19,038	1,657,671	254,460,479	89,550,822
Intangible assets		40,558,603	10,118,786			50,677,389	
Less accumulated amortization		(21,347,400)	(2,797,588)			(24,144,988)	
Total intangible assets (net of accumulated amortization)		19,211,203	7,321,198			26,532,401	
Total noncurrent assets	26,268,726	140,546,955	112,500,504	19,038	1,657,671	280,992,894	90,128,060
Total assets	46,586,559	185,269,974	181,017,971	17,250,584	6,086,788	436,211,876	167,759,992
DEFERRED OUTFLOWS OF RESOURCES							
Pension related deferred outflows	1,335,580	325,749	984,855	1,853,055	831,679	5,330,918	1,361,466
Deferred loss on bond refunding			140,728			140,728	0
Total deferred outflows of resources	1,335,580	325,749	1,125,583	1,853,055	831,679	5,471,646	1,361,466

	Business-Type Activities-Enterprise Funds					Governmental Activities Internal Service Funds
	Major Enterprise Funds			Nonmajor		
	Community Sanitation	Sewer Disposal	Water	Planning & Development Services	Transit	
LIABILITIES						
Current liabilities:						
Accounts payable	680,975	2,034,385	1,151,279	69,382	75,392	4,011,413
Claims and judgments payable						0
Due to other governments					547	547
Accrued compensated absences	109,200	31,400	83,100	112,200	38,400	374,300
Deposits and other liabilities	600		3,162,261	3,688,259		6,851,120
Unearned revenue				339,204	4,051,313	4,390,517
Direct borrowings-current					0	0
Loans payable-current					0	0
Revenue bonds-current		2,320,000	2,155,000			4,475,000
Contracts payable-current		1,099,612				1,099,612
Total current liabilities	790,775	5,485,397	6,551,640	4,209,045	4,165,652	21,202,509
Noncurrent liabilities:						14,273,898
Claims and judgments payable						0
Accrued compensated absences	329,054	94,475	250,520	337,886	115,847	1,127,782
Direct borrowings						0
Loans payable						0
Revenue bonds (net of discount/premium)		83,270,739	16,509,824			99,780,563
Contracts payable		2,355,574				2,355,574
Landfill closure	4,620,040					4,620,040
Net pension liability	8,753,073	2,020,330	6,314,296	11,568,695	5,390,365	34,046,759
Total noncurrent liabilities	13,702,167	87,741,118	23,074,640	11,906,581	5,506,212	141,930,718
Total liabilities	14,492,942	93,226,515	29,626,280	16,115,626	9,671,864	163,133,227
DEFERRED INFLOWS OF RESOURCES						
Lease related deferred inflows		671,208	565,786			1,236,994
Pension related deferred inflows	27,312	6,271	19,663	35,935	16,802	105,983
Deferred gain on bond refunding, net		1,940,558				1,940,558
Total deferred inflows of resources	27,312	2,618,037	585,449	35,935	16,802	3,283,535
NET POSITION						320,339
Net investment in capital assets	26,268,726	49,560,460	93,976,406	19,038	1,657,671	171,482,301
Restricted for debt service		12	2			14
Unrestricted (deficit)	7,133,159	40,190,699	57,955,417	2,933,040	(4,427,870)	103,784,445
Total net position	\$33,401,885	\$ 89,751,171	\$ 151,931,825	\$ 2,952,078	\$ (2,770,199)	275,266,760
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds.						4,784,050
Net position of business-type activities						\$ 280,050,810

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

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

	Business-Type Activities-Enterprise Funds					Governmental Activities Internal Service Funds
	Major Enterprise Funds			Nonmajor		
	Community Sanitation	Sewer Disposal	Water	Planning & Development Services	Transit	
Operating revenues:						
Charges for services	\$ 22,014,430	\$ 20,380,687	\$ 22,757,874	\$ 11,247,262		\$ 76,400,253
From other agencies	29,478			275,550	\$ 2,290,502	2,595,530
Other revenues	23,598	389,068	129,096			541,762
Total operating revenues	<u>22,067,506</u>	<u>20,769,755</u>	<u>22,886,970</u>	<u>11,522,812</u>	<u>2,290,502</u>	<u>79,537,545</u>
Operating expenses:						
Salaries and benefits	7,086,220	1,576,104	4,923,352	7,546,004	3,663,415	24,795,095
Services, materials and supplies	11,509,312	7,271,505	13,232,538	1,665,661	1,701,412	35,380,428
Administration	3,047,700	2,491,400	2,960,743	2,115,000	1,020,000	11,634,843
Depreciation/amortization	385,893	5,080,870	2,949,233	11,016	407,135	8,834,147
Total operating expenses	<u>22,029,125</u>	<u>16,419,879</u>	<u>24,065,866</u>	<u>11,337,681</u>	<u>6,791,962</u>	<u>80,644,513</u>
Operating income (loss)	<u>38,381</u>	<u>4,349,876</u>	<u>(1,178,896)</u>	<u>185,131</u>	<u>(4,501,460)</u>	<u>(1,106,968)</u>
Nonoperating revenues (expenses):						
Interest income		36,535		14,867	4,496	55,898
Interest expense	(49,550)	(3,121,559)	(897,665)			(4,068,774)
State transit funding					4,220,240	4,220,240
Legal settlement			217,993			217,993
Gain (loss) on sale of capital assets						0
Total nonoperating revenue (expense)	<u>(49,550)</u>	<u>(3,085,024)</u>	<u>(679,672)</u>	<u>14,867</u>	<u>4,224,736</u>	<u>425,357</u>
Income before contributions and transfers	<u>(11,169)</u>	<u>1,264,852</u>	<u>(1,858,568)</u>	<u>199,998</u>	<u>(276,724)</u>	<u>(681,611)</u>
Capital contributions		1,005,456	1,646,890	300,000	50,000	2,652,346
Transfers in	150,000					500,000
Transfer out						0
Changes in net position	<u>138,831</u>	<u>2,270,308</u>	<u>(211,678)</u>	<u>499,998</u>	<u>(226,724)</u>	<u>2,470,735</u>
Total net position-beginning	<u>33,263,054</u>	<u>87,480,863</u>	<u>152,143,503</u>	<u>2,452,080</u>	<u>(2,543,475)</u>	<u>85,052,810</u>
Total net position-ending	<u>\$ 33,401,885</u>	<u>\$ 89,751,171</u>	<u>\$ 151,931,825</u>	<u>\$ 2,952,078</u>	<u>\$ (2,770,199)</u>	<u>\$ 109,009,200</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						2,646,755
Change in net position of business-type activities (page 31)						<u>\$ 5,117,490</u>

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

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

	Business-Type Activities-Enterprise Funds						Governmental Activities- Internal Service Funds
	Major Enterprise Funds			Nonmajor			
	Community Sanitation	Sewer Disposal	Water	Planning & Development Services	Transit	Totals	
CASH FLOW FROM OPERATING ACTIVITIES							
Receipts from customers and users	\$ 21,303,606	\$ 20,379,947	\$ 22,090,950	\$ 11,022,057	\$ (1,150,051)	\$ 73,646,509	
Receipts for interfund services							\$ 55,994,410
Payments to suppliers	(14,840,289)	(10,154,422)	(16,161,472)	(3,014,468)	(2,666,436)	(46,837,087)	(22,206,701)
Payments to employees	(6,525,107)	(1,455,657)	(4,539,765)	(7,012,451)	(3,348,519)	(22,881,499)	(18,926,204)
Other revenues	53,076	389,067	347,088	275,551	2,290,501	3,355,283	3,504,182
Net cash provided/(used) by operating activities	(8,714)	9,158,935	1,736,801	1,270,689	(4,874,505)	7,283,206	18,365,687
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers-in from other funds	150,000			300,000	50,000	500,000	19,240,300
Transfers-out to other funds							(1,295,000)
Transportation funding-State			19,850	6,260	4,430,124	4,456,234	
Net cash provided by noncapital financing activities	150,000	0	19,850	306,260	4,480,124	4,956,234	17,945,300
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Acquisition and construction of capital assets	(93,257)	(905,710)	(1,804,318)		(192,932)	(2,996,217)	(13,049,824)
Principal paid on loans, bonds, and capital leases		(3,843,533)	(2,216,473)			(6,060,006)	(3,583,111)
Interest paid on loans, bonds and capital leases	(49,550)	(3,261,789)	(876,556)			(4,187,895)	(725,577)
Proceeds from capital leases						0	16,287,287
Proceeds from sale of capital assets						0	20,000
Net cash used by capital and related financing activities	(142,807)	(8,011,032)	(4,897,347)	0	(192,932)	(13,244,118)	(1,051,225)
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest and dividends on investments		36,535		14,868	4,496	55,899	187,225
Net cash provided/(used) by investing activities	0	36,535	0	14,868	4,496	55,899	187,225
Net change in cash and cash equivalents	(1,521)	1,184,438	(3,140,696)	1,591,817	(582,817)	(948,779)	35,446,987
Cash and cash equivalents-beginning of year	16,027,373	39,536,127	67,211,727	15,361,604	2,720,311	140,857,142	41,432,058
Cash and cash equivalents-end of year	\$ 16,025,852	\$ 40,720,565	\$ 64,071,031	\$ 16,953,421	\$ 2,137,494	\$ 139,908,363	\$ 76,879,045

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

	\$	38,381	\$	4,349,876	\$	(1,178,896)	\$	185,131	\$	(4,501,460)	\$	(1,106,968)	\$	6,554,260
Operating income/(loss)														
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:														
Depreciation/amortization expense		385,893		5,080,870		2,949,233		11,016		407,135		8,834,147		5,781,992
Landfill closure expense		335,400										335,400		
Legal settlement						217,993						217,993		
(Increase)/decrease in accounts receivable		(710,824)		(671,948)		(1,232,710)		(224,386)		4,924		(2,834,944)		(269,847)
(Increase)/decrease in due from other governments												0		53,359
(Increase)/decrease in inventories												0		(74,000)
(Increase)/decrease in deferred outflows - pension		(159,382)		(55,653)		(138,066)		(305,477)		(108,077)		(766,655)		(153,332)
(Increase)/decrease in prepaid items												0		1,434,396
Increase/(decrease) in accounts payable		(619,277)		(391,518)		(308,984)		1,623		54,975		(1,263,181)		2,616,554
Increase/(decrease) in due to other governments										(2,747)		(2,747)		
Increase/(decrease) in accrued compensated absences		90,144		21,034		55,214		(42,203)		29,752		153,941		15,818
Increase/(decrease) in unearned revenue								(819)		(1,152,228)		(1,153,047)		2,166,355
Increase/(decrease) in claims and judgments payable												0		(694,000)
Increase/(decrease) in deposits		600				340,792		764,571				1,105,963		
Increase/(decrease) in net pension liability		675,870		165,519		499,210		941,125		421,225		2,702,949		688,602
Increase/(decrease) in deferred inflows - lease				671,208		565,786						1,236,994		292,285
Increase/(decrease) in deferred inflows - pension		(45,519)		(10,453)		(32,771)		(59,892)		(28,004)		(176,639)		(46,755)
Total adjustments		(47,095)		4,809,059		2,915,697		1,085,558		(373,045)		8,390,174		11,811,427
Net cash provided/(used) by operating activities		\$ (8,714)		\$ 9,158,935		\$ 1,736,801		\$ 1,270,689		\$ (4,874,505)		\$ 7,283,206		\$ 18,365,687

Noncash investing, capital, and financing activities:

During the year the Sewer Disposal Fund, an enterprise fund, received \$1,005,456 in donated assets.

During the year the Water Fund, an enterprise fund, received \$1,646,890 in donated assets.

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

City of Clovis
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	Redevelopment Successor Agency Private- Purpose Trust Fund	Custodial Funds
ASSETS		
Cash and investments	\$ 990,119	\$ 215,678
Cash with agent-restricted	1,066,781	
Receivables	380	1,386
Prepaid items	159,477	
Capital assets (net of accumulated depreciation)	10,820,721	
Total assets	<u>13,037,478</u>	<u>217,064</u>
LIABILITIES		
Accounts payable	211,272	27,789
Deposits and other liabilities		474
Tax allocation bonds payable	11,131,851	
Total liabilities	<u>11,343,123</u>	<u>28,263</u>
NET POSITION		
Restricted for:		
Held in trust for Redevelopment Successor Agency Fund	1,694,355	
Individuals, organizations, and other governments		188,801
Total net position	<u>\$ 1,694,355</u>	<u>\$ 188,801</u>

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

City of Clovis
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2021

	Redevelopment Successor Agency Private-Purpose Trust Fund	Custodial Funds
ADDITIONS		
Property taxes	\$ 1,385,534	
Special assessment tax		\$ 62,291
Total additions	<u>1,385,534</u>	<u>62,291</u>
DEDUCTIONS		
Services, materials and supplies	10,000	
Administration	10,000	
Depreciation/amortization	76,333	
Interest and other fiscal charges	544,530	
Community development		90,255
Total deductions	<u>640,863</u>	<u>90,255</u>
 Net increase (decrease) in fiduciary net position	 744,671	 (27,964)
Net position-beginning	949,684	216,765
Net position-ending	<u><u>\$ 1,694,355</u></u>	<u><u>\$ 188,801</u></u>

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

CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2021

I. Summary of significant accounting policies

A. Reporting entity

The City of Clovis, California (City) was incorporated on February 27, 1912 as a general law city of the State of California, and as such can exercise the powers specified by the constitution and laws of the State of California. The City is governed by an elected five-member City Council under the administration of an appointed City Manager. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended components units, although legally separate entities, are, in substance, part of the government's operations.

1. Blended component units

Although the following are legally separate from the City, they have been "blended" as though they are part of the City because the component unit's governing body is substantially the same as the City's and there is a financial benefit or burden relationship between the City and the component unit; management of the City has operational responsibilities for the component unit; and/or the component units provide services entirely, or almost entirely, to the City or otherwise exclusively, or almost exclusively, benefits the City, even though it does not provide services directly.

The Clovis Municipal Development Corporation (Corporation) was established by the Clovis City Council in January 1985 to handle the City's and the Clovis Community Development Agency's development of property. There were no assets, liabilities, equity or activity to report for the current or prior fiscal years.

The Clovis Public Financing Authority (Authority) was established by the Clovis City Council in July 1991 to facilitate the issuance of the City's debt. There were no assets, liabilities, equity or other activity to report for the current or prior fiscal years.

2. Fiduciary activities

The City presents its fiduciary activity information for assessing its accountability and financial reporting of the City in their role as fiduciaries. The definition of a "fiduciary" is a person or organization that acts on behalf of another person or persons to manage assets. Fiduciary responsibility refers to the obligation that one party has in relationship with another one to act entirely on the other party's behalf and best interest. It is considered to be the standard of highest care.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its components units. The effects of interfund activity have been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function of a segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2021

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The statement of net position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources – This amount represents outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources – This amount represents inflows of resources (acquisition of net position) that apply to future periods and that, therefore, are not recognized as a revenue until that time.

The government-wide and proprietary fund financial statements are reported using the “*economic resources*” measurement focus and the accrual basis of accounting. Fiduciary fund financial statements are reported using the accrual basis of accounting but do not have a measurement focus since custodial funds and private-purpose funds are the only fiduciary funds the City reports. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirement imposed by the provider have been met.

Governmental fund financial statements are reported using the “*current financial resources*” measurement focus and the modified accrual basis of accounting. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, and claims and judgments, postemployment benefits and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the City the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

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

The local transportation fund accounts for the City’s share of Transportation Development Act (SB 325) funds allocated by the State that are restricted to expenditures for capital street improvements and maintenance and for the deposits by developers for special street improvement projects.

The City reports the following major proprietary funds:

The community sanitation fund accounts for the activities of the City’s refuse collection and disposal operations, landfill operations and street sweeping operations.

The sewer disposal fund accounts for the activities of the City’s sanitary sewer system operations.

CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2021

The water fund accounts for the activities of the City's water production and distribution operations.

The planning and development services fund accounts for the activities of the City's engineering operations.

Additionally, the City reports the following fund types:

Internal service funds account for general liability and property damage insurance, fleet management services, retirement, workers' compensation, and health, unemployment and Medicare insurance, facility maintenance and enhancement, telecommunication and information technology, and other general services provided to other departments or agencies of the City on cost reimbursement bases.

Custodial funds account for assets held by the City for, certain special assessments collected and distributed on behalf of the districts.

Private-purpose trust funds are used to account for the assets of the former Clovis Community Development Agency during the wind down period.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. The exception to this general rule is payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, liabilities, deferred outflows/inflows, and net position/fund balance

1. Cash and investments

The City maintains a cash and investment pool that is available for use by all funds. This pool utilizes investments authorized by the Government Code and is further defined by the City's investment policy that is reviewed annually by the City Council.

Highly liquid market investments with maturities of 1 year or less at the time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for the securities for which market quotations are readily available.

Authorized investments include deposits in the State of California administered Local Agency Investment Fund, insured certificates of deposits, collateralized certificates of deposits, commercial paper, bankers acceptances,

CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2021

medium term notes, money market mutual funds and securities backed by the U.S. Government. All investments are stated at fair value.

Interest income earned as a result of pooling is distributed to the appropriate funds based on month end cash balances in each fund. Interest income from cash and investments with fiscal agents and deferred compensation is credited directly to the related fund.

For purposes of the statement of cash flows, the City considers short term and highly liquid investments (including restricted assets) to be cash and cash equivalents.

The City invests its excess cash principally in U.S. Government Securities, U.S. Treasuries and the State of California Local Agency Investment Fund (LAIF). Investments in the LAIF are available for withdrawal on demand.

The City is also required to deposit funds with fiscal agents under the provisions of Revenue Bonds, Contracts and/or Lease Agreements. These funds are invested by the fiscal agent in instruments generally more restrictive than the City's investment policy.

U.S. GAAP defines fair values, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded fair value in the Statement of Net Position/Balance Sheet, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

Level 1 – Inputs are unadjusted, quoted prices for identical assets and liabilities in active markets at the measurement date.

Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the assets or liabilities through corroboration with market data at the measurement date.

Level 3 – Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

2. Receivables

Billed but unpaid services provided to individuals or non-governmental entities are recorded as "receivables." Services provided to other governmental entities are recorded as "due from other governments." The City's utility enterprise funds include an estimated amount for services rendered but not yet billed as of June 30, 2021, determined by prorating the July 2021 bi-monthly billing.

The City has not experienced any material write-off of receivables; and therefore, an "allowance for bad debts" is not included on the City's balance sheet or statement of net position.

3. Interfund receivables/payables

During the course of operations, interfund receivables and payables transactions arise. These receivables and payables are classified as "due from other funds" or "due to other funds" on the fund financial statements. On the government-wide statement of net position, the "internal balances" represents the amounts receivable/payable between business-type activities and governmental activities. All other interfund transactions have been eliminated on the statement of net position.

4. Inventories

Inventories, consisting of fuel and vehicle parts, are valued at cost.

CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2021

5. Capital assets/intangible assets

Capital assets, which include property, plant, equipment, right to use and infrastructure assets (roadways), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$10,000, and an estimated useful life of at least three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at estimated acquisition value at the date donated. Intangible assets are valued at historical cost.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Intangible assets include the purchase of sewer capacity rights and water entitlement rights. The City purchased sewer capacity rights from the City of Fresno at the Fresno Regional Waste Water Treatment Plant. The total amount of \$40,558,603 is reported in the City's Sewer Disposal Enterprise Fund. The City purchased water entitlement rights from the Fresno Irrigation District for surface water. The total amount of \$10,118,786 reported in the City's Water Enterprise Fund.

Donated assets include developer donated land as well as the improvements on the land including streets, curbs and gutters, sidewalks, street lighting and landscaping. Included in the total amount of capital grants and contributions on the government-wide statement of activities is \$17,665,570 of developer donated assets.

Property, plant and equipment of the primary government is depreciated over the estimated useful lives using the straight-line method, half-year convention. Estimated useful lives are as follows:

Distribution Systems	50 years
Roadways	50
Buildings	20-40
Vehicles	5-20
Right to use	5-35
Other Equipment	3-10

Amortization of intangibles is computed over 40 years using the straight-line method, half-year convention. As the life of the rights have a life of 40 years.

6. Compensated absences

The liability for vested leave (vacation, compensated time off, holiday) earned but not used in governmental funds is expensed and established as a liability and is reported in the government-wide statement of net position in the governmental activities column. Vested leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue. No liability is recorded for non-vesting leave such as sick leave.

7. Long-term liabilities

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term liabilities and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

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

CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2021

8. Pensions

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

The following timeframes are used for pension plan reporting:

CalPERS

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

9. Fund balances

In the fund financial statements, governmental funds report components of fund balance based on constraints on the specific purposes for which amounts can be spent. "Nonspendable" fund balance is not in a spendable form or has a requirement to maintain intact. "Restricted" fund balance has externally enforceable limitations on its use such as restrictions from outside parties such as creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. "Committed" fund balance is constrained by limits imposed by the government's highest level of decision-making and can only be removed or modified by a formal action by that authority. "Assigned" fund balance is limited by City Council, the City Manager or the designated department head as delegated by City Council. "Unassigned" fund balance is the residual net resources.

The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The City will spend the funds restricted for their purpose within those funds first followed by assigned funds for their intended purposes prior to spending any unassigned funds. The City Council has established a target of a minimum unassigned fund balance for any operational fund is 10% of the budgeted expenditures with the goal for unassigned fund balance of up to 15% of budgeted expenditures unless capital borrowing or extraordinary fiscal conditions require higher levels of unassigned fund balance be maintained.

The local transportation fund is the City's only major special revenue fund. This fund accounts for the capital street projects paid for out of the City's share of Transportation Development Act (SB 325) funds allocated by the state, 1/2 cent sales tax for transportation, Special Gas Tax Select Street funds, and federal funding sources under the Federal Intermodal Surface Transportation Efficiency Act. In addition, funds are transferred from the Developer Trust Fund as reimbursements are made for developer-financed projects.

CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2021

10. Net Position

In the government-wide financial statements and proprietary fund financial statements, net position is classified as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt, net of deferred refunding, that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When expenses are incurred for purposes for which both restricted and unrestricted components of net position are available, the City's policy is to apply the restricted component of net position first, then the unrestricted component of net position as needed.

11. Use of estimates

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

12. Deferred outflows/inflows of resources

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

13. Leases

Lessee: The City has a policy to recognize a lease liability and a right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$10,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2021

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

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

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

Lessor: The City is a lessor for a leases of a building and land at four locations. The City recognizes a lease receivable and a deferred inflows of resources in both the government-wide and fund financial statements.

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

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

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

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

14. Implementation of New GASB Pronouncements

The requirements of the following accounting standards are effective for the purpose of implementation, if applicable to the City, for the year ended June 30, 2021. The financial statements included herein apply the requirements and provisions of these statements, including necessary retroactive adjustments to financial statement classifications and presentations.

Implementation of New GASB Pronouncements for the Year Ended June 30, 2021

GASB Statement No. 84

In January 2017, GASB issued Statement No. 84, Fiduciary Activities. This Statement improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Application of this statement is effective for the City's fiscal year ending June 30, 2021.

As a result of this Statement, certain funds previously classified as "agency funds" have been reclassified and combined within the City's General Fund. The Senior Citizen Memorial, Payroll Tax and Withholdings, and Asset Forfeiture funds were all identified as not meeting the definition of a custodial fund; the assets, liabilities, fund balance, as well as revenue and expenditures therein have subsequently been combined with the General Fund. In addition, amounts previously classified as liabilities within the remaining custodial funds (Blackhorse Assessment, Temperance Barstow Assessment, and Shepherd Temperance Assessment) have been reclassified as beginning net position.

CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2021

GASB Statement No. 87

In June 2017, GASB issued Statement No. 87, Leases. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GASB Statement No. 90

In August 2018, GASB issued Statement No. 90, Majority Equity Interests - An Amendment of GASB Statements No. 14 and No. 61. This Statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. Application of this statement is effective for the City's fiscal year ending June 30, 2021.

GASB Statement No. 98

In October 2021, GASB issued Statement No. 98, The Annual Comprehensive Financial Report. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. Application of this statement is effective for the City's fiscal year ending December 15, 2021.

Upcoming Governmental Accounting Standards Implementation

GASB Statement No. 89

In June 2018, GASB issued Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Application of this statement is effective for the City's fiscal year ending June 30, 2022.

GASB Statement No. 91

In May 2019, GASB issued Statement No. 91, Conduit Debt Obligations. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Application of this statement is effective for the City's fiscal year ending June 30, 2023.

CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2021

GASB Statement No. 92

In January 2020, GASB issued Statement No. 92, Omnibus 2020. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Application of this statement is effective for the City's fiscal year ending June 30, 2022.

GASB Statement No. 93

In March 2020, GASB issued Statement No. 93, Replacement of Interbank Offered Rates. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. Application of this statement is effective for the City's fiscal year ending June 30, 2022.

GASB Statement No. 94

In March 2020, GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Application of this statement is effective for the City's fiscal year ending June 30, 2023.

GASB Statement No. 96

In May 2020, GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Application of this statement is effective for The City's fiscal year ending June 30, 2023.

GASB Statement No. 97

In June 2020, GASB issued Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Application of this statement is effective for the City's fiscal year ending June 30, 2022.

CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2021

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this (\$99,538,388) difference are as follows:

Pension related items of \$102,649,180 (net of \$7,651,712 reported in Internal Service Funds)	\$ 94,997,468
Accrued compensated absences of \$4,813,225 (net of \$272,305 reported in Internal Service Funds)	<u>4,540,920</u>
Net adjustment to reduce <i>fund balance-total governmental funds</i> to arrive at <i>net position-governmental activities</i>	<u><u>\$ 99,538,388</u></u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances-total governmental funds and changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.”

The details of this \$1,422,810 difference are as follows:

Capital Outlay	\$ 10,712,079
Depreciation expense (net of \$5,781,992 reported in Internal Service Funds)	<u>(12,134,889)</u>
Net adjustment to decrease <i>net changes in fund balance-total governmental funds</i> to arrive at <i>changes in net position-governmental activities</i>	<u><u>\$ (1,422,810)</u></u>

Another element of that reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.” Donated capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.

The details of this \$10,712,079 difference are as follows:

General government capital asset additions	\$ 38,775,128
Internal service fund capital asset additions	(13,049,824)
Donated capital asset additions	<u>(15,013,225)</u>
Net capital outlay	<u><u>\$ 10,712,079</u></u>

CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2021

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this \$7,949,285 difference are as follows:

Pension related items (Net of \$488,515 reported in Internal Service Funds)	\$ 7,589,602
Compensated absences (Net of \$15,818 reported in Internal Service Funds)	<u>359,685</u>
Net adjustment to decrease <i>net changes in fund balance-total governmental</i> funds to arrive at <i>changes in net position-governmental activities</i>	<u>\$ 7,949,287</u>

III. Stewardship, compliance, and accountability

A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year-end.

On or before the second week of March of each year, all departments of the City submit request for appropriations to the City Manager so that a budget may be prepared. On or before the third Monday in May, the proposed budget is presented to the City council for review. The council holds public hearings and a final budget must be adopted no later than June 30.

The appropriated budget is prepared by fund and department. The City Manager may make transfers of appropriations between departments within a specific fund of up to \$5,000 and up to \$2,500 from any established reserves. Transfers in excess of those amounts require council action. No action is required at any level lower than the department level. The legal level of budgetary control is the department level. During the year, supplementary appropriations approved by the council were necessary for some departments.

B. Deficit fund equity

Government-Wide Financial Statements

At June 30, 2021, deficit unrestricted net position was reported for governmental activities in the amount of \$(32,398,592). The deficit is the result of reporting net pension liabilities of \$124,652,253 in the government-wide financial statements. City management believes the present cash aggregate position of the General Fund is adequate to meet current needs.

Proprietary Funds

The Transit Fund has a deficit net position of \$(2,770,199) as of June 30, 2021. The deficit is the result of reporting net pension liabilities of \$5,390,365 in the proprietary fund financial statements. City management believes the present cash aggregate position of the Transit Fund is adequate to meet current needs.

CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2021

IV. Detailed notes on all funds

A. Cash and investments

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

Primary Government:	
Cash and investments	\$ 296,673,606
Cash and investments - restricted	601,252
Fiduciary funds:	
Cash and investments	1,205,797
Cash and investments with agent - restricted	1,066,781
Total cash and investments	<u>\$ 299,547,436</u>

Fair value of cash and investments based on quoted market prices. The City categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72. This hierarchy recognizes three tiers, outlined as follows:

- Level 1: Investments reflect prices quoted in active markets;
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and,
- Level 3: Investments reflect prices based upon unobservable sources.

The table below presents the fair value measurements of investments recognized in the accompany statements of net position at June 30, 2021:

	Fair Value	Measurement Input
Cash on hand	\$ 8,185	N/A
Deposit with financial institution	7,451,028	
Investments:		
Money Market Funds	66,437,811	N/A
Certificates of Deposit	9,735,000	N/A
Municipal Securities	5,900,000	N/A
U.S. Agency Securities	120,342,997	Level 2
Local Agency Investment Fund (LAIF)	74,304,273	N/A
Held by Bond Trustee:		
Money Market Funds	<u>15,368,142</u>	N/A
Total	<u>\$ 299,547,436</u>	

Investment securities classified in Level 2 of the fair value hierarchy are valued using prices determined by the use of matrix pricing techniques maintained by the pricing vendors for these securities. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

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

CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2021

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio or Amount*	Maximum Investment or One Issuer or Amount
U.S. Treasury Obligations	3 years	None	None
U.S. Agency Securities	3 years	None	None
Bankers Acceptances	180 days	30%	30%
Commercial Paper	270 days	15%	10%
Negotiable Certificates of Deposit	3 years	30%	Legal Limit
Repurchase Agreements	1 year	None	None
Medium-Term Notes	3 years	30%	None
Qualified Mutual Funds	N/A	\$2,000,000	\$2,000,000
Money Market Accounts	N/A	\$10,000,000	\$10,000,000
Local Agency Investment Fund (LAIF)	N/A	None	None

* Excluding amounts held by bond trustee that are not subject to California Government Code restrictions.

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.

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. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The City monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The City investment policy states that no investment can have a maturity in excess of three years unless approved by the City Manager.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment or One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Bankers Acceptances	180 days	30%	30%
Commercial Paper	270 days	15%	10%
Qualified Mutual Funds	N/A	None	None
Money Market Accounts	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations. The City's investments do not include any investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above).

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 by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2021

<u>Investment Type</u>	<u>Amount</u>	<u>Weighted Average Maturity (in years)</u>
Money Market Funds	\$ 66,437,811	N/A
Municipal Securities	5,900,000	1.15
Certificates of Deposit	9,735,000	1.45
U.S. Agency Securities	120,342,997	1.55
Local Agency Investment Fund (LAIF)	74,304,273	N/A
Held by Bond Trustee:		
Money Market Funds	<u>15,368,142</u>	N/A
Total	<u>\$ 292,088,223</u>	

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. Investments in any one issuer (other than U.S. Treasury securities and external investment pools) that represent 5% or more of total City of Clovis' investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>	<u>Percent of Total Invested</u>
FFCB	Federal Agency Securities	\$ 36,960,000	33.0%
FHLMC	Federal Agency Securities	600,000	0.5%
FHLB	Federal Agency Securities	54,000,000	48.2%
FAMCMTN	Federal Agency Securities	20,500,000	18.3%

Custodial Credit Risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the broker or dealer to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provisions for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2021, no City's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts. In addition, as of June 30, 2021, no investments were held by the same broker dealer (counterparty) that was used by the City to purchase the securities.

CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2021

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. As of year-end, the average life-month end maturity of the investments contained in the LAIF investment pool is approximately 191.

Investment in State Investment Pool. The City's investments with Local Agency Investment Fund (LAIF) at June 30, 2021 included a portion of the pooled funds invested in Structured Notes and Assets-Backed Securities. These investments included the following:

Structured Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMO's) or credit card receivables.

As of June 30, 2021, the City had \$74,304,273 invested in LAIF, which had invested 1.10% of the pool investment funds in Structured Notes and Asset-Backed Securities and 1.21% of pool investment funds in Short-term Asset-Backed Commercial Paper.

The fair value of the City's position in the LAIF pool is the same as the value of the pool shares.

The Pooled Money Investment Board provides oversight to the State Treasurer's pooled investment program. The purpose of the board is to design and administer an effective cash management and investment program, using all monies flowing through the State Treasurer's Office bank accounts and keeping all available funds invested in a manner consistent with the goals of safety, liquidity, and yield. The Pooled Money Investment Board is comprised of the State Treasurer as chair, the State Controller, and the Director of Finance. The investment program is not registered with the Securities and Exchange Commission as an investment company.

The State Treasurer's Office reports its investments at fair value. The fair value of securities in the State Treasurer's pooled investment program generally is based on quoted market prices. The value of the deposits in the State Treasurer's pooled investment program, including the Local Agency Investment Fund, is equal to the dollars deposited in the program.

Certain funds have elected to participate in the pooled investment program even though they have the authority to make their own investments. Others may be required by legislation to participate in the program; as a result, the deposits of these funds or accounts may be considered involuntary. However, these funds or accounts are part of the State's reporting entity. The remaining participation in the pool, the Local Agency Investment Fund, is voluntary.

B. Property taxes

Secured property taxes become a lien on the property as of January 1 and are levied in two equal installments: the first due November 1 and delinquent on December 11, and the second due February 1 and delinquent April 11. Property taxes on unsecured property are due on the lien date of March 1 and become delinquent on September 1. The County of Fresno is responsible for the assessment, collection and apportionment for all jurisdictions within the County, including the City.

CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2021

C. Receivables

Receivables as of June 30, 2021 for the City's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, are as follows:

	General	Local Transportation	Nonmajor & Other Funds	Total Governmental Funds	Internal Service Funds	Fiduciary Funds
Interest	\$ 53,506	\$ 80,618	\$ 23,235	\$ 157,359	\$ 80,268	\$ 745
Taxes	805,021			805,021		1,021
Loans		63,251	3,221,518	3,284,769	51,663	
Accounts	1,705,725	183,999		1,889,724	33,855	
Lease					300,281	
	<u>\$ 2,564,252</u>	<u>\$ 327,868</u>	<u>\$ 3,244,753</u>	<u>\$ 6,136,873</u>	<u>\$ 466,067</u>	<u>\$ 1,766</u>
	Community Sanitation	Sewer Disposal	Water	Planning & Development Services	Transit	Total Proprietary Funds
Interest	\$ 28,008	\$ 69,067	\$ 106,338	\$ 29,479	\$ 4,463	\$ 237,355
Loans		20,537	8,663			29,200
Accounts	4,263,973	3,217,914	3,742,835	248,390	8,226	11,481,338
Lease		694,948	588,602			1,283,550
	<u>\$ 4,291,981</u>	<u>\$ 4,002,466</u>	<u>\$ 4,446,438</u>	<u>\$ 277,869</u>	<u>\$ 12,689</u>	<u>\$ 13,031,443</u>

Lease receivables consists of agreements with cellular network companies and PG&E for the right to use land at various locations throughout the City. The terms of these arrangements range from 6 to 23 years and the interest rate on these is calculated at the City's fiscal year 2021 borrowing rate of 2.475%.

D. Interfund receivables, payables and transfers

Interfund balances for the purpose of the government-wide financial statements have been eliminated. The composition of interfund balances in the fund level statements as of June 30, 2021, is as follows:

Interfund transfers:

Transfers In	Transfers Out	Purpose	Amount
Enterprise Fund	Capital Project Fund	development capital cost	\$ 150,000
Internal Service Fund	General Fund	fleet replacement costs	6,040,000
General Services	Enterprise Fund	capital project	50,000
Internal Service Fund	General Fund	capital projects	11,000,000
Internal Service Fund	General Fund	Fire Station #2	955,300
Enterprise Fund	General Fund	operating cost	300,000
	Total transfers		<u>\$ 18,495,300</u>

CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2021

E. Capital assets and intangible assets

Summary of change in capital assets for the year ended June 30, 2021 was as follows:

	Beginning Balance	Additions	Retirements/ Adjustments	Ending Balance
Government activities:				
Capital assets, not being depreciated:				
Land	\$ 256,061,675	\$ 8,003,611		\$ 264,065,286
Capital assets, being depreciated:				
Buildings and improvements	120,459,778	7,593,187		128,052,965
Right to use direct borrowings buildings	17,879,458			17,879,458
Machinery and equipment	47,360,092	3,557,157	(1,050,221)	49,867,028
Right to use direct borrowings equipment	6,118,716	2,340,000		8,458,716
Road network	386,927,480	17,281,173		404,208,653
Total capital assets being depreciated	578,745,524	30,771,517	(1,050,221)	608,466,820
Less accumulated depreciation for				
Buildings and improvements	(45,682,935)	(3,321,646)		(49,004,581)
Right-to-use leased buildings	(5,319,337)	(617,464)		(5,936,801)
Machinery and equipment	(33,298,942)	(2,511,453)	995,498	(34,814,897)
Right-to-use leased equipment	(3,980,197)	(543,550)		(4,523,747)
Road network	(138,587,275)	(10,922,768)		(149,510,043)
Total accumulated depreciation	(226,868,686)	(17,916,881)	995,498	(243,790,069)
Total capital assets, being depreciated, net	351,876,838	12,854,636	(54,723)	364,676,751
Governmental activities capital assets, net	\$ 607,938,513	\$ 20,858,247	\$ (54,723)	\$ 628,742,037
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 37,884,361	\$ 53,116		\$ 37,937,477
Capital assets, being depreciated:				
Buildings and improvements	308,212,272	4,589,403		312,801,675
Machinery and equipment	11,309,939	317,367		11,627,306
Total capital assets being depreciated	319,522,211	4,906,770		324,428,981
Less accumulated depreciation for				
Buildings and improvements	(93,291,765)	(6,690,272)		(99,982,037)
Machinery and equipment	(7,145,889)	(778,053)		(7,923,942)
Total accumulated depreciation	(100,437,654)	(7,468,325)		(107,905,979)
Total capital assets, being depreciated, net	219,084,557	(2,561,555)		216,523,002
Intangible assets, being amortized	49,988,711	688,678		50,677,389
Less accumulated amortization	(22,779,166)	(1,365,822)		(24,144,988)
Business-type activities intangible assets, net	27,209,545	(677,144)		26,532,401
Business-type activities capital assets, net	\$ 284,178,463	\$ (3,185,583)	\$ 0	\$ 280,992,880

CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2021

Depreciation/amortization expense was charged to functions as follows:

Governmental activities depreciation expense:	
General government	\$ 64,923
Public safety	53,097
Transportation	11,006,646
Community Development	58,506
Cultural and recreation	951,717
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the asset	<u>5,781,992</u>
Total governmental activities depreciation expense	<u><u>\$ 17,916,881</u></u>
Business-type activities depreciation/amortization:	
Community Sanitation	\$ 385,893
Sewer Disposal	5,080,870
Water	2,949,233
Planning & Development Services	11,016
Transit	<u>407,135</u>
Total business-type activities depreciation/amortization expense	<u><u>\$ 8,834,147</u></u>

Donated assets to governmental activities consisted of \$15,013,225 of which the majority is donated to the City by developers for streets. Donated assets to business-type activities consisted of \$2,652,345, which represents sewer and water infrastructure donated by developers.

Fiduciary funds capital assets

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land	<u>\$ 9,087,336</u>			<u>\$ 9,087,336</u>
Capital assets, being depreciated:				
Buildings and improvements	<u>2,687,521</u>			<u>2,687,521</u>
Total capital assets being depreciated	<u>2,687,521</u>			<u>2,687,521</u>
Less accumulated depreciation for				
Buildings and improvements	<u>(877,803)</u>	<u>\$ (76,333)</u>		<u>(954,136)</u>
Total accumulated depreciation	<u>(877,803)</u>	<u>(76,333)</u>		<u>(954,136)</u>
Total capital assets, being depreciated, net	<u>1,809,718</u>	<u>(76,333)</u>		<u>1,733,385</u>
Fiduciary funds capital assets, net	<u><u>\$ 10,897,054</u></u>	<u><u>\$ (76,333)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 10,820,721</u></u>

Depreciation expense for the year ended June 30, 2021 was \$76,333.

CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2021

F. Long-term liabilities

Summary of changes in long-term liabilities for the year ended June 30, 2021 was as follows:

				Classification		
	Balance 7/1/2020	Additions	Reductions	Balance 6/30/2021	Due in One Year	Due in more than One Year
Governmental Activities:						
Revenue bonds	\$ 0	\$ 13,355,000	\$ 0	\$ 13,355,000	\$ 150,000	\$ 13,205,000
Less deferred amounts:						
(Discounts)/premiums		592,287	(3,347)	588,940		588,940
Total bonds payable	0	13,947,287	(3,347)	13,943,940	150,000	13,793,940
Loans payable	2,768,484		(328,578)	2,439,906	269,483	2,170,423
Direct borrowings	17,406,088	2,340,000	(3,251,186)	16,494,902	2,660,775	13,834,127
Deposits & other liabilities	24,478,430	21,418,347	(15,390,506)	30,506,271	30,506,271	
Claims and judgments	9,772,000	2,172,341	(2,866,341)	9,078,000	2,548,000	6,530,000
Compensated absences	4,437,722	2,318,133	(1,942,630)	4,813,225	1,199,600	3,613,625
Net pension liability	113,957,766	10,694,487		124,652,253		124,652,253
Total governmental activities	\$ 172,820,490	\$ 52,890,595	\$ (23,782,588)	\$ 201,928,497	\$ 37,334,129	\$ 164,594,368
	Balance 7/1/2020	Additions	Reductions	Balance 6/30/2021	Due in One Year	Due in more than One Year
Business-Type Activities:						
Revenue bonds	\$ 98,010,000		\$ (4,260,000)	\$ 93,750,000	\$ 4,475,000	\$ 89,275,000
Less deferred amounts:						
(Discounts)/premiums	11,255,726		(750,164)	10,505,562		10,505,562
Total bonds payable	109,265,726		(5,010,164)	104,255,562	4,475,000	99,780,562
Contracts payable	4,505,029		(1,049,843)	3,455,186	1,099,612	2,355,574
Landfill closure	4,284,640	\$ 335,400		4,620,040		4,620,040
Compensated absences	1,348,141	1,036,432	(882,489)	1,502,084	374,300	1,127,784
Deposits & other liabilities	5,745,157	1,946,491	(840,528)	6,851,120	6,851,120	
Net pension liability	31,343,810	2,702,949		34,046,759		34,046,759
Total business-type activities	\$ 156,492,503	\$ 6,021,272	\$ (7,783,024)	\$ 154,730,751	\$ 12,800,032	\$ 141,930,719

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end \$272,305 of internal service funds compensated absences are included in the above amounts. Included in deposits and other liabilities in business-type activities are utility customer deposits of \$2,859,378 and miscellaneous deposits and other liabilities of \$3,991,742. For the governmental activities, accrued compensated absences are generally liquidated by the general fund. In addition, in prior years the employee benefit fund has been used to liquidate pension liabilities.

CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2021

Governmental activities long-term debt

1. Revenue bonds

The City issues revenue bonds to provide funds for the acquisition and construction of major capital facilities. The current bond outstanding has a maturity of 30 years.

In April 2021, the City issued landmark square revenue bonds in the amount of \$13,355,000. The net proceeds of \$13,824,812 (after the original issue premium of \$592,287 and payment of \$247,287 in underwriting fees, insurance, and other issuance costs) from the bonds will be used to construct the senior center as part of the Landmark Square project. The bonds have interest rates varying from 2.50% to 4.00% and the final payment is scheduled for November 2051. The revenue bonds contain an acceleration clause that allows the bondholders to accelerate payment of the entire principal amount to become immediately due if default in payment occurs.

Revenue bonds at June 30, 2021, consisted of the following:

	Balance 7/1/2020	Additions	Reductions	Balance 6/30/2021	Classification	
					Due in One Year	Due in more than One Year
2021 landmark square	\$ 0	\$ 13,355,000	\$ 0	\$ 13,355,000	\$ 150,000	\$ 13,205,000
Total revenue bonds	\$ 0	\$ 13,355,000	\$ 0	\$ 13,355,000	\$ 150,000	\$ 13,205,000

The annual debt service requirements for the revenue bonds outstanding at June 30, 2021, are as follows:

Year ending June 30,	Revenue Bonds		Total
	Principal	Interest	
2022	\$ 150,000	\$ 402,000	\$ 552,000
2023	280,000	376,300	656,300
2024	285,000	366,400	651,400
2025	300,000	354,700	654,700
2026	310,000	342,500	652,500
2027-2031	1,755,000	1,511,600	3,266,600
2032-2036	2,105,000	1,161,800	3,266,800
2037-2041	2,410,000	855,919	3,265,919
2042-2046	2,705,000	553,794	3,258,794
2047-2051	3,055,000	194,938	3,249,938
Total	\$ 13,355,000	\$ 6,119,951	\$ 19,474,951

CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2021

2. Loans payable

The City issues loans to provide funds for improvements at various City buildings. The loans have maturities ranging from 8 to 16 years. Loans payable at June 30, 2021, are as follows:

	Original Borrowing	Interest Rates	Final Maturity	Outstanding at Year-end
Governmental Activities				
R&T park loan payable	\$ 720,000	3.06%	2021	\$ 0
2011 energy loan payable	466,715	3.00%	2022	394,600
2012 energy loan payable	34,157	0.00%	2024	11,386
2014 energy loan payable	32,414	1.00%	2022	24,431
2016 energy loan payable	89,729	0.00%	2025	70,502
2019 energy loan payable	1,741,854	1.00%	2035	1,633,658
2020 energy loan payable	157,550	0.00%	2030	141,109
2020 energy loan payable	195,011	0.00%	2026	164,220
				<u>2,439,906</u>
Total loans payable				<u>\$ 2,439,906</u>

The annual debt service requirements for the loans payable outstanding at June 30, 2021, are as follows:

Governmental Activities

Year ending June 30,	Loans Payable		
	Principal	Interest	Total
2022	\$ 269,483	\$ 27,576	\$ 297,059
2023	261,521	24,153	285,674
2024	264,966	20,707	285,673
2025	253,886	17,091	270,977
2026	244,652	13,506	258,158
2027-2031	655,125	40,777	695,902
2032-2036	490,273	11,111	501,384
	<u>2,439,906</u>	<u>154,921</u>	<u>2,594,827</u>
Total	<u>\$ 2,439,906</u>	<u>\$ 154,921</u>	<u>\$ 2,594,827</u>

The following is an analysis of the assets acquired with the proceeds as of June 30, 2021:

Buildings and improvements	\$ 2,446,360
Less accumulated depreciation	<u>(833,633)</u>
Total	<u>\$ 1,612,727</u>

CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2021

3. Notes from Direct Borrowings

The City issues notes from direct borrowings to provide funds for the acquisition of public safety vehicles and governmental buildings. The maturity dates range from 5 to 35 years. The City Clovis also recognizes a intangible right to use direct borrowing assets. The City of Clovis recognizes right to use direct borrowings with an initial, individual value of \$10,000 or more.

During the current fiscal year, the City issued a direct borrowing note in the amount of \$2,340,000. The note pays principal and interest semiannually in December 5 and June 5, at an interest rate of 1.71%. The proceeds from the note are being used for the purchase of 21 police vehicles and one fire truck.

Notes from direct borrowings at June 30, 2021, are as follows:

	Original Borrowing	Interest Rates	Final Maturity	Outstanding at Year-end
Governmental Activities				
2014 corp yard	\$ 14,377,528	3.10%	2027	\$ 6,952,131
2007 fire station #1	6,090,000	4.00%	2022	265,802
2011 solar project	2,454,100	4.95%	2031	1,521,210
2011 fire truck	625,411	3.36%	2021	0
2013 animal shelter	3,000,000	4.00%	2034	2,006,056
2014 safety vehicles	1,795,000	1.86%	2024	226,098
2014 CAD dispatch	531,000	2.97%	2021	0 *
2015 network & AV	400,000	1.72%	2021	0 *
2015 PD/fire comm tower	1,810,000	2.35%	2026	866,897
2015 solar project	2,000,000	3.48%	2035	1,579,464
2016 safety vehicles	1,460,000	1.00%-3.00%	2026	233,492
2018 safety vehicles	573,000	3.00%	2023	239,484 *
2019 safety vehicles	1,125,000	3.23%	2023	585,017 *
2021 safety vehicles	2,340,000	1.71%	2030	2,019,251
Total direct borrowings				<u>\$ 16,494,902</u>

*Note: These direct borrowings contain a provision that in an event of default, outstanding amounts become immediately due if the City is unable to make payment.

The debt service requirements for the City notes from direct borrowings are as follows:

Year ending June 30,	Direct Borrowings		Total
	Principal	Interest	
2022	\$ 2,660,775	\$ 504,096	\$ 3,164,871
2023	2,463,283	427,221	2,890,504
2024	2,293,400	354,353	2,647,753
2025	2,155,176	288,254	2,443,430
2026	1,903,589	224,134	2,127,723
2027-2031	4,125,395	493,157	4,618,552
2032-2036	893,284	64,089	957,373
Total	<u>\$ 16,494,902</u>	<u>\$ 2,355,304</u>	<u>\$ 18,850,206</u>

CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2021

The following is an analysis of the land, structures, and equipment of the direct borrowings as of June 30, 2021:

Land, structures and equipment	\$ 2,057,359
Less accumulated depreciation	<u>(565,774)</u>
Total	<u><u>\$ 1,491,585</u></u>

Business-type activities long-term debt

1. Revenue bonds

The City issues revenue bonds to provide funds for the acquisition and construction of major capital facilities. The revenue bonds have maturities of 14-20 years.

Revenue bonds at June 30, 2021, consisted of the following:

	Original Borrowing	Interest Rates	Final Maturity	Outstanding at Year-end
Governmental Activities				
2013 wastewater revenue refunding bonds	\$ 12,500,000	2.00%-5.00%	2028	\$ 9,000,000
2015 wastewater revenue refunding bonds	21,600,000	2.00%-3.75%	2035	20,805,000
2017 wastewater revenue refunding bonds	50,710,000	2.00%-5.00%	2038	46,390,000
2014 water revenue refunding bonds	31,810,000	2.00%-4.25%	2028	<u>17,555,000</u>
Total revenue bonds				<u><u>\$ 93,750,000</u></u>

The annual debt service requirements for the revenue bonds outstanding at June 30, 2021, are as follows:

Business-Type Activities:

Year ending June 30,	Revenue Bonds		Total
	Principal	Interest	
2022	\$ 4,475,000	\$ 4,443,394	\$ 8,918,394
2023	4,695,000	4,217,767	8,912,767
2024	4,940,000	3,979,894	8,919,894
2025	6,040,000	3,709,144	9,749,144
2026	7,205,000	3,384,369	10,589,369
2027-2031	28,190,000	11,794,202	39,984,202
2032-2036	21,625,000	6,423,216	28,048,216
2037-2041	<u>16,580,000</u>	<u>1,271,000</u>	<u>17,851,000</u>
Total	<u><u>\$ 93,750,000</u></u>	<u><u>\$ 39,222,986</u></u>	<u><u>\$ 132,972,986</u></u>

The following is an analysis of the improvements made with the proceeds of these bonds through June 30, 2021:

Land, structures and equipment	\$ 140,291,752
Less accumulated depreciation	<u>(47,624,931)</u>
Total	<u><u>\$ 92,666,821</u></u>

CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2021

2013 wastewater revenue refunding bonds

In July 2013, The City issued wastewater revenue refunding bonds in the amount of \$12,500,000. The net proceeds of \$12,698,281 (after the original issue premium of \$596,726 and payment of \$398,445 in underwriting fees, insurance, and other issuance costs) from the bonds were used to refund the \$13,745,000 aggregate principal amount outstanding on the City's 1998 wastewater bonds. The aggregate debt service payments of the new debt are \$2,519,935 less than the old debt. The bonds have interest rates varying from 2.00% to 5.00% and the final payment is scheduled for August 2028. The issuance of the new debt and refunding of the old debt resulted in an economic gain (the difference between the net present value of the old debt and new debt service payments) of approximately \$644,000. The wastewater revenue refunding bonds contain an acceleration clause that allows the bondholders to accelerate payment of the entire principal amount to become immediately due if default in payment occurs.

2015 wastewater revenue refunding bonds

In August 2015, The City refinanced the 2005 wastewater revenue bonds and issued 2015 wastewater revenue bonds in the amount of \$21,600,000. The net proceeds of \$22,881,723 (after the original issue premium of \$1,652,032 and payment of \$370,309 in underwriting fees, insurance, and other issuance costs) from the bonds were used to refund the \$24,885,000 aggregate principal amount outstanding on the City's 2005 wastewater bonds. The aggregate debt service payments of the new debt are \$10,852,200 less than the old debt. The bonds have interest rates varying from 2.0% to 3.75% and the final payment is scheduled for August 2035. The issuance of the new debt and refunding of the old debt resulted in an economic gain (the difference between the net present value of the old debt and new debt service payments) of approximately \$4,410,265. The wastewater revenue bonds contain an acceleration clause that allows the bondholders to accelerate payment of the entire principal amount to become immediately due if default in payment occurs.

2017 wastewater revenue refunding bonds

In August 2017, The City refinanced the 2007 wastewater revenue bonds and issued 2017 wastewater revenue bonds in the amount of \$50,710,000. The net proceeds of \$59,836,790 (after the original issue premium of \$9,687,427 and payment of \$560,637 in underwriting fees, insurance, and other issuance costs) from the bonds were used to refund the \$59,620,000 aggregate principal amount outstanding on the City's 2007 wastewater bonds. The aggregate debt service payments of the new debt are \$18,669,931 less than the old debt. The bonds have interest rates varying from 2.0% to 5.0% and the final payment is scheduled for August 2038. The issuance of the new debt and refunding of the old debt resulted in an economic gain (the difference between the net present value of the old debt and new debt service payments) of approximately \$8,750,978. The wastewater revenue bonds contain an acceleration clause that allows the bondholders to accelerate payment of the entire principal amount to become immediately due if default in payment occurs.

2014 water refunding revenue refunding bond

In July 2013, The City issued water revenue refunding bonds in the amount of \$31,810,000. The net proceeds of \$33,780,909 (after the original issue premium of \$2,427,739 and payment of \$456,830 in underwriting fees, insurance, and other issuance costs) from the bonds were used to refund the \$33,895,000 aggregate principal amount outstanding on the City's 2003 water revenue bonds. The aggregate debt service payments of the new debt are \$4,614,844 less than the old debt. The bonds have interest rates varying from 2.0% to 4.25% and the final payment is scheduled for March 2038. The issuance of the new debt and refunding of the old debt resulted in an economic gain (the difference between the present value of the old debt and new debt service payments) of approximately \$2,651,000. The wastewater revenue bonds contain an acceleration clause that allows the bondholders to accelerate payment of the entire principal amount to become immediately due if default in payment occurs.

CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2021

2. Contracts payable

The City enters into contracts to provide funds to provide sewer services. The City has currently entered into one contract and the contract has a maturity of 30 years.

Contracts payable at June 30, 2021, consisted of the following:

	Original Borrowing	Interest Rates	Final Maturity	Outstanding at Year-end
Business-type Activities				
1993 wastewater renovation	\$ 12,423,873	3.50%-6.25%	2024	\$ 3,455,186
Total revenue bonds				<u>\$ 3,455,186</u>

1993 wastewater renovation

The City has entered into a contract with the City of Fresno to purchase capacity rights in the form of participation in the cost of sewer system improvements. These improvements include the renovation and expansion of the Fresno Clovis Regional Wastewater Treatment Plant. The 1993 contract is for the City's share of the 1993 renovation of the Fresno Clovis Regional Wastewater Treatment Plant. The underlying City of Fresno 1993 Revenue Bonds on which the City of Clovis' contract payable amount is based have interest rates varying from 3.50%-6.25% and the final payments are scheduled for September 2023. The City's \$12,423,873 share of the renovation is capitalized as an intangible asset in the Sewer Disposal Fund, an enterprise fund, as disclosed in Note I. D. 5.

The 1993 waste water renovation contract debt service requirements to maturity are as follows:

Enterprise Activities:

Year ending June 30,	Contracts Payable		Total
	Principal	Interest	
2022	\$ 1,099,612	\$ 132,117	\$ 1,231,729
2023	1,151,729	80,087	1,231,816
2024	1,203,845	27,087	1,230,932
Total	<u>\$ 3,455,186</u>	<u>\$ 239,291</u>	<u>\$ 3,694,477</u>

CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2021

Fiduciary funds long-term debt

1. Tax allocation bonds payable

2008 Tax allocation bonds

The former Clovis Community Development Agency issued tax allocation bonds in the amount of \$19,100,000 in April 2008. The interest rates on the 2008 tax allocation bonds vary from 3.00% to 4.75% and the final payment is scheduled for August 2037. Bonds outstanding at January 31, 2012 were \$17,445,000 and were transferred to the Successor Agency on February 1, 2012 due to the dissolution of the Agency. The balance outstanding at June 30, 2021 is \$12,065,000 and is held in the City's Redevelopment Successor Agency Private-purpose Trust Fund.

Tax allocation bonds at June 30, 2021, consisted of the following:

	Balance 7/1/2020	Additions	Reductions	Classification		
				Balance 6/30/2021	Due in One Year	Due in more than One Year
2008 tax allocation bonds	\$ 12,065,000		\$ (805,000)	\$ 11,260,000	\$ 845,000	\$ 10,415,000
Less (discounts) on bonds	(136,117)		7,968	(128,149)		(128,149)
Total tax allocation bonds	\$ 11,928,883	\$ 0	\$ (797,032)	\$ 11,131,851	\$ 845,000	\$ 10,286,851

The annual debt service requirements for the tax allocation bonds outstanding at June 30, 2021, are as follows:

Fiduciary Activities:

Year ending June 30,	Tax Allocation Bonds		
	Principal	Interest	Total
2022	\$ 845,000	\$ 498,951	\$ 1,343,951
2023	880,000	461,001	1,341,001
2024	915,000	421,511	1,336,511
2025	960,000	379,181	1,339,181
2026	995,000	333,972	1,328,972
2027-2031	4,730,000	937,000	5,667,000
2032-2036	1,320,000	308,750	1,628,750
2037-2038	615,000	29,569	644,569
Total	\$ 11,260,000	\$ 3,369,935	\$ 14,629,935

CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2021

G. Landfill closure

The City has recorded liabilities for landfill closure, post-closure maintenance and for landfill corrective action in the Community Sanitation Fund, an enterprise fund. The State of California performs an annual analysis to determine estimated total cost of the landfill closure, post-closure care costs, total capacity and remaining life. The City's landfill closure liability, based on landfill capacity used to date, is recorded based on the information provided by their analysis. The landfill corrective action liability is based on the estimated cost of known or reasonably foreseeable corrective action that may be required at the facility.

The City is currently estimating at June 30, 2021 that the capacity of the landfill used is approximately 36%, the estimated remaining life is approximately 36 years and the estimated remaining cost to be recognized is \$18,589,319. The estimated capacity remaining is 6,307,931 cubic yards and the estimated landfill closure liability is \$4,620,040. The current estimated cost of known and/or reasonably foreseeable corrective action is \$2,518,807 and the City currently has \$1,000,000 set aside for this purpose. These estimates are based on a closure and post-closure maintenance plan and corrective action plan. The estimates have been adjusted for inflation and other factors such as technology and laws and regulations.

H. Pension Plans

General Information about the Pension Plan

Plan Description

The City contributes to the California Public Employees' Retirement System (CalPERS), an agent multiple-employer public employee defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and City ordinance. A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2020 Annual Actuarial Valuation Report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

Benefit Provided

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. A classic miscellaneous member becomes eligible for Service Retirement upon attainment of age 55 with at least 5 years of credited service. PEPRAs miscellaneous members become eligible for service retirement upon attainment of age 62 with at least 5 years of service. A classic safety member becomes eligible for Service Retirement upon attainment of age 50 with at least 5 years of credited service. PEPRAs safety members become eligible for service retirement upon attainment of age 57 with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 or 12 consecutive months' full-time equivalent monthly pay. Retirement benefits for classic miscellaneous employees are calculated as 2.7% of the average final 12 months compensation. Retirement benefits for PEPRAs miscellaneous employees are calculated as 2% of the highest average annual compensation over a three-year period. Retirement benefits for classic safety employees are calculated as 3% of the average highest 12 months compensation. Retirement benefits for PEPRAs safety employees are calculated as 2.7% of the average highest 36 months compensation.

Participants are eligible for non-industrial disability retirement if they become disabled and have at least 5 years of credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8 percent of final compensation, multiplied by service. Industrial disability benefits are not offered to miscellaneous employees. The City provides industrial disability retirement benefits to safety employees. The industrial disability retirement benefit is a monthly allowance equal to 50 percent of highest compensation.

CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2021

An employee's beneficiary may receive the basic death benefit if the employee dies while actively employed. The employee must be actively employed with the City to be eligible for this benefit. An employee's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the employee's accumulated contributions, where interest is currently credited at 7.375 percent per year, plus a lump sum in the amount of one month's salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted by 2 percent applied to the original retirement allowance.

Employees Covered by Benefit Terms

At June 30, 2020, the measurement date, the following employees were covered by the benefit terms:

Employee information

	Plans	
	Miscellaneous	Safety
Active employees	472	156
Transferred and terminated employees	672	64
Retired Employees and Beneficiaries	325	189
Total	1,469	409

Contributions

For the measurement period ended June 30, 2020, contributions were as follows:

	Miscellaneous	Safety	Aggregate Total
Contributions - employer	\$ 4,995,682	\$ 6,966,114	\$ 11,961,796

Section 20814(c) of the California Public Employees' Retirement Law ("PERL") requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The 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 employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions for the measurement period were as follows:

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

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

CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2021

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.25% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Discount Rate

In Fiscal Year 2016-17, the financial reporting discount rate was lowered from 7.65 percent to 7.15 percent. In December 2016, the CalPERS Board approved lowering the funding discount rate from 7.50 percent to 7.00 percent, which is to be phased-in over a three-year period (7.50 percent to 7.375 percent, 7.375 percent to 7.25 percent, and 7.25 percent to 7.00 percent) beginning with the June 30, 2016, valuation reports. The funding discount rate includes a 15 basis-point reduction for administrative expenses, and the remaining decrease is consistent with the change in the financial reporting discount rate.

Long-term Expected Real Rates of Return by Asset Class

The table below reflects long-term expected real rates of return by asset class. The rates of return were calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class ¹	Assumed Asset Allocation	Real Return Years 1 - 10 ²	Real Return Years 11+ ³
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

¹ In the Basic Financial Statements, 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.

² An expected inflation of 2.00% used for this period.

³ An expected inflation of 2.92% used for this period.

Pension Expense

The Net Pension Expense for the year ended June 30, 2021 is itemized as follows:

	Net Pension Expense
Miscellaneous Plan	\$ 3,601,448
Safety Plan	6,236,326
	<u>\$ 9,837,774</u>

CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2021

Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period.

Miscellaneous Plan

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2019 (Valuation Date)	\$ 217,859,813	\$ 155,197,259	\$ 62,662,554
Changes Recognized for the Measurement Period:			
Service Cost	5,253,785		5,253,785
Interest on the total pension liability	15,572,381		15,572,381
Differences between expected and actual experience	1,939,655		1,939,655
Contributions from the employer		4,995,682	(4,995,682)
Contributions from employees		4,832,063	(4,832,063)
Net investment income		7,851,765	(7,851,765)
Benefit payments, including refunds of employee contributions	(9,261,642)	(9,261,642)	0
Administrative expense		(218,790)	218,790
Net Changes during July 1, 2019 to June 30, 2020	\$ 13,504,179	\$ 8,199,078	\$ 5,305,101
Balance at June 30, 2020 (Measurement Date)	\$ 231,363,992	\$ 163,396,337	\$ 67,967,655

Safety Plan

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2019 (Valuation Date)	\$ 230,531,566	\$ 147,892,544	\$ 82,639,022
Changes Recognized for the Measurement Period:			
Service Cost	5,692,902		5,692,902
Interest on the total pension liability	16,528,674		16,528,674
Differences between expected and actual experience	3,334,764		3,334,764
Contributions from the employer		6,966,114	(6,966,114)
Contributions from employees		3,314,861	(3,314,861)
Net investment income		7,391,522	(7,391,522)
Benefit payments, including refunds of employee contributions	(11,085,026)	(11,085,026)	0
Administrative expense		(208,492)	208,492
Net Changes during July 1, 2019 to June 30, 2020	\$ 14,471,314	\$ 6,378,979	\$ 8,092,335
Balance at June 30, 2020 (Measurement Date)	\$ 245,002,880	\$ 154,271,523	\$ 90,731,357

CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2021

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

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Miscellaneous Plan	\$ 99,373,740	\$ 67,967,655	\$ 41,975,090
Safety Plan	\$ 124,560,442	\$ 90,731,357	\$ 62,895,127
Aggretate Total	\$ 223,934,182	\$ 158,699,012	\$ 104,870,217

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued CalPERS financial report.

Deferred Outflows and Deferred Inflows of Resources Related to Pensions

Deferred Outflows of Resources

	Deferred employer pension contributions made after measurement date	Changes in assumptions	Investment earnings less than expected earnings	Differences between actual versus expected experience	Total pension-related deferred outflows
Miscellaneous Plan	\$ 5,805,693		\$ 1,296,027	\$ 3,373,678	\$ 10,475,398
Safety Plan	7,861,821	\$ 2,548,070	1,220,076	5,592,446	17,222,413
Total	\$ 13,667,514	\$ 2,548,070	\$ 2,516,103	\$ 8,966,124	\$ 27,697,811

Deferred Inflows of Resources

	Changes in assumptions	Total pension-related deferred inflows
Miscellaneous Plan	\$ 211,882	\$ 211,882
Safety Plan	257,921	257,921
Total	\$ 469,803	\$ 469,803

CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2021

Amortization of deferred outflows/(inflows) of resources

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Period Ended June 30	Deferred Outflows/(Inflows) of Resources	
	Miscellaneous Plan	Safety Plan
2021	\$ 1,084,048	\$ 3,639,117
2022	1,608,426	2,224,004
2023	1,117,312	2,056,393
2024	648,036	1,183,157
	<u>\$ 4,457,822</u>	<u>\$ 9,102,671</u>

Payable to Pension Plan

At June 30, 2021, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

I. Tax Abatements

The City has not entered into any tax abatement agreements as of June 30, 2021. However, the County of Fresno (County) has provided certain tax abatements that affect the property tax revenues of the City.

The County provides property tax abatements through the California Land Conservation (Williamson) Act of 1965. The program enrolls land in Williamson Act or Farmland Security Zone contracts within established agricultural preserves, whereby the land is restricted to agricultural or qualified recreational uses in exchange for reduced property tax assessments. The Williamson Act Program is administered according to the statute and the County's Interim Program Guidelines adopted by the County's Board of Supervisors. The County's Assessor administers the property tax reduction that parcels enrolled in the program receive. Parcels enrolled in the Williamson Act Program are assessed for property tax purposes at a rate consistent with their actual use, rather than the market value of the property. The minimum contract term for the Williamson Act is ten years and for the Farmland Security Zone is twenty years. Both, the Williamson Act and the Farmland Security Zone contracts automatically renew until a notice of non-renewal or a certificate of cancellation is recorded. Under the non-renewal process, the annual tax assessment gradually increases over a defined period of time until the assessment reflects the market value of the property. Under the cancellation process, a onetime cancellation fee is assessed based upon a certain percentage of the unrestricted, current fair market value of the property.

For the fiscal year ended June 30, 2021, the County's Williamson Act Program tax abatements were \$50,439,819. The City's affected portion of property tax revenues (approximately 1.9%) is, therefore, \$958,357.

V. Other information

A. Self insurance

The City is self-insured for general liability, automobile liability, workers' compensation, group dental and group vision programs. The City is responsible for all claims up to \$2,000 per occurrence for automobile liability, \$5,000 per occurrence for property, \$250,000 per occurrence for workers' compensation, and \$100,000 per occurrence on general liability. The dental and vision programs have no individual per occurrence stop-loss and no aggregate annual stop-loss. Excess insurance for all amounts in excess of the self-insured retention in the workers' compensation program is purchased from Local Agency Workers' Compensation Excess JPA (LAWCX). Consistent with the LAWCX Memorandum of Coverage, LAWCX provides coverage for the City above its self-insured retention of \$250,000 up to \$5,000,000. LAWCX purchases excess insurance which covers the pool for losses from \$5,000,000 to statutory limits.

CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2021

The City is a member of the Central San Joaquin Valley Risk Management Authority (RMA) for the purpose of pooling general liability coverage under a retrospectively rated Memorandum of Coverage. Deposit premiums to the RMA are based on actuarially determined claims costs, including incurred but not reported claims, and expenses. Premiums are accrued based on the ultimate cost determined by the experience to date of the pool's member cities. The risk pool covers the City above its self-insured retention of \$100,000 up to \$1,000,000. The Authority purchases excess insurance which covers the pool for losses from \$1,000,001 to \$29,000,000. Pool Members may receive rebates when declared by RMA or, in the event excess liability claims against RMA exceed available resources, may be required to make additional contributions through a retrospective adjustment process.

The City accounts for the self-insurance programs in the Self-Insurance Fund and Employee Benefits Fund, both internal service funds. Charges to user departments are reported as interfund transactions.

Incurred but not reported claims have been accrued as a liability for the workers' compensation and dental programs as required in the amount of \$4,424,700 based on previous claims experience and actuarial studies.

There were no reductions in insurance coverage from the prior year and there were no settlements that exceeded insurance coverage for the past three fiscal years. Following is a reconciliation of the changes in the City's aggregate liabilities for claims for the current and prior fiscal year:

	Workers' Compensation	Dental	Total
Balance, 06/30/19	\$ 9,614,000	\$ 48,000	\$ 9,662,000
Claims provision	3,170,723	213,609	3,384,332
Claims paid	<u>(3,060,723)</u>	<u>(213,609)</u>	<u>(3,274,332)</u>
Balance, 06/30/20	9,724,000	48,000	9,772,000
Claims provision	1,853,615	318,726	2,172,341
Claims paid	<u>(2,547,615)</u>	<u>(318,726)</u>	<u>(2,866,341)</u>
Balance, 06/30/21	<u><u>\$ 9,030,000</u></u>	<u><u>\$ 48,000</u></u>	<u><u>\$ 9,078,000</u></u>

B. Deferred compensation

The City has established a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan, available to all full time employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts deferred under the plan and all income attributable to those amounts are solely the property and rights of the plan participants.

Semi-monthly the City forwards all contributions to the plan administrator, the ICMA Retirement Corporation. Plan participants may choose from investment options which are managed by the plan trustee. The City has no liability for losses under the plan. As of January 1, 1998 ICMA Retirement Corporation amended the agreement with the City to comply with IRC Section 457 regulations. The assets and related liabilities are not reported on the City's financial statements in accordance with Governmental Accounting Standards Board Statement No. 32 - "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans."

CITY OF CLOVIS
Notes to Financial Statements
For the Year Ended June 30, 2021

C. Postretirement benefits

1of service the opportunity to continue enrollment in the City's health insurance program until age 65. The retirees have the same choice of insurance plans as those of current employees. The retirees are pooled together separately from the active employee pool and pay the full cost of the insurance premiums without cost to the City.

D. Contingent liabilities

The City participates in a number of federally assisted grant programs, including those from the U.S. Department of Housing and Urban Development, U.S. Department of Justice, U.S. Department of Transportation, U.S. Department of Labor, U.S. Department of Health and Human Services and the U.S. Department of Homeland Security. Receipts from these grant programs are subject to audit to determine if the monies were expended in accordance with the appropriate statutes, grant terms and regulations. The City believes no significant liabilities will result.

Although the outcome of other lawsuits and claims is not determinable, it is the opinion of the City Attorney that the resolution of these matters will not have a material adverse effect on the financial condition of the City.

E. Subsequent events

As part of its budget process, the U.S. Department of Treasury allocated \$17,291,176 of American Rescue Plan Act (ARPA) Funds to the City. Allocations to the City started in May 2021 for \$8,645,588. Further, the Department of Treasury will allocate the second tranche of \$8,645,588 in ARPA funding to the City in May 2022.

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REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Changes in Net Pension Liability and Related Ratios

California Public Employees' Retirement System (CalPERS) - Miscellaneous Plan
Last Ten Fiscal Years⁴

Measurement period	2019-20	2018-19	2017-18	2016-17
Total pension liability				
Service Cost	\$ 5,253,785	\$ 5,057,577	\$ 4,786,244	\$ 4,581,081
Interest on the total pension liability	15,572,381	14,655,898	13,670,020	12,863,057
Changes of assumptions			(1,271,290)	10,936,836
Difference between expected and actual experience	1,939,655	3,417,850	2,414,711	812,258
Benefit pmts, including refunds of employee contributions	(9,261,642)	(8,604,933)	(7,837,606)	(6,970,312)
Net change in total pension liability	13,504,179	14,526,392	11,762,079	22,222,920
Total pension liability - beginning	217,859,813	203,333,421	191,571,342	169,348,422
Total pension liability - ending (a)	<u>\$ 231,363,992</u>	<u>\$ 217,859,813</u>	<u>\$ 203,333,421</u>	<u>\$ 191,571,342</u>
Plan fiduciary net position				
Contributions - employer	\$ 4,995,682	\$ 4,051,371	\$ 3,326,932	\$ 3,204,896
Contributions - employee	4,832,063	4,994,620	4,295,547	4,080,143
Net investment income	7,851,765	9,653,940	11,445,035	13,602,008
Benefit pmts, including refunds of employee contributions	(9,261,642)	(8,604,933)	(7,837,606)	(6,970,312)
Net Plan to plan resource movement			(337)	
Administrative expense	(218,790)	(103,622)	(209,719)	(178,420)
Other miscellaneous income/(expense) ¹		337	(398,260)	
Net change in fiduciary net position	8,199,078	9,991,713	10,621,592	13,738,315
Plan fiduciary net position - beginning ²	155,197,259	145,205,546	134,583,954	120,845,639
Plan fiduciary net position - ending (b)	<u>\$ 163,396,337</u>	<u>\$ 155,197,259</u>	<u>\$ 145,205,546</u>	<u>\$ 134,583,954</u>
Plan net pension liability - ending (a) - (b)	<u>\$ 67,967,655</u>	<u>\$ 62,662,554</u>	<u>\$ 58,127,875</u>	<u>\$ 56,987,388</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>70.62%</u>	<u>71.24%</u>	<u>71.41%</u>	<u>70.25%</u>
Covered payroll ³	<u>\$ 30,228,914</u>	<u>\$ 28,646,712</u>	<u>\$ 26,661,340</u>	<u>\$ 25,396,835</u>
Plan net pension liability as a % of covered payroll	<u>224.84%</u>	<u>218.74%</u>	<u>218.02%</u>	<u>224.39%</u>

¹ During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75. Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

² Includes any beginning of year adjustment

³ Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-20; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

⁴ This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

Benefit Changes: The figures above include any liability impact that may have resulted from voluntary benefit changes that occurred after the June 30, 2019 valuation. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the June 30, 2019 valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: None in 2019 or 2020. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Changes in Net Pension Liability and Related Ratios

California Public Employees' Retirement System (CalPERS) - Miscellaneous Plan
Last Ten Fiscal Years⁴

Measurement period	2015-16	2014-15	2013-14
Total pension liability			
Service Cost	\$ 4,019,807	\$ 3,839,364	\$ 3,770,553
Interest on the total pension liability	12,118,925	11,339,870	10,627,308
Changes of assumptions		(2,825,475)	
Difference between expected and actual experience	898,210	265,438	
Benefit pmts, including refunds of employee contributions	(6,395,433)	(5,572,456)	(5,099,721)
Net change in total pension liability	10,641,509	7,046,741	9,298,140
Total pension liability - beginning	158,706,913	151,660,172	142,362,032
Total pension liability - ending (a)	<u>\$ 169,348,422</u>	<u>\$ 158,706,913</u>	<u>\$ 151,660,172</u>
Plan fiduciary net position			
Contributions - employer	\$ 2,918,817	\$ 3,275,626	\$ 3,096,889
Contributions - employee	4,002,625	3,097,353	2,553,852
Net investment income	705,624	2,655,292	17,261,431
Benefit pmts, including refunds of employee contributions	(6,395,433)	(5,572,456)	(5,099,721)
Net Plan to plan resource movement			
Administrative expense	(72,943)	(134,636)	
Other miscellaneous income/(expense) ¹			
Net change in fiduciary net position	1,158,690	3,321,179	17,812,451
Plan fiduciary net position - beginning ²	119,686,949	116,365,770	98,553,319
Plan fiduciary net position - ending (b)	<u>\$ 120,845,639</u>	<u>\$ 119,686,949</u>	<u>\$ 116,365,770</u>
Plan net pension liability - ending (a) - (b)	<u>\$ 48,502,783</u>	<u>\$ 39,019,964</u>	<u>\$ 35,294,402</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>71.36%</u>	<u>75.41%</u>	<u>76.73%</u>
Covered payroll ³	<u>\$ 24,405,359</u>	<u>\$ 22,815,330</u>	<u>\$ 21,224,617</u>
Plan net pension liability as a % of covered payroll	<u>198.74%</u>	<u>171.03%</u>	<u>166.29%</u>

¹ During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75. Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

² Includes any beginning of year adjustment

³ Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-20; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

⁴ This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

Benefit Changes: The figures above include any liability impact that may have resulted from voluntary benefit changes that occurred after the June 30, 2019 valuation. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the June 30, 2019 valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: None in 2019 or 2020. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Changes in Net Pension Liability and Related Ratios, Continued

California Public Employees' Retirement System (CalPERS) - Safety Plan
Last Ten Fiscal Years⁴

Measurement period	2019-20	2018-19	2017-18	2016-17
Total pension liability				
Service Cost	\$ 5,692,902	\$ 5,508,075	\$ 5,400,076	\$ 5,070,624
Interest on the total pension liability	16,528,674	15,548,223	14,583,496	13,834,596
Changes of assumptions			(626,378)	11,813,770
Difference between expected and actual experience	3,334,764	3,526,827	1,258,478	1,747,504
Benefit pmts, including refunds of employee contributions	(11,085,026)	(10,456,706)	(9,686,731)	(8,769,084)
Net change in total pension liability	14,471,314	14,126,419	10,928,941	23,697,410
Total pension liability - beginning	230,531,566	216,405,147	205,476,206	181,778,796
Total pension liability - ending (a)	<u>\$ 245,002,880</u>	<u>\$ 230,531,566</u>	<u>\$ 216,405,147</u>	<u>\$ 205,476,206</u>
Plan fiduciary net position				
Contributions - employer	\$ 6,966,114	\$ 5,912,775	\$ 5,062,611	\$ 4,872,316
Contributions - employee	3,314,861	3,219,394	3,107,991	2,967,546
Net investment income	7,391,522	9,280,425	11,067,806	13,334,234
Benefit pmts, including refunds of employee contributions	(11,085,026)	(10,456,706)	(9,686,731)	(8,769,084)
Net Plan to plan resource movement			(325)	
Administrative expense	(208,492)	(99,933)	(204,254)	(175,470)
Other miscellaneous income/(expense) ¹		325	(387,882)	
Net change in fiduciary net position	6,378,979	7,856,280	8,959,216	12,229,542
Plan fiduciary net position - beginning ²	147,892,544	140,036,264	131,077,048	118,847,506
Plan fiduciary net position - ending (b)	<u>\$ 154,271,523</u>	<u>\$ 147,892,544</u>	<u>\$ 140,036,264</u>	<u>\$ 131,077,048</u>
Plan net pension liability - ending (a) - (b)	<u>\$ 90,731,357</u>	<u>\$ 82,639,022</u>	<u>\$ 76,368,883</u>	<u>\$ 74,399,158</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>62.97%</u>	<u>64.15%</u>	<u>64.71%</u>	<u>63.79%</u>
Covered payroll ³	<u>\$ 19,148,678</u>	<u>\$ 18,354,740</u>	<u>\$ 17,992,455</u>	<u>\$ 16,912,791</u>
Plan net pension liability as a % of covered payroll	<u>473.83%</u>	<u>450.23%</u>	<u>424.45%</u>	<u>439.90%</u>

¹ During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75. Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

² Includes any beginning of year adjustment

³ Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-20; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

⁴ This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

Benefit Changes: The figures above include any liability impact that may have resulted from voluntary benefit changes that occurred after the June 30, 2019 valuation. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the June 30, 2019 valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: None in 2019 or 2020. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Changes in Net Pension Liability and Related Ratios, Continued

California Public Employees' Retirement System (CalPERS) - Safety Plan
Last Ten Fiscal Years⁴

Measurement period	2015-16	2014-15	2013-14
Total pension liability			
Service Cost	\$ 4,128,912	\$ 3,953,791	\$ 3,803,175
Interest on the total pension liability	13,060,555	12,319,585	11,633,302
Changes of assumptions		(3,070,074)	
Difference between expected and actual experience	1,309,944	936,342	
Benefit pmts, including refunds of employee contributions	(8,144,855)	(7,825,158)	(7,071,659)
Net change in total pension liability	10,354,556	6,314,486	8,364,818
Total pension liability - beginning	171,424,240	165,109,754	156,744,936
Total pension liability - ending (a)	<u>\$ 181,778,796</u>	<u>\$ 171,424,240</u>	<u>\$ 165,109,754</u>
Plan fiduciary net position			
Contributions - employer	\$ 4,263,677	\$ 4,110,362	\$ 3,752,858
Contributions - employee	2,806,615	2,157,404	1,915,171
Net investment income	611,274	2,616,436	17,731,050
Benefit pmts, including refunds of employee contributions	(8,144,855)	(7,825,158)	(7,071,659)
Net Plan to plan resource movement			
Administrative expense	(72,758)	(134,357)	
Other miscellaneous income/(expense) ¹			
Net change in fiduciary net position	(536,047)	924,687	16,327,420
Plan fiduciary net position - beginning ²	119,383,553	118,458,866	102,131,446
Plan fiduciary net position - ending (b)	<u>\$ 118,847,506</u>	<u>\$ 119,383,553</u>	<u>\$ 118,458,866</u>
Plan net pension liability - ending (a) - (b)	<u>\$ 62,931,290</u>	<u>\$ 52,040,687</u>	<u>\$ 46,650,888</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>65.38%</u>	<u>69.64%</u>	<u>71.75%</u>
Covered payroll ³	<u>\$ 15,361,676</u>	<u>\$ 14,732,611</u>	<u>\$ 13,667,214</u>
Plan net pension liability as a % of covered payroll	<u>409.66%</u>	<u>353.23%</u>	<u>341.33%</u>

¹ During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75. Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

² Includes any beginning of year adjustment

³ Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-20; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

⁴ This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

Benefit Changes: The figures above include any liability impact that may have resulted from voluntary benefit changes that occurred after the June 30, 2019 valuation. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the June 30, 2019 valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: None in 2019 or 2020. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Pension Contributions

California Public Employees' Retirement System (CalPERS) - Miscellaneous Plan Last Ten Fiscal Years⁴

	2020-21 ¹	2019-20 ¹	2018-19 ¹	2017-18 ¹	2016-17 ¹
Actuarially determined contribution ²	\$ 5,805,693	\$ 4,995,682	\$ 4,051,371	\$ 3,326,932	\$ 3,204,896
Contributions to actuarially determined contribution ²	(5,805,693)	(4,995,682)	(4,051,371)	(3,326,932)	(3,204,896)
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered payroll ³	\$ 31,135,781	\$ 30,228,914	\$ 28,646,712	\$ 26,661,340	\$ 25,396,835
Contributions as a percentage of covered payroll ³	18.65%	16.53%	14.14%	12.48%	12.62%
	2015-16 ¹	2014-15 ¹	2013-14 ¹		
Actuarially determined contribution ²	\$ 2,918,817	\$ 3,275,626	\$ 3,096,889		
Contributions to actuarially determined contribution ²	(2,918,817)	(3,275,626)	(3,096,889)		
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0		
Covered payroll ³	\$ 24,405,359	\$ 22,815,330	\$ 21,224,617		
Contributions as a percentage of covered payroll ³	11.96%	14.36%	14.59%		

¹ As prescribed in GASB 68, paragraph 46, the information presented in the Schedule of Plan Contributions should also be presented as of the employer's most recent fiscal year-end. The employer is responsible for determining this information as prescribed by the standard as this data is not available to CalPERS.

² Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

³ Includes one year's payroll growth using 2.75 percent payroll assumption for fiscal year ended June 30, 2018; 3.00 percent payroll assumption for fiscal years ended June 30, 2014-17.

⁴ This schedule is intended to show information for 10 years. Additional years will be displayed as they become available. Valuation Date:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2019-20 were derived from the June 30, 2017 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method/Period	For details, see June 30, 2017 Funding Valuation Report
Asset valuation method	Market Value of Assets. For details, see June 30, 2017 Funding Valuation Report.
Inflation	2.63%
Salary increases	Varies by Entry Age and Service
Payroll Growth	2.88%
Investment rate of return	7.25%, net of pension plan investment & admin exps; includes inflation.
Retirement age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Pension Contributions, Continued

California Public Employees' Retirement System (CalPERS) – Safety Plan

	Last Ten Fiscal Years ⁴				
	2020-21 ¹	2019-20 ¹	2018-19 ¹	2017-18 ¹	2016-17 ¹
Actuarially determined contribution ²	\$ 7,861,821	\$ 6,966,114	\$ 5,912,775	\$ 5,062,611	\$ 4,872,316
Contributions to actuarially determined contribution ²	(7,861,821)	(6,966,114)	(5,912,775)	(5,062,611)	(4,872,316)
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered payroll ³	\$ 19,723,138	\$ 19,148,678	\$ 18,354,740	\$ 17,992,455	\$ 16,912,791
Contributions as a percentage of covered payroll ³	39.86%	36.38%	31.91%	28.14%	28.81%
	2015-16 ¹	2014-15 ¹	2013-14 ¹		
Actuarially determined contribution ²	\$ 4,263,677	\$ 4,110,362	\$ 3,752,858		
Contributions to actuarially determined contribution ²	(4,263,677)	(4,110,362)	(3,752,858)		
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0		
Covered payroll ³	\$ 15,361,676	\$ 14,732,611	\$ 13,667,214		
Contributions as a percentage of covered payroll ³	27.76%	27.90%	27.46%		

¹ As prescribed in GASB 68, paragraph 46, the information presented in the Schedule of Plan Contributions should also be presented as of the employer's most recent fiscal year-end. The employer is responsible for determining this information as prescribed by the standard as this data is not available to CalPERS.

² Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

³ Includes one year's payroll growth using 2.75 percent payroll assumption for fiscal year ended June 30, 2018; 3.00 percent payroll assumption for fiscal years ended June 30, 2014-17.

⁴ This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Valuation Date:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2019-20 were derived from the June 30, 2017 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method/Period	For details, see June 30, 2017 Funding Valuation Report
Asset valuation method	Market Value of Assets. For details, see June 30, 2017 Funding Valuation Report.
Inflation	2.625%
Salary increases	Varies by Entry Age and Service
Payroll Growth	2.785%
Investment rate of return	7.25%, net of pension plan investment & admin exps; includes inflation.
Retirement age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

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Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted for particular purposes.

Off Highway Use Fund - This fund is used to account for the revenue received from the off-highway users fee since the fee can only be used for off-road facilities.

Housing & Community Development Fund - This fund is used to account for the revenue and expenses for the Community Development Block Grant operational activities.

Community Facilities District 2020-1 Fund (Dry Creek Preserve Sewer Facilities and Services) - This fund is used to collect funds to finance all costs associated with the maintenance and operation of certain temporary public sewer facilities and the eventual replacement of those temporary facilities with permanent public sewer facilities.

Debt Service Funds

The debt service fund is used to account for the accumulation of resources and payment of bond principal and interest when the government is obligated in some manner for the payment.

1976 Fire and Sewer Bond Fund - This fund is used to account for the proceeds of the 1976 Fire and Sewer Bond sale and the annual debt service.

Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Park and Recreation Improvement Fund - This fund is used to account for capital improvements for parks, including acquisition of property. Revenues come from developer fees and grants.

Refuse Equipment Reserve Fund - This fund is used to account for the revenue generated by developer fees for the acquisition of equipment for refuse collection and disposal.

City of Clovis
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue			
	Off Highway Use	Housing & Comm Development	Community Facilities District 2020-1	Total
ASSETS				
Cash and investments	\$ 71,110	\$ 1,366,777	\$ 52,272	\$ 1,490,159
Receivables	123	3,224,131	120	3,224,374
Due from other governments				0
Assets held for resale		253,956		253,956
Total assets	<u>\$ 71,233</u>	<u>\$ 4,844,864</u>	<u>\$ 52,392</u>	<u>\$ 4,968,489</u>
LIABILITIES				
Accounts payable		\$ 414,893		\$ 414,893
Deposits and other liabilities			\$ 25,059	25,059
Total Liabilities	<u>\$ 0</u>	<u>414,893</u>	<u>25,059</u>	<u>439,952</u>
FUND BALANCES				
Restricted for:				
Capital projects	71,233			71,233
Community development		4,429,971	27,333	4,457,304
Debt service				0
Assigned for:				
Capital				
Total fund balances	<u>71,233</u>	<u>4,429,971</u>	<u>27,333</u>	<u>4,528,537</u>
Total liabilities and fund balances	<u>\$ 71,233</u>	<u>\$ 4,844,864</u>	<u>\$ 52,392</u>	<u>\$ 4,968,489</u>

City of Clovis
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

Page 2 of 2

Debt Service		Capital Projects		Total Nonmajor Governmental Funds
1976 Fire and Sewer	Park and Recreation	Refuse Equipment	Total	
\$ 435,508	\$ 9,887,741	\$ 1,705,536	\$11,593,277	\$ 13,518,944
836	16,621	2,922	19,543	3,244,753
	161,758		161,758	161,758
			0	253,956
<u>\$ 436,344</u>	<u>\$ 10,066,120</u>	<u>\$ 1,708,458</u>	<u>\$11,774,578</u>	<u>\$ 17,179,411</u>
	\$ 136,087		\$ 136,087	\$ 550,980
	9,200		9,200	34,259
<u>\$ 0</u>	<u>145,287</u>	<u>\$ 0</u>	<u>145,287</u>	<u>585,239</u>
			0	71,233
	8,049,333	1,708,458	9,757,791	14,215,095
436,344			0	436,344
	1,871,500		1,871,500	1,871,500
<u>436,344</u>	<u>9,920,833</u>	<u>1,708,458</u>	<u>11,629,291</u>	<u>16,594,172</u>
<u>\$ 436,344</u>	<u>\$ 10,066,120</u>	<u>\$ 1,708,458</u>	<u>\$11,774,578</u>	<u>\$ 17,179,411</u>

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

	Special Revenue			
	Off Highway Use	Housing & Comm Development	Community Facilities District 2020-1	Total
REVENUES				
Use of money and property				\$ 0
From other agencies		\$ 1,599,905	\$ 33,033	1,632,938
Charges for current services			4,750	4,750
Other revenues		20		20
Total revenue	<u>0</u>	<u>1,599,925</u>	<u>37,783</u>	<u>1,637,708</u>
EXPENDITURES				
Current:				
Community development	35	2,628,447		2,628,482
Capital outlays			10,450	10,450
Total expenditures	<u>35</u>	<u>2,628,447</u>	<u>10,450</u>	<u>2,638,932</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(35)</u>	<u>(1,028,522)</u>	<u>27,333</u>	<u>(1,001,224)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out				0
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balances	(35)	(1,028,522)	27,333	(1,001,224)
Fund balances-beginning	71,268	5,458,493		5,529,761
Fund balances-ending	<u>\$ 71,233</u>	<u>\$ 4,429,971</u>	<u>\$ 27,333</u>	<u>\$ 4,528,537</u>

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

Debt Service		Capital Projects		Total Nonmajor Governmental Funds
1976 Fire and Sewer	Park and Recreation	Refuse Equipment	Total	
	\$ 19,724	\$ 2,341	\$ 22,065	\$ 22,065
	546,352		546,352	2,179,290
	1,615,287	360,948	1,976,235	1,980,985
			0	20
<u>0</u>	<u>2,181,363</u>	<u>363,289</u>	<u>2,544,652</u>	<u>4,182,360</u>
535				2,629,017
	518,870		518,870	529,320
<u>535</u>	<u>518,870</u>	<u>0</u>	<u>518,870</u>	<u>3,158,337</u>
(535)	1,662,493	363,289	2,025,782	1,024,023
		(150,000)	(150,000)	(150,000)
<u>0</u>	<u>0</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>
(535)	1,662,493	213,289	1,875,782	874,023
436,879	8,258,340	1,495,169	9,753,509	15,720,149
<u>\$ 436,344</u>	<u>\$ 9,920,833</u>	<u>\$ 1,708,458</u>	<u>\$ 11,629,291</u>	<u>\$ 16,594,172</u>

City of Clovis
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Local Transportation Capital Projects Fund
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget- Positive (Negative)</u>
REVENUE				
Use of money and property	\$ 0	\$ 0	\$ 95,242	\$ 95,242
From other agencies	23,933,600	23,933,600	12,643,064	(11,290,536)
Charges for services	5,341,000	5,341,000	154,621	(5,186,379)
Other revenues	0	0	2,957	2,957
Total revenues	<u>29,274,600</u>	<u>29,274,600</u>	<u>12,895,884</u>	<u>(16,378,716)</u>
EXPENDITURES				
Capital Outlay	<u>40,017,827</u>	<u>51,045,827</u>	<u>10,182,759</u>	<u>40,863,068</u>
Total expenditures	<u>40,017,827</u>	<u>51,045,827</u>	<u>10,182,759</u>	<u>40,863,068</u>
Excess (deficiency) of revenues over expenditures	(10,743,227)	(21,771,227)	2,713,125	24,484,352
Fund balance-beginning	18,137,792	18,137,792	18,137,792	
Fund balance-ending	<u>\$ 7,394,565</u>	<u>\$ (3,633,435)</u>	<u>\$ 20,850,917</u>	<u>\$ 24,484,352</u>

City of Clovis
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Off Highway Use Special Revenue Fund
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget- Positive (Negative)</u>
REVENUE				
Use of money and property	\$ 0	\$ 0	\$ 0	\$ 0
Total revenues	0	0	0	0
EXPENDITURES				
Community development	0	0	35	(35)
Total expenditures	0	0	35	(35)
Excess (deficiency) of revenues over expenditures	0	0	(35)	35
Fund balance-beginning	71,268	71,268	71,268	
Fund balance-ending	<u>\$ 71,268</u>	<u>\$ 71,268</u>	<u>\$ 71,233</u>	<u>\$ 35</u>

City of Clovis
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Housing and Community Development Special Revenue Fund
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget- Positive (Negative)</u>
REVENUE				
From other agencies	\$ 1,395,000	\$ 2,097,534	\$ 1,599,905	\$ (497,629)
Other revenues	0	0	20	20
Total revenues	<u>1,395,000</u>	<u>2,097,534</u>	<u>1,599,925</u>	<u>(497,609)</u>
EXPENDITURES				
Community development	<u>2,775,695</u>	<u>3,938,229</u>	<u>2,628,447</u>	<u>1,309,782</u>
Total expenditures	<u>2,775,695</u>	<u>3,938,229</u>	<u>2,628,447</u>	<u>1,309,782</u>
Excess (deficiency) of revenues over expenditures	(1,380,695)	(1,840,695)	(1,028,522)	812,173
Fund balance-beginning	5,458,493	5,458,493	5,458,493	
Fund balance-ending	<u>\$ 4,077,798</u>	<u>\$ 3,617,798</u>	<u>\$ 4,429,971</u>	<u>\$ 812,173</u>

City of Clovis
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Community Housing District 2020-1 Special Revenue Fund
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget- Positive (Negative)</u>
REVENUE				
From other agencies	\$ 0	\$ 0	\$ 33,033	\$ 33,033
Charges for current services	0	0	4,750	4,750
Total revenues	<u>0</u>	<u>0</u>	<u>37,783</u>	<u>37,783</u>
EXPENDITURES				
Community development	0	0	10,450	(10,450)
Total expenditures	<u>0</u>	<u>0</u>	<u>10,450</u>	<u>(10,450)</u>
Excess (deficiency) of revenues over expenditures	0	0	27,333	27,333
Fund balance-beginning	0	0	0	
Fund balance-ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 27,333</u>	<u>\$ 27,333</u>

City of Clovis
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
1976 Fire and Sewer Debt Service Fund
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget- Positive (Negative)</u>
REVENUE				
Use of money and property	\$ 0	\$ 0	\$ 0	\$ 0
Total revenues	0	0	0	0
EXPENDITURES				
Total expenditures	0	0	535	(535)
Excess (deficiency) of revenues over expenditures	0	0	(535)	535
Fund balance-beginning	436,879	436,879	436,879	
Fund balance-ending	<u>\$ 436,879</u>	<u>\$ 436,879</u>	<u>\$ 436,344</u>	<u>\$ 535</u>

City of Clovis
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Park and Recreation Capital Project Fund
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUE				
Use of money and property	\$ 0	\$ 0	\$ 19,724	\$ 19,724
From other agencies	306,700	306,700	546,352	239,652
Charges for current services	1,885,000	1,885,000	1,615,287	(269,713)
Total revenues	<u>2,191,700</u>	<u>2,191,700</u>	<u>2,181,363</u>	<u>(10,337)</u>
EXPENDITURES				
Capital outlays	1,922,729	3,251,729	518,870	2,732,859
Total expenditures	<u>1,922,729</u>	<u>3,251,729</u>	<u>518,870</u>	<u>2,732,859</u>
Excess (deficiency) of revenues over expenditures	268,971	(1,060,029)	1,662,493	2,722,522
Fund balance-beginning	8,258,340	8,258,340	8,258,340	
Fund balance-ending	<u>\$ 8,527,311</u>	<u>\$ 7,198,311</u>	<u>\$ 9,920,833</u>	<u>\$ 2,722,522</u>

City of Clovis
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Refuse Equipment Capital Project Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
REVENUE				
Use of money and property	\$ 0	\$ 0	\$ 2,341	\$ 2,341
Charges for current services	0	0	360,948	360,948
Total revenues	0	0	363,289	363,289
EXPENDITURES				
Total expenditures	0	0	0	0
Excess (deficiency) of revenues over expenditures	0	0	363,289	363,289
OTHER FINANCING SOURCES (USES)				
Transfers Out	0	0	(150,000)	(150,000)
Total other financing sources (uses)	0	0	(150,000)	(150,000)
Net change in fund balance	0	0	213,289	213,289
Fund balance-beginning	1,495,169	1,495,169	1,495,169	
Fund balance-ending	<u>\$ 1,495,169</u>	<u>\$ 1,495,169</u>	<u>\$ 1,708,458</u>	<u>\$ 213,289</u>

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department of the agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Self Insurance Fund - This fund is used to account for the cost of general liability and property damage insurance. It is funded by a charge to all operating departments.

Fleet Fund - This fund is used to account for rental charges to all operating departments for maintenance and replacement cost for equipment and vehicles.

Employee Benefit Fund - This fund is used to account for the cost of employee benefits including retirement, workers' compensation, health insurance, unemployment insurance and medicare insurance. It is funded by a charge to all operating departments.

General Services - This fund is used to account for the centralized support provided to other departments and for government facility enhancements and acquisitions.

City of Clovis
Combining Statement of Net Position
Internal Service Funds
June 30, 2021

	Self Insurance	Fleet	Employee Benefits	General Services	Total
ASSETS					
Current assets:					
Cash and investments	\$ 2,013,228	\$ 19,375,607	\$ 13,222,746	\$ 41,690,226	\$ 76,301,807
Receivables	3,216	23,310	103,783	335,758	466,067
Due from other governments				8,058	8,058
Inventories		856,000			856,000
Total current assets	2,016,444	20,254,917	13,326,529	42,034,042	77,631,932
Noncurrent assets:					
Restricted cash and investments:					
Cash with fiscal agent-bond accounts				577,238	577,238
Total restricted assets	0	0	0	577,238	577,238
Capital assets:					
Land				8,872,400	8,872,400
Buildings and improvements		940,271		101,306,994	102,247,265
Machinery and equipment		46,437,171		8,963,191	55,400,362
Less accumulated depreciation		(28,958,484)		(48,010,721)	(76,969,205)
Total capital assets (net of accumulated depreciation)	0	18,418,958	0	71,131,864	89,550,822
Total noncurrent assets	0	18,418,958	0	71,709,102	90,128,060
Total assets	2,016,444	38,673,875	13,326,529	113,743,144	167,759,992
DEFERRED OUTFLOW OF RESOURCES					
Pension related deferred outflows	52,444	467,980	112,729	728,313	1,361,466
Total deferred outflows of resources	52,444	467,980	112,729	728,313	1,361,466
LIABILITIES					
Current liabilities:					
Accounts payable	26,980	483,278	212,015	3,235,694	3,957,967
Claims and judgements payable			2,548,000		2,548,000
Accrued compensated absences		23,600	4,600	39,700	67,900
Deposits and other liabilities				551,838	551,838
Unearned revenue				4,067,937	4,067,937
Direct borrowings-current		791,329		1,869,445	2,660,774
Loans payable-current				269,482	269,482
Revenue bonds-current				150,000	150,000
Total current liabilities	26,980	1,298,207	2,764,615	10,184,096	14,273,898
Noncurrent liabilities:					
Claims and judgements payable			6,530,000		6,530,000
Accrued compensated absences		71,081	13,811	119,513	204,405
Direct borrowings		2,512,013		11,322,115	13,834,128
Loans payable				2,170,423	2,170,423
Revenue bonds (net of discount/premium)				13,793,941	13,793,941
Net pension liability	346,105	3,013,089	696,453	4,929,477	8,985,124
Total noncurrent liabilities	346,105	5,596,183	7,240,264	32,335,469	45,518,021
Total liabilities	373,085	6,894,390	10,004,879	42,519,565	59,791,919
DEFERRED INFLOW OF RESOURCES					
Lease deferred inflows				292,285	292,285
Pension deferred inflows	1,081	9,386	2,161	15,426	28,054
Total deferred inflow of resources	1,081	9,386	2,161	307,711	320,339
NET POSITION					
Net investment in capital assets		15,115,616		41,556,458	56,672,074
Restricted for debt service				577,238	577,238
Unrestricted (deficit)	1,694,722	17,122,463	3,432,218	29,510,485	51,759,888
Total net position	\$ 1,694,722	\$ 32,238,079	\$ 3,432,218	\$ 71,644,181	\$ 109,009,200

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

	Self Insurance	Fleet	Employee Benefits	General Services	Total
Operating revenues:					
Charges for services	\$2,706,200	\$10,013,362	\$ 29,028,440	\$12,349,900	\$ 54,097,902
From other agencies	1,096		1,096	1,489,243	1,491,435
Other revenues	120,062			1,547,039	1,667,101
Total operating revenues	<u>2,827,358</u>	<u>10,013,362</u>	<u>29,029,536</u>	<u>15,386,182</u>	<u>57,256,438</u>
Operating expenses:					
Salaries and benefits	207,065	2,094,489	14,071,729	3,057,254	19,430,537
Services, materials and supplies	2,739,100	2,752,457	12,524,514	5,991,305	24,007,376
Administration	47,700	1,002,000	77,500	355,073	1,482,273
Depreciation		2,686,381		3,095,611	5,781,992
Total operating expenses	<u>2,993,865</u>	<u>8,535,327</u>	<u>26,673,743</u>	<u>12,499,243</u>	<u>50,702,178</u>
Operating income (loss)	<u>(166,507)</u>	<u>1,478,035</u>	<u>2,355,793</u>	<u>2,886,939</u>	<u>6,554,260</u>
Nonoperating revenues (expenses):					
Interest income	(1,612)	9,345	5,600	173,892	187,225
Interest expense		(90,518)		(635,059)	(725,577)
Gain (loss) on sale of capital assets		(34,723)			(34,723)
Total nonoperating revenue (expense)	<u>(1,612)</u>	<u>(115,896)</u>	<u>5,600</u>	<u>(461,167)</u>	<u>(573,075)</u>
Income before contributions and transfers	(168,119)	1,362,139	2,361,393	2,425,772	5,981,185
Capital contributions		29,905			29,905
Transfers in		7,285,000		11,955,300	19,240,300
Transfer out				(1,295,000)	(1,295,000)
Changes in net position	<u>(168,119)</u>	<u>8,677,044</u>	<u>2,361,393</u>	<u>13,086,072</u>	<u>23,956,390</u>
Total net position-beginning	<u>1,862,841</u>	<u>23,561,035</u>	<u>1,070,825</u>	<u>58,558,109</u>	<u>85,052,810</u>
Total net position-ending	<u>\$1,694,722</u>	<u>\$32,238,079</u>	<u>\$ 3,432,218</u>	<u>\$71,644,181</u>	<u>\$ 109,009,200</u>

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

	Self Insurance	Fleet	Employee Benefits	General Services	Total
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts for interfund services	\$ 2,728,789	\$ 10,022,320	\$ 29,008,257	\$ 14,235,044	\$ 55,994,410
Payments to suppliers	(2,761,311)	(2,470,896)	(13,315,695)	(3,658,799)	(22,206,701)
Payments to employees	(188,247)	(1,925,706)	(14,033,713)	(2,778,538)	(18,926,204)
Other operating revenues	121,159		54,933	3,328,090	3,504,182
Net cash provided/(used) by operating activities	(99,610)	5,625,718	1,713,782	11,125,797	18,365,687
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers-in from other funds		7,285,000		11,955,300	19,240,300
Transfers-out to other funds				(1,295,000)	(1,295,000)
Net cash provided by noncapital financing activities	0	7,285,000	0	10,660,300	17,945,300
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets		(5,838,202)		(7,211,622)	(13,049,824)
Principal paid on bonds, loans, and direct borrowings		(1,057,359)		(2,525,752)	(3,583,111)
Interest paid on bonds, loans, and direct borrowings		(90,518)		(635,059)	(725,577)
Proceeds from bonds, loans, and direct borrowings		2,340,000		13,947,287	16,287,287
Proceeds from sale of property and equipment		20,000			20,000
Net cash provided/(used) by capital and related financing activities	0	(4,626,079)	0	3,574,854	(1,051,225)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and dividends on investments	(1,612)	9,345	5,600	173,892	187,225
Net cash provided/(used) by investing activities	(1,612)	9,345	5,600	173,892	187,225
Net change in cash and cash equivalents	(101,222)	8,293,984	1,719,382	25,534,843	35,446,987
Cash and cash equivalents-beginning of year	2,114,450	11,081,623	11,503,364	16,732,621	41,432,058
Cash and cash equivalents-end of year	\$ 2,013,228	\$ 19,375,607	\$ 13,222,746	\$ 42,267,464	\$ 76,879,045
Reconciliation of operating income/(loss) to net cash provided/(used) by operating activities:					
Operating income/(loss)	\$ (166,507)	\$ 1,478,035	\$ 2,355,793	\$ 2,886,939	\$ 6,554,260
Adjustments to reconcile operating income to net cash provided/(used) by operating activities:					
Depreciation/amortization expense		2,686,381		3,095,611	5,781,992
(Increase)/decrease in accounts receivable	22,589	8,958	(20,183)	(281,211)	(269,847)
(Increase)/decrease in due from other governments			53,838	(479)	53,359
(Increase)/decrease in inventories		(74,000)			(74,000)
(Increase)/decrease in deferred outflows - pension	(5,907)	(63,748)	(19,655)	(64,022)	(153,332)
(Increase)/decrease in prepaid items		1,301,896		132,500	1,434,396
Increase/(decrease) in accounts payable	25,490	55,665	(19,682)	2,555,081	2,616,554
Increase/(decrease) in accrued compensated absences		11,037	3,978	803	15,818
Increase/(decrease) in unearned revenue				2,166,355	2,166,355
Increase/(decrease) in claims and judgments payable			(694,000)		(694,000)
Increase/(decrease) in net pension liability	26,526	237,138	57,295	367,643	688,602
Increase/(decrease) in deferred inflows - lease				292,285	292,285
Increase/(decrease) in deferred inflows - pension	(1,801)	(15,644)	(3,602)	(25,708)	(46,755)
Total adjustments	66,897	4,147,683	(642,011)	8,238,858	11,811,427
Net cash provided/(used) by operating activities	\$ (99,610)	\$ 5,625,718	\$ 1,713,782	\$ 11,125,797	\$ 18,365,687

Noncash investing, capital, and financing activities:

During the year the Fleet Maintenance Fund, an internal service fund, received \$29,905 in donated assets.

Fiduciary Funds

Custodial Funds are used to account for assets held by the government for individuals, private organizations, other governments and/or other funds.

Blackhorse Assessment Fund - This fund is used to account for revenue and expenditures related to the maintenance within the Blackhorse III (95-1) Assessment District such as streets, curb & gutter, street lighting, sidewalks and gates.

Temperance/Barstow Assessment Fund - This fund is used to account for the receipts and disbursements of the Temperance Barstow Assessment District.

Shepherd/Temperance Assessment Fund - This fund is used to account for the receipts and disbursements of the Shepherd Temperance Assessment District.

City of Clovis
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2021

	Custodial Funds			Total
	Blackhorse Assessment	Temperance Barstow Assessment	Shepherd Temperance Assessment	
ASSETS				
Cash and investments	\$ 133,413	\$ 76,486	\$ 5,779	\$ 215,678
Receivables	1,240	131	15	1,386
Total assets	<u>134,653</u>	<u>76,617</u>	<u>5,794</u>	<u>217,064</u>
LIABILITIES				
Accounts payable	27,789			27,789
Deposits and other liabilities			474	474
Total liabilities	<u>27,789</u>	<u>0</u>	<u>474</u>	<u>28,263</u>
NET POSITION				
Restricted for:				
Individuals, organizations, and other governments	106,864	76,617	5,320	188,801
Total net position	<u>\$ 106,864</u>	<u>\$ 76,617</u>	<u>\$ 5,320</u>	<u>\$ 188,801</u>

City of Clovis
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2021

	Custodial Funds			
	Blackhorse Assessment	Temperance Barstow Assessment	Shepherd Temperance Assessment	Total
ADDITIONS				
Special assessments tax	\$ 62,291			\$ 62,291
Total additions	62,291	0	0	62,291
DEDUCTIONS				
Community development	90,141	114		90,255
Total deductions	90,141	114	0	90,255
Change in net position	(27,850)	(114)		(27,964)
Net position-Beginning	134,714	76,731	5,320	216,765
Net position-Ending	<u>\$ 106,864</u>	<u>\$ 76,617</u>	<u>\$ 5,320</u>	<u>\$ 188,801</u>

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Statistical Section

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

STATISTICAL SECTION

Statistical Section

Contents	Page
Financial Trends	109
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	117
These schedules contain information to help the reader assess the governments' most significant local revenue source, the property tax.	
Debt Capacity	121
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	127
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	130
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.	

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015*	2016	2017	2018	2019	2020	2021
Governmental activities:										
Net investment in capital assets	\$ 469,871	\$ 481,729	\$ 490,722	\$ 509,567	\$ 523,881	\$ 524,625	\$ 533,810	\$ 562,740	\$ 587,764	\$ 595,863
Restricted	21,302	19,810	24,266	23,997	25,843	20,681	27,826	33,325	38,522	42,460
Unrestricted	13,688	16,070	21,548	(67,159)	(67,081)	(54,927)	(63,435)	(66,182)	(51,797)	(32,398)
Total net position	\$ 504,861	\$ 517,609	\$ 536,536	\$ 466,405	\$ 482,643	\$ 490,379	\$ 498,201	\$ 529,883	\$ 574,489	\$ 605,925
Business-type activities:										
Net investment in capital assets	\$ 125,253	\$ 130,123	\$ 132,872	\$ 137,520	\$ 142,658	\$ 147,265	\$ 153,013	\$ 162,938	\$ 168,489	\$ 171,482
Restricted	5,292	4,794	3,365	3,377	906	953	25	1		
Unrestricted	38,660	51,584	60,855	72,977	82,271	103,531	108,299	120,937	106,444	108,569
Total net position	\$ 169,205	\$ 186,501	\$ 197,092	\$ 213,874	\$ 225,835	\$ 251,749	\$ 261,337	\$ 283,876	\$ 274,933	\$ 280,051
Total Primary government:										
Net investment in capital assets	\$ 595,124	\$ 611,852	\$ 623,594	\$ 647,087	\$ 666,540	\$ 671,890	\$ 686,823	\$ 725,678	\$ 756,253	\$ 767,345
Restricted	26,594	24,604	27,631	27,374	26,748	21,634	27,851	33,326	38,522	42,460
Unrestricted	52,348	67,654	82,403	5,818	15,190	48,604	44,864	54,755	54,647	76,171
Total net position	\$ 674,066	\$ 704,110	\$ 733,628	\$ 680,279	\$ 708,478	\$ 742,128	\$ 759,538	\$ 813,759	\$ 849,422	\$ 885,976

*It should be noted that, due to the implementation of GASB 68 in fiscal year 2015, unrestricted net position in the Governmental Activities area was severely impacted, which is why the amount decreased by approximately \$88 million in one fiscal year (and remains negative through the current fiscal year)

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

For the Fiscal Year Ended June 30,

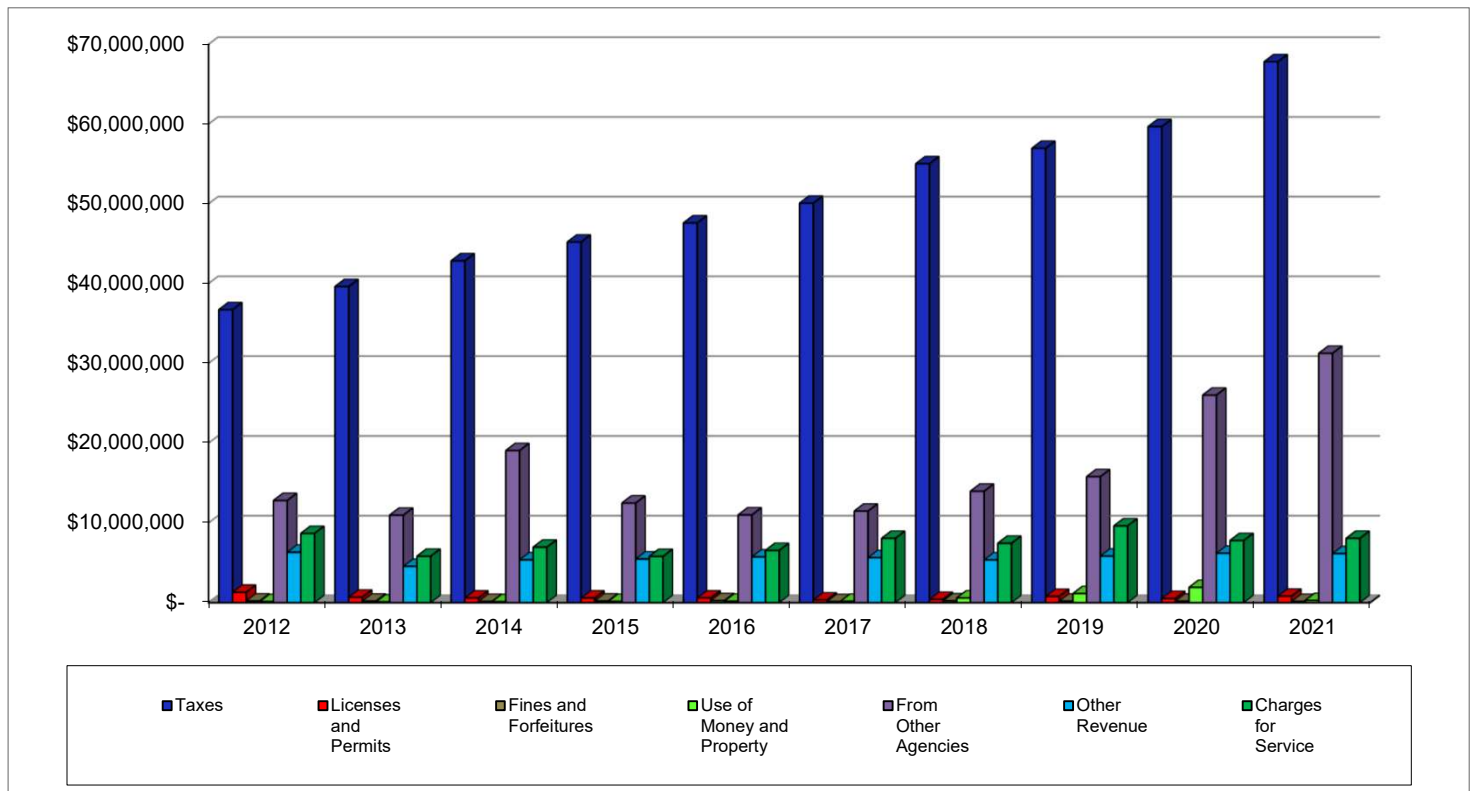
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses:										
Governmental activities:										
General government	\$ 4,952	\$ 5,948	\$ 5,642	\$ 5,587	\$ 5,577	\$ 6,218	\$ 6,481	\$ 7,730	\$ 7,436	\$ 7,426
Public safety	35,185	37,106	38,736	39,460	42,027	46,258	54,529	55,860	59,876	62,766
Transportation	10,803	11,160	11,251	12,686	12,232	13,307	14,057	14,883	18,884	16,632
Community development	8,925	930	310	909	637	1,742	1,984	751	286	2,995
Cultural and recreation	5,435	5,790	6,370	6,272	6,196	6,703	7,212	8,118	7,115	7,174
Interest and other charges					925	886	805	755	694	726
Special assessment										
Total governmental activities expenses	65,300	60,934	62,309	64,914	67,593	75,114	85,068	88,097	94,291	97,719
Business-type activities:										
Refuse	13,617	14,057	14,857	15,654	16,207	16,574	18,502	20,205	21,744	22,079
Sewer	18,207	17,555	19,883	18,011	18,553	18,235	18,862	18,738	19,465	19,541
Water	14,114	14,587	13,626	14,486	14,487	15,604	16,807	17,463	18,551	24,963
Transit	4,419	4,749	4,946	4,884	5,016	5,098	6,280	6,961	7,008	6,792
Planning & Development Services		6,826	7,226	7,558	7,780	8,555	9,410	10,443	11,662	11,338
Street Cleaning										
Total business-type activities expenses	50,357	57,774	60,538	60,592	62,044	64,066	69,861	73,810	78,430	84,713
Total primary government expenses	115,657	118,708	122,847	125,506	129,637	139,180	154,929	161,907	172,721	182,432
Program revenues:										
Governmental activities:										
Charges for services:										
General Government	3,224	4,271	4,378	4,995	4,875	4,640	4,497	5,137	5,069	8,934
Public Safety	2,071	1,700	2,195	2,209	2,521	2,079	3,414	3,268	2,524	4,216
Transportation	8,586	6,818	9,916	6,788	6,061	7,411	7,901	15,897	17,192	15,446
Community development	7,961	578	352	1,231	301	865	307	456	935	322
Cultural and recreation	4,025	4,509	5,901	4,909	5,540	5,653	6,010	4,638	2,447	2,768
Special assessment										
Operating grants and contributions	1,963	1,100	527	639	737	630	381	393	763	12,466
Capital grants and contributions	22,262	15,859	15,292	20,516	16,638	11,537	18,216	32,241	23,439	21,005
Total governmental activities program revenues	50,092	34,835	38,561	41,287	36,673	32,815	40,726	62,030	52,369	65,157

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-type activities:										
Charges for services:										
Community Sanitation	16,576	17,784	17,240	17,608	17,692	18,083	19,235	20,022	21,116	23,166
Sewer	16,295	18,340	18,130	21,974	21,167	18,942	21,214	21,281	24,673	21,007
Water	16,550	21,243	18,580	19,050	16,599	34,174	20,923	26,115	22,032	23,542
Transit	3,950	4,361	1,473	1,541	1,608	1,597	1,692	1,729	1,920	2,675
Planning & Development Services		7,720	8,630	8,159	8,807	9,619	9,828	10,522	12,029	11,737
Operating grants and contributions	48	102	2,879	4,247	4,056	4,464	4,590	5,463	4,542	4,496
Capital grants and contributions	4,829	4,639	3,535	4,059	2,721	1,935	2,854	7,302	2,102	2,652
Total business-type activities										
program revenues	58,248	74,189	70,467	76,638	72,650	88,814	80,336	92,434	88,414	89,275
Total primary government										
program revenues	108,340	109,024	109,028	117,925	109,323	121,629	121,062	154,464	140,783	154,432
Net revenues (expenses):										
Governmental activities	(15,208)	(26,099)	(23,748)	(23,627)	(30,920)	(42,299)	(44,342)	(26,067)	(41,922)	(32,562)
Business-type activities	7,891	16,415	9,929	16,047	10,606	24,748	10,475	18,624	9,984	4,562
Total net revenues (expenses)	(7,317)	(9,684)	(13,819)	(7,580)	(20,314)	(17,551)	(33,867)	(7,443)	(31,938)	(28,000)
General revenues and other changes in net position										
Governmental activities:										
Taxes:										
Property taxes	15,294	17,961	19,159	19,842	20,649	22,392	24,833	26,668	28,520	30,378
Sales tax	13,853	15,049	16,923	18,039	19,120	19,676	20,432	21,597	22,394	27,526
Franchise Fees	4,184	4,386	4,664	4,984	5,271	5,300	6,891	5,789	6,009	2,600
Other taxes	1,740	1,935	2,097	2,327	2,551	2,705	2,871	2,896	2,743	3,538
Grants and contributions not restricted	190	175	131	172	183	178	186	504		
Unrestricted investment earnings	148	61	138	163	234	272	566	1,476	3,037	456
Transfers	727	(720)	(437)	(461)	(850)	(488)	(507)	(1,180)	(250)	(500)
Total governmental activities	36,136	38,847	42,675	45,067	47,159	50,035	55,272	57,750	62,453	63,998
Business-type activities:										
Unrestricted investment earnings	195	161	224	274	506	679	1,442	2,734	4,899	56
Transfers	(727)	720	437	461	850	488	507	1,180	250	500
Total business-type activities	(532)	881	661	735	1,356	1,167	1,949	3,914	5,149	556
Total primary government	35,604	39,728	43,336	45,802	48,515	51,202	57,221	61,664	67,602	64,554
Extraordinary Item-Dissolution of CCDA	(2,257)									
Changes in net position										
Governmental activities	18,671	12,748	18,927	21,441	16,240	7,736	10,930	31,683	20,531	31,436
Business-type activities	7,359	17,296	10,590	16,782	11,961	25,915	12,424	22,538	15,133	5,118
Total primary government	\$ 26,030	\$ 30,044	\$ 29,517	\$ 38,223	\$ 28,201	\$ 33,651	\$ 23,354	\$ 54,221	\$ 35,664	\$ 36,554

CITY OF CLOVIS GENERAL GOVERNMENT REVENUES BY SOURCE LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Taxes	Licenses and Permits	Fines and Forfeitures	Use of Money and Property	From Other Agencies	Charges for Service	Other Revenue	Total
2012	\$ 36,715,550	\$ 1,305,849	\$ 208,227	\$ 125,071	\$ 12,799,825	\$ 8,676,798	\$ 6,318,419	\$ 66,149,739
2013	39,611,753	688,001	192,636	83,549	10,963,343	5,819,507	4,554,963	61,913,752
2014	42,837,215	593,886	148,495	122,725	19,056,135	6,945,717	5,368,776	75,072,949
2015	45,191,980	583,060	207,358	144,328	12,484,156	5,794,337	5,469,201	69,874,420
2016	47,591,661	584,412	253,841	170,213	10,990,248	6,544,320	5,730,691	71,865,386
2017	50,072,582	330,336	140,193	173,524	11,473,015	8,060,073	5,634,697	75,884,420
2018	55,019,558	412,460	227,831	585,707	13,962,855	7,442,164	5,358,986	83,009,561
2019	56,949,844	778,319	195,146	1,134,952	15,787,432	9,620,602	5,831,451	90,297,746
2020	59,666,331	526,291	188,334	1,914,715	26,007,449	7,788,344	6,185,944	102,277,408
2021	67,802,558	804,977	150,920	271,010	31,247,370	8,054,434	6,153,290	114,484,559

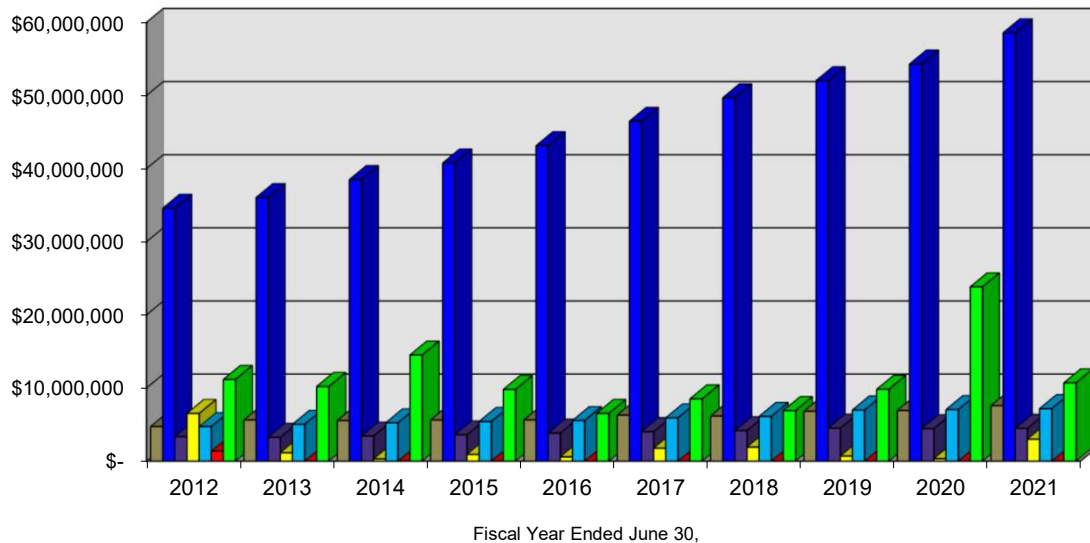
Note: Includes all governmental fund types (General, Special Revenue, Debt Service and Capital Projects Funds).



CITY OF CLOVIS
GENERAL GOVERNMENT EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30.	General Government	Public Safety	Transportation	Community Development	Culture and Recreation	Debt Service	Capital Outlays	Total
2012	\$ 4,726,595	\$ 34,576,576	\$ 3,333,681	\$ 6,514,706	\$ 4,719,477	\$ 1,364,378	\$ 11,167,421	\$ 66,402,834
2013	5,620,526	36,043,170	3,256,789	1,150,395	5,024,870	0	10,205,465	61,301,215
2014	5,546,340	38,498,881	3,430,068	302,091	5,235,028	0	14,510,295	67,522,703
2015	5,622,192	40,767,185	3,595,841	917,702	5,409,366	0	9,800,799	66,113,085
2016	5,620,922	43,136,838	3,828,619	577,483	5,541,908	0	6,523,827	65,229,597
2017	6,287,114	46,476,211	4,032,061	1,757,867	5,914,052	0	8,516,678	72,983,983
2018	6,163,620	49,688,800	4,169,509	1,913,909	6,108,769	0	6,907,009	74,951,616
2019	6,818,113	52,034,209	4,506,493	686,251	6,993,547	0	9,818,090	80,856,703
2020	6,930,929	54,300,092	4,438,270	330,247	7,040,642	0	23,836,451	96,876,631
2021	7,576,845	58,574,671	4,481,127	2,999,876	7,179,605	0	10,712,079	91,524,203

Notes: Includes all governmental fund types (General, Special Revenue, Debt Service and Capital Projects Funds).



■ General Government
 ■ Public Safety
 ■ Transportation
 ■ Community Development
 ■ Culture and Recreation
 ■ Debt Service
 ■ Capital Outlays

CITY OF CLOVIS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	For the Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
Revenues:					
Property taxes	\$ 16,653,534	\$ 17,961,308	\$ 19,159,555	\$ 19,842,732	\$ 20,649,898
Sales taxes	14,076,648	15,284,968	16,916,615	18,037,581	19,119,633
Business license/Franchise	4,183,484	4,331,760	4,664,123	4,929,246	5,271,321
Other taxes	1,801,884	2,033,716	2,096,922	2,382,421	2,550,809
Licenses and permits	1,305,849	688,001	593,886	583,060	584,412
Fines and forfeitures	208,227	192,636	148,495	207,358	253,841
Use of money and property	125,071	83,549	122,725	144,328	170,213
From other agencies	12,799,825	10,963,343	19,056,135	12,484,156	10,990,248
Charges for current services	8,676,798	5,819,507	6,945,717	5,794,337	6,544,320
Other revenues	6,318,419	4,554,963	5,368,776	5,469,201	5,730,691
Total revenues	<u>66,149,739</u>	<u>61,913,751</u>	<u>75,072,949</u>	<u>69,874,420</u>	<u>71,865,386</u>
Expenditures					
Current:					
General government	4,726,595	5,620,526	5,546,340	5,622,192	5,620,922
Public safety	34,576,576	36,043,170	38,498,881	40,767,185	43,136,838
Transportation	3,333,681	3,256,789	3,430,068	3,595,841	3,828,619
Community development	6,514,706	1,150,395	302,091	917,702	577,483
Cultural and recreation	4,719,477	5,024,870	5,235,028	5,409,366	5,541,908
Debt service:					
Principal	575,000				
Interest and fiscal charges	789,378				
Bond issue costs					
Capital outlays	9,465,085	9,966,973	14,510,295	9,800,799	6,523,827
Total expenditures	<u>64,700,498</u>	<u>61,062,723</u>	<u>67,522,703</u>	<u>66,113,085</u>	<u>65,229,597</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,449,241</u>	<u>851,028</u>	<u>7,550,246</u>	<u>3,761,335</u>	<u>6,635,789</u>
Other financing sources (uses):					
Transfers in	1,531,696	30,000	18,995		
Transfers out	(1,599,696)	(1,265,000)	(1,256,080)	(1,211,000)	(4,050,000)
Total other financing sources (uses)	<u>(68,000)</u>	<u>(1,235,000)</u>	<u>(1,237,085)</u>	<u>(1,211,000)</u>	<u>(4,050,000)</u>
Extraordinary item-Dissolution of CCDA	(11,551,717)				
Net change in Fund balances	<u>\$ (10,170,476)</u>	<u>\$ (383,972)</u>	<u>\$ 6,313,161</u>	<u>\$ 2,550,335</u>	<u>\$ 2,585,789</u>
Debt service as a percentage of noncapital expenditures	2.5%	0.0%	0.0%	0.0%	0.0%

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	For the Fiscal Year Ended June 30,				
	2017	2018	2019	2020	2021
Property taxes	\$ 22,391,753	\$ 24,832,576	\$ 26,667,913	\$ 28,520,413	\$ 30,377,419
Sales taxes	19,675,483	20,425,341	21,597,179	22,393,757	27,526,307
Business license/Franchise	5,300,062	6,891,105	5,788,765	6,008,671	6,360,691
Other taxes	2,705,284	2,870,536	2,895,987	2,743,490	3,538,141
Licenses and permits	330,336	412,460	778,319	526,291	804,977
Fines and forfeitures	140,193	227,831	195,146	188,334	150,920
Use of money and property	173,524	585,707	1,134,952	1,914,715	271,010
From other agencies	11,473,015	13,962,855	15,787,432	26,007,449	31,247,370
Charges for current services	8,060,073	7,442,164	9,620,602	7,788,344	8,054,434
Other revenues	5,634,697	5,358,986	5,831,451	6,185,944	6,153,290
Total revenues	<u>75,884,420</u>	<u>83,009,561</u>	<u>90,297,746</u>	<u>102,277,408</u>	<u>114,484,559</u>
Current:					
General government	6,287,114	6,163,620	6,818,113	6,930,929	7,576,845
Public safety	46,476,211	49,688,800	52,034,209	54,300,092	58,574,671
Transportation	4,032,061	4,169,509	4,506,493	4,438,270	4,481,127
Community development	1,757,867	1,913,909	686,251	330,247	2,999,876
Cultural and recreation	5,914,052	6,108,769	6,993,547	7,040,642	7,179,605
Debt service:					
Principal					
Interest and fiscal charges					
Bond issue costs					
Capital outlays	<u>8,516,678</u>	<u>6,907,009</u>	<u>9,818,090</u>	<u>23,836,451</u>	<u>10,712,079</u>
Total expenditures	<u>72,983,983</u>	<u>74,951,616</u>	<u>80,856,703</u>	<u>96,876,631</u>	<u>91,524,203</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,900,437</u>	<u>8,057,945</u>	<u>9,441,043</u>	<u>5,400,777</u>	<u>22,960,356</u>
Transfers in			156,000	454,000	
Transfers out	<u>(3,188,000)</u>	<u>(506,700)</u>	<u>(1,975,000)</u>	<u>(3,110,000)</u>	<u>(18,445,300)</u>
Total other financing sources (uses)	<u>(3,188,000)</u>	<u>(506,700)</u>	<u>(1,819,000)</u>	<u>(2,656,000)</u>	<u>(18,445,300)</u>
Extraordinary item-Dissolution of CCDA					
Net change in Fund balances	<u>\$ (287,563)</u>	<u>\$ 7,551,245</u>	<u>\$ 7,622,043</u>	<u>\$ 2,744,777</u>	<u>\$ 4,515,056</u>
	0.0%	0.0%	0.0%	0.0%	0.0%

CITY OF CLOVIS
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

General Fund

Fiscal Year Ended June 30,	Nonspendable	Restricted	Assigned	Unassigned	Total
2012	\$ 855,000	\$ 2,767,463	\$ 7,208,000	\$ 556,206	\$ 11,386,669
2013	855,000	2,383,432	7,883,000	1,135,539	12,256,971
2014	855,000	2,188,316	9,451,000	1,611,802	14,106,118
2015	855,000	2,368,439	10,000,000	3,702,156	16,925,595
2016		2,738,023	11,779,000	2,925,095	17,442,118
2017		3,189,504	12,152,000	708,019	16,049,523
2018		4,309,112	12,424,000	3,618,238	20,351,350
2019		4,960,824	13,512,000	4,433,151	22,905,975
2020		5,811,491	13,748,000	4,114,250	23,673,741
2021		6,680,015	17,011,500	1,280,958	24,972,473

All Other Governmental Funds

Fiscal Year Ended June 30,	Nonspendable	Restricted	Assigned	Unassigned	Total
2012	\$ 6,850,436	\$ 10,683,943	\$ 3,261,970		\$ 20,796,349
2013	7,155,675	8,795,952	3,351,955		19,303,582
2014	6,762,061	8,115,950	8,889,586		23,767,597
2015	6,865,628	6,349,429	10,283,400		23,498,457
2016		16,002,504	4,423,900		20,426,404
2017	7,528,473	18,886,282	258,000		26,672,755
2018		26,555,512	258,000		26,813,512
2019		27,613,930	4,267,000		31,880,930
2020		32,145,941	1,712,000		33,857,941
2021		35,202,765	1,871,500		37,074,265

CITY OF CLOVIS
ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Real Property		Personal Property		Exemptions	Net		Total
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Homeowners	Assessed	Estimated Actual	Direct Tax Rate
2012	\$ 7,133,083,317	\$ 7,133,083,317	\$ 205,900,352	\$ 205,900,352	\$ 104,273,160	\$ 7,234,710,509	\$ 7,338,983,669	0%
2013	7,024,285,314	7,024,285,314	201,775,479	201,775,479	101,603,300	7,124,457,493	7,226,060,793	0%
2014	7,507,886,552	7,507,886,552	198,810,435	198,810,435	103,378,700	7,603,318,287	7,706,696,987	0%
2015	8,158,612,400	8,158,612,400	204,592,938	204,592,938	101,969,400	8,261,235,938	8,363,205,338	0%
2016	8,696,361,855	8,696,361,855	213,125,102	213,125,102	100,450,200	8,809,036,757	8,909,486,957	0%
2017	9,179,714,485	9,179,714,485	214,596,488	214,596,488	99,120,700	9,295,190,273	9,394,310,973	0%
2018	10,033,990,678	10,033,990,678	221,666,625	221,666,625	97,686,900	10,157,970,403	10,255,657,303	0%
2019	10,593,683,186	10,593,683,186	212,862,653	212,862,653	96,576,100	10,709,969,739	10,806,545,839	0%
2020	11,401,543,797	11,401,543,797	213,768,044	213,768,044	96,322,900	11,518,988,941	11,615,311,841	0%
2021	12,221,160,827	12,221,160,827	235,685,766	235,685,766	96,035,100	12,360,811,493	12,456,846,593	0%

Note: Effective fiscal year 1981-82 and fiscal years thereafter, assessed value is 100% of market value.
The rate applied to the assessed value for county wide property tax is 1%.

Source: Fresno County Auditor Controller/Treasurer Tax Collector FY2020-21 Tax Rate Book

CITY OF CLOVIS
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENT
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	City of Clovis	Clovis Unified School District Bond	State Center General Obligation Bond	County Wide	Total
2012	0.000000	0.155352	0.007070	1.000000	1.162422
2013	0.000000	0.155350	0.009358	1.000000	1.164708
2014	0.000000	0.155350	0.009602	1.000000	1.164952
2015	0.000000	0.155346	0.009308	1.000000	1.164654
2016	0.000000	0.155350	0.008064	1.000000	1.163414
2017	0.000000	0.155350	0.008480	1.000000	1.163830
2018	0.000000	0.398998	0.025934	1.000000	1.424932
2019	0.000000	0.155350	0.022966	1.000000	1.178316
2020	0.000000	0.155352	0.025786	1.000000	1.181138
2021	0.000000	0.155356	0.025672	1.000000	1.181028

Note: The basis for the tax rates is per \$100 assessed valuation.

Source: Fresno County Auditor Controller/Treasurer Tax Collector FY2020-21 Tax Rate Book

**CITY OF CLOVIS
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND TEN YEARS AGO**

Taxpayer	2021			2012		
	Taxable Assessed Value (1)	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value (1)	Rank	Percent of Total City Taxable Assessed Value
Fresno Community Hospital & Med CTR	\$ 96,917	1	0.78%	\$ 116,037	1	1.59%
Rlo LLC	45,900	2	0.37%			
Prindiville Dennis Trustee	42,703	3	0.35%	43,739	3	0.60%
Ltc West Inc	36,081	4	0.29%			
Copper Beech Townhome Communities	31,000	5	0.25%	19,520	6	0.27%
Winterfell Yosemite Gardens L P	27,609	6	0.22%			
Clovis-Herndon Center II LLC	27,574	7	0.22%			
Wal-Mart Real Estate Business Trust	26,975	8	0.22%			
Landvalue 37 LLC	25,609	9	0.21%			
GSF Sunnyside Clovis Investors L P	24,846	10	0.20%			
BRE Throne Clovis Commons LLC				32,350	4	0.44%
Pelco				78,512	2	1.07%
Anlin Industries				20,248	5	0.28%
Brown Garold C Family LTD Partnership				16,951	9	0.23%
Vons Companies Inc						
Kaiser Foundation Health Plan Inc				17,229	7	0.24%
Burgess Smith & Wathen Parnership VII				15,532	10	0.21%
Winco Foods LLC				17,081	8	0.23%
	<u>\$ 385,214</u>		<u>3.11%</u>	<u>\$ 377,199</u>		<u>5.16%</u>

(1) Amounts in thousands

Source: City of Clovis-GIS
Fresno County Assessor

CITY OF CLOVIS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections₁	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Current Delinquent Taxes	Ratio of Current Delinquent Taxes to Total Tax Levy₂
2012	\$ 9,176,983	\$ 8,787,604	95.8	\$ 298,162	\$ 9,085,766	99.0	\$ 185,100	2.017
2013	9,209,497	8,867,999	96.3	270,584	9,138,583	99.2	150,299	1.632
2014	9,957,414	9,627,588	96.7	216,607	9,844,195	98.9	148,664	1.493
2015	10,824,263	10,592,809	97.9	202,176	10,794,985	99.7	155,869	1.440
2016	11,475,064	11,371,562	99.1	111,527	11,483,089	100.1	159,503	1.390
2017	12,116,560	11,966,405	98.8	160,797	12,127,202	100.1	169,390	1.398
2018	13,366,204	13,159,337	98.5	268,359	13,427,695	100.5	187,528	1.403
2019	14,248,564	13,928,737	97.8	138,109	14,066,846	98.7	196,915	1.382
2020	14,932,240	14,428,282	96.6	196,398	14,624,680	97.9	244,291	1.636
2021	16,131,046	15,784,387	97.9	325,023	16,109,409	99.9	231,803	1.437

Notes: Amounts include only General Fund tax collections.

₁ Includes prior year delinquent tax collections.

₂ The ratio of current delinquent taxes represents the Fresno County wide rate as the County of Fresno is unable to provide the City of Clovis' delinquent tax ratio.

Sources: Fresno County Assessor's Office
Fresno County Auditor Controller

CITY OF CLOVIS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Tax Allocation Bonds (1)	Special Assessment Bonds (1)	Lease Revenue Bonds (1)	Revenue Bonds (1)	Capital Leases (1)	Loans/ Contracts Payable (1)	Notes/Direct Placements Payable (1)	Total	Debt Per AV	Debt Per Capita
Governmental Activities										
2012	\$ 0	\$ 0	\$ 0	\$ 14,447,032	\$ 10,099,702	\$ 2,343,196	\$ 0	\$ 26,889,930	\$ 0.004	\$ 273
2013	0	0	0	13,786,231	11,740,045	2,198,243	0	27,724,519	0.004	277
2014	0	0	0	0	26,255,248	2,120,278	0	28,375,526	0.004	278
2015	0	0	0	0	23,655,822	1,805,112	0	25,460,934	0.003	244
2016	0	0	0	0	26,850,329	1,724,379	0	28,574,708	0.004	274
2017	0	0	0	0	24,154,921	1,480,623	0	25,635,544	0.003	231
2018	0	0	0	0	22,066,356	1,195,510	0	23,261,866	0.002	204
2019	0	0	0	0	11,284,736	2,745,885	8,997,833	23,028,454	0.002	197
2020	0	0	0	0	9,413,689	2,768,483	7,992,401	20,174,573	0.002	169
2021	0	0	0	13,943,941	0	2,439,906	16,494,902	32,878,749	0.003	270
Business-type Activities										
2012	\$ 0	\$ 0	\$ 0	\$ 149,682,848	\$ 0	\$ 11,181,113	\$ 0	\$ 160,863,961	\$ 0.023	\$ 1,631
2013	0	0	0	146,013,411	0	10,503,598	0	156,517,009	0.022	1,565
2014	0	0	0	141,888,294	0	9,783,356	0	151,671,650	0.020	1,484
2015	0	0	0	137,462,213	0	9,018,510	0	146,480,723	0.018	1,404
2016	0	0	0	130,540,195	0	8,205,774	0	138,745,969	0.017	1,330
2017	0	0	0	125,639,953	0	7,350,311	0	132,990,264	0.014	1,201
2018	0	0	0	118,831,052	0	6,449,775	0	125,280,827	0.012	1,100
2019	0	0	0	114,115,888	0	5,502,287	0	119,618,175	0.011	1,022
2020	0	0	0	109,265,725	0	4,505,030	0	113,770,755	0.010	955
2021	0	0	0	104,255,563	0	3,455,186	0	107,710,749	0.010	884
Total Primary Government										
2012	\$ 0	\$ 0	\$ 0	\$ 164,129,880	\$ 10,099,702	\$ 13,524,309	\$ 0	\$ 187,753,891	\$ 0.026	\$ 1,904
2013	0	0	0	159,799,642	11,740,045	12,701,841	0	184,241,528	0.026	1,843
2014	0	0	0	141,888,294	26,255,248	11,903,634	0	180,047,176	0.024	1,762
2015	0	0	0	137,462,213	23,655,822	10,823,622	0	171,941,657	0.021	1,648
2016	0	0	0	130,540,195	26,850,329	9,930,153	0	167,320,677	0.021	1,604
2017	0	0	0	125,639,953	24,154,921	8,830,934	0	158,625,808	0.017	1,432
2018	0	0	0	118,831,052	22,066,356	7,645,285	0	148,542,693	0.015	1,304
2019	0	0	0	114,115,888	11,284,736	8,248,172	8,997,833	142,646,629	0.013	1,219
2020	0	0	0	109,265,725	9,413,689	7,273,513	7,992,401	133,945,328	0.012	1,124
2021	0	0	0	118,199,504	0	5,895,092	16,494,902	140,589,498	0.013	1,154

(1) Presented net of original issuance discounts and premiums
Source: City of Clovis Finance Department

CITY OF CLOVIS
RATIO OF NET GENERAL OBLIGATION BONDED DEBT
TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITAL
LAST TEN FISCAL YEARS

Fiscal Year							Ratio of Net	Net
Ended	Estimated	Assessed	Gross Bonded	Less Debt	Net	Bonded Debt to	Bonded Debt	
June 30,	Population	Valuation	Debt (1)	Service Fund	Bonded Debt	Assessed Value	Per Capita	
2012	\$ 98,611	\$ 7,133,083,317	\$ 0	\$ 0	\$ 0	0.00%	\$ 0	
2013	99,983	7,024,285,314	0	0	0	0.00%	0	
2014	102,188	7,507,886,552	0	0	0	0.00%	0	
2015	104,339	8,158,612,400	0	0	0	0.00%	0	
2016	108,039	8,696,361,855	0	0	0	0.00%	0	
2017	110,762	9,179,714,485	0	0	0	0.00%	0	
2018	113,883	10,157,970,403	0	0	0	0.00%	0	
2019	117,003	10,709,969,739	0	0	0	0.00%	0	
2020	119,175	11,518,988,941	0	0	0	0.00%	0	
2021	121,834	12,360,811,493	0	0	0	0.00%	0	

(1) Amount does not include special assessment bonds.

Source: Fresno County Auditor Controller/Treasurer Tax Collector

CITY OF CLOVIS
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL OBLIGATION BONDED DEBT
TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures (1)</u>	<u>Ratio of Debt Service to General Government Expenditures</u>
2012	\$ 0	\$ 0	\$ 0	\$ 66,402,834	0.0
2013	0	0	0	61,301,215	0.0
2014	0	0	0	67,522,703	0.0
2015	0	0	0	66,113,085	0.0
2016	0	0	0	65,229,597	0.0
2017	0	0	0	72,983,983	0.0
2018	0	0	0	74,951,616	0.0
2019	0	0	0	80,856,703	0.0
2020	0	0	0	96,876,631	0.0
2021	0	0	0	91,524,203	0.0

(1) Includes all governmental fund types (General, Special Revenue, Debt Service and Capital Projects Funds).

CITY OF CLOVIS
COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2021

2020-2021 Assessed Valuation: \$ 12,456,846,593

<u>Direct and Overlapping Debt:</u>	<u>% Applicable*</u>	<u>Debt</u>
<u>Direct Debt:</u>		
City of Clovis Direct Borrowings	100.00%	\$ 16,494,902
City of Clovis Revenue Bonds	100.00%	13,943,940
City of Clovis Loans Payable	100.00%	2,439,906
Total Net Direct Debt		32,878,748
Total Net Direct and Direct Bonded Debt		<u>\$ 32,878,748</u>
<u>Overlapping Bonded Debt:</u>		
Fresno County General Fund Obligations	14.238%	\$ 4,136,851
Fresno County Pension Obligations	14.238%	30,719,367
State Center Community College District	13.054%	44,777,178
Clovis Unified School District	42.047%	163,311,804
Clovis Unified School District General Fund Obligations	42.047%	7,911,143
Clovis Memorial District General Fund Obligations	44.934%	1,559,210
Fresno Unified School District	2.180%	15,104,311
Fresno Unified School District General Fund Obligations	2.180%	136,468
Sanger Unified School District	0.733%	1,822,198
Sanger Unified School District General Fund Obligations	0.733%	282,315
Total Gross Overlapping Bonded Debt		<u>269,760,845</u>
<u>Overlapping Tax Increment Debt:</u>		
Total Gross Overlapping Tax Increment Debt	100.00%	11,260,000
Total Gross Overlapping Debt		<u>\$ 281,020,845</u>
Total Net Direct and Overlapping Bonded Debt		<u><u>\$ 313,899,593</u></u> (1)

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

Ratios to Assessed Valuation:

Total Overlapping Tax and Assessment Debt	2.26%
Total Direct and Direct Bonded Debt	0.26%
Combined Total Debt	2.52%

Ratios to Redevelopment Incremental Valuation \$965,205,583

Total Overlapping Tax Increment Debt	1.17%
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Share of Authorized and Unsold Bonds:

City of Clovis	\$ 2,000,000
	Hasn't changed since 1995.

Source: California Municipal Statistics & City of Clovis

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

CITY OF CLOVIS
COMPUTATION OF LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	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	\$ 1,100,847,550	0	\$ 1,100,847,550	0
2013	1,083,909,119	0	1,083,909,119	0
2014	1,156,004,548	0	1,156,004,548	0
2015	1,254,480,801	0	1,254,480,801	0
2016	1,336,423,044	0	1,336,423,044	0
2017	1,409,146,646	0	1,409,146,646	0
2018	1,538,348,595	0	1,538,348,595	0
2019	1,620,981,876	0	1,620,981,876	0
2020	1,742,296,776	0	1,742,296,776	0
2021	1,868,526,989	0	1,868,526,989	0

LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR 2019

Assessed Valuations:

Assessed Value	\$ 12,360,811,493
Add back exempt property	96,035,100

Total Assessed Value	<u>\$ 12,456,846,593</u>
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Legal Debt Margin:

Debt Limitation-15 percent of total assessed value	\$ 1,868,526,989
--	------------------

Debt applicable to Limitation:

Total bonded debt	\$ 0
Less: Amount in debt service funds available for payment of principal	<u>0</u>

Total debt applicable to Limitation	<u>0</u>
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Legal Debt Margin:	<u>\$ 1,868,526,989</u>
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**CITY OF CLOVIS
REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS**

REFUSE DISPOSAL FUND

Fiscal Year Ended <u>June 30,</u>	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest	Total	
2012	\$ 16,515,045	\$ 11,747,301	\$ 4,767,744	\$ 540,000	\$ 235,299	\$ 775,299	6.15
2013	16,584,300	12,478,604	4,105,696	565,000	207,260	772,260	5.32
2014	16,106,761	13,524,511	2,582,250	595,000	177,763	772,763	3.34
2015	16,612,320	14,612,658	1,999,662	625,000	146,765	771,765	2.59
2016	16,684,608	15,578,895	1,105,713	655,000	114,268	769,268	1.44
2017	16,883,872	15,600,372	1,283,500	690,000	80,063	770,063	1.67
2018	18,030,852	16,042,168	1,988,684	725,000	12,511	737,511	2.70
2019	19,172,744	18,301,846	870,898	0	0	0	N/A
2020	19,786,605	19,599,590	187,015	0	0	0	N/A
2021	20,538,541	19,990,095	548,446	0	0	0	N/A

SEWER SERVICE FUND

Fiscal Year Ended <u>June 30,</u>	Gross Revenues (4)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest	Total	
2012	\$ 16,378,861	\$ 7,806,516	\$ 8,572,345	\$ 1,385,000	\$ 5,162,329	\$ 6,547,329	1.31
2013	18,420,785	7,329,635	11,091,150	1,440,000	5,081,716	6,521,716	1.70
2014	18,219,581	8,360,501	9,859,080	1,345,000	4,902,681	6,247,681	1.58
2015	22,072,796	8,248,142	13,824,654	1,870,000	4,801,933	6,671,933	2.07
2016	21,366,761	8,813,564	12,553,197	1,930,000	4,575,379	6,505,379	1.93
2017	19,205,582	9,069,315	10,136,267	1,480,000	2,837,163	4,317,163	2.35
2018	21,721,290	9,450,348	12,270,942	2,185,000	4,006,507	6,191,507	1.98
2019	22,175,017	10,126,785	12,048,232	2,075,000	3,806,133	5,881,133	2.05
2020	25,862,697	11,165,176	14,697,521	2,135,000	3,749,252	5,884,252	2.50
2021	20,806,290	11,339,009	9,467,281	2,210,000	3,688,531	5,898,531	1.61

WATER SERVICE FUND

Fiscal Year Ended <u>June 30,</u>	Gross Revenues (4)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest	Total	
2012	\$ 16,645,199	\$ 9,953,181	\$ 6,692,018	\$ 1,495,000	\$ 1,733,364	\$ 3,228,364	2.07
2013	22,908,215	10,460,126	12,448,089	1,555,000	1,676,634	3,231,634	3.85
2014	19,996,964	10,730,310	9,266,654	1,455,000	1,454,062	2,909,062	3.19
2015	19,133,751	10,860,381	8,273,370	1,630,000	1,367,074	2,997,074	2.76
2016	16,769,010	10,955,394	5,813,616	1,685,000	1,301,145	2,986,145	1.95
2017	18,717,047	11,977,373	6,739,674	1,755,000	1,232,816	2,987,816	2.26
2018	21,537,742	12,618,522	8,919,220	1,825,000	1,161,688	2,986,688	2.99
2019	27,118,081	13,346,057	13,772,024	1,890,000	1,087,826	2,977,826	4.62
2020	23,939,392	14,798,151	9,141,241	1,965,000	1,011,231	2,976,231	3.07
2021	22,776,199	21,116,633	1,659,566	2,050,000	958,688	3,008,688	0.55

(1) Total revenues, including interest.

(2) Total operating expenses exclusive of depreciation.

(3) Includes principal and interest of revenue bonds only. It does not include the other debt reported in the refuse and sewer funds.

(4) Total revenues, including interest and capital contributed by developers. The amount contributed by developers is available for payment of annual debt service and is therefore included in gross revenue for the purposes of this schedule.

Note: This schedule does not represent legal bond covenants.

**CITY OF CLOVIS
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	City Population	% Change	City Unemployment Rate	Fresno County Population	City Population as % of County Population	Fresno County Unemployment Rate
2012	98,611	1.43	11.70	945,711	10.43	15.20
2013	99,983	1.39	10.00	952,166	10.50	12.30
2014	102,188	2.21	8.50	964,040	10.60	10.40
2015	104,339	2.10	7.50	972,297	10.73	9.30
2016	108,039	3.55	7.20	984,541	10.97	9.30
2017	110,762	2.52	5.80	995,975	11.12	8.10
2018	113,883	2.82	4.40	1,007,229	11.31	7.60
2019	117,003	2.74	4.10	1,018,241	11.49	7.00
2020	119,175	1.86	12.10	1,023,358	11.65	14.60
2021	121,834	2.23	6.40	1,033,303	11.79	9.30

Sources: County of Fresno
Labor market Info EDD

Note: Per capita income and total personal income information not available.

**CITY OF CLOVIS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

Employer	2021			2012		
	Number of Employees	Rank	Percent of Total Employment*	Number of Employees		Percent of Total Employment*
Clovis Unified School District	5,084	1	9.11%	5,343	1	12.28%
Clovis Community Hospital	2,180	2	3.91%	1,110	3	2.55%
City of Clovis	542	4	0.97%	698	4	1.60%
Wal-Mart	620	3	1.11%	335	7	0.77%
Wawona Frozen Foods	540	5	0.97%	455	5	1.05%
Anlin Industries	400	6	0.72%	0		0.00%
Costco	354	7	0.63%	227	9	0.52%
Target	325	8	0.58%	436	6	1.00%
Savemart	234	9	0.42%	273	8	0.63%
Lowe's	200	10	0.36%	0		0.00%
Pelco	0	0	0.00%	1,205	2	2.77%
Von's	0	0	0.00%	213	10	0.49%

* "Total Employment" as used above represents the total employment of all employers located within City limits based on a projection for June 2021.

Source: Employment Development Department or employer provided

CITY OF CLOVIS
FULL-TIME CITY EMPLOYEES
LAST TEN FISCAL YEARS

<u>Function</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>Governmental Activities</u>										
General Government	38,050	39,050	43,150	41,850	43,850	44,850	46,850	46,650	47,100	47,100
Public Safety										
Police	148,000	152,000	156,000	163,000	168,000	175,000	175,000	176,000	179,000	180,000
Fire	64,500	66,000	66,000	66,000	66,000	67,000	67,000	67,000	67,000	73,000
Transportation	13,800	14,800	14,800	14,950	13,950	14,000	14,040	14,140	16,140	16,140
Community Development	40,000	0,500	0,400	1,000	1,000	1,000	1,000	0,850	0,850	0,850
Culture & Recreation	28,100	23,100	24,700	24,200	26,000	25,750	26,630	26,630	26,680	27,680
Internal Service	26,525	26,525	27,525	29,225	30,225	31,225	31,235	30,435	32,835	32,835
Total Governmental Activities	358,975	321,975	332,575	339,225	349,025	358,825	361,755	361,705	369,605	377,605
<u>Business-Type Activities</u>										
Refuse	41,860	41,860	42,560	44,310	44,310	43,960	45,060	49,060	51,160	51,410
Sewer	11,250	11,250	11,250	11,250	11,250	11,250	12,230	12,780	13,030	13,280
Water	34,600	34,600	34,300	34,300	35,300	36,850	37,890	39,040	40,040	41,540
Street Cleaning	4,790	4,790	4,790	6,790	6,790	6,790	6,740	6,740	6,740	6,740
Transit	22,525	22,525	22,525	24,125	25,325	25,325	25,325	25,325	25,425	27,425
Planning & Dev Services*		37,000	43,000	45,000	45,000	45,000	47,000	53,350	56,000	55,000
Total Business-Type Activities	115,025	152,025	158,425	165,775	167,975	169,175	174,245	186,295	192,395	195,395
Total Full-Time Employees	474,000	474,000	491,000	505,000	517,000	528,000	536,000	548,000	562,000	573,000

Source: City of Clovis

Notes: Decimals represent the portions of employees performing duties in two or more functions.

Internal Service Functions have been included in Governmental Activities.

*The Planning and Development Services Fund was created beginning July 1, 2012. Employees in this business-type activity were formerly in the governmental activities.

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire stations	5	5	5	5	5	5	5	5	5	5
Public utilities:										
Streets (miles)	362	369	380	384	391	410	415	419	421	427
Streetlights	9,576	9,587	10,308	10,461	10,479	11,022	11,088	11,692	11,702	11,700
Cultural and recreation:										
Parks	55	58	59	62	63	64	66	67	69	72
Community centers	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	484	490	499	508	514	521	535	546	555	573
Sewer										
Sanitary sewers (miles)	358	361	367	373	379	385	396	405	413	426

Source: City of Clovis

CITY OF CLOVIS
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Police:										
Arrests	4,612	4,936	5,135	4,046	4,326	4,145	3,868	3,718	3,189	3,332
Parking citations issued	513	972	1,343	954	982	1,369	1,245	1,307	1,086	746
Fire:										
Number of emergency calls	8,945	9,958	8,290	10,098	10,069	9,661	9,974	10,399	10,662	10,274
Parks and recreation:										
Number of recreation classes	93	94	95	119	130	138	151	169	18	40
Number of facility rentals	13	13	13	32	32	32	48	68	25	20
Water:										
New connections	282	793	779	636	837	936	1,067	1,068	855	1,193
Average daily consumption (thousands of gallons)	22,453	23,917	23,840	20,684	16,883	19,083	20,849	19,929	21,682	22,939
Sewer:										
New connections	425	667	721	639	509	801	1,170	1,037	830	902
Average daily sewage treatment (thousands of gallons)	6,996	6,914	6,949	6,862	6,543	6,776	6,928	7,618	7,630	7,886

Source: City of Clovis

**CITY OF CLOVIS
BUILDING PERMIT VALUATIONS
LAST TEN YEARS**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Valuation (in Thousands) *										
Residential	\$ 99,027	\$ 129,013	\$ 212,867	\$ 232,729	\$ 193,461	\$ 265,411	\$ 322,495	\$ 236,922	\$ 303,533	\$ 357,447
Non-residential	41,730	40,709	27,434	18,558	40,127	44,613	31,892	111,915	82,164	32,095
Total	\$ 155,097	\$ 196,675	\$ 315,967	\$ 323,641	\$ 311,769	\$ 320,472	\$ 365,519	\$ 368,131	\$ 385,697	\$ 389,542
New Dwelling Units *										
Single Family	376	522	703	794	697	925	1,046	848	884	1,148
Multiple Family	100	23	189	117	0	58	304	0	228	90
Total	476	545	892	911	697	983	1,350	848	1,112	1,238

* Prior Fiscal Year information updated to properly reflect historical quantities and values.

Source: City of Clovis Building Department

CITY OF CLOVIS
MISCELLANEOUS STATISTICS
June 30, 2021

Date of Incorporation	February 27, 1912
Form of Government	Council/Manager
Number of Employees (full-time and part-time)	542
Area (square miles)	25.91
Miles of Streets	427
Number of Street Lights	11,700
Fire Protection:	
Number of Stations	5
Number of Firefighters and Officers	70
Police Protection:	
Number of Police Officers and Other Sworn Personnel	98
Water Department:	
Number of Water Services	38,940
Miles of Water Mains	573
Sewers:	
Miles of Sanitary Sewers	426

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**REPORT ON COMPLIANCE AND OTHER MATTERS
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF THE FINANCIAL
STATEMENTS IN RELATION TO THE LOCAL TRANSPORTATION PURPOSE FUNDS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Independent Auditors' Report

To the Honorable Mayor and Members of City Council
of the City of Clovis
Clovis, California

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clovis, 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, and have issued our report thereon dated November 15, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") as a basis for determining audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Honorable Mayor and Members of City Council
of the City of Clovis
Clovis, California
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, including the requirements of the California Public Utilities Code Section 142257 regulations as it applies to Local Transportation Purpose Funds noncompliance, with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with such provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported herein under the California Public Utilities Code Section 142257 regulations as applies to Local Transportation Purpose Funds and *Government Auditing Standards*.

Restriction on Use

This report is intended for the information of the management, City Council, and officials of applicable federal and state awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "The PwC Group, LLP". The signature is written in a cursive, flowing style.

San Diego, California
November 15, 2021

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

To the Honorable Mayor and Members of City Council
of the City of Clovis
Clovis, California

We have performed the procedures enumerated below to the accompanying Appropriations Limit Schedule of the City of Clovis, California (City) for the year ended June 30, 2021. The City is responsible for the Appropriations Limit Schedule.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution. The League of California Cities (as presented in the publication entitled Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution) has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

1. We obtained the completed worksheets used by the City to calculate its appropriations limit for the year ended June 30, 2021, and determined that the limit and annual calculation factors were adopted by resolution of City Council. We also determined that the population and inflation options were selected by a recorded vote of the City Council.

Finding: No exceptions were noted as a result of our procedures.

2. For the accompanying Appropriations Limit Schedule, we added the prior year's limit to the total adjustments, and agreed the resulting amount to the current year's limit.

Finding: No exceptions were noted as a result of our procedures.

3. We agreed the current year information presented in the accompanying Appropriations Limit Schedule to corresponding information in worksheets used by the City.

Finding: No exceptions were noted as a result of our procedures.

4. We agreed the appropriations limit presented in the accompanying Appropriations Limit Schedule to the appropriations limit adopted by the City Council.

Finding: No exceptions were noted as a result of our procedures.

To the Honorable Mayor and Members of the City Council
of the City of Clovis
Clovis, California
Page 2

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respective on the accompanying Appropriation Limit Schedule. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the City Council and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

The PwC Group, LLP

San Diego, California
November 15, 2021

City of Clovis
Appropriations Limit Schedule
For the Year Ended June 30, 2021

	<u>Amount</u>	<u>Source</u>
A. Appropriations Limit FY 2020	\$ 297,053,411	Prior year
B. Calculation Factors:		
1) Population increase %	1.0220	State Department of Finance
2) Inflation increase %	1.0679	City Building Department
3) Total adjustment %	<u>1.0914</u>	(B1*B2)
C. Annual Adjustment Increase	27,148,840	[A*(B3-1)]
D. Other Adjustments:		
1) Loss responsibility (-)	-	N/A
2) Transfer to private (-)	-	N/A
3) Transfer to fees (-)	-	N/A
4) Assumed responsibility (+)	-	N/A
E. Total Adjustments	<u>27,148,840</u>	(C+D)
F. Appropriations Limit FY 2021	<u><u>\$ 324,202,251</u></u>	(A+E)

City of Clovis
Notes to Appropriations Limit Schedule
For the Year Ended June 30, 2021

Note 1 – Purpose of Limited Procedures Review

Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), California governmental agencies are restricted as to the amount of annual appropriations from proceeds of taxes. Effective for years beginning on or after July 1, 1990, under Section 1.5 of Article XIII B, the annual calculation of the appropriations limit is subject to a limited procedures review in connection with the annual audit.

Note 2 – Method of Calculation

Under Section 10.5 of Article XIII B, for fiscal years beginning on or after July 1, 1990, the appropriations limit is required to be calculated based on the limit for the fiscal year 1986-87, adjusted for the inflation and population factors discussed in Notes 3 and 4 below.

Note 3 – Population Factors

A California governmental agency may use as its population factor either the annual percentage change of the jurisdiction's own population or the annual percentage change in population of the county where the jurisdiction is located. The factor adopted by the City for fiscal year 2021 represents the annual percentage change in population for the City.

Note 4 – Inflation Factors

A California governmental agency may use as its inflation factor either the annual percentage change in the 4th quarter per capita personal income (which percentage is supplied by the State Department of Finance) or the percentage change in the local assessment roll from the preceding year due to the change of local nonresidential construction. The factor adopted by the City for fiscal year 2021 represents the annual percentage change in the local assessment roll from the preceding year due to the change in local nonresidential construction.

Note 5 – Other Adjustments

A California government agency may be required to adjust its appropriations limit when certain events occur, such as the transfer of responsibility for municipal services to, or from, another government agency or private entity. The City had no such adjustments for fiscal year 2021.