

# **City of Arvin**

Arvin, California

## **Independent Auditors' Report and Basic Financial Statements**

*For the Year Ended June 30, 2019*

Prepared By  
Finance Department  
of the City of Arvin





**City of Arvin**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2019**

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**Basic Financial Statements**  
**For the Year Ended June 30, 2019**

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## INDEPENDENT AUDITORS' REPORT

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Arvin, California (the "City"), as of and for the year ended June 30, 2019, 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.

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

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City'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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules, the Schedules of the City's Proportionate Share of Net Pension Liabilities and Related Ratios, and the Schedules of Contributions – Pensions on pages 71 through 77 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.

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

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining and Individual Nonmajor Fund Financial Statements 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Nonmajor Fund Financial Statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

To the Honorable Mayor and the Members of the City Council  
of the City of Arvin  
Arvin, California  
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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Santa Ana, California  
March 27, 2020

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# **BASIC FINANCIAL STATEMENTS**

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# **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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**City of Arvin**  
**Statement of Net Position**  
**June 30, 2019**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and investments	\$ 3,045,998	\$ 2,193,220	\$ 5,239,218
Accounts receivables	948,790	803,542	1,752,332
Due from Successor Agency	154,865	-	154,865
Prepaid items	558,510	-	558,510
Internal balances	(390,295)	390,295	-
<b>Total current assets</b>	<b>4,317,868</b>	<b>3,387,057</b>	<b>7,704,925</b>
<b>Noncurrent assets:</b>			
Notes receivable - Successor Agency	574,008	-	574,008
Capital assets:			
Nondepreciable	2,251,590	1,408,784	3,660,374
Depreciable, net	25,292,162	5,639,162	30,931,324
Total capital assets	27,543,752	7,047,946	34,591,698
<b>Total noncurrent assets</b>	<b>28,117,760</b>	<b>7,047,946</b>	<b>35,165,706</b>
<b>Total assets</b>	<b>32,435,628</b>	<b>10,435,003</b>	<b>42,870,631</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to pensions	871,889	90,806	962,695
<b>Total deferred outflows of resources</b>	<b>871,889</b>	<b>90,806</b>	<b>962,695</b>

**City of Arvin**  
**Statement of Net Position (Continued)**  
**June 30, 2019**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable	267,664	670,050	937,714
Accrued payroll	371,351	6,326	377,677
Deposits	208,616	-	208,616
Unearned revenue	701,854	242,000	943,854
Interest payable	15,127	24,704	39,831
Compensated absences - due within one year	65,036	7,577	72,613
Long-term debt - due within one year	238,831	196,938	435,769
<b>Total current liabilities</b>	<b>1,868,479</b>	<b>1,147,595</b>	<b>3,016,074</b>
<b>Noncurrent liabilities:</b>			
Compensated absences - due in more than one year	260,146	30,306	290,452
Long-term debt - due in more than one year	4,285,000	3,830,808	8,115,808
Aggregate net pension liability	2,230,445	247,453	2,477,898
<b>Total noncurrent liabilities</b>	<b>6,775,591</b>	<b>4,108,567</b>	<b>10,884,158</b>
<b>Total liabilities</b>	<b>8,644,070</b>	<b>5,256,162</b>	<b>13,900,232</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources related to pensions	126,652	20,259	146,911
<b>Total deferred inflows of resources</b>	<b>126,652</b>	<b>20,259</b>	<b>146,911</b>
<b>NET POSITION</b>			
Net investment in capital assets	23,019,921	3,020,200	26,040,121
Restricted:			
Transportation	74,077	-	74,077
Public safety	91,383	-	91,383
Public works	1,899,545	-	1,899,545
Planning/community development	281,075	-	281,075
Total restricted	2,346,080	-	2,346,080
Unrestricted	(829,206)	2,229,188	1,399,982
<b>Total net position</b>	<b>\$ 24,536,795</b>	<b>\$ 5,249,388</b>	<b>\$ 29,786,183</b>

**City of Arvin**  
**Statement of Activities**  
**For the Year Ended June 30, 2019**

<b>Functions/Programs</b>	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government:</b>					
Governmental activities:					
General government	\$ 2,165,875	\$ 393,215	\$ 3,501	\$ -	\$ 396,716
Public safety	3,352,689	50,514	462,519	-	513,033
Public works	1,621,316	-	1,072,758	1,716,626	2,789,384
Community development	854,003	401,698	82,545	-	484,243
Interest and fiscal charges	90,890	-	-	-	-
Transit	-	-	-	55,351	55,351
Total governmental activities	<u>8,084,773</u>	<u>845,427</u>	<u>1,621,323</u>	<u>1,771,977</u>	<u>4,238,727</u>
Business-type activities:					
Transportation development	847,970	115,393	640,112	-	755,505
Sanitation	2,230,492	2,854,076	-	-	2,854,076
Total business-type activities	<u>3,078,462</u>	<u>2,969,469</u>	<u>640,112</u>	<u>-</u>	<u>3,609,581</u>
<b>Total primary government</b>	<u><u>\$ 11,163,235</u></u>	<u><u>\$ 3,814,896</u></u>	<u><u>\$ 2,261,435</u></u>	<u><u>\$ 1,771,977</u></u>	<u><u>\$ 7,848,308</u></u>

**City of Arvin**  
**Statement of Activities (Continued)**  
**For the Year Ended June 30, 2019**

<b>Functions/Programs</b>	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
<b>Primary government:</b>			
Governmental activities:			
General government	\$ (1,769,159)	\$ -	\$ (1,769,159)
Public safety	(2,839,656)	-	(2,839,656)
Public works	1,168,068	-	1,168,068
Community development	(369,760)	-	(369,760)
Interest and fiscal charges	(90,890)	-	(90,890)
Transit	55,351	-	55,351
Total governmental activities	(3,846,046)	-	(3,846,046)
Business-type activities:			
Transportation development	-	(92,465)	(92,465)
Sanitation	-	623,584	623,584
Total business-type activities	-	531,119	531,119
<b>Total primary government</b>	<b>(3,846,046)</b>	<b>531,119</b>	<b>(3,314,927)</b>
<b>General Revenues and Transfers:</b>			
<b>General revenues:</b>			
Taxes:			
Property taxes	259,161	-	259,161
Sales taxes	2,805,566	-	2,805,566
Franchise tax	431,690	-	431,690
Vehicle license fee in lieu tax	1,887,280	-	1,887,280
Other	2,200	-	2,200
Total taxes	5,385,897	-	5,385,897
Investment earnings	24,387	19,474	43,861
Revenue from use of property	49,949	-	49,949
Miscellaneous revenue	33,113	-	33,113
<b>Transfers</b>	81,077	(81,077)	-
<b>Total general revenues and transfers</b>	<b>5,574,423</b>	<b>(61,603)</b>	<b>5,512,820</b>
<b>Change in net position</b>	<b>1,728,377</b>	<b>469,516</b>	<b>2,197,893</b>
<b>Net Position:</b>			
<b>Beginning of year, as restated (Note 13)</b>	<b>22,808,418</b>	<b>4,779,872</b>	<b>27,588,290</b>
<b>End of year</b>	<b>\$ 24,536,795</b>	<b>\$ 5,249,388</b>	<b>\$ 29,786,183</b>

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# **FUND FINANCIAL STATEMENTS**

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# GOVERNMENTAL FUND FINANCIAL STATEMENTS

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***General Fund*** - The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

***Sycamore Road Flood Reduction Special Revenue Fund*** - Accounts for the grant received from the State Department of Water Resources to be used for building new infrastructure of sewer pipe to eliminate the flooding.

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**City of Arvin**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2019**

	Major Funds			Total Governmental Funds
	General	Sycamore Road Flood Reduction Special Revenue	Nonmajor Governmental Funds	
<b>ASSETS</b>				
Cash and investments	\$ 20,000	\$ -	\$ 3,025,998	\$ 3,045,998
Accounts receivables	519,629	-	429,161	948,790
Prepaid items and deposits	558,510	-	-	558,510
Due from other funds	1,093,554	-	-	1,093,554
Due from Successor Agency	154,865	-	-	154,865
Advances to Successor Agency	574,008	-	-	574,008
<b>Total assets</b>	<b>\$ 2,920,566</b>	<b>\$ -</b>	<b>\$ 3,455,159</b>	<b>\$ 6,375,725</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 105,884	\$ -	\$ 161,780	\$ 267,664
Accrued payroll and benefits	318,442	-	52,909	371,351
Deposits payable	208,616	-	-	208,616
Due to other funds	895,352	-	588,497	1,483,849
Unearned revenue	-	-	701,854	701,854
<b>Total liabilities</b>	<b>1,528,294</b>	<b>-</b>	<b>1,505,040</b>	<b>3,033,334</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue	-	-	133,229	133,229
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>133,229</b>	<b>133,229</b>
<b>Fund Balances:</b>				
Nonspendable	1,132,518	-	-	1,132,518
Restricted	-	-	2,346,080	2,346,080
Assigned	200,000	-	-	200,000
Unassigned (deficit)	59,754	-	(529,190)	(469,436)
<b>Total fund balances</b>	<b>1,392,272</b>	<b>-</b>	<b>1,816,890</b>	<b>3,209,162</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 2,920,566</b>	<b>\$ -</b>	<b>\$ 3,455,159</b>	<b>\$ 6,375,725</b>

**City of Arvin**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2019**

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<b>Total Fund Balances - Total Governmental Funds</b>	\$ 3,209,162
Amounts reported for Governmental Activities in the Statement of Net Position were different	
Capital Assets used in the governmental activities were not financial resources and therefore were not reported in the Governmental Funds Balance Sheet. Government-Wide Statement of Net Position	27,543,752
Interest is recognized when due, and therefore, interest payable is not reported in the governmental fund.	(15,127)
Long-term liabilities were not due and payable in the current period and therefore were not reported in the Governmental Funds Balance Sheet. Amount reported in Government-Wide Statement of Net Position	
Compensated absences - due within one year	(65,036)
Compensated absences - due in more than one year	(260,146)
Long-term debt - due within one year	(238,831)
Long-term debt - due in more than one year	(4,285,000)
Total long-term liabilities	(4,849,013)
Net pension liability is not due and payable in the current period and therefore is not reported in the governmental funds.	(2,230,445)
Pension related deferred outflows of resources are not reported in the governmental funds but are reported in the government-wide financial statements.	871,889
Pension related deferred inflows of resources are not reported in the governmental funds but are reported in government-wide financial statements	(126,652)
Revenues earned but not available to pay for current expenditures for governmental funds are reported as unavailable revenue in governmental funds but recognized as revenue in Government-Wide financial statements.	133,229
<b>Net Position of Governmental Activities</b>	<b>\$ 24,536,795</b>

**City of Arvin**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2019**

	Major Funds			Total Governmental Funds
	General	Sycamore Road Flood Reduction Special Revenue	Nonmajor Governmental Funds	
<b>REVENUES:</b>				
Property taxes and special assessments	\$ 259,161	\$ -	\$ 117,126	\$ 376,287
Property tax in lieu of VLF	1,887,280	-	-	1,887,280
Sales tax	2,805,566	-	-	2,805,566
Franchise tax	431,690	-	-	431,690
Other taxes	2,200	-	-	2,200
Licenses, permits and fees	454,505	-	65,115	519,620
Fines, forfeitures and penalties	8,017	-	-	8,017
Investment income	13,158	-	11,229	24,387
Lease revenue	49,949	-	-	49,949
Intergovernmental	43,703	2,784,958	2,000,206	4,828,867
Charges for services	349,371	-	25,000	374,371
Other	56,027	-	16,353	72,380
<b>Total revenues</b>	<b>6,360,627</b>	<b>2,784,958</b>	<b>2,235,029</b>	<b>11,380,614</b>
<b>EXPENDITURES:</b>				
Current:				
General government	1,991,565	-	-	1,991,565
Public safety	2,855,326	-	275,973	3,131,299
Public works	373,021	-	573,755	946,776
Planning/community development	723,377	-	114,989	838,366
Capital outlay	-	1,665,363	550,946	2,216,309
Debt services:				
Principal retirement	46,418	-	180,000	226,418
Interest and fiscal charge	4,953	-	179,861	184,814
<b>Total expenditures</b>	<b>5,994,660</b>	<b>1,665,363</b>	<b>1,875,524</b>	<b>9,535,547</b>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<b>365,967</b>	<b>1,119,595</b>	<b>359,505</b>	<b>1,845,067</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	-	-	81,077	81,077
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>81,077</b>	<b>81,077</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>365,967</b>	<b>1,119,595</b>	<b>440,582</b>	<b>1,926,144</b>
<b>FUND BALANCES:</b>				
Beginning of year, as restated (Note 13)	1,026,305	(1,119,595)	1,376,308	1,283,018
End of year	<u>\$ 1,392,272</u>	<u>\$ -</u>	<u>\$ 1,816,890</u>	<u>\$ 3,209,162</u>

**City of Arvin**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances to the Government-Wide Statement of Activities**  
**For the Year Ended June 30, 2019**

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**Net Change in Fund Balances - Total Governmental Funds** \$ 1,926,144

Amounts reported for governmental activities in the Statement of Activities were different because:

Governmental funds reported capital outlay as expenditures. Capital outlay expenditures are included in the Statement of Revenues, Expenditures, and Changes in Fund Balances throughout various departments. However, in the Government-Wide Statement of Activities the cost of those assets was allocated over their estimated useful lives as depreciation expenses. This is the amount of capital assets recorded in the current period.

Capital outlay	\$ 2,216,309	
Less: noncapitalized current expenditures	(84,675)	2,131,634

Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources.	(848,903)
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Long-term compensated absences expense was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. Therefore, the changes in long-term compensated absences was not reported as an expenditure in the governmental funds.	(60,516)
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Pension expense, net of contribution made after measurement date in the amount of \$324,566, was reported as pension expense in the Government-Wide Financial Statements.	(91,783)
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Proceeds from long-term debt provided current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Repayment of long-term debt was an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.

Principal retirement	226,418	
Interest accrual on notes payable and lease payable	93,924	320,342

Unavailable revenue is not recognized as revenue in the governmental funds since the revenue is not available to fund expenditures of the current year.	(1,648,541)
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**Change in Net Position of Governmental Activities** **\$ 1,728,377**



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# PROPRIETARY FUND FINANCIAL STATEMENTS

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*Transportation Development Enterprise Fund* - accounts for financial activity related to the public transit services provided by the City.

*Sanitation Enterprise Fund* - accounts for the financial activity of the waste water services of the City. These services are provided through contracts with independent contractors.

**City of Arvin**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2019**

	Major Funds		
	Enterprise Funds		
	Transportation Development	Sanitation	Total
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and investments	\$ -	\$ 2,193,220	\$ 2,193,220
Accounts receivable	803,542	-	803,542
Due from other funds	-	895,352	895,352
<b>Total current assets</b>	<b>803,542</b>	<b>3,088,572</b>	<b>3,892,114</b>
<b>Noncurrent assets:</b>			
Capital assets:			
Nondepreciable	-	1,408,784	1,408,784
Depreciable, net	5,625	5,633,537	5,639,162
Total capital assets	5,625	7,042,321	7,047,946
<b>Total noncurrent assets</b>	<b>5,625</b>	<b>7,042,321</b>	<b>7,047,946</b>
<b>Total assets</b>	<b>809,167</b>	<b>10,130,893</b>	<b>10,940,060</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to pensions	90,806	-	90,806
<b>Total deferred outflows of resources</b>	<b>90,806</b>	<b>-</b>	<b>90,806</b>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable	9,869	660,181	670,050
Accrued payroll and benefits	6,326	-	6,326
Unearned revenue	-	242,000	242,000
Interest payable	-	24,704	24,704
Due to other funds	505,057	-	505,057
Compensated absences - due within one year	7,577	-	7,577
Long-term debt - due within one year	-	196,938	196,938
<b>Total current liabilities</b>	<b>528,829</b>	<b>1,123,823</b>	<b>1,652,652</b>
<b>Noncurrent liabilities:</b>			
Compensated absences - due in more than one year	30,306	-	30,306
Long-term debt - due in more than one year	-	3,830,808	3,830,808
Aggregate net pension liability	247,453	-	247,453
<b>Total noncurrent liabilities</b>	<b>277,759</b>	<b>3,830,808</b>	<b>4,108,567</b>
<b>Total liabilities</b>	<b>806,588</b>	<b>4,954,631</b>	<b>5,761,219</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources related to pensions	20,259	-	20,259
<b>Total deferred inflows of resources</b>	<b>20,259</b>	<b>-</b>	<b>20,259</b>
<b>NET POSITION</b>			
Net investment in capital assets	5,625	3,014,575	3,020,200
Unrestricted	67,501	2,161,687	2,229,188
<b>Total net position</b>	<b>\$ 73,126</b>	<b>\$ 5,176,262</b>	<b>\$ 5,249,388</b>

See accompanying Notes to the Basic Financial Statements.

**City of Arvin**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2019**

	Major Funds		
	Enterprise Funds		
	Transportation Development	Sanitation	Total
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 115,393	\$ 2,854,076	\$ 2,969,469
<b>Total operating revenues</b>	<u>115,393</u>	<u>2,854,076</u>	<u>2,969,469</u>
<b>OPERATING EXPENSES:</b>			
Salaries and benefits	520,055	34,913	554,968
Vehicle operations	176,010	-	176,010
Sanitation operations	-	1,624,404	1,624,404
General and administrative	144,718	137,691	282,409
Depreciation	7,187	281,155	288,342
<b>Total operating expenses</b>	<u>847,970</u>	<u>2,078,163</u>	<u>2,926,133</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(732,577)</u>	<u>775,913</u>	<u>43,336</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Interest income	-	19,474	19,474
Interest expense	-	(152,329)	(152,329)
Intergovernmental	640,112	-	640,112
<b>Total nonoperating revenues (expenses)</b>	<u>640,112</u>	<u>(132,855)</u>	<u>507,257</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	(92,465)	643,058	550,593
<b>TRANSFERS:</b>			
Transfers out	-	(81,077)	(81,077)
<b>Total transfers</b>	<u>-</u>	<u>(81,077)</u>	<u>(81,077)</u>
<b>CHANGE IN NET POSITION</b>	(92,465)	561,981	469,516
<b>NET POSITION:</b>			
Beginning of year	165,591	4,614,281	4,779,872
End of year	<u>\$ 73,126</u>	<u>\$ 5,176,262</u>	<u>\$ 5,249,388</u>

**City of Arvin**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2019**

	Major Funds		
	Enterprise Funds		
	Transportation Development	Sanitation	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 115,393	\$ 2,866,761	\$ 2,982,154
Cash payments to suppliers for goods and services	(354,201)	(1,243,868)	(1,598,069)
Cash payments to employees for services	(499,421)	(34,913)	(534,334)
<b>Net cash provided by (used in) operating activities</b>	<b>(738,229)</b>	<b>1,587,980</b>	<b>849,751</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Subsidy from Local Transportation Fund	1,473,726	-	1,473,726
Cash received from other funds	-	234,848	234,848
Cash paid to other funds	(735,497)	(81,077)	(816,574)
<b>Net cash provided by noncapital financing activities</b>	<b>738,229</b>	<b>153,771</b>	<b>892,000</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition of assets	-	(666,276)	(666,276)
Principal payment	-	(189,885)	(189,885)
Interest paid	-	(153,493)	(153,493)
<b>Net cash used in capital and related financing activities</b>	<b>-</b>	<b>(1,009,654)</b>	<b>(1,009,654)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest received	-	19,474	19,474
<b>Net cash provided by investing activities</b>	<b>-</b>	<b>19,474</b>	<b>19,474</b>
<b>Net increase in cash and cash equivalents</b>	<b>-</b>	<b>751,571</b>	<b>751,571</b>
<b>CASH AND CASH EQUIVALENTS:</b>			
Beginning of year	-	1,441,649	1,441,649
End of year	\$ -	\$ 2,193,220	\$ 2,193,220
<b>RECONCILIATION TO STATEMENT OF NET POSITION:</b>			
Cash and investments	\$ -	\$ 2,193,220	\$ 2,193,220
<b>Total cash and cash equivalents</b>	<b>\$ -</b>	<b>\$ 2,193,220</b>	<b>\$ 2,193,220</b>

**City of Arvin**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2019**

	Major Funds		
	Enterprise Funds		
	Transportation Development	Sanitation	Total
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ (732,577)	\$ 775,913	\$ 43,336
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	7,187	281,155	288,342
Changes in operating assets and liabilities:			
Accounts receivable	-	12,685	12,685
Deferred outflows of resources related to pensions	(6,432)	-	(6,432)
Accounts payable	(33,473)	518,227	484,754
Accrued payroll	(2,120)	-	(2,120)
Accrued compensated absences	8,426	-	8,426
Aggregate net pension liability	14,547	-	14,547
Deferred inflows of resources related to pensions	6,213	-	6,213
Total adjustments	<u>(5,652)</u>	<u>812,067</u>	<u>806,415</u>
<b>Net cash provided by (used in) operating activities</b>	<u><u>\$ (738,229)</u></u>	<u><u>\$ 1,587,980</u></u>	<u><u>\$ 849,751</u></u>

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# FIDUCIARY FUND FINANCIAL STATEMENTS

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*Successor Agency to the Arvin Community Redevelopment Agency Private-Purpose Trust Fund* – This fund is used to account for monies received from the Kern County Auditor Controller for the repayment of the enforceable obligations of the former Arvin Community Redevelopment Agency. These funds are restricted for the sole purpose of payment of items on an approved Recognized Payment Obligation Schedule ("ROPS").

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**City of Arvin**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2019**

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	Successor Agency to the Arvin Community Redevelopment Agency Private-Purpose Trust Fund
<b>ASSETS</b>	
Cash and investments	\$ 555,630
Cash and investments with fiscal agent	756,397
Land held for development	3,306,480
Capital assets:	
Depreciable, net	1,159,502
<b>Total assets</b>	<b>5,778,009</b>
<b>LIABILITIES</b>	
Accounts payable	5,065
Due to City of Arvin	154,865
Advances from City of Arvin	574,008
Interest Payable	145,125
Long-term debt:	
Due within one year	225,000
Due in more than one year	7,274,669
<b>Total liabilities</b>	<b>8,378,732</b>
<b>NET POSITION (DEFICIT) HELD IN TRUST</b>	
Unrestricted (deficit)	\$ (2,600,723)

**City of Arvin**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2019**

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	Successor Agency to the Arvin Community Redevelopment Agency Private-Purpose Trust Fund
	Trust Fund
<b>ADDITIONS:</b>	
Redevelopment Property Tax Trust Fund	\$ 910,383
<b>DEDUCTIONS:</b>	
Program expenses for redevelopment	16,800
Administrative expenses	117,538
Interest and fiscal agent expenses	617,203
Loss on disposal of projects	136,973
Loss on sale of properties, net	63,261
Depreciation expense	38,995
<b>Total deductions</b>	<b>990,770</b>
<b>Net Change in net position</b>	<b>(80,387)</b>
<b>NET POSITION (DEFICIT):</b>	
Beginning of year	(2,520,336)
End of year	\$ (2,600,723)

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# **NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**City of Arvin**  
**Index to the Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2019**

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<b><u>NOTE</u></b>	<b><u>DESCRIPTION</u></b>	<b><u>PAGE</u></b>
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**City of Arvin**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2019**

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**Note 1 – Reporting Entity and Summary of Significant Accounting Policies**

**A. Reporting Entity**

The City of Arvin, California (the “City”) was incorporated December 21, 1960, as a general law city and as such draws its authority from the Constitution and laws of the State of California. The City has a council/manager form of government and is governed by a five-member elected council. The City Manager is appointed by the City Council. The City provides the following services: police, community services, street construction and maintenance, planning and zoning, street cleaning, transit, sanitation, and general administrative services.

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The primary criteria for including a potential component unit within the reporting entity are the governing body’s financial accountability and a financial benefit or burden relationship and whether it is misleading to exclude. A primary government is financially accountable and shares a financial benefit or burden relationship, if it appoints a voting majority of an organization’s governing body and it is able to impose its will on the organization, or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government. A primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government.

Arvin Joint Powers Financing Authority - The Arvin Joint Powers Financing Authority (“Authority”) was organized by the City and the Agency on October 6, 2005, under the laws of the State of California and operates pursuant to the Joint Exercise of Powers Act (Article 1, commencing with Section 6500, of Chapter 5, Division 7, Title 1 of the Government Code of the State).

**B. Basis of Accounting and Measurement Focus**

The basic financial statements of the City have been prepared in accordance with accounting principles generally accepted of the United States of America (“U.S. GAAP”) as applied to governmental agencies. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-Wide Financial Statements

The City’s Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These financial statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

**City of Arvin**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

***B. Basis of Accounting and Measurement Focus (Continued)***

*Government-Wide Financial Statements (Continued)*

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities and Changes in Net Position, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due from and to other funds
- Transfers in and out

*Governmental Fund Financial Statements*

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and aggregated non-major funds. An accompanying statement presented to reconcile and explain the differences in net position as presented in these statements to the net position presented in the Government-Wide Financial Statements. The City has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a spending or "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except for that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Revenues from grants and other contributions are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.



**City of Arvin**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

***B. Basis of Accounting and Measurement Focus (Continued)***

*Governmental Fund Financial Statements (Continued)*

Unavailable revenues arise when potential revenues do not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the government has a legal claim to the resources, the unavailable and unearned revenues are removed from the Balance Sheet and revenues are recognized.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences.

The City reports the following major Governmental Funds:

***General Fund*** - The General Fund is used to account for resources traditionally associated with government, which are not required legally, or by sound financial management to be accounted for in another fund.

***Sycamore Road Flood Reduction Special Revenue Fund*** – Accounts for the grant received from the State Department of Water Resources to be used for building new infrastructure of sewer pipe to eliminate the flooding.

*Proprietary Fund Financial Statements*

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows for each major Proprietary Fund.

Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for the proprietary funds include the costs of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City reports the following major Proprietary Funds:

***Transportation Development Enterprise Fund*** - accounts for financial activity related to the public transit services provided by the City.

***Sanitation Enterprise Fund*** - accounts for the financial activity of the wastewater services of the City. These services are provided through contracts with independent contractors.

**City of Arvin**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

***B. Basis of Accounting and Measurement Focus (Continued)***

*Fiduciary Fund Financial Statements*

Fiduciary Fund Financial Statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The City's Fiduciary Funds represent the Private Purpose Trust Fund.

The City reports the following Private-Purpose Trust fund:

*Successor Agency to the Arvin Community Redevelopment Agency Fund* – accounts for monies received from the Kern County Auditor Controller for the repayment of the enforceable obligations of the former Arvin Community Redevelopment Agency. These funds are restricted for the sole purpose of payment of items on an approved Recognized Payment Obligation Schedule (“ROPS”).

***C. Cash, Cash Equivalents and Investments***

The City pools its available cash for investment purposes. The City’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. All cash and investments of proprietary funds are held in the City's investment pool. These cash pools have the general characteristics of a demand deposit account, therefore, all cash and investments in the proprietary funds are considered cash and cash equivalents for Statement of Cash Flows purposes.

Investments are reported at fair value (quoted market price or best available estimate thereof).

Certain disclosure requirements for Deposits and Investment Risks were made in the following areas:

- Interest Rate Risk
- Credit Risk
  - Overall
  - Custodial Credit Risk
  - Concentrations of Credit Risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

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

The City participates in an investment pool managed by the State of California titled Local Agency Investment Fund (“LAIF”), which has invested a portion of the pool funds in Structured Notes and Asset-backed Securities. LAIF’s investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-backed Securities are subject to market risk as to change in interest rates.

**City of Arvin**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

***D. Cash and Investments with Fiscal Agents***

Certain restricted cash and investments are held by fiscal agents for the redemption of bonded debt.

***E. Prepaid Items and Deposits***

Certain payments to vendors applicable to future accounting periods are recorded as prepaid items and deposits. Prepaid items and deposits do not reflect current appropriable resources and, thus, an equivalent portion of fund balance is nonspendable.

***F. Land Held for Development***

The City acquired several parcels of land as part of its primary purpose to develop or redevelop properties. The City recorded these parcels as land held for development. These properties were transferred to the Successor Agency to the Arvin Community Redevelopment Agency (the “Successor Agency”) during the year ended June 30, 2014. Pursuant to the State law dissolving all redevelopment agencies, the Successor Agency has created, and the State has approved, a long range plan for the sale and disposition of all property previously held by the Arvin Community Redevelopment Agency. These properties are reported at the lower of cost or estimated net realizable value. At June 30, 2019, the carrying amount for land held for development was \$3,429,581.

***G. Interfund Transactions***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” or “advances to/from other funds” (i.e., the current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the Government-Wide Financial Statements as “internal balances.”

***H. Capital Assets***

Capital assets, which include land, buildings, improvements, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities in the Government-Wide Financial Statements. Capital assets are recorded at historical cost or estimated historical cost if actual cost is not available. Gifts or contributions of capital assets are recorded at fair market value when received. Donated capital assets are valued at their acquisition costs. City policy has set the capitalization threshold for reporting capital assets at \$5,000. Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

Buildings and improvements	15-40 years
Vehicles	5 years
Machinery and equipment	5-20 years
Infrastructure	35-50 years

Gifts or contributions of capital assets are recorded at acquisition value when received. For all infrastructure systems, the City elected to use the Basic Approach for infrastructure reporting. The City defines infrastructure as capital assets that are stationary and have expected useful lives significantly in excess of most capital assets. The infrastructures include the street system, sewer collection and treatment system, park and recreation improvements, storm water conveyance system, and permanent monuments and signage.

**City of Arvin**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

***I. Deferred Outflows and Inflows of Resources***

The statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources, when applicable.

*Deferred Outflows of Resources* represent outflows of resources (consumption of net position) that apply to future periods; therefore, will not be recognized as an expense until that time.

*Deferred Inflows of Resources* represent inflows of resources (acquisition of net position) that apply to future periods; therefore, are not recognized as revenue until that time.

***J. Unearned Revenue***

Unearned revenue is recognized for transactions for which revenue has not yet been earned. Typical transactions recorded as unearned revenues are prepaid charges for services and grants received but not yet earned.

***K. Compensated Absences***

Vested or accumulated vacation leave that is expected to be liquidated with expendable available resources is reported as an expenditure and related fund liability of the governmental fund responsible for payment. Amounts of vested or accumulated vacation leave and benefits that are not expected to be liquidated with expendable available resources are reported in the non-current portion of the obligations reported in the government-wide statement of net assets with corresponding changes in account balances reported as expenses in the statement of activities.

Vested or accumulated enterprise fund vacation leave and benefits are expensed with a corresponding fund liability for these unpaid accrued employee benefits. Vacation pay accruals generally do not exceed the amount earned for one year; however, an employee may accumulate up to a maximum of 320 hours of earned vacation time after which no further vacation accrues to the employee.

***L. 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. Investments are reported at fair value.

The following timeframes are used for pension reporting:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018

**City of Arvin**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

***L. Pensions (Continued)***

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.

***M. Long-Term Debt***

*Government-Wide Financial Statements*

Long-term debt and other long-term obligations are reported as liabilities in the appropriate activities.

*Fund Financial Statements*

The Governmental Fund Financial Statements do not present long-term liabilities. Consequently, long-term debt is shown as a reconciling item in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

Proprietary Fund and Fiduciary Fund Financial Statements use the same principles as those used in the Government-Wide Financial Statements.

***N. Net Position***

In the Government-Wide Financial Statements and the 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 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 outflows and 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.

**City of Arvin**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

***O. Fund Balances***

In the governmental fund financial statements, fund balances are classified in the following categories:

*Nonspendable* – Nonspendable fund balances are items that cannot be spent because they are not in spendable form, such as prepaid items and inventories, items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

*Restricted* – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

*Committed* – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making, normally the governing body, and that remain binding unless removed in the same manner. The City Council is considered the highest authority for the City. Adoption of a resolution by the City Council is required to commit resources or to rescind the commitment.

*Assigned* – Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The City Council has authorized the City Manager and the Director of Finance for that purpose.

*Unassigned* – This amount is for any portion of the fund balances that do not fall into one of the above categories. 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 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.

***P. Spending Policy***

*Government-Wide Financial Statements and the Proprietary Fund Financial Statements*

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

*Governmental Fund Financial Statements*

When expenditures are incurred for purposes for which all restricted, committed, assigned and unassigned fund balances are available, the City's policy is to apply in the following order, except for instances wherein an ordinance specifies the fund balance:

- Restricted
- Committed
- Assigned
- Unassigned

**City of Arvin**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)**

**Q. Property Taxes**

In 1978, a State constitutional amendment (Article XIII A) provided that the ad valorem real property tax rate be limited to 1% of market value and be levied only by the county and shared with all other jurisdictions. The County of Kern collects the property taxes and distributes them to taxing jurisdictions on the basis of the taxing jurisdictions' assessed valuations, subject to adjustments for voter-approved debt.

Lien Date	January 1
Levy Date	June 30
Due Date	November 1 and February 1
Collection Dates	December 10 and April 10

**R. Use of Estimates**

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amount and disclosures. Accordingly, actual results could differ from those estimates.

**S. Accounting Changes**

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements (GASB 88)*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. See Note 6 for City's long-term debt disclosures.

**Note 2 – Cash and Investments**

The following is a summary of pooled cash and investments, including cash and investments with fiscal agents at June 30, 2019.

	Government-Wide Statement of Net Position			Fiduciary Funds	
	Governmental Activities	Business-Type Activities	Total	Statement of Net Position	Total
Cash and investments	\$ 3,045,998	\$ 2,193,220	\$ 5,239,218	\$ 555,630	\$ 5,794,848
Cash and investments with fiscal agents	-	-	-	756,397	756,397
<b>Total</b>	<b>\$ 3,045,998</b>	<b>\$ 2,193,220</b>	<b>\$ 5,239,218</b>	<b>\$ 1,312,027</b>	<b>\$ 6,551,245</b>

Cash, cash equivalents and investments consisted of the following at June 30, 2019:

Demand Deposits	\$ 269,669
Investments	5,525,179
Cash and investments with fiscal agents	756,397
<b>Total</b>	<b>\$ 6,551,245</b>

**City of Arvin**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 2 – Cash and Investments (Continued)**

**A. Demand Deposits**

At June 30, 2019, the carrying amount of the City’s deposits was \$269,669 and the bank balances were \$1,350,696. The total bank balance was covered by federal depository insurance or by collateral held by the City’s agent in the City’s name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure a City’s deposits by pledging government securities with a value of 110% of a City’s deposits. California law also allows financial institutions to secure a City’s deposits by pledging first trust deed mortgage notes having a value of 150% of a City’s total deposits. The City Treasurer may waive the collateral requirement for deposits that are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agency of Depository recognized by the State of California Department of Banking.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

**B. Investments**

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

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer
Bankers' Acceptance	180 days	15%	10%
Commercial Paper	270 days	15%	10%
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
Medium Term Notes	2 years	15%	10%
Collateralized Bank Deposits	5 years	100%	None
Repurchase Agreements	1 year	15%	10%
Money Market Funds	N/A	20%	10%
Local Agency Investment Fund (LAIF)	N/A	None	\$50 Million**
Certificate of Deposits	5 years	30%	None
Kern County Pooled Investment Fund	None	None	None

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

\*\* Maximum is \$50 million per account.



**City of Arvin**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 2 – Cash and Investments (Continued)**

**B. Investments (Continued)**

Investments Authorized by Debt Agreements

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	360 days	None	None
Commercial Paper	270 days	None	None
Money Market Funds	N/A	None	None
Investment Contracts	30 years	None	None
Certificates of Deposit	None	None	None
Repurchase Agreements	None	None	None
Mortgage Pass-Through Securities	None	None	None
State Bonds or Notes	None	None	None
Municipal Bonds or Notes	None	None	None

**C. Risks Disclosures**

**Interest Rate Risk** – As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy provides that final maturities of securities cannot exceed five years. Specific maturities of investments depend on liquidity needs. At June 30, 2019, the City's investments had the following maturities:

Investment Type	Fair Value	Investment Maturities (In Years) 1 year or less
Local Agency Investment Fund ("LAIF")	\$ 5,071,074	\$ 5,071,074
Money Market Funds	133,576	133,576
Central San Joaquin Valley Risk Management Authority ("CSJVRMA") Investment Pool	320,529	320,529
<b>Total</b>	<b>\$ 5,525,179</b>	<b>\$ 5,525,179</b>

**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. The City's investment policy provides that this risk be mitigated by investing in investment grade securities and by diversifying the investment portfolio. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investments had the following ratings:

**City of Arvin**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 2 – Cash and Investments (Continued)**

**C. Risks Disclosures (Continued)**

**Credit Risk (Continued)**

Credit Quality Distribution for Securities  
with Credit Exposure as a Percentage of Total Investments

Investment Type	Fair Value	Moody's Credit Rating	S&P's Credit Rating	% of Investments with Interest Rate Risk
Local Agency Investment Fund	\$ 5,071,074	Not Rated	Not Rated	92%
Money Market Funds	133,576	AAA	AAA	2%
Central San Joaquin Valley Risk Management Authority ("CSJVRMA") Investment Pool	320,529	Not Rated	Not Rated	6%
<b>Total</b>	<b>\$ 5,525,179</b>			<b>100%</b>

**Custodial Credit Risk** – For deposits, custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the City 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. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer), the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

**Concentration of Credit Risk** – The City's investment policy contains 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 that represent 5% or more of total City's investments are as follows:

Issuer	Type of Investments	Amounts	Percent
Central San Joaquin Valley Risk Management Authority ("CSJVRMA") Investment Pool	External Investment Pool	\$ 320,529	5.8%

**D. Investment in Local Agency Investment Fund**

The City's investments with LAIF at June 30, 2019, included a small portion of the pooled funds invested in Structured Notes and Asset-Backed Securities. These investments may include the following:

**Structured Notes** – debt securities (other than asset-back 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** – generally mortgage-backed securities which 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.

**City of Arvin**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 2 – Cash and Investments (Continued)**

***D. Investment in Local Agency Investment Fund (Continued)***

As of June 30, 2019, the City had \$5,071,074 invested in LAIF, which had invested 1.77% of the pool investment funds in Structured Notes and Asset-Back Securities. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. The City's investment in LAIF is reported at amortized cost.

***E. Investment in Central San Joaquin Valley Risk Management Authority Investment Pool***

The City invested in an investment pool account with the Central San Joaquin Valley Risk Management Authority ("CSJVRMA"). At June 30, 2019, this account was valued at \$320,529. The City received an average yield of 3.16% for the fiscal year ended June 30, 2019 on this investment. The City's investment in CSJVRMA is reported at amortized cost.

***F. Cash and Investment with Fiscal Agents***

At June 30, 2019, cash and investments with fiscal agents were as follows:

Fiduciary Fund Financial Statements:	Funds Held By	
Successor Agency Fund		
Tax Allocation Bonds 2005 Series	\$ 410,032	Wells Fargo Bank
Tax Allocation Bonds 2008 Series	346,365	Wells Fargo Bank
<b>Total cash and investments with fiscal agents</b>	<b>\$ 756,397</b>	

**Note 3 – Interfund Balances and Transactions**

*Due to/Due from other funds*

At June 30, 2019, the City had the following short-term interfund receivables and payables:

	Due from other funds		Total
	Governmental Funds	Proprietary Fund	
Due to other funds	General Fund	Sanitation	
Governmental Funds:			
General Fund	\$ -	\$ 895,352	\$ 895,352
Nonmajor Governmental Funds	588,497	-	588,497
Proprietary Fund:			
Transportation Development Enterprise Fund	505,057	-	505,057
<b>Total</b>	<b>\$ 1,093,554</b>	<b>\$ 895,352</b>	<b>\$ 1,988,906</b>

**City of Arvin**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 3 – Interfund Balances and Transactions (Continued)**

Due to/Due from other funds (Continued)

Current interfund balances arise in the normal course of operations to cover cash shortages and are expected to be repaid by the end of the next fiscal year.

Transfers In/Out

For the year ended June 30, 2019, transfers in and out consisted of the followings:

	<b>Transfers in</b>
	<b>Governmental Funds</b>
	Nonmajor Governmental Fund
<b>Transfers out</b>	
Proprietary Fund:	
Sanitation Enterprise Fund	\$ 81,077

With Council approval, resources may be transferred from one City fund to another. Transfers from Sanitation Enterprise Fund to Traffic Impact Fees Special Revenue Fund in the amount of \$81,077 were to provide funding for repayment of Jewett Square Lease Financing Agreement.

**Note 4 – Interfund Transactions with the Successor Agency**

Due from Successor Agency

During the year ended June 30, 2015, the Successor Agency borrowed \$569,076 from General Fund to pay its debt service obligations and maintain reserve requirements for 2005 and 2008 Tax Allocation Bonds. It is reported as due from Successor Agency under General Fund and due to the City of Arvin under Successor Agency. The amount will be repaid when the Successor Agency receives ROPS payments. The outstanding at June 30, 2019 is \$154,865.

Advances to Successor Agency

As of February 1, 2012, the Arvin Community Redevelopment Agency was dissolved as a result of Assembly Bill 1X 26 and the notes payable to the City were transferred to the Successor Agency. The notes are to be repaid to the City as part of the Successor Agency's Required Operating Payments Schedule ("ROPS"). The General Fund has loaned a cumulative amount of \$533,456 to the Successor Agency to fund operating expenses and bond payoffs. At June 30, 2019, total principal and interest outstanding was \$574,008. The portion of fund balance associated with amounts that have been disbursed to other funds in the form of long-term notes receivable have been classified as nonspendable unless the funds associated with repayment of the notes is otherwise restricted for specific purposes.

**City of Arvin**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 5 – Capital Assets**

**A. Government-Wide Financial Statements**

Summary of changes in capital assets for governmental activities for the year ended June 30, 2019 are as follows:

	Balance July 1, 2018	Additions	Deletions	Transfers	Balance June 30, 2019
<b>Governmental Activities:</b>					
Capital assets, not being depreciated					
Land	\$ 234,035	\$ -	\$ -	\$ -	\$ 234,035
Construction in progress	9,346,584	1,925,152	-	(9,254,181)	2,017,555
Total capital assets, not being depreciated	<u>9,580,619</u>	<u>1,925,152</u>	<u>-</u>	<u>(9,254,181)</u>	<u>2,251,590</u>
Capital assets, being depreciated					
Building and improvements	5,160,491	-	-	-	5,160,491
Machinery and equipment	1,599,891	103,649	-	-	1,703,540
Automotive equipment	2,166,250	-	-	-	2,166,250
Infrastructure	14,913,926	102,833	-	9,254,181	24,270,940
Total capital assets, being depreciated	<u>23,840,558</u>	<u>206,482</u>	<u>-</u>	<u>9,254,181</u>	<u>33,301,221</u>
Accumulated depreciation:					
Building and improvements	(2,418,145)	(131,272)	-	-	(2,549,417)
Machinery and equipment	(1,402,706)	(43,037)	-	-	(1,445,743)
Automotive equipment	(1,831,597)	(114,221)	-	-	(1,945,818)
Infrastructure	(1,507,708)	(560,373)	-	-	(2,068,081)
Total accumulated depreciation	<u>(7,160,156)</u>	<u>(848,903)</u>	<u>-</u>	<u>-</u>	<u>(8,009,059)</u>
Total capital assets, being depreciated, net	<u>16,680,402</u>	<u>(642,421)</u>	<u>-</u>	<u>9,254,181</u>	<u>25,292,162</u>
Total capital assets, net	<u>\$ 26,261,021</u>	<u>\$ 1,282,731</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,543,752</u>

Depreciation expense was charged to functions/programs as follows:

General government	\$ 112,241
Public safety	100,281
Public works	620,744
Community development	15,637
<b>Total depreciation expenses</b>	<u><u>\$ 848,903</u></u>

**City of Arvin**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 5 – Capital Assets (Continued)**

**B. Business-Type Financial Statements**

Summary of changes in capital assets for business-type activities for the year ended June 30, 2019 are as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
<b>Business-Type Activities:</b>				
Capital assets, not being depreciated				
Land	\$ 910,053	\$ -	\$ -	\$ 910,053
Construction in progress	-	498,731	-	498,731
Total capital assets, not being depreciated	<u>910,053</u>	<u>498,731</u>	<u>-</u>	<u>1,408,784</u>
Capital assets, being depreciated				
Building and improvements	4,216,103	-	-	4,216,103
Machinery and equipment	127,090	-	-	127,090
Automotive equipment	909,156	-	(270,366)	638,790
Infrastructure	6,398,644	167,545	-	6,566,189
Total capital assets, being depreciated	<u>11,650,993</u>	<u>167,545</u>	<u>(270,366)</u>	<u>11,548,172</u>
Accumulated depreciation:				
Building and improvements	(2,295,275)	(102,982)	-	(2,398,257)
Machinery and equipment	(114,278)	(7,187)	-	(121,465)
Automotive equipment	(909,156)	-	270,366	(638,790)
Infrastructure	(2,572,325)	(178,173)	-	(2,750,498)
Total accumulated depreciation	<u>(5,891,034)</u>	<u>(288,342)</u>	<u>270,366</u>	<u>(5,909,010)</u>
Total capital assets, being depreciated, net	<u>5,759,959</u>	<u>(120,797)</u>	<u>-</u>	<u>5,639,162</u>
Total capital assets, net	<u>\$ 6,670,012</u>	<u>\$ 377,934</u>	<u>\$ -</u>	<u>\$ 7,047,946</u>

Depreciation expenses for business-type activities for the year ended June 30, 2019 are as follows:

Transportation Development	\$ 7,187
Sanitation	<u>281,155</u>
<b>Total depreciation expenses</b>	<u><u>\$ 288,342</u></u>

**City of Arvin**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 5 – Capital Assets (Continued)**

**C. Fiduciary Fund Financial Statements**

Summary of changes in capital assets for fiduciary fund financial statements for the year ended June 30, 2019 are as follows:

	Balance July 1, 2018	Additions	Deletions	Transfers	Balance June 30, 2019
<b>Fiduciary-Type Activities:</b>					
Capital assets, not being depreciated					
Construction in progress	\$ 136,973	\$ -	\$ (136,973)		\$ -
Total capital assets, not being depreciated	136,973	-	(136,973)	-	-
Capital assets, being depreciated					
Building and improvements	460,540	-	-	-	460,540
Infrastructure	1,047,399	-	-	-	1,047,399
Vehicles	226,698	-	-	-	226,698
Total capital assets, being depreciated	1,734,637	-	-	-	1,734,637
Accumulated depreciation:					
Building and improvements	(126,307)	(12,380)	-	-	(138,687)
Infrastructure	(183,134)	(26,615)	-	-	(209,749)
Vehicles	(226,699)	-	-	-	(226,699)
Total accumulated depreciation	(536,140)	(38,995)	-	-	(575,135)
Total capital assets, being depreciated, net	1,198,497	(38,995)	-	-	1,159,502
Total capital assets, net	\$ 1,335,470	\$ (38,995)	\$ (136,973)	\$ -	\$ 1,159,502

Depreciation expenses for fiduciary activities for the year ended June 30, 2019 was \$38,995.

**Note 6 – Long-Term Debt**

**A. Governmental Activities**

Summary of changes in governmental activities long-term debt for the year ended June 30, 2019 are as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Amount Due Within One Year	Amount Due In More Than One Year
Jewett Square Lease Financing Agreement	\$ 4,655,000	\$ -	\$ (180,000)	\$ 4,475,000	\$ 190,000	\$ 4,285,000
Ford Motor Credit Company	95,249	-	(46,418)	48,831	48,831	-
<b>Total</b>	<b>\$ 4,750,249</b>	<b>\$ -</b>	<b>\$ (226,418)</b>	<b>\$ 4,523,831</b>	<b>\$ 238,831</b>	<b>\$ 4,285,000</b>

**Jewett Square Lease Financing Agreement – Original Loan \$4,995,000**

On December 9, 2015, the City executed a loan agreement with TPB Investments, Inc., a wholly owned subsidiary of Western Alliance Bank in the amount of \$4,995,000 relating to the facility lease for the Jewett Square. The term of the placement is 20 years, commencing on December 9, 2015 through December 1, 2035, at an interest rate of 3.94%.

**City of Arvin**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 6 – Long-Term Debt (Continued)**

**A. Governmental Activities (Continued)**

*Jewett Square Lease Financing Agreement – Original Loan \$4,995,000 (Continued)*

The annual debt service requirements on the lease financing agreement outstanding at June 30, 2019, were as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 190,000	\$ 176,315	\$ 366,315
2021	195,000	168,829	363,829
2022	205,000	161,146	366,146
2023	215,000	153,069	368,069
2024	220,000	144,598	364,598
2025-2029	1,250,000	585,090	1,835,090
2030-2034	1,510,000	318,943	1,828,943
2035-2036	690,000	40,976	730,976
<b>Total</b>	<b>\$ 4,475,000</b>	<b>\$ 1,748,966</b>	<b>\$ 6,223,966</b>

*Ford Motor Credit Company – Original Loan \$190,744*

On January 27, 2017, the City entered into a Master Equipment Lease-Purchase Agreement with Ford Motor Credit Company for the lease of four police vehicles. Payments are four consecutive annual in advance payment of \$51,371 each (including interest) with 5.20% interest ending January 27, 2020. The outstanding at June 30, 2019 was \$48,831.

The assets acquired through capital leases are as follows:

	<b>Governmental Activities</b>
Assets:	
Vehicles	\$ 190,744
Less: accumulated depreciation	(92,193)
Total	<u>\$ 98,551</u>

The annual debt service requirements outstanding at June 30, 2019, were as follows:

<b>Fiscal Year</b>	<b>Governmental Activities</b>
2020	\$ 51,371
<b>Less amount representing interest</b>	<u>2,540</u>
<b>Present Value of Future Minimum Lease Payment</b>	<u>\$ 48,831</u>



**City of Arvin**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 6 – Long-Term Debt (Continued)**

**B. Business-Type Activities**

Summary of changes in business-type activities long-term debt for the year ended June 30, 2019 are as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Amount Due Within One Year	Amount Due In More Than One Year
2016 Wastewater Revenue Refunding Note	\$ 4,217,631	\$ -	\$ (189,885)	\$ 4,027,746	\$ 196,938	\$ 3,830,808
<b>Total</b>	<b>\$ 4,217,631</b>	<b>\$ -</b>	<b>\$ (189,885)</b>	<b>\$ 4,027,746</b>	<b>\$ 196,938</b>	<b>\$ 3,830,808</b>

2016 Wastewater Revenue Refunding Note – Original Issue \$4,472,712

On December 8, 2016, the City entered into an agreement with TPB Investments, Inc, a wholly owned subsidiary of Western Alliance Bank, an Arizona Corporation in the amount of \$4,472,712 for the purpose of refinancing outstanding obligations of the City relating to the wastewater treatment plant. TPB Investments, Inc is entitled to recover its equity, initially \$4,472,712, in the contract over 17 years. Payments amortizing this equity in the sum of \$28,612 per month are made by the City resulting in an implicit interest rate of approximately 3.68% per annum. The outstanding at June 30, 2019 was \$4,027,746.

The annual debt service requirements on the agreement outstanding at June 30, 2019, were as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 196,938	\$ 146,442	\$ 343,380
2021	204,252	139,129	343,381
2022	211,839	131,544	343,383
2023	219,707	123,677	343,384
2024	227,867	115,518	343,385
2025-2029	1,272,750	444,199	1,716,949
2030-2034	1,527,332	189,659	1,716,991
2035	167,061	3,074	170,135
<b>Total</b>	<b>\$ 4,027,746</b>	<b>\$ 1,293,242</b>	<b>\$ 5,320,988</b>

**C. Fiduciary Funds**

Summary of changes in fiduciary funds long-term debt for the year ended June 30, 2019 are as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Amount Due Within One Year	Amount Due In More Than One Year
2005 Tax Allocation Bonds	\$ 4,715,000	\$ -	\$ (170,000)	\$ 4,545,000	\$ 175,000	\$ 4,370,000
2008 Tax Allocation Bonds	3,210,000	-	(45,000)	3,165,000	50,000	3,115,000
<b>Total Tax Allocation Bonds</b>	<b>7,925,000</b>	<b>-</b>	<b>(215,000)</b>	<b>7,710,000</b>	<b>225,000</b>	<b>7,485,000</b>
Less deferred amounts:						
Bond discounts	(222,543)	-	12,212	(210,331)	-	(210,331)
Total deferred amounts	(222,543)	-	12,212	(210,331)	-	(210,331)
<b>Total</b>	<b>\$ 7,702,457</b>	<b>\$ -</b>	<b>\$ (202,788)</b>	<b>\$ 7,499,669</b>	<b>\$ 225,000</b>	<b>\$ 7,274,669</b>

**City of Arvin**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 6 – Long-Term Debt (Continued)**

**C. Fiduciary Funds (Continued)**

2005 Tax Allocation Bonds – Original Issue \$6,250,000

On October 6, 2005, the Redevelopment Agency issued Tax Allocation Bonds with a face value of \$6,250,000, at a combined original issue discount and underwriter's discount of \$251,088. Issuance costs of \$78,360 were incurred. The bond discount is amortized ratably over the average 30-year life of the bond issue on a straight-line basis. The Bonds bear interest at the net average rate of 5.18% and are payable semi-annually maturing through September 1, 2035. Bonds outstanding at June 30, 2019 were \$4,545,000.

The annual debt service requirements on the loan outstanding at June 30, 2019, were as follows:

Year Ending June 30, 2019	Principal	Interest	Total
2020	\$ 175,000	\$ 226,038	\$ 401,038
2021	185,000	217,531	402,531
2022	195,000	208,263	403,263
2023	205,000	198,263	403,263
2024	215,000	187,763	402,763
2025-2029	1,235,000	761,891	1,996,891
2030-2034	1,585,000	403,722	1,988,722
2035-2036	750,000	38,949	788,949
Total	<u>\$ 4,545,000</u>	<u>\$ 2,242,420</u>	<u>\$ 6,787,420</u>

2008 Tax Allocation Bonds – Original Issue \$3,530,000

On August 7, 2008, the Redevelopment Agency issued Tax Allocation Bonds with a face value of \$3,530,000, at a combined original issue discount and underwriter's discount of \$115,250. Issuance costs of \$92,330 were incurred. The bond discount is amortized ratably over the average 30-year life of the bond issue on a straight-line basis. The Bonds bear interest ranging 5.00% to 6.5% and are payable semi-annually maturing through September 1, 2038. Bonds outstanding at June 30, 2019 were \$3,165,000.

The annual debt service requirements on the loan outstanding at June 30, 2019, were as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 50,000	\$ 203,850	\$ 253,850
2021	50,000	200,850	250,850
2022	55,000	197,438	252,438
2023	60,000	193,700	253,700
2024	60,000	189,800	249,800
2025-2029	375,000	881,563	1,256,563
2030-2034	515,000	737,913	1,252,913
2035-2039	2,000,000	417,625	2,417,625
Total	<u>\$ 3,165,000</u>	<u>\$ 3,022,739</u>	<u>\$ 6,187,739</u>

**City of Arvin**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 6 – Long-Term Debt (Continued)**

**C. Fiduciary Funds (Continued)**

Pledged Revenues

The Successor Agency has pledged tax revenues to the repayment of the RDA’s debts transferred to it on February 1, 2012 through the final maturity of the Bonds, or early retirement of the Bonds, whichever comes first.

Tax revenues consist of property tax revenues allocated to the Redevelopment Property Tax Trust Fund (RPTTF) for the Successor Agency that is maintained by the County of Kern Auditor and Controller. The amounts so allocated are those that would have been allocated to the RDA had the RDA not been dissolved. The Auditor and Controller (A&C) then distributes RPTTF revenues to the Successor Agency based on Recognized Obligation Payment Schedules (ROPS) as approved by the California State Department of Finance (DOF) and after deducting amounts for A&C administrative costs and amounts required to be paid under tax-sharing agreements unless the payment of such amounts has been subordinated to payment of debt services on the Bonds. Each ROPS covers a six-month period and includes the applicable debt service payments on the Bonds.

The RPTTF revenue distributed to the Successor Agency in fiscal year 2019 was \$910,383. Total debt service of all Tax Allocation Bonds paid was \$655,565, 72.0% of the RPTTF revenue received by the Successor Agency. For the next three fiscal years, annual principal and interest payments on the Tax Allocation Bonds are expected to average 100% of the RPTTF revenue available to be distributed to the Successor Agency.

**Note 7 – Compensated Absences**

Summary of changes in compensated absences for the year ended June 30, 2019, was as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Amount Due Within One Year	Amount Due in More Than One Year
Governmental Activities	\$ 264,666	\$ 137,885	\$ (77,369)	\$ 325,182	\$ 65,036	\$ 260,146
Business-Type Activities	29,457	20,002	(11,576)	37,883	7,577	30,306
<b>Total</b>	<b>\$ 294,123</b>	<b>\$ 157,887</b>	<b>\$ (88,945)</b>	<b>\$ 363,065</b>	<b>\$ 72,613</b>	<b>\$ 290,452</b>

The City’s liability for vested and unpaid compensated absences (accrued vacation) has been accrued and totaled to \$325,182 for governmental activities and \$37,883 for business-type activities at June 30, 2019. Compensated absences are generally liquidated by the General Fund for the governmental activities and by Transportation Development Enterprise Fund for the business-type activities.

**City of Arvin**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 8 – Retirement Plans**

At June 30, 2019, net pension liabilities and related deferred outflows of resources and deferred inflows of resources are as follow:

<b>Governmental Activities</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Deferred outflows of resources:</b>			
Pension contribution after measurement date			
Miscellaneous	\$ 146,130	\$ 34,138	\$ 180,268
Safety	178,436	-	178,436
Total pension contribution after measurement date	<u>324,566</u>	<u>34,138</u>	<u>358,704</u>
Change in assumption			
Miscellaneous	130,469	30,480	160,949
Safety	114,917	-	114,917
Total change in assumption	<u>245,386</u>	<u>30,480</u>	<u>275,866</u>
Difference between expected and actual experience			
Miscellaneous	43,910	10,258	54,168
Safety	25,165	-	25,165
Total difference between expected and actual experience	<u>69,075</u>	<u>10,258</u>	<u>79,333</u>
Difference between City's contribution and proportionate share of contribution			
Safety	9,868	-	9,868
Difference in projected and actual earnings on pension investments			
Miscellaneous	5,658	1,322	6,980
Safety	7,930	-	7,930
Total difference in projected and actual earnings on pension investments:	<u>13,588</u>	<u>1,322</u>	<u>14,910</u>
Adjustment due to difference in proportion			
Miscellaneous	62,531	14,608	77,139
Safety	146,875	-	146,875
Total adjustment due to difference in proportion	<u>209,406</u>	<u>14,608</u>	<u>224,014</u>
<b>Total deferred outflows of resources</b>	<u><u>\$ 871,889</u></u>	<u><u>\$ 90,806</u></u>	<u><u>\$ 962,695</u></u>
<b>Net pension liabilities:</b>			
Miscellaneous	\$ 1,059,234	\$ 247,453	\$ 1,306,687
Safety	1,171,211	-	1,171,211
<b>Total net pension liabilities</b>	<u><u>\$ 2,230,445</u></u>	<u><u>\$ 247,453</u></u>	<u><u>\$ 2,477,898</u></u>

**City of Arvin**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 8 – Retirement Plans (Continued)**

<b>Governmental Activities</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Deferred inflows of resources:</b>			
Change in assumption			
Miscellaneous	\$ 31,975	\$ 7,470	\$ 39,445
Safety	15,505	-	15,505
Total change in assumption	<u>47,480</u>	<u>7,470</u>	<u>54,950</u>
Difference between expected and actual experience			
Miscellaneous	14,943	3,491	18,434
Safety	97	-	97
Total difference between expected and actual experience	<u>15,040</u>	<u>3,491</u>	<u>18,531</u>
Difference between City's contribution and proportionate share of contribution			
Miscellaneous	39,802	9,298	49,100
Safety	22,343	-	22,343
Total difference between City's contribution and proportionate share of contribution	<u>62,145</u>	<u>9,298</u>	<u>71,443</u>
Adjustment due to difference in proportion			
Safety	1,987	-	1,987
<b>Deferred inflows of resources:</b>	<u>\$ 126,652</u>	<u>\$ 20,259</u>	<u>\$ 146,911</u>
<b>Pension Expense</b>			
Miscellaneous	\$ 150,012	\$ 48,466	\$ 198,478
Safety	266,337	-	266,337
<b>Pension Expense</b>	<u>\$ 416,349</u>	<u>\$ 48,466</u>	<u>\$ 464,815</u>

***General Information about the Pension Plan***

***Plan Description***

The City contributes to CalPERS, a cost-sharing multiple-employer defined benefit pension plan, for its miscellaneous and safety employees. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. 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. Copies of CalPERS' annual financial report may be obtained from its website at <https://www.calpers.ca.gov/> under Forms and Publications.

**City of Arvin**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 8 – Retirement Plans (Continued)**

*General Information about the Pension Plan (Continued)*

Employees Covered by Benefit Terms

At valuation date of June 30, 2017, the following employees were covered by the benefit terms:

	Plans			
	Miscellaneous		Safety	
	Classic	PEPRA	Classic	PEPRA
Active employees	15	19	11	8
Transferred and terminated employees	39	4	37	4
Retired Employees and Beneficiaries	25	-	16	-
Total	79	23	64	12

Benefit Provided

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. A classic CalPERS member becomes eligible for Service Retirement upon attainment of age 55 with at least 5 years of credited service. Public Employee Pension Reform Act (PEPRA) miscellaneous members become eligible for service retirement upon attainment of age 62 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 full-time equivalent monthly pay.

Following are the benefit provisions for each plan:

- Miscellaneous Classic: 2.0% (at age 55) of the average final 36 months compensation
- Miscellaneous PEPRA: 2.0% (at age 62) of the average final 36 months compensation
- Safety Classic: 2.0% (at age 55) of the average final 36 months compensation
- Safety PEPRA: 2.0% (at age 57) of the average final 36 months compensation.

A participant is eligible for non-industrial disability retirement if he or she becomes disabled and has 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% of final compensation, multiplied by service. Industrial disability benefits are not offered to miscellaneous employees.

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 7.5% 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.

Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree's designated survivor(s), or to the retiree's estate.

**City of Arvin**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 8 – Retirement Plans (Continued)**

*General Information about the Pension Plan (Continued)*

Benefit Provided (Continued)

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 on a compound basis by 2%.

Contributions

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 Public agency cost-sharing plans covered by the miscellaneous risk pools, the Plan’s actuarially determined rate is based on the estimated amount necessary to pay the Plan’s allocated share of the risk pool’s costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2018 (the measurement date), the contribution rates were as follows:

Measurement Period Ended June 30, 2018		
Plans	Active Employee Contribution Rate	Employer Contribution Rate
Miscellaneous Classic	7.000%	8.418%
Miscellaneous PEPRA	6.250%	6.533%
Safety Classic	7.000%	12.242%
Safety PEPRA	9.500%	9.513%

***Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension***

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2018 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2017 total pension liability. The June 30, 2018 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table <sup>1</sup>	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.0% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

<sup>1</sup> The morality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

**City of Arvin**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 8 – Retirement Plans (Continued)**

*Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)*

Long-Term Expected Rate of Return

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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

<u>Asset Class<sup>1</sup></u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10<sup>2</sup></u>	<u>Real Return Years 11+<sup>3</sup></u>
Global Equity	50.00%	4.80%	5.98%
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 Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
	<u>100%</u>		

<sup>1</sup>In the CalPERS' CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

<sup>2</sup>An expected inflation of 2.00% used for this period.

<sup>3</sup>An expected inflation of 2.92% used for this period.

Discount Rate

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



**City of Arvin**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 8 – Retirement Plans (Continued)**

*Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)*

*Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

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

<u>Plans</u>	<u>Plan's Net Pension Liability</u>		
	<u>Discount Rate - 1%</u> <u>(6.15%)</u>	<u>Current Discount</u> <u>Rate (7.15%)</u>	<u>Discount Rate + 1%</u> <u>(8.15%)</u>
<b>Miscellaneous</b>	\$ 2,098,902	\$ 1,306,687	\$ 652,727
<b>Safety</b>	\$ 1,778,068	\$ 1,171,211	\$ 674,000

*Pension Plan Fiduciary Net Position*

Detail information about the plan’s fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS’ website under Forms and Publications.

*Proportionate Share of Net Pension Liability and Pension Expense*

The following table shows the plan’s proportionate share of the risk pool collective net pension liability over the measurement period:

	<u>Increase (Decrease)</u>		
	<u>Plan Total Pension</u> <u>Liability</u>	<u>Plan Fiduciary Net</u> <u>Position</u>	<u>Plan Net Pension</u> <u>Liability/(Asset)</u>
<b>Miscellaneous Plan</b>			
Balance at: 6/30/17 (Valuation date)	\$ 5,787,099	\$ 4,474,930	\$ 1,312,169
Balance at: 6/30/18 (Measurement date)	\$ 6,327,595	\$ 5,020,908	\$ 1,306,687
Net Changes during 2017-2018	\$ 540,496	\$ 545,978	\$ (5,482)
<b>Safety Plan</b>			
Balance at: 6/30/17 (Valuation date)	\$ 5,708,462	\$ 4,558,160	\$ 1,150,302
Balance at: 6/30/18 (Measurement date)	\$ 6,294,127	\$ 5,122,916	\$ 1,171,211
Net Changes during 2017-2018	\$ 585,665	\$ 564,756	\$ 20,909

**City of Arvin**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 8 – Retirement Plans (Continued)**

*Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)*

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool.

- (1) In determining a cost-sharing plan’s proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2017). The risk pool’s fiduciary net position (“FNP”) subtracted from its total pension liability (“TPL”) determines the net pension liability (“NPL”) at the valuation date.
- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2018). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool’s FNP at the measurement date denotes the aggregate risk pool’s FNP at June 30, 2018 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2017-18).
- (3) The individual plan’s TPL, FNP and NPL are also calculated at the valuation date. TPL is allocated based on the rate plan’s share of the actuarial accrued liability. FNP is allocated based on the rate plan’s share of the market value assets.
- (4) Two ratios are created by dividing the plan’s individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool’s total TPL and FNP, respectively.
- (5) The plan’s TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan’s FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.
- (6) The plan’s NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

Deferred outflows of resources, deferred inflows of resources, and pension expense are allocated based on the City’s share of contribution during the measurement period.

The City’s proportionate share of the net pension liability was as follows:

	Plans	
	Miscellaneous	Safety
June 30, 2017	0.013231%	0.011599%
June 30, 2018	0.013560%	0.012154%
Change - Increase (Decrease)	0.000329%	0.000555%

For the year ended June 30, 2019, the City recognized pension expense in the amounts of \$198,478 and \$266,337 for the miscellaneous and safety plans, respectively.

**City of Arvin**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 8 – Retirement Plans (Continued)**

*Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)*

Deferred Outflows and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Miscellaneous</b>		
	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
Contribution made after measurement date	\$ 180,268	\$ -
Changes of assumptions	160,949	(39,445)
Difference between expected and actual experience	54,168	(18,434)
Difference between projected and actual earning on pension plan investments	6,980	-
Adjustment due to differences in proportions	77,139	-
Difference between City contributions and proportionate share of contributions	-	(49,100)
Total	\$ 479,504	\$ (106,979)
<b>Safety</b>		
	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
Contribution made after measurement date	\$ 178,436	\$ -
Changes of assumptions	114,917	(15,505)
Difference between expected and actual experience	25,165	(97)
Difference between projected and actual earning on pension plan investments	7,930	-
Adjustment due to differences in proportions	146,875	(1,987)
Difference between City contributions and proportionate share of contributions	9,868	(22,343)
Total	\$ 483,191	\$ (39,932)

The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized over 5-years straight line. 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.

The expected average remaining service lifetime (“EARSLS”) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the risk pool. The EARSLS for risk pool for the 2017-18 measurement period is 3.8 years, which was obtained by dividing the total service years of 516,147 (the sum of remaining service lifetimes of the active employees) by 135,474 (the total number of participants: active, inactive, and retired).

**City of Arvin**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 8 – Retirement Plans (Continued)**

*Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)*

*Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Continued)*

\$180,268 and \$178,436 reported as deferred outflows of resources related to pensions for miscellaneous plan and safety plan, respectively, resulting from the City’s contributions made subsequent to the measurement date. Both will be recognized as a reduction of the collective net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Period Year Ended June 30,	Deferred Outflows/ (Inflows) of Resources	
	Miscellaneous	Safety
2019	\$ 153,842	\$ 162,454
2020	89,022	113,946
2021	(37,908)	(3,463)
2022	(12,699)	(8,114)
	\$ 192,257	\$ 264,823

**Note 9 – Risk Management and Self-Insurance**

The City participates with other public entities in a joint venture under a joint powers agreement which establishes the Central San Joaquin Valley Risk Management Authority (“CSJVRMA”). The relationship between the City and CSJVRMA is such that CSJVRMA is not a component unit of the City for financial reporting purposes. All funds of the City, including the enterprise funds, are included in the above risk management and self-insurance program.

The City is covered for the first \$1,000,000 of each general liability claim and \$500,000 of each workers’ compensation claim through the CSJVRMA. The City has the right to receive dividends or the obligation to pay assessments based on an estimated claims liabilities formula which, among other expenses, includes reported and incurred but not reported (“IBNR”) claims, and charges the City’s account for liability losses under \$25,000 and workers’ compensation losses under \$50,000. The CSJVRMA participates in an excess pool which provides general liability coverage from \$1,000,000 to \$15,000,000 and workers’ compensation coverage from \$500,000 to the statutory limit. The City has had no settlements which exceeded insurance coverage in the last ten fiscal years, and no changes in insurance coverage from the prior year. The City’s deductible amount is included with the premiums.

The CSJVRMA is a consortium of fifty-four (54) cities in San Joaquin Valley, California. It was established under the provisions of California Government Code Section 6500 et seq. The CSJVRMA is governed by a Board of Directors, which meets 3 to 4 times per year, consisting of one member appointed by each member city. The day-to-day business is handled by a management group employed by CSJVRMA. At the termination of the joint powers agreement and after all claims has been settled, any excess or deficit will be divided among the cities in accordance with its governing documents. Financial statements for CSJVRMA can be obtained at 1750 Creekside Oaks Drive, Suite 200, Sacramento, California 95814.

**City of Arvin**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 9 – Risk Management and Self-Insurance (Continued)**

The audited financial position and results of operations for the CSJVRMA as of and for the year ended June 30, 2019, are presented below:

Total assets	\$ 128,442,162
Total liabilities	\$ 109,661,346
Total equities	\$ 18,780,816
Total revenues	\$ 53,699,356
Total expenses	\$ 52,943,942
Revenues over (under) expenses	\$ 755,414

**Note 10 – Other Required Disclosures**

**A. Deficit Net Position/Fund Balance**

At June 30, 2019, the following funds had deficit net position/fund balance:

Fund Type	Funds	Deficit
Special Revenue Fund	Community Development Block Grant	\$ (104,621)
Special Revenue Fund	Traffic HSIP Derby Signal Light	(11,625)
Special Revenue Fund	CalTrans	(60,213)
Special Revenue Fund	Water Element Grant	(16,912)
Capital Project Fund	Jewett Square Development	(246,331)
Capital Project Fund	Prop 68 Parks and Water	(525)
Capital Project Fund	TDA3 Digiorgio	(31,138)
Capital Project Fund	PD Plug in Vehicles 2017	(11,731)
Capital Project Fund	Urban Greening Pathway Greene	(24,318)
Capital Project Fund	Hazard Mitigation Planning	(1,177)
Capital Project Fund	FTA Low No Bus	(20,599)
Fiduciary Fund	Successor Agency Private Purpose Trust Fund	(2,600,723)

The City expects to eliminate the deficit for the special revenue funds and capital project funds through transfers from other funds and/or recognition of unavailable revenues in future years.

The Successor Agency Private Purpose Trust Fund deficit resulted from outstanding tax allocation bonds in excess of the total assets. The City expects the deficit to be repaid via future property tax increment.

At June 30, 2019, the City's Government-Wide Financial Statements had a deficit unrestricted net position for its governmental activities of \$(829,206), which was mainly due to the net pension liabilities in the amount of \$2,230,445.

**City of Arvin**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 10 – Other Required Disclosures (Continued)**

**B. Expenditures in Excess of Appropriations**

The following funds had expenditures in excess of appropriations:

Fund	Appropriations	Expenditures	Excess of Expenditures over Appropriations
<b>Major Governmental Funds:</b>			
General Fund			
Current:			
Public works	\$ 306,968	\$ 373,021	\$ (66,053)
Planning/community development	310,568	723,377	(412,809)
Debt services:			
Principal retirement	-	46,418	(46,418)
Interest and fiscal charge	-	4,953	(4,953)
<b>Nonmajor Governmental Funds:</b>			
COPS Program Special Revenue Fund			
Capital outlay	-	10,821	(10,821)
LLMD Special Revenue Fund			
Current:			
Public works	125,039	138,805	(13,766)
Federal Police Grant Special Revenue Fund			
Current:			
Public safety	24,000	95,514	(71,514)
Park Fees Special Revenue Fund			
Capital outlay	-	31,250	(31,250)
CalTrans Special Revenue Fund			
Current:			
Planning/community development	-	58,073	(58,073)
Traffic Impact Fees Special Revenue Fund			
Debt services:			
Principal retirement	113,472	154,026	(40,554)
Interest and fiscal charge	113,384	153,907	(40,523)
CalFire Urban Forestry Special Revenue Fund			
Current:			
Planning/community development	2,794	8,149	(5,355)
TDA3-Digiorgio Capital Project Fund			
Current:			
Planning/community development	-	11,222	(11,222)
Urban Greening/Pathways Capital Project Fund			
Current:			
Planning/community development	-	1,146	(1,146)
Capital outlay	-	23,172	(23,172)

**City of Arvin**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 11 – Classification of Fund Balances**

At June 30, 2019, fund balances are classified as follows:

	<b>Major Funds</b>			<b>Total</b>
	<b>General Fund</b>	<b>Sycamore Road Flood Reduction Special Revenue</b>	<b>Nonmajor Governmental Funds</b>	
<b>Nonspendable:</b>				
Prepaid items and deposits	\$ 558,510	\$ -	\$ -	\$ 558,510
Advances to Successor Agency	574,008	-	-	574,008
<b>Total nonspendable</b>	<b>1,132,518</b>	<b>-</b>	<b>-</b>	<b>1,132,518</b>
<b>Restricted:</b>				
Traffic impact fees	-	-	525,442	525,442
TEA	-	-	74,077	74,077
COPS program	-	-	474	474
LLMD District	-	-	72,973	72,973
Traffic offenders law enforcement	-	-	16,079	16,079
Safe route to school	-	-	5,894	5,894
Park fees	-	-	276,881	276,881
AB109	-	-	22,817	22,817
RSTP	-	-	332,700	332,700
Non-transit transportation development	-	-	460,982	460,982
Asset forfeiture	-	-	41	41
PTMISEA Fence Grant	-	-	17,994	17,994
CalFire Urban Forestry	-	-	4,194	4,194
Federal Police Grant	-	-	26,972	26,972
Franklin St. project	-	-	9,732	9,732
Vehicle auto theft prevention	-	-	25,000	25,000
Road maintenance & rehab	-	-	473,828	473,828
<b>Total restricted</b>	<b>-</b>	<b>-</b>	<b>2,346,080</b>	<b>2,346,080</b>
<b>Assigned*</b>	<b>200,000</b>	<b>-</b>	<b>-</b>	<b>200,000</b>
<b>Unassigned</b>	<b>59,754</b>	<b>-</b>	<b>(529,190)</b>	<b>(469,436)</b>
<b>Total fund balances</b>	<b>\$ 1,392,272</b>	<b>\$ -</b>	<b>\$ 1,816,890</b>	<b>\$ 3,209,162</b>

\* Assigned for legal contingency

**Note 12 – Commitments and Contingencies**

There are various claims and legal actions pending against the City for which no provision has been made in the accompanying general purpose financial statements. In the opinion of the City attorney and City management, liabilities arising from these claims and legal actions, if any, will not have an adverse material effect on the financial position of the City.

**City of Arvin**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 13 – Prior Period Adjustments**

The governmental fund balances were restated from \$1,089,771 to \$1,283,018 due to a correction of error from the Jewett Square Development Capital Project Fund (nonmajor governmental fund) related to the retention payables. This also resulted in the restatement of the governmental activities beginning net position from \$22,615,171 to \$22,808,418.

**Note 14 – Subsequent Events**

*2019 Tax Allocation Refunding Bonds, Series A*

In August 2019, the Successor Agency to the Arvin Community Redevelopment Agency (the “Successor Agency”) issued \$2,955,000 Tax Allocation Refunding Bonds, 2019 Series A and its \$4,045,000 Tax Allocation Refunding Bonds, 2019 Series B, to (a) refund two outstanding series of bonds payable from tax increment revenue generated in the Arvin Redevelopment Project Area, and (b) pay the costs of issuance of the 2019 Bonds, including premiums for the purchase of the 2019 Insurance Policy and the 2019 Reserve Policy.

*Coronavirus Disease – 19 (COVID-19)*

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of business in California. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the City expects this matter to negatively impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

*The Short-Term Loan from the Sanitation Enterprise Fund to the City’s General Fund*

On October 22, 2019, the City approved a short-term borrowing of up to \$2,900,000 from the Sanitation Enterprise Fund to the City’s General Fund to provide short-term cash shortfalls due to pending reimbursements from the grantor for the purchases of three electric buses. Upon receipt of the reimbursements, the Sanitation Enterprise Fund shall be promptly paid the short-term loan amount from the General Fund. The short-term loan shall be paid with interest at the rate received by LAIF.



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**REQUIRED SUPPLEMENTARY  
INFORMATION (UNAUDITED)**

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**City of Arvin**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2019**

*General Fund*

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes and special assessments	\$ 256,200	\$ 256,200	\$ 259,161	\$ 2,961
Property taxes in lieu of VLF	1,950,000	1,950,000	1,887,280	(62,720)
Sales tax	2,533,000	2,533,000	2,805,566	272,566
Franchise tax	445,000	445,000	431,690	(13,310)
Vehicle license tax	13,000	13,000	-	(13,000)
Other taxes	661	661	2,200	1,539
Licenses, permits and fees	643,927	639,277	454,505	(184,772)
Fines, forfeitures and penalties	8,213	8,213	8,017	(196)
Investment income	-	-	13,158	13,158
Lease revenue	53,662	53,662	49,949	(3,713)
Intergovernmental	209,587	39,351	43,703	4,352
Charges for current services	292,042	291,942	349,371	57,429
Other	5,402	5,402	56,027	50,625
<b>Total revenues</b>	<u>6,410,694</u>	<u>6,235,708</u>	<u>6,360,627</u>	<u>124,919</u>
<b>EXPENDITURES:</b>				
Current:				
General government	2,207,001	2,207,001	1,991,565	215,436
Public safety	3,510,857	3,425,146	2,855,326	569,820
Public works	306,968	306,968	373,021	(66,053)
Planning/community development	310,568	310,568	723,377	(412,809)
Capital outlay	5,515	5,515	-	5,515
Debt services:				
Principal retirement	-	-	46,418	(46,418)
Interest and fiscal charge	-	-	4,953	(4,953)
<b>Total expenditures</b>	<u>6,340,909</u>	<u>6,255,198</u>	<u>5,994,660</u>	<u>260,538</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 69,785</u>	<u>\$ (19,490)</u>	365,967	<u>\$ 385,457</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>1,026,305</u>	
End of year			<u>\$ 1,392,272</u>	

**City of Arvin**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule (Continued)**  
**For the Year Ended June 30, 2019**

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*Sycamore Road Flood Reduction Special Revenue Fund*

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 1,980,658	\$ 1,980,658	\$ 2,784,958	\$ 804,300
<b>EXPENDITURES:</b>				
Capital outlay	1,980,658	1,980,658	1,665,363	315,295
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	1,119,595	<u>\$ 1,119,595</u>
<b>FUND BALANCE:</b>				
Beginning of year			(1,119,595)	
End of year			<u>\$ -</u>	

**City of Arvin**  
**Required Supplementary Information (Unaudited)**  
**Notes to the Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2019**

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**Budgetary Information**

The City uses the following procedures annually to establish the budget data reflected in the budgetary comparison schedules. The City Manager submits to the City Council a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. The City Council reviews the proposed budget at specially scheduled sessions, which are open to the public. The Council also conducts a public hearing on the proposed budget to obtain comments from interested persons.

Prior to July 1, the budget is legally adopted through passage of an ordinance. This budget is reported as Original Budget in the budgetary comparison schedules.

During the fiscal year, changes to the adopted budget may be authorized, as follows:

1. Items requiring City Council action - appropriation of fund balance reserves; transfers of appropriations between funds; appropriation of any non-departmental revenue; new interfund loans or advances; and creation of new capital projects or increases to existing capital projects.
2. Items delegated to the City Manager - transfers between departments within funds; appropriation of unbudgeted departmental revenues; and approval of transfers which increase salary and benefit appropriations.
3. Items delegated to department heads - allocation of departmental appropriations to line item level.

Formal budgetary integration is employed as a management tool for all funds. Annual budgets are legally adopted and amended as required for the general, special revenue and enterprise funds. Project length budgets are adopted for the capital projects funds. All budgets are prepared on a basis consistent with accounting principles generally accepted in the United States of America ("U.S. GAAP"), and budgetary comparisons for the information. A debt service payment schedule for the debt service funds is also approved as part of the budget process.

Budget amounts are reflected after all authorized amendments and revisions. This budget is reported as the Final Budget in the budgetary comparison schedules.

For each legally adopted operating budget, expenditures may not exceed budgeted appropriations at the activity level. The legal appropriation basis is at the level called "department." A "department" for legal appropriation purposes may be a single organization, or an entire department having multiple organizations within the same fund, or an entire fund.

For the year ended June 30, 2019, there were no adopted operating budgets for TEA Special Revenue Fund, Community Development Block Grant Special Revenue Fund, Traffic Offenders Special Revenue Fund, Safe Route to School Special Revenue Fund, RSTP Special Revenue Fund, Asset Forfeiture Special Revenue Fund, PTMISEA Fence Grant Special Revenue Fund, CalRecycle Grant Special Revenue Fund, Vehicle Auto Theft Special Revenue Fund, Water Element Grant Special Revenue Fund, Jewett Square Development Capital Project Fund, Prop 68 Parks and Water Capital Projects Fund, PD Plug In Vehicles 2017 Capital Projects Fund, Hazard Mitigation Planning Capital Projects Fund, and FTA-Low No Bus Capital Projects Fund.

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**City of Arvin**  
**Required Supplementary Information (Unaudited)**  
**Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios**  
**For the Year Ended June 30, 2019**

**Last Ten Fiscal Years**

**California Public Employees' Retirement System ("CalPERS") - Miscellaneous Plans**

Measurement Date	June 30, 2014 <sup>1</sup>	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
City Proportion of the Net Pension Liability	0.010823%	0.010827%	0.012526%	0.013231%	0.013560%
City's Proportionate Share of the net Pension Liability	\$ 673,435	\$ 743,178	\$ 1,083,876	\$ 1,312,169	\$ 1,306,687
City's Covered Payroll	\$ 1,205,541	\$ 1,278,371	\$ 1,311,081	\$ 1,703,094	\$ 1,451,236
City's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	<u>55.86%</u>	<u>58.13%</u>	<u>82.67%</u>	<u>77.05%</u>	<u>90.04%</u>
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>84.57%</u>	<u>85.12%</u>	<u>79.32%</u>	<u>77.33%</u>	<u>79.35%</u>

**California Public Employees' Retirement System ("CalPERS") - Safety Plans**

Measurement Date	June 30, 2014 <sup>1</sup>	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
City Proportion of the Net Pension Liability	0.012158%	0.008872%	0.010974%	0.011599%	0.012154%
City's Proportionate Share of the net Pension Liability	\$ 756,538	\$ 608,986	\$ 949,593	\$ 1,150,302	\$ 1,171,211
City's Covered Payroll	\$ 1,170,125	\$ 1,148,898	\$ 1,259,532	\$ 1,339,763	\$ 1,251,991
City's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	<u>64.65%</u>	<u>53.01%</u>	<u>75.39%</u>	<u>85.86%</u>	<u>93.55%</u>
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>82.68%</u>	<u>86.97%</u>	<u>81.34%</u>	<u>79.85%</u>	<u>81.39%</u>

<sup>1</sup> Historical information is presented only for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it became available.

**City of Arvin**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Contributions - Pensions**  
**For the Year Ended June 30, 2019**

**Last Ten Fiscal Years**

**California Public Employees' Retirement System ("CalPERS") - Miscellaneous Plan**

Fiscal year	2013-14 <sup>1</sup>	2014-15	2015-16	2016-17	2017-18
Actuarially determined contribution	\$ 80,511	\$ 63,299	\$ 106,497	\$ 145,079	\$ 152,607
Contributions in relation to the actuarially determined contribution <sup>2</sup>	(80,511)	(63,299)	(106,497)	(145,079)	(152,607)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll <sup>3</sup>	\$1,205,541	\$1,278,371	\$1,311,081	\$1,703,094	\$1,451,236
Contributions as a percentage of covered payroll	6.68%	4.95%	8.12%	8.52%	10.52%

**California Public Employees' Retirement System ("CalPERS") - Safety Plan**

Fiscal year	2013-14 <sup>1</sup>	2014-15	2015-16	2016-17	2017-18
Actuarially determined contribution	\$ 143,373	\$ 128,424	\$ 158,695	\$ 171,887	\$ 185,795
Contributions in relation to the actuarially determined contribution <sup>2</sup>	(143,373)	(128,424)	(158,695)	(171,887)	(185,795)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll <sup>3</sup>	\$1,170,125	\$1,148,898	\$1,259,532	\$1,339,763	\$1,251,991
Contributions as a percentage of covered payroll	12.25%	11.18%	12.60%	12.83%	14.84%

<sup>1</sup> Historical information is presented only for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it became available.

<sup>2</sup> 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.

<sup>3</sup> Payroll from prior year (\$1,451,236 for miscellaneous plan and \$1,251,991 for safety plan) was assumed to increase by the 3.00% payroll growth assumption.

**Notes to Schedule:**

Change in Benefit Terms: There were no changes in benefit terms.

Changes of Assumptions: In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial. In 2017, the accounting discount rate 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 7.50 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 7.50 percent discount rate.



**City of Arvin**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Contributions - Pensions (Continued)**  
**For the Year Ended June 30, 2019**

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**Last Ten Fiscal Years**

**California Public Employees' Retirement System ("CalPERS") - Miscellaneous Plan**

Fiscal year	2018-19
Actuarially determined contribution	\$ 180,268
Contributions in relation to the actuarially determined contribution <sup>2</sup>	(180,268)
Contribution deficiency (excess)	\$ -
Covered payroll <sup>3</sup>	\$ 1,494,773
Contributions as a percentage of covered payroll	12.06%

**California Public Employees' Retirement System ("CalPERS") - Safety Plan**

Fiscal year	2018-19
Actuarially determined contribution	\$ 178,436
Contributions in relation to the actuarially determined contribution <sup>2</sup>	(178,436)
Contribution deficiency (excess)	\$ -
Covered payroll <sup>3</sup>	\$ 1,289,551
Contributions as a percentage of covered payroll	13.84%

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# **SUPPLEMENTARY INFORMATION**

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# NONMAJOR GOVERNMENTAL FUNDS

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## **Special Revenue Funds:**

***TEA Fund*** - Accounts for the grants received from the Transportation Enhancement Activities ("TEA") program restricted for design and construction of improvements which beautify or enhance the interface between transportation systems and adjacent communities. This funding requires matching City funds.

***Community Development Block Grant Fund*** - Accounts for expenditures restricted for approved projects that have been funded by the U.S. Department of Housing and Urban Development Community Block Grant and passed through the County of Kern.

***COPS Program Fund*** - Accounts for expenditures made with state grant monies authorized by California Assembly Bill 3229 for "front-line" police related activities for the Citizens' Option for Public Safety Program ("COPS").

***LLMD Fund*** - Accounts for assessment money received from district property owners restricted for use for maintenance expenditures in the landscape and lighting maintenance district.

***Traffic Offender Fund*** - Accounts for fees charged to release a vehicle that has been impounded by law enforcement officials and the restricted use of such proceeds by the City to help fund its law enforcement activities.

***Traffic HSIP Derby Signal Light Fund*** - Accounts for the grant received from the California Department of Transportation to be used for improvement of the intersection of Derby and Bear Mountain Road with a Signal Light.

***Transportation Development Act ("TDA") Non-Transit Fund*** - Accounts for sales tax monies received from Kern Council of Governments restricted for street and road improvements.

***Federal Police Grant Fund*** - Separates and accounts for funds restricted for the base salary and fringe benefit costs associated with one officer funded by the U.S. Department of Justice COPS Grant.

***Safe Route to School Fund*** - Accounts for the grant received from the California Department of Transportation to reconstruct and improve infrastructure along school routes.

***Park Fees Fund*** - Separates and accounts for fees received from builders that have been specifically restricted for park improvements.

***AB109 Fund*** - Accounts for the grants received related to the new prisoner redistribution.

***State Gas Tax Fund*** - The State Gas Tax Fund is used to account for the City's share of gasoline taxes that are apportioned under Streets and Highways Code sections 2105, 2106, 2107, and 2107.5 of the State of California. These funds are restricted to activities and purchases that assist in the construction of and maintenance of local roads within the City limits.

***RSTP Fund*** - Accounts for Regional Service Transportation Program ("RSTP") funding, which was created by Congress through the Intermodal Surface Transportation Efficiency Act of 1991 and renewed through the Transportation Equity Act for the 21st Century in 1998. RSTP funding is restricted for the City to address specific transportation issues. This funding requires matching City funds.

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# NONMAJOR

## GOVERNMENTAL FUNDS (CONTINUED)

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### **Special Revenue Funds (Continued):**

*Asset Forfeiture Fund* - This fund is used to account for revenues associated with the sale of assets seized from individuals convicted of drug related crimes. The expenditures of this fund must assist in drug abuse enforcement or education.

*PTMISEA Fence Grant Fund* - Separates and accounts for funds restricted for use to secure vehicles behind a fenced enclosure with limited access facilitated by electronic means.

*CalTrans Fund* - This fund is used to account for projects specifically focused on improving access, connectivity, walking, bicycling, and transit for all residents and workers in the City.

*CalRecycle Grant Fund* - This fund is used to account for CalRecycle Grant received for the purpose to motivate and encourage employees and residents to recycle.

*Vehicle Auto Theft* - This fund is used to account for specific expenses related to police. The funding is provided by the State in the amount of \$25,000 annually.

*Road Maintenance & Rehab Fund* - This fund is used to improve the conditions of the roads. The funding source is SB1 funding.

*Traffic Impact Fees Fund* - Separates and accounts for the fees received from builders that have been specifically restricted for traffic flow improvements.

*Water Element Grant Fund* - This fund is used to reduce energy consumption, conserve water, improve air and water quality.

*CalFire Urban Forestry Fund* - This fund is used to account for the planning and planting 303 trees around the City.

### **Capital Projects Funds:**

*Jewett Square Development Fund* - Accounts for a private placement loan proceeds, designated for adding new infrastructure for Jewett Square which is a City's vacant property to attract new businesses to the City.

*Franklin St. Project Fund* - This fund is used to account for sidewalk and street improvements for Franklin Street.

*Prop 68 Parks and Water Fund* - Accounts for new park development or rehabilitation. Funding is provided by the State of California.

*TDA3 Digiorgio Fund* - This fund is used to account for the installation of new sidewalks, curbs, and gutter around South A Street and Langford and 14 bicycle racks and pads.

*PD Plug In Vehicles 2017 Fund* - This fund is used to account for the purchase of police department electric vehicles and installation of electric vehicle stations.

*Urban Greening/Pathways Greene Fund* - Accounts for construction of green park pathway and trees near 4th Street. Funding is provided by the State of California.

*Hazard Mitigation Planning Fund* - Accounts for rehabilitation and improvement of an existing pump. Funding is provided by the Federal Emergency Management Agency.

*FTA-Low No Bus Fund* - To account for Low Or No Emission Grant Program passed through CalTrans from Federal Transit Administration.

**City of Arvin**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2019**

	Special Revenue			
	TEA	Community Development Block Grant	COPS Program	LLMD
<b>ASSETS</b>				
Cash and investments	\$ 74,077	\$ -	\$ 148,020	\$ 79,570
Accounts receivables	-	-	-	-
Due from other funds	-	-	-	-
Prepaid items and deposits	-	-	-	-
<b>Total assets</b>	<b>\$ 74,077</b>	<b>\$ -</b>	<b>\$ 148,020</b>	<b>\$ 79,570</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 10,821	\$ 5,451
Accrued payroll and benefits	-	-	16,778	1,146
Due to other funds	-	104,621	-	-
Unearned revenue	-	-	119,947	-
<b>Total liabilities</b>	<b>-</b>	<b>104,621</b>	<b>147,546</b>	<b>6,597</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Restricted	74,077	-	474	72,973
Unassigned (deficit)	-	(104,621)	-	-
<b>Total fund balances</b>	<b>74,077</b>	<b>(104,621)</b>	<b>474</b>	<b>72,973</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 74,077</b>	<b>\$ -</b>	<b>\$ 148,020</b>	<b>\$ 79,570</b>

(Continued)

**City of Arvin**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2019**

	Special Revenue			
	Traffic Offender	Traffic HSIP Derby Signal Light	TDA Non-Transit	Federal Police Grant
<b>ASSETS</b>				
Cash and investments	\$ 16,079	\$ -	\$ 460,972	\$ 523
Accounts receivables	-	11,625	10	35,596
Due from other funds	-	-	-	-
Prepaid items and deposits	-	-	-	-
<b>Total assets</b>	<b>\$ 16,079</b>	<b>\$ 11,625</b>	<b>\$ 460,982</b>	<b>\$ 36,119</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll and benefits	-	-	-	9,147
Due to other funds	-	11,625	-	-
Unearned revenue	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>11,625</b>	<b>-</b>	<b>9,147</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue	-	11,625	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>11,625</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Restricted	16,079	-	460,982	26,972
Unassigned (deficit)	-	(11,625)	-	-
<b>Total fund balances</b>	<b>16,079</b>	<b>(11,625)</b>	<b>460,982</b>	<b>26,972</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 16,079</b>	<b>\$ 11,625</b>	<b>\$ 460,982</b>	<b>\$ 36,119</b>

(Continued)



**City of Arvin**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2019**

	Special Revenue			
	Safe Route to School	Park Fees	AB109	State Gas Tax
<b>ASSETS</b>				
Cash and investments	\$ 135,068	\$ 296,881	\$ 56,548	\$ 30,375
Accounts receivables	-	4,000	-	-
Due from other funds	-	-	-	-
Prepaid items and deposits	-	-	-	-
<b>Total assets</b>	<b>\$ 135,068</b>	<b>\$ 300,881</b>	<b>\$ 56,548</b>	<b>\$ 30,375</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 24,000	\$ -	\$ 4,537
Accrued payroll and benefits	-	-	-	25,838
Due to other funds	-	-	-	-
Unearned revenue	129,174	-	33,731	-
<b>Total liabilities</b>	<b>129,174</b>	<b>24,000</b>	<b>33,731</b>	<b>30,375</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Restricted	5,894	276,881	22,817	-
Unassigned (deficit)	-	-	-	-
<b>Total fund balances</b>	<b>5,894</b>	<b>276,881</b>	<b>22,817</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 135,068</b>	<b>\$ 300,881</b>	<b>\$ 56,548</b>	<b>\$ 30,375</b>

(Continued)

**City of Arvin**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2019**

	Special Revenue			
	RSTP	Asset Forfeiture	PTMISEA Fence Grant	CalTrans
<b>ASSETS</b>				
Cash and investments	\$ 332,700	\$ 10,795	\$ 188,242	\$ -
Accounts receivables	-	-	-	58,073
Due from other funds	-	-	-	-
Prepaid items and deposits	-	-	-	-
<b>Total assets</b>	<b>\$ 332,700</b>	<b>\$ 10,795</b>	<b>\$ 188,242</b>	<b>\$ 58,073</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	22,502
Accrued payroll and benefits	-	-	-	-
Due to other funds	-	-	-	37,711
Unearned revenue	-	10,754	170,248	-
<b>Total liabilities</b>	<b>-</b>	<b>10,754</b>	<b>170,248</b>	<b>60,213</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue	-	-	-	58,073
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58,073</b>
<b>Fund Balances:</b>				
Restricted	332,700	41	17,994	-
Unassigned (deficit)	-	-	-	(60,213)
<b>Total fund balances</b>	<b>332,700</b>	<b>41</b>	<b>17,994</b>	<b>(60,213)</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 332,700</b>	<b>\$ 10,795</b>	<b>\$ 188,242</b>	<b>\$ 58,073</b>

(Continued)

**City of Arvin**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2019**

	Special Revenue			
	CalRecycle Grant	Vehicle Auto Theft	Road Maintenance & Rehab	Traffic Impact Fees
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 25,000	402,821	\$ 763,442
Accounts receivables	-	-	71,007	-
Due from other funds	-	-	-	-
Prepaid items and deposits	-	-	-	-
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ 473,828</u>	<u>\$ 763,442</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	-	-	\$ -	\$ -
Accrued payroll and benefits	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	238,000
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>238,000</u>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>				
Restricted	-	25,000	473,828	525,442
Unassigned (deficit)	-	-	-	-
<b>Total fund balances</b>	<u>-</u>	<u>25,000</u>	<u>473,828</u>	<u>525,442</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ 473,828</u>	<u>\$ 763,442</u>

(Continued)

**City of Arvin**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2019**

	Special Revenue		Capital Projects	
	Water Element Grant	CalFire Urban Forestry	Jewett Square Development	Franklin St. Project
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 4,885	\$ -	\$ -
Accounts receivables	16,912	-	-	16,133
Due from other funds	-	-	-	-
Prepaid items and deposits	-	-	-	-
<b>Total assets</b>	<u>\$ 16,912</u>	<u>\$ 4,885</u>	<u>\$ -</u>	<u>\$ 16,133</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	-	691	\$ 76,441	\$ -
Accrued payroll and benefits	-	-	-	-
Due to other funds	16,912	-	169,890	6,401
Unearned revenue	-	-	-	-
<b>Total liabilities</b>	<u>16,912</u>	<u>691</u>	<u>246,331</u>	<u>6,401</u>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue	16,912	-	-	-
<b>Total deferred inflows of resources</b>	<u>16,912</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>				
Restricted	-	4,194	-	9,732
Unassigned (deficit)	(16,912)	-	(246,331)	-
<b>Total fund balances</b>	<u>(16,912)</u>	<u>4,194</u>	<u>(246,331)</u>	<u>9,732</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 16,912</u>	<u>\$ 4,885</u>	<u>\$ -</u>	<u>\$ 16,133</u>

(Continued)

**City of Arvin**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2019**

	Capital Projects			
	Prop 68 Parks and Water	TDA3 Digiorgio	PD Plug In Vehicles 2017	Urban Greening/ Pathways Greene
<b>ASSETS</b>				
Cash and investments	\$ -	\$ -	\$ -	\$ -
Accounts receivables	525	132,600	36,586	24,318
Due from other funds	-	-	-	-
Prepaid items and deposits	-	-	-	-
<b>Total assets</b>	<u>\$ 525</u>	<u>\$ 132,600</u>	<u>\$ 36,586</u>	<u>\$ 24,318</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 17,337
Accrued payroll and benefits	-	-	-	-
Due to other funds	525	163,738	48,317	6,981
Unearned revenue	-	-	-	-
<b>Total liabilities</b>	<u>525</u>	<u>163,738</u>	<u>48,317</u>	<u>24,318</u>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue	525	-	-	24,318
<b>Total deferred inflows of resources</b>	<u>525</u>	<u>-</u>	<u>-</u>	<u>24,318</u>
<b>Fund Balances:</b>				
Restricted	-	-	-	-
Unassigned (deficit)	(525)	(31,138)	(11,731)	(24,318)
<b>Total fund balances</b>	<u>(525)</u>	<u>(31,138)</u>	<u>(11,731)</u>	<u>(24,318)</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 525</u>	<u>\$ 132,600</u>	<u>\$ 36,586</u>	<u>\$ 24,318</u>

(Continued)

**City of Arvin**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2019**

	Capital Projects		Total Nonmajor Governmental Funds
	Hazard Mitigation Planning	FTA Low No Bus	
<b>ASSETS</b>			
Cash and investments	\$ -	\$ -	\$ 3,025,998
Accounts receivables	1,177	20,599	429,161
Due from other funds	-	-	-
Prepaid items and deposits	-	-	-
<b>Total assets</b>	<b>\$ 1,177</b>	<b>\$ 20,599</b>	<b>\$ 3,455,159</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ -	\$ 161,780
Accrued payroll and benefits	-	-	52,909
Due to other funds	1,177	20,599	588,497
Unearned revenue	-	-	701,854
<b>Total liabilities</b>	<b>1,177</b>	<b>20,599</b>	<b>1,505,040</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable revenue	1,177	20,599	133,229
<b>Total deferred inflows of resources</b>	<b>1,177</b>	<b>20,599</b>	<b>133,229</b>
<b>Fund Balances:</b>			
Restricted	-	-	2,346,080
Unassigned (deficit)	(1,177)	(20,599)	(529,190)
<b>Total fund balances</b>	<b>(1,177)</b>	<b>(20,599)</b>	<b>1,816,890</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 1,177</b>	<b>\$ 20,599</b>	<b>\$ 3,455,159</b>

(Concluded)

**City of Arvin**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2019**

	Special Revenue			
	TEA	Community Development Block Grant	COPS Program	LLMD
<b>REVENUES:</b>				
Property taxes and special assessments	\$ -	\$ -	\$ -	\$ 117,126
Licenses, permits and fees	-	-	-	-
Intergovernmental	-	98,474	191,280	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Other	-	5,131	-	-
<b>Total revenues</b>	<b>-</b>	<b>103,605</b>	<b>191,280</b>	<b>117,126</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	-	180,459	-
Public works	-	-	-	138,805
Planning/community development	-	-	-	-
Capital outlay	-	-	10,821	-
Debt services:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>191,280</b>	<b>138,805</b>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>103,605</b>	<b>-</b>	<b>(21,679)</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>-</b>	<b>103,605</b>	<b>-</b>	<b>(21,679)</b>
<b>FUND BALANCES:</b>				
Beginning of year, as restated (Note 13)	74,077	(208,226)	474	94,652
End of year	<u>\$ 74,077</u>	<u>\$ (104,621)</u>	<u>\$ 474</u>	<u>\$ 72,973</u>

(Continued)

**City of Arvin**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2019**

	Special Revenue			
	Traffic	Traffic HSIP	TDA	Federal Police
	Offenders	Derby Signal Light	Non-Transit	Grant
<b>REVENUES:</b>				
Property taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	5,320	-	-	-
Intergovernmental	-	31,762	440,185	122,486
Investment income	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
<b>Total revenues</b>	<u>5,320</u>	<u>31,762</u>	<u>440,185</u>	<u>122,486</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	-	-	95,514
Public works	-	-	-	-
Planning/community development	-	-	-	-
Capital outlay	-	17,624	-	-
Debt services:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>17,624</u>	<u>-</u>	<u>95,514</u>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<u>5,320</u>	<u>14,138</u>	<u>440,185</u>	<u>26,972</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGES IN FUND BALANCES</b>	5,320	14,138	440,185	26,972
<b>FUND BALANCES:</b>				
Beginning of year, as restated (Note 13)	10,759	(25,763)	20,797	-
End of year	<u>\$ 16,079</u>	<u>\$ (11,625)</u>	<u>\$ 460,982</u>	<u>\$ 26,972</u>

(Continued)



**City of Arvin**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2019**

	Special Revenue			
	Safe Route to School	Park Fees	AB109	State Gas Tax
<b>REVENUES:</b>				
Property taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	-	59,795	-	-
Intergovernmental	-	-	481	434,950
Investment income	-	3,509	-	-
Charges for services	-	-	-	-
Other	-	-	11,052	-
<b>Total revenues</b>	<u>-</u>	<u>63,304</u>	<u>11,533</u>	<u>434,950</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	-	-	-
Public works	-	-	-	434,950
Planning/community development	-	-	-	-
Capital outlay	-	31,250	-	-
Debt services:				
Principal retirement	-	25,974	-	-
Interest and fiscal charges	-	25,954	-	-
<b>Total expenditures</b>	<u>-</u>	<u>83,178</u>	<u>-</u>	<u>434,950</u>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>(19,874)</u>	<u>11,533</u>	<u>-</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGES IN FUND BALANCES</b>	<u>-</u>	<u>(19,874)</u>	<u>11,533</u>	<u>-</u>
<b>FUND BALANCES:</b>				
Beginning of year, as restated (Note 13)	5,894	296,755	11,284	-
End of year	<u>\$ 5,894</u>	<u>\$ 276,881</u>	<u>\$ 22,817</u>	<u>\$ -</u>

(Continued)

**City of Arvin**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2019**

	Special Revenue			
	RSTP	Asset Forfeiture	PTMISEA Fence Grant	CalTrans
<b>REVENUES:</b>				
Property taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	-	-	-	-
Intergovernmental	-	-	55,351	61
Investment income	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>55,351</u>	<u>61</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	-	-	-
Public works	-	-	-	-
Planning/community development	-	-	-	58,073
Capital outlay	-	-	77,149	-
Debt services:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>77,149</u>	<u>58,073</u>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>(21,798)</u>	<u>(58,012)</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGES IN FUND BALANCES</b>	<u>-</u>	<u>-</u>	<u>(21,798)</u>	<u>(58,012)</u>
<b>FUND BALANCES:</b>				
Beginning of year, as restated (Note 13)	332,700	41	39,792	(2,201)
End of year	<u>\$ 332,700</u>	<u>\$ 41</u>	<u>\$ 17,994</u>	<u>\$ (60,213)</u>

(Continued)

**City of Arvin**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2019**

	Special Revenue			
	CalRecycle Grant	Vehicle Auto Theft	Road Maintenance & Rehab	Traffic Impact Fees
<b>REVENUES:</b>				
Property taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	-	-	-	-
Intergovernmental	-	-	397,866	-
Investment income	-	-	-	7,720
Charges for services	-	25,000	-	-
Other	170	-	-	-
<b>Total revenues</b>	<u>170</u>	<u>25,000</u>	<u>397,866</u>	<u>7,720</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	-	-	-
Public works	-	-	-	-
Planning/community development	-	-	-	-
Capital outlay	-	-	48,009	-
Debt services:				
Principal retirement	-	-	-	154,026
Interest and fiscal charges	-	-	-	153,907
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>48,009</u>	<u>307,933</u>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<u>170</u>	<u>25,000</u>	<u>349,857</u>	<u>(300,213)</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	-	-	-	81,077
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,077</u>
<b>NET CHANGES IN FUND BALANCES</b>	170	25,000	349,857	(219,136)
<b>FUND BALANCES:</b>				
Beginning of year, as restated (Note 13)	(170)	-	123,971	744,578
End of year	<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ 473,828</u>	<u>\$ 525,442</u>

(Continued)

**City of Arvin**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2019**

	Special Revenue		Capital Projects	
	Water Element Grant	CalFire Urban Forestry	Jewett Square Development	Franklin St. Project
<b>REVENUES:</b>				
Property taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	-	-	-	-
Intergovernmental	24,343	58,181	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
<b>Total revenues</b>	<u>24,343</u>	<u>58,181</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	-	-	-
Public works	-	-	-	-
Planning/community development	34,255	8,149	-	-
Capital outlay	-	43,540	96,934	147
Debt services:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<u>34,255</u>	<u>51,689</u>	<u>96,934</u>	<u>147</u>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<u>(9,912)</u>	<u>6,492</u>	<u>(96,934)</u>	<u>(147)</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGES IN FUND BALANCES</b>	<u>(9,912)</u>	<u>6,492</u>	<u>(96,934)</u>	<u>(147)</u>
<b>FUND BALANCES:</b>				
Beginning of year, as restated (Note 13)	<u>(7,000)</u>	<u>(2,298)</u>	<u>(149,397)</u>	<u>9,879</u>
End of year	<u>\$ (16,912)</u>	<u>\$ 4,194</u>	<u>\$ (246,331)</u>	<u>\$ 9,732</u>

(Continued)

**City of Arvin**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2019**

	Capital Projects			
	Prop 68 Parks and Water	TDA3 Digiorgio	PD Plug In Vehicles 2017	Urban Greening/ Pathways Greene
<b>REVENUES:</b>				
Property taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	-	-	-	-
Intergovernmental	-	108,200	36,586	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>108,200</u>	<u>36,586</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	-	-	-
Public works	-	-	-	-
Planning/community development	525	11,222	-	1,146
Capital outlay	-	126,502	55,641	23,172
Debt services:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<u>525</u>	<u>137,724</u>	<u>55,641</u>	<u>24,318</u>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<u>(525)</u>	<u>(29,524)</u>	<u>(19,055)</u>	<u>(24,318)</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGES IN FUND BALANCES</b>	<u>(525)</u>	<u>(29,524)</u>	<u>(19,055)</u>	<u>(24,318)</u>
<b>FUND BALANCES:</b>				
Beginning of year, as restated (Note 13)	-	(1,614)	7,324	-
End of year	<u>\$ (525)</u>	<u>\$ (31,138)</u>	<u>\$ (11,731)</u>	<u>\$ (24,318)</u>

(Continued)

**City of Arvin**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2019**

	Capital Projects		Total Nonmajor Governmental Funds
	Hazard Mitigation Planning	FTA Low No Bus	
<b>REVENUES:</b>			
Property taxes and special assessments	\$ -	\$ -	\$ 117,126
Licenses, permits and fees	-	-	65,115
Intergovernmental	-	-	2,000,206
Investment income	-	-	11,229
Charges for services	-	-	25,000
Other	-	-	16,353
<b>Total revenues</b>	-	-	2,235,029
<b>EXPENDITURES:</b>			
Current:			
Public safety	-	-	275,973
Public works	-	-	573,755
Planning/community development	1,177	442	114,989
Capital outlay	-	20,157	550,946
Debt services:			
Principal retirement	-	-	180,000
Interest and fiscal charges	-	-	179,861
<b>Total expenditures</b>	1,177	20,599	1,875,524
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	(1,177)	(20,599)	359,505
<b>OTHER FINANCING SOURCES:</b>			
Transfers in	-	-	81,077
<b>Total other financing sources</b>	-	-	81,077
<b>NET CHANGES IN FUND BALANCES</b>	(1,177)	(20,599)	440,582
<b>FUND BALANCES:</b>			
Beginning of year, as restated (Note 13)	-	-	1,376,308
End of year	\$ (1,177)	\$ (20,599)	\$ 1,816,890

(Concluded)

**City of Arvin**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**COPS Program Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 191,280	\$ 91,280
<b>EXPENDITURES:</b>				
Current:				
Public safety	187,250	187,250	180,459	6,791
Capital outlay	-	-	10,821	(10,821)
<b>Total expenditures</b>	<u>187,250</u>	<u>187,250</u>	<u>191,280</u>	<u>(4,030)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (87,250)</u>	<u>\$ (87,250)</u>	-	<u>\$ 87,250</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>474</u>	
End of year			<u>\$ 474</u>	

**City of Arvin**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**LLMD Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes and special assessments	\$ 118,269	\$ 118,269	\$ 117,126	\$ (1,143)
<b>EXPENDITURES:</b>				
Current:				
Public works	125,039	125,039	138,805	(13,766)
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ (6,770)</u></u>	<u><u>\$ (6,770)</u></u>	(21,679)	<u><u>\$ (14,909)</u></u>
<b>FUND BALANCE:</b>				
Beginning of year			94,652	
End of year			<u><u>\$ 72,973</u></u>	



**City of Arvin**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Traffic HSIP Derby Signal Light Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 95,153	\$ 95,153	\$ 31,762	\$ (63,391)
<b>EXPENDITURES:</b>				
Capital outlay	95,153	95,153	17,624	77,529
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	14,138	<u>\$ 14,138</u>
<b>FUND BALANCE:</b>				
Beginning of year			(25,763)	
End of year			<u>\$ (11,625)</u>	

**City of Arvin**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**TDA (Non-Transit) Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 759,559	\$ 759,559	\$ 440,185	\$ (319,374)
<b>EXPENDITURES:</b>				
Current:				
Public works	10,836	10,836	-	10,836
Capital outlay	681,113	681,113	-	681,113
<b>Total expenditures</b>	<b>691,949</b>	<b>691,949</b>	<b>-</b>	<b>691,949</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 67,610</b>	<b>\$ 67,610</b>	440,185	<b>\$ 372,575</b>
<b>FUND BALANCE:</b>				
Beginning of year			20,797	
End of year			<b>\$ 460,982</b>	

**City of Arvin**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Federal Police Grant Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 24,000	\$ 24,000	\$ 122,486	\$ 98,486
<b>EXPENDITURES:</b>				
Current:				
Public safety	24,000	24,000	95,514	(71,514)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	26,972	<u>\$ 26,972</u>
<b>FUND BALANCE:</b>				
Beginning of year			-	
End of year			<u>\$ 26,972</u>	

**City of Arvin**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Park Fees Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Licenses, permits and fees	\$ 110,087	\$ 110,087	\$ 59,795	\$ (50,292)
Investment income	-	-	3,509	3,509
<b>Total revenues</b>	<u>110,087</u>	<u>110,087</u>	<u>63,304</u>	<u>(46,783)</u>
<b>EXPENDITURES:</b>				
Capital outlay	-	-	31,250	(31,250)
Debt services:				
Principal retirement	25,974	25,974	25,974	-
Interest and fiscal charges	25,954	25,954	25,954	-
<b>Total expenditures</b>	<u>51,928</u>	<u>51,928</u>	<u>83,178</u>	<u>(31,250)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 58,159</u>	<u>\$ 58,159</u>	(19,874)	<u>\$ (78,033)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>296,755</u>	
End of year			<u>\$ 276,881</u>	

**City of Arvin**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**AB 109 Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 6,670	\$ 6,670	\$ 481	\$ (6,189)
Other revenue	-	-	11,052	11,052
Total revenues	<u>6,670</u>	<u>6,670</u>	<u>11,533</u>	<u>4,863</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	<u>6,670</u>	<u>6,670</u>	-	<u>6,670</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	11,533	<u><u>\$ 11,533</u></u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>11,284</u>	
End of year			<u><u>\$ 22,817</u></u>	

**City of Arvin**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**State Gas Tax Special Revenue Fund**  
**For the year ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Investment income	\$ 500	\$ 500	\$ -	\$ (500)
Intergovernmental	445,580	445,580	434,950	(10,630)
<b>Total revenues</b>	<u>446,080</u>	<u>446,080</u>	<u>434,950</u>	<u>(11,130)</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	496,231	496,231	434,950	61,281
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (50,151)</u>	<u>\$ (50,151)</u>	-	<u>\$ 50,151</u>
<b>FUND BALANCE:</b>				
Beginning of year			-	
End of year			<u>\$ -</u>	

**City of Arvin**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**CalTrans Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 158,858	\$ 158,858	\$ 61	\$ (158,797)
<b>EXPENDITURES:</b>				
Current:				
Planning/community development	-	-	58,073	(58,073)
Capital outlay	158,858	158,858	-	158,858
<b>Total expenditures</b>	<b>158,858</b>	<b>158,858</b>	<b>58,073</b>	<b>100,785</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(58,012)</b>	<b>\$ (58,012)</b>
<b>FUND BALANCE:</b>				
Beginning of year			(2,201)	
End of year			<u>\$ (60,213)</u>	

**City of Arvin**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Road Maintenance & Rehab Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 427,628	\$ 427,628	\$ 397,866	\$ (29,762)
<b>EXPENDITURES:</b>				
Capital outlay	427,628	427,628	48,009	379,619
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	349,857	<b>\$ 349,857</b>
<b>FUND BALANCE:</b>				
Beginning of year			123,971	
End of year			<u>\$ 473,828</u>	



**City of Arvin**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Traffic Impact Fees Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Licenses, permits and fees	\$ 71,249	\$ 71,249	\$ -	\$ (71,249)
Investment income	-	-	7,720	7,720
<b>Total revenues</b>	<u>71,249</u>	<u>71,249</u>	<u>7,720</u>	<u>(63,529)</u>
<b>EXPENDITURES:</b>				
Debt services:				
Principal retirement	113,472	113,472	154,026	(40,554)
Interest and fiscal charge	113,384	113,384	153,907	(40,523)
<b>Total expenditures</b>	<u>226,856</u>	<u>226,856</u>	<u>307,933</u>	<u>(81,077)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(155,607)</u>	<u>(155,607)</u>	<u>(300,213)</u>	<u>(144,606)</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	-	-	81,077	81,077
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>81,077</u>	<u>81,077</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (155,607)</u>	<u>\$ (155,607)</u>	(219,136)	<u>\$ (63,529)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>744,578</u>	
End of year			<u>\$ 525,442</u>	

**City of Arvin**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**CalFire Urban Forestry Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 195,147	\$ 195,147	\$ 58,181	\$ (136,966)
<b>EXPENDITURES:</b>				
Current:				
Planning/community development	2,794	2,794	8,149	(5,355)
Capital outlay	192,353	192,353	43,540	148,813
<b>Total expenditures</b>	<b>195,147</b>	<b>195,147</b>	<b>51,689</b>	<b>143,458</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	6,492	<b>\$ 6,492</b>
<b>FUND BALANCE:</b>				
Beginning of year			(2,298)	
End of year			<u>\$ 4,194</u>	

**City of Arvin**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Franklin St. Project Capital Project Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 502,636	\$ 502,636	\$ -	\$ (502,636)
<b>EXPENDITURES:</b>				
Capital outlay	502,636	502,636	147	502,489
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	(147)	<b>\$ (147)</b>
<b>FUND BALANCE:</b>				
Beginning of year			9,879	
End of year			<u>\$ 9,732</u>	

**City of Arvin**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**TDA3-Digiorgio Capital Project Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 285,000	\$ 285,000	\$ 108,200	\$ (176,800)
<b>EXPENDITURES:</b>				
Current:				
Planning/community development	-	-	11,222	(11,222)
Capital outlay	285,000	285,000	126,502	158,498
<b>Total expenditures</b>	<u>285,000</u>	<u>285,000</u>	<u>137,724</u>	<u>147,276</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	(29,524)	<u>\$ (29,524)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>(1,614)</u>	
End of year			<u>\$ (31,138)</u>	

**City of Arvin**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Urban Greening/Pathways Greene Capital Project Fund**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 527,747	\$ 527,747	\$ -	\$ (527,747)
<b>EXPENDITURES:</b>				
Current:				
Planning/community development	-	-	1,146	(1,146)
Capital outlay	-	-	23,172	(23,172)
<b>Total expenditures</b>	-	-	24,318	(24,318)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 527,747</u>	<u>\$ 527,747</u>	(24,318)	<u>\$ (552,065)</u>
<b>FUND BALANCE:</b>				
Beginning of year			-	
End of year			<u>\$ (24,318)</u>	

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