

City of Arvin

Arvin, California

Independent Auditors' Report and Basic Financial Statements

For the Year Ended June 30, 2018

Prepared By
Finance Department
of the City of Arvin



City of Arvin
Basic Financial Statements
For the Year Ended June 30, 2018

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City of Arvin
Basic Financial Statements
For the Year Ended June 30, 2018

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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, 2018, 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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, 2018, 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.

Emphasis of Matters

Prior Period Adjustments

As discussed in Note 13, beginning net position for Governmental Activities and beginning fund balance for the General Fund were restated from \$19,310,242 to \$19,752,400 and \$306,192 to \$748,350, respectively due to correction of the insurance deposits. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules, Schedules of the City's Proportionate Share of Net Pension Liabilities and Related Ratios, and Schedules of Contributions on pages 73 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 and the Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Fund Financial Statements and the Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Nonmajor Fund Financial Statements and the Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 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 19, 2019 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 19, 2019

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Arvin
Statement of Net Position
June 30, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 1,789,711	\$ 1,441,649	\$ 3,231,360
Accounts receivables	3,080,982	1,649,841	4,730,823
Due from other governments	3,960	-	3,960
Due from Successor Agency	154,865	-	154,865
Prepaid expenses	511,587	-	511,587
Internal balances	110,354	(110,354)	-
Total current assets	5,651,459	2,981,136	8,632,595
Noncurrent assets:			
Notes receivable - Successor Agency	551,675	-	551,675
Capital assets:			
Nondepreciable	9,580,619	910,053	10,490,672
Depreciable, net	16,680,402	5,759,959	22,440,361
Total capital assets	26,261,021	6,670,012	32,931,033
Total noncurrent assets	26,812,696	6,670,012	33,482,708
Total assets	32,464,155	9,651,148	42,115,303
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows of resources	901,228	84,374	985,602
Total deferred outflows of resources	901,228	84,374	985,602

City of Arvin
Statement of Net Position (Continued)
June 30, 2018

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
LIABILITIES			
Current liabilities:			
Accounts payable	1,597,431	185,296	1,782,727
Accrued payroll	341,174	8,446	349,620
Deposits	230,739	-	230,739
Retention payable	275,620	-	275,620
Unearned revenue	886,629	242,000	1,128,629
Interest payable	109,051	25,868	134,919
Compensated absences - due within one year	52,933	5,891	58,825
Long-term debt - due within one year	226,418	189,885	416,303
Total current liabilities	3,719,995	657,386	4,377,382
Noncurrent liabilities:			
Compensated absences - due in more than one year	211,733	23,566	235,298
Long-term debt - due in more than one year	4,523,831	4,027,746	8,551,577
Aggregate net pension liability (Note 8)	2,229,565	232,906	2,462,471
Total noncurrent liabilities	6,965,129	4,284,218	11,249,346
Total liabilities	10,685,124	4,941,604	15,626,728
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflows of resources	65,088	14,046	79,134
Total deferred inflows of resources	65,088	14,046	79,134
NET POSITION			
Net investment in capital assets	21,235,152	2,452,381	23,687,533
Restricted:			
Transportation	412,671	-	412,671
Public safety	29,882	-	29,882
Public works	279,212	-	279,212
Planning/community development	1,051,212	-	1,051,212
Total restricted	1,772,977	-	1,772,977
Unrestricted	(392,958)	2,327,491	1,934,533
Total net position	\$ 22,615,171	\$ 4,779,872	\$ 27,395,043

City of Arvin
Statement of Activities
For the Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 2,105,033	\$ 435,361	\$ -	\$ -	\$ 435,361
Public safety	3,458,793	69,796	448,020	-	517,816
Public works	1,489,560	-	674,079	2,388,262	3,062,341
Community development	814,920	525,717	189,359	693,378	1,408,454
Interest and fiscal charges	303,153	-	-	-	-
Transit	-	-	-	243,070	243,070
Total governmental activities	<u>8,171,459</u>	<u>1,030,874</u>	<u>1,311,458</u>	<u>3,324,710</u>	<u>5,667,042</u>
Business-type activities:					
Transportation development	1,010,536	89,229	1,073,491	-	1,162,720
Sanitation	2,392,191	2,751,414	-	-	2,751,414
Total business-type activities	<u>3,402,727</u>	<u>2,840,643</u>	<u>1,073,491</u>	<u>-</u>	<u>3,914,134</u>
Total primary government	<u><u>\$ 11,574,186</u></u>	<u><u>\$ 3,871,517</u></u>	<u><u>\$ 2,384,949</u></u>	<u><u>\$ 3,324,710</u></u>	<u><u>\$ 9,581,176</u></u>

City of Arvin
Statement of Activities (Continued)
For the Year Ended June 30, 2018

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Primary government:			
Governmental activities:			
General government	\$ (1,669,672)	\$ -	\$ (1,669,672)
Public safety	(2,940,977)	-	(2,940,977)
Public works	1,572,781	-	1,572,781
Community development	593,534	-	593,534
Interest and fiscal charges	(303,153)	-	(303,153)
Transit	243,070	-	243,070
Total governmental activities	(2,504,417)	-	(2,504,417)
Business-type activities:			
Transportation development	-	152,184	152,184
Sanitation	-	359,223	359,223
Total business-type activities	-	511,407	511,407
Total primary government	(2,504,417)	511,407	(1,993,010)
 General Revenues and Transfers:			
General revenues:			
Taxes:			
Property taxes	233,034	-	233,034
Sales taxes	2,627,927	-	2,627,927
Franchise tax	418,149	-	418,149
Vehicle license fee in lieu tax	1,882,765	-	1,882,765
Other	11,884	-	11,884
Total taxes	5,173,759	-	5,173,759
Investment earnings	784	647	1,431
Revenue from use of property	58,192	-	58,192
Miscellaneous revenue	52,928	-	52,928
Transfers	81,525	(81,525)	-
Total general revenues and transfers	5,367,188	(80,878)	5,286,310
Change in net position	2,862,771	430,529	3,293,300
 Net Position:			
Beginning of year, as restated (Note 13)	19,752,400	4,349,343	24,101,743
End of year	\$ 22,615,171	\$ 4,779,872	\$ 27,395,043

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FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

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, 2018

	Major Funds			
	General	Sycamore Road Flood Reduction Special Revenue	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ -	\$ -	\$ 1,789,711	\$ 1,789,711
Accounts receivables	453,713	1,872,817	754,452	3,080,982
Prepaid items and deposits	474,146	-	37,441	511,587
Due from other funds	2,618,974	-	982,578	3,601,552
Due from other governments	3,960	-	-	3,960
Due from Successor Agency	154,865	-	-	154,865
Advances to Successor Agency	551,675	-	-	551,675
Total assets	\$ 4,257,333	\$ 1,872,817	\$ 3,564,182	\$ 9,694,332
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 594,898	\$ 723,923	\$ 278,610	\$ 1,597,431
Accrued payroll and benefits	292,613	-	48,561	341,174
Retention payable	-	82,373	193,247	275,620
Deposits payable	230,739	-	-	230,739
Due to other funds	2,112,778	961,486	416,934	3,491,198
Unearned revenue	-	-	886,629	886,629
Total liabilities	3,231,028	1,767,782	1,823,981	6,822,791
Deferred Inflows of Resources:				
Unavailable revenue	-	1,224,630	557,140	1,781,770
Total deferred inflows of resources	-	1,224,630	557,140	1,781,770
Fund Balances:				
Nonspendable	1,025,821	-	-	1,025,821
Restricted	-	-	1,772,977	1,772,977
Unassigned (deficit)	484	(1,119,595)	(589,916)	(1,709,027)
Total fund balances	1,026,305	(1,119,595)	1,183,061	1,089,771
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,257,333	\$ 1,872,817	\$ 3,564,182	\$ 9,694,332

City of Arvin
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2018

Total Fund Balances - Total Governmental Funds	\$ 1,089,771
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	26,261,021
Capital assets	<u>26,261,021</u>
Interest is recognized when due, and therefore, interest payable is not reported in the governmental fund.	
	(109,051)
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	(52,933)
Compensated absences - due in more than one year	(211,733)
Long-term debt - due within one year	(226,418)
Long-term debt - due in more than one year	<u>(4,523,831)</u>
Total long-term liabilities	<u>(5,014,915)</u>
Net pension liability is not due and payable in the current period and therefore is not reported in the governmental funds.	
	(2,229,565)
Pension related deferred outflows of resources are not reported in the governmental funds but are reported in the government-wide financial statements.	
	901,228
Pension related deferred inflows of resources are not reported in the governmental funds but are reported in government-wide financial statements	
	(65,088)
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.	
	<u>1,781,770</u>
Net Position of Governmental Activities	<u><u>\$ 22,615,171</u></u>

City of Arvin
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

	Major Funds			
	General	Sycamore Road Flood Reduction Special Revenue	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:				
Property taxes and special assessments	\$ 233,034	\$ -	\$ 113,611	\$ 346,645
Property tax in lieu of VLF	1,882,765	-	-	1,882,765
Sales tax	2,627,927	-	-	2,627,927
Franchise tax	418,149	-	-	418,149
Vehicle license tax	11,137	-	-	11,137
Other taxes	747	-	-	747
Licenses, permits and fees	511,302	-	198,001	709,303
Fines, forfeitures and penalties	7,016	-	-	7,016
Investment income (loss)	784	-	-	784
Lease revenue	58,192	-	-	58,192
Intergovernmental	183,680	727,573	2,165,090	3,076,343
Charges for current services	308,340	-	-	308,340
Other	143,315	-	47,676	190,991
Total revenues	6,386,388	727,573	2,524,378	9,638,339
EXPENDITURES:				
Current:				
General government	2,026,771	-	-	2,026,771
Public safety	3,147,341	98	187,123	3,334,562
Public works	439,403	-	554,931	994,334
Planning/community development	715,326	-	83,957	799,283
Debt services:				
Principal retirement	46,943	-	175,000	221,943
Interest and fiscal charge	7,247	-	186,855	194,102
Capital outlay	-	1,846,527	1,389,345	3,235,872
Total expenditures	6,383,031	1,846,625	2,577,211	10,806,867
REVENUES OVER (UNDER) EXPENDITURE	3,357	(1,119,052)	(52,833)	(1,168,528)
OTHER FINANCING SOURCES (USES):				
Transfers in	306,000	-	112,927	418,927
Transfers out	(31,402)	-	(306,000)	(337,402)
Total other financing sources (uses)	274,598	-	(193,073)	81,525
NET CHANGE IN FUND BALANCES	277,955	(1,119,052)	(245,906)	(1,087,003)
FUND BALANCES:				
Beginning of year, as restated (Note 13)	748,350	(543)	1,428,967	2,176,774
End of year	\$ 1,026,305	\$ (1,119,595)	\$ 1,183,061	\$ 1,089,771

See accompanying Notes to the Basic Financial Statements.

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, 2018

Net Change in Fund Balances - Total Governmental Funds \$ (1,087,003)

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	\$ 3,235,872	
Less: noncapitalized current expenditures	(118,070)	3,117,802

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.		(610,202)
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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.		53,186
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Pension expense, net of contribution made after measurement date in the amount of \$311,314, was reported as pension expense in the Government-Wide Financial Statements.		(38,270)
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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	221,943	
Interest accrual on notes payable and lease payable	(109,051)	112,892

Unavailable revenue is not recognized as revenue in the governmental funds since the revenue is not available to fund expenditures of the current year.		1,314,366
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Change in Net Position of Governmental Activities **\$ 2,862,771**

PROPRIETARY FUND FINANCIAL STATEMENTS

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, 2018

	Major Funds		
	Enterprise Funds		
	Transportation Development	Sanitation	Total
ASSETS			
Current assets:			
Cash and investments	\$ -	\$ 1,441,649	\$ 1,441,649
Accounts receivable	1,637,156	12,685	1,649,841
Due from other funds	-	1,130,200	1,130,200
Total current assets	1,637,156	2,584,534	4,221,690
Noncurrent assets:			
Capital assets:			
Non-depreciable	-	910,053	910,053
Depreciable, net	12,812	5,747,147	5,759,959
Total capital assets	12,812	6,657,200	6,670,012
Total noncurrent assets	12,812	6,657,200	6,670,012
Total assets	1,649,968	9,241,734	10,891,702
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows of resources	84,374	-	84,374
Total deferred outflows of resources	84,374	-	84,374
LIABILITIES			
Current liabilities:			
Accounts payable	43,342	141,954	185,296
Accrued payroll and benefits	8,446	-	8,446
Unearned revenue	-	242,000	242,000
Interest payable	-	25,868	25,868
Due to other funds	1,240,554	-	1,240,554
Compensated absences - due within one year	5,891	-	5,891
Long-term debt - due within one year	-	189,885	189,885
Total current liabilities	1,298,233	599,707	1,897,940
Noncurrent liabilities:			
Compensated absences - due in more than one year	23,566	-	23,566
Long-term debt - due in more than one year	-	4,027,746	4,027,746
Aggregate net pension liability	232,906	-	232,906
Total noncurrent liabilities	256,472	4,027,746	4,284,218
Total liabilities	1,554,705	4,627,453	6,182,158
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflows of resources	14,046	-	14,046
Total deferred inflows of resources	14,046	-	14,046
NET POSITION			
Net investment in capital assets	12,812	2,439,569	2,452,381
Unrestricted (deficit)	152,779	2,174,712	2,327,491
Total net position	\$ 165,591	\$ 4,614,281	\$ 4,779,872

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, 2018

	Major Funds		
	Enterprise Funds		
	Transportation Development	Sanitation	Total
OPERATING REVENUES:			
Charges for services	\$ 88,119	\$ 2,751,414	\$ 2,839,533
Other revenue	1,110	-	1,110
Total operating revenues	89,229	2,751,414	2,840,643
OPERATING EXPENSES:			
Salaries and benefits	535,887	-	535,887
Vehicle operations	145,366	-	145,366
Sanitation operations	-	1,699,263	1,699,263
General and administrative	288,082	247,101	535,183
Depreciation	41,201	279,412	320,613
Miscellaneous expense	-	7,355	7,355
Total operating expenses	1,010,536	2,233,131	3,243,667
OPERATING INCOME (LOSS)	(921,307)	518,283	(403,024)
NONOPERATING REVENUES (EXPENSES):			
Interest income	-	647	647
Interest expense	-	(159,060)	(159,060)
Intergovernmental	1,073,491	-	1,073,491
Total nonoperating revenues (expenses)	1,073,491	(158,413)	915,078
INCOME (LOSS) BEFORE TRANSFERS			
TRANSFERS:			
Transfers out	-	(81,525)	(81,525)
Total transfers	-	(81,525)	(81,525)
Change in net position	152,184	278,345	430,529
NET POSITION:			
Beginning of year	13,407	4,335,936	4,349,343
End of year	<u>\$ 165,591</u>	<u>\$ 4,614,281</u>	<u>\$ 4,779,872</u>

City of Arvin
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2018

	Major Funds		
	Enterprise Funds		
	Transportation Development	Sanitation	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 79,037	\$ 2,748,717	\$ 2,827,754
Cash payments to suppliers for goods and services	(405,687)	(1,738,965)	(2,144,652)
Cash payments to employees for services	(509,324)	-	(509,324)
Net cash provided by (used in) operating activities	<u>(835,974)</u>	<u>1,009,752</u>	<u>173,778</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Subsidy from Local Transportation Fund	1,073,491	-	1,073,491
Transfer from other funds	(408,174)	-	(408,174)
Transfer to other funds	170,657	(487,941)	(317,284)
Net cash provided by (used in) noncapital financing activities	<u>835,974</u>	<u>(487,941)</u>	<u>348,033</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal payment	-	(174,146)	(174,146)
Interest expense	-	(160,128)	(160,128)
Net cash used in capital and related financing activities	<u>-</u>	<u>(334,274)</u>	<u>(334,274)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	-	647	647
Net cash provided by investing activities	<u>-</u>	<u>647</u>	<u>647</u>
Net decrease in cash and cash equivalents	<u>-</u>	<u>188,184</u>	<u>188,184</u>
CASH AND CASH EQUIVALENTS:			
Beginning of year	-	1,253,465	1,253,465
End of year	<u>\$ -</u>	<u>\$ 1,441,649</u>	<u>\$ 1,441,649</u>
RECONCILIATION TO STATEMENT OF NET POSITION:			
Cash and investments	<u>\$ -</u>	<u>\$ 1,441,649</u>	<u>\$ 1,441,649</u>
Total cash and cash equivalents	<u>\$ -</u>	<u>\$ 1,441,649</u>	<u>\$ 1,441,649</u>

City of Arvin
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2018

	Major Funds		
	Enterprise Funds		
	Transportation Development	Sanitation	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	\$ (921,307)	\$ 518,283	\$ (403,024)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	41,201	279,412	320,613
Changes in operating assets and liabilities:			
Accounts receivable	(10,189)	(2,697)	(12,886)
Prepaid items	-	125,377	125,377
Deferred outflows of resources related to pension	(28,024)	-	(28,024)
Accounts payable	27,761	89,377	117,138
Accrued payroll	2,433	-	2,433
Accrued compensated absences	1,919	-	1,919
Aggregate net pension liability	53,452	-	53,452
Deferred inflows of resources related to pension	(3,220)	-	(3,220)
Total adjustments	85,333	491,469	576,802
Net cash provided by (used in) operating activities	\$ (835,974)	\$ 1,009,752	\$ 173,778

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FIDUCIARY FUND FINANCIAL STATEMENTS

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, 2018

	Successor Agency to the Arvin Community Redevelopment Agency Private-Purpose Trust Fund
ASSETS	
Cash and investments	\$ 369,709
Cash and investments with fiscal agent	759,741
Land held for development	3,429,581
Capital assets:	
Nondepreciable	136,973
Depreciable, net	1,198,497
Total assets	5,894,501
LIABILITIES	
Accounts payable	5,840
Due to City of Arvin	154,865
Advances from City of Arvin	551,675
Long-term debt:	
Due within one year	202,788
Due in more than one year	7,499,669
Total liabilities	8,414,837
NET POSITION (DEFICIT) HELD IN TRUST	
Unrestricted (deficit)	(2,520,336)
Total net position (deficit)	\$ (2,520,336)

City of Arvin
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2018

	Successor Agency to the Arvin Community Redevelopment Agency Private-Purpose Trust Fund
ADDITIONS:	
Redevelopment Property Tax Trust Fund	\$ 785,022
Revenue from use of money and property	11,852
Total additions	796,874
DEDUCTIONS:	
Program expenses for redevelopment	12,600
Administrative expenses	58,236
Interest and fiscal agent expenses	311,022
Depreciation expense	32,084
Total deductions	413,942
Change in net position	382,932
NET POSITION (DEFICIT):	
Beginning of year	(2,903,268)
End of year	\$ (2,520,336)

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, 2018

<u>NOTE</u>	<u>DESCRIPTION</u>	<u>PAGE</u>
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City of Arvin
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

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.

City of Arvin
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

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

B. Basis of Accounting and Measurement Focus (Continued)

Government-Wide Financial Statements (Continued)

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.

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.

City of Arvin
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

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

B. Basis of Accounting and Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

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.

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.

City of Arvin
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

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

B. Basis of Accounting and Measurement Focus (Continued)

Proprietary Fund Financial Statements (Continued)

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.

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

City of Arvin
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

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

C. Cash, Cash Equivalents and Investments (Continued)

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.

D. Cash and Investments with Fiscal Agents

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

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, 2018, 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.”

City of Arvin
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

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

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 assets include the street system, sewer collection and treatment system, park and recreation improvements, storm water conveyance system, and permanent monuments and signage.

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 and that, 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 and that, 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.

City of Arvin
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

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

L. Pension

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, 2016
Measurement Date	June 30, 2017
Measurement Period	July 1, 2016 to June 30, 2017

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.

City of Arvin
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

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

N. Net Position (Continued)

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.

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.

City of Arvin
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

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

P. Spending Policy (Continued)

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

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. 85, *Omnibus 2017*. This Statement addresses practice issues that have been identified during Implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). This Statement did not have a significant impact on the City's financial statements for the year ended June 30, 2018.

City of Arvin
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

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, 2018.

	Government-Wide Statement of Net Position			Fiduciary Funds	
	Governmental Activities	Business-Type Activities	Total	Statement of Net Position	Total
Cash and investments	\$ 1,789,711	\$ 1,441,649	\$ 3,231,360	\$ 369,709	\$ 3,601,069
Cash and investments with fiscal agents	-	-	-	759,741	759,741
Total	<u>\$ 1,789,711</u>	<u>\$ 1,441,649</u>	<u>\$ 3,231,360</u>	<u>\$ 1,129,450</u>	<u>\$ 4,360,810</u>

Cash, cash equivalents and investments consisted of the following at June 30, 2018:

Demand Deposits	\$ 1,418,687
Investments	2,182,382
Cash and investments with fiscal agents	<u>759,741</u>
Total	<u>\$ 4,360,810</u>

A. Demand Deposits

At June 30, 2018, the carrying amount of the City's deposits was \$1,418,687 and the bank balances were \$1,672,483. 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.

City of Arvin
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 2 – Cash and Investments (Continued)

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	40%	None
Commercial Paper	270 days	25%	None
State Bonds or Notes	None	None	None
Municipal Bonds or Note	None	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securitites	5 years	None	None
Repurchase Agreements	1 year	None	None
Money Market Funds	N/A	20%	None
Local Agency Investment Fund (LAIF)	N/A	None	\$50 Million**
Investment Contracts	30 years	None	None
Certificate of Deposits	1 year	None	None
Mortgage Pass-Through Securities	5 years	20%	None
Investment Pool	None	None	None

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

** Maximum is \$50 million per account.

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.

City of Arvin
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 2 – Cash and Investments (Continued)

B. Investments (Continued)

Investments Authorized by Debt Agreements (Continued)

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 Mutual 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, 2018, the City's investments had the following maturities:

Investment Type	Fair Value	Investment Maturities (In Years) <u>1 year or less</u>
Local Agency Investment Fund ("LAIF")	\$ 1,731,099	\$ 1,731,099
Money Market Mutual Funds	130,754	130,754
Central San Joaquin Valley Risk Management Authority ("CSJVRMA") Investment Pool	320,529	320,529
Total	<u>\$ 2,182,382</u>	<u>\$ 2,182,382</u>

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, 2018

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	\$ 1,731,099	Not Rated	Not Rated	79%
Money Market Mutual Funds	130,754	AAA	AAA	6%
Central San Joaquin Valley Risk Management Authority ("CSJVRMA") Investment Pool	320,529	Not Rated	Not Rated	15%
Total	\$ 2,182,382			100%

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	14.7%

D. Investment in Local Agency Investment Fund

The City's investments with LAIF at June 30, 2018, 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, 2018

Note 2 – Cash and Investments (Continued)

D. Investment in Local Agency Investment Fund (Continued)

As of June 30, 2018, the City had \$1,731,099 invested in LAIF, which had invested 2.67% 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 valued its investments in LAIF as of June 30, 2018, by multiplying its account balance with LAIF times a fair value factor determined by LAIF. This fair value factor was determined by dividing all LAIF participants' total aggregate amortized cost by total aggregate fair value. 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, 2018, this account was valued at \$320,529. The City received an average yield of -0.16% for the fiscal year ended June 30, 2018 on this investment. The City's investment in CSJVRMA is reported at amortized cost.

F. Cash and Investment with Fiscal Agents

At June 30, 2018, cash and investments with fiscal agents were as follows:

Fiduciary Fund Financial Statements:	Funds Held By	
Successor Agency Fund		
Tax Allocation Bonds 2005 Series	\$ 411,402	Wells Fargo Bank
Tax Allocation Bonds 2008 Series	348,339	Wells Fargo Bank
Total cash and investments with fiscal agents	\$ 759,741	

Note 3 – Interfund Balances and Transactions

Due to/Due from other funds

At June 30, 2018, the City had the following short-term interfund receivables and payables:

Due to other funds	Due from other funds				Total
	Governmental Funds		Proprietary Fund		
	General Fund	Nonmajor Governmental Fund	Sanitation		
Governmental Funds:					
General Fund	\$ -	\$ 982,578	\$ 1,130,200		\$ 2,112,778
Sycamore Road Flood Reduction Special Revenue Fund	961,486	-	-		961,486
Nonmajor Governmental Funds	416,934	-	-		416,934
Proprietary Fund:					
Transportation Development	1,240,554	-	-		1,240,554
Total	\$ 2,618,974	\$ 982,578	\$ 1,130,200		\$ 4,731,752

City of Arvin
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

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, 2018, transfers in and out consisted of the followings:

Transfers out	Transfers in		
	Governmental Funds		
	General Fund	Nonmajor Governmental Fund	Total
Governmental Funds:			
General Fund	\$ -	\$ 31,402	\$ 31,402
Nonmajor Governmental Funds	306,000	-	306,000
Proprietary Fund:			
Sanitation Enterprise Fund	-	81,525	81,525
Total	\$ 306,000	\$ 112,927	\$ 418,927

With Council approval, resources may be transferred from one City fund to another. Transfer from Prop 1B Special Revenue Fund to General Fund in the amount of \$306,000 was to close the fund. Transfers from General Fund to Prop 84 Park Grant Special Revenue Fund in the amount of \$31,402 were to provide funding for park projects. Transfers from Sanitation Enterprise Fund to Traffic Impact Fees Special Revenue Fund 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, 2018 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 \$551,675 to the Successor Agency to fund operating expenses. At June 30, 2018, total principal and interest outstanding was \$551,675. 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, 2018

Note 5 – Capital Assets

A. Government-Wide Financial Statements

Summary of changes in capital assets for governmental activities for the year ended June 30, 2018 are as follows:

	Balance July 1, 2017	Additions	Deletions	Transfers	Balance June 30, 2018
Governmental Activities:					
Capital assets, not being depreciated					
Land	\$ 234,035	\$ -	\$ -	\$ -	\$ 234,035
Construction in progress	9,739,277	2,981,324	-	(3,374,017)	9,346,584
Total capital assets, not being depreciated	<u>9,973,312</u>	<u>2,981,324</u>	<u>-</u>	<u>(3,374,017)</u>	<u>9,580,619</u>
Capital assets, being depreciated					
Building and improvements	5,160,491	-	-	-	5,160,491
Machinery and equipment	1,599,891	-	-	-	1,599,891
Automotive equipment	2,043,634	122,616	-	-	2,166,250
Infrastructure	11,526,047	13,862	-	3,374,017	14,913,926
Total capital assets, being depreciated	<u>20,330,063</u>	<u>136,478</u>	<u>-</u>	<u>3,374,017</u>	<u>23,840,558</u>
Accumulated depreciation:					
Building and improvements	(2,286,872)	(131,273)	-	-	(2,418,145)
Machinery and equipment	(1,362,877)	(39,829)	-	-	(1,402,706)
Automotive equipment	(1,728,227)	(103,370)	-	-	(1,831,597)
Infrastructure	(1,171,978)	(335,730)	-	-	(1,507,708)
Total accumulated depreciation	<u>(6,549,954)</u>	<u>(610,202)</u>	<u>-</u>	<u>-</u>	<u>(7,160,156)</u>
Total capital assets, being depreciated, net	<u>13,780,109</u>	<u>(473,724)</u>	<u>-</u>	<u>3,374,017</u>	<u>16,680,402</u>
Total capital assets, net	<u>\$ 23,753,421</u>	<u>\$ 2,507,600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,261,021</u>

Depreciation expense was charged to functions/programs as follows:

General government	\$ 113,077
Public safety	89,430
Public works	392,058
Community development	15,637
Total depreciation expenses	<u><u>\$ 610,202</u></u>

City of Arvin
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

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, 2018 are as follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Business-Type Activities:				
Capital assets, not being depreciated				
Land	\$ 910,053	\$ -	\$ -	\$ 910,053
Total capital assets, not being depreciated	910,053	-	-	910,053
Capital assets, being depreciated				
Building and improvements	4,216,103	-	-	4,216,103
Machinery and equipment	127,090	-	-	127,090
Automotive equipment	909,156	-	-	909,156
Infrastructure	6,398,644	-	-	6,398,644
Total capital assets, being depreciated	11,650,993	-	-	11,650,993
Accumulated depreciation:				
Building and improvements	(2,192,293)	(102,982)	-	(2,295,275)
Machinery and equipment	(107,091)	(7,187)	-	(114,278)
Automotive equipment	(875,142)	(34,014)	-	(909,156)
Infrastructure	(2,395,895)	(176,430)	-	(2,572,325)
Total accumulated depreciation	(5,570,421)	(320,613)	-	(5,891,034)
Total capital assets, being depreciated, net	6,080,572	(320,613)	-	5,759,959
Total capital assets, net	\$ 6,990,625	\$ (320,613)	\$ -	\$ 6,670,012

Depreciation expenses for business-type activities for the year ended June 30, 2018 are as follows:

Transportation Development	\$ 41,201
Sanitation	279,412
Total depreciation expenses	\$ 320,613

City of Arvin
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

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, 2018 are as follows:

	Balance July 1, 2017	Additions	Deletions	Transfers	Balance June 30, 2018
Fiduciary-Type Activities:					
Capital assets, not being depreciated					
Construction in progress	\$ 378,863	\$ -	\$ -	\$ (241,890)	\$ 136,973
Total capital assets, not being depreciated	378,863	-	-	(241,890)	136,973
Capital assets, being depreciated					
Building and improvements	460,540	-	-	-	460,540
Infrastructure	805,509	-	-	241,890	1,047,399
Vehicles	226,698	-	-	-	226,698
Total capital assets, being depreciated	1,492,747	-	-	241,890	1,734,637
Accumulated depreciation:					
Building and improvements	(113,927)	(12,380)	-	-	(126,307)
Infrastructure	(163,430)	(19,704)	-	-	(183,134)
Vehicles	(226,699)	-	-	-	(226,699)
Total accumulated depreciation	(504,056)	(32,084)	-	-	(536,140)
Total capital assets, being depreciated, net	988,691	(32,084)	-	241,890	1,198,497
Total capital assets, net	\$ 1,367,554	\$ (32,084)	\$ -	\$ -	\$ 1,335,470

Depreciation expenses for fiduciary activities for the year ended June 30, 2018 was \$32,084.

City of Arvin
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 6 – Long-Term Debt

A. Governmental Activities

Summary of changes in governmental activities long-term debt for the year ended June 30, 2018 are as follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Amount Due Within One Year	Amount Due In More Than One Year
North Bakersfield Toyota	\$ 2,819	\$ -	\$ (2,819)	\$ -	\$ -	\$ -
Jewett Square Lease Financing Agreement	4,830,000	-	(175,000)	4,655,000	180,000	4,475,000
Ford Motor Credit Company	139,373	-	(44,124)	95,249	46,418	48,831
Total	<u>\$ 4,972,192</u>	<u>\$ -</u>	<u>\$ (221,943)</u>	<u>\$ 4,750,249</u>	<u>\$ 226,418</u>	<u>\$ 4,523,831</u>

North Bakersfield Toyota – Original Loan \$15,363

On May 15, 2013 the City entered into a financing agreement with North Bakersfield Toyota for the purchase of a 2013 Toyota Prius Plug-in. Payments are \$257 per month for 59 months with 0% interest ending May 30, 2018. The loan was paid off during the year ended June 30, 2018.

The cost of the vehicle was \$35,363 and the accumulated depreciation at June 30, 2018 was \$35,363.

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%.

The annual debt service requirements on the lease financing agreement outstanding at June 30, 2018, were as follows:

Year Ending June 30,	Principal	Interest	Total
2019	\$ 180,000	\$ 183,407	\$ 363,407
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
2024-2028	1,200,000	632,370	1,832,370
2029-2033	1,455,000	376,270	1,831,270
2034-2036	1,015,000	80,967	1,095,967
Total	<u>\$ 4,655,000</u>	<u>\$ 1,932,373</u>	<u>\$ 6,587,373</u>

City of Arvin
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 6 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

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, 2018 was \$95,249.

The assets acquired through capital leases are as follows:

	Governmental Activities
Assets:	
Vehicles	\$ 190,744
Less: accumulated depreciation	(54,044)
Total	\$ 136,700

The annual debt service requirements outstanding at June 30, 2018, were as follows:

Fiscal Year	Governmental Activities
2019	\$ 51,371
2020	51,371
Subtotal	102,742
Less amount representing interest	7,493
Present Value of Future Minimum Lease Payment	\$ 95,249

B. Business-Type Activities

Summary of changes in business-type activities long-term debt for the year ended June 30, 2018 are as follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Amount Due Within One Year	Amount Due In More Than One Year
2016 Wasterwater Revenue Refunding Note	\$ 4,391,777	\$ -	\$ (174,146)	\$ 4,217,631	\$ 189,885	\$ 4,027,746
Total	\$ 4,391,777	\$ -	\$ (174,146)	\$ 4,217,631	\$ 189,885	\$ 4,027,746

City of Arvin
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 6 – Long-Term Debt (Continued)

B. Business-Type Activities (Continued)

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, 2018 was \$4,217,631.

The annual debt service requirements on the agreement outstanding at June 30, 2018, were as follows:

Year Ending June 30,	Principal	Interest	Total
2019	\$ 189,885	\$ 153,494	\$ 343,379
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
2024-2028	1,227,170	489,770	1,716,940
2029-2033	1,472,636	244,346	1,716,982
2034-2035	495,204	18,334	513,538
Total	<u>\$ 4,217,631</u>	<u>\$ 1,446,736</u>	<u>\$ 5,664,367</u>

C. Fiduciary Funds

Summary of changes in fiduciary funds long-term debt for the year ended June 30, 2018 are as follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Amount Due Within One Year	Amount Due In More Than One Year
2005 Tax Allocation Bonds	\$ 4,875,000	\$ -	\$ (160,000)	\$ 4,715,000	\$ 170,000	\$ 4,545,000
2008 Tax Allocation Bonds	3,255,000	-	(45,000)	3,210,000	45,000	3,165,000
Total Tax Allocation Bonds	<u>8,130,000</u>	<u>-</u>	<u>(205,000)</u>	<u>7,925,000</u>	<u>215,000</u>	<u>7,710,000</u>
Less deferred amounts:						
Bond discounts	(234,755)	-	12,212	(222,543)	(12,212)	(210,331)
Total deferred amounts	<u>(234,755)</u>	<u>-</u>	<u>12,212</u>	<u>(222,543)</u>	<u>(12,212)</u>	<u>(210,331)</u>
Total	<u>\$ 7,895,245</u>	<u>\$ -</u>	<u>\$ (192,788)</u>	<u>\$ 7,702,457</u>	<u>\$ 202,788</u>	<u>\$ 7,499,669</u>

City of Arvin
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

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 and issuance costs will be 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, 2018 were \$4,715,000.

The annual debt service requirements on the loan outstanding at June 30, 2018, were as follows:

Year Ending June 30,	Principal	Interest	Total
2019	\$ 170,000	\$ 234,103	\$ 404,103
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
2024-2028	1,180,000	823,066	2,003,066
2029-2033	1,505,000	482,903	1,987,903
2034-2036	1,100,000	86,356	1,186,356
Total	<u>\$ 4,715,000</u>	<u>\$ 2,476,523</u>	<u>\$ 7,191,523</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 and issuance costs will be 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, 2018 were \$3,210,000.

The annual debt service requirements on the loan outstanding at June 30, 2018, were as follows:

Year Ending June 30,	Principal	Interest	Total
2019	\$ 45,000	\$ 206,463	\$ 251,463
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
2024-2028	350,000	905,125	1,255,125
2029-2033	485,000	770,413	1,255,413
2034-2038	1,500,000	531,375	2,031,375
2039	615,000	19,988	634,988
Total	<u>\$ 3,210,000</u>	<u>\$ 3,229,202</u>	<u>\$ 6,439,202</u>

City of Arvin
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

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 2018 was \$785,022. Total debt service of all Tax Allocation Bonds paid was \$655,673, 83.5% 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, 2018, was as follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Amount Due Within One Year	Amount Due in More Than One Year
Governmental Activities	\$ 317,852	\$ 96,079	\$ (149,265)	\$ 264,666	\$ 52,933	\$ 211,733
Business-Type Activities	27,538	13,350	(11,431)	29,457	5,891	23,566
Total	\$ 345,390	\$ 109,429	\$ (160,696)	\$ 294,123	\$ 58,825	\$ 235,298

The City’s liability for vested and unpaid compensated absences (accrued vacation) has been accrued and totaled to \$264,666 for governmental activities and \$29,457 for business-type activities at June 30, 2018. 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, 2018

Note 8 – Retirement Plans

<u>Governmental Activities</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Deferred outflows of resources:			
Pension contribution after measurement date			
Miscellaneous	\$ 125,519	\$ 27,088	\$ 152,607
Safety	185,795	-	185,795
Total pension contribution after measurement date	311,314	27,088	338,402
Change in assumption			
Miscellaneous	183,477	39,594	223,071
Safety	223,223	-	223,223
Total change in assumption	406,700	39,594	446,294
Difference between expected and actual experience			
Safety	12,323	-	12,323
Difference between City's contribution and proportionate share of contribution			
Safety	20,113	-	20,113
Difference in projected and actual earnings on pension investments			
Miscellaneous	44,919	9,694	54,613
Safety	52,714	-	52,714
Total difference in projected and actual earnings on pension investments:	97,633	9,694	107,327
Adjustment due to difference in proportion			
Miscellaneous	37,062	7,998	45,060
Safety	16,083	-	16,083
Total adjustment due to difference in proportion	53,145	7,998	61,143
Total deferred outflows of resources	\$ 901,228	\$ 84,374	\$ 985,602
Net pension liabilities:			
Miscellaneous	\$ 1,079,263	\$ 232,906	\$ 1,312,169
Safety	1,150,302	-	1,150,302
Total net pension liabilities	\$ 2,229,565	\$ 232,906	\$ 2,462,471
Deferred inflows of resources:			
ER contributions in excess/(under) proportionated contributions			
Miscellaneous	\$ 43,755	\$ 9,442	\$ 53,197
Difference between expected and actual experience			
Miscellaneous	21,333	4,604	25,937
Deferred inflows of resources:	\$ 65,088	\$ 14,046	\$ 79,134
Pension Expense			
Miscellaneous	171,446	49,294	220,740
Safety	178,138	-	178,138
Pension Expense	\$ 349,584	\$ 49,294	\$ 398,878

City of Arvin
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 8 – Retirement Plans (Continued)

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 executive office at 400 “P” Street, Sacramento, California 95814.

Employees Covered by Benefit Terms

At valuation date of June 30, 2016, the following employees were covered by the benefit terms:

	Plans			
	Miscellaneous		Safety	
	Classic	PEPRA	Classic	PEPRA
Active employees	16	12	11	7
Transferred and terminated employees	37	3	35	2
Retired Employees and Beneficiaries	25	-	17	-
Total	78	15	63	9

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.

City of Arvin
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 8 – Retirement Plans (Continued)

General Information about the Pension Plan (Continued)

Benefit Provided (Continued)

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.

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 periods ended June 30, 2017 (the measurement date), the contribution rates were as follows:

Measurement Period Ended June 30, 2017		
Plans	Active Employee Contribution Rate	Employer Contribution Rate
Miscellaneous Classic	7.000%	8.377%
Miscellaneous PEPR	6.250%	6.555%
Safety Classic	7.000%	12.055%
Safety PEPR	9.500%	9.418%

City of Arvin
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 8 – Retirement Plans (Continued)

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, 2017 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2016 total pension liability. The June 30, 2017 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	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.15% Net of Pension Plan Investment; includes Inflation
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds. The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

All other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Change of Assumptions

In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees' Retirement Fund ("PERF"). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS website under the GASB 68 section.

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

City of Arvin
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 8 – Retirement Plans (Continued)

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

Discount Rate (Continued)

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 (“PERF”) cash flows. Taking into account historical returns of all the PERF’s asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C fund), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 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 PERF fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2014.

<u>Asset Class</u>	<u>Current Target Allocation</u>	<u>Real Return Years 1-10¹</u>	<u>Real Return Years 11+²</u>
Global Equity	47.00%	4.90%	5.38%
Global Fixed Income	19.00%	0.80%	2.27%
Inflation Sensitive	6.00%	0.60%	1.39%
Private Equity	12.00%	6.60%	6.63%
Real Estate	11.00%	2.80%	5.21%
Absolute Return Strategy	3.00%	3.90%	5.36%
Liquidity	2.00%	-0.40%	-0.90%
	<u>100%</u>		

¹An expected inflation of 2.5% used for Years 1-10

²An expected inflation of 3.0% used for Years 11+

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/(Asset)</u>		
	<u>Discount Rate - 1% (6.15%)</u>	<u>Current Discount Rate (7.15%)</u>	<u>Discount Rate + 1% (8.15%)</u>
Miscellaneous	\$ 2,045,479	\$ 1,312,169	\$ 704,828
Safety	\$ 1,719,854	\$ 1,150,302	\$ 684,722

City of Arvin
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 8 – Retirement Plans (Continued)

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

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:

	Increase (Decrease)		
	Plan Total Pension Liability	Plan Fiduciary Net Position	Plan Net Pension Liability/(Asset)
Miscellaneous Plan			
Balance at: 6/30/16 (Valuation date)	\$ 5,241,788	\$ 4,157,912	\$ 1,083,876
Balance at: 6/30/17 (Measurement date)	\$ 5,787,099	\$ 4,474,930	\$ 1,312,169
Net Changes during 2016-2017	\$ 545,311	\$ 317,018	\$ 228,293
Safety Plan			
Balance at: 6/30/16 (Valuation date)	\$ 5,089,585	\$ 4,139,992	\$ 949,593
Balance at: 6/30/17 (Measurement date)	\$ 5,708,462	\$ 4,558,160	\$ 1,150,302
Net Changes during 2016-2017	\$ 618,877	\$ 418,168	\$ 200,709

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, 2016). 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, 2017). 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, 2017 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2016-17).
- (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.

City of Arvin
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

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)

- (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, 2016	0.012526%	0.010974%
June 30, 2017	0.013231%	0.011599%
Change - Increase (Decrease)	0.000705%	0.000625%

For the year ended June 30, 2018, the City recognized pension expense in the amounts of \$220,740 and \$178,138 for the miscellaneous and safety plans, respectively.

City of Arvin
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

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, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Miscellaneous		
	Deferred outflows of resources	Deferred inflows of resources
Contribution made after measurement date	\$ 152,607	\$ -
Changes of assumptions	223,071	-
Difference between expected and actual experience	-	(25,937)
Difference between projected and actual earning on pension plan investments	54,613	-
Adjustment due to differences in proportions	45,060	-
Difference between City contributions and proportionate share of contributions	-	(53,197)
Total	<u>\$ 475,351</u>	<u>\$ (79,134)</u>
Safety		
	Deferred outflows of resources	Deferred inflows of resources
Contribution made after measurement date	\$ 185,795	\$ -
Changes of assumptions	223,223	-
Difference between expected and actual experience	12,323	-
Difference between projected and actual earning on pension plan investments	52,714	-
Adjustment due to differences in proportions	16,083	-
Difference between City contributions and proportionate share of contributions	20,113	-
Total	<u>\$ 510,251</u>	<u>\$ -</u>

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 (“EARSL”) 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 EARSL for risk pool for the 2016-17 measurement period is 3.8 years, which was obtained by dividing the total service years of 490,088 (the sum of remaining service lifetimes of the active employees) by 130,595 (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, 2018

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)

\$152,607 and \$185,795 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. It will be recognized as a reduction of the collective net pension liability in the year ending June 30, 2019. 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
2018	\$ 37,081	\$ 66,775
2019	150,853	176,670
2020	88,101	112,856
2021	(32,425)	(30,845)
	\$ 243,610	\$ 325,456

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 1831 K Street, Sacramento, California 95814.

City of Arvin
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

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, 2018, are presented below:

Total assets	\$ 110,234,633
Total liabilities	\$ 92,209,231
Total equities	\$ 18,025,402
Total revenues	\$ 47,652,408
Total expenses	\$ 47,601,577
Revenues over (under) expenses	\$ 50,831

Note 10 – Other Required Disclosures

A. Deficit Net Position/Fund Balance

At June 30, 2018, the following funds had deficit net position/fund balance:

Fund Type	Funds	Deficit
Special Revenue Fund	Sycamore Road Flood Reduction	\$ (1,119,595)
Special Revenue Fund	Community Development Block Grant	(208,226)
Special Revenue Fund	Traffic HSIP Derby Signal Light	(25,763)
Special Revenue Fund	Caltrans	(2,201)
Special Revenue Fund	CalRecycle Grant	(170)
Special Revenue Fund	Water Element Grant	(7,000)
Special Revenue Fund	CalFire Urban Forestry	(2,298)
Capital Project Fund	Jewett Square Development	(342,644)
Capital Project Fund	TDA3 Digiorgio	(1,614)
Fiduciary Fund	Successor Agency Private Purpose Trust Fund	(2,520,336)

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, 2018, the City's Government-Wide Financial Statements had a deficit unrestricted net position for its governmental activities of \$(392,958), which was mainly due to the net pension liabilities in the amount of \$2,229,565.

City of Arvin
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

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
Major Governmental Funds:			
General Fund			
Current:			
Public works	\$ 370,739	\$ 439,403	\$ (68,664)
Planning/community development	549,150	715,326	(166,176)
Nonmajor Governmental Funds:			
LLMD Special Revenue Fund			
Current:			
Public works	116,650	136,721	(20,071)
Traffic HSIP Derby Signal Light Special Revenue Fund			
Current:			
Public safety	-	45,609	(45,609)
Park Fees Special Revenue Fund			
Debt services:			
Principal retirement	-	24,553	(24,553)
Interest and fiscal charge	-	26,583	(26,583)
AB109 Special Revenue Fund			
Current:			
Public safety	10,000	11,009	(1,009)
CalTrans Special Revenue Fund			
Current:			
Planning/community development	6,909	7,529	(620)
Traffic Impact Fees Special Revenue Fund			
Debt services:			
Principal retirement	-	150,447	(150,447)
Interest and fiscal charge	-	160,272	(160,272)
Jewett Square Development			
Current:			
Planning/community development	-	11,731	(11,731)
Capital outlay	310,059	430,827	(120,768)

City of Arvin
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 11 – Classification of Fund Balances

At June 30, 2018, fund balances are classified as follows:

	Major Funds			Total
	General Fund	Special Revenue		
		Sycamore Road Flood Reduction	Non-Major Governmental Funds	
Nonspendable:				
Prepaid items and deposits	\$ 474,146	\$ -	\$ -	\$ 474,146
Advances to Successor Agency	551,675	-	-	551,675
Total nonspendable	1,025,821	-	-	1,025,821
Restricted:				
Traffic impact fees	-	-	744,578	744,578
TEA	-	-	74,077	74,077
COPS program	-	-	474	474
LLMD District	-	-	94,652	94,652
Traffic offenders law enforcement	-	-	10,759	10,759
TDA Non-Transit	-	-	20,797	20,797
Safe route to school	-	-	5,894	5,894
Park fees	-	-	296,755	296,755
AB109	-	-	11,284	11,284
RSTP	-	-	332,700	332,700
Asset forfeiture	-	-	41	41
PTMISEA Fence Grant	-	-	39,792	39,792
Franklin St. project	-	-	9,879	9,879
PD plug in vehicles 2017	-	-	7,324	7,324
Road maintenance & rehab	-	-	123,971	123,971
Total restricted	-	-	1,772,977	1,772,977
Unassigned	484	(1,119,595)	(589,916)	(1,709,027)
Total fund balances	\$ 1,026,305	\$ (1,119,595)	\$ 1,183,061	\$ 1,089,771

Note 12 – Commitments and Contingencies

A. Pending Litigations

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, 2018

Note 12 – Commitments and Contingencies (Continued)

B. Grants

The City has received grants for specific purposes that are subject to review and audit by the granting and oversight agencies. Although such audits could result in expenditure disallowance under grant terms, and any required reimbursements are not expected to be material, except for the finding report in the City’s Active Transportation Audit Report issued by California Department of Transportation (“Caltrans”) Independent Office of Audits and Investigations on June 29, 2018. Based on the Caltrans audit, \$557,986 of the reimbursed project costs were not in compliance with the Active Transportation Program application and agreement. The City is currently working with Caltrans to complete the project by using other funding sources instead of returning the received funds.

Note 13 – Prior Period Adjustments

A. Government-Wide Financial Statements

The net position at July 1, 2017 for Governmental Activities was restated as follows:

		Total Governmental Activities
Net Position at July 1, 2017 as previously reported	\$	19,310,242
Insurance deposits		442,158
Net Position at July 1, 2017, as restated	\$	19,752,400

B. Fund Financial Statements

The total fund balances at July 1, 2017 were restated as follows:

			Total Governmental Fund
	General Fund		Fund
Fund Balance at July 1, 2017 as previously reported	\$ 306,192	\$	1,734,616
Insurance deposits	442,158		442,158
Fund Balance at July 1, 2017, as restated	\$ 748,350	\$	2,176,774

The beginning fund balance for General Fund was restated from \$306,192 to \$748,350 due to the correction of the insurance deposits which were not recorded in the prior year.

**REQUIRED SUPPLEMENTARY
INFORMATION (UNAUDITED)**

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City of Arvin
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
For the Year Ended June 30, 2018

Budget Comparison Schedule, General Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ 415,714	\$ 415,714	\$ 233,034	\$ (182,680)
Property taxes in lieu of VLF	1,592,604	1,592,604	1,882,765	290,161
Sales tax	1,901,206	1,901,206	2,627,927	726,721
Franchise tax	385,625	385,625	418,149	32,524
Vehicle license tax	105,000	105,000	11,137	(93,863)
Other taxes	389	47,906	747	(47,159)
Licenses, permits and fees	505,488	525,771	511,302	(14,469)
Fines, forfeitures and penalties	17,000	17,000	7,016	(9,984)
Investment income	-	-	784	784
Lease revenue	50,846	50,846	58,192	7,346
Intergovernmental	425,543	207,543	183,680	(23,863)
Charges for current services	248,812	308,248	308,340	92
Other	34,575	1,134,575	143,315	(991,260)
Total revenues	<u>5,682,802</u>	<u>6,692,038</u>	<u>6,386,388</u>	<u>(305,650)</u>
EXPENDITURES:				
Current:				
General government	2,226,446	2,251,155	2,026,771	224,384
Public safety	3,879,088	3,352,034	3,147,341	204,693
Public works	301,556	370,739	439,403	(68,664)
Planning/community development	707,166	549,150	715,326	(166,176)
Capital outlay	417,008	-	-	-
Debt services:				
Principal retirement	46,943	46,943	46,943	-
Interest and fiscal charge	7,247	7,247	7,247	-
Total expenditures	<u>7,585,454</u>	<u>6,577,268</u>	<u>6,383,031</u>	<u>194,237</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,902,652)</u>	<u>114,770</u>	<u>3,357</u>	<u>(111,413)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	2,040,742	-	306,000	306,000
Transfers out	(65,441)	(441)	(31,402)	(30,961)
Total other financing sources (uses)	<u>1,975,301</u>	<u>(441)</u>	<u>274,598</u>	<u>275,039</u>
NET CHANGE IN FUND BALANCE	<u>\$ 72,649</u>	<u>\$ 114,329</u>	<u>277,955</u>	<u>\$ 163,626</u>
FUND BALANCE:				
Beginning of year, as restated (Note 13)			<u>748,350</u>	
End of year			<u>\$ 1,026,305</u>	

City of Arvin
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule (Continued)
For the Year Ended June 30, 2018

Budget Comparison Schedule, Sycamore Road Flood Reduction Special Revenue Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 3,526,888	\$ 1,416,798	\$ 727,573	\$ (689,225)
Total revenues	<u>3,526,888</u>	<u>1,416,798</u>	<u>727,573</u>	<u>(689,225)</u>
EXPENDITURES:				
Current:				
Public safety	98	98	98	-
Capital outlay	3,547,293	3,547,293	1,846,527	1,700,766
Total expenditures	<u>3,547,391</u>	<u>3,547,391</u>	<u>1,846,625</u>	<u>1,700,766</u>
NET CHANGE IN FUND BALANCE	<u>\$ (20,503)</u>	<u>\$ (2,130,593)</u>	(1,119,052)	<u>\$ 1,011,541</u>
FUND BALANCE:				
Beginning of year			(543)	
End of year			<u>\$ (1,119,595)</u>	

City of Arvin
Required Supplementary Information (Unaudited)
Notes to the Budgetary Comparison Schedule
For the Year Ended June 30, 2018

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, 2018, there were no adopted operating budgets for TEA Special Revenue Fund, Community Development Block Grant Special Revenue Fund, Prop 1B Special Revenue Fund, Safe Route to School Special Revenue Fund, RSTP Special Revenue Fund, CalRecycle Grant Special Revenue Fund, Road Maintenance & Rehab Special Revenue Fund, Water Element Special Revenue Fund, Franklin St. Project Capital Projects Fund, TDA3 Digiorgio Capital Projects Fund, and PD Plug In Vehicles 2017 Capital Projects Fund.

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, 2018

Last Ten Fiscal Years

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

Measurement Date	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014¹</u>
City Proportion of the Net Pension Liability/(Asset)	0.013231%	0.012526%	0.010827%	0.010823%
City's Proportionate Share of the net Pension Liability/(Asset)	\$ 1,312,169	\$ 1,083,876	\$ 743,178	\$ 673,435
City's Covered Payroll	\$ 1,703,769	\$ 1,311,081	\$ 1,278,371	\$ 1,205,541
City's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of Its Covered Payroll	<u>77.02%</u>	<u>82.67%</u>	<u>58.13%</u>	<u>55.86%</u>
 Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	 <u>77.33%</u>	 <u>79.32%</u>	 <u>85.12%</u>	 <u>84.57%</u>

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

Measurement Date	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014¹</u>
City Proportion of the Net Pension Liability/(Asset)	0.011599%	0.010974%	0.008872%	0.012158%
City's Proportionate Share of the net Pension Liability/(Asset)	\$ 1,150,302	\$ 949,593	\$ 608,986	\$ 756,538
City's Covered Payroll	\$ 1,339,763	\$ 1,259,532	\$ 1,148,898	\$ 1,170,125
City's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of Its Covered Payroll	<u>85.86%</u>	<u>75.39%</u>	<u>53.01%</u>	<u>64.65%</u>
 Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	 <u>79.85%</u>	 <u>81.34%</u>	 <u>86.97%</u>	 <u>82.68%</u>

¹ 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
For the Year Ended June 30, 2018

Last Ten Fiscal Years

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

Fiscal year	2017-18	2016-17	2015-16	2014-15	2013-14 ¹
Actuarially determined contribution	\$ 123,154	\$ 126,562	\$ 106,497	\$ 63,299	\$ 80,511
Contributions in relation to the actuarially determined contribution ²	(152,607)	(145,079)	(106,497)	(63,299)	(80,511)
Contribution deficiency (excess)	<u>\$ (29,453)</u>	<u>\$ (18,517)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ³	\$ 1,754,882	\$ 1,703,769	\$ 1,311,081	\$ 1,278,371	\$ 1,205,541
Contributions as a percentage of covered payroll	7.02%	7.43%	8.12%	4.95%	6.68%

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

Fiscal year	2017-18	2016-17	2015-16	2014-15	2013-14 ¹
Actuarially determined contribution	\$ 148,928	\$ 146,166	\$ 158,695	\$ 128,424	\$ 143,373
Contributions in relation to the actuarially determined contribution ²	(185,795)	(171,887)	(158,695)	(128,424)	(143,373)
Contribution deficiency (excess)	<u>\$ (36,867)</u>	<u>\$ (25,721)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ³	\$ 1,379,956	\$ 1,339,763	\$ 1,259,532	\$ 1,148,898	\$ 1,170,125
Contributions as a percentage of covered payroll	10.79%	10.91%	12.60%	11.18%	12.25%

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

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

³ Payroll from prior year (\$1,703,769 for miscellaneous plan and \$1,339,763 for safety plan) was assumed to increase by the 3.00% payroll growth assumption.

Notes to Schedule:

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2016. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

Changes of Assumptions: 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.

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SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

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.

Prop 1B Fund - Accounts for the grants received which have been restricted to help pay for a new traffic signal and security cameras for new buses.

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, 2016, 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.

NONMAJOR

GOVERNMENTAL FUNDS (CONTINUED)

Special Revenue Funds (Continued):

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.

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.

Prop 84 Park Fund - Accounts for the grants received that are restricted for use to projects relating to safe drinking water, water quality and supply, flood control, water pollution and contamination control, and state and local park improvements.

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

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 vehicles and installation of EV stations.

City of Arvin
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	Special Revenue				
	TEA	Community Development Block Grant	COPS Program	LLMD	Traffic Offender
ASSETS					
Cash and investments	\$ 74,077	\$ -	\$ 170,718	\$ 101,371	\$ 10,759
Accounts receivables	-	98,474	-	-	-
Due from other funds	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	\$ 74,077	\$ 98,474	\$ 170,718	\$ 101,371	\$ 10,759
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 5,131	\$ -	\$ 5,169	\$ -
Accrued payroll and benefits	-	-	7,763	1,550	-
Retention payable	-	-	-	-	-
Due to other funds	-	203,095	-	-	-
Unearned revenue	-	-	162,481	-	-
Total liabilities	-	208,226	170,244	6,719	-
Deferred Inflows of Resources:					
Unavailable revenue	-	98,474	-	-	-
Total deferred inflows of resources	-	98,474	-	-	-
Fund Balances:					
Restricted	74,077	-	474	94,652	10,759
Unassigned (deficit)	-	(208,226)	-	-	-
Total fund balances	74,077	(208,226)	474	94,652	10,759
Total liabilities, deferred inflows of resources, and fund balances	\$ 74,077	\$ 98,474	\$ 170,718	\$ 101,371	\$ 10,759

(Continued)

City of Arvin
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2018

	Special Revenue				
	Prop 1B	Traffic HSIP Derby Signal Light	TDA Non-Transit	Federal Police Grant	Safe Route to School
ASSETS					
Cash and investments	\$ -	\$ -	\$ 20,831	\$ 86,890	\$ 135,068
Accounts receivables	-	30,677	440,185	-	-
Due from other funds	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	\$ -	\$ 30,677	\$ 461,016	\$ 86,890	\$ 135,068
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 12,162	\$ -	\$ -	\$ -
Accrued payroll and benefits	-	-	34	-	-
Retention payable	-	-	-	-	-
Due to other funds	-	25,797	-	-	-
Unearned revenue	-	-	-	86,890	129,174
Total liabilities	-	37,959	34	86,890	129,174
Deferred Inflows of Resources:					
Unavailable revenue	-	18,481	440,185	-	-
Total deferred inflows of resources	-	18,481	440,185	-	-
Fund Balances:					
Restricted	-	-	20,797	-	5,894
Unassigned (deficit)	-	(25,763)	-	-	-
Total fund balances	-	(25,763)	20,797	-	5,894
Total liabilities, deferred inflows of resources, and fund balances	\$ -	\$ 30,677	\$ 461,016	\$ 86,890	\$ 135,068

(Continued)

City of Arvin
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2018

	Special Revenue				
	Park Fees	AB109	State Gas Tax	RSTP	Asset Forfeiture
ASSETS					
Cash and investments	\$ 292,755	\$ 56,067	\$ 53,297	\$ 332,700	\$ 10,795
Accounts receivables	4,000	-	34,543	-	-
Due from other funds	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	\$ 296,755	\$ 56,067	\$ 87,840	\$ 332,700	\$ 10,795
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 1,927	\$ -	\$ -
Accrued payroll and benefits	-	11,052	28,162	-	-
Retention payable	-	-	-	-	-
Due to other funds	-	-	57,751	-	-
Unearned revenue	-	33,731	-	-	10,754
Total liabilities	-	44,783	87,840	-	10,754
Deferred Inflows of Resources:					
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances:					
Restricted	296,755	11,284	-	332,700	41
Unassigned (deficit)	-	-	-	-	-
Total fund balances	296,755	11,284	-	332,700	41
Total liabilities, deferred inflows of resources, and fund balances	\$ 296,755	\$ 56,067	\$ 87,840	\$ 332,700	\$ 10,795

(Continued)

City of Arvin
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2018

	Special Revenue				
	PTMISEA Fence Grant	CalTrans	CalRecycle Grant	Prop 84 Park Grant	Road Maintenance & Rehab
ASSETS					
Cash and investments	\$ 271,051	\$ -	\$ -	\$ -	79,129
Accounts receivables	-	5,328	-	-	44,842
Due from other funds	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	\$ 271,051	\$ 5,328	\$ -	\$ -	\$ 123,971
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 5,660	3,347	-	-	\$ -
Accrued payroll and benefits	-	-	-	-	-
Retention payable	-	-	-	-	-
Due to other funds	-	4,182	170	-	-
Unearned revenue	225,599	-	-	-	-
Total liabilities	231,259	7,529	170	-	-
Deferred Inflows of Resources:					
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances:					
Restricted	39,792	-	-	-	123,971
Unassigned (deficit)	-	(2,201)	(170)	-	-
Total fund balances	39,792	(2,201)	(170)	-	123,971
Total liabilities, deferred inflows of resources, and fund balances	\$ 271,051	\$ 5,328	\$ -	\$ -	\$ 123,971

(Continued)

City of Arvin
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2018

	Special Revenue			Capital Projects	
	Traffic Impact Fees	Water Element Grant	CalFire Urban Forestry	Jewett Square Development	Franklin St. Project
ASSETS					
Cash and investments	\$ -	\$ -	\$ -	\$ 94,203	\$ -
Accounts receivables	-	-	53,322	-	18,681
Due from other funds	982,578	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	\$ 982,578	\$ -	\$ 53,322	\$ 94,203	\$ 18,681
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	-	\$ -	\$ 243,600	\$ -
Accrued payroll and benefits	-	-	-	-	-
Retention payable	-	-	-	193,247	-
Due to other funds	-	7,000	55,620	-	8,802
Unearned revenue	238,000	-	-	-	-
Total liabilities	238,000	7,000	55,620	436,847	8,802
Deferred Inflows of Resources:					
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances:					
Restricted	744,578	-	-	-	9,879
Unassigned (deficit)	-	(7,000)	(2,298)	(342,644)	-
Total fund balances	744,578	(7,000)	(2,298)	(342,644)	9,879
Total liabilities, deferred inflows of resources, and fund balances	\$ 982,578	\$ -	\$ 53,322	\$ 94,203	\$ 18,681

(Continued)

City of Arvin
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2018

	Capital Projects		Total Nonmajor Governmental Funds
	TDA3 Digiorgio	PD Plug In Vehicles 2017	
ASSETS			
Cash and investments	\$ -	\$ -	\$ 1,789,711
Accounts receivables	24,400	-	754,452
Due from other funds	-	-	982,578
Prepaid items	-	37,441	37,441
Total assets	\$ 24,400	\$ 37,441	\$ 3,564,182
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 1,614	\$ -	\$ 278,610
Accrued payroll and benefits	-	-	48,561
Retention payable	-	-	193,247
Due to other funds	24,400	30,117	416,934
Unearned revenue	-	-	886,629
Total liabilities	26,014	30,117	1,823,981
Deferred Inflows of Resources:			
Unavailable revenue	-	-	557,140
Total deferred inflows of resources	-	-	557,140
Fund Balances:			
Restricted	-	7,324	1,772,977
Unassigned (deficit)	(1,614)	-	(589,916)
Total fund balances	(1,614)	7,324	1,183,061
Total liabilities, deferred inflows of resources, and fund balances	\$ 24,400	\$ 37,441	\$ 3,564,182

(Concluded)

City of Arvin
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

	Special Revenue				
	TEA	Community Development Block Grant	COPS Program	LLMD	Traffic Offenders
REVENUES:					
Property taxes and special assessments	\$ -	\$ -	\$ -	\$ 113,611	\$ -
Licenses, permits and fees	-	-	-	-	2,205
Intergovernmental	-	-	121,677	-	-
Other	-	4,375	-	34	-
Total revenues	-	4,375	121,677	113,645	2,205
EXPENDITURES:					
Current:					
Public safety	-	-	121,677	-	-
Public works	-	1,234	-	136,721	-
Planning/community development	-	-	-	-	-
Capital outlay	-	12	-	-	-
Debt services:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	-	1,246	121,677	136,721	-
REVENUES OVER (UNDER) EXPENDITURES	-	3,129	-	(23,076)	2,205
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	-	3,129	-	(23,076)	2,205
FUND BALANCES:					
Beginning of year	74,077	(211,355)	474	117,728	8,554
End of year	<u>\$ 74,077</u>	<u>\$ (208,226)</u>	<u>\$ 474</u>	<u>\$ 94,652</u>	<u>\$ 10,759</u>

City of Arvin
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

	Special Revenue				
	Prop 1B	Traffic HSIP Derby Signal Light	TDA Non-Transit	Federal Police Grant	Safe Route to School
REVENUES:					
Property taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	-	-	-	-	-
Intergovernmental	-	161,329	121,502	-	-
Other	-	-	-	-	-
Total revenues	-	161,329	121,502	-	-
EXPENDITURES:					
Current:					
Public safety	-	45,609	-	-	-
Public works	-	-	10,752	-	-
Planning/community development	-	-	-	-	-
Capital outlay	-	115,720	6,284	-	-
Debt services:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	-	161,329	17,036	-	-
REVENUES OVER (UNDER) EXPENDITURES	-	-	104,466	-	-
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	(306,000)	-	-	-	-
Total other financing sources (uses)	(306,000)	-	-	-	-
NET CHANGE IN FUND BALANCES	(306,000)	-	104,466	-	-
FUND BALANCES:					
Beginning of year	306,000	(25,763)	(83,669)	-	5,894
End of year	\$ -	\$ (25,763)	\$ 20,797	\$ -	\$ 5,894

(Continued)

City of Arvin
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

	Special Revenue				
	Park Fees	AB109	State Gas Tax	RSTP	Asset Forfeiture
REVENUES:					
Property taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	142,359	-	-	-	-
Intergovernmental	-	11,009	411,342	-	-
Other	-	-	24,156	-	-
Total revenues	142,359	11,009	435,498	-	-
EXPENDITURES:					
Current:					
Public safety	-	11,009	-	-	-
Public works	-	-	406,224	-	-
Planning/community development	-	-	-	-	-
Capital outlay	145,599	-	-	-	-
Debt services:					
Principal retirement	24,553	-	-	-	-
Interest and fiscal charges	26,583	-	-	-	-
Total expenditures	196,735	11,009	406,224	-	-
REVENUES OVER (UNDER) EXPENDITURES	(54,376)	-	29,274	-	-
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(54,376)	-	29,274	-	-
FUND BALANCES:					
Beginning of year	351,131	11,284	(29,274)	332,700	41
End of year	<u>\$ 296,755</u>	<u>\$ 11,284</u>	<u>\$ -</u>	<u>\$ 332,700</u>	<u>\$ 41</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, 2018

	Special Revenue				
	PTMISEA Fence Grant	CalTrans	CalRecycle Grant	Prop 84 Park Grant	Road Maintenance & Rehab
REVENUES:					
Property taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	-	-	-	-	-
Intergovernmental	269,330	5,328	-	679,515	123,971
Other	-	-	-	11,667	-
Total revenues	<u>269,330</u>	<u>5,328</u>	<u>-</u>	<u>691,182</u>	<u>123,971</u>
EXPENDITURES:					
Current:					
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Planning/community development	-	7,529	170	-	-
Capital outlay	269,330	-	-	233,801	-
Debt services:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>269,330</u>	<u>7,529</u>	<u>170</u>	<u>233,801</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(2,201)</u>	<u>(170)</u>	<u>457,381</u>	<u>123,971</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	31,402	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,402</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>-</u>	<u>(2,201)</u>	<u>(170)</u>	<u>488,783</u>	<u>123,971</u>
FUND BALANCES:					
Beginning of year	39,792	-	-	(488,783)	-
End of year	<u>\$ 39,792</u>	<u>\$ (2,201)</u>	<u>\$ (170)</u>	<u>\$ -</u>	<u>\$ 123,971</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, 2018

	Special Revenue			Capital Projects	
	Traffic Impact Fees	Water Element Grant	CalFire Urban Forestry	Jewett Square Development	Franklin St. Project
REVENUES:					
Property taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	53,437	-	-	-	-
Intergovernmental	-	-	54,361	-	28,764
Other	-	-	-	5,000	2,444
Total revenues	53,437	-	54,361	5,000	31,208
EXPENDITURES:					
Current:					
Public safety	-	-	-	-	69
Public works	-	-	-	-	-
Planning/community development	-	7,000	56,659	11,731	-
Capital outlay	-	-	-	430,827	26,147
Debt services:					
Principal retirement	150,447	-	-	-	-
Interest and fiscal charges	160,272	-	-	-	-
Total expenditures	310,719	7,000	56,659	442,558	26,216
REVENUES OVER (UNDER) EXPENDITURES	(257,282)	(7,000)	(2,298)	(437,558)	4,992
OTHER FINANCING SOURCES (USES):					
Transfers in	81,525	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	81,525	-	-	-	-
NET CHANGE IN FUND BALANCES	(175,757)	(7,000)	(2,298)	(437,558)	4,992
FUND BALANCES:					
Beginning of year	920,335	-	-	94,914	4,887
End of year	<u>\$ 744,578</u>	<u>\$ (7,000)</u>	<u>\$ (2,298)</u>	<u>\$ (342,644)</u>	<u>\$ 9,879</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, 2018

	Capital Projects		Total Nonmajor Governmental Funds
	TDA3 Digiorgio	PD Plug In Vehicles 2017	
REVENUES:			
Property taxes and special assessments	\$ -	\$ -	\$ 113,611
Licenses, permits and fees	-	-	198,001
Intergovernmental	38,262	138,700	2,165,090
Other	-	-	47,676
Total revenues	<u>38,262</u>	<u>138,700</u>	<u>2,524,378</u>
EXPENDITURES:			
Current:			
Public safety	-	8,759	187,123
Public works	-	-	554,931
Planning/community development	868	-	83,957
Capital outlay	39,008	122,617	1,389,345
Debt services:			
Principal retirement	-	-	175,000
Interest and fiscal charges	-	-	186,855
Total expenditures	<u>39,876</u>	<u>131,376</u>	<u>2,577,211</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,614)</u>	<u>7,324</u>	<u>(52,833)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	112,927
Transfers out	-	-	(306,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(193,073)</u>
NET CHANGE IN FUND BALANCES	(1,614)	7,324	(245,906)
FUND BALANCES:			
Beginning of year	-	-	1,428,967
End of year	<u>\$ (1,614)</u>	<u>\$ 7,324</u>	<u>\$ 1,183,061</u>

(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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 121,677	\$ 21,677
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>121,677</u>	<u>21,677</u>
EXPENDITURES:				
Current:				
Public safety	149,388	149,388	121,677	27,711
Total expenditures	<u>149,388</u>	<u>149,388</u>	<u>121,677</u>	<u>27,711</u>
NET CHANGE IN FUND BALANCE	<u>\$ (49,388)</u>	<u>\$ (49,388)</u>	-	<u>\$ (6,034)</u>
FUND BALANCE:				
Beginning of year			474	
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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes and special assessments	\$ 107,743	\$ 107,743	\$ 113,611	\$ 5,868
Other	1,003	1,003	34	(969)
Total revenues	<u>108,746</u>	<u>108,746</u>	<u>113,645</u>	<u>4,899</u>
EXPENDITURES:				
Current:				
Public works	116,650	116,650	136,721	(20,071)
Total expenditures	<u>116,650</u>	<u>116,650</u>	<u>136,721</u>	<u>(20,071)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (7,904)</u>	<u>\$ (7,904)</u>	(23,076)	<u>\$ (15,172)</u>
FUND BALANCE:				
Beginning of year			<u>117,728</u>	
End of year			<u>\$ 94,652</u>	

City of Arvin
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Traffic Offenders Special Revenue Fund
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses, permits and fees	\$ 1,645	\$ 1,645	\$ 2,205	\$ 560
Total revenues	<u>1,645</u>	<u>1,645</u>	<u>2,205</u>	<u>560</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,645</u>	<u>\$ 1,645</u>	2,205	<u>\$ 560</u>
FUND BALANCE:				
Beginning of year			<u>8,554</u>	
End of year			<u>\$ 10,759</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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 184,602	\$ 184,602	\$ 161,329	\$ (23,273)
Total revenues	<u>184,602</u>	<u>184,602</u>	<u>161,329</u>	<u>(23,273)</u>
EXPENDITURES:				
Current:				
Public safety	-	-	45,609	(45,609)
Capital outlay	205,113	205,113	115,720	89,393
Total expenditures	<u>205,113</u>	<u>205,113</u>	<u>161,329</u>	<u>43,784</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(20,511)</u>	<u>(20,511)</u>	<u>-</u>	<u>20,511</u>
OTHER FINANCING SOURCES:				
Transfers in	20,511	20,511	-	20,511
Total other financing sources	<u>20,511</u>	<u>20,511</u>	<u>-</u>	<u>20,511</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE:				
Beginning of year			<u>(25,763)</u>	
End of year			<u>\$ (25,763)</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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 927,894	\$ 927,894	\$ 121,502	\$ (806,392)
Total revenues	<u>927,894</u>	<u>927,894</u>	<u>121,502</u>	<u>(806,392)</u>
EXPENDITURES:				
Current:				
Public works	179,908	179,908	10,752	169,156
Capital outlay	40,000	40,000	6,284	33,716
Total expenditures	<u>219,908</u>	<u>219,908</u>	<u>17,036</u>	<u>202,872</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>707,986</u>	<u>707,986</u>	<u>104,466</u>	<u>(603,520)</u>
OTHER FINANCING USES:				
Transfers out	(774,801)	(774,801)	-	774,801
Total other financing uses	<u>(774,801)</u>	<u>(774,801)</u>	<u>-</u>	<u>774,801</u>
NET CHANGE IN FUND BALANCE	<u>\$ (66,815)</u>	<u>\$ (66,815)</u>	<u>104,466</u>	<u>\$ 171,281</u>
FUND BALANCE:				
Beginning of year			<u>(83,669)</u>	
End of year			<u>\$ 20,797</u>	

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ -	\$ (100,000)
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>
OTHER FINANCING USES:				
Transfers out	(47,517)	(47,517)	-	47,517
Total other financing uses	<u>(47,517)</u>	<u>(47,517)</u>	<u>-</u>	<u>47,517</u>
NET CHANGE IN FUND BALANCE	<u>\$ 52,483</u>	<u>\$ 52,483</u>	<u>-</u>	<u>\$ (52,483)</u>
FUND BALANCE:				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses, permits and fees	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
Intergovernmental	-	-	142,359	142,359
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>142,359</u>	<u>132,359</u>
EXPENDITURES:				
Capital outlay	-	145,600	145,599	1
Debt services:				
Principal retirement	-	-	24,553	(24,553)
Interest and fiscal charges	-	-	26,583	(26,583)
Total expenditures	<u>-</u>	<u>145,600</u>	<u>196,735</u>	<u>(51,135)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 10,000</u>	<u>\$ (135,600)</u>	(54,376)	<u>\$ 81,224</u>
FUND BALANCE:				
Beginning of year			<u>351,131</u>	
End of year			<u>\$ 296,755</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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 20,000	\$ 20,000	\$ 11,009	\$ (8,991)
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>11,009</u>	<u>(8,991)</u>
EXPENDITURES:				
Current:				
Public safety	10,000	10,000	11,009	(1,009)
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>11,009</u>	<u>(1,009)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 10,000</u>	<u>\$ 10,000</u>	-	<u>\$ (10,000)</u>
FUND BALANCE:				
Beginning of year			<u>11,284</u>	
End of year			<u>\$ 11,284</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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Investment income	\$ 2,384	\$ -	\$ -	\$ -
Intergovernmental	362,303	382,414	411,342	28,928
Other	-	24,156	24,156	-
Total revenues	<u>364,687</u>	<u>406,570</u>	<u>435,498</u>	<u>28,928</u>
EXPENDITURES:				
Current:				
Public works	435,215	453,904	406,224	47,680
Capital outlay	3,033	-	-	-
Total expenditures	<u>438,248</u>	<u>453,904</u>	<u>406,224</u>	<u>47,680</u>
NET CHANGE IN FUND BALANCE	<u>\$ (73,561)</u>	<u>\$ (47,334)</u>	29,274	<u>\$ 76,608</u>
FUND BALANCE:				
Beginning of year			<u>(29,274)</u>	
End of year			<u>\$ -</u>	

City of Arvin
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Asset Forfeiture Special Revenue Fund
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Fines, forfeitures and penalties	\$ 4,000	\$ 4,000	\$ -	\$ (4,000)
Total revenues	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>(4,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>-</u>	<u>\$ (4,000)</u>
FUND BALANCE:				
Beginning of year			<u>41</u>	
End of year			<u>\$ 41</u>	

City of Arvin
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
PTMISEA Fence Grant Special Revenue Fund
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 500,000	\$ 500,000	\$ 269,330	\$ (230,670)
Total revenues	<u>500,000</u>	<u>500,000</u>	<u>269,330</u>	<u>(230,670)</u>
EXPENDITURES:				
Capital outlay	500,000	500,000	269,330	230,670
Total expenditures	<u>500,000</u>	<u>500,000</u>	<u>269,330</u>	<u>230,670</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE:				
Beginning of year			<u>39,792</u>	
End of year			<u>\$ 39,792</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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 5,328	\$ 5,328	\$ -
Total revenues	<u>-</u>	<u>5,328</u>	<u>5,328</u>	<u>-</u>
EXPENDITURES:				
Current:				
Planning/community development	-	6,909	7,529	(620)
Total expenditures	<u>-</u>	<u>6,909</u>	<u>7,529</u>	<u>(620)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (1,581)</u>	(2,201)	<u>\$ (620)</u>
FUND BALANCE:				
Beginning of year			-	
End of year			<u>\$ (2,201)</u>	

City of Arvin
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Prop 84 Park Grant Special Revenue Fund
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,016,909	\$ 1,016,909	\$ 679,515	\$ (337,394)
Other	-	-	11,667	11,667
Total revenues	<u>1,016,909</u>	<u>1,016,909</u>	<u>691,182</u>	<u>(325,727)</u>
EXPENDITURES:				
Capital outlay	880,000	880,000	233,801	646,199
Total expenditures	<u>880,000</u>	<u>880,000</u>	<u>233,801</u>	<u>646,199</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>136,909</u>	<u>136,909</u>	<u>457,381</u>	<u>320,472</u>
OTHER FINANCING SOURCES:				
Transfers in	-	-	31,402	31,402
Total other financing sources	<u>-</u>	<u>-</u>	<u>31,402</u>	<u>31,402</u>
NET CHANGE IN FUND BALANCE	<u>\$ 136,909</u>	<u>\$ 136,909</u>	488,783	<u>\$ 351,874</u>
FUND BALANCE:				
Beginning of year			<u>(488,783)</u>	
End of year			<u>\$ -</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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses, permits and fees	\$ -	\$ -	\$ 53,437	\$ 53,437
Total revenues	<u>-</u>	<u>-</u>	<u>53,437</u>	<u>53,437</u>
EXPENDITURES:				
Capital outlay	228,422	228,422	-	228,422
Debt services:				
Principal retirement	-	-	150,447	(150,447)
Interest and fiscal charge	-	-	160,272	(160,272)
Total expenditures	<u>228,422</u>	<u>228,422</u>	<u>310,719</u>	<u>(82,297)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(228,422)</u>	<u>(228,422)</u>	<u>(257,282)</u>	<u>(28,860)</u>
OTHER FINANCING SOURCES:				
Transfers in	-	-	81,525	81,525
Total other financing sources	<u>-</u>	<u>-</u>	<u>81,525</u>	<u>81,525</u>
NET CHANGE IN FUND BALANCE	<u>\$ (228,422)</u>	<u>\$ (228,422)</u>	<u>(175,757)</u>	<u>\$ 52,665</u>
FUND BALANCE:				
Beginning of year			<u>920,335</u>	
End of year			<u>\$ 744,578</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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 54,361	\$ 54,361	\$ -
Total revenues	<u>-</u>	<u>54,361</u>	<u>54,361</u>	<u>-</u>
EXPENDITURES:				
Current:				
Planning/community development	-	56,659	56,659	-
Total expenditures	<u>-</u>	<u>56,659</u>	<u>56,659</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (2,298)</u>	(2,298)	<u>\$ -</u>
FUND BALANCE:				
Beginning of year			-	
End of year			<u>\$ (2,298)</u>	

City of Arvin
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
Jewett Square Development Capital Projects Fund
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Other	\$ -	\$ -	\$ 5,000	\$ 5,000
Total revenues	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
EXPENDITURES:				
Current:				
Planning/community development	-	-	11,731	(11,731)
Capital outlay	310,059	310,059	430,827	(120,768)
Total expenditures	<u>310,059</u>	<u>310,059</u>	<u>442,558</u>	<u>(132,499)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(310,059)</u>	<u>(310,059)</u>	<u>(437,558)</u>	<u>(127,499)</u>
OTHER FINANCING SOURCES:				
Transfers in	310,059	310,059	-	(310,059)
Total other financing sources	<u>310,059</u>	<u>310,059</u>	<u>-</u>	<u>(310,059)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>(437,558)</u>	<u>\$ (437,558)</u>
FUND BALANCE:				
Beginning of year			<u>94,914</u>	
End of year			<u>\$ (342,644)</u>	