



City of Kingsburg

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

Mayor Michelle Roman
Mayor Pro Tem Laura North
Council Member Sherman Dix
Council Member Vince Palomar
Council Member Jewel Hurtado

City Manager Alexander J. Henderson

AGENDA KINGSBURG CITY COUNCIL REGULAR MEETING

Council Chamber, 1401 Draper Street, Kingsburg, CA 93631 (559) 897-5821
www.cityofkingsburg-ca.gov

Wednesday, February 19, 2020 at 6pm

6 P.M. REGULAR SESSION MEETING:

Invocation to be given by Deacon Steve Wright, Holy Family Catholic Church, followed by the Pledge of Allegiance led by Mayor Michelle Roman.

1. **Call to Order and Roll Call**
2. **Public Comments:** This is the time for any citizen to come forward and address the City Council on any issue within its jurisdiction that is not listed on the Agenda. A maximum of five (5) minutes is allowed for each speaker.
3. **Approve Agenda:** Action by the Council to approve the agenda or to make modifications. Items that can be added to the agenda is constrained by State law.
4. **Consent Calendar:** Items considered routine in nature are to be placed on the Consent Calendar. They will be considered as one item and voted upon in one vote unless individual consideration is requested. Each vote in favor of the Consent Calendar is considered and recorded as a separate affirmative vote in favor of each action listed. Approval of the Consent Calendar items include recitals reading ordinance(s) by titles(s) only and adoption of recommended action(s) contained in Staff Reports.
 - 4.1 **Approval of City Council Minutes:** Approve the minutes from the February 5, 2020 Regular City Council Meeting, as prepared by City Clerk Abigail Palsgaard.
 - 4.2 **Check Register:** Ratify/approve payment of bills listed on the check register for the period January 30, 2020 through February 12, 2020 as prepared by Accounts Payable Clerk Grace Reyna.
 - 4.3 **Waive the second reading and adopt Ordinance No. 2020-001, An Ordinance Of The City Of Kingsburg Adding Chapter 16.42 To Title 16 Of The Kingsburg Municipal Code Pertaining To The Construction Of Model Homes And Production Homes with the following recital constituting reading the title of the Ordinance:**

“AN ORDINANCE OF THE CITY OF KINGSBURG ADDING CHAPTER 16.42 TO
TITLE 16 OF THE KINGSBURG MUNICIPAL CODE PERTAINING TO THE
CONSTRUCTION OF MODEL HOMES AND PRODUCTION HOMES”

- 4.4 **Council review and accept public comment regarding the FY2017/2018 and FY 2018/19 Development Impact Fee Annual Report and file the subject report with the Office of the City Clerk.-** Staff Report prepared by Finance Director Alma Colado.
- 4.5 **Adopt Resolutions 2020-011; 2020-012; 2020-013; 2020-014; 2020-015; 2020-016; 2020-017; 2020-018; 2020-019 Approving the Budget Amendments As Presented And Recommended By The Finance Committee-** Staff Report Prepared by Finance Director Alma Colado.
- 4.6 **Award a Contract to Willdan Financial Services for a Cost Allocation Plan Update -** Staff Report Prepared by Finance Director Alma Colado.
- 4.7 **Approve the Updated Public Works Director Job Description-** Staff Report prepared by Director of Administrative Services Christina Windover.
- 4.8 **Approve The City of Kingsburg participation in the Fresno County's Urban County Community Development Block Grant (CDBG) Program Years 2021-22, 2022-23 and 2023-24 and authorize the City Manager to sign the Joint Powers Agreement on the City's behalf.**
- 4.9 **Planning Commission Re-Appointment-** Affirm Mayor Roman's re-appointment of Paul Kruper to the Planning Commission to a term that is set to expire November 2023.
- 4.10 **Planning Commission Appointment-** Affirm Mayor Roman's appointment of Briana Valdez to the Planning Commission to a term that is set to expire November 2022.
- 4.11 **Planning Commission Appointment-** Affirm Mayor Roman's appointment of Robert Anthony Gonzales to the Planning Commission to a term that is set to expire November 2024.
- 4.12 **Public Safety Committee Appointment-** Affirm Mayor Roman's appointment of Vincent Lathom III to the Public Safety Committee to a term that is set to expire November 2023.

5. **Regular Calendar**

- 5.1 **Kingsburg Fire Department Pinning Ceremony-** Presentation by Chief Daniel Perkins *Captain Jeremy Owens and Firefighter Dariuss Rodriguez*
- 5.2 **Financial Statements for the Year Ended June 30, 2019 – Consider Statements as prepared by Price Paige & Company.** Staff report prepared by Finance Director Alma Colado
Possible Action(s):
 - a. Presentation by Price Page & Company Managing Partner Fausto Hinojosa
 - b. Council Discussion
 - c. Accept Financial Statements for Year Ended June 30, 2019

5.3 Crime Statistics Report for the Month of January 2020 and General Police Department Update- Crime Statistics Report prepared by Kingsburg Police Department Records Supervisor Corina Padilla.

Possible Action(s):

- a. Presentation by Police Records Supervisor Corina Padilla
- b. Council Discussion
- c. Informational- No Action Necessary

6. Council Reports and Staff Communications

- 6.1 Community Services Commission
- 6.2 Public Safety Committee
- 6.3 Chamber of Commerce
- 6.4 Economic Development
- 6.5 Finance Committee
- 6.6 Planning Commission
- 6.7 South Kings Groundwater Sustainability Agency Joint Powers Authority (SKGSA)
- 6.8 City Manager's Report

7. Other Business that may come properly before the City Council

8. Future Agenda Items

These items will be added to a future agenda with direction from Council.

9. Adjourn Kingsburg City Council Regular Meeting into Closed Session

9.1 CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION

Initiation of litigation pursuant to California Government Code Section 54956.9(c)
(One potential case)

10. Adjourn out of Close Session into Regular Kingsburg City Council Meeting and report out of Closed Session.

11. Adjourn Regular Kingsburg City Council Meeting.

Any writings or documents provided to a majority of the City Council regarding any item on this agenda will be made available for public inspection at City Hall, in the City Clerk's office, during normal business hours. In addition, such writings and documents may be posted on the City's website at www.cityofkingsburg-ca.gov.

I hereby certify, under penalty of perjury under the laws of the State of California that the foregoing Agenda was posted at the front entrance of City Hall not less than 72 hours prior to the meeting. Dated this 14th day of February 2020.

Abigail Palsgaard, City Clerk

**Kingsburg City Council
Regular Meeting Minutes
February 5, 2020**

6 P.M. REGULAR SESSION MEETING:

Invocation was given by Pastor Tim Boynton, Kingsburg Covenant Church, followed by the Pledge of Allegiance led by Mayor Pro Temp Laura North.

Call to Order and Roll Call – At 6:00 P.M. Mayor Pro Temp Laura North called the regular meeting of the Kingsburg City Council to order.

Council Members Present: Jewel Hurtado, Vince Palomar, Sherman Dix, and Mayor Pro Temp Laura North.

Council Members Absent: Mayor Michelle Roman.

Staff Present: City Manager Alexander Henderson, City Attorney Michael Noland, Finance Director Alma Colado, City Engineer Dave Peters, Consulting Planner Greg Collins, Building Official Edward Jakubowski, and City Clerk Abigail Palsgaard.

Public Comments: None.

Approve Agenda: A motion was made by Council Member Hurtado, seconded by Council Member Palomar, to approve the Agenda, as published. The motion carried by unanimous voice vote of those Council Members present.

Consent Calendar: A motion was made by Council Member Dix, seconded by Council Member Hurtado, to approve Consent Calendar Items 4.2 – 4.7. The motion carried by unanimous voice vote of those Council Members present.

- 4.2 **Check Register:** Ratify/approve payment of bills listed on the check register for the period January 8, 2020 through January 29, 2020 as prepared by Accounts Payable Clerk Grace Reyna.
- 4.3 **Adopt Resolution 2020-009-** A Resolution of The City Council of The City of Kingsburg Declaring A Police Vehicle Surplus.
- 4.4 **Waive the first reading and introduce Ordinance No. 2020-001, An Ordinance Of The City Of Kingsburg Adding Chapter 16.42 To Title 16 Of The Kingsburg Municipal Code Pertaining To The Construction Of Model Homes And Production Homes and pass to a second reading on February 19, 2020 with the following recital constituting reading the title of the Ordinance:**

**“AN ORDINANCE OF THE CITY OF KINGSBURG ADDING CHAPTER 16.42 TO
TITLE 16 OF THE KINGSBURG MUNICIPAL CODE PERTAINING TO THE
CONSTRUCTION OF MODEL HOMES AND PRODUCTION HOMES”**

- Staff Report by City Manager Alexander Henderson.
- 4.5 **Approve The 2020-2021 City of Kingsburg Budget Schedule.**

- 4.6 Adopt Lactation Accommodation Policy-** Staff Report prepared by Director of Administrative Services Christina Windover
- 4.7 Adopt Resolution 2020-010- A Resolution of The City Council of The City of Kingsburg Adopting the Water Shut Off Policy for Non-Payment of Residential Water Service-** Staff Report prepared by City Manager Alexander Henderson

PULLED ITEM:

- 4.1 Approval of City Council Minutes:** Approve the minutes from the January 15, 2020 Regular City Council Meeting, as prepared by City Clerk Abigail Palsgaard.

Council Member Dix asked that item No. 1 be pulled since he was not present. A motion was made by Council Member Palomar, seconded by Council Member Hurtado to approve Consent Calendar Agenda Item 4.1. The motion carried with Council Members Palomar, Hurtado, and North voting aye; Council Member Roman absent; and Council Member Dix abstaining.

REGULAR CALENDAR

Presentation of Draft ADA Transition Plan - Staff Report prepared by City Engineer Dave Peters
Mr. Peters explained that to get Federal Transportation Funding, we need to update and adopt an ADA Transition Plan. He presented a draft identifying and prioritizing deficiencies in pedestrian facilities within the City's public roadway rights-of-way. The Plan sets forth strategies to address the identified deficiencies and improve paths of travel. Mr. Peters said that staff members reviewed pedestrian facilities by performing a physical field review and deemed them compliant or non-compliant based on the data that was collected.

Council asked if there is a deadline and if crosswalks would qualify. Mr. Peters said that there is no deadline and the program doesn't really focus on crosswalks. The intent of the plan was discussed.

Public Comment: Matt Hagen, Kingsburg resident, asked if it would be the whole city. Mr. Peters said that it would, but we prioritized schools, bus stops, and other transportation.

Mr. Peters said that we will bring the Plan back for adoption.

Alley Rendering Presentation- Power Point Presentation prepared by Planning Consultant Greg Collins

Council Member Dix recused himself due to conflict as he owns property in the area to be discussed.

Mr. Collins explained that the Council of Fresno County Governments (COG) did a blueprint program to promote walkable downtowns. It includes, among others, strengthening and directing development, and alley improvements. He presented the current alley landscaping for Draper and Marion Streets. He then presented how other cities around the world utilize alleys with potential landscaping, pedestrian walkways, and with business fronts in the alleys. He reviewed different hardscapes, plants, and murals. He reviewed the process of the draft design and meeting with property owners.

Council asked what businesses would do with garbage containers. Mr. Collins said that it will come up with the business owners and it is solvable. It was noted that since Marion Street is a major road into the downtown, it would be great to improve it.

Ben Carlson, business owner, stated that he is asking for support. He said that he spends lots of time downtown and speaking to business owners. He said that he thinks this will greatly support the downtown businesses. There are already two examples of alley improvements.

Council talked about liking the design and it being good for Kingsburg. Staff was given direction to move forward.

Development Incentive – Forgivable Loan Program- Staff Report prepared by City Manager Alexander Henderson.

Council Member Dix recused himself due to conflict as he owns property in the Forgivable Loan Program area to be discussed.

Mr. Henderson stated that this was first presented in January. Some changes to the policy have now been made. This program will help with rehabbing old buildings that need lots of improvement including ADA bathrooms. It is a 10-year forgivable loan, up to \$75,000. Buildings must be used as retail for the 10 years. Possible projects are: ADA improvements, including path of travel and bathrooms, life safety improvements, and utility improvements. Eligible area is the Central Commercial Zone. It is a reimbursement loan. Staff is recommending that Council adopt the loan program as presented.

Council Discussion – Council asked, if someone put in an entrance to an improved alley, would it qualify? Mr. Henderson said that potentially a new business coming in to a vacant one will score higher. Council said it is a good program and it will help the older buildings. Council liked that the improved building must remain commercial for 10 years.

Council Member Palomar moved to approve the Forgivable Loan Program. The motion was seconded by Council Member Hurtado and carried, three in favor, Council Member Dix abstaining, and Mayor Roman absent.

Quarterly Code Enforcement Update- Report prepared by Management Intern Elizabeth Kleinkramer Cazares

Building Official Edward Jakubowski stated that we had excellent 2019 numbers in code enforcement. We have strong and proactive code enforcement which will promote positive community images. City Hall, Police Department and Fire Department all assist in code enforcement.

Council brought up garage conversions and the proper process to ensure the residents are safe. The garage fire last year was discussed. The number of animals going to Second Chance Shelter was questioned. City Manager Alexander Henderson said there is no limit. Council asked about the City holding dogs. Mr. Henderson stated that California has specific regulations and that is why the City Council entered into an agreement. The 14-day abatement policy was questioned. Mr. Jakubowski said that way we can specifically give a date of reinspection. He also said that we have the 3 sectors to ensure that all parts of the City are being proactive with code enforcement.

No action necessary - Informational

Measure E Update- Staff Report prepared by City Manager Alexander Henderson

Mr. Henderson explained that we have a full 4 quarters of reports from Measure E funds. Our estimate was \$940,000 and we received \$1,144,000. He spoke about the tax forecast and reviewed the top 25 sales tax generators, both local and online. He reviewed the expenditures. The Council was glad that Measure E has been so successful.

No action necessary - Informational

Council Reports and Staff Communications

Community Services Commission – Council Member North reported that the Commission discussed BBQs that were made by the high school and installed in the park, and the Prop 68 grants.

Public Safety Committee- Council Member Palomar reported that they will be meeting at the end of this month or early March.

Chamber of Commerce – Council Member Hurtado reported that they will meet next month.

Economic Development Committee – City Manager Alexander Henderson reported that they will meet February 20th.

Finance Committee – Council Member Dix reported that they met last Tuesday and discussed budget adjustments.

Planning Commission – City Manager Alexander Henderson reported that they will meet on February 13th and then a workshop.

South Kings Groundwater Sustainability Agency Joint Powers Authority (SKGSA) City Engineer Dave Peters reported that January 30th he uploaded the Groundwater Sustainability Plan after three years of effort. He will meet with CID on the transitional plan.

City Manager's Report- City Manager Alexander Henderson reported that the Linnea Villas project is moving forward.

Other Business that may come properly before the City Council

Kingsburg Joint Union High School Bond Measure - Discussion of Support- City Manager Alexander Henderson stated that Council Members can support as citizens, but if they would like to as a Council, it is appropriate to do it together as a Council. Council would like to continue this to the 2/19/2020 meeting.

Future Agenda Items

These items will be added to a future agenda with direction from Council.

Council Member North stated that she was approached by citizens about changing the day of the City Council meetings due to church participation on Wednesday. Council approved add it to a future agenda.

Adjourn- Mayor Pro Temp Laura North adjourned the Kingsburg City Council Regular Meeting at 7:34 P. M.

Submitted by:

Abigail Palsgaard, City Clerk

Accounts Payable

Checks by Date - Summary by Check Date

User: gracer
Printed: 2/13/2020 11:31 AM



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

| Check No | Vendor No | Vendor Name | Check Date | Check Amount |
|----------------------|-----------|--|------------|--------------|
| ACH | 3231 | ICMA RETIREMENT CORPORATION - | 01/31/2020 | 461.63 |
| ACH | 3470 | Internal Revenue Service - ACH | 01/31/2020 | 44,976.91 |
| ACH | 3471 | Employment Development Department - A | 01/31/2020 | 7,240.11 |
| ACH | 3472 | CalPERS - ACH | 01/31/2020 | 32,352.61 |
| ACH | 3475 | Empower | 01/31/2020 | 2,915.00 |
| ACH | 3476 | CHILD SUPPORT STATE DISBURSEME | 01/31/2020 | 505.84 |
| ACH | 3526 | Public Employees Retirement System 457 I | 01/31/2020 | 20.00 |
| ACH | 3470 | Internal Revenue Service - ACH | 01/31/2020 | 1,019.32 |
| ACH | 3471 | Employment Development Department - A | 01/31/2020 | 91.26 |
| ACH | 3470 | Internal Revenue Service - ACH | 01/31/2020 | 27.90 |
| ACH | 3471 | Employment Development Department - A | 01/31/2020 | 1.70 |
| ACH | 3472 | CalPERS - ACH | 01/31/2020 | 25.05 |
| 77267 | 4149 | US DEPARTMENT OF EDUCATION AW | 01/31/2020 | 313.03 |
| Total for 1/31/2020: | | | | 89,950.36 |
| 77266 | 3150 | DOWNTOWN FORD SALES | 02/06/2020 | 32,072.65 |
| Total for 2/6/2020: | | | | 32,072.65 |
| 77268 | 4184 | ADVANCED COMBAT EVOLUTIONS | 02/07/2020 | 3,184.00 |
| 77269 | 3005 | AFLAC | 02/07/2020 | 863.54 |
| 77270 | 3006 | AIRGAS NCN | 02/07/2020 | 839.13 |
| 77271 | 3993 | TOM ALBERDA | 02/07/2020 | 850.00 |
| 77272 | 3019 | ANDERSON'S MOBILE ELECTRONICS | 02/07/2020 | 228.63 |
| 77273 | 3020 | ANGELICA TEXTILES SERVICES COR | 02/07/2020 | 1,529.51 |
| 77274 | 4186 | APRIL SANDOVAL | 02/07/2020 | 12.50 |
| 77275 | 3024 | RAMIRO ARROYO | 02/07/2020 | 51.00 |
| 77276 | 3027 | AT & T | 02/07/2020 | 260.23 |
| 77277 | 4020 | AUTO ZONE | 02/07/2020 | 373.06 |
| 77278 | 4182 | BEST AUTO GLASS & WINDOW TINT | 02/07/2020 | 746.46 |
| 77279 | 3054 | BSK ASSOCIATES | 02/07/2020 | 770.00 |
| 77280 | 3704 | CANON FINANCIAL-EQUIPMENT SAL | 02/07/2020 | 64.00 |
| 77281 | 3067 | CARDMEMBER SERVICE | 02/07/2020 | 5,634.19 |
| 77282 | 3074 | CENTRAL SANITARY SUPPLY | 02/07/2020 | 166.86 |
| 77283 | 3079 | CENTRAL VALLEY SWEEPING, INC. | 02/07/2020 | 12,180.00 |
| 77284 | 3551 | CENTRAL VALLEY TOXICOLOGY | 02/07/2020 | 274.00 |
| 77285 | 3080 | CHADS AUTO GLASS | 02/07/2020 | 601.67 |
| 77286 | 3119 | COOK'S COMMUNICATIONS CORP. | 02/07/2020 | 2,827.44 |
| 77287 | 3133 | JIM CROFOOT | 02/07/2020 | 325.04 |
| 77288 | 3137 | NEIL DADIAN | 02/07/2020 | 330.00 |
| 77289 | 3142 | DELRAY TIRE & RETREADING | 02/07/2020 | 2,368.43 |
| 77290 | 3853 | ATTN: GEMT PROG STACY FOX DHCS | 02/07/2020 | 32,176.91 |
| 77291 | 4188 | DIVCON, INC. | 02/07/2020 | 1,162.44 |
| 77292 | 3750 | EAGLE ENGRAVING, INC. | 02/07/2020 | 29.04 |
| 77293 | 3987 | MARK EATON | 02/07/2020 | 575.00 |
| 77294 | 4176 | ENGINEERED FIRE SYSTEMS, INC | 02/07/2020 | 250.00 |

| Check No | Vendor No | Vendor Name | Check Date | Check Amount |
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| 77295 | 3164 | FAB TECH OF THE CENTRAL VALLEY | 02/07/2020 | 408.66 |
| 77296 | 4072 | FAHRNEY FORD SALES | 02/07/2020 | 2,136.90 |
| 77297 | 3540 | FAILSAFE TESTING | 02/07/2020 | 319.00 |
| 77298 | 4191 | FEMA | 02/07/2020 | 2,043.72 |
| 77299 | 4193 | FIRST IN SAFETY | 02/07/2020 | 11,348.73 |
| 77300 | 3199 | FMAAA | 02/07/2020 | 745.86 |
| 77301 | 3747 | C/O JOE GARZA FRESNO MADERA CO | 02/07/2020 | 150.00 |
| 77302 | 3198 | FRESNO TRUCK CENTER | 02/07/2020 | 82.54 |
| 77303 | 3721 | DEREK GAGNON | 02/07/2020 | 51.00 |
| 77304 | 4126 | GREENSHINE NEW ENERGY LLC | 02/07/2020 | 27,103.79 |
| 77305 | 4185 | HECTOR CAVAZOS | 02/07/2020 | 6.87 |
| 77306 | 3222 | HENRY SCHEIN, INC. | 02/07/2020 | 1,371.01 |
| 77307 | 3550 | HERWALDT MOTORSPORTS | 02/07/2020 | 240.00 |
| 77308 | 3225 | HOME DEPOT CREDIT SERVICES | 02/07/2020 | 1,233.57 |
| 77309 | 4062 | INSPIRE CHARTER SCHOOLS | 02/07/2020 | 37.50 |
| 77310 | 3999 | IRON MOUNTAIN | 02/07/2020 | 35.00 |
| 77311 | 3249 | KAISER FOUNDATION HEALTH PLAN | 02/07/2020 | 2,803.99 |
| 77312 | 3887 | KINGS INDUSTRIAL OCC. MED CTR., I | 02/07/2020 | 1,056.33 |
| 77313 | 3253 | KINGSBURG CHAMBER OF COMMERCE | 02/07/2020 | 2,500.00 |
| 77314 | 3260 | KINGSBURG VETERINARY CLINIC | 02/07/2020 | 75.00 |
| 77315 | 3267 | KULOW BROS. | 02/07/2020 | 5,900.66 |
| 77316 | 3271 | LEAGUE OF CALIFORNIA CITIES | 02/07/2020 | 6,170.00 |
| 77317 | 3272 | LEE CENTRAL CALIFORNIA NEWSPAPER | 02/07/2020 | 229.93 |
| 77318 | 3275 | LIEBERT, CASSIDY, WHITMORE | 02/07/2020 | 284.50 |
| 77319 | 3276 | LIFE ASSIST INC | 02/07/2020 | 239.13 |
| 77320 | 3277 | LINCOLN AQUATICS | 02/07/2020 | 4,114.62 |
| 77321 | 4177 | MATTOS UNDERGROUND CONSTRUCTION | 02/07/2020 | 6,115.71 |
| 77322 | 3288 | MCCLASKY, INC. | 02/07/2020 | 9,520.00 |
| 77323 | 3307 | NELSON'S ACE HARDWARE | 02/07/2020 | 1,412.27 |
| 77324 | 4194 | NELSON'S ACE HARDWARE | 02/07/2020 | 1.15 |
| 77325 | 3312 | O'REILLY AUTO PARTS | 02/07/2020 | 353.83 |
| 77326 | 3315 | P G & E | 02/07/2020 | 1,775.78 |
| 77327 | 3316 | CORINA PADILLA | 02/07/2020 | 17.00 |
| 77328 | 3450 | ABIGAIL PALSGAARD | 02/07/2020 | 35.00 |
| 77329 | 4187 | PATIO KING | 02/07/2020 | 129.00 |
| 77330 | 4178 | GARY POKORNY | 02/07/2020 | 85.00 |
| 77331 | 3329 | POLYACK MARKETING | 02/07/2020 | 3,300.00 |
| 77332 | 3337 | PROVOST & PRITCHARD | 02/07/2020 | 4,350.00 |
| 77333 | 3790 | RAYS CONSTRUCTION | 02/07/2020 | 300.00 |
| 77334 | 3358 | S & S WORLDWIDE, INC. | 02/07/2020 | 261.95 |
| 77335 | 3537 | SECOND CHANCE ANIMAL SHELTER | 02/07/2020 | 1,000.00 |
| 77336 | 3368 | SIGN RANCH BY ROD'S CUSTOM SIGNS | 02/07/2020 | 1,484.73 |
| 77337 | 3369 | SILVAS OIL COMPANY, INC. | 02/07/2020 | 4,970.99 |
| 77338 | 4142 | SPARKLETTS | 02/07/2020 | 62.03 |
| 77339 | 3378 | STAPLES ADVANTAGE | 02/07/2020 | 2,643.62 |
| 77340 | 4003 | STARBUCKS COFFEE COMPANY | 02/07/2020 | 711.12 |
| 77341 | 4129 | STEVE DOVALI CONSTRUCTION | 02/07/2020 | 83,054.82 |
| 77342 | 4028 | SUPERIOR POOL CARE | 02/07/2020 | 8,000.00 |
| 77343 | 4192 | TAVCAM INN | 02/07/2020 | 21.05 |
| 77344 | 3441 | TCSO JAIL INDUSTRIES ENGRAVING INC | 02/07/2020 | 21.55 |
| 77345 | 4116 | THE CENTRE for ORGANIZATION EFF | 02/07/2020 | 9,650.00 |
| 77346 | 3506 | TOSHIBA FINANCIAL SERVICES | 02/07/2020 | 691.99 |
| 77347 | 4016 | ULINE Shipping Supplies Specialist | 02/07/2020 | 448.58 |
| 77348 | 3414 | ERIC VASQUEZ | 02/07/2020 | 85.00 |
| 77349 | 3416 | VERIZONWIRELESS | 02/07/2020 | 987.23 |
| 77350 | 3419 | VIKING CLEANING SERVICE | 02/07/2020 | 3,076.02 |
| 77351 | 3493 | VILLAGE TIRE SALES | 02/07/2020 | 179.56 |

| Check No | Vendor No | Vendor Name | Check Date | Check Amount |
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| 77352 | 3421 | VINCENT COMMUNICATIONS, INC. | 02/07/2020 | 86.38 |
| 77353 | 3469 | WECO SUPPLY CO., INC. | 02/07/2020 | 32.55 |
| 77354 | 3427 | WESTAMERICA BANK | 02/07/2020 | 4,369.75 |
| 77355 | 3975 | WIGH PROPERTIES | 02/07/2020 | 29.00 |
| 77356 | 3448 | CHRISTINA WINDOVER | 02/07/2020 | 35.00 |
| 77357 | 3677 | WONDERWARE-California | 02/07/2020 | 2,634.00 |
| 77358 | 3430 | WONG, ANDY & BETTY | 02/07/2020 | 2,600.00 |
| 77359 | 3433 | EVA ZIMMERMAN | 02/07/2020 | 44.00 |
| 77360 | 3505 | ZOOM IMAGING SOLUTIONS, INC. | 02/07/2020 | 402.48 |
| Total for 2/7/2020: | | | | 294,339.53 |
| 77361 | 3150 | DOWNTOWN FORD SALES | 02/12/2020 | 30,780.74 |
| Total for 2/12/2020: | | | | 30,780.74 |
| Report Total (108 checks): | | | | 447,143.28 |

ORDINANCE NO. 2020-001

**AN ORDINANCE OF THE CITY OF KINGSBURG
ADDING CHAPTER 16.42 TO
TITLE 16 OF THE KINGSBURG MUNICIPAL CODE
PERTAINING TO THE CONSTRUCTION OF
MODEL HOMES AND PRODUCTION HOMES**

The City Council of the City of Kingsburg does hereby ordain as follows:

Section 1. Title 16 of the Kingsburg Municipal Code are hereby amended by adding Chapter 16.42 to set forth the procedures and requirements for the construction of model homes and production homes in residential subdivisions in the City of Kingsburg.

Chapter 16.42
MODEL HOMES AND PRODUCTION HOMES

16.42.010 Definitions.

A. For purposes of this chapter, the following definitions shall apply.

1. A model home is a home without an identified buyer constructed for marketing purposes to show the design, structure and appearance of units in a residential development and shall not be sold, leased, financed or offered for sale until the final subdivision map for the residential development is recorded and a final certificate of occupancy is issued for the model home.

2. A production home is a home without an identified buyer built on speculation that shall not be sold, leased, financed, or offered for sale until a final subdivision map for the residential development is recorded and a final certificate of occupancy is issued for the production home.

3. For purposes of this chapter, and except as otherwise set forth in this chapter, model home and production home shall be collectively referred to in this chapter as "model home".

4. Subdivision means a single-family residential subdivision located within the city limits of the City of Kingsburg.

16.42.020 Authority to building permits for model homes.

A. Upon the recordation of the final subdivision map for a subdivision and the city's

1 approval of building plans for a maximum of four (4) model homes to be constructed on
2 specific lots in the subdivision, the city may issue building permits
3 for construction of the model homes so long as all requirements identified in this chapter are
4 satisfied, as determined by the city, by the developer of the subdivision.

5 **16.42.030 Requirements for construction of model homes**

6
7 A. Before developer of a subdivision may commence construction of model
8 homes, the developer shall complete the following improvements:

9 1. All model home building pads must be completed and certified by the city
10 and all property hubs must be installed.

11 2. All streets leading to the model home must be fully installed with an all-
12 weather hard surface and all curbs and gutters and street lights must be installed along the streets.

13 3. All sewer, water and other underground utilities in the streets leading to
14 the model homes, stubbed to each model home lot constructed and installed concurrently with
15 the construction of the first model home.

16 4. Fully charged fire hydrants must be installed, fully operational and
17 located within 300 feet of each model home and approved by the city fire department.

18 5. Storm drainage facilities must be installed for the model homes and
19 approved by the City.

20 6. The biological testing (potable water tests) for the subdivision water
21 system shall be completed and approved.

22 7. "FIRE ACCESS ROAD" signs located at all entrances to the
23 subdivision and the streets where the model homes are located marked with 12" letters and
24 minimum 3/4" stroke width, in contrasting colors and background to sign verbiage.

25 8. Temporary address signs located at all subdivision access points from
26 existing streets must be posted with model home lot addresses marked with 12" letters and
27 minimum 3/4" stroke width, in contrasting colors and background to sign verbiage.

28 9. Security cameras installed and operating and covering:

- 1 a. Each model home.
- 2 b. The exterior perimeter of the model home lots
- 3 c. The street entrance points and street exit points for the model homes
- 4 and covering the entire streets where the model home lots are located.
- 5 d. All security cameras shall have a minimum 90-day video storage and
- 6 shall be accessible to the Kingsburg Police Department upon request.

7 10. Satisfaction of all ADA parking requirements as may be required by

8 the city building official.

9 11. Written evidence of payment of all required application and inspection

10 fees and charges and compliance with all conditions of third-party agencies including, but not

11 limited to Pacific Gas and Electric Company, Selma, Kingsburg, Fowler Sanitation District and

12 the San Joaquin Valley Air Pollution Control District.

13 12. Completion of design and construction of public parking and access to

14 the model homes.

15 13. Front yards of all model homes fully landscaped pursuant to the

16 subdivision landscaping plan.

17 14. No storage of combustible materials (e.g. framing material, raw

18 lumber, pre-fab trusses) of any kind in the subdivision until the fire hydrants identified above are

19 serviceable and passed portable water tests.

20 15. Such other requirements as determined necessary by the City.

21

22 **16.42.040 Authority to building permits for production homes.**

23 A. Upon the recordation of the final subdivision map for a subdivision and the city's

24 approval of building plans for a production home to be constructed on a specific lot located in

25 the subdivision, the city may issue a building permit for construction of the production home

26 so long as all requirements identified in Section 16.42.050 are satisfied, as determined by the

27 city.

28

1 16.42.050 **Requirements for construction of production homes**

2 A. Before developer of a subdivision may commence construction of production
3 homes, the developer shall complete the following improvements:

4 1. All production home building pads must be completed and certified by the
5 city and all property hubs must be installed.

6 2. All streets leading to production home must be fully installed except for
7 the final paving lift and all curbs and gutters must be installed along the streets. Streets lights
8 leading to the production homes must be installed and fully operational prior to occupancy of
9 any production home. Installation of the final paving lift for the streets in the subdivision and the
10 installation of the sidewalks in the subdivision must be completed and approved by the city prior
11 to issuance of certificates of occupancy for the production homes.

12 3. All sewer, water and other underground utilities installed in the streets in
13 the subdivision stubbed to each subdivision lot.

14 4. All fire hydrants in the subdivision must be installed, fully charged and
15 operational and approved by the city fire department.

16 5. Storm drainage facilities must be installed for the subdivision and
17 approved by the City.

18 6. The biological testing (potable water tests) for the subdivision water
19 system shall be completed and approved.

20
21 8. Temporary address signs located at all subdivision access points from
22 existing streets must be posted with production home lot addresses marked with 12” letters and
23 minimum 3/4” stroke width, in contrasting colors and background to sign verbiage.

24
25 10. Satisfaction of all ADA parking requirements as may be required by
26 the city building official.

27
28

1 11. Written evidence of payment of all required application and inspection
2 fees and charges and compliance with all conditions of third-party agencies including, but not
3 limited to Pacific Gas and Electric Company, Selma, Kingsburg, Fowler Sanitation District and
4 the San Joaquin Valley Air Pollution Control District.

5 12. Landscaping pursuant to the subdivision landscaping plan for each
6 production home must be completed prior to issuance of a certificate of occupancy for the
7 production home.

8 13. No storage of combustible materials (e.g. framing material, raw
9 lumber, pre-fab trusses) of any kind in the subdivision until the fire hydrants identified above are
10 serviceable and passed portable water tests.

11 14. Such other requirements as determined necessary by the City.

12 **16.42.060 Required improvements**

13 A. The requirements identified in Sections 16.42.030 and Section 16.42.050
14 shall be collectively referred to as the “required improvements”. The model homes and
15 production homes and the required improvements are hereinafter collectively referred to in this
16 chapter as “model improvements”.

17 B. All model improvements shall be constructed and installed in full
18 accordance with the model home building plans approved by the city and all applicable city
19 standards and specifications and all applicable city, state and federal laws, rules, regulations,
20 policies and ordinances, as amended from time to time. The construction and installation of all
21 model improvements will be subject to the city’s standard inspection procedures and
22 requirements, as amended from time to time. The issuance of the building permits for the model
23 homes shall in no way whatsoever be construed as the granting to the developer of the
24 subdivision any right to trespass upon land in the possession of, or owned by, any other person or
25 entity without the landowner’s prior written consent.

26

27

28

1 16.42.070 **Use of model homes.** The model homes may not be used or occupied by
2 the developer or any other person or entity until all model improvements have been constructed
3 and installed and approved by the City. No model homes may be sold until
4 the entire subdivision has been fully developed and sold out.

5 16.42.080 **Removal of model improvements.**

6 A. Should the developer fail, in any manner, to construct and install the model
7 improvements or operate the model improvements as required by this chapter, the developer
8 shall, within thirty (30) days after the date of written notice from the city, remove from the
9 subdivision any and all model improvements placed, installed or constructed in the subdivision
10 and the developer shall restore the subdivision to its condition prior to issuance of the building
11 permits for the model improvements.

12 B. Should the developer fail to comply with the provisions of this section
13 16.42.080, the developer unconditionally and irrevocably authorizes and permits the city, or any
14 of its duly authorized officers, employees, agents or contractors to enter upon the subdivision and
15 perform such removal and restoration. The developer shall indemnify, hold harmless and defend
16 the city, its officials, officers, employees, contractors and agents from and against any claims,
17 lawsuits, costs, liability, damages or expenses, including costs of suit and fees and expenses
18 including, without limitation, attorney fees, in any way related to city's removal of the model
19 improvements.

20 16.42.090 **Cost of removal of model improvements.**

21 Prior to the construction and installation of any model improvements, the developer
22 shall deliver to the city the sum of One Hundred Thousand Dollars (\$100,000) in cash or by an
23 irrevocable standby letter of credit or instrument of credit in the amount of One Hundred
24 Thousand Dollars (\$100,000.00) and in a form approved by the City, ("Removal Deposit"). The
25 Removal Deposit shall be used by city to pay the costs and expenses of the city's removal of the
26 model improvements as provided in section 16.42.080. If the cost of removal of the model
27 improvements exceeds the amount of the Removal Deposit, the developer shall pay to the city, in
28

1 cash, any amount which exceeds the Removal Deposit within thirty (30) days after the date of an
2 invoice from the city identifying the amount in excess of the Removal Deposit.

3
4 **16.42.100 Development fees.**

5 Prior to the construction and installation of any model improvements, the
6 developer shall pay to city any and all fees, including, without limitation
7 development fees, connection fees and capital facilities fees required by city in order to
8 commence construction of the model improvements.

9 **16.42.101 No vested rights.**

10 No vested rights or entitlements are conferred or granted to the developer or the
11 subdivision by the issuance of the building permits or by acceptance by the city of any model
12 improvements constructed by the developer within or upon the subdivision.

13 **16.42.102. Indemnification.**

14 A. To the fullest extent allowed by law, the developer shall indemnify, hold
15 harmless and defend the city and each of its officers, officials, employees, agents, volunteers and
16 contractors from any and all loss, liability, fines, penalties, forfeitures, costs and damages
17 (whether in contract, tort or strict liability, including but not limited to personal injury, death at
18 any time and property damage) arising or alleged to have arisen directly or indirectly out of the
19 developer's construction and installation of the model improvements.

20 B. If the developer subcontracts all or any portion of the construction and
21 installation of the model improvements, the developer shall require each subcontractor to
22 indemnify, hold harmless and defend City and each of its officers, officials, employees, agents,
23 volunteers and contractors in accordance with the provisions of this section 16.42.100.

24 **16.42. Insurance coverage.**

25 A. Until all homes in the subdivision are sold, the developer shall maintain in full
26 force and effect the insurance described below with an insurance company(ies) either (i)
27 admitted by the California Insurance Commissioner to do business in the State of California and
28

1 rated not less than “A-VII” in Best’s Insurance Rating Guide; or (ii) authorized by the Central
2 Valley Risk Management Authority:

3
4 COMMERCIAL GENERAL LIABILITY insurance which shall be
5 at least as broad as the most current version of Insurance Services Office
6 (ISO) Commercial General Liability Coverage Form CG 00 01 and shall
7 include insurance for “bodily injury”, “property damage” and “personal
8 and advertising injury” with coverage for premises and operations
9 (including the use of owned and non-owned equipment), products and
10 completed operations, contractual liability (including indemnity
11 obligations under this Agreement), with limits of liability of not less than
12 \$5,000,000 per occurrence for bodily injury and property damage,
13 \$2,000,000 per occurrence for personal and advertising injury and
14 \$5,000,000 aggregate for products and completed operations.

15 The developer shall be responsible for payment of any deductibles contained in any
16 insurance policies required under this section 16.42.101.

17 B. The above described policy of insurance shall be endorsed to provide an
18 unrestricted 30 calendar day written notice in favor of the city of policy modification or
19 cancellation of coverage. In the event the policy is due to expire prior to the sale of all homes in
20 the subdivision, the developer shall provide a new certificate evidencing renewal of such policy
21 not less than 15 calendar days prior to the expiration date of the expiring policy. Upon issuance
22 by the insurer, broker, or agent of a notice of modification or cancellation in coverage, the
23 developer shall file with city a new certificate with all applicable endorsements for such policy.

24 C. The General Liability insurance policy shall be written on an occurrence form and
25 shall name the city, its officers, officials, agents, employees, volunteers and contractors as
26 additional insureds. Such policy of insurance shall be endorsed so the developer’s insurance
27 shall be primary and no contribution shall be required by the city. The policy shall contain a
28

1 waiver of subrogation as to city, its officers, officials, agents, employees, volunteers and
2 contractors. The developer shall furnish City with the certificate and applicable endorsements
3 for the required insurance prior to commencement of the construction and installation of the
4 model improvements.

5 D. If at any time, the developer fails to maintain the required insurance in full force and
6 effect, the developer shall immediately cease all work in the subdivision until written notice is
7 received by the city that the required insurance has been restored to full force and effect and that
8 the premiums therefore have been paid for a period satisfactory to the city.

9 E. If the developer subcontracts all or any portion of the construction and installation of
10 the model improvements, the developer shall require each subcontractor to provide insurance
11 protection in favor of City, its officers, officials, employees, agents and contractors in
12 accordance with the provisions of this section 16.42.100, and the subcontractors' certificates of
13 insurance and endorsements shall be on file with the developer and the city prior to the
14 commencement of any work by the subcontractor.

15 **Section 2.** This ordinance shall take effect thirty (30) days after its passage and shall be
16 published in the Kingsburg Recorder within fifteen (15) days after its passage.

17 **PASSED AND ADOPTED** at a regular meeting of the City Council of the City of Kingsburg
18 duly called and held on the ___ day of February, 2020 by the following vote:

19 AYES: Council Member _____

20 _____

21 _____

22 _____

23 _____

24 NOES: Council Member _____

25 ABSTAIN: Council Member _____

26 ABSENT: Council Member _____

27

28

APPROVED

Mayor

ATTEST: _____
City Clerk

STATE OF CALIFORNIA)
COUNTY OF FRESNO)ss
CITY OF KINGSBURG)

I, **ABIGAIL PALSGAARD**, City Clerk of the City of Kingsburg, do hereby certify the foregoing ordinance was duly introduced at a regular meeting of the City Council of the City of Kingsburg on the ___ day of February, 2020, and it was duly passed and adopted at a regular meeting of said City Council held on the _____ day of February, 2020.

Dated: _____
Abigail Palsgaard, City Clerk

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Meeting Date: 2/19/2020
Agenda Item: 4.4

CITY COUNCIL MEETING STAFF REPORT

REPORT TO: Mayor Roman & City Council
REPORT FROM: Alma Colado, Finance Director **REVIEWED BY:** AH
AGENDA ITEM: Development Impact Fee Report
ACTION REQUESTED: Ordinance Resolution Motion Receive/File

EXECUTIVE SUMMARY

The Mitigation Fee Act (Government Code Section 66006 et. seq.) requires local agencies to submit an annual report detailing the status of development impact fees. The annual report must be made available to the public within 180 days after the close of the fiscal year, and must be presented to the City Council at least 15 days after it is made available to the public. The Development Impact Fee Annual Report for Fiscal Year ending June 30, 2018 and June 30, 2019 are enclosed herein as Attachment "A".

With the passage of Proposition 13 in 1978 and the resulting decline in local government revenues, local governments have increasingly relied on impact fees in order to mitigate the impacts created by new development. Development impact fees are collected to finance the design, construction and acquisition of facilities and equipment necessary to accommodate future development.

In response to the growing use of impact fees, the state Legislature passed AB 1600 in 1987, the California Mitigation Fee Act, setting forth standards and procedures for how impact fees are imposed, collected and expended. The Mitigation Fee Act requires local governments to segregate and place development impact fees collected in special funds. Those funds are held to finance the construction of the specific facilities for which the fee was imposed. The Mitigation Fee Act also requires local governments to prepare annual reports detailing the status of development impact fees until the funds collected are expended.

The enclosed Development Impact Fees Annual Report provides information on the amount of development impact fees collected and expended, and the interest earned on unexpended funds from July 1, 2017 through June 30, 2019. The City of Kingsburg has nine types of development impact fees. They are:

Water System Development Fee:
Funds the water supply, treatment, and distribution facilities needed to provide potable domestic water and to meet fire flow requirements for new development.

Traffic Capital Facility Fee:
Funds transportation improvements that include arterial streets, intersections, and traffic signals to accommodate new development.

Public Safety Fee:
Funds the acquisition of land for Police and Fire facilities, the upgrade of existing facilities, and the purchase of vehicles and equipment to accommodate new development.

Specialized Recreation Fee:

Funds the acquisition of land and building for playing fields, open spaces, corridor development, and facility improvements to accommodate new development.

General Government Fee:

Fund the acquisition of land for City Hall, Public Works yard and Library facilities, and the upgrade of existing facilities to accommodate new development.

Sewer Connection Systems Fee:

Funds the connection systems required to provide sanitary sewer service to new development.

Storm Drain System Systems Fee:

Funds drainage facilities for flood control and water management to accommodate new development.

Traffic Impact Zone Fee:

Funds improvements to streets, signals, and ramps due to the development in the K-Mart benefit area.

Park & Recreation

- **Neighborhood Park**

- **Community**

Funds new facilities for park and recreation activities to serve development.

The annual report provides the public with the requisite information as to the status and use of impact fees collected for fiscal year ending June 30, 2018 and June 30, 2019 in compliance with the Mitigation Fee Act.

RECOMMENDED ACTION BY CITY COUNCIL

1. Council review and accept public comment regarding the FY2017/2018 and FY 2018/19 Development Impact Fee Annual Report and file the subject report with the Office of the City Clerk.

POLICY ALTERNATIVE(S)

N/A

FINANCIAL INFORMATION

| | |
|------------------------------|---------------|
| <u>FISCAL IMPACT:</u> | |
| 1. Is There a Fiscal Impact? | <u>Yes</u> |
| 2. Is it Currently Budgeted? | <u>Yes</u> |
| 3. If Budgeted, Which Line? | <u>Varies</u> |

ATTACHED INFORMATION

1. Development Impact Fee Report for FY 2017/18
1. Development Impact Fee Report for FY 2018/19

**CITY OF KINGSBURG
DEVELOPMENT IMPACT FEE REPORT
FISCAL YEAR 2017-18**

| |
|---|
| TRAFFIC CAPITAL FACILITY FEE FUND 210-9601 |
|---|

| | |
|---|-----------------------------|
| Beginning Fund Balance, July 1, 2017 | \$ 771,842.00 |
| adjustment to beg fund bal | \$ (3,832.00) |
| | <u>\$ 768,010.00</u> |
| Revenues: | |
| Interest Earnings | \$ 19,151.00 |
| Development Impact Fees | \$ 133,771.00 |
| Total Revenue | <u>\$ 152,922.00</u> |
| Expenditures: | |
| Professional Services | \$ 13,298.00 |
| Transfer to Other Funds | \$ 37,500.00 |
| Capital Expenses | \$ - |
| Total Expenditures | <u>\$ 50,798.00</u> |
| Ending Fund Balance, June 30, 2018 | |
| | <u><u>\$ 870,134.00</u></u> |

Planning consultant fees for work on Sphere of Influence (analysis, maps, charts & building permits)

Operational intrafund transfer from Traffic Capital Facilities to General Fund for improvements to main streets and traffic signals.

**CITY OF KINGSBURG
DEVELOPMENT IMPACT FEE REPORT
FISCAL YEAR 2017-18**

| |
|--|
| PUBLIC SAFETY FUND 210-9609 |
|--|

| | |
|---|--------------------------------|
| Beginning Fund Balance, July 1, 2017 | (\$1,492,055.00) |
| Revenues: | |
| Interest Earnings | \$0.00 |
| Development Impact Fees | 79,598.00 |
| Total Revenue | \$79,598.00 |
| Expenditures: | |
| Interest Payable | \$0.00 |
| Transfer to Other Funds | \$18,000.00 |
| Capital Expenses | \$0.00 |
| Total Expenditures | \$18,000.00 |
| Ending Fund Balance, June 30, 2018 | <u>(\$1,430,457.00)</u> |

Operational intrafund transfer from Public Safety to General Fund for new development impact on Police and Fire services.

**CITY OF KINGSBURG
DEVELOPMENT IMPACT FEE REPORT
FISCAL YEAR 2017-18**

| |
|---|
| SPECIALIZED RECREATION FUND 210-9606 |
|---|

| | |
|---|---------------------|
| Beginning Fund Balance, July 1, 2017 | \$613,990.00 |
| Revenues: | |
| Interest Earnings | \$0.00 |
| Development Impact Fees | \$94,949.00 |
| Total Revenue | <u>\$94,949.00</u> |
| Expenditures: | |
| Servicing Fees | \$0.00 |
| Transfer to Other Funds | \$50,000.00 |
| Capital Expenses | \$0.00 |
| Total Expenditures | <u>\$50,000.00</u> |
| Ending Fund Balance, June 30, 2018 | <u>\$658,939.00</u> |

Operational intrafund transfer from Specialized Recreation to General Fund for new development impact on recreation facilities and playing fields.

**CITY OF KINGSBURG
DEVELOPMENT IMPACT FEE REPORT
FISCAL YEAR 2017-18**

| |
|---------------------------------------|
| WATER SYSTEM FUND 210-9608 |
|---------------------------------------|

| | |
|---|----------------------------|
| Beginning Fund Balance, July 1, 2017 | \$635,113.00 |
| adjustment to beg fund bal | \$98,339.00 |
| | <u>\$733,452.00</u> |
| Revenues: | |
| Interest Earnings | \$0.00 |
| Development Impact Fees | \$68,649.00 |
| Total Revenue | <u>\$68,649.00</u> |
| Expenditures: | |
| Professional Services | \$0.00 |
| Transfer to Other Funds | \$25,000.00 |
| Capital Expenses | \$0.00 |
| Total Expenditures | <u>\$25,000.00</u> |
| Ending Fund Balance, June 30, 2018 | <u><u>\$777,101.00</u></u> |

Operational intrafund transfer from Water system to General Fund for new development impact on the cost of new water facilities.

**CITY OF KINGSBURG
DEVELOPMENT IMPACT FEE REPORT
FISCAL YEAR 2017-18**

| |
|---|
| GENERAL GOVERNMENT FUND 210-9691 |
|---|

| | |
|---|--------------------------|
| Beginning Fund Balance, July 1, 2017 | \$ 656,919.00 |
| adjustment to beg fund bal | \$ (9.00) |
| | <u>\$ 656,910.00</u> |
| Revenues: | |
| Interest Earnings | \$ - |
| Development Impact Fees | \$ 96,823.00 |
| Total Revenue | <u>\$ 96,823.00</u> |
| Expenditures: | |
| Transfer to Other Funds | \$ 37,500.00 |
| Servicing Fees | \$ - |
| Capital Expenses | \$ - |
| Total Expenditures | <u>\$ 37,500.00</u> |
| Ending Fund Balance, June 30, 2018 | <u>\$ 716,233.00</u> |

Operational intrafund transfer from General Government to General Fund for new development growth impact to City Hall and Public works facilities.

**CITY OF KINGSBURG
DEVELOPMENT IMPACT FEE REPORT
FISCAL YEAR 2017-18**

| SEWER CONNECTION SYSTEMS FUND 211-9100 | |
|---|------------------------|
| Beginning Fund Balance, July 1, 2017 | \$ 1,013,369.00 |
| adjustment to beg fund bal | <u>\$ 14,406.00</u> |
| | <u>\$ 1,027,775.00</u> |
| Revenues: | |
| Interest Earnings | \$ 13,202.00 |
| Development Impact Fees | <u>\$ 33,089.00</u> |
| Total Revenue | <u>\$ 46,291.00</u> |
| Expenditures: | |
| Servicing Fees | \$ - |
| Transfer to Other Funds | \$ 25,000.00 |
| Capital Expenses | \$ - |
| Total Expenditures | <u>\$ 25,000.00</u> |
| Ending Fund Balance, June 30, 2018 | <u>\$ 1,049,066.00</u> |

Operational intrafund transfer from Sewer system to General Fund for new development growth impact for the expansion of sewer facilities and oversized lines.

**CITY OF KINGSBURG
DEVELOPMENT IMPACT FEE REPORT
FISCAL YEAR 2017-18**

| |
|--|
| STORM DRAIN SYSTEMS FUND 212-9100 |
|--|

| | |
|---|-------------------------|
| Beginning Fund Balance, July 1, 2017 | \$16,649 |
| adjustment to beg fund bal | <u>\$ 1,630</u> |
| | <u>\$ 18,279</u> |
| Revenues: | |
| Interest Earnings | \$585 |
| Development Impact Fees | <u>\$39,503</u> |
| Total Revenue | <u><u>\$40,088</u></u> |
| Expenditures: | |
| Servicing Fees | |
| Interest | \$0 |
| Capital Expenses | <u>\$0</u> |
| Total Expenditures | <u><u>\$0</u></u> |
| Ending Fund Balance, June 30, 2018 | <u><u>\$ 58,367</u></u> |

New development impact cost for the expansion of storm drain system facilities.

**CITY OF KINGSBURG
DEVELOPMENT IMPACT FEE REPORT
FISCAL YEAR 2017-18**

| |
|---|
| <p>TRAFFIC IMPACT ZONE FUND 216-9100</p> |
|---|

| | |
|---|--------------------|
| Beginning Fund Balance, July 1, 2017 | \$13,404.00 |
| adjustment to beg fund bal | \$ - |
| | <u>\$13,404.00</u> |
| Revenues: | |
| Interest Earnings | \$4.00 |
| Development Impact Fees | \$0.00 |
| Total Revenue | <u>\$4.00</u> |
| Expenditures: | |
| Servicing Fees | \$0.00 |
| Capital Expenses | \$0.00 |
| Total Expenditures | <u>\$0.00</u> |
| Ending Fund Balance, June 30, 2018 | <u>\$13,408.00</u> |

New development impact cost for the expansion of streets, signals and ramps.

**CITY OF KINGSBURG
DEVELOPMENT IMPACT FEE REPORT
FISCAL YEAR 2017-18**

| |
|---------------------------------------|
| PARK & RECREATION FUND |
| NEIGHBORHOOD PARK 214-8100 |
| COMMUNITY 214-8200 |

| | |
|---|-------------------------|
| Beginning Fund Balance, July 1, 2017 | \$246,367.00 |
| adjustment to beg fund bal | \$ - |
| | <u>\$246,367.00</u> |
| Revenues: | |
| Interest Earnings | \$2,511.00 |
| Development Impact Fees | \$22,692.00 |
| Total Revenue | <u>\$25,203.00</u> |
| Expenditures: | |
| Servicing Fees | \$0.00 |
| Capital Expenses | \$0.00 |
| Total Expenditures | <u>\$0.00</u> |
| Ending Fund Balance, June 30, 2018 | <u>\$271,570.00</u> |

New development impact cost for the expansion of parks, recreation and community facilities.

**CITY OF KINGSBURG
DEVELOPMENT IMPACT FEE REPORT
FISCAL YEAR 2018-19**

| |
|---|
| TRAFFIC CAPITAL FACILITY FEE FUND 210-9601 |
|---|

| | |
|---|----------------------|
| Beginning Fund Balance, July 1, 2018 | \$ 870,134.00 |
| adjustment to beg fund bal | \$ - |
| | <u>\$ 870,134.00</u> |

| | |
|-------------------------|---------------------|
| Revenues: | |
| Interest Earnings | \$ 18,319.00 |
| Development Impact Fees | \$ 73,987.00 |
| Total Revenue | <u>\$ 92,306.00</u> |

| | |
|-------------------------|---------------------|
| Expenditures: | |
| Professional Services | \$ 10,368.00 |
| Transfer to Other Funds | \$ - |
| Capital Expenses | \$ 56,250.00 |
| Total Expenditures | <u>\$ 66,618.00</u> |

| | |
|---|-----------------------------|
| Ending Fund Balance, June 30, 2019 | <u><u>\$ 895,822.00</u></u> |
|---|-----------------------------|

Planning consultant fees for work on Sphere of Influence (analysis, maps, charts & building permits)
Engineering fees for update ADA transition plan.

Exhibit A

**CITY OF KINGSBURG
DEVELOPMENT IMPACT FEE REPORT
FISCAL YEAR 2018-19**

| |
|--|
| PUBLIC SAFETY FUND 210-9609 |
|--|

| | |
|---|--------------------------|
| Beginning Fund Balance, July 1, 2018 | \$ (1,430,457.00) |
| Revenues: | |
| Interest Earnings | \$ - |
| Development Impact Fees | \$ 31,819.00 |
| Total Revenue | <u>\$ 31,819.00</u> |
| Expenditures: | |
| Interest Payable | \$ - |
| Transfer to Other Funds | \$ - |
| Capital Expenses | \$ - |
| Total Expenditures | <u>\$ -</u> |
| Ending Fund Balance, June 30, 2019 | <u>\$ (1,398,638.00)</u> |

New development growth impact on Police and Fire services.

**CITY OF KINGSBURG
DEVELOPMENT IMPACT FEE REPORT
FISCAL YEAR 2018-19**

| |
|---|
| SPECIALIZED RECREATION FUND 210-9606 |
|---|

| | |
|---|---------------|
| Beginning Fund Balance, July 1, 2018 | \$ 658,939.00 |
|---|---------------|

Revenues:

| | |
|-------------------------|----------------------------|
| Interest Earnings | \$ - |
| Development Impact Fees | <u>\$ 29,070.00</u> |
| Total Revenue | <u><u>\$ 29,070.00</u></u> |

Expenditures:

| | |
|---------------------------|----------------------------|
| Servicing Fees | \$ - |
| Transfer to Other Funds | \$ - |
| Capital Expenses | <u>\$ 22,977.00</u> |
| Total Expenditures | <u><u>\$ 22,977.00</u></u> |

| | |
|---|-----------------------------|
| Ending Fund Balance, June 30, 2019 | <u><u>\$ 665,032.00</u></u> |
|---|-----------------------------|

Engineering design fees for Athwal recreation space.

**CITY OF KINGSBURG
DEVELOPMENT IMPACT FEE REPORT
FISCAL YEAR 2018-19**

| |
|---------------------------------------|
| WATER SYSTEM FUND 210-9608 |
|---------------------------------------|

| | |
|---|-----------------------------|
| Beginning Fund Balance, July 1, 2018 | \$ 777,101.00 |
| adjustment to beg fund bal | \$ - |
| | <u>\$ 777,101.00</u> |
| Revenues: | |
| Interest Earnings | \$ - |
| Development Impact Fees | \$ 25,168.00 |
| Total Revenue | <u>\$ 25,168.00</u> |
| Expenditures: | |
| Professional Services | \$ - |
| Transfer to Other Funds | \$ - |
| Capital Expenses | \$ - |
| Total Expenditures | <u>\$ -</u> |
| Ending Fund Balance, June 30, 2019 | <u><u>\$ 802,269.00</u></u> |

New development growth impact on the cost of new water facilities.

**CITY OF KINGSBURG
DEVELOPMENT IMPACT FEE REPORT
FISCAL YEAR 2018-19**

| |
|---|
| GENERAL GOVERNMENT FUND 210-9691 |
|---|

| | |
|---|-------------------|
| Beginning Fund Balance, July 1, 2018 | \$ 716,233.00 |
| adjustment to beg fund bal | \$ - |
| | \$ 716,233.00 |
| Revenues: | |
| Interest Earnings | \$ - |
| Development Impact Fees | \$ 28,850.00 |
| Total Revenue | \$ 28,850.00 |
| Expenditures: | |
| Transfer to Other Funds | \$ - |
| Servicing Fees | \$ 11,922.00 |
| Capital Expenses | \$ - |
| Total Expenditures | \$ 11,922.00 |
| Ending Fund Balance, June 30, 2019 | \$ 733,161.00 |

Fees for expansion of City Hall to accommodate new growth.

Exhibit A

**CITY OF KINGSBURG
DEVELOPMENT IMPACT FEE REPORT
FISCAL YEAR 2018-19**

| |
|---|
| SEWER CONNECTION SYSTEMS FUND 211-9100 |
|---|

| | |
|---|------------------------|
| Beginning Fund Balance, July 1, 2018 | \$ 1,049,066.00 |
| adjustment to beg fund bal | \$ - |
| | <u>\$ 1,049,066.00</u> |
| Revenues: | |
| Interest Earnings | \$ 10,764.00 |
| Development Impact Fees | \$ 17,115.00 |
| Total Revenue | <u>\$ 27,879.00</u> |
| Expenditures: | |
| Servicing Fees | \$ - |
| Transfer to Other Funds | \$ - |
| Capital Expenses | \$ - |
| Total Expenditures | <u>\$ -</u> |
| Ending Fund Balance, June 30, 2019 | <u>\$ 1,076,945.00</u> |

New development growth impact for the expansion of sewer facilities and oversized lines.

Exhibit A

**CITY OF KINGSBURG
DEVELOPMENT IMPACT FEE REPORT
FISCAL YEAR 2018-19**

| |
|--|
| STORM DRAIN SYSTEMS FUND 212-9100 |
|--|

| | |
|---|----------------------|
| Beginning Fund Balance, July 1, 2018 | \$ 58,367.00 |
| adjustment to beg fund bal | \$ - |
| | <u>\$ 58,367.00</u> |
| Revenues: | |
| Interest Earnings | \$ 1,382.00 |
| Development Impact Fees | \$ 109,344.00 |
| Total Revenue | <u>\$ 110,726.00</u> |
| Expenditures: | |
| Servicing Fees | \$ - |
| Interest | \$ - |
| Capital Expenses | \$ - |
| Total Expenditures | <u>\$ -</u> |
| Ending Fund Balance, June 30, 2019 | <u>\$ 169,093.00</u> |

New development impact for the expansion of storm drain system facilities.

**CITY OF KINGSBURG
DEVELOPMENT IMPACT FEE REPORT
FISCAL YEAR 2018-19**

| |
|--|
| TRAFFIC IMPACT ZONE FUND 216-9100 |
|--|

| | |
|---|--------------------|
| Beginning Fund Balance, July 1, 2018 | \$13,408.00 |
| adjustment to beg fund bal | \$ - |
| | <u>\$13,408.00</u> |
| Revenues: | |
| Interest Earnings | \$3.00 |
| Development Impact Fees | \$0.00 |
| Total Revenue | <u>\$3.00</u> |
| Expenditures: | |
| Servicing Fees | \$0.00 |
| Capital Expenses | \$0.00 |
| Total Expenditures | <u>\$0.00</u> |
| Ending Fund Balance, June 30, 2019 | <u>\$13,411.00</u> |

New development impact for the expansion of streets, signals and ramps.

**CITY OF KINGSBURG
DEVELOPMENT IMPACT FEE REPORT
FISCAL YEAR 2018-19**

| |
|---------------------------------------|
| PARK & RECREATION FUND |
| NEIGHBORHOOD PARK 214-8100 |
| COMMUNITY 214-8200 |

| | |
|---|-------------------------|
| Beginning Fund Balance, July 1, 2018 | \$251,570.00 |
| adjustment to beg fund bal | \$ - |
| | <u>\$251,570.00</u> |
| Revenues: | |
| Interest Earnings | \$2,305.00 |
| Development Impact Fees | \$14,330.00 |
| Total Revenue | <u>\$16,635.00</u> |
| Expenditures: | |
| Servicing Fees | \$0.00 |
| Capital Expenses | \$0.00 |
| Total Expenditures | <u>\$0.00</u> |
| Ending Fund Balance, June 30, 2019 | <u>\$268,205.00</u> |

New development impact for the expansion of parks, recreation and community facilities.



Meeting Date: 2/19/2020
Agenda Item: 4.5

CITY COUNCIL MEETING STAFF REPORT

REPORT TO: Mayor Roman & City Council

REPORT FROM: Alma Colado, Finance Director

REVIEWED BY:

AGENDA ITEM: 2019-2020 Mid-year Budget Amendment

ACTION REQUESTED: ___ Ordinance Resolution Motion ___ Receive/File

EXECUTIVE SUMMARY

Throughout the year, staff examines both revenue and expenditure trends as compared to approved budget amounts. At the mid-year point, we examine line items that require adjustment action by the City Council. Most of City funds (both revenue and expenditure) are trending normally. However, for a variety of reasons (listed in this report), there are some line items that require budget amendments. There are 16 amendments that need to be addressed specifically: each taking place in the General Fund, Special Revenue Fund, Enterprise Fund, Measure E Fund and Internal Service Fund.

A budget amendment provides a necessary paper trail for our auditors to examine appropriation changes mid-year.

RECOMMENDED ACTION BY

1. Approve the budget amendments as presented and recommended by the Finance Committee.

POLICY ALTERNATIVE(S)

1. Council could choose to approve, modify or decline to approve any amendment.

REASON FOR RECOMMENDATION/KEY METRIC

1. Ensure Financial Stability

FINANCIAL INFORMATION

FISCAL IMPACT:

1. Is There A Fiscal Impact? Yes
2. Is it Currently Budgeted? Yes
3. If Budgeted, Which Line? Varies

PRIOR ACTION/REVIEW

The City's Finance Committee discussed the amendment items during their January 28, 2020 meeting. The amendments presented are based upon their recommendations.

BACKGROUND INFORMATION

There are 16 line items funds that require a mid-year adjustment to reflect payments. Each of the expenditures was approved previously by City Council, and the proposed amendments help provide clarity in the budget document, as well as to properly reflect spending and the year in which it occurred.

Requested Appropriations

1. Finance – Professional Services (001-2000-519-5270)
Budgeted Amount: \$12,000 Proposed Amount: \$35,000
 - Total amendment amount: \$23,000
 - The amendment is necessary to cover costs due to re-apportionment on the district tax for 2017 Q4. The city has an agreement with a third party vendor to track and take action on tax apportionment that have been distributed to the wrong jurisdictions. In this case, \$114,000 was apportioned to the wrong location, but ultimately was recovered.
 - Funds will be offset from the additional sales tax revenue.

2. Facility Maintenance – Capital Outlay (001-4600-549-5701)
Budgeted Amount: \$0 Proposed Amount: \$13,500
 - Total amendment amount: \$13,500
 - This amendment is necessary to cover costs for new HVAC unit for Fire department station #1. The unit was over 15 years old and failed.
 - Funds will be offset from General Fund Balance.

3. Federal Projects Fund - 18th & Kern Lighted Crosswalk fund (054-9100-549-5749) Budgeted Amount: \$40,769 Proposed Amount: \$100,769
 - Total amendment amount: \$60,000
 - This amendment is to show the full expenditure for the 18th & Kern Lighted Crosswalk project.
 - Funds will be offset from federal congestion mitigation air quality grant funds and local match funds.

4. Federal Projects Fund – Mehlert Ave Reconstruction (059-9100-549-5750) Budgeted Amount: \$0 Proposed Amount: \$182,205
 - Total amendment amount: \$182,205
 - This amendment is necessary to cover costs for Mehlert reconstruction (12th to FWY 99 Off Ramp). Staff originally budgeted the local share but desires to show the full amount in a separate fund for grant tracking purposes.
 - Funds will be offset from RSTP Grant and LTF 8 local share.

5. Local Transportation Fund – Street Striping Program (104-9100-549-5275) Budgeted Amount: \$10,000 Proposed Amount: \$15,000
 - Total amendment amount: \$5,000
 - This amendment is necessary to cover costs for Street Striping (various street locations). The additional amount is a carry-over from FY19, as the work was held off until FY20 to encompass a larger project.
 - Funds will be offset from LTF 8 local share.

6. Measure C Fund – Memorial Park ADA Ramp Installation (105-9400-549-5765) Budgeted Amount: \$15,000 Proposed Amount: \$25,000
 - Total amendment amount: \$10,000
 - This amendment is necessary to cover costs for ADA ramp installation at Memorial Park
 - Funds will be offset from Measure C funds.

7. Pool Fund -Crandell Pool Improvements Project (021-9100-529-5701) Budgeted Amount: \$0
Proposed Amount: \$630,000
 - Total amendment amount: \$630,000
 - This amendment is necessary to cover costs for Crandell pool improvements project (re-plastering, tile repairs, decking repairs, lighting upgrades and associated improvements)
 - Funds will be offset from grant provided by the Tri-County Health Care District and the High School (per the JPA).

8. Measure E (Fire) Radios and Equipment (106-6200-549-5710) Budgeted Amount: \$10,000
Proposed Amount: \$32,000
 - Total amendment amount: \$22,000
 - The amendment is necessary to cover the cost for purchasing 13 radios and set up fees.
 - Funds will be offset from Measure E Fund Balance.

9. Measure E (Fire) Protective Clothing (106-6200-549-5712) Budgeted Amount: \$8,000
Proposed Amount: \$15,000
 - Total amendment amount: \$7,000
 - The amendment is necessary to cover the cost for purchasing protective clothing and boots for additional staff to staff the second ambulance.
 - Funds will be offset from Measure E Fund Balance.

10. Fire Fund- Office Supplies (320-6200-539-5201) Budgeted Amount: \$1,500 Proposed Amount: \$5,000
 - Total amendment amount: \$3,500
 - The amendment is necessary to cover the cost for office supplies and postage.
 - Funds will be offset from Fire Fund Balance.

11. Fire Fund- Station #2 Furniture (320-6200-539-5727) Budgeted Amount: \$0 Proposed Amount: \$11,000
 - Total amendment amount: \$11,000
 - The amendment is necessary to cover cost for new furniture at Station #2.
 - Funds will be offset from Donations provided to Fire Department.

12. CalPERS UAL Internal Service Fund- CalPERS Miscellaneous Plan (502-5300-515-5150) Budgeted Amount: \$200,000 Proposed Amount: \$300,000
 - Total amendment amount: \$100,000
 - The amendment is necessary to cover the additional payment made to lower long-term liability.
 - Funds will be offset from Internal Service Fund Balance.

13. CalPERS UAL Internal Service Fund- CalPERS Safety Police Plan (502-5300-515-5152) Budgeted Amount: \$200,000 Proposed Amount: \$300,000
 - Total amendment amount: \$100,000
 - The amendment is necessary to cover the additional payment made to lower long-term liability.
 - Funds will be offset from Internal Service Fund Balance.

14. CalPERS UAL Internal Service Fund- CalPERS Safety Fire Plan (502-5300-515-5154) Budgeted Amount: \$200,000 Proposed Amount: \$250,000
 - Total amendment amount: \$50,000
 - The amendment is necessary to cover the additional payment made to lower long-term liability.
 - Funds will be offset from Internal Service Fund Balance.

Revenue Adjustments

15. Fire Fund – Miscellaneous Revenue – (320-0000-462-0100) Budgeted Amount: \$0
Proposed Amount: \$23,000
 - Total amendment amount: \$23,000
 - This amendment is to reflect actual revenues received from donations to Station #2 furniture and the sale of surplus equipment.
 - Funds will be used to offset Fire department expenditures.

16. Fire Fund – From Other Agencies Revenue – (320-0000-462-0210) Budgeted Amount: \$0
Proposed Amount: \$4,000
 - Total amendment amount: \$4,000
 - This amendment is to reflect actual revenues received from the use of Fire Station #2 for training and for instructional services.
 - Funds will be used to offset Fire department expenditures.

ATTACHED INFORMATION

1. Resolution 2020-011
2. Resolution 2020-012
3. Resolution 2020-013
4. Resolution 2020-014
5. Resolution 2020-015
6. Resolution 2020-016
7. Resolution 2020-017
8. Resolution 2020-018
9. Resolution 2020-019

City of Kingsburg

Accounting Use Only
Budget Adjustment Number:

Resolution Number: 2020-011

Date: 2/19/2010

Reason for change in appropriation: General Fund amendment due to cover costs for re-apportionment on the district tax.

Also, to cover costs for new HVAC unit for Fire department station #1.

Estimated Additional Appropriations:

| Fund Name | Fund No. | Dept. No. | Prgm No. | Object No. | Appropriation Amount |
|---------------------------------------|----------|-----------|----------|------------|----------------------|
| General Fund-Professional Services | 001 | 2000 | 519 | 5270 | \$ 23,000.00 |
| General Fund-Maintenance | 001 | 4600 | 549 | 5701 | \$ 13,500.00 |
| | | | | | |
| | | | | | |
| | | | | | |
| Total Requested Appropriation: | | | | | \$ 36,500.00 |
| Adjusted Total Appropriation: | | | | | \$ 36,500.00 |

Estimated Revenues Available:

| Fund Name | Fund No. | Dept. No. | Prgm No. | Object No. | Est. Revenue Amount |
|--|----------|-----------|----------|------------|---------------------|
| General Fund Balance | 001 | 0000 | 341 | 0000 | \$ 36,500.00 |
| | | | | | |
| | | | | | |
| | | | | | |
| Total Estimated Additional Revenue: | | | | | \$ 36,500.00 |
| Adjusted Total Estimated Revenue: | | | | | \$ 36,500.00 |
| Net difference (deficit) | | | | | \$ - |

City of Kingsburg

Accounting Use Only
Budget Adjustment Number:

Resolution Number: 2020-012

Date: 2/19/2020

Reason for change in appropriation: Amendment to show full expenditure for the 18th & Kern Lighted Crosswalk project.

Also, to show the full expenditure of Mehler Ave reconstruction.

Estimated Additional Appropriations:

| Fund Name | Fund No. | Dept. No. | Prgm No. | Object No. | Appropriation Amount |
|---------------------------------------|----------|-----------|----------|------------|----------------------|
| Act Task Force Grant: | | | | | |
| Federal Project Fund | 054 | 9100 | 549 | 5749 | \$ 60,000.00 |
| Federal Project Fund | 059 | 9100 | 549 | 5750 | \$ 182,205.00 |
| | | | | | |
| | | | | | |
| | | | | | |
| Total Requested Appropriation: | | | | | \$ 242,205.00 |
| | | | | | |
| Adjusted Total Appropriation: | | | | | \$ 242,205.00 |

Estimated Revenues Available:

| Fund Name | Fund No. | Dept. No. | Prgm No. | Object No. | Est. Revenue Amount |
|---|----------|-----------|----------|------------|----------------------|
| Federal Congestion mitigation air quality grant | 054 | 0000 | 341 | 0000 | \$ 60,000.00 |
| and local match funds | 059 | 0000 | 341 | 0000 | \$ 182,205.00 |
| | | | | | |
| Total Estimated Additional Revenue: | | | | | \$ 242,205.00 |
| | | | | | |
| Adjusted Total Estimated Revenue: | | | | | \$ 242,205.00 |

Net difference (deficit) \$ -

City of Kingsburg

Accounting Use Only
Budget Adjustment Number:

Resolution Number: 2020-013

Date: 2/19/2020

Reason for change in appropriation: To cover costs for Street Striping (various street locations)

The additional amount is a carry-over from FY19, as the work was held off until FY20 to encompass a larger project.

Estimated Additional Appropriations:

| Fund Name | Fund No. | Dept. No. | Prgm No. | Object No. | Appropriation Amount |
|---|----------|-----------|----------|------------|----------------------|
| Local Transportation Fund-Street Striping Program | 104 | 9100 | 549 | 5275 | \$ 5,000.00 |
| | | | | | |
| | | | | | |
| | | | | | |
| Total Requested Appropriation: | | | | | \$ 5,000.00 |
| Adjusted Total Appropriation: | | | | | \$ 5,000.00 |

Estimated Revenues Available:

| Fund Name | Fund No. | Dept. No. | Prgm No. | Object No. | Est. Revenue Amount |
|--|----------|-----------|----------|------------|---------------------|
| LTF 8 local share | 104 | 0000 | 341 | 0000 | \$ 5,000.00 |
| | | | | | |
| Total Estimated Additional Revenue: | | | | | \$ 5,000.00 |
| Adjusted Total Estimated Revenue: | | | | | \$ 5,000.00 |
| Net difference (deficit) | | | | | \$ - |

City of Kingsburg

Accounting Use Only
Budget Adjustment Number:

Resolution Number: 2020-014

Date: 2/19/2020

Reason for change in appropriation: To cover costs for ADA Ramp installation at Memorial Park.

Estimated Additional Appropriations:

| Fund Name | Fund No. | Dept. No. | Prgm No. | Object No. | Appropriation Amount |
|---------------------------------------|----------|-----------|----------|------------|----------------------|
| Measure C Fund | 105 | 9400 | 549 | 5765 | \$ 10,000.00 |
| | | | | | |
| | | | | | |
| | | | | | |
| Total Requested Appropriation: | | | | | \$ 10,000.00 |
| | | | | | |
| Adjusted Total Appropriation: | | | | | \$ 10,000.00 |

Estimated Revenues Available:

| Fund Name | Fund No. | Dept. No. | Prgm No. | Object No. | Est. Revenue Amount |
|--|----------|-----------|----------|------------|---------------------|
| Measure C Fund | 105 | 0000 | 341 | 0000 | \$ 10,000.00 |
| | | | | | |
| Total Estimated Additional Revenue: | | | | | \$ 10,000.00 |
| | | | | | |
| Adjusted Total Estimated Revenue: | | | | | \$ 10,000.00 |
| Net difference (deficit) | | | | | \$ - |

City of Kingsburg

Accounting Use Only
Budget Adjustment Number:

Resolution Number: 2020-015

Date: 2/19/2020

Reason for change in appropriation: To cover costs for Crandell Pool improvements project.

Estimated Additional Appropriations:

| Fund Name | Fund No. | Dept. No. | Prgm No. | Object No. | Appropriation Amount |
|---------------------------------------|----------|-----------|----------|------------|----------------------|
| Pool Fund | 021 | 9100 | 529 | 5701 | \$ 630,000.00 |
| | | | | | |
| | | | | | |
| | | | | | |
| Total Requested Appropriation: | | | | | \$ 630,000.00 |
| | | | | | |
| Adjusted Total Appropriation: | | | | | \$ 630,000.00 |

Estimated Revenues Available:

| Fund Name | Fund No. | Dept. No. | Prgm No. | Object No. | Est. Revenue Amount |
|--|----------|-----------|----------|------------|----------------------|
| Pool Fund | 021 | 0000 | 341 | 0000 | \$ 630,000.00 |
| | | | | | |
| Total Estimated Additional Revenue: | | | | | \$ 630,000.00 |
| | | | | | |
| Adjusted Total Estimated Revenue: | | | | | \$ 630,000.00 |
| Net difference (deficit) | | | | | \$ - |

City of Kingsburg

Accounting Use Only
Budget Adjustment Number:

Resolution Number: 2020-016

Date: 2/19/2020

Reason for change in appropriation: To cover costs for Radios and Equipment, and Protective clothing for Fire Department.

Estimated Additional Appropriations:

| Fund Name | Fund No. | Dept. No. | Prgm No. | Object No. | Appropriation Amount |
|---------------------------------------|----------|-----------|----------|------------|----------------------|
| Measure E Fund (Fire) | 106 | 6200 | 549 | 5710 | \$ 22,000.00 |
| Measure E Fund (Fire) | 106 | 6200 | 549 | 5712 | \$ 7,000.00 |
| | | | | | |
| | | | | | |
| Total Requested Appropriation: | | | | | \$ 29,000.00 |
| Adjusted Total Appropriation: | | | | | \$ 29,000.00 |

Estimated Revenues Available:

| Fund Name | Fund No. | Dept. No. | Prgm No. | Object No. | Est. Revenue Amount |
|--|----------|-----------|----------|------------|---------------------|
| Measure E Fund | 106 | 0000 | 341 | 0000 | \$ 29,000.00 |
| | | | | | |
| Total Estimated Additional Revenue: | | | | | \$ 29,000.00 |
| Adjusted Total Estimated Revenue: | | | | | \$ 29,000.00 |
| Net difference (deficit) | | | | | \$ - |

City of Kingsburg

Accounting Use Only
Budget Adjustment Number:

Resolution Number: 2020-017

Date: 2/19/2020

Reason for change in appropriation: To adjust Fire fund to cover for office supplies and new furniture at Station #2.

Estimated Additional Appropriations:

| Fund Name | Fund No. | Dept. No. | Prgm No. | Object No. | Appropriation Amount |
|---------------------------|----------|-----------|----------|------------|---------------------------------------|
| Fire-Office Supplies | 320 | 6200 | 539 | 5201 | \$ 3,500.00 |
| Fire-Station #2 Furniture | 320 | 6200 | 539 | 5727 | \$ 11,000.00 |
| | | | | | Total Requested Appropriation: |
| | | | | | \$ 14,500.00 |
| | | | | | Adjusted Total Appropriation: |
| | | | | | \$ 14,500.00 |

Estimated Revenues Available:

| Fund Name | Fund No. | Dept. No. | Prgm No. | Object No. | Est. Revenue Amount |
|--------------------------|----------|-----------|----------|------------|--|
| Fire Fund Balance | 320 | 0000 | 341 | 0000 | \$ 14,500.00 |
| | | | | | Total Estimated Additional Revenue: |
| | | | | | \$ 14,500.00 |
| | | | | | Adjusted Total Estimated Revenue: |
| | | | | | \$ 14,500.00 |
| Net difference (deficit) | | | | | \$ - |

City of Kingsburg

Accounting Use Only
Budget Adjustment Number:

Resolution Number: 2020-018

Date: 2/19/2020

Reason for change in appropriation: To cover the additional payments made to CalPERS to lower long-term liability.

Estimated Additional Appropriations:

| Fund Name | Fund No. | Dept. No. | Prgm No. | Object No. | Appropriation Amount |
|--|----------|-----------|----------|------------|----------------------|
| Internal Service Fund-Misc Plan | 502 | 5300 | 515 | 5150 | \$ 100,000.00 |
| Internal Service Fund-Safety Police Plan | 502 | 5300 | 515 | 5152 | \$ 100,000.00 |
| Internal Service Fund-Safety Fire Plan | 502 | 5300 | 515 | 5154 | \$ 50,000.00 |
| | | | | | |
| Total Requested Appropriation: | | | | | \$ 250,000.00 |
| | | | | | |
| Adjusted Total Appropriation: | | | | | \$ 250,000.00 |

Estimated Revenues Available:

| Fund Name | Fund No. | Dept. No. | Prgm No. | Object No. | Est. Revenue Amount |
|--|----------|-----------|----------|------------|----------------------|
| CalPERS Internal Service Fund | 502 | 0000 | 341 | 0000 | \$ 250,000.00 |
| | | | | | |
| Total Estimated Additional Revenue: | | | | | \$ 250,000.00 |
| | | | | | |
| Adjusted Total Estimated Revenue: | | | | | \$ 250,000.00 |
| Net difference (deficit) | | | | | \$ - |

City of Kingsburg

Accounting Use Only
Budget Adjustment Number:

Resolution Number: 2020-019

Date: 2/19/2020

Reason for change in appropriation: To adjust Fire fund Revenue for Miscellaneous and From Other Agencies Revenue.

Estimated Additional Appropriations:

| Fund Name | Fund No. | Dept. No. | Prgm No. | Object No. | Appropriation Amount |
|---------------------------------------|----------|-----------|----------|------------|----------------------|
| | | | | | |
| | | | | | |
| Total Requested Appropriation: | | | | | \$ - |
| Adjusted Total Appropriation: | | | | | \$ - |

Estimated Revenues Available:

| Fund Name | Fund No. | Dept. No. | Prgm No. | Object No. | Est. Revenue Amount |
|--|----------|-----------|----------|------------|---------------------|
| Fire Fund-Miscellaneous revenue | 320 | 0000 | 462 | 0100 | \$ 23,000.00 |
| Fire Fund-From Other Agencies revenue | 320 | 0000 | 462 | 0210 | \$ 4,000.00 |
| Total Estimated Additional Revenue: | | | | | \$ 27,000.00 |
| Adjusted Total Estimated Revenue: | | | | | \$ 27,000.00 |
| Net difference (deficit) | | | | | \$ 27,000.00 |



Meeting Date: 02/19/2020
 Agenda Item: 4.6

CITY COUNCIL MEETING STAFF REPORT

REPORT TO: Mayor Roman & City Council

REPORT FROM: Alma Colado, Finance Director **REVIEWED BY:** AH

AGENDA ITEM: Authorize Agreement for Cost Allocation Plan Study to Willdan Financial Services

ACTION REQUESTED: Ordinance Resolution Motion Receive/File

EXECUTIVE SUMMARY

During our regular annual audit, our auditing firm identified a need to update the City’s cost allocation plan. The plan helps properly identify and account for indirect overhead support, revenue funds and enterprises. The plan is key in showing the fully burdened cost of providing services. These plans also help identify fully comprehensive hourly rates which ensure that we are properly accounting for the cost to provide certain services.

The City last updated this plan in 2012 and that auditors have identified it as needing to be updated. Staff solicited bids for cost allocation plans to be completed by a third-party vendor. The city received two bids from reputable firms, both of which the city has worked with previously. The firms and their respective fees are listed as follows:

| <u>Firm</u> | <u>Fee</u> |
|-------------|------------|
| DTA | \$27,500 |
| Willdan | \$10,750 |

RECOMMENDED ACTION BY CITY COUNCIL

- The Finance Committee recommended that the City Council award a contract to Willdan Financial Services, and authorize the City Manager to execute an agreement.*

POLICY ALTERNATIVE(S)

- NA

REASON FOR RECOMMENDATION/KEY METRIC

- Ensure Financial Stability

FINANCIAL INFORMATION

FISCAL IMPACT:

| | |
|------------------------------|------------|
| 1. Is There A Fiscal Impact? | <u>Yes</u> |
| 2. Is it Currently Budgeted? | <u>N/A</u> |
| 3. If Budgeted, Which Line? | <u>N/A</u> |

PRIOR ACTION/REVIEW

None.

ATTACHED INFORMATION

1. Willdan CAP Proposal

City of Kingsburg

Proposal for

Cost Allocation Plan



January 9, 2020

Mr. Alexander J. Henderson, ICMA-CM
City Manager
City of Kingsburg
1401 Draper Street
Kingsburg, CA 93631

Re: Proposal for a Full Cost Allocation Plan

Dear Mr. Henderson;

Even during this current period of economic stability and growth, many agencies are still faced with limited financial resources, while striving to maintain high standards of service to their communities. In light of this, it is critical for agencies to ensure that their fees for requested services have been developed or updated to ensure maximum appropriate cost recovery so that the revenues generated by fees cover the cost of those services to the best extent possible. **Accounting for indirect overhead support to operating groups, revenue funds and enterprises are a key component of developing the fully burdened cost of providing services that policymakers need to clearly understand as they make cost recovery and fee-setting decisions.** Recognizing this, the City of Kingsburg (“City”) is soliciting proposals for a standard full and Federal Office of Management and Budget (OMB) Cost Allocation Plan.

Extensive Experience with Similar Work for Central California Area Cities — Willdan has worked recently with numerous cities in and around the Bay Area on similar projects, with objectives very similar to those for this study. **Our local experience enables us to bring valuable perspective and insight into other local cities’ approaches to fees and their policies on fee setting and subsidies.** Recent studies include Dinuba, Coalinga, Tulare, Los Banos, Patterson, Soledad, Salinas, and ongoing studies in Monterey and Gilroy.

To demonstrate this experience highlighted below are the following advantages that Willdan would bring to the City:

Unique Combination of Services and Expertise/Public Engagement — Willdan is a team of 80 professionals who provide essential financial consulting services throughout the United States. Willdan has provided the requested services to municipal clients for two decades; and is the only firm providing these types of consulting services that also **has a long history of providing contract staff support to public agencies for the delivery of municipal services.** This direct experience as “agency staff” provides us with firsthand understanding of City operations and is uniquely useful in determining the full effort associated with service delivery.

Collaborative Approach and User-friendly Models and Reports — Willdan prides itself on working closely with City staff to develop an approach that is targeted toward your specific objectives and accounts for your reality.

We create user-friendly Excel-based models that the City can retain and **conduct our analysis and develop the model collaboratively with City staff.** Rather than using an inflexible proprietary software program, we construct our models from the ground up, mirroring the City’s budget format wherever possible. **Our Cost Allocation Model is straightforward and intuitive and includes both the full-cost and OMB-cost approaches in one streamlined presentation. The data and analysis is contained in one model, with a simple toggle to switch from one approach to the other.**

As a result, **the information contained in our models is easy for City staff to interpret, and the familiar software ensures ease of navigation.** This also allows for easy on-the-fly adjustments and updates, inclusion of updated budgets, or changes in organizational structure.

Our model and project approach are geared toward delivering work on schedule and presenting results at public meetings and City Council workshops. The Willdan Team is experienced at communicating complex analytical results in a manner that is easy to understand by non-finance-oriented individuals and facilitates discussion. We have coordinated or participated in numerous public and staff workshops regarding fees and cost of service-based charges.

Our objective is to provide useful, detailed information to the City Council and City staff, so that they have the information necessary to make important decisions. Our experience ensures that we can meet this objective. Whether policymakers are considering subsidizing or increasing fees, the process may be subject to public discussion among City Council members and community stakeholders.

I, Chris Fisher, will serve as the Primary Contact person for this proposal; as an officer of the firm, I am authorized to bind Willdan Financial Services. My contact information is provided in the table below:

| Contact Information |
|---|
| Principal-in-Charge |
| Chris Fisher |
| Vice President – Group Manager |
| Tel#: (800) 755-6864 Fax #: (888) 326-6864 |
| Email: CFisher@Willdan.com |

We are excited about this opportunity to use our skills and expertise to assist the City of Kingsburg.

Sincerely,

WILLDAN FINANCIAL SERVICES



Chris Fisher
Vice President - Group Manager
Financial Consulting Services





Table of Contents

TABLE OF CONTENTS iii

DESCRIPTION OF STUDY UNDERSTANDING 1

Project Understanding 1

Methodology 2

 Cost Allocation Plan Study Approach 2

 Approach for Managing the Project 3

 Approach in Communicating with the City 3

Work Plan 4

 Full and OMB Compliant Cost Allocation Plan 4

 City Staff Support 6

Project Schedule 7

QUALIFICATIONS AND EXPERIENCE 8

Firm Profile 8

Experience and Expertise 9

Similar Projects 9

Project Team 12

 Project Management 12

 Staff Continuity 12

 Resumes 12

 Chris Fisher 13

 Tony Thrasher 15

 Priti Patel 17

 Robert Quaid, CPA 19

Client References 20

COST PROPOSAL 22

Fixed Fee 22

 Notes 22

 Hourly Fee Schedule 22



Description of Study Understanding

Project Understanding

Willdan is confident that we can meet the City of Kingsburg's request for services for a Cost Allocation Plan. Over the past several years, many public agencies have responsibly focused on the many challenges created by the prior recession. Through the course of reorganizing staff functions and/or reducing staff, it is important to continually revisit the manner and methodology by which indirect overhead costs are distributed to the operating departments and, as appropriate, other chargeable funds and programs (e.g. enterprise funds, grant programs, capital programs internal service funds, etc.). The City needs a cost allocation plan that will ensure the fair and equitable allocation of general government expenses to appropriate departments, programs, and funds, while utilizing tailored and well thought out allocation factors that reflect current staffing and processes.

This CAP will also be compliant with 2 CFR Part 200 Federal regulations related to cost reimbursement and grant funding, formerly known as OMB A-87 and 2 CFR Part 225 guidelines, which have now been superseded by the Omni Circular. The new circular did not completely overhaul the guidelines, and the intent is still the same, but it did add new limitations to consider and incorporate into a compliant CAP.

The end-product will include a user-friendly Excel-based model which City staff will retain, and which can be easily updated in the future to determine the proper allocation of expenditures. Most importantly, we will ensure that the results and recommendations are clear and understandable, defensible, and easily implementable.

The purpose of this engagement is to develop CAP methodology and model that ensures the City is properly allocating costs associated with indirect overhead support services, such as Finance, Human Resources, City Attorney, and City Manager, to identified operating departments, as well as enterprise and other chargeable funds, internal service funds, and projects; to ensure that those organizations can account for the true cost of providing services, including indirect overhead. Through this analysis, we can also develop Indirect Cost Rates for specific purposes and hourly overhead rates for staff in general. We will work closely with City staff in identifying the functions of indirect staff and the proper balance of appropriate allocation factors for the City. To achieve cost recovery objectives, the City must have a method of identifying and distributing administrative overhead costs that is fair, comprehensive, well documented, and defensible. This cost allocation plan will enable the City to achieve this goal.

Rather than a costly and inflexible proprietary software, which can require expensive licensing fees, Willdan builds the Models utilizing Excel, from the ground up, employing the City's budget as the gauge. These Models, which are then the City's to retain, gives City staff the control to make on-the-fly adjustments and updates.

For this study, we will meet directly with departmental representatives at the City, to discuss the approach and process for the studies. Discussions will include ways to combine tasks and efforts among the Cost Allocation Plan components to maximize efficiencies and ensure adherence to specified timelines.

For a successful and effective engagement, it is important to have a thorough understanding of specific City policies and objectives, the structure and organization of the City and the relationships between the central and operating departments, as well as internal service funds, or other programs or projects to which overhead can be defensibly allocated. We bring years of successful experience working directly with hundreds of cities throughout California and the United States.

We will review the City's existing plans and structure, to ensure that general government costs are fairly and equitably allocated to the appropriate programs and funds. This effort will ensure that each enterprise and program bears its fair share of general governmental expenses.

Willdan possesses the resources, practical experience, creative thinking, and collaborative consulting skills necessary to complete this important project. Key distinct advantages that Willdan brings to the City include the following:

Public Engagement

Our models and project approach are geared toward delivering our work on schedule and presenting our analysis results at public meetings and City Council workshops. The Willdan Team is experienced at communicating complex analytical results in a manner that is easy to understand by non-finance-oriented individuals and facilitates discussion.



Our proposed Principal-in-Charge for this engagement has coordinated or participated in numerous public and staff workshops regarding fees and cost of service-based charges. As previously mentioned, our objective is to provide useful, detailed information to the Council and City staff, necessary to make important decisions. Our experience ensures that we can meet this objective.

User Friendly Models and Reports

Willdan prides itself on creating user-friendly Excel-based models that the City can retain and ***conducting our analysis and developing the model collaboratively with City staff.*** With City staff's immediate input and collaboration, Willdan will design an extremely flexible, intuitive Excel-based model. In the future, as the City assumes new responsibilities, modifies existing processes, and/or eliminates unnecessary services or programs, the model will be capable of adding or deleting funds, objects, departments, programs, staff positions, and activities. Willdan understands that issues facing the City are unique; consequently, we will design our model to match your immediate and desired needs to ensure that end-results exceed staff expectations.

This model is then the City's to retain, after our services are completed, and allows for the creation of revenue projections, highlighting potential new revenues, and levels of subsidy.

A key element of these types of studies are presenting results and recommendations in a straightforward manner, that allows the City Council and City staff to confidently make policy decisions, and understand the impacts of those decisions. Rather than using an inflexible proprietary software program, we construct our model from the ground up, as previously discussed, mirroring the City's budget format wherever possible. As a result, the information contained in our model is easy for City staff to interpret, and the familiar software ensures ease of navigation. As the model is being designed and constructed, we will work together with City staff to determine the best and most effective features to include. After the project is completed, we will provide training, so that your staff can independently and efficiently evaluate the effects of changes in certain factors as the City moves forward.

The model will be developed to allow the City to run "what-if" scenarios to address possible changes in staffing levels, working hours, etc.

Methodology

Cost Allocation Plan Study Approach

The purpose of this cost allocation plan engagement is to ensure that the City is maximizing the allowable recovery of indirect overhead costs from identified operating departments, as well as enterprise and other chargeable funds. A sound cost allocation plan is also a foundational element in the development of internal hourly rates, including position billing rates. We will work closely with staff in identifying the proper balance of allocation factors appropriate for the City so that the City has a method of identifying and distributing administrative costs that is fair, comprehensive, well documented, and fully defensible.

We will work collaboratively with City staff in the development of this model to verify that our assumptions are sound and accurate, given specific City characteristics. Further, we will ensure that appropriate allocation factors are selected for various City functions and enterprises to ensure that the overall allocation strategy is tailored for the City of Kingsburg.

Cost allocation studies should be simple in concept and form. Our plans are not over-complicated, can be easily understood by non-finance-oriented individuals, and are readily presentable to elected officials, appointed finance committees and the public. We deliberately design our cost allocation models to quickly and easily transition from a simple model to a progressively more inclusive plan. The logical step-by-step presentation of our plans fosters confidence in their results and facilitates adoption and implementation.

The allocation models utilize an iterative method which is the most accurate allocation methodology. Unlike a direct or "step-down" methodology, an iterative method uses the chosen distribution bases and allocates central service costs iteratively until all allocable costs have been distributed. Using this method, the model can detail the allocation for each central function individually for complete transparency and accountability, while removing bias that might result from the order in which allocations occur in a step-down approach. A direct methodology is essentially a one-iteration methodology, while a step-down method is typically only two iterations and is less precise and unable to accurately track the allocations from start to finish.



Approach for Managing the Project

Willdan's "hands-on" supervision of Cost Allocation Plan studies, include the following methods:

Effective Project Management

Principal-in-Charge, Chris Fisher will manage the entire project with an eye toward high responsiveness, while ensuring that all stakeholders are "on board" with the direction of the project, as well as with the final results. Mr. Fisher will ensure that regular status updates are provided to City staff, conference calls are scheduled, and that in-person meetings are conducted (as necessary). By taking these steps, he will be responsible for ensuring that Willdan will be accessible and fully engaged with your management and staff; and that communication remains, in effect, open throughout the project's lifecycle — another essential step towards avoiding errors and irregularities.

Adherence to Time Schedule

Willdan recognizes that the use of "timelines" is highly effective in meeting all required deadlines. To keep the project on schedule, there are several tasks that must be completed in a timely manner. Therefore, we will present a project timeline at the kick-off meeting that should be closely followed.

Although the establishment of an experienced project team and a detailed project timeline work extremely well in general, Willdan understands that outside influences can create uncontrollable situations for everyone involved in the project. In rare circumstances like these, our team quickly adapts to changes, and communicates our recommended schedule adjustments to the City. In so doing, we are able to produce a corrected timeline that will bring the project back on course to a successful completion by a mutually agreed upon deadline.

Approach in Communicating with the City

Willdan staff is accustomed to interfacing with local government councils, boards, staff, community organizations, and the public in general in a friendly and helpful manner; we are always mindful that we represent the public agency. We are sensitive to the need of delivering a quality product, with the highest level of service and professionalism. Therefore, as the work on the project progresses, we understand that it will be necessary for our staff to work closely with you and City personnel. To accomplish this, we employ a variety of tools, including monitoring project status and budget costs; and ensuring effective communication through several options that are based on the City's preferences. Regular updates can be provided by:

- E-mail
(creation of a dedicated distribution list)
- Phone calls
- Meetings
- Project status memos
- Using "timelines" as a highly-effective tool to meet all required deadlines in a timely manner to keep the project on schedule



Work Plan

Our proposed work plan, described in detail by task, is provided below. We explain how each task will be accomplished and identify associated meetings and deliverables. We want to ensure our scope provides quality and clarity and is responsive to the City’s needs and specific local circumstances. We will work in concert with the City to adjust the scope as needed during the course of the study.

Full and OMB Compliant Cost Allocation Plan

This proposed scope of services addresses the completion of both the full and OMB compliant versions of the Cost Allocation Plan (CAP). We have noted where activities specific to the OMB compliant plan occur.

Task 1: Initial Document Request

Objective: Initial due diligence.

Description: Prior to the kick-off call, relevant documentation will be obtained and reviewed in order to enhance our understanding of the City’s current cost allocation plan and internal structure of the agency. A written request for specific data will be sent to the City. The data provided in this task will provide the building blocks for later model development.

Our request may include (but is not limited to):

- Detailed budget and accounting data;
- Prior year’s financial data, salary, position and staffing data;
- Organizational structure;
- Prior cost allocation plan and/or user fee documentation and models; and
- Data related to various allocation bases that may be incorporated as part of the methodology, i.e. City Council agenda frequencies by department, AP/AR transactions by department, IT equipment distribution by department, etc.

Deliverables: Willdan: Submit information request to City.

City: Provide requested data to Willdan (prior to Task 2, Kick-off Call/Refine Scope). We will follow up with the City to confirm in writing the data that we have received, or which is still outstanding.

Task 2: Kick-off / Refine Scope

Objective: Confirm project goals and objectives. Identify and resolve policy issues raised by the study and determine appropriate fee categories.

Description: Willdan will identify and resolve policy issues typically raised by these studies and address data gaps in order to gain a full understanding of the City’s goals for the cost allocation plan. We will establish effective lines of communication and processes for information gathering and review.

During this call, we will ask that the City assign a project manager to serve as its primary contact. The selected City project manager will ensure that available data is provided to Willdan in a timely manner, thereby maintaining adherence to the project’s schedule.

We will obtain and review the current cost allocation methodology and discuss with City staff. The objective of this review is to determine specific areas of focus as they relate to the City’s objectives, and to discuss and evaluate current and potential allocation factors.

Meetings: Project kick-off conference call/web meeting to initiate the project, discuss data needs and methodologies and to address policy issues.

Deliverables: Willdan: If needed, a revised project scope and schedule.

City: Provide further data requirements and select / introduce City’s project manager.



Task 3: Gather Staffing Information and Develop Cost Allocation Plan Model

Objective: Gather information related to indirect staffing and functions. Prepare draft cost allocation plan and model.

Description: This task involves the gathering of specific information, directly from City staff, through interviews and discussion, related to the functions served by indirect staff and the departments served by their activities. This task also focuses on the development of, and/or adjustment of existing, allocation bases, and the development and testing of a model that will ultimately be used to calculate the proper cost allocations derived from data gathered in prior tasks.

The model will also be developed to allocate only those costs eligible under 2 CFR Part 200 guidelines. This is accomplished by loading relevant data into the model, identifying which costs are not allocable under the OMB guidelines. The OMB Super Circular compliant model is valuable as the City may receive Federal or State grant funding that mandates compliance with Federal OMB regulations.

We will utilize budget and organizational information, and other required information gathered from City staff to complete the work in this task. Specific discussions will be held to discuss bases, how central overhead services are provided to and utilized by other departments, cost categories and allocation criteria, and how these will factor into the overall cost allocation methodology.

The model and methodology will also produce fully loaded hourly billing rates for City staff positions. These rates will be suitable for a variety of uses, including billing to CIP projects, and in the OMB Super Circular compliant CAP, to Caltrans (ensuring specific compliance). We can utilize either current positions to develop the hourly rates, create them based on the organizations salary step schedule to account for future position needs, or a hybrid of both methods.

Meetings: Conference calls or in person meeting with staff to understand structure and operations as model and allocation bases are developed. Key staff will be interviewed to best understand central overhead staffing and functions and the departments served.

Deliverables: **Willdan:** One (1) user-friendly model in Microsoft Excel format that provides both a full cost allocation plan and an OMB Super Circular compliant cost allocation plan.

Task 4: Test and Review Cost Allocation Methodology

Objective: Test and review model and results with City.

Description: The draft cost allocation plan model will be reviewed with City staff, and adjusted as necessary, to ensure that preliminary allocations provide an accurate depiction of how the central overhead costs should be borne by the operating programs and funds. We have successfully integrated online meetings using WebEx™ as an element to our approach. This allows us to remotely guide staff through the model review and allows you the opportunity to interactively change inputs and test approaches.

Meetings: Conference calls or online demonstrations (WebEx) with City staff to review the model and preliminary results.

Deliverables: **Willdan and City:** Draft cost allocation plan model review.

Task 5: Prepare and Present Draft Report

Objective: Prepare the draft cost allocation report.

Description: This task involves the draft report preparation. The cost allocation plan's background, model methodologies, and results will be discussed; calculations and supporting data will be presented textually and in easily understood tables and provided to the City.

Meetings: Conference call/web meeting to present the draft report to City staff.

Deliverables: **Willdan:** Draft report for City review and input.

City: Review of draft report, with comments, and edits.



Task 6: Discuss and Revise Report

Objective: Review of draft report, cost distribution methods, and model.

Description: An in-depth review of the draft report and model will be conducted to arrive at an optimum allocation method for each expenditure type. Often, through the course of an engagement, comments usually revolve around issues of: understandability; appropriate levels of enterprise funds' cost recovery, etc.; ease of calculation; and overhead costs' distribution methods.

Our reports are structured to include both the full and OMB compliant plan, but in the course of review a separate report is desired for each or just one of the plans, they will be split.

Following a round of comments from City staff concerning the draft report, the final report will be prepared for presentation to the City Council.

Meetings: Conference call with City staff to review the report.

Deliverables: **Willdan:** Draft report, and revised draft/final report.

Task 7: Prepare and Present Final Report and Model

Objective: Prepare and present the final report to the City Council. Educate City staff on the operation and use of the model for future modifications.

Description: This task is the culmination of the cost allocation plan project. Based on staff comments on the draft report, Willdan will prepare the final report for presentation to the City Council.

Meetings: One (1) meeting with City staff, City Council or ad hoc committee to present the final plans.

We will also provide staff training on the operation and use of the model.

Deliverables: **Willdan:** Provide one (1) electronic PDF file copy of the final report and model (full and OMB Super Circular compliant); and five (5) bound copies, and one (1) unbound copy to the City. Using Microsoft Word and Excel, an updateable electronic copy of the study and models, as well as related schedules, will also be provided on CD-ROM.

City Staff Support

To complete our tasks, we will need the cooperation of City staff. We suggest that the City assign a key individual to represent the City as the project manager who can function as our primary contact. We anticipate that the City's project manager will:

- 1) Coordinate responses to requests for information;
- 2) Coordinate review of work products; and
- 3) Help resolve policy issues.

Willdan will endeavor to minimize the impact on City staff in the completion of this project. We will ask for responses to initial information requests in a timely manner. If there are delays on the part of the City, we will contact the City's project manager to steer the project back on track. We will keep the City's project manager informed of data or feedback we need to keep the project on schedule.

Willdan will rely on the validity and accuracy of the City's data and documentation to complete the analysis. Willdan will rely on the data as being accurate without performing an independent verification of accuracy and will not be responsible for any errors that result from inaccurate data provided by the client or a third party.



Project Schedule

Willdan understands time is of the essence for the City of Kingsburg to begin this engagement. This schedule can only be met with the cooperation of City staff. Delays in responding to our requests for data and review will result in corresponding delays to the project schedule. If that is the case, we will notify the City immediately of the possible impact on the schedule.

| City of Kingsburg Full and OMB Compliant Cost Allocation Plan | | | | | | | | | | | | | |
|---|---------|----|----|----|----------|----|----|----|-------|----|----|----|----|
| Project Schedule | | | | | | | | | | | | | |
| Scope of Services | January | | | | February | | | | March | | | | |
| | 6 | 13 | 20 | 27 | 3 | 10 | 17 | 24 | 2 | 9 | 16 | 23 | 30 |
| Task 1: Initial Document Request | | | | ⌘1 | | | | | | | | | |
| Task 2: Kick-off / Refine Scope <i>(conference call)</i> | | | | ⌘2 | | | | | | | | | |
| Task 3: Gather Staffing Information and Develop Model <i>(meeting)</i> | | | | | | | ⌘3 | | | | | | |
| Task 4: Test and Review Cost Allocation Methodology <i>(conference call)</i> | | | | | | | | | ⌘4 | | | | |
| Task 5: Prepare and Present Draft Report <i>(meeting)</i> | | | | | | | | | | ⌘5 | | | |
| Task 6: Discuss and Revise Report <i>(conference call)</i> | | | | | | | | | | | ⌘6 | | |
| Task 7: Prepare and Present Final Report/Train Staff on Model <i>(meeting)</i> | | | | | | | | | | | | ⌘7 | |

Legend:

- ⌘1: Information Request
- ⌘2: Revised Project Scope and Schedule *(if needed)*
- ⌘3: User-friendly Model in Microsoft Excel
- ⌘4: Draft Cost Allocation Plan Model Review
- ⌘5: Draft Report
- ⌘6: Revised Draft Report/Final Report
- ⌘7: Final Report – Hard and Electronic Copies



Qualifications and Experience

Firm Profile

Willdan Financial Services is an operating division within Willdan Group, Inc. (WGI), which was founded in 1964 as an engineering firm working with local governments. Today, WGI is a publicly-traded company (WLDN). WGI, through its subsidiaries, provides professional technical and consulting services that ensure the quality, value and security of our nation’s infrastructure, systems, facilities, and environment. The firm has pursued two primary service objectives since its inception—ensuring the success of its clients and enhancing its surrounding communities.

In doing so, Willdan has gained a notable reputation for technical excellence, cost-effectiveness, and client responsiveness in providing superior consulting services. The company’s service offerings span a broad set of complementary disciplines that include engineering and planning, energy efficiency and sustainability, and financial and economic consulting. Willdan has crafted this set of integrated services so that, in the face of an evolving environment—whether economic, natural, or built—Willdan can continue to extend the reach and resources of its clients.



Currently, WGI has over 1,300 employees operating from offices in **Arkansas, Arizona, California, Colorado, Connecticut, District of Columbia, Florida, Illinois, Kansas, Kentucky, Maryland, Nevada, New Jersey, New York, Ohio, Oregon, Utah, Texas, and Washington.**

Established on June 24, 1988, Willdan Financial Services, a California Corporation, is a national firm, and is one of the largest public sector financial consulting firms in the United States. Since that time, we have helped over 1,200 public agencies successfully address a broad range of financial challenges, such as financing the costs of growth and generating revenues to fund desired services. Willdan assists local public agencies by providing the following services:

- User fee studies;
- Cost allocation studies;
- Real estate economic analysis;
- Economic development plans and strategies;
- Housing development and implementation strategies;
- Real estate acquisition;
- Feasibility studies;
- Debt issuance support;
- Financial consulting;
- Development impact fee establishment and analysis;
- Utility rate and cost of service studies;
- Tax increment finance district formation and amendment;
- Long-term financial plans and cash flow modeling; and
- Property tax audits.

Our staff of 80 full-time employees supports our clients by conducting year-round workshops and on-site training to assist them in keeping current with the latest developments in our areas of expertise.

The organization chart located to the right represents Willdan’s reporting structure, including the operating groups and the responsible manager; it as well defines the assets available to the City of Kingsburg.





Experience and Expertise

Willdan has provided user fee and cost allocation services to municipal clients for over twenty years; and has prepared comprehensive user fee studies, cost allocation plans, and OMB compliant cost allocation plans for clients throughout California, as well as Arizona, Texas, Florida, and Utah. Willdan’s proven and successful track-record conducting user fee studies and cost allocation plan services for public agencies dates to 1998. Since that time, we have developed the expertise to successfully integrate this service into the Financial Consulting Services group’s primary functions.

Our record of success within the industry provides assurance of the professionalism and capability we will bring to this engagement. A team composed of project managers and analysts develop and/or update cost allocation plans, along with their frequent companion projects — user fee studies.

Willdan has assembled a project team of four (4) subject matter experts who support public clients across the United States. We are confident that our team possesses the depth of experience that will successfully fulfill the desired work performance. Our employees know and understand the problems facing local government under the current economic climate, and we have oriented our practice to support an agency’s modified budget policies and public service priorities.

The team presented within this proposal has worked collectively on numerous projects, such as the one requested by the City of Kingsburg; an established work practice between the team members has been forged, this proven long-standing system has benefited our clients.

Mr. Chris Fisher, Vice President and Group Manager of the Financial Consulting Group, will serve as the primary contact for the City’s engagement. The proposed project team collectively maintains over sixty years of experience providing Financial Consulting Services, the project team’s key resources are comprised of the following individuals:

- Mr. Chris Fisher, Principal-in-Charge;
- Mr. Tony Thrasher, Technical Project Manager;
- Ms. Priti Patel, Analytical Support; and
- Mr. Robert Quaid, CPA, Quality Assurance

Similar Projects

Listed in the table below, are public agencies in which similar services have been completed, or are currently in progress, in the previous five years, conducted by the Temecula office.

| Willdan Financial Services Cost Allocation Plan and User Fee Study Experience | |
|--|---|
| Contracting Agency | Project Description |
| City of Banning, CA | Cost Allocation Plan, User Fee Study and User Fee Study and Development Impact Fee Study |
| City of Bellflower, CA | Cost Allocation Plan, OMB Compliant Plan, User Fee Study and Development Impact Fee Study |
| City of Belmont, CA | User Fee Study and Refinement of Cost Allocation Plan |
| City of Blythe, CA | Cost Allocation Plan and OMB Compliant Plan |
| City of Brea, CA | Police Department Cost Allocation Plan |
| City of Cerritos, CA | Development Services User Fee Study |
| City of Chino Hills, CA | Cost Allocation Plan and Comprehensive User Fee Study |
| City of Claremont, CA | Cost Allocation Plan and User Fee Study |
| City of Coalinga, CA | User Fee and Rate Study |
| City of Colton, CA | User Fee Study |
| City of DeSoto, TX | Comprehensive User Fee Study |
| City of Dinuba, CA | Cost Allocation Plan |
| City of El Centro, CA | Comprehensive User Fee Study |



**Willdan Financial Services
Cost Allocation Plan and User Fee Study Experience**

| Contracting Agency | Project Description |
|----------------------------|--|
| City of El Cerrito, CA | Cost Allocation Plan and Community Development Department User Fee Study |
| City of El Monte, CA | Cost Allocation Plan, OMB Compliant Plan, User Fee Study and Development Impact Fee Study |
| City of Encinitas, CA | Development Services User Fee Study and Cost Allocation Plan |
| City of Escondido, CA | Cost Allocation Plan, OMB Compliant Plan, and Comprehensive User Fee Study |
| City of Fillmore, CA | Cost Allocation Plan, OMB Compliant Plan, and User Fee Study |
| City of Fountain Hills, AZ | Comprehensive User Fee Study |
| City of Fontana, CA | Building & Safety User Fee Study |
| City of Fullerton, CA | Community Development Department User Fee Study |
| City of Galt, CA | Cost Allocation Plan and OMB Compliant Plan |
| City of Gardena, CA | Cost Allocation Plan |
| City of Gilroy, CA | Cost Allocation Plan, OMB Compliant Plan, and User Fee Study |
| City of Glendale, AZ | Cost Allocation Plan |
| City of Goleta, CA | Cost Allocation Plan, OMB Compliant Plan, and Comprehensive User Fee Study |
| City of Hawthorne, CA | Cost Allocation Plan and Comprehensive User Fee Study |
| City of Hayward, CA | Comprehensive Master User Fee Study and Full Overhead Cost Allocation Plan |
| City of Hayward, CA | Rental Inspection Program Fee Analysis |
| City of Hesperia, CA | Cost Allocation Plan |
| City of Indian Wells, CA | Comprehensive User Fee Study |
| City of Irvine, CA | Overhead Cost Allocation, OMB Compliant Plan and Comprehensive User Fee Study |
| City of Irwindale, CA | Cost Allocation Plan, User Fee Study and Development Impact Fee Study |
| City of La Mirada, CA | Cost Allocation Plan and User Fee Study Update |
| City of La Puente, CA | Cost Allocation Plan, OMB Compliant Plan, and User Fee Study |
| City of Laguna Hills, CA | Comprehensive User Fee Study and Cost Allocation Plan Update |
| City of Los Banos, CA | Full Cost Allocation Study, OMB Compliant Plan, and Comprehensive User Fee Study |
| City of Lynwood, CA | User Fee Study and Cost Allocation Plan, and Updates |
| City of Mesquite, TX | Cost Allocation Plan and OMB Compliant Plan |
| City of Mission Viejo, CA | Comprehensive User Fee Study and Cost Allocation Plan |
| City of Missouri City, TX | Full and OMB Compliant Cost Allocation Plan and User Fee Study |
| City of Montebello, CA | Cost Allocation Plan Update |
| City of Montebello, CA | Transit Cost Allocation Plan |
| City of Monterey Park, CA | Cost Allocation Plan and User Fee Study, and Updates |
| City of Monterey, CA | Cost Allocation Plan and Indirect Cost Rate |
| City of Murrieta, CA | Comprehensive User Fee Study, Cost Allocation Plan, and OMB Compliant Plan, and Updates |
| City of National City, CA | Cost Allocation Plan, OMB Compliant Cost Allocation Plan, User Fee Study, and ISF Allocation Study |
| City of Napa, CA | Comprehensive User Fee Study and Cost Allocation Plan |
| City of Oroville, CA | Cost Allocation Plan |



| Willdan Financial Services Cost Allocation Plan and User Fee Study Experience | |
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| Contracting Agency | Project Description |
| City of Pacifica, CA | Comprehensive Citywide User Fee Study and Charges Rate Study |
| City of Palm Desert, CA | Cost Allocation Plan and Comprehensive User Fee Study |
| City of Patterson, CA | Comprehensive User Fee Study, Full Cost Allocation Plan, and OMB Compliant Plan |
| City of Petaluma, CA | Cost Allocation Plan, User Fee Study, CIP Admin Rate & Work Order Rate Analysis, Hourly Overhead Rates, and ISF Allocation Study |
| City of Petaluma, CA | Cost Allocation Plan Update |
| City of Pittsburg, CA | User Fee Study and Cost Allocation Plan |
| City of Rocklin, CA | User Fee Study |
| City of Richmond, CA | Cost Allocation Plan, OMB Compliant Plan, User Fee Study and Development Impact Fee Study |
| City of St. Helena, CA | Cost Allocation Plan, OMB Compliant Plan, User Fee Study and Development Impact Fee Study |
| City of Salinas, CA | Full Cost Allocation Plan and Comprehensive Fee Study |
| City of San Bruno, CA | Comprehensive User Fee Study, Cost Allocation Plan, and OMB Compliant Plan |
| City of San Fernando, CA | Cost Allocation Plan, OMB Compliant Plan, User Fee Study and Development Impact Fee Study |
| City of San Jacinto, CA | Cost Allocation Plan, OMB Compliant Plan, User Fee Study and Development Impact Fee Study |
| City of Santa Ana, CA | User Fee Study |
| City of Signal Hill, CA | Comprehensive User Fee Study, Cost Allocation Plan, and OMB Compliant Plan |
| City of Soledad, CA | User Fee Study |
| City of Surprise, AZ | Full Cost Allocation Plan |
| City of Tulare, CA | Comprehensive User Fee and Rate Study, Full Cost Allocation Plan, and OMB Compliant Plan |
| City of Twentynine Palms, CA | Comprehensive User Fee Study, Full Cost Allocation Plan, and OMB Compliant Plan |
| City of Union City, CA | Comprehensive User Fee Study, Full Cost Allocation Plan, and OMB Compliant Plan |
| City of Watsonville, CA | Comprehensive User Fee and Rate Study, Cost Allocation Plan, and OMB Compliant Plan, and Updates |
| City of West Hollywood, CA | Cost Allocation Plan and User Fee Study |
| City of West Sacramento, CA | Cost Allocation Plan, OMB Compliant Plan, and Comprehensive User Fee Study |
| City of Yucaipa, CA | Comprehensive User Fee and Rate Study, Full Cost Allocation Plan, and OMB Compliant Plan |
| County of Placer, CA | Land Development Fee Study |
| County of San Benito, CA | User Fee Study and Development Impact Fee Study |
| Kentuckiana Works, KY | OMB Cost Allocation Plan and Updates |
| Rainbow Municipal Water District, CA | Cost Allocation Plan and OMB Compliant Plan |
| Sacramento Public Library, CA | Cost Allocation Plan, and Updates |
| Town of Paradise Valley, AZ | Planning and Engineering Services Fee Study |
| Town of San Anselmo, CA | Full Cost Allocation Plan and Comprehensive User Fee Study |
| Town of Sunnyvale, TX | Comprehensive User Fee Study |



Project Team

Our management and supervision of the project team is very simple: staff every position with experienced, capable personnel in sufficient numbers to deliver a superior product to the City, on time and on budget. With that philosophy in mind, we have selected experienced professionals for this engagement. We are confident that our team possesses the depth of experience that will successfully fulfill your desired work performance.

Mr. **Chris Fisher** will administer the City project as the **Principal-in-Charge**. He will apply his extensive financial rate design/modeling experience and ability to clearly communicate results through the facilitation of numerous stakeholder forums. In this role, he will attend meetings and presentations, provide technical guidance, produce key study elements, and will be responsible for work deliverables.

Mr. **Tony Thrasher** will serve as the **Technical Project Manager** for this engagement, and primary contact for the fee study project. He will work closely with Mr. Fisher to develop the analyses under the City's scope of services and develop complete and accurate models that will best fit the project needs.

Ms. **Priti Patel** will provide **Analytical Support**, they will work closely with Mr. Fisher and Mr. Thrasher, and the City, to ensure that data is collected, interpreted, researched, and correctly entered into the model.

Mr. **Robert Quaid, CPA**, will provide quality assurance/quality control to this engagement in the role of **Quality Assurance/Technical Advisor**. Mr. Quaid will review the models as a third-party internal reviewer prior to their submittal to City staff. His continual review of data entry and model development assures that the draft, and final products have been thoroughly evaluated for potential errors; thus, providing quality client deliverables, and high levels of integrity and outcomes throughout the duration of the project.

Project Management

Furthermore, to ensure that the project stays on schedule, and is properly focused on City objectives, Mr. Fisher, in collaboration with Mr. Thrasher and Ms. Patel will provide City staff with updates to summarize our progress against the project timeline, and update the status of upcoming deliverables. We will also document discussions leading to important policy decisions and/or the choice of critical assumptions used in constructing the analysis and model. The Project Team will utilize a detailed Project Management Plan from the outset of the engagement to manage and control all proposed activities, deliverable deadlines, client and stakeholder engagement, and quality control.

Willdan will meet with staff to enhance our understanding of the project objectives, review the project timelines, and seek assistance in identifying the best information sources to obtain the necessary inputs to evaluate the City of Kingsburg.

Finally, following key stakeholder discussions, we will schedule a call to summarize findings and direction with City staff, to make certain that we are in agreement with stated objectives, and that feedback is incorporated as appropriate. These steps guarantee that as the project moves forward success will be achieved by continually aligning our approach and work with stakeholder and City objectives, adjusting where necessary.

Staff Continuity

Mr. Fisher has been assigned to serve as the City's representative; and has been selected for this role due to his extensive experience, which includes the preparation and supervision of numerous Cost Allocation Plans and User Fee Studies, as well as his experience presenting to governing bodies, stakeholders, and industry groups.

Resumes

Resumes for Willdan's project team are presented on the following pages.

It is important to note that Mr. Fisher has been with Willdan for more than 20 years, ensuring the City of Kingsburg of continuity and dedication in staffing during the completion of the project.



Chris Fisher

Principal-in-Charge

Education
San Francisco State University, Bachelor of Science, Finance

Areas of Expertise
Cost of Service Analyses

Multi-disciplinary Team Management

Special District Formations

Client Presentations

Proposition 218

Affiliations
California Society of Municipal Finance Officers

Municipal Management Association of Northern California

California Municipal Treasurers Association

20 Years' Experience

Mr. Chris Fisher, Vice President and Group Manager of Willdan's Financial Consulting Services group, will serve as Principal-in-Charge for the City of Kingsburg project. He will also share his extensive knowledge related to cost-of-service principles with members of the project team.

Mr. Fisher joined Willdan in April of 1999, and during that time has managed an array of financial consulting projects for public agencies in California, Texas, Arizona, and Florida, coordinating the activities of resources within Willdan, as well as those from other firms working on these projects. He is one of the firm's leading experts for special district financing related to public infrastructure, maintenance, and services, including public safety.

Related Experience

City of Hayward, CA – Cost Allocation Plan and User Fee Study: Mr. Fisher served as the project manager for the City's full overhead cost allocation plan and OMB A-87 cost allocation plan, along with a comprehensive master user fee study. He worked with the City and Willdan staff to gather the necessary data and is overseeing Willdan's development of the cost allocation model. The City has a complicated and detailed budget and the cost allocation plan that Willdan developed is tailored to their structure and includes provision for several Internal Service Funds.

City of Union City, CA – Comprehensive Fee and Rate Study & Overhead Cost Allocation Plan: Mr. Fisher served as the principal-in-charge for the City's fee study. He oversaw the development of an overhead cost allocation plan, OMB compliant cost allocation plan, as well as a comprehensive user fee study.

City of Petaluma, CA – Overhead Cost Allocation Plan and OMB Circular Plan, User Fee Study, CIP Rate Analysis, and Hourly Overhead Rate Study: Mr. Fisher served as project manager for the project team and provided oversight for this thorough and intensive study for the City of Petaluma. ***The City has hired Willdan for multiple updates since we completed the original study.***

City of Belmont, CA – Master Fee Study and Cost Allocation Refinement: Mr. Fisher served as the project manager for Willdan's work with the City of Belmont and the Belmont Fire Protection District's fee study. Willdan completed a Master Fee Study and an analysis and review of the existing Cost Allocation Plan for the City of Belmont, and a Fee and Rate Study for the Belmont Fire Protection District.

City of Pittsburg, CA – Cost Allocation Plan and User Fee Study: Mr. Fisher provided policy guidance and quality assurance to the City's update and development of a comprehensive user fee study for the development of a master user fee and rate schedule and a cost allocation plan to recover overhead costs related to central service activities.

City of Salinas, CA – Comprehensive Fee Study and Full Cost Allocation Plan: Mr. Fisher served as the project manager for the City of Salinas engagement, to prepare an OMB A-87-compliant full cost allocation plan and comprehensive fee study for the development of a master list of fees. Mr. Fisher led an all-departments overview meeting, where the framework and general process was reviewed, and global practical and policy questions were addressed. Immediately following the overview meeting, individual meetings were held with representatives from each department to discuss their specific fee related activities and gather necessary information to update fees.

City of Irvine, CA – OMB Cost Allocation Plan and Comprehensive User Fee Study: Willdan completed a cost allocation plan and user fee study for the City of Irvine. Mr. Fisher managed and provided quality assurance to this project, ensuring the accuracy of the models, as well as the final reports. He also presented the results to the City's Finance Commission and to the City Council.

City of National City, CA – Cost Allocation Plan, OMB Compliant Cost Allocation Plan, User Fee Study, and ISF Allocation Study: Mr. Fisher served as the principal-in-charge for the City of National City's Cost Allocation Plan, OMB Compliant Cost Allocation Plan, User Fee, and ISF Allocation Study.



C. Fisher
Resume Continued

City of Murrieta, CA – Cost Allocation & OMB Compliant Plan and Comprehensive User Fee Study: Mr. Fisher served as the project manager on the City's fee study. The primary objective for the cost allocation study was to ensure that general government costs were fairly and equitably allocated to appropriate programs and funds. ***The City has recently re-engaged Willdan to conduct an update to both studies.***

City of Signal Hill, CA – Cost Allocation Plan and User Fee Study: As principal-in-charge, Mr. Fisher oversaw the development and review of a Full and OMB compliant cost allocation study and a comprehensive user fee and rate study for the City's master list of fees.

City of DeSoto, TX – User Fee Study: Mr. Fisher served as the principal-in-charge for City's Comprehensive User Fee Study.

Sacramento Public Library Authority, CA – Cost Allocation Plan and OMB Circular A-87: In April 2014, as Project Manager, Mr. Fisher completed the final report for the Sacramento Public Library Authority. Throughout the project, he provided quality assurance to the project, which involved the development of a methodology for this unique venture. Mr. Fisher presented the final report to the Library Authority Board, as well as the Joint Powers Authority. Four annual updates to the CAP were prepared and presented to the Board.

City of Laguna Hills, CA – Comprehensive Cost Allocation Plan and Comprehensive User Fee Study: Mr. Fisher oversaw the update of the City's general overhead allocation plan and cost-of-service user fees.



Tony Thrasher

Technical Project Manager

Education

Bachelor of Science
in Economics;
California State
Polytechnic University,
Pomona

Areas of Expertise

Cost Allocation Plans

Fiscal Analysis for
User Fees and Rates

District Administration
Services

Utility Rate Studies

11 Years' Experience

Due to his cost allocation and user fee analyses experience, Mr. Tony Thrasher has been selected to serve as Technical Project Manager for the City's engagement. Mr. Thrasher is a Senior Project Manager within the Financial Consulting Services group, whereby his responsibilities include managing projects and conducting fiscal analyses for cost allocation plans, user fees, and utility rate studies.

Mr. Thrasher's prior employment was as a financial analyst working in bond, equity, and mortgage-backed security markets for Wells Fargo Bank, Bank of New York Mellon, and Deutsche Bank. His experience includes portfolio accounting, differential analysis, and forecasting.

Related Experience

City of Monterey, CA — Cost Allocation Plan: Mr. Thrasher is serving as the technical project manager for the City of Monterey Cost Allocation Plan engagement and updates. He is assisting in the development of the City's general overhead allocation plan, whereby he applies his expertise on alternative allocation methods. ***The City hired Willdan for the original study, and has since hired us for multiple updates.***

City of Galt, CA — Cost Allocation Plan: As the assigned technical lead, Mr. Thrasher worked directly with City staff to develop the Cost Allocation Model and report and worked with staff to test and adjust the model and methodology where appropriate before finalizing. Following completion of the initial CAP, he worked with the City to update the model for the subsequent budget update.

City of Hayward, CA — Cost Allocation Plan and User Fee Study: For this project, Mr. Thrasher provided analytical support, and was largely responsible for the development of the models. Primary duties include gathering and verifying necessary data, finalizing model figures and generating reports. ***The City hired Willdan to complete the original Cost Allocation Plan and User Fee Study, and has subsequently hired us for updates to both studies.***

City of Richmond, CA — Cost Allocation Plan & User Fee Study: Mr. Thrasher serves as the Project Manager for the City of Richmond's fee study.

City of Petaluma, CA — Overhead Cost Allocation Plan and OMB Circular Plan, User Fee Study, CIP Rate Analysis, and Hourly Overhead Rate Study: Mr. Thrasher provided analytical support for this engagement. His primary duties were to work with City staff to gather data, provide assistance to the project manager, and produce reports. ***The City has hired Willdan for multiple updates since we completed the original study.***

City of Salinas, CA — Full Cost Allocation Plan and Comprehensive Fee Study: Mr. Thrasher provided analytical support for the City of Salinas OMB A-87-compliant full cost allocation plan and comprehensive fee study engagement. He worked closely with City staff to gather and analyze data to produce reports, participated in multiple meetings, and assisted the City appointed Project Manager in the adoption of the new fees.

City of Cerritos, CA — Development Services User Fee Study: Mr. Thrasher served as the technical project manager for this engagement, whereby he designed micro-level allocation models to ensure full-cost recovery for building and safety, planning, community development, and public works departments.

City of Chino Hills, CA — Cost Allocation Plan and Comprehensive User Fee Study: Mr. Thrasher is serving as the technical project manager for the City's Cost Allocation Plan and Comprehensive User Fee Study. He is working directly with the City contact throughout the engagement.

City of Irvine, CA — OMB Cost Allocation Plan and Comprehensive User Fee Study: Serving as the project's analyst, Mr. Thrasher provided analytical support; and designed micro-level allocation models to ensure full-cost recovery for public safety, public works, community development, community services, and administrative departments.



T. Thrasher
Resume Continued

City of Bellflower, CA — OMB Cost Allocation Plan and Comprehensive User Fee Study Update: In Willdan's initial engagement with the City, Mr. Thrasher provided analytical support, with his primary duties including finalizing model figures and generating reports. In the subsequent update of both the CAP and the Fee Study, Mr. Thrasher assumed a lead technical role, working directly with the client to develop a new Cost Allocation Model, update the comprehensive fee model, and resolve policy and fee setting issues. He was directly responsible for delivery of reports and presentations to the City.

City of Mission Viejo, CA — Cost Allocation Plan and User Fee Study: Mr. Thrasher was assigned to work with the City on this project, providing analytical support, gathering data, working with staff to make refinements, and developing cost allocation and fee models to ensure full-cost recovery for building and safety, planning, community development, and public works departments.

City of Indian Wells, CA — User Fee Study: Mr. Thrasher served as the technical project manager for the City's Administrative, Building, Planning and Public Works Departments. The study involved the identification of existing and potential new fees, fee schedule restructuring, data collection and analysis, orientation and consultation, quality control, communication and presentations, and calculation of individual service costs cost recovery levels.

City of National City, CA — Cost Allocation Plan, OMB Compliant Cost Allocation Plan, User Fee Study, and ISF Allocation Study: Mr. Thrasher served as the technical project manager for the City of National City's Cost Allocation Plan, OMB Compliant Cost Allocation Plan, User Fee, and ISF Allocation Study.

City of DeSoto, TX — User Fee Study: Mr. Thrasher served as the technical project manager for City's Comprehensive User Fee Study.

City of Missouri City, TX — Comprehensive User Fee Study and Cost Allocation Plan: Mr. Thrasher served as the technical project manager for City's Fee Study.

City of Mesquite, TX — Cost Allocation Plan: Mr. Thrasher served as the technical project manager for City's Cost Allocation Study.

City of Surprise, AZ — Cost Allocation Plan: Mr. Thrasher served as the technical project manager for the 2017 Cost Allocation Plan to identify the City's costs related to rendering internal central support services, and the allocation of those costs to operating departments.

Kentuckiana Works, KY — Cost Allocation Plan: Mr. Thrasher is serving as the technical project manager for Kentuckiana Works Cost Allocation Plan. This is an ongoing project.

Sacramento Public Library Authority, CA — Cost Allocation Plan and OMB Circular A-87: Mr. Thrasher provided analytical support. His primary duties included finalizing model figures and generating reports.



Priti Patel

Analytical Support

Education

*Bachelor of Arts;
Business
Management,
Information Systems
and
International Business,
University of Cincinnati*

Ms. Priti Patel is a Senior Analyst within the Financial Consulting Services group, whereby she supports project managers in conducting utility rate analyses, fee studies, cost allocation plans, monitoring Proposition 218 compliance, and forming special districts.

Coordinating and conducting activities associated with Cost Allocation Plans and User Fee Studies, including database integration and manipulation, revenue and expenditure analyses, and documentation preparation are just some of Ms. Patel's duties. With these duties, she interacts with clients on a regular basis.

Areas of Expertise

Cost Allocation Plans

User Fee Studies

Proposition 218

Ms. Patel joined Willdan as an analyst with the District Administration Group, while with DAS she performed research and analysis needed for local government financial issues related to district administration, including document data entry and updating, database management, research and report preparation. She also provided general information on questions pertaining to Assessment Districts and special taxes (such as Mello-Roos Pools), as well as the status of property delinquencies. Ms. Patel came to Willdan with more than five years' experience as an Analyst.

7 Years' Experience

Related Experience

City of Richmond, CA — Cost Allocation Plan & User Fee Study: Ms. Patel is the financial analyst on the City of Richmond's ongoing User Fee Study and Cost Allocation Plan. She is assisting the project manager with gathering and validation of data, development of the models and related analysis, staff interviews and preparation of reports and presentations.

City of Pittsburg, CA — Cost Allocation Plan and User Fee Study: Ms. Patel was assigned to provide assistance to senior project team members on the City of Pittsburg Cost Allocation Plan and User Fee Study engagement. She will be a technical lead for the gathering of data, creation of the models and preparation of study reports and presentations. ***The City hired Willdan for the original study, and for two subsequent updates.***

City of Monterey, CA — Cost Allocation Plan: Ms. Patel is serving as the financial analyst for the City of Monterey Cost Allocation Plan and updates. In this role she is responsible for obtaining updated information and data, reviewing overhead structure and functions and preparing the updated model and report. ***The City originally hired Willdan for the creation of the first Cost Allocation Plan, and has hired us for multiple updates since then.***

City of Chino Hills, CA — Cost Allocation Plan and Comprehensive User Fee Study: Providing analytical support in the preparation of a cost allocation plan and comprehensive fee study, Ms. Patel worked to identify and take into account direct and indirect costs, along with changes in staffing, structure, and service delivery methods. She is also assisting in the preparation of user-friendly Excel-based models that City staff can easily update in the future to determine the proper allocation of expenditures and ongoing full cost of City-provided services.

City of Fillmore, CA — Full Cost Allocation Plan and User Fee Study: Ms. Patel helped develop a cost allocation plan and model that fully allocated central overhead costs to appropriate operating departments, funds, and/or programs. She assisted in the completion of the model and report and worked directly with senior staff to their feedback and revisions.

City of San Fernando, CA — Cost Allocation Plan and Comprehensive User Fee Study: Ms. Patel is currently providing support to senior team members in the preparation of a cost allocation plan, OMB compliant plan and comprehensive user fee study.

City of DeSoto, TX – User Fee Study: Ms. Patel served as the financial analyst for City's Comprehensive User Fee Study.

City of Missouri City, TX – Comprehensive User Fee Study and Cost Allocation Plan: Ms. Patel provided analytical support in the preparation of a full cost allocation plan and comprehensive fee study.

Kentuckiana Works, KY – Cost Allocation Plan: Ms. Patel is the financial analyst assigned to the Kentuckiana Works Cost Allocation Plan engagement.



P. Patel
Resume Continued

Rainbow Municipal Water District, CA — Cost Allocation Plan and OMB Compliant Plan: Ms. Patel provided analytical support to ensure that the District's Cost Allocation Plan and OMB compliant cost allocation model and plan fairly allocated general and administrative overhead service costs to appropriate activities and departments.

City of Laguna Hills, CA — Cost Allocation Plan and Comprehensive User Fee Study: Ms. Patel provided analytical support in the preparation of a full cost allocation plan and comprehensive fee study for the development of a master list of fees.

City of Lake Elsinore, CA — User Fee Study and Cost Allocation Plan: Ms. Patel provided analytical support and gathering budget and allocation basis data for this engagement.

City of National City, CA — Cost Allocation Plan, OMB Compliant Cost Allocation Plan, User Fee Study, and ISF Allocation Study: Ms. Patel is providing analytical support in the preparation of this study, her primary duties include development of the models, finalizing model figures and results, and generating reports.

City of Yucaipa, CA — Cost Allocation Plan and Comprehensive User Fee Study: Provided analytical support in the preparation of a Cost Allocation Plan and OMB compliant cost allocation plan and comprehensive fee study for the development of a master list of fees. Ms. Patel worked to identify and take into account direct and indirect costs, along with changes in staffing, structure, and service delivery methods. She also assisted in the preparation of user-friendly Excel-based models that City staff could easily update in the future to determine the proper allocation of expenditures and ongoing full cost of City-provided services.

City of Dinuba, CA — Cost Allocation Plan Update and Utility Rate Study: Ms. Patel assisted with a utility rate study and a cost allocation plan update for the City. Duties included reviewing relevant documentation, gathering information related to indirect staffing and functions, assisting in the preparation of a comprehensive draft cost allocation model and plan, and testing and reviewing the model and results with project management staff.



Robert Quaid, CPA

Quality Assurance/Technical Advisor

Education

Bachelor of Science,
University of Southern
California

With his 35 years of extensive experience in public financing, Mr. Robert Quaid has been selected to provide quality assurance/quality control in the role of technical advisor. In his position as a Principal Consultant at Willdan, Mr. Quaid provides project management, procedural support, technical support, and quality review for Willdan’s District Administration group, as well as the Financial Services Consulting group specific to cost allocation plans, user fee studies, and special financial analysis.

Areas of Expertise

Fiscal Analysis for User
Fees and Rates

Prior to joining Willdan, Mr. Quaid worked in the private industry of real estate accounting and finance. He began his career with the public accounting firm formerly known as Haskins & Sells (currently known as “Deloitte & Touche”). His experience includes financial statement analyses, asset administration, computer conversion, and reporting to the Securities and Exchange Commission for several public real estate partnerships. In 1979, Mr. Quaid became a licensed California CPA.

Cost Allocation Plans

Acquisition Audit
Services

Statutory Financial
Reporting

Related Experience

Fund Audits

City of Thousand Oaks, CA — Cost Allocation Plan: Mr. Quaid served as project manager for the development of an OMB A-87 compliant cost allocation plan model using fiscal year actual costs as the basis for the allocations. He was responsible for the preparation of the Cost Allocation Plan report and provided cost allocation model training to City staff.

Quality Review of
Community Facilities,
Lighting & Landscaping,
and Assessment
Districts

The objective of this project was to determine the appropriate allocation of indirect costs from City General Fund central service departments to the General Fund operating departments/programs and the non-General Fund departments/programs. The plan model included 16 allocation bases allocating costs to over 100 departments and divisions. Both full and OMB A-87 cost allocation models were delivered to the City. Willdan was awarded a four-year contract.

Affiliations

California Society of
Municipal Finance
Officers

Cities of Fontana, Gardena and Hawthorne, CA — Cost Allocation Plan Projects: For each of these cities, Mr. Quaid served in the role of task manager for the development of an OMB A-87 compliant cost allocation plan model using Microsoft Excel. He was responsible for the preparation of the cost allocation plan report and trained City staff on how to use the cost allocation model.

California Society of
CPAs

City of Rialto, CA — Comprehensive User Fee Study: Project manager for the Comprehensive User Fee Study to develop a user fee model in Microsoft Excel and update fees for Planning, Engineering, Building, Public Works, Recreation, Police, Fire, City Clerk, Treasurer and Finance.

Certifications/ Licenses

Certified Public
Accountant

City of Cathedral City, CA — Comprehensive User Fee Study: Mr. Quaid served as project manager for a user fee study that required updating fees for Planning, Engineering, Building, Police, Fire, City Clerk, and Finance.

35 Years’ Experience

Mr. Quaid has provided Quality Assurance and Quality Control to multiple clients. Provided below are a few examples of clients in which services have been provided in the previous three years.

- City of Belmont, CA
- City of Monterey, CA
- City of Cerritos, CA
- City of Petaluma, CA
- City of Claremont, CA
- City of Rocklin, CA
- City of Coalinga, CA
- City of St. Helena, CA
- City of DeSoto, TX
- County of San Benito, CA
- City of El Cerrito, CA
- City of San Bruno, CA
- City of Fillmore, CA
- Sacramento Public Library, CA
- City of Galt, CA
- City of Salinas, CA
- City of Hayward, CA
- City of Union City, CA
- City of Indian Wells, CA
- City of Watsonville, CA
- City of Missouri City, TX
- City of Yucaipa, CA



Client References

Below are recent project descriptions, including client contact information, that are similar in nature to those requested by the City. We are proud of our reputation for customer service and encourage you to contact these clients regarding our commitment to completing the projects within budget and agreed upon timelines.

City of Monterey, CA

Cost Allocation Plan and Indirect Cost Rates

Willdan completed a cost allocation plan for the City of Monterey. The objective of this project was to determine the appropriate allocation of indirect costs from City General Fund Central Service Departments to the General Fund operating departments/programs and the Non-General Fund departments/programs, which includes enterprise funds. The project involved the development of a full Cost Allocation Plan model, and development of indirect and fully burdened rates for use in projects and services related to the Presidio. Recommended procedures included: analyze expenditures, interview staff, review CAFR, and other financial documents.

Willdan was recently re-selected, through competitive bid, to update the Cost Allocation Plan and to calculate fully burdened hourly staff labor rates.

Client Contact: Ms. Carol Bouchard, CPA, CGFM, Assistant Finance Director
Tel #: (831) 646-3724 | Email: Bouchard@monterey.org

City of Los Banos, CA

Full & OMB Compliant Cost Allocation Plan and Comprehensive User Fee Study

The City of Los Banos sought an outside consultant to prepare a comprehensive study of the City's user fees, as well as the preparation of a Full Cost Allocation Plan. Our primary objective for the cost allocation study update was to ensure that general government costs were fairly and equitably allocated to appropriate operating groups, programs and funds, based on tailored and well thought out allocation factors. The Cost Allocation Plan was also created to develop OMB compliant overhead allocations and indirect rates.

For the Cost Allocation Plan, Willdan prepared a comprehensive and flexible model that developed the current allocations and allowed for ease of updates for future years. We also presented the model and a report to the City. For the User Fee Study, Willdan reviewed and analyzed existing user fee programs, and developed a cost of service analysis and model that updated existing fees and incorporated new fees, and used it to create an updated comprehensive fee schedule.

Client Contact: Ms. Sonya Williams, Finance Director
Tel. #: (209) 827-7000 | Email: sonya.williams@losbanos.org

City of Salinas, CA

Comprehensive Fee Study and Full Cost Allocation Plan

Willdan was hired by the City of Salinas to prepare an OMB A-87-compliant full cost allocation plan, and comprehensive fee study for the development of a master list of fees. The Willdan Team led an all-departments overview meeting, where the framework and general process was reviewed, and global practical and policy questions were addressed. Immediately following the overview meeting, individual meetings were held with representatives from each department to discuss their specific fee related activities, and gather necessary information to update fees.

The Willdan Team worked to identify and take into account direct and indirect costs, along with changes in staffing, structure, and service delivery methods. User-friendly Excel-based models were prepared, so that City staff can easily update in the future to determine the proper allocation of expenditures and ongoing full cost of City-provided services.

Willdan was re-selected to provide an update to the Cost Allocation Plan.

Client Contact: Mr. Matt Pressey, CPA, Budget & Finance Director
Tel #: (831) 758-7420 | Email: Mattp@ci.salinac.ca.us



City of Galt, CA

Cost Allocation Plan and OMB Compliant Cost Allocation Plan

Willdan completed a full cost allocation plan and OMB Compliant cost allocation plan for the City of Galt. The Willdan team worked with City staff to gather the necessary data to develop the cost allocation model. The City had a complicated and detailed budget and the cost allocation plan that Willdan developed is tailored to their structure.

Client Contact: Ms. Emily Boyd, Finance Director
Tel #: (209) 366-7130 | Email: eboyd@ci.galt.ca.us

City of Watsonville, CA

Cost Allocation and OMB Compliant Plan and Comprehensive User Fee Study

The City of Watsonville was seeking an outside consultant to complete a full and OMB compliant cost allocation plan and the preparation of a comprehensive user fee study. Our primary objective for the cost allocation study was to ensure that general government costs were fairly and equitably allocated to appropriate programs and funds, which are based on tailored and well thought out allocation factors.

For the user fee study, the primary objective was to ensure that fees for requested services were calculated to account for the full cost of providing the services, and set appropriately, given City policy and financial objectives.

Upon completion of the update to the cost allocation plan, Willdan utilized the final report to complete the comprehensive user fee study.

Client Contact: Mr. Bill Hays, Assistant Finance Director
Tel #: (831) 768-3450 | Email: william.hays@cityofwatsonville.org

City of Hesperia, CA

Cost Allocation Plan and OMB Compliant Cost Allocation Plan

The City of Hesperia had not updated their Cost Allocation Plan since 2009 and was looking to update the cost allocation study to reflect the current fiscal environment. Through a competitive process they engaged Willdan to create a new CAP and model for the City, that would identify the allocable costs to the City's Central Service Departments and functions, and to distribute those costs to the allocation cost centers in a fair and equitable manner.

Willdan completed a cost allocation plan and OMB Compliant cost allocation plan for the City. The Willdan team worked with City staff to gather the necessary data to develop the cost allocation model.

Client Contact: Mr. Casey Brooksher, Senior Financial Analyst
Tel #: (760) 947-1813 | Email: cbrooksher@cityofhesperia.us



Cost Proposal

Fixed Fee

Based on the corresponding work plan identified within Willdan’s Technical Proposal, we propose a **not-to-exceed-fixed fee of \$10,750** to prepare the Full and OMB Compliant Cost Allocation Plan. The tables below provide a breakdown of this fee by task and project team member.

| City of Kingsburg Full and OMB Compliant Cost Allocation Plan | | | | | | |
|--|--------------------------------------|--|-----------------------------------|--------------------------------|----------------|-----------------|
| Fee Proposal | | | | | | |
| | C. Fisher Principal-in- Charge | T. Thrasher Tech Project Manager | P. Patel Analytical Support | B. Quaid QA/Tech Advisor | Total Hours | Cost |
| | \$ 250 | \$ 185 | \$ 125 | \$210 | | |
| Scope of Services | | | | | | |
| Task 1: Initial Document Request | - | - | 1.0 | - | 1.0 | \$ 125 |
| Task 2: Kick-off /Refine Scope | 1.0 | 1.0 | 1.0 | - | 3.0 | 560 |
| Task 3: Gather Staffing Information, Develop Cost Allocation Plan Model | - | 4.0 | 16.0 | - | 20.0 | 2,740 |
| Task 4: Test and Review Cost Allocation Methodology | 1.0 | 4.0 | 12.0 | 1.0 | 18.0 | 2,700 |
| Task 5: Prepare and Present Draft Report | 2.0 | 3.0 | 8.0 | - | 13.0 | 2,055 |
| Task 6: Discuss and Revise Report | 1.0 | 2.0 | 6.0 | 1.0 | 10.0 | 1,580 |
| Task 7: Prepare and Present Final Report/Train Staff on Model | - | 4.0 | 2.0 | - | 6.0 | 990 |
| Total – Cost Allocation Plan | 5.0 | 18.0 | 46.0 | 2.0 | 71.0 | \$10,750 |

Notes

- Our fee includes all direct expenses associated with the project.
- We will invoice the City monthly based on percentage of project completed.
- Additional services or meetings may be authorized by the City and will be billed at our then-current hourly overhead consulting rates.

Hourly Fee Schedule

Our current hourly rates are listed below.

| Willdan Financial Services Hourly Rate Schedule | |
|--|-------------|
| Position | Hourly Rate |
| Group Manager | \$250 |
| Managing Principal | \$240 |
| Principal Consultant | \$210 |
| Senior Project Manager | \$185 |
| Project Manager | \$165 |
| Senior Project Analyst | \$135 |
| Senior Analyst | \$125 |
| Analyst II | \$110 |
| Analyst I | \$100 |



27368 Via Industria, Suite 200
Temecula, California 92590-4856
800.755.6864 | 951.587.3500 | Fax: 888.326.6864

www.willdan.com



Meeting Date: 02/19/2020
Agenda Item: 4.7

CITY COUNCIL MEETING STAFF REPORT

REPORT TO: Mayor Roman & City Council
REPORT FROM: Christina Windover, Administrative Services Director **REVIEWED BY:** AP
AGENDA ITEM: Update Public Works Director Job Description

ACTION REQUESTED: Ordinance Resolution Motion Receive/File

EXECUTIVE SUMMARY

A classification plan is a way of systematically describing the positions and classes in a public agency. A position description describes the duties and responsibilities of the job, minimum qualifications, qualifying tests and the salary range appropriate for all positions in the class. Consequently, as job assignments to individual positions change, the classification plan should be reviewed accordingly to meet the needs of the organization. As such, the current position description for the Public Works Director requires updating. The last time the position description was updated and approved by Council was September 8, 2011. Since then, the organization and the position responsibilities have grown and changed with the needs of the department and the City.

The Classification Plan currently contains a hybrid Public Works Director/City Engineer position description which no longer meets the needs of the City because the responsibilities and workload of the position have increased over the years. The City currently contracts out the engineer responsibilities to Dave Peter’s Engineering and the Public Works Director position is now a standalone position. The attached position description reflects these changes and contains updates for future growth and changes in services. The updated position description will also aid the City in recruiting and selecting qualified personnel for the position.

RECOMMENDED ACTION BY CITY COUNCIL

- 1. Approve the proposed updated position description for the Public Works Director position.

POLICY ALTERNATIVE(S)

- 1. Council could choose to keep the position description as-is.

REASON FOR RECOMMENDATION/KEY METRIC

- 1. The City of Kingsburg Personnel Manual (Section 501 Position Classification) authorizes Council to approve all new and revised job descriptions within the City’s Classification Plan. The proposed position description more accurately describes the role and responsibilities of the Public Works Director. Having an accurate position description ensures an equitable salary plan, aids in recruiting and selecting qualified personnel, and can help determine what should be included in the examination process.

FINANCIAL INFORMATION

FISCAL IMPACT:

| | |
|------------------------------|------------|
| 1. Is There a Fiscal Impact? | <u>No</u> |
| 2. Is it Currently Budgeted? | <u>N/A</u> |
| 3. If Budgeted, Which Line? | <u>N/A</u> |

PRIOR ACTION/REVIEW

The Classification Plan was updated and approved by Council last on September 8, 2011. City Council has approved individual position descriptions on a case by case basis, as needed.

BACKGROUND INFORMATION

See Executive Summary.

ATTACHED INFORMATION

1. Proposed Public Works Director position description and current Public Works Director position description showing the proposed changes to the description.

DIRECTOR OF PUBLIC WORKS

DEFINITION

Under administrative direction of the City Manager, to plan, organize, direct, and evaluate the activities of the Public Works Department including engineering, planning, and public works inspection.

DISTINGUISHING CHARACTERISTICS

The Public Works Director is responsible for the proper utilization of staff and equipment in the design, construction, operation, maintenance, and repair of municipal buildings, equipment, streets, parks, recreational facilities, storm drains, and water production and distribution.

TYPICAL DUTIES

1. Plans, organizes, directs and evaluates the construction, maintenance, and repair of City streets, sidewalks, curbs, gutters, and driveways; directs the repair of storm drains, drainage ditches, traffic signals, street traffic signs and street lights; directs the installation of water lines and related facilities as required for City purposes.
2. Plans and implements improvements in the organization and work of the department.
3. Evaluates the need for and develops plans and schedules for public works programs; organizes available resources; supervises the obtaining of supplies and equipment.
4. Collaborates with consultant engineering firm on professional engineering work in the design and construction of streets, sidewalks, water and sewage systems, drainage structures, park or recreational facilities and other public works;
5. Checks for, oversees, and contributes to the orderly development of the City through analyzing impact of City facilities and projection of needs of new facilities.
6. Assists in the interpretation and administration of the City's subdivision and land use development and regulation activities; develops and prepares recommendations for policies on land use.
7. Works with developers and private engineering firms to coordinate the construction of new subdivisions.
8. Defines and approves change orders to public works projects.

9. Provides leadership to departmental staff and assistance to the City Council, City Manager, and department heads concerning public works programs, capital improvement projects and development proposals.
10. Prepares, coordinates and directs expenditure of department budget, including capital projects and equipment.
11. Attends meetings of the City Council and various commissions; represents department and City before the public and other agencies.
12. Responsible for overseeing and managing divisions within the Public Works Department, ensuring that the division personnel carry out their respective duties in accordance with city policy and procedures and all other applicable Federal and State law. Responsibilities include interviewing, hiring, and training employees; planning, assigning, and directing work; appraising performance; rewarding and disciplining employees; addressing complaints and resolving problems.

MINIMUM QUALIFICATIONS

Knowledge of:

Principles and practices of municipal budget preparation and administration.

Principles and practices of municipal program management, development and administration.

Management skills to analyze programs, policies and operational needs.

Equipment, materials and methods used in the construction, maintenance, cleaning and repair of public works facilities.

Material and labor costs in public works construction work.

Designs, plans and specifications relating to municipal utilities and public works facilities.

Applicable Federal City, County, and State laws, codes, and ordinances.

Civil engineering principles and practices as applied to the field of municipal public works.

Principles of organization, supervision, performance evaluations, employee training, and human relations and employee labor laws.

Ability to:

Plan, organize, coordinate, and direct the work of Public Works Department.

Interpret, explain and work in accordance with a wide variety of laws, codes, and ordinances.

Prepare, control, and administer the department budget.

Develop and administer goals, objectives, and procedures.

Devise, implement, and maintain a record keeping system.

Communicate effectively orally and in writing.

Select, supervise, evaluate and train subordinate personnel.

Delegate authority and responsibility.

Interpret programs and establish effective working relationships with contractors, developers, builders, and the general public.

Analyze, evaluate, and make recommendations on improvements to public works facilities, operations, programs, and services.

Analyze problems, identify alternative solutions, project consequences of proposed actions and implement recommendations in support of goals.

Establish and maintain cooperative and effective relationships with government officials, other City departments, employees, contractors, developers, and the general public.

Follow and enforce all safety rules and regulations of the department.

Education and Experience:

Seven years of progressively responsible experience in the construction and maintenance of public works facilities, including at least four years in a supervisory capacity; or any combination of training and/or experience that could likely provide the desired knowledge and abilities.

A Bachelor's Degree from an accredited college or university with major work in Civil Engineering, Construction Management, Public Administration or a closely related field required.

Special Requirements:

Possession of a valid Class C driver license from the California Department of Motor Vehicles.



County of Fresno

DEPARTMENT OF PUBLIC WORKS AND PLANNING
STEVEN E. WHITE, DIRECTOR

January 2, 2020

Mr. Alexander J. Henderson, City Manager
City of Kingsburg
1401 Draper Street
Kingsburg, CA 93631

Dear Mr. Henderson:

Subject: Participation in Fresno County's Urban County Community Development Block Grant Program for Program Years 2021-22, 2022-23 and 2023-24

Every three years, the County of Fresno and its partner cities must requalify for Urban County entitlement status with the U.S. Department of Housing and Urban Development (HUD) in order to receive entitlement grant funds under the Federal Community Development Block Grant (CDBG) and related Home Investment Partnerships Act (Home) Program for a new three-year period. Cities wishing to participate with the County in the Urban County Entitlement Program must enter into a cooperative agreement with the County and all other participating cities, known as the Joint Powers Agreement (JPA), for the period of HUD's three year funding cycle, which begins July 1, 2021 and ends June 30, 2024.

In order to meet HUD's requalification period deadline, each city must advise the County in writing on or before March 31, 2020, of its official decision to participate or not in the County's program for the new three-year period.

Each City must provide a Resolution or Minute Order notifying the County of the City's official decision to participate (or not) in the County's program for the 2021-2024 three-year period.

Additionally, if the City elects to join or rejoin the County's program, the City's Resolution or Minute Order must also include authorization for the Mayor or City Manager to sign the Joint Powers Agreement on the City's behalf.

At this time, HUD has not yet identified any new requirements for the next Urban County requalification; therefore, no significant changes to the JPA are expected for the new three-year period. We anticipate receiving notice of HUD requirements in April, including any changes, and at that time will send the final JPA for City execution. Should any changes to the current JPA content be required, the changes will be highlighted in the final JPA, along with any explanation if necessary.

Mr. Alexander J. Henderson, City Manager
January 2, 2020
Page 2

A copy of the current executed JPA between the County and the six cities currently participating is enclosed for your information and reference. The current JPA includes provisions intended to provide for maximum flexibility for the cities to exchange CDBG funds between them to allow for project efficiencies and the maximum timeliness of expenditures to comply with Federal requirements.

Each City participating in Fresno County's Urban County Entitlement Program receives a guaranteed percentage of the overall CDBG funds received each year in accordance with the same Federal formula that is used by HUD to provide funds to entitlement communities nationwide. Cities can select their own eligible activities to fund, including infrastructure, housing and public services. Cities participating in the Urban County Program also participate in the HOME Program, which provides funds to residents of those cities for housing rehabilitation and downpayment homebuyer assistance. The HOME Program also provides housing loan funds as gap financing for affordable housing development projects within those cities based on qualified applications. The JPA also provides for participating cities to have access to any additional funding that may be made available to the Urban County CDBG Program. For example, the County's Neighborhood Stabilization Program was recently completed and used one-time additional funding to purchase and rehabilitate foreclosed homes in the participating cities, and to provide downpayment assistance for qualified buyers to purchase the homes.

Cities participating in the Urban County Entitlement Program are not eligible to compete for the State of California's Small Cities CDBG Program funds.

If you have any questions or need additional information regarding requirements, procedures and deadlines, please feel free to contact Kristi Johnson, Principal Analyst, at (559) 600-4292.

Sincerely,



Glenn Allen
Community Development Manager

GA:JN:dc
G:\7205ComDev\CDBG and GRANT PERM FILES\Joint Powers Agreements\2021-2024\JPA Participation Invitation.docx
December 31, 2019

Enclosures

1 JOINT POWERS AGREEMENT FOR HOUSING AND
2 COMMUNITY DEVELOPMENT
3

4 THIS AGREEMENT, herein after referred to as the Agreement is made this 20th day
5 of June, 2017, by and between the COUNTY OF FRESNO, a political subdivision of the State of
6 California, hereinafter referred to as the "COUNTY", and the incorporated CITIES OF FOWLER,
7 KERMAN, KINGSBURG, REEDLEY, and SELMA, all being municipal corporations of the State
8 of California, and located within the boundaries of the County of Fresno, hereinafter referred to
9 as "CITY"/"CITIES":

10 WITNESSETH

11 WHEREAS, the COUNTY and the CITIES desire to engage in housing and community
12 development activities as authorized under the Housing and Community Development Act of
13 1974, as amended, and hereafter referred to as the "ACT"; and

14 WHEREAS, the ACT requires that certain cooperation agreements be entered into
15 between the COUNTY and the CITIES for a period of three years in order to implement the
16 provisions and terms of said ACT; and

17 WHEREAS, the COUNTY and the CITIES are public agencies under the provisions of
18 Section 6500 of the Government Code of the State of California, and each is authorized by law
19 to enter into Joint Powers Agreements; and

20 WHEREAS, the COUNTY and the CITIES are individually authorized by law to engage
21 in housing and community development activities; and

22 WHEREAS, the COUNTY and the CITIES do hereby find and determine that it is in the
23 best interest of the residents of the unincorporated area of the COUNTY and of the CITIES that
24 housing and community development activities be performed jointly in accordance with the
25 provisions of this Agreement in that the U.S. Department of Housing and Urban Development
26 (HUD) recommends the expenditure of funds for such purpose on a regional basis; and

27 WHEREAS, the COUNTY requalified for entitlement status as an urban county to
28 administer and implement the Community Development Block Grant (CDBG), HOME Investment

1 Partnerships (HOME) and Emergency Solutions Grant (ESG) Programs for housing and
2 community development activities and homeless services for each of the participating parties to
3 this Agreement in accordance with the provisions of the ACT, the laws of the State of California,
4 and the terms and conditions hereinafter provided.

5 NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

6 1. The parties to this Agreement, pursuant to the requirements of the ACT, agree to
7 take all required actions to comply with the urban county's certification required by Section 104(b)
8 of Title I of the Housing and Community Development Act of 1974, as amended, including Title
9 VI of the Civil Rights Act of 1964, the Fair Housing Act, affirmatively furthering fair housing,
10 Section 109 of Title I of the Housing and Community Development Act of 1974, which
11 incorporates Section 504 of the Rehabilitation Act of 1973 and the Age Discrimination Act of
12 1975, National Environmental Policy Act of 1969, Executive Order 11988, 24 CFR 570 pertaining
13 to the CDBG Program regulations, and to comply with other applicable laws.

14 2. The COUNTY is responsible for program administration and implementation;
15 determining needs; setting goals; preparing and submitting a five-year Consolidated Plan, annual
16 Action Plan, Consolidated Annual Performance and Evaluation Report, and all required
17 assurances or certifications to HUD, and has the final authority for approving CDBG, HOME
18 Investment Partnerships and ESG Program activities and priorities.

19 3. The parties to this Agreement acknowledge that the COUNTY and CITIES may
20 not sell, trade, or otherwise transfer all or any portion of their CDBG funds to another metropolitan
21 city, urban county, unit of general local government, Indian tribe, or insular area that directly or
22 indirectly receives CDBG funds, in exchange for any other funds, credits or non-Federal
23 considerations, but must use these funds for activities eligible under Title I of the Housing and
24 Community Development Act of 1974, as amended.

25 4. The parties to this Agreement, pursuant to the requirements of the ACT, agree to
26 cooperate to undertake, or assist in undertaking, community renewal and lower-income housing
27 assistance activities.

28 ///

1 5. The parties to this Agreement understand the COUNTY is prohibited from funding
2 activities or supporting any CITY that does not affirmatively further fair housing within its own
3 jurisdiction or that impedes the COUNTY's actions to comply with its fair housing certification.

4 Pursuant to the ACT, the CITIES have adopted and are enforcing:

5 a. A policy prohibiting the use of excessive force by law enforcement agencies
6 within their jurisdictions against any individuals engaged in non-violent civil rights
7 demonstrations.

8 b. A policy of enforcing applicable state and local laws against physically
9 barring entrance to or exit from a facility or location which is the subject of such non-violent civil
10 rights demonstrations within their jurisdictions.

11 6. The CITIES do not have the power to veto or otherwise restrict, obstruct
12 implementation, or withhold support to the community development and housing assistance
13 activities referred to in the Consolidated Plan and annual Action Plan, for any program year
14 covered by this Agreement and/or such additional time as may be required for the expenditure
15 of funds granted to the COUNTY for such period.

16 7. It is understood and agreed that pursuant to the ACT, the participating CITIES
17 shall not be entitled to make separate applications for CDBG funds under the State's Small Cities
18 CDBG Program during the period in which the CITIES are participating in the COUNTY's CDBG
19 Program. Furthermore, the CITIES may not participate in a HOME consortium except through
20 the COUNTY regardless of whether the COUNTY receives a HOME formula allocation. Nothing
21 herein shall be construed as limiting in any manner the powers of any of the respective parties
22 to initiate and complete a local activity within their respective jurisdiction with their own funds.

23 8. The allocation of funds for annual expenditures on CDBG activities shall be
24 shared on a proportionate basis determined by an allocation formula, after the COUNTY's cost
25 for implementing the CDBG Program has been subtracted, not to exceed the maximum 20%
26 administrative cap. Such allocation formula shall be based upon the formula prescribed by the
27 ACT.

28 ///

1 However, it is understood and agreed that any proposed expenditure is subject
2 to the condition that a different distribution of funds may occur at the COUNTY's discretion when
3 made necessary to comply with the ACT, including but not limited to regulatory expenditure
4 requirements.

5 9. Each CITY, pursuant to 24 CFR 570.501(b), is considered a subrecipient of
6 CDBG funds and is subject to the requirements for subrecipients. Before disbursing CDBG funds
7 to a subrecipient, the COUNTY shall prepare a written Agreement in accordance with Federal
8 regulations (as described in 24 CFR 570.503) and execute such Agreement with the
9 subrecipient. The Agreement shall remain in effect during any period that the subrecipient has
10 use of CDBG funds, including program income.

11 10. Each CITY in formulating its annual application to expend CITY allocated CDBG
12 funds shall conduct at least one annual public meeting to provide its residents an opportunity to
13 participate in the recommendation of activities for the CDBG Program. Such meetings shall be
14 conducted whenever a participating CITY intends to seek approval for an activity to be funded
15 with CDBG funds. If a CITY intends to continue with a multi-year activity that was approved as
16 a multi-year activity during a prior year, then said public meeting may be waived. Each of the
17 participating CITIES shall provide reasonable notice to its residents of said meetings and shall
18 make efforts to disseminate information to the public concerning a particular activity.

19 11. Each CITY agrees to develop and complete eligible program activities in a timely
20 manner so that the Urban County CDBG Entitlement Program will comply with Federal
21 expenditure requirements.

22 12. Each CITY agrees to submit application(s) for eligible CDBG activities no later
23 than July 31st prior to the start of each program year. Should a CITY not submit an application
24 for an eligible activity by the July 31st date, and/or make substantial progress toward completion
25 of an eligible activity during the program year in which the funds are allocated, upon mutual
26 agreement by the staff of all the parties, the COUNTY shall redistribute funds to another
27 participating CITY/CITIES with an eligible activity ready to commence.

28 ///

1 13. If a CITY's CDBG funds are advanced to another participating CITY/CITIES in
2 order to accelerate expenditures, including but not limited to meet requirements for timeliness of
3 expenditures, the CITY advancing funds shall be reimbursed by the recipient of those funds with
4 the recipient's next program year allocation.

5 14. If a CITY, due to unforeseen and uncontrollable circumstances, cannot comply
6 with the time schedule within an executed project agreement, the schedule for the activity may
7 be extended by the COUNTY.

8 15. If a CITY, for any reason, cancels a program activity without completion, the CITY
9 shall reimburse to the COUNTY the amount of all CDBG funds provided to the CITY for the
10 activity. The reimbursed amount of funds shall be credited back to the CITY's allocation of CDBG
11 funds.

12 16. Any CDBG funds remaining available to any CITY and not allocated during the
13 term of this Agreement to an activity upon which substantial progress is being made, will no
14 longer be available to that CITY should that CITY not enter into the next succeeding Joint Powers
15 Agreement. Such CDBG funds shall be distributed to the COUNTY and the then-participating
16 CITIES of that Joint Powers Agreement, based upon the formula established by the ACT.
17 Determination regarding substantial progress shall be made by the COUNTY in its sole
18 discretion.

19 17. The COUNTY agrees to make HOME funds available for eligible housing
20 activities within the jurisdictions of the CITIES as well as within the unincorporated area. HOME
21 funds will be provided to eligible residents, institutions and agencies for eligible housing activities
22 approved by the Board of Supervisors, on a first-come, first-served basis.

23 18. The COUNTY shall use its ESG funds for the residents of the unincorporated area
24 of the COUNTY and of the CITIES, though service points may be centrally located. ESG shall
25 be administered through the COUNTY's Department of Social Services. It is understood and
26 agreed that the CITIES may not apply for and do not receive a formula allocation under the
27 Federal ESG Program. Furthermore, CITIES participating in the Urban County program do not
28 receive individual allocations of ESG funds. However, nothing herein shall be construed as

1 limiting in any manner the powers of any of the respective parties to initiate a separate application
2 for ESG funds under the State's ESG Program, if allowed by the State.

3 19. The COUNTY shall make available to each CITY any special funding allocations
4 that may be based on the CITIES' participation with the COUNTY in the CDBG Program. These
5 programs may include, but shall not be limited to, the HOME Investment Partnerships Program
6 and special allocations of CDBG funds that exceed the annual entitlement provided through this
7 Agreement during the term of this Agreement.

8 20. The COUNTY shall be responsible for monitoring and reporting to HUD the use
9 of any program income generated from activities funded by this Agreement.

10 21. The reporting obligation of the CITIES pursuant to the ACT shall include the
11 following:

12 a. A participating CITY must inform the COUNTY when any program income
13 is generated by the expenditure of CDBG funds.

14 b. In the event of close-out of the CDBG Program or a change in status of a
15 participating CITY, each participating CITY must inform the COUNTY of any CDBG generated
16 program income received prior to or subsequent to the close-out or change in status of a
17 participating CITY.

18 c. Any program income generated by a CITY CDBG-funded activity must be
19 paid to the COUNTY. The COUNTY shall credit the amount to that CITY'S CDBG allocation for
20 use on subsequent CITY CDBG eligible activities in accordance with Federal requirements;
21 provided that, the CITY is participating in the COUNTY'S CDBG Program at the time the program
22 income is generated.

23 d. If the CITY is not participating in the COUNTY'S CDBG Program at the
24 time the program income is generated, the COUNTY is not obligated to credit the amount to that
25 CITY'S CDBG allocation for use on subsequent CITY CDBG eligible activities should that CITY
26 return to the COUNTY'S CDBG Program.

27 e. CDBG program income will be made available to a CITY either upon receipt
28 by the COUNTY or not later than the subsequent program year.

1 22. Each participating CITY shall notify the COUNTY whenever there is any
2 modification or change in the use of any real property acquired or improved in whole or in part
3 using CDBG funds. If real property acquired or improved with CDBG funds is sold by a CITY for
4 a use which does not qualify under the CDBG program, the CITY shall reimburse the COUNTY
5 in an amount equal to the current fair market value less any portion thereof attributable to
6 expenditures of non-CDBG funds. It is therefore understood and agreed that pursuant to the
7 ACT:

8 a. These requirements shall continue in effect for the life of the
9 improvements.

10 b. In the event the CDBG Program is closed-out or there is a change in status
11 of the cooperation agreement between the COUNTY and participating CITY, the requirements
12 of this Section shall remain in effect for activities funded with CDBG funds, unless action is taken
13 by the Federal government to relieve the COUNTY and the participating CITIES of these
14 obligations.

15 c. If a CITY is required to repay the COUNTY for reasons described in this
16 Section of the Agreement, the COUNTY shall make the repaid funds available to that CITY for
17 eligible CDBG activities in accordance with Federal requirements; provided that, the CITY is
18 participating in the COUNTY's CDBG Program at the time of the reimbursement.

19 d. If the CITY is not participating in the COUNTY's CDBG Program at the time
20 the income is generated, the COUNTY is not obligated to credit the amount to that CITY'S CDBG
21 allocation.

22 23. The term of this Agreement shall commence on July 1, 2018 and shall terminate
23 on June 30, 2021. Notwithstanding the foregoing, this Agreement shall remain in effect until the
24 CDBG, HOME and ESG funds and program income received with respect to activities carried
25 out during the three-year qualification period are expended and the funded activities completed.
26 No parties to this Agreement may withdraw from, be released from, or terminate this Agreement
27 while the Agreement remains in effect. All parties to this Agreement are participants in the
28 preparation of the COUNTY's five-year Consolidated Plan, annual Action Plan, and Consolidated

1 Annual Performance and Evaluation Report, and are obligated through the three-year program
2 which includes said documents.

3 24. Notwithstanding the date of execution of the Agreement it shall be effective on
4 July 1, 2018. Each CITY shall sign the Agreement prior to the COUNTY. The COUNTY shall
5 insert the date it signs the Agreement on page 1, lines 4-5. The COUNTY shall insert names of
6 all participating CITIES on page 1, lines 7 and 8.

7 25. This Joint Powers Agreement shall be binding upon the parties hereto and their
8 successors and assigns.

9 26. It is understood that there may be a number of duplicate originals of this
10 Agreement and the signature of any representative member on any one Agreement shall be
11 deemed applicable to all such duplicated originals. Additionally, this Agreement may be
12 executed in any number of counterparts, each of which shall be deemed an original. The parties
13 agree that the County may assemble together in the original agreement to be provided to the
14 County Board of Supervisors for signature, one original signature page from each city, to form a
15 total original to be signed by the County Board of Supervisors.

16 27. Each party to this Agreement shall indemnify, defend and hold harmless the other
17 parties, their officers, agents, employees and representatives, from any and all loss, liability,
18 costs, expenses and damage to persons or property, and from any and all claims, demands and
19 actions in law or equity (including attorney's fees and legal expenses) arising or alleged to have
20 arisen directly from the wrongful act caused by its respective activities pursuant to this
21 Agreement.

22 ///

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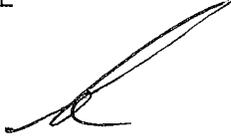
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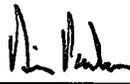
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1 IN WITNESS WHEREOF, the parties hereto have caused this Joint Powers Agreement
2 to be executed as of the date and year first above written.

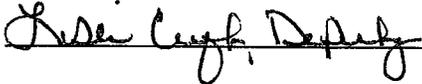
3 REVIEWED AND RECOMMENDED
4 FOR APPROVAL

COUNTY OF FRESNO

5
6 By 
7 Steven E. White, Director
8 Department of Public Works
9 and Planning


10 Brian Pacheco, Chairman
11 Board of Supervisors

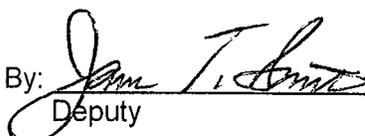
12 ATTEST: Bernice E. Seidel, Clerk
13 Board of Supervisors

14 By: 
15 Deputy

16 APPROVED AS TO ACCOUNTING FORM
17 Oscar J. Garcia, CPA
18 Auditor-Controller/Treasurer – Tax


19 By: _____
20 Deputy

21 APPROVED AS TO LEGAL FORM
22 Daniel C. Cederborg, County Counsel


23 By: _____
24 Deputy

25 FUND NO: 0001
26 SUBCLASS: 10000
27 ORG NO: 7205
28 ACCOUNT: 7885

SW:JN:jc
G:\7205ComDev\Agendas-Agreements\2017\0620_JPA-CDBG-HOME-ESG_AGT.docx
April 28, 2017

1 I HEREBY CERTIFY that the terms and provisions of this Agreement are fully authorized
2 under the laws of the State of California and all local laws and that this Agreement provides full
3 legal authority for the COUNTY to undertake, or assist in undertaking, essential community
4 renewal and lower income housing assistance activities.

5
6 DANIEL C. CEDERBORG, COUNTY COUNSEL
7

8
9 By: _____
10 Deputy



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1 JOINT POWERS AGREEMENT FOR HOUSING AND
2 COMMUNITY DEVELOPMENT

3
4 CITY OF FOWLER

5
6 BY *Francis Davis*

7
8 ATTEST:
9 *Cyrena Forde*
10 City Clerk, City of Fowler
11 Planning Secretary

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1 JOINT POWERS AGREEMENT FOR HOUSING AND
2 COMMUNITY DEVELOPMENT

3
4 CITY OF KERMAN

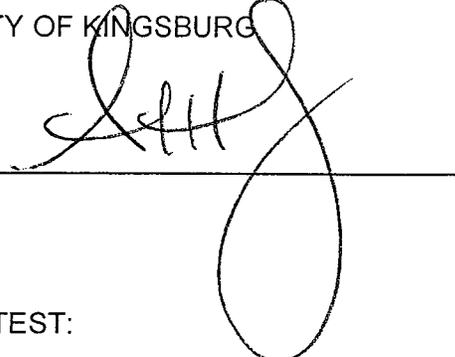
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6 By  _____

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8 ATTEST:

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11 City Clerk, City of Kerman
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1 JOINT POWERS AGREEMENT FOR HOUSING AND
2 COMMUNITY DEVELOPMENT

3 CITY OF KINGSBURG

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5 By 
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8 ATTEST:

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11 City Clerk, City of Kingsburg

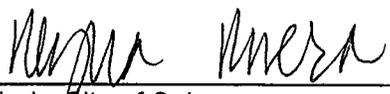
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1 JOINT POWERS AGREEMENT FOR HOUSING AND
2 COMMUNITY DEVELOPMENT

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4 CITY OF SELMA

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6 By  _____

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8 ATTEST:

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11 City Clerk, City of Selma

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1 AMENDMENT I TO AGREEMENT

2 THIS AMENDMENT I TO AGREEMENT, ("Amendment I"), is made this 18th day of
3 June, 2019, by and between the COUNTY OF FRESNO, a political subdivision of the State
4 of California, ("COUNTY"), and the incorporated CITIES OF FOWLER, KERMAN, KINGSBURG,
5 REEDLEY, and SELMA, all municipal corporations of the State of California, and located within the
6 boundaries of the COUNTY ("CITY"/"CITIES"), and the CITY OF MENDOTA ("CITY OF MENDOTA") a
7 municipal corporation of the State of California located within the boundary of COUNTY.

8
9 WITNESSETH

10 WHEREAS, the Housing and Community Development Act of 1974, as amended (the "ACT")
11 requires that certain cooperation agreements be entered into between COUNTY and CITIES for a period
12 of three years, in order to implement the provisions and terms of the ACT;

13 WHEREAS, on June 20, 2017, COUNTY entered into a Joint Powers Agreement No. 17-321 for
14 Housing and Community Development ("Agreement") with CITIES, to implement the provisions and terms
15 of the ACT, which Agreement became effective on July 1, 2018;

16 WHEREAS, the CITY OF MENDOTA has requested to join the Agreement for the one-year period
17 of July 1, 2020 through June 30, 2021; and

18 WHEREAS, COUNTY and CITIES desire to add the CITY OF MENDOTA to the Agreement, so
19 that the CITY OF MENDOTA may cooperate in the implementation of the ACT.

20 NOW THEREFORE, the COUNTY, the CITIES, and the CITY OF MENDOTA agree to amend the
21 Agreement as follows:

22 1. That Page 1, Lines 6 and 7 is amended to read:

23 "CITIES OF FOWLER, KERMAN, KINGSBURG, MENDOTA, REEDLEY, and SELMA"

24 2. That the text on Page 8, Lines 3 through 6 is amended to read:

25 "24. Notwithstanding the date of execution of the Agreement, the Agreement shall be
26 effective on July 1, 2018 as to the COUNTY and the CITIES OF FOWLER, KERMAN, KINGSBURG,
27 REEDLEY, and SELMA, and shall be effective on July 1, 2020 as to the CITY OF MENDOTA. Each
28 CITY shall sign the Agreement prior to COUNTY. COUNTY shall insert the date it signs the Agreement

1 on Page 1, Lines 4-5. County shall insert the names of all participating CITIES on Page 1, Lines 6 and
2 7."

3 3. CITY OF MENDOTA hereby agrees to all terms of the Agreement, as amended, and
4 agrees to be bound by the terms of the Agreement, as amended. CITY OF MENDOTA hereby
5 acknowledges that it has received a complete copy of the Agreement, as amended.

6 All remaining provisions, terms, covenants, conditions, and promises contained in said Agreement
7 shall remain in full force and effect.

8 IN WITNESS WHEREOF, the parties hereto have caused this Amendment 1 to the Joint Powers
9 Agreement to be executed as of the date and year first above written.

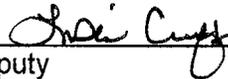
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11 COUNTY OF FRESNO

12 

13 Nathan Magsig, Chairman of the Board
14 of Supervisors of the County of Fresno

15 **ATTEST:**

16 Bernice E. Seidel
17 Clerk of the Board of Supervisors
18 County of Fresno, State of California

19 By 
20 Deputy

21
22
23 FOR ACCOUNTING USE ONLY

24 ORG No 7205
25 Account No. 7885
26 Fund No. 0001
27 Subclass No. 10000
28

1 JOINT POWERS AGREEMENT FOR HOUSING AND
2 COMMUNITY DEVELOPMENT

3

4 CITY OF FOWLER

5

6

By 

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8

9 ATTEST:


City Clerk, City of Fowler

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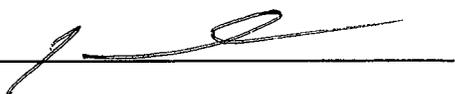
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1 JOINT POWERS AGREEMENT FOR HOUSING AND
2 COMMUNITY DEVELOPMENT

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CITY OF KERMAN

By 

ATTEST:


City Clerk, City of Kerman

1 JOINT POWERS AGREEMENT FOR HOUSING AND
2 COMMUNITY DEVELOPMENT

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CITY OF KINGSBURG

By Michelle Roman

ATTEST:

Angela Pulsgard
City Clerk, City of Kingsburg

1 JOINT POWERS AGREEMENT FOR HOUSING AND
2 COMMUNITY DEVELOPMENT

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4 CITY OF MENDOTA

5
6 By 
7 *City Manager*

8
9 ATTEST:

10 
11 City Clerk, City of Mendota



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1 JOINT POWERS AGREEMENT FOR HOUSING AND
2 COMMUNITY DEVELOPMENT

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4 CITY OF REEDLEY

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By

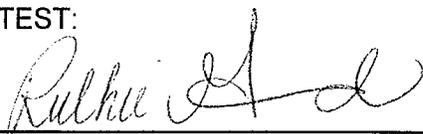


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9 ATTEST:

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City Clerk, City of Reedley

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1 JOINT POWERS AGREEMENT FOR HOUSING AND
2 COMMUNITY DEVELOPMENT

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4 CITY OF SELMA

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6 By *A. Gallavan*

7

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9 ATTEST:

10

11 *Nesma Rivera*
City Clerk, City of Selma

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APPLICATION

For PLANNING COMMITTEE or COMMISSION

Name PAUL KRAPER

Address [REDACTED] AVE KINGSBURG, CA 93631

Phone 559 [REDACTED] (cell) 559 [REDACTED] (home/work)

Years lived in Kingsburg 30

Community involvement CITY COUNCIL, PLANNING COMMISSION

What knowledge and experience do you have in the following areas:

Planning and Zoning PLANNING COMMISSION x 6 YRS
CITY COUNCIL x 12 YRS

Public Safety SERVED 2 YRS ON SAFETY COMMITTEE
FOR LEAGUE OF CITIES

Finance FINANCE COMMITTEE WITH CITY
COUNCIL

Community Services and Recreation 6 YEARS SERVICE SAN JOAQUIN VALLEY CITIZEN'S FOR HEALTHY ENVIRONMENT

Explain your reasons for wanting to be on this committee

CONTINUE THE WORK AND POLICIES ALREADY STARTED. MONITOR AND ASSIST LOGICAL SMART GROWTH POLICIES FOR RESIDENTIAL DEVELOPMENT

Are you aware that committees meet once a month and you are required to attend these meetings? Yes No

List three references giving name and phone number:

- Bruce Blainby _____
- REV. STEVE WRIGHT _____
- DON PAULBY _____



A handwritten signature in black ink, appearing to be 'AR', is written over a horizontal line.

Applicant's Signature

2-2-20

Date



APPLICATION

For Planning COMMITTEE or COMMISSION

Name Briana Valdez

Address [REDACTED] Kingsburg, CA 93631

Phone (559) [REDACTED] (cell) (559) [REDACTED] work (home/work)

Years lived in Kingsburg 1.5

Community involvement I am the owner of Bluebird Home & Lifestyle Market at 1549

Draper Street. We focus on creating more business through marketing and outreach, and

make every effort to bring more traffic into Kingsburg through our monthly events.

What knowledge and experience do you have in the following areas:

Planning and Zoning Previously, I was the Office Manger for the Light Industrial division

(Fresno office) of a Fortune 500 engineering firm. I have basic understanding of planning

and zoning as it pertains to green and brown field projects, including permitting, etc.

Public Safety Formely a legal assistant for a personal injury attorney, public safety is of

the utmost importance in our shop as I have knowledge of personal injury claims and

cases which have occurred in both businesses and public areas. Knowledge of HSSE compliance requirements (OSHA, ISO).

Finance I am currently the bookkeeper for our shop and have previously maintained books

processed outgoing billing and incoming invoices, ascertained balances, and processed

payroll for multiple companies using QuickBooks, Microsoft and Oracle programs.

Community Services and Recreation I have volunteered with several community organizations, including United Way, Poverello House, Habitat for Humanity, Best Buddies, CASA, and church organizations as well.

Explain your reasons for wanting to be on this committee
At Bluebird, we strongly believe that the better every business is doing in town, the more successful we will be too. Via marketing and social media outreach, we strive to make every effort to bring in more visitors to Kingsburg from all over California, plus our already existing international customer base. It has been my desire to participate in community planning and development in Kingsburg, especially at this positive time of revitalization. I believe that I have valuable experience, forward thinking ideas, and a new perspective that can be seamlessly implemented into new and existing economic growth and community development plans. I want to help preserve the charm and history of this beautiful city, my new hometown.

Are you aware that committees meet once a month and you are required to attend these meetings? Yes No

List three references giving name and phone number:

- Dave Lombard, P.E. (559) [REDACTED]
- Darrel Rustigian, Esq. (559) [REDACTED]
- Antonio Lopez-Ortiz (559) [REDACTED]



Applicant's Signature

1/11/2019

Date



CITY OF KINGSBURG

APPLICATION FOR APPOINTMENT

TO THE

PLANNING COMMISSION

NAME: GONZALES ROBERT ANTHONY

ADDRESS: (last) [REDACTED] (first) [REDACTED] (middle) [REDACTED], KINGSBURG CA 93631

TELEPHONE: 559 [REDACTED] (home) 559 [REDACTED] (business)

OCCUPATION: INSURANCE BROKER

ARE YOU A RESIDENT OF THE CITY OF KINGSBURG? YES NO
FOR HOW LONG 63 YEARS

PLEASE STATE YOUR EDUCATIONAL BACKGROUND:
Graduated from Kingsburg High School, attended Reedley College 2 years, and Fresno State one year.
I have been in the insurance industry for 28 years which requires continued education courses every 2 years.
I am currently studying for my Series 6 and 63 securities license.

Owned and operated a successful family owned restaurant business for 20 years

LIST ANY ORGANIZATIONS OF WHICH YOU ARE A MEMBER WHICH MAY BE USEFUL IN YOUR ROLE AS COMMISSIONER. ALSO LIST ANY OFFICES YOU HAVE HELD IN THOSE ORGANIZATIONS.
I am currently a member of the Kingsburg Knights of Columbus and am going back into the Kingsburg Lions Club. These 2 organizations are civic minded and they participate openly with the public which makes me more accessible to work with different organizations within Kingsburg.

LIST ANY APPOINTED PUBLIC BOARDS OR COMMISSIONS ON WHICH YOU HAVE SERVED, DATE OF SERVICE AND ANY OFFICE HELD.
N/A

REC'D JAN 31 2020

BRIEFLY STATE WHY YOU WISH TO SERVE ON THE CITY OF KINGSBURG PLANNING COMMISSION.

Having lived here my whole life I have always wanted the best for Kingsburg. I see a change in the direction of growth in Kingsburg that has been a breath of fresh air in my opinion.

Growth is good as long as we don't lose sight of what makes Kingsburg special. The safety we feel within our city is huge in what makes Kingsburg special. We need a certain amount of growth to sustain the infrastructure to run Kingsburg effectively but we cannot do it at the chance of losing sight of what makes

WHAT IS YOUR VISION FOR THE FUTURE OF KINGSBURG?

I see Kingsburg becoming more progressive, within reason, in getting downtown opened to more commerce. I like the fact that there has been an influx of new business owners coming into Kingsburg and displaying a lot of pride of ownership within their respective business's to compliment what Kingsburg has developed already. We have a great town. People know what we have. We just have to maintain a course to build on that without jeopardizing the "small town" element that we all feel when we come to Kingsburg.

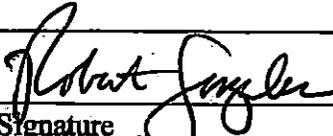
IF YOU WISH, YOU MAY LIST REFERENCES IN THE SPACE PROVIDED BELOW.

Thomas Knowles : Retired FBI [REDACTED]

Randy Carlson : [REDACTED]

Dale Engstrom: [REDACTED]

HAVE YOU EVER BEEN CONVICTED OF A FELONY? YES _____ NO
IF YES, PLEASE EXPLAIN _____


Signature

1/29/2020

Date

e-mail address: rgonzales.financialservices@yahoo.com



APPLICATION

For Planning COMMITTEE OF COMMISSION

Name Matthew Hagen

Address [REDACTED] Kingsburg, CA 93631

Phone 559-[REDACTED]
(cell)

(home/work)

Years lived in Kingsburg 25

Community involvement _____

What knowledge and experience do you have in the following areas:

Planning and Zoning Planning out classes as a
Community college instructor

Public Safety Taking part in safety drills as
a substitute teacher and knowing emergency
procedures at community colleges

Finance _____

Community Services and Recreation

Been part of church activities, have helped out with senior pancake breakfasts.

Explain your reasons for wanting to be on this committee

I hope to one day serve in helping with education standards, possibly on a school board, and am looking to gain experience first.

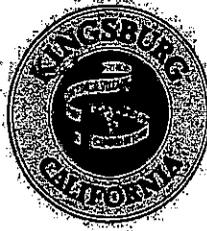
Are you aware that committees meet once a month and you are required to attend these meetings? Yes No

List three references giving name and phone number:

| | |
|---------------|-----------------|
| Craig Rowley | 559- [REDACTED] |
| Brent Lunde | 559- [REDACTED] |
| Dominic Avila | 831- [REDACTED] |

Matt H
Applicant's Signature

06/07/2019
Date



APPLICATION

For Planning Commission COMMITTEE or COMMISSION

Name Matthew Mendes

Address [REDACTED]

Phone 559-[REDACTED] (cell) Work 559-[REDACTED] (home/work)

Years lived in Kingsburg 26

Community involvement I joined Kingsburg Lions Club in 2017 which supports local organizations such as youth football. I have also done ride alongs with Kingsburg P.D. to find out first hand what issues our officers face.

What knowledge and experience do you have in the following areas:

Planning and Zoning I worked as a television news reporter for 8 years covering stories on new businesses and housing development in various cities. I know there is a lot of thought and planning that goes into this process.

Public Safety I am a lead dispatcher at the Fresno County Sheriff's Office. I train new dispatchers and fill-in as supervisor in their absence. Previously, I dispatched for Kingsburg PD & was a Kingsburg Police Explorer throughout high school.

Finance I am the Vice President of Public Safety Communications Association (PSCA) and am in charge of planning our annual dispatcher appreciation banquet. I assist with budgeting, and handling the silent auction and raffle finances.

Community Services and Recreation I have participated in several Kingsburg Lions Club events including making Swedish pancakes at Swedish Festival and helping at Kingsburg Youth Football games.

Explain your reasons for wanting to be on this committee
I view this opportunity with the Planning Commission as a way to give back to the community I grew up in, and learn how the process works at the same time. I have covered a lot of news stories when I worked as a reporter on new plans/land use being implemented and I think it would be fascinating to be on the other side of the table and have a voice in the city's growth and future. As a homeowner in Kingsburg, I truly care about the development and direction Kingsburg is headed. If given the opportunity to serve on the commission, I will do my best to bring ideas to the table and always look at the big picture in how we can help make Kingsburg a better, and safer community to live in.

Are you aware that committees meet once a month and you are required to attend these meetings? Yes No

List three references giving name and phone number:

- Alex Henderson [REDACTED]
- James Tourner [REDACTED]
- Kevin Pendley [REDACTED]

Matthew Mendes
Applicant's Signature

2/13/20
Date



APPLICATION

For PLANNING COMMITTEE or COMMISSION

Name Todd Thompson

Address [REDACTED], kingsburg

Phone 559-[REDACTED] (cell) 559-[REDACTED] (home/work)

Years lived in Kingsburg 11

Community involvement Office in downtown Village Mall - FresYes Realty

Have participated in many city events over the years.

Was on the Planning commission in Past

What knowledge and experience do you have in the following areas:

Planning and Zoning Developed Residential Homes, Commercial Malls and rezoned

Land. Worked as a commercial Real Estate Broker and Agent

Presented before many Planning commissions and City Councils over the Years

Public Safety

Finance

Community Services and Recreation _____

Explain your reasons for wanting to be on this committee

I would like to be more involved in the community - I feel that I have a lot to offer

Are you aware that committees meet once a month and you are required to attend these meetings? Yes No

List three references giving name and phone number:

Steve Safarjian

██████████

Jason Coddington

██████████

Teresa Cates

██████████



Applicant's Signature

1/06/2020

Date



APPLICATION

For Planning Commission COMMITTEE or COMMISSION

Name Martin Querin

Address [REDACTED]

Phone 559-[REDACTED]

(cell)

559-[REDACTED]

(home/work)

Years lived in Kingsburg 27

Community involvement Past coach youth football, baseball and soccer. Youth Pastor

for 10 years. I teach a night course on the business and economics of engineering

business at Fresno State.

What knowledge and experience do you have in the following areas:

Planning and Zoning 17 years in construction: both underground and vertical. BS in
Civil Engineering, licensed PE with over 27 years of experience planning, programming,
designing and building civil infrastructure and community planning.

Public Safety I was a safety engineer for a large national company inspecting
facilities for OSHA compliance. I served as a contract City/District Engineer for several
small communities and I have managed Public Utilities/Works in 3 large cities

Finance I managed a water system with over 200 FTE's, a \$50-million operational budget
and a 4-year \$500-million CIP. I have managed 2 other large muni departments. As a
life-long learner I completed studies and earned my MBA in 2016.

REC'D DEC 27 2018

Community Services and Recreation Besides being involved in several youth and adult activities, I have worked on several General and Specific Plan Updates in Fresno, Visalia, and several smaller communities in the Central Valley, which incl

Explain your reasons for wanting to be on this committee

My family has been in Kingsburg for over 120 years. My grandfather helped build the Catholic Church, served as president of the Lions, and Chamber of Commerce. I remember walking down Draper when I was a kid going to Model Drug for a soda, swimming at the High School pool in the summer. I have only been a permanent resident for 27 years, but I have been "here" for almost 60. This is the town that we raised our kids in and now our grandkids are growing up here. I want to give back by contributing what I can of my background in civil engineering, community planning and economic development.

Are you aware that committees meet once a month and you are required to attend these meetings? Yes No

List three references giving name and phone number:

Dave Peters [REDACTED]

Mike Jackson [REDACTED]

Jeff Bortolussi [REDACTED]

Martin A. Querin

Applicant's Signature

12/27/2018

Date



APPLICATION

For Planning or Public Safety COMMITTEE or COMMISSION

Name Vincent Latham

Address [REDACTED] Kingsburg, CA 93631

Phone [REDACTED] (cell) [REDACTED] (home/work)

Years lived in Kingsburg 10

Community involvement I follow the city council meetings and attend to voice concerns and opinions. My oldest child started kindergarten this year, and I support his school activities. I apply for committie membership everytime I see an opening.

What knowledge and experience do you have in the following areas:

Planning and Zoning I am a fair and open minded listener. As a resident of Kingsburg, I have knowledge of the city and the community needs. I believe in always being prepared. I am able to analyze and assimilate data quickly. I am an effective communicator.

Public Safety A willingness to learn about law enforcement services and how they affect the people of Kingsburg. The ability to act as a liaison between law enforcement and the citizens. Ability to develop and maintain relationships w/ staff and community members.

Finance In my current role as Grant Writer for Reading and Beyond, I have worked on program design, including budget development and planning for projects ranging from \$30,000 to \$5,000,000. I also have financial experience as a business owner.

Community Services and Recreation I spend a lot of time in the various parks around Kingsburg with friends and family. I am aware of what makes some parks more desirable than others, and have ideas on how to improve what we have.

Explain your reasons for wanting to be on this committee

I have been living in Kingsburg for more than ten years now. I have my family here and love this community. I want to take a more active role in shaping and guiding how Kingsburg will be now and into the future.

My oldest child started kindergarten this year, and my other two will be starting over the next few years. I want to ensure that this city remains the safe, beautiful city that it is today.

I see membership on this committee as the first step to be more active and involved in my community.

Are you aware that committees meet once a month and you are required to attend these meetings? Yes No

List three references giving name and phone number:

Luis Santana

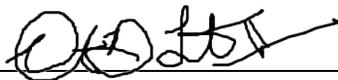
(██████████)

Sandi Querin

(██████████)

Mike Altice

(██████████)



Applicant's Signature

12/26/2019

Date



Meeting Date: 02/19/2020
Agenda Item: 5.3

CITY COUNCIL MEETING STAFF REPORT

REPORT TO: Mayor Roman & City Council

REPORT FROM: Alma Colado, Finance Director

REVIEWED BY: AH

AGENDA ITEM: 2018-2019 Financial Statements

ACTION REQUESTED: Ordinance Resolution Motion Receive/File

EXECUTIVE SUMMARY

The City of Kingsburg’s Financial Statements for Fiscal Year ended June 30, 2019 have been audited by an independent accounting firm and an Unqualified Opinion (clean opinion) has been issued. Osvaldo Gutierrez and Jorge Rodriguez from Price Paige & Company will be presenting our audited financial statement for the fiscal year ended 06/30/2019.

Highlights include:

- General Fund revenues exceeded expenses by \$1,104,256 (not including transfers in/out).
- The Ambulance Fund had an operational increase of \$490,141.
- Water Fund revenues exceeded expense by \$114,644.
- New accounting principle GASB 68 for CalPERS shows increased liability in 2019.

Included in the packet is a five-year major fund comparison of revenues and expenses. This information provides a long-term financial summary and fund performance trends.

RECOMMENDED ACTION BY CITY COUNCIL

1. Accept the financial statements for year ended June 30, 2019.

POLICY ALTERNATIVE(S)

1. NA

REASON FOR RECOMMENDATION/KEY METRIC

1. Ensure Financial Stability

FINANCIAL INFORMATION

| | |
|------------------------------|------------|
| <u>FISCAL IMPACT:</u> | |
| 1. Is There A Fiscal Impact? | <u>Yes</u> |
| 2. Is it Currently Budgeted? | <u>N/A</u> |
| 3. If Budgeted, Which Line? | <u>N/A</u> |

ATTACHED INFORMATION

1. Financial Statements
2. 5-year major fund revenue/expenditure summary

City of Kingsburg
California



**Comprehensive Annual
Financial Report
For the Fiscal Year Ended June 30, 2019**

**CITY OF KINGSBURG
CALIFORNIA**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

Prepared by
Finance Department

**CITY OF KINGSBURG
COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 2019**

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

| | |
|---|------|
| Letter of Transmittal | i |
| GFOA Certificate of Achievement for Excellence in Financial Reporting | vii |
| Organizational Chart | viii |
| List of Elected and Appointed Officials..... | ix |

FINANCIAL SECTION

| | |
|---|---|
| Independent Auditor's Report..... | 1 |
| Management's Discussion and Analysis..... | 3 |

Basic Financial Statements:

Government-Wide Financial Statements:

| | |
|--------------------------------|----|
| Statement of Net Position..... | 14 |
| Statement of Activities..... | 15 |

Fund Financial Statements:

| | |
|--|----|
| Balance Sheet – Governmental Funds | 16 |
| Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position..... | 17 |
| Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds..... | 18 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities..... | 19 |
| Statement of Net Position – Proprietary Funds..... | 20 |
| Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds..... | 21 |
| Statement of Cash Flows – Proprietary Funds | 22 |
| Statement of Net Position – Fiduciary Funds..... | 24 |
| Statement of Changes in Net Position – Fiduciary Funds | 25 |

| | |
|---|----|
| Notes to the Basic Financial Statements | 28 |
|---|----|

Required Supplementary Information:

| | |
|---|----|
| Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund..... | 60 |
| Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Local Transportation Funds | 61 |
| Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Measure E Fund..... | 62 |

**CITY OF KINGSBURG
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 JUNE 30, 2019**

TABLE OF CONTENTS
 (Continued)

| | <u>Page</u> |
|--|-------------|
| Required Supplementary Information: (Continued) | |
| Proportionate Share of Net Pension Liability | 63 |
| Schedule of Contributions..... | 64 |
| Combining and Individual Fund Financial Statements and Schedules: | |
| Combining Balance Sheet – Nonmajor Governmental Funds..... | 69 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds | 70 |
| Combining Balance Sheet – Nonmajor Special Revenue Funds | 71 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds..... | 73 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Nonmajor Special Revenue Funds: | |
| Measure C Fund | 75 |
| Gas Tax Fund | 76 |
| Senior Center Fund..... | 77 |
| COPS Grant Fund..... | 78 |
| ACT Task Force Grant Fund..... | 79 |
| Park Improvement Grant Fund | 80 |
| Combining Balance Sheet – Nonmajor Debt Service Funds..... | 81 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds | 82 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Nonmajor Debt Service Funds – Assessment District Fund..... | 83 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual –Major Debt Service Funds – Kingsburg Joint Powers Authority Fund | 84 |
| Combining Balance Sheet – Nonmajor Capital Projects Funds | 85 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds..... | 86 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Nonmajor Capital Projects Funds: | |
| Streets Projects Fund | 87 |
| Sewer Connection Fund | 88 |
| Storm Drain Fund..... | 89 |
| Parks and Recreation Fund | 90 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Major Capital Projects Fund – Capital Facilities Fund | 91 |

**CITY OF KINGSBURG
COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 2019**

TABLE OF CONTENTS
(Continued)

| | <u>Page</u> |
|---|-------------|
| STATISTICAL SECTION | |
| Financial Trends: | |
| Net Position by Component – Last Ten Fiscal Years | 96 |
| Changes in Net Position – Last Ten Fiscal Years | 97 |
| Fund Balances of Governmental Funds – Last Ten Fiscal Years | 99 |
| Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years..... | 100 |
| Revenue Capacity: | |
| Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Year | 101 |
| Assessed Value of Taxable Property – Last Three Fiscal Years | 102 |
| Tax Revenues by Source – Governmental Activities – Last Ten Fiscal Years | 103 |
| Direct and Overlapping Property Tax Rates – Last Three Fiscal Years..... | 104 |
| Principal Property Taxpayers – Current Year and Nine Years Ago | 105 |
| Property Tax Levies and Collections – Last Ten Fiscal Years | 106 |
| Debt Capacity: | |
| Ratios of Outstanding Debt by Type – Last Ten Fiscal Years..... | 107 |
| Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years | 108 |
| Direct and Overlapping Governmental Activities Debt | 109 |
| Legal Debt Margin Information | 110 |
| Demographic and Economic Information: | |
| Demographic and Economic Statistics – Last Ten Fiscal Years | 111 |
| Principal Employers – Current Year and Nine Years Ago..... | 112 |
| Operating Information: | |
| Full-Time Equivalent Employees by Function – Last Ten Fiscal Years | 113 |
| Operating Indicators by Function – Last Ten Fiscal Years..... | 114 |
| Capital Asset Statistics by Function – Last Ten Fiscal Years | 115 |

INTRODUCTORY SECTION

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City of Kingsburg

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

December 30, 2019

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

SUBJECT: Comprehensive Annual Financial Report - June 30, 2019

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Kingsburg (City) for the fiscal year ended June 30, 2019. This report is published in accordance with local ordinance and state law requirements that financial statements be presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

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

Price Paige & Company, a firm of licensed certified public accountants approved by the City Council, has audited the City's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2019, were free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

Price Paige & Company concluded based upon the audit, that there is reasonable basis for rendering an unmodified ("clean") opinion that the City's financial statements for the fiscal year ended June 30, 2019, were fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

Profile of the City Kingsburg

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

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

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

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

Local Economy

The local economy continues to evolve similar to nation-wide trends. This includes the movement away from brick and mortar retailers, who continue to downsize and centralize their operations in larger populaces. The city has been successful in their ongoing efforts to invest in more 'experience-based' opportunities, which includes revitalization efforts in the downtown core.

The City is experiencing a slow recovery and has seen an increase to property values and sales tax revenues over the last three years. This gives an indication that the economy is moving in the right direction. Several new smaller businesses have opened, and in April 2019 New T-Mobile announced their intention to locate their new Customer Experience Center (CEC) in Kingsburg, pending the approval of their merger by the federal government. The announcement of the new CEC brings the creation of more than 1,000 new jobs, positioning the New T-Mobile to be one of the largest employers in the area.

The CEC will provide:

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

The location of the call center will bring immediate economic impact to the entire Central Valley. An Economic Impact Assessment completed by the Berkeley Research Group concluded the CEC would directly and indirectly provide up to 1,500 jobs and \$105 million to the economy of Fresno County on an annual basis. The announcement by T-Mobile comes on the heels of renewed and continued economic investment in the Kingsburg community. With over 25 new businesses opening over the last two years, Kingsburg continues to exemplify a location that offers affordable California living, low crime, high quality of life and a relentless effort to support businesses large and small.

Both revenues and expenditures have been influenced by the uptick in commercial and single family residential building activity. FY19 and beyond we are trending higher for revenues associated with single family residential development. 500 new housing starts have been approved, with 60 single family permits pulled in 2019. While full build outs are anticipated over several years, depending upon market demand, we anticipate that FY20 will continue to see similar single family home starts.

In addition, Downtown development continues, with the completion of upper floor apartments, which are all currently rented. FY2019 also saw demolition of the Stone Hotel (lost to fire in October 2016). Work is now underway to build a mixed-use complex that will include an additional 10 market-rate apartments along with 8,000 sq. ft. of ground floor commercial space.

Staff is cautiously optimistic regarding building activity and understands that the revenues associated are often cyclical with the strength of the economy.

Long Term Financial Planning

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

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

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

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

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

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

Major Achievements and Initiatives

With the financial challenges we've faced, the City has been protective managing operational reserves throughout the current economic downturn.

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

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

In 2018, Council completed the most recent update to our strategic planning process. The document serves as the City of Kingsburg's 2018-2023 Strategic Plan. Its purpose is to help the City

prioritize its efforts, allocating both fiscal and human capital to achieve a shared vision and goals that also reflect community priorities and needs. The Plan is the result of a comprehensive review by Regional Government Services (RGS) of the City's current operations and finances, interviews with staff members and discussions with City Council members and an online survey taken by Kingsburg residents.

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

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

The Kingsburg City Council concluded nearly two years of research, feedback and planning and voted to place a 1% sales tax for public safety services on the June 5, 2018 ballot. Measure E passed with approximately 72% approval.

In the first (partial) year of collecting new revenue, investment in public safety came swiftly, including:

- 5 New Employees (2 Police, 3 Fire/Medics)
- Tasers, Rifles, Tablets for Patrol Squads
- New Engine
- KFD – New Personal Protective Equipment (PPE)

The coming year includes additional public safety activity:

- Maintains 5 employees from previous year (3 KFD, 2 KPD)
- Adds additional officer 7/1/2019
- 7 KPD Patrol Vehicles (2 additional from General Fund)
- Tasers, Rifles, Tables for Patrol Squads
- KFD – replace line staff radios (9)
- KFD - Purchase New SCBA Filling Station
- KFD – New Personal Protective Equipment (PPE)

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

Cash Management

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

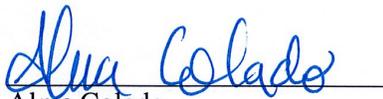
Awards and Acknowledgments

The City was honored to receive The Government Finance Officers Association Distinguished Budget Award in 2018 for the City's 2018-2019 budget. This award is given to local governments that have prepared budgets that exceed expectations and reflect the guidelines established by the National Advisory Council on State and Local Budgeting and the Government Finance Officers Association (GFOA). The award reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting.

The City received The Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for its Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2018. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting. The certificate represents a significant accomplishment. This was the third consecutive year that the City of Kingsburg has achieved this prestigious award.

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

Respectfully submitted,



Alma Colado
Finance Director



Alexander J. Henderson
City Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Kingsburg
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

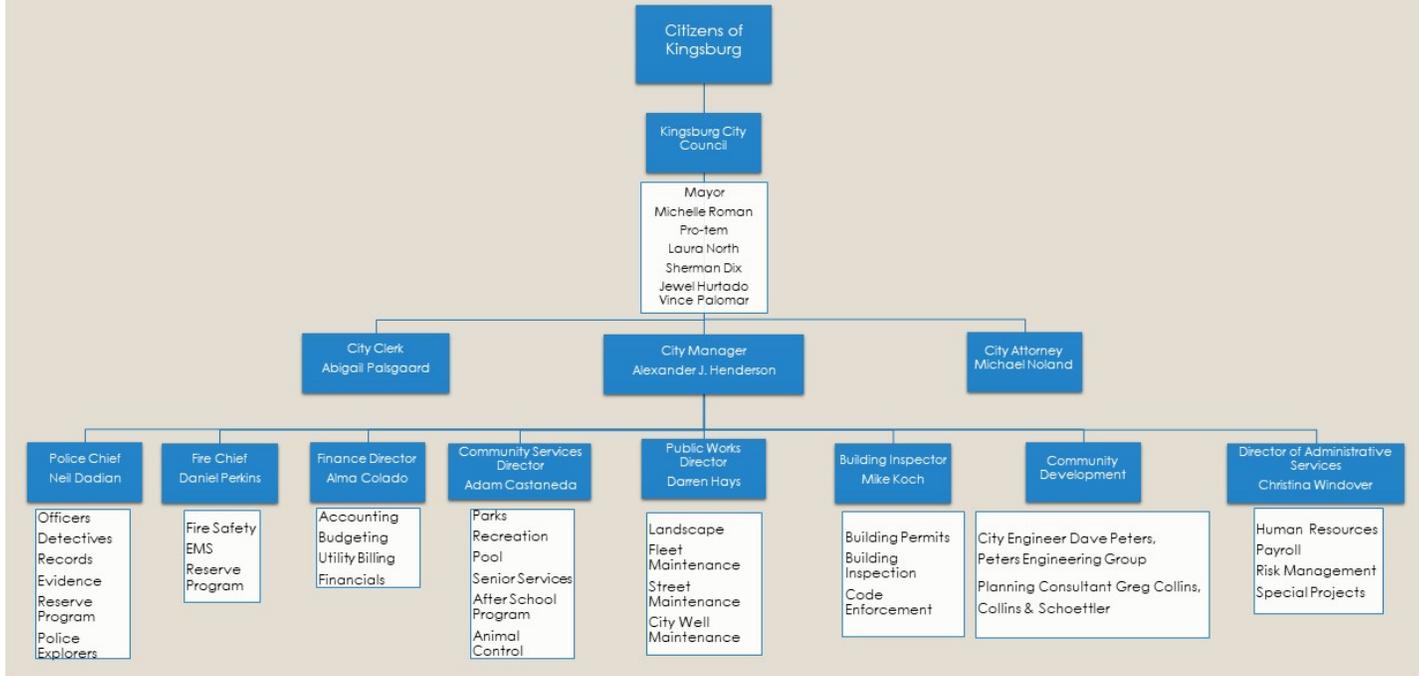
June 30, 2018

Christopher P. Morrill

Executive Director/CEO

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City of Kingsburg Organizational Chart



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**CITY OF KINGSBURG
LIST OF ELECTED AND APPOINTED OFFICIALS
JUNE 30, 2019**

Elected Officials

Mayor
Mayor Pro Tem
Council Member
Council Member
Council Member

Michelle Roman
Laura North
Sherman Dix
Jewel Hurtado
Vince Palomar

Appointed Officials

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

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

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Kingsburg, California (the City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 of Kingsburg, California, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

677 Scott Avenue
Clovis, CA 93612

tel 559.299.9540
fax 559.299.2344

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-12, the budgetary comparison schedules on pages 60-62, the proportionate share of net pension liability on page 63, and the schedule of contributions on page 64 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and the related budgetary comparison schedules, budgetary comparison for the Kingsburg Joint Powers Authority Fund, budgetary comparison for the Capital Facilities Fund and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2019, on our consideration of the City of Kingsburg's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Price Pange & Company

Clovis, California
December 30, 2019



MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2019

The management of the City of Kingsburg is pleased to present the following discussion and analysis that provides an overview of the financial position and activities of the City of Kingsburg as of and for the year ended June 30, 2019. The discussion should be read in conjunction with the financial statements and accompanying notes to the basic financial statements which follow this section.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include General Government, Parks and Community Services, Public Safety, Public Works, Highways and Streets, and Planning and Community Development. The business-type activities of the City include Water, Disposal and Ambulance/Fire.

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

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

Fund Financial Statements

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

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

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

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

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

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

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

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

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

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes describe the nature of the City's operations and significant accounting policies and provide clarification regarding unique financial information. The notes to the financial basic statements can be found on pages 28-57 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 60-64 of this report.

The statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Statements and schedules can be found on pages 68-92 of this report.

Financial Highlights

Government-wide financial highlights for the fiscal year ended June 30, 2019:

I. Statement of Net Position

Condensed Statement of Net Position

| 2019 | 2018 | |
|---------------|---------------|---|
| \$ 46,626,460 | \$ 44,019,447 | Government-wide total assets at fiscal year ending June 30, 2019 increased by \$2,607,013 which is 5.59% higher than fiscal year ending June 30, 2018. |
| \$ 14,944,893 | \$ 14,815,815 | Government-wide total liabilities at fiscal year ending June 30, 2019 increased by \$129,078 which is 0.86% more than fiscal year ending June 30, 2018. |
| \$ 1,855,805 | \$ 2,281,063 | Net of Deferred Outflows/Inflows of Resources - Result of contribution to pension plan in current fiscal year, pension deferrals and loss of refunding of debt. |
| \$ 33,537,372 | \$ 31,484,695 | The Net Position (assets less liabilities) at fiscal year ending June 30, 2019 increased by \$2,052,677 which is 6.12% more than fiscal year ending June 30, 2018. The net position includes \$1,855,805 of deferred outflows/inflows of resources. |

Statement of Net Position (Detail)

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Assets: | | | | | | |
| Current and other assets | \$ 15,320,040 | 13,649,386 | \$ 4,407,057 | \$ 4,413,032 | \$ 19,727,097 | \$ 18,062,418 |
| Capital assets | 17,597,852 | 16,779,893 | 9,301,511 | 9,177,136 | 26,899,363 | 25,957,029 |
| Total Assets | <u>32,917,892</u> | <u>30,429,279</u> | <u>13,708,568</u> | <u>13,590,168</u> | <u>46,626,460</u> | <u>44,019,447</u> |
| Deferred Outflows of Resources: | | | | | | |
| Total deferred outflows of resources | 1,384,695 | 1,621,368 | 674,537 | 841,311 | 2,059,232 | 2,462,679 |
| Liabilities: | | | | | | |
| Current and other liabilities | 4,606,368 | 838,549 | 3,082,435 | 836,028 | 7,688,803 | 1,674,577 |
| Long-term liabilities | 4,905,744 | 8,021,974 | 2,350,346 | 5,119,264 | 7,256,090 | 13,141,238 |
| Total Liabilities | <u>9,512,112</u> | <u>8,860,523</u> | <u>5,432,781</u> | <u>5,955,292</u> | <u>14,944,893</u> | <u>14,815,815</u> |
| Deferred Inflows of Resources: | | | | | | |
| Total deferred inflows of resources | 108,659 | 84,503 | 94,768 | 97,113 | 203,427 | 181,616 |
| Net Position: | | | | | | |
| Net investment in capital assets | 14,634,885 | 13,580,330 | 4,300,883 | 3,774,918 | 18,935,768 | 17,355,248 |
| Restricted | 4,314,137 | 9,169,130 | - | - | 4,314,137 | 9,169,130 |
| Unrestricted | 5,732,794 | 356,161 | 4,554,673 | 4,604,156 | 10,287,467 | 4,960,317 |
| Total Net Position | <u>\$ 24,681,816</u> | <u>\$ 23,105,621</u> | <u>\$ 8,855,556</u> | <u>\$ 8,379,074</u> | <u>\$ 33,537,372</u> | <u>\$ 31,484,695</u> |

Of the total net position, \$18,935,768 or 56% is the City's investment in capital assets (e.g. land, buildings and improvements, machinery and equipment and infrastructure) less any related debt used to acquire those assets that is still outstanding.

The Statement of Net Position reflects a net effect of \$1,855,805 a separate section for deferred outflows of resources (asset) and a deferred inflow of resources (liability) for other pension related deferrals, and loss of refunding of debt.

GASB Statement No. 68 was issued to improve accounting and financial reporting by state and local governments for pensions. The net pension liability amount is \$7,256,090 and is described in Note 10.

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

Restricted net position amounts to \$4,314,137 or 13% of the total. Restricted net position represents resources that are subject to external restriction imposed by the State on how they may be used.

Unrestricted net position represents resources which may be used to meet the City's ongoing commitments to citizens and creditors. Government activities unrestricted net position is \$5,732,794 while the business-type activities account for \$4,554,673. The City can only use this amount to finance the continuing operations of the Water, Disposal, and Ambulance/Fire.

Governmental Activities. Governmental activities account for \$24,681,816 or 74% of the total government-wide net position. This is an increase of \$1,576,195 or 7% over the June 30, 2018 governmental net position ending balance.

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

| | <u>2019</u> |
|---------------------------------|----------------------|
| Operating Revenues | \$ 18,173,311 |
| Operating Expenses | <u>16,120,634</u> |
| Increase in Net Position | 2,052,677 |
| Net Position, Beginning of Year | <u>31,484,695</u> |
| Net Position, End of Year | <u>\$ 33,537,372</u> |

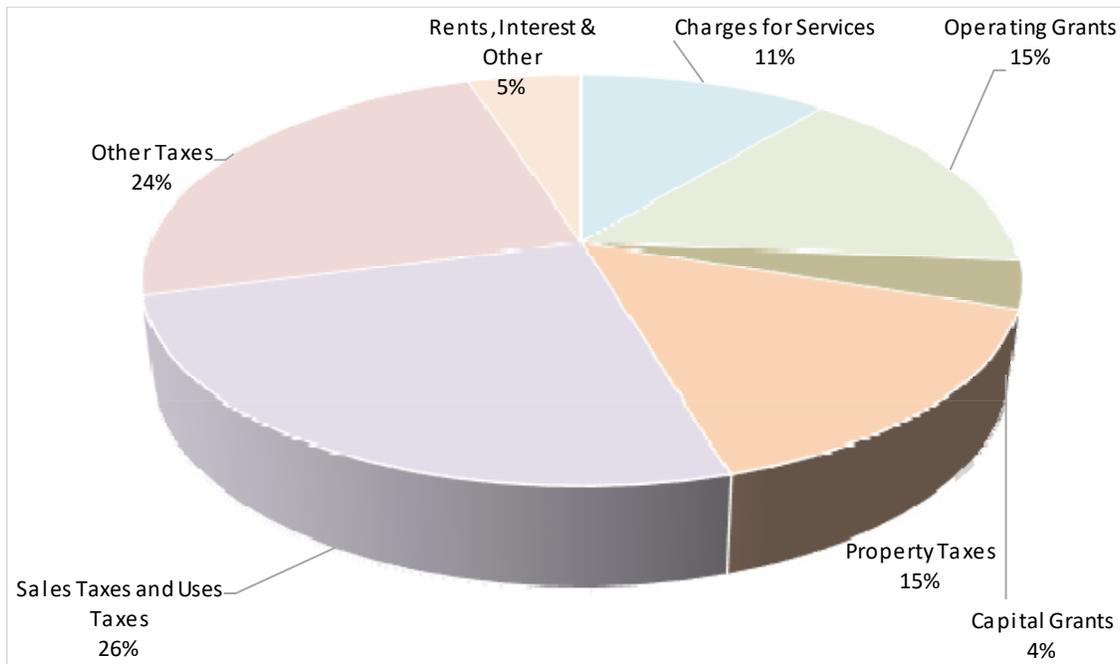
Changes in Net Position (Detail)

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| REVENUES | | | | | | |
| Program Revenues: | | | | | | |
| Charges for services | \$ 1,059,138 | \$ 1,223,069 | \$ 6,644,726 | \$ 6,589,431 | \$ 7,703,864 | \$ 7,812,500 |
| Operating grants | 1,473,950 | 1,391,409 | 1,231,609 | 1,712,967 | 2,705,559 | 3,104,376 |
| Capital grants | 364,811 | 92,955 | 591,320 | - | 956,131 | 92,955 |
| General Revenues: | | | | | | |
| Property taxes | 1,472,558 | 1,422,746 | - | - | 1,472,558 | 1,422,746 |
| Sales taxes and use taxes | 2,460,290 | 982,698 | - | - | 2,460,290 | 982,698 |
| Other taxes | 2,316,325 | 2,348,659 | - | - | 2,316,325 | 2,348,659 |
| Rents, interest and other | 478,881 | 290,887 | 79,703 | 24,500 | 558,584 | 315,387 |
| Total Revenues | 9,625,953 | 7,752,423 | 8,547,358 | 8,326,898 | 18,173,311 | 16,079,321 |
| EXPENSES | | | | | | |
| General government | 1,008,560 | 965,020 | - | - | 1,008,560 | 965,020 |
| Parks and community services | 555,326 | 530,429 | - | - | 555,326 | 530,429 |
| Public safety | 3,660,296 | 2,787,216 | - | - | 3,660,296 | 2,787,216 |
| Public works | 1,166,319 | 878,158 | - | - | 1,166,319 | 878,158 |
| Highway and streets | 673,068 | 717,507 | - | - | 673,068 | 717,507 |
| Planning and community development | 477,762 | 367,442 | - | - | 477,762 | 367,442 |
| Interest | 158,427 | 173,912 | - | - | 158,427 | 173,912 |
| Water | - | - | 2,112,020 | 1,961,341 | 2,112,020 | 1,961,341 |
| Disposal | - | - | 1,986,773 | 1,924,253 | 1,986,773 | 1,924,253 |
| Ambulance/fire | - | - | 4,322,083 | 4,730,318 | 4,322,083 | 4,730,318 |
| Total Expenses | 7,699,758 | 6,419,684 | 8,420,876 | 8,615,912 | 16,120,634 | 15,035,596 |
| Increase (decrease) in Net Position before transfers and extraordinary item | 1,926,195 | 1,332,739 | 126,482 | (289,014) | 2,052,677 | 1,043,725 |
| Transfers | (350,000) | (179,000) | 350,000 | 179,000 | - | - |
| Extraordinary item - settlement revenue | - | - | - | 5,000,000 | - | 5,000,000 |
| Increase (decrease) in Net Position | 1,576,195 | 1,153,739 | 476,482 | 4,889,986 | 2,052,677 | 6,043,725 |
| Net Position - Beginning | 23,105,621 | 21,951,882 | 8,379,074 | 3,489,088 | 31,484,695 | 25,440,970 |
| Net Position - Ending | \$ 24,681,816 | \$ 23,105,621 | \$ 8,855,556 | \$ 8,379,074 | \$ 33,537,372 | \$ 31,484,695 |

Total governmental revenues for the year were \$9,625,953 with charges for services comprising of 11% of the total revenue. Taxes, which include property, sales and other taxes, account for \$6,249,173 or 65% of the City's governmental activities revenue.

Total governmental expenses for the year were \$7,699,758. Public Safety accounts for \$3,660,296 or 48% of the total governmental activities expenses, followed by Public Works, General Government, Highways and Streets, and Parks and Community Services with \$1,166,319, \$1,008,560, \$673,068 and \$555,326 or 15%, 13%, 9% and 7%, respectively.

Revenues by Source - Governmental Activities

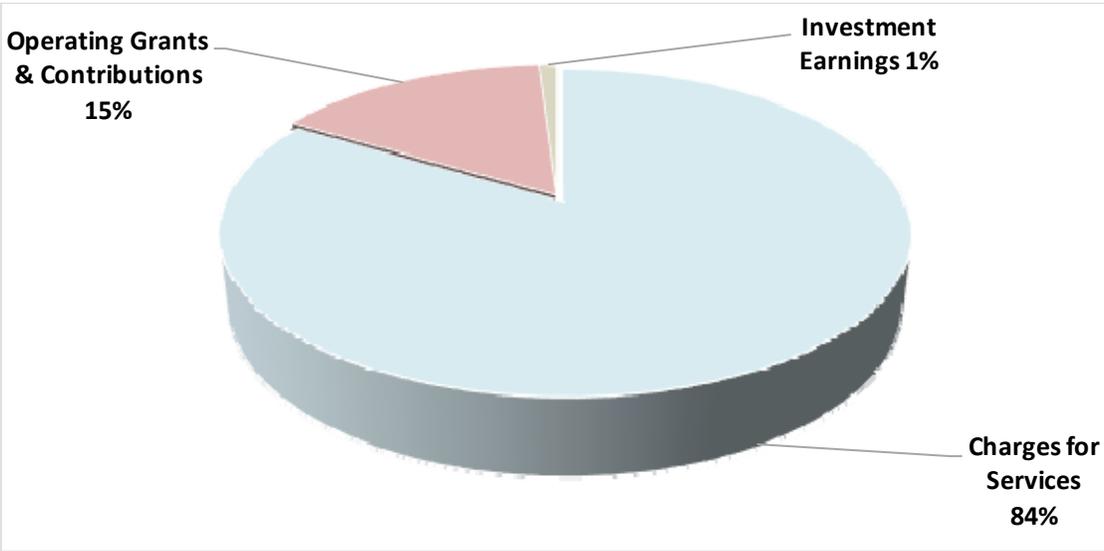


Program revenues which include charges for services, grant revenues and developer capital contributions account for \$2,897,899 or approximately 30% of the total governmental activity revenue. The amounts necessary to fully fund the governmental activity programs are made up by “general” revenues such as taxes, interest and developer fees.

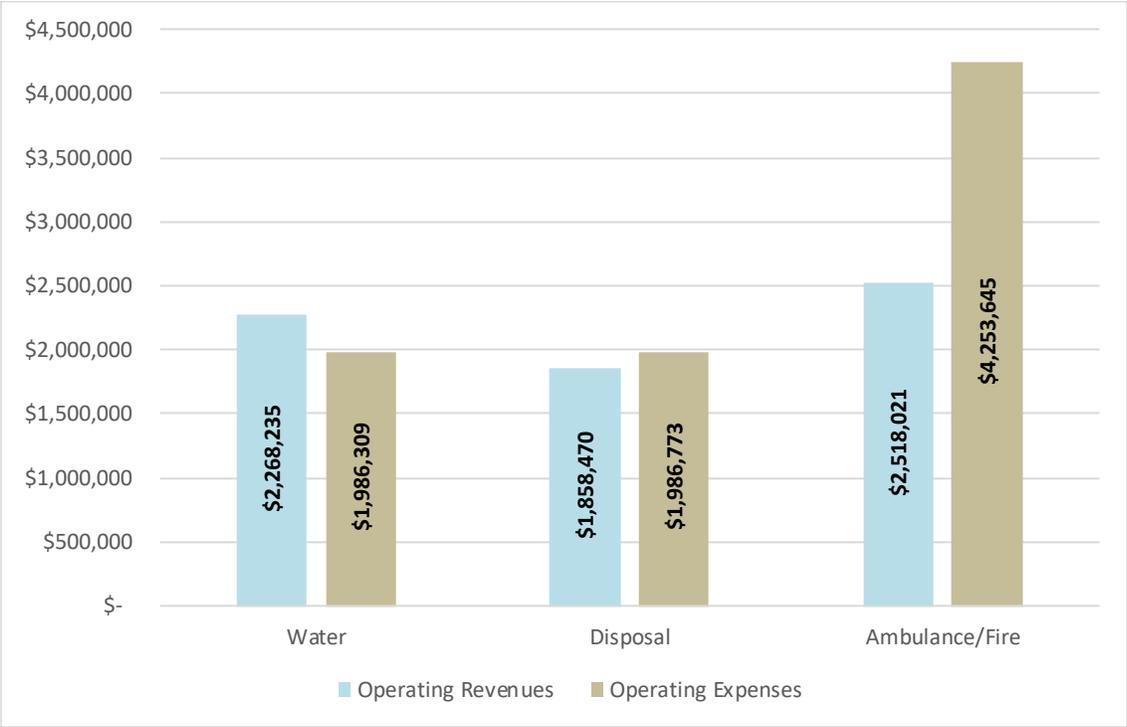
Business-Type Activities

Business-type activities account for \$8,855,556 or 26% of the total government-wide net position. This is an increase of \$476,482 or 6% compared to June 30, 2018. Charges for current services account for \$6,644,726 or 77% of the total business-type activity revenue (excluding transfers).

Revenues by Source - Business-Type Activities



Operating Expenses and Operating Revenues-Business Type Activities



In a review of the chart illustrating Operating Expenses and Operating Revenues, it can be noted that operating revenues exceeded operating expenses in Water by \$281,926. Disposal operating expense exceeded revenue by \$128,303 and Ambulance/Fire expenses exceeded operating revenues by approximately \$1,735,624 for fiscal year ending June 30, 2019.

Financial Analysis

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

Governmental Funds. The ending fund balance for all governmental funds is \$14,096,447 which is an increase of \$748,447 or 6% when compared to the prior year balance (page 18). Of the total fund balance, \$6,396,689 is unassigned, which is available for spending at the City’s discretion, within the limitations of the fund’s purpose. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been restricted and committed for the following:

| | |
|--|-------------|
| Restricted | |
| • Capital Improvement projects | \$1,627,480 |
| • Circulation improvements | 1,877,655 |
| • Senior Center activities | 6,642 |
| • Public safety programs | 152,971 |
| • Land held for low and moderate housing | 574,389 |
| • Park improvements | 75,000 |
| Committed | |
| • Pension reserve | \$2,352,309 |
| • Economic development | 504,066 |
| • Equipment reserve | 504,066 |

The General Fund is the chief operating fund of the City. As of June 30, 2019, the total fund balance of the General Fund was \$5,353,746 with unassigned fund balance of \$1,968,125. The General Fund total fund balance increased \$800,541 or 18% from the previous fiscal year. The unassigned portion, as indicated, is available for spending at the City’s discretion. The increase in the General Fund balance indicates that the General Fund had more revenues and transfers in than it had expenditures and transfers out.

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

General Fund Budgetary Highlights

The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual on page 60 outlines the differences between the budget and actual numbers. The City experienced \$962,695 or 19% more total revenues and \$460,453 or 10% decrease in total expenditures that the final budget allowed for. Revenues and transfers exceeded expenditures and transfers out and increased the General Fund balance by \$800,541.

Capital Assets and Debt Administration

Capital Assets. The City’s investment in capital assets for its governmental and business-type activities as of June 30, 2019 amounts to \$18,935,768 (net of depreciation). This investment in capital assets includes land, building and improvements, machinery and equipment, and infrastructure.

Major capital additions this year include the following:

| | |
|--------------------------------|---------|
| Infrastructure | 906,091 |
| Machinery and Equipment | 704,073 |
| Construction in Progress (CIP) | 647,719 |

Capital Assets
(Net of Depreciation)

| | Governmental Activities | | Business-Type Activities | | Total | |
|----------------------------|-------------------------|---------------|--------------------------|--------------|---------------|---------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Land | \$ 587,014 | \$ 587,014 | \$ 83,216 | \$ 83,216 | \$ 670,230 | \$ 670,230 |
| Buildings and Improvements | 1,656,820 | 1,768,679 | 6,727,563 | 6,966,787 | 8,384,383 | 8,735,466 |
| Machinery and Equipment | 547,096 | 662,947 | 2,470,011 | 2,127,133 | 3,017,107 | 2,790,080 |
| Construction in Progress | 752,258 | 125,260 | 20,721 | - | 772,979 | 125,260 |
| Infrastructure | 14,054,664 | 13,635,993 | - | - | 14,054,664 | 13,635,993 |
| Total | \$ 17,597,852 | \$ 16,779,893 | \$ 9,301,511 | \$ 9,177,136 | \$ 26,899,363 | \$ 25,957,029 |

Additional information on the City's capital assets can be found in Note 6 on pages 43-44.

Long-term Debt. The City's long-term debt as of June 30, 2019 was \$5,484,625 with governmental activities accounting for \$2,978,997 or 54% and business-type activities accounting for \$2,505,628 or 46%.

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

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|-------------------------|--------------|--------------------------|--------------|--------------|--------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| PFA Refunding Revenue Bonds, Series 2015 | \$ 733,300 | \$ 911,600 | \$ - | \$ - | \$ 733,300 | \$ 911,600 |
| PFA 2015 Lease Revenue Refunding Bonds | 2,225,000 | 2,345,000 | - | - | 2,225,000 | 2,345,000 |
| Capital Lease | 20,697 | 37,693 | - | - | 20,697 | 37,693 |
| CIEDB Water Loan | - | - | 1,979,208 | 2,074,708 | 1,979,208 | 2,074,708 |
| Water Meter Capital Lease | - | - | 526,420 | 647,510 | 526,420 | 647,510 |
| Total | \$ 2,978,997 | \$ 3,294,293 | \$ 2,505,628 | \$ 2,722,218 | \$ 5,484,625 | \$ 6,016,511 |

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

Economic Factors and Next Year's Budgets

As the nation's economy continues to rebound from the recession of 2008, the City has tempered optimism in the form of increased sales tax, property taxes, and the upswing in development (both residential and commercial). Kingsburg's local economy continues to perform well and there are signs of renewed economic activity. Local unemployment, while still trending higher than the national average, remains one of the lowest in the area. Kingsburg continues to strive to find new ways to improve overall economic outlook. Private investment in the City's downtown continues in conjunction with the local incentives approved by Council. These efforts are buoyed by the influx of new residential development in the downtown, including the rehabbing of long-vacant second story space into apartments.

The City has approved nearly 500 new single family lots on several separate housing tracts. While the rate of building is largely dependent upon market factors, the City has prepared by forming Community Facility Districts that will properly assess new development in order to help fund critical services impacted by the new growth, including police, fire, landscape, lighting and more. As these building permits are pulled, the City expects to experience a higher collection of impact fees, to be utilized on appropriate infrastructure investment. In 2019, 58 new single-family permits were issued. We expect the trend to continue in 2020.

Other factors impacting local governments include changes to pension contribution rates. The City has begun saving one-time funds to help provide additional payments to reduce the long-term liability. In addition, Council has adopted an ongoing resolution that directs surplus funding to a dedicated fund to help provide additional flexibility for pre-payments. The City made additional discretionary payments to CalPERS in 2019 and expects to continue the practice in order to save on long-term interest related to unfunded accrued liability payments.

Total City-wide revenue budgeted for fiscal year 2019-2020 is \$23,534,325 with expenditures budgeted at \$29,591,092. City-wide capital expenditures are budgeted for \$11,181,098 which will be funded by a variety of funding sources. The 2019-20 budget offers an opportunity to meet the expectations of our citizens through proper allocation of funds.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

CITY OF KINGSBURG
STATEMENT OF NET POSITION
JUNE 30, 2019

| | Governmental Activities | Business-Type Activities | Total |
|---|----------------------------|-----------------------------|--------------------------|
| ASSETS | | | |
| Cash and investments | \$ 8,080,178 | \$ 8,212,012 | \$ 16,292,190 |
| Restricted cash and investments | 163,489 | - | 163,489 |
| Receivables (net of allowance for uncollectibles) | 1,335,478 | 1,186,371 | 2,521,849 |
| Notes receivable | 25,180 | - | 25,180 |
| Due from Successor Agency | 150,000 | - | 150,000 |
| Land held for low and moderate housing projects | 574,389 | - | 574,389 |
| Internal balances | 4,991,326 | (4,991,326) | - |
| Capital assets, not being depreciated | 1,339,272 | 103,937 | 1,443,209 |
| Capital assets, net of accumulated depreciation | <u>16,258,580</u> | <u>9,197,574</u> | <u>25,456,154</u> |
| Total assets | <u>32,917,892</u> | <u>13,708,568</u> | <u>46,626,460</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Loss on refunding of debt | 68,852 | - | 68,852 |
| Deferred outflows related to pensions | <u>1,315,843</u> | <u>674,537</u> | <u>1,990,380</u> |
| Total deferred outflows of resources | <u>1,384,695</u> | <u>674,537</u> | <u>2,059,232</u> |
| LIABILITIES | | | |
| Accounts payable and accrued expenses | 1,197,079 | 318,925 | 1,516,004 |
| Accrued interest payable | 34,112 | 39,310 | 73,422 |
| Deposits | 26,514 | - | 26,514 |
| Long-term liabilities: | | | |
| Due within one year | | | |
| Compensated absences | 212,071 | 105,088 | 317,159 |
| Long-term debt | 591,765 | 223,502 | 815,267 |
| Due in more than one year | | | |
| Compensated absences | 173,625 | 113,484 | 287,109 |
| Long-term debt | 2,371,202 | 2,282,126 | 4,653,328 |
| Net pension liability | <u>4,905,744</u> | <u>2,350,346</u> | <u>7,256,090</u> |
| Total liabilities | <u>9,512,112</u> | <u>5,432,781</u> | <u>14,944,893</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred inflows related to pensions | <u>108,659</u> | <u>94,768</u> | <u>203,427</u> |
| NET POSITION | | | |
| Net investment in capital assets | 14,634,885 | 4,300,883 | 18,935,768 |
| Restricted for: | | | |
| Capital improvement projects | 1,627,480 | - | 1,627,480 |
| Circulation improvements | 1,877,655 | - | 1,877,655 |
| Senior center activities | 6,642 | - | 6,642 |
| Public safety programs | 152,971 | - | 152,971 |
| Land held for low and moderate housing projects | 574,389 | - | 574,389 |
| Park improvements | <u>75,000</u> | <u>-</u> | <u>75,000</u> |
| Total restricted | 4,314,137 | - | 4,314,137 |
| Unrestricted | <u>5,732,794</u> | <u>4,554,673</u> | <u>10,287,467</u> |
| Total net position | <u>\$ 24,681,816</u> | <u>\$ 8,855,556</u> | <u>\$ 33,537,372</u> |

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

**CITY OF KINGSBURG
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

| FUNCTIONS/PROGRAMS: | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Position | | |
|---|----------------------|-------------------------|--|--|--|-----------------------------|----------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| Primary government: | | | | | | | |
| Governmental activities: | | | | | | | |
| General government | \$ 1,008,560 | \$ 2,379 | \$ - | \$ - | \$ (1,006,181) | \$ - | \$ (1,006,181) |
| Parks and community services | 555,326 | 248,600 | 94,500 | 14,330 | (197,896) | - | (197,896) |
| Public safety | 3,660,296 | 60,432 | 155,710 | - | (3,444,154) | - | (3,444,154) |
| Public works | 1,166,319 | 24,209 | - | - | (1,142,110) | - | (1,142,110) |
| Highway and streets | 673,068 | - | 1,223,588 | 350,481 | 901,001 | - | 901,001 |
| Planning and community | 477,762 | 723,518 | 152 | - | 245,908 | - | 245,908 |
| Interest and fiscal charges | 158,427 | - | - | - | (158,427) | - | (158,427) |
| Total governmental activities | 7,699,758 | 1,059,138 | 1,473,950 | 364,811 | (4,801,859) | - | (4,801,859) |
| Business-type activities: | | | | | | | |
| Water | 2,112,020 | 2,268,235 | - | - | - | 156,215 | 156,215 |
| Disposal | 1,986,773 | 1,858,470 | - | - | - | (128,303) | (128,303) |
| Ambulance/Fire | 4,322,083 | 2,518,021 | 1,231,609 | 591,320 | - | 18,867 | 18,867 |
| Total business-type activities | 8,420,876 | 6,644,726 | 1,231,609 | 591,320 | - | 46,779 | 46,779 |
| Total primary government | \$ 16,120,634 | \$ 7,703,864 | \$ 2,705,559 | \$ 956,131 | (4,801,859) | 46,779 | (4,755,080) |
| General revenues: | | | | | | | |
| Property taxes | | | | | 1,472,558 | - | 1,472,558 |
| Sales and use taxes | | | | | 2,460,290 | - | 2,460,290 |
| Franchise taxes | | | | | 433,177 | - | 433,177 |
| Special assessments | | | | | 239,557 | - | 239,557 |
| Business licenses and transient occupancy taxes | | | | | 538,169 | - | 538,169 |
| Motor vehicle in-lieu | | | | | 1,105,422 | - | 1,105,422 |
| Investment earnings | | | | | 211,383 | 79,703 | 291,086 |
| Miscellaneous | | | | | 267,498 | - | 267,498 |
| Transfers | | | | | (350,000) | 350,000 | - |
| Total general revenues and transfers | | | | | 6,378,054 | 429,703 | 6,807,757 |
| Change in net position | | | | | 1,576,195 | 476,482 | 2,052,677 |
| Net position - beginning | | | | | 23,105,621 | 8,379,074 | 31,484,695 |
| Net position - ending | | | | | \$ 24,681,816 | \$ 8,855,556 | \$ 33,537,372 |

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

CITY OF KINGSBURG
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2019

| | Special Revenue Funds | | | Debt Service Funds | Capital Projects Fund | Other Governmental Funds | Total Governmental Funds |
|---|-----------------------|----------------------------------|-------------------|--|--------------------------|--------------------------------|--------------------------------|
| | General Fund | Local Transportation Funds | Measure E | Kingsburg Joint Powers Authority | Capital Facilities | | |
| | | | | | | | |
| ASSETS | | | | | | | |
| Cash and investments | \$ 2,106,913 | \$ 1,626,507 | \$ 262,886 | \$ 29,392 | \$ 1,678,589 | \$ 2,375,891 | \$ 8,080,178 |
| Restricted cash and investments | - | - | - | 163,489 | - | - | 163,489 |
| Receivables (net of allowance for uncollectibles) | 480,872 | 52,933 | 351,332 | - | 4,607 | 445,734 | 1,335,478 |
| Notes receivable | 25,180 | - | - | - | - | - | 25,180 |
| Due from other funds | 3,085,499 | - | - | - | - | - | 3,085,499 |
| Advances to other funds | - | - | - | 2,921,000 | - | - | 2,921,000 |
| Advances to Successor Agency | - | - | - | 150,000 | - | - | 150,000 |
| Land held for low and moderate housing projects | - | - | - | - | - | 574,389 | 574,389 |
| Total assets | \$ 5,698,464 | \$ 1,679,440 | \$ 614,218 | \$ 3,263,881 | \$ 1,683,196 | \$ 3,396,014 | \$ 16,335,213 |
| LIABILITIES | | | | | | | |
| Accounts payable and accrued expenses | \$ 318,813 | \$ 287,133 | \$ 381,537 | - | \$ 66,839 | \$ 142,757 | \$ 1,197,079 |
| Due to other funds | - | - | - | 408,890 | - | 180,283 | 589,173 |
| Deposits | 25,905 | - | - | - | - | 609 | 26,514 |
| Advances from other funds | - | - | - | - | - | 426,000 | 426,000 |
| Total liabilities | 344,718 | 287,133 | 381,537 | 408,890 | 66,839 | 749,649 | 2,238,766 |
| FUND BALANCES | | | | | | | |
| Nonspendable: | | | | | | | |
| Notes receivable | 25,180 | - | - | - | - | - | 25,180 |
| Restricted for: | | | | | | | |
| Capital improvements | - | - | - | - | - | 1,627,480 | 1,627,480 |
| Circulation improvements | - | 1,392,307 | - | - | - | 485,348 | 1,877,655 |
| Senior center activities | - | - | - | - | - | 6,642 | 6,642 |
| Public safety programs | - | - | - | - | - | 152,971 | 152,971 |
| Land held for low and moderate housing projects | - | - | - | - | - | 574,389 | 574,389 |
| Park improvements | - | - | - | - | - | 75,000 | 75,000 |
| Committed to: | | | | | | | |
| Pension reserve | 2,352,309 | - | - | - | - | - | 2,352,309 |
| Economic development | 504,066 | - | - | - | - | - | 504,066 |
| Equipment reserve | 504,066 | - | - | - | - | - | 504,066 |
| Unassigned | 1,968,125 | - | 232,681 | 2,854,991 | 1,616,357 | (275,465) | 6,396,689 |
| Total fund balances | 5,353,746 | 1,392,307 | 232,681 | 2,854,991 | 1,616,357 | 2,646,365 | 14,096,447 |
| Total liabilities and fund balances | \$ 5,698,464 | \$ 1,679,440 | \$ 614,218 | \$ 3,263,881 | \$ 1,683,196 | \$ 3,396,014 | \$ 16,335,213 |

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

**CITY OF KINGSBURG
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019**

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

| | | |
|--|--------------------|----------------------|
| Total fund balances - governmental funds | | \$ 14,096,447 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. | | 17,597,852 |
| Losses related to the refunding of debt were recognized in the governmental funds, but are capitalized and amortized over the life of the debt in the statement of net position. | | 68,852 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of: | | |
| Revenue bonds | (2,942,270) | |
| Unamortized bond discounts | (20,697) | |
| Compensated absences | (385,696) | |
| Net pension liability | <u>(4,905,744)</u> | (8,254,407) |
| Pension related deferrals are reported as deferred outflows and inflows of resources on the statement of net position. | | 1,207,184 |
| Interest on long-term debt is reported as an expenditure of the governmental funds when paid because it requires the use of current financial resources; however, accrued interest must be recorded in the government-wide financial statements when incurred. | | <u>(34,112)</u> |
| Net position of governmental activities | | <u>\$ 24,681,816</u> |

CITY OF KINGSBURG
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

| | Special Revenue Funds | | | Debt | Capital | Other Governmental Funds | Total Governmental Funds |
|---|-----------------------|----------------------|-------------------|----------------------------------|---------------------|--------------------------|--------------------------|
| | General | Local | Measure E | Service Fund | Projects Fund | | |
| | | Transportation Funds | | Kingsburg Joint Powers Authority | Capital Facilities | | |
| REVENUES | | | | | | | |
| Taxes | \$ 3,669,662 | \$ - | \$ 1,144,067 | \$ - | \$ - | \$ 141,817 | \$ 4,955,546 |
| Licenses and permits | 308,666 | - | - | - | - | - | 308,666 |
| Intergovernmental | 1,112,537 | 383,795 | - | - | - | 1,574,644 | 3,070,976 |
| Charges for services | 391,458 | - | - | - | - | - | 391,458 |
| Fines and forfeitures | 20,424 | - | - | - | - | - | 20,424 |
| Development fees | 208,243 | - | - | - | 192,093 | 140,789 | 541,125 |
| Use of money and property | 15,465 | 20,669 | 590 | 141,875 | 18,319 | 14,465 | 211,383 |
| Other revenues | 257,928 | - | - | - | - | 9,570 | 267,498 |
| Total revenues | 5,984,383 | 404,464 | 1,144,657 | 141,875 | 210,412 | 1,881,285 | 9,767,076 |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| General government | 923,719 | - | - | - | - | - | 923,719 |
| Parks and community services | 424,878 | - | - | - | - | 65,938 | 490,816 |
| Public safety | 2,290,796 | - | 308,853 | - | - | 119,265 | 2,718,914 |
| Public works | 708,016 | - | - | - | - | - | 708,016 |
| Highway and streets | - | 85,699 | - | - | - | 475,581 | 561,280 |
| Planning and community development | 385,240 | - | - | - | 10,368 | - | 395,608 |
| Capital outlay | 129,999 | 829,439 | 603,123 | - | 91,150 | 750,807 | 2,404,518 |
| Debt service: | | | | | | | |
| Principal | 16,397 | - | - | 298,300 | - | - | 314,697 |
| Interest and fiscal charges | 1,082 | - | - | 96,827 | - | 53,152 | 151,061 |
| Total expenditures | 4,880,127 | 915,138 | 911,976 | 395,127 | 101,518 | 1,464,743 | 8,668,629 |
| Excess (deficiency) of revenues over (under) expenditures | 1,104,256 | (510,674) | 232,681 | (253,252) | 108,894 | 416,542 | 1,098,447 |
| OTHER FINANCING SOURCES/(USES) | | | | | | | |
| Transfers in | 100,000 | - | - | - | - | 53,715 | 153,715 |
| Transfers out | (403,715) | - | - | - | - | (100,000) | (503,715) |
| Total other financing sources (uses) | (303,715) | - | - | - | - | (46,285) | (350,000) |
| Net change in fund balances | 800,541 | (510,674) | 232,681 | (253,252) | 108,894 | 370,257 | 748,447 |
| Fund balances - beginning | 4,553,205 | 1,902,981 | - | 3,108,243 | 1,507,463 | 2,276,108 | 13,348,000 |
| Fund balances - ending | \$ 5,353,746 | \$ 1,392,307 | \$ 232,681 | \$ 2,854,991 | \$ 1,616,357 | \$ 2,646,365 | \$ 14,096,447 |

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

**CITY OF KINGSBURG
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

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

| | |
|--|---------------------|
| Net change in fund balances - total governmental funds | \$ 748,447 |
| <p>Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.</p> | |
| The capital outlay expenditures are, therefore, added back to fund balance. | 1,515,573 |
| Depreciation expense is deducted from the fund balance. | (697,614) |
| <p>Compensated absences expense reported in the statement of activities does not require the use of current financial resources; therefore, it is not reported as an expenditure in the governmental funds.</p> | |
| | (34,315) |
| <p>In the statement of activities, interest is accrued on long-term debt; whereas, in governmental funds, interest expenditure is recorded when paid.</p> | |
| | 2,482 |
| <p>Changes to net pension liability and pension related deferred outflows and inflows of resources do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p> | |
| | (263,826) |
| <p>The issuance of long-term debt (e.g., bonds) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued; whereas these amounts are deferred and amortized in the statement of activities. The increases (decreases) for long-term debt and related items are listed below:</p> | |
| Principal payments on long-term debt | 315,296 |
| Amortization of the loss on refunding of debts | (8,838) |
| Amortization of bond discounts | (1,010) |
| | 1,576,195 |
| Change in net position of governmental activities | \$ <u>1,576,195</u> |

**CITY OF KINGSBURG
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019**

| | Business-Type Activities — Enterprise Funds | | | |
|---|---|---------------------|---------------------|---------------------|
| | Water | Disposal | Ambulance/Fire | Total |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and investments | \$ 8,212,012 | \$ - | \$ - | \$ 8,212,012 |
| Receivable (net of allowance for uncollectibles) | 327,911 | 118,371 | 740,089 | 1,186,371 |
| Total current assets | 8,539,923 | 118,371 | 740,089 | 9,398,383 |
| Noncurrent assets: | | | | |
| Property, plant and equipment, net of accumulated depreciation | 5,168,666 | 4,341 | 4,128,504 | 9,301,511 |
| Total noncurrent assets | 5,168,666 | 4,341 | 4,128,504 | 9,301,511 |
| Total assets | 13,708,589 | 122,712 | 4,868,593 | 18,699,894 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred outflows related to pensions | 154,840 | 69,561 | 450,136 | 674,537 |
| Total deferred outflows of resources | 154,840 | 69,561 | 450,136 | 674,537 |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued expenses | 97,066 | 129,716 | 92,143 | 318,925 |
| Accrued interest payable | 39,310 | - | - | 39,310 |
| Due to other funds | - | 218,238 | 2,278,088 | 2,496,326 |
| Compensated absences | 37,884 | 21,415 | 45,789 | 105,088 |
| Current portion of long-term debt | 223,502 | - | - | 223,502 |
| Total current liabilities | 397,762 | 369,369 | 2,416,020 | 3,183,151 |
| Noncurrent liabilities: | | | | |
| Long-term debt | 2,282,126 | - | - | 2,282,126 |
| Advances from other funds | 270,000 | - | 2,225,000 | 2,495,000 |
| Compensated absences | 11,952 | 4,570 | 96,962 | 113,484 |
| Net pension liability | 575,404 | 261,431 | 1,513,511 | 2,350,346 |
| Total noncurrent liabilities | 3,139,482 | 266,001 | 3,835,473 | 7,240,956 |
| Total liabilities | 3,537,244 | 635,370 | 6,251,493 | 10,424,107 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred inflows related to pensions | 39,067 | 17,702 | 37,999 | 94,768 |
| Total deferred inflows of resources | 39,067 | 17,702 | 37,999 | 94,768 |
| NET POSITION | | | | |
| Net investment in capital assets | 2,393,038 | 4,341 | 1,903,504 | 4,300,883 |
| Unrestricted | 7,894,080 | (465,140) | (2,874,267) | 4,554,673 |
| Total net position (deficit) | \$ 10,287,118 | \$ (460,799) | \$ (970,763) | \$ 8,855,556 |

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

CITY OF KINGSBURG
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION – PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

| | Business-Type Activities — Enterprise Funds | | | |
|--|---|---------------------|---------------------|---------------------|
| | Water | Disposal | Ambulance/Fire | Total |
| OPERATING REVENUES: | | | | |
| Charges for services | \$ 2,268,235 | \$ 1,858,470 | \$ 2,518,021 | \$ 6,644,726 |
| Total operating revenue | <u>2,268,235</u> | <u>1,858,470</u> | <u>2,518,021</u> | <u>6,644,726</u> |
| OPERATING EXPENSES: | | | | |
| Contractual services and utilities | 995,454 | 1,746,719 | 849,764 | 3,591,937 |
| Personnel services | 531,259 | 207,519 | 1,423,154 | 2,161,932 |
| Supplies and materials | 38,104 | 28,217 | 59,580 | 125,901 |
| Depreciation and amortization | 421,492 | 4,318 | 192,125 | 617,935 |
| Bad debt expense | <u>-</u> | <u>-</u> | <u>1,729,022</u> | <u>1,729,022</u> |
| Total operating expenses | <u>1,986,309</u> | <u>1,986,773</u> | <u>4,253,645</u> | <u>8,226,727</u> |
| Operating income (loss) | <u>281,926</u> | <u>(128,303)</u> | <u>(1,735,624)</u> | <u>(1,582,001)</u> |
| NONOPERATING REVENUES (EXPENSES): | | | | |
| Interest income | 79,703 | - | - | 79,703 |
| Grants | - | - | 1,231,609 | 1,231,609 |
| Interest and fiscal charges | <u>(125,711)</u> | <u>-</u> | <u>(68,438)</u> | <u>(194,149)</u> |
| Total nonoperating revenues (expenses) | <u>(46,008)</u> | <u>-</u> | <u>1,163,171</u> | <u>1,117,163</u> |
| Net income (loss) before transfers | <u>235,918</u> | <u>(128,303)</u> | <u>(572,453)</u> | <u>(464,838)</u> |
| Capital contributions | - | - | 591,320 | 591,320 |
| Transfers in | - | - | 471,274 | 471,274 |
| Transfers out | <u>(121,274)</u> | <u>-</u> | <u>-</u> | <u>(121,274)</u> |
| Change in net position | 114,644 | (128,303) | 490,141 | 476,482 |
| Net position (deficits), beginning of year | <u>10,172,474</u> | <u>(332,496)</u> | <u>(1,460,904)</u> | <u>8,379,074</u> |
| Net position (deficits), end of year | <u>\$ 10,287,118</u> | <u>\$ (460,799)</u> | <u>\$ (970,763)</u> | <u>\$ 8,855,556</u> |

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

**CITY OF KINGSBURG
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

| | Business-Type Activities — Enterprise Funds | | | |
|--|---|-----------------|--------------------|---------------------|
| | Water | Disposal | Ambulance/Fire | Total |
| Cash flows from operating activities: | | | | |
| Receipts from customers and users | \$ 2,413,149 | \$ 1,916,099 | \$ 732,671 | \$ 5,061,919 |
| Payments to suppliers for goods and services | (1,020,031) | (1,767,317) | (1,090,616) | (3,877,964) |
| Payments to or on behalf of employees for services | (540,782) | (210,638) | (1,387,302) | (2,138,722) |
| Net cash provided (used) by operating activities | <u>852,336</u> | <u>(61,856)</u> | <u>(1,745,247)</u> | <u>(954,767)</u> |
| Cash flows from noncapital financing activities: | | | | |
| Transfers to other funds | (121,274) | - | - | (121,274) |
| Transfers from other funds | - | - | 471,274 | 471,274 |
| Interfund loan activity | - | 61,856 | 296,954 | 358,810 |
| Noncapital grant revenue | - | - | 1,231,609 | 1,231,609 |
| Net cash provided (used) by noncapital financing activities | <u>(121,274)</u> | <u>61,856</u> | <u>1,999,837</u> | <u>1,940,419</u> |
| Cash flows from capital and related financing activities: | | | | |
| Acquisition of capital assets | (84,838) | - | (66,152) | (150,990) |
| Principal paid on long-term debt | (216,590) | - | - | (216,590) |
| Interfund loan repayment | (65,000) | - | (120,000) | (185,000) |
| Interest and fiscal charges | (130,287) | - | (68,438) | (198,725) |
| Net cash provided (used) by capital and related financing activities | <u>(496,715)</u> | <u>-</u> | <u>(254,590)</u> | <u>(751,305)</u> |
| Cash flows from investing activities: | | | | |
| Interest on investments | 79,703 | - | - | 79,703 |
| Net cash provided (used) by investing activities | <u>79,703</u> | <u>-</u> | <u>-</u> | <u>79,703</u> |
| Increase (decrease) in cash and cash equivalents | 314,050 | - | - | 314,050 |
| Cash and cash equivalents, July 1 | <u>7,897,962</u> | <u>-</u> | <u>-</u> | <u>7,897,962</u> |
| Cash and cash equivalents, June 30 | <u>\$ 8,212,012</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 8,212,012</u> |

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

**CITY OF KINGSBURG
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019
(Continued)**

| | Business-Type Activities | | | Total Enterprise Funds |
|---|--------------------------|--------------------|-----------------------|------------------------------|
| | Water | Disposal | Ambulance/Fire | |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | | |
| Operating income (loss) | \$ 281,926 | \$ (128,303) | \$ (1,735,624) | \$ (1,582,001) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | |
| Depreciation and amortization | 421,492 | 4,318 | 192,125 | 617,935 |
| (Increase) decrease in: | | | | |
| Accounts receivable, net | 144,914 | 57,629 | (56,328) | 146,215 |
| Deferred outflows of resources from pensions | 28,364 | 12,453 | 125,957 | 166,774 |
| Increase (decrease) in: | | | | |
| Accounts payable and accrued expenses | 13,527 | 7,619 | (181,272) | (160,126) |
| (Increase) decrease in due to other funds | - | - | - | - |
| Compensated absences | (2,677) | (3,832) | (13,165) | (19,674) |
| Net pension liability | (30,366) | (10,903) | (80,276) | (121,545) |
| Deferred inflows of resources from pension | (4,844) | (837) | 3,336 | (2,345) |
| Net cash provided (used) by operating activities | <u>\$ 852,336</u> | <u>\$ (61,856)</u> | <u>\$ (1,745,247)</u> | <u>\$ (954,767)</u> |
| Schedule of non-cash capital and related financing activities: | | | | |
| Contributions of capital assets | \$ - | \$ - | \$ 591,320 | \$ 591,320 |

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

**CITY OF KINGSBURG
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019**

| | Successor Agency of the Redevelopment Agency Private- Purpose Trust |
|-------------------------------|---|
| ASSETS | |
| Cash and investments | \$ 83,772 |
| Other assets | <u>17,266</u> |
| Total assets | <u>\$ 101,038</u> |
| LIABILITIES | |
| Accrued interest payable | \$ 3,456 |
| Deposits | 11,750 |
| Advances from the City | <u>150,000</u> |
| Total liabilities | <u>165,206</u> |
| NET POSITION (DEFICIT) | |
| Held in trust | <u><u>\$ (64,168)</u></u> |

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

**CITY OF KINGSBURG
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

| | <u>Successor Agency of the Redevelopment Agency Private- Purpose Trust</u> |
|------------------------------------|--|
| ADDITIONS: | |
| Taxes | \$ <u>51,850</u> |
| Total additions | <u>51,850</u> |
| DEDUCTIONS: | |
| Interest and fiscal charges | <u>6,418</u> |
| Total deductions | <u>6,418</u> |
| Change in net position | 45,432 |
| Net position (deficit) - beginning | <u>(109,600)</u> |
| Net position (deficit) - ending | <u>\$ (64,168)</u> |

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

B. Basis of Presentation – Fund Accounting

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

The *Statement of Activities* presents a comparison between direct expenses and program revenues for each different identifiable activity of the City's *business-type activities* and for each function of the City's *governmental activities*. Direct expenses are those that are specifically associated with a program or function and, therefore, are included in the program expense reported for individual functions. Certain indirect costs, which cannot be identified and broken down, are included in the program expense reported for individual functions and activities. Amounts reported as program revenues include: 1) charges to customers or applicant who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation – Fund Accounting (Continued)

Fund Financial Statements – The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

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

The City reports the following major governmental funds:

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

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

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

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

The **Capital Facilities Fund** is used to account for the AB939 fees received to help the City mediate the cost of growth in the City. These fees are collected from developers to construct facilities related to arterial streets, fire facilities, police facilities, city hall facilities, public works facilities and special recreation facilities.

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

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

The City reports the following major enterprise funds:

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

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

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

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation – Fund Accounting (Continued)

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

The ***Successor Agency of the Redevelopment Agency Private-Purpose Trust Fund*** accounts for assets and liabilities of the former redevelopment agency until they are distributed to other units of state and local government as a result of the dissolution of the redevelopment agency.

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

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

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

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

D. Budgetary Information

Budgetary and Budgetary Accounting

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

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

- The City Manager submits to the City Council a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- The City Council reviews the proposed budget at specially scheduled sessions, which are open to the public. The Council also conducts a public hearing on the proposed budget to obtain comments from interest persons.
- Prior to July 1, the budget is legally adopted through passage of an Ordinance.
- The budget is amended during the fiscal year to reflect all transfers and amendments.

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

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

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

CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

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

CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

Restricted net position – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

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

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

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

Unassigned - This classification is the residual classification for the general fund and represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. In other governmental funds it includes any negative residual amounts that may exist as a result of expenditures incurred for specific purposes in excess of amounts restricted, committed or assigned to those purposes.

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

Encumbrances – The City does not use encumbrance accounting.

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

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Deficit Fund Equity

The following is a summary of deficit fund balances and net position as of June 30, 2019:

Governmental Funds

Nonmajor Debt Service Fund:

| | |
|---------------------|--------------|
| Assessment District | \$ (275,465) |
|---------------------|--------------|

Enterprise Funds

Major Funds:

| | |
|---------------------|--------------|
| Disposal Fund | \$ (460,799) |
| Ambulance/Fire Fund | (970,763) |

Fiduciary Fund

| | |
|-----------------------------|-------------|
| Successor Agency of the RDA | \$ (64,168) |
|-----------------------------|-------------|

The deficit fund balance in the Assessment Districts Fund is due to reclassification of outstanding debt into the fund as an advance. The deficit will be eliminated as resources are obtained from other funds.

The deficit fund balances in the Disposal Fund, the Ambulance/Fire Fund, and the Successor Agency of the RDA Fund are due to operating expenditures exceeding operating revenues. Future revenues are expected to offset these deficits.

NOTE 3 – CASH AND INVESTMENTS

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

Cash and investments as of June 30, 2019 are classified in the accompanying financial statements as follows:

| | |
|-------------------------------------|----------------------|
| Statement of net position: | |
| Cash and investments - unrestricted | \$ 16,292,190 |
| Cash and investments - restricted | 163,489 |
| Fiduciary funds: | |
| Cash and investments | <u>83,772</u> |
| Total cash and investments | <u>\$ 16,539,451</u> |

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 3 – CASH AND INVESTMENTS (Continued)

Cash and investments as of June 30, 2019 consist of the following:

| | | |
|--------------------------------------|--------|-----------------------|
| Cash on hand | \$ | 1,650 |
| Deposits with financial institutions | | 10,215,287 |
| Investments | | |
| Local Agency Investment Fund | | 6,159,025 |
| Held by Fiscal Agent: | | |
| Money Market Account | | 163,489 |
| Total cash and investments | \$ | <u>16,539,451</u> |

Restricted cash and investments of \$163,489 are held in the Kingsburg Joint Powers Authority Debt Service Fund for debt service payments.

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

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

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

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 3 – CASH AND INVESTMENTS (Continued)

B. Investments Authorized by Debt Agreements

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

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

C. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City manages its exposure to interest rate risk is by investing funds in liquid, short-term investments which can be converted to cash when necessary to meet disbursement requirements.

Information about the sensitivity of the fair values of the City’s investments to market interest rate fluctuations is provided by the following schedule that shows the distribution of the City’s investments by maturity:

| Investment Type | Remaining Maturity (in Months) | | | | |
|--|--------------------------------|---------------------|-----------------|-----------------|---------------------|
| | Total | 12 Months or Less | 13 to 24 Months | 25 to 60 Months | More than 60 Months |
| Local Agency Investment Fund Held by Bond Trustee: | | | | | |
| Money Market Account | \$ 6,159,025 | \$ 6,159,025 | \$ - | \$ - | \$ - |
| | <u>163,489</u> | <u>163,489</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total | <u>\$ 6,322,514</u> | <u>\$ 6,322,514</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 3 – CASH AND INVESTMENTS (Continued)

D. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required (where applicable) by the California Government Code, the City’s investment policy, or debt agreements, and the actual rating as of year-end for each investment type. The column marked “exempt from disclosure” identifies those investment types for which GASB Statement No. 40 does not require disclosure as to credit risk:

| Investment Type | Total | Exempt from Disclosure | Rating as of Year-End | | |
|---|---------------------|------------------------|-----------------------|-------------|---------------------|
| | | | A-1+ | AAAm | Not Rated |
| Local Agency Investment Fund Held by Bond Trustee: | \$ 6,159,025 | \$ - | \$ - | \$ - | \$ 6,159,025 |
| Money Market Account | <u>163,489</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>163,489</u> |
| Total | <u>\$ 6,322,514</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 6,322,514</u> |

E. Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. At June 30, 2019, the City did not have any investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments.

F. Custodial Credit Risk-Deposits

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The California Government Code and the City’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provisions for deposits:

At June 30, 2019, the carrying amount of the City’s deposits was \$10,215,287. Bank balances before reconciling items were \$10,481,306 at that date, the total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City’s name as discussed below.

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

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

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 3 – CASH AND INVESTMENTS (Continued)

G. Custodial Credit Risk-Investments

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

H. Investment in State Investment Pool

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

I. Investment Valuation

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

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

NOTE 4 – RECEIVABLES

Receivables as of June 30, 2019 consisted of the following for the governmental funds:

| | <u>General</u> | <u>Local Transportation Fund</u> | <u>Measure E</u> | <u>Capital Facilities</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|-------------------|-------------------|--|-------------------|---------------------------|---|---|
| Receivables: | | | | | | |
| Taxes | \$ 455,118 | \$ - | \$ - | \$ - | \$ - | \$ 455,118 |
| Intergovernmental | <u>25,754</u> | <u>52,933</u> | <u>351,332</u> | <u>4,607</u> | <u>445,734</u> | <u>880,360</u> |
| Receivables, net | <u>\$ 480,872</u> | <u>\$ 52,933</u> | <u>\$ 351,332</u> | <u>\$ 4,607</u> | <u>\$ 445,734</u> | <u>\$ 1,335,478</u> |

Receivables as of June 30, 2019 consisted of the following for the proprietary funds:

| | <u>Water</u> | <u>Disposal</u> | <u>Ambulance/Fire</u> | <u>Total Proprietary Funds</u> |
|---------------------------------------|-------------------|-------------------|-----------------------|--|
| Receivables: | | | | |
| Accounts | \$ 375,986 | \$ 175,106 | \$ 1,457,517 | \$ 2,008,609 |
| Less: Allowance for doubtful accounts | <u>(48,075)</u> | <u>(56,735)</u> | <u>(717,428)</u> | <u>(822,238)</u> |
| Receivables, net | <u>\$ 327,911</u> | <u>\$ 118,371</u> | <u>\$ 740,089</u> | <u>\$ 1,186,371</u> |

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 5 – INTERFUND ACTIVITIES

A. Due From/To Other Funds

Due from/to other funds balances as of June 30, 2019 are as follows:

| | <u>Due From</u> | <u>Due To</u> |
|--|-----------------------------|-----------------------------|
| Governmental Funds | | |
| Major Funds: | | |
| General fund | \$ 3,085,499 | \$ - |
| Kingsburg Public Finance Authority Debt Service Fund | - | 408,890 |
| Nonmajor Fund: | | |
| ACT Task Force Special Revenue Fund | - | 12,851 |
| Street Projects Capital Projects Fund | - | 167,432 |
| Enterprise Funds | | |
| Major Funds: | | |
| Disposal Fund | - | 218,238 |
| Ambulance/Fire Fund | - | 2,278,088 |
| | <u> </u> | <u> </u> |
| Total | <u>\$ 3,085,499</u> | <u>\$ 3,085,499</u> |

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

B. Advances From/To Other Funds

The Kingsburg Joint Powers Authority issued revenue bonds and used the bond proceeds to acquire qualified obligations of the City of Kingsburg and the former Redevelopment Agency of the City of Kingsburg to finance various capital improvements and projects. These advances carry a stated interest rate and have scheduled debt service payments. They are not expected to be repaid within one year. The long-term interfund loan balances as of June 30, 2019 are as follows:

| | <u>Advances From</u> | <u>Advances To</u> |
|--|-----------------------------|-----------------------------|
| Governmental Funds | | |
| Major Funds: | | |
| Kingsburg Joint Powers Authority Debt Service Fund | \$ 2,921,000 | \$ - |
| Assessment Districts Debt Service Fund | - | 426,000 |
| Enterprise Funds | | |
| Major Funds: | | |
| Ambulance/Fire Enterprise Fund | - | 2,225,000 |
| Water Enterprise Fund | - | 270,000 |
| | <u> </u> | <u> </u> |
| Total | <u>\$ 2,921,000</u> | <u>\$ 2,921,000</u> |

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 5 – INTERFUND ACTIVITIES (Continued)

C. Interfund Transfers

The composition of interfund transfers for the year ended June 30, 2019 is as follows:

| | Transfer In | Transfer Out |
|------------------------------------|-------------|--------------|
| Governmental Funds | | |
| Major Funds: | | |
| General Fund | \$ 100,000 | \$ 403,715 |
| Nonmajor Fund: | | |
| Senior Center Special Revenue Fund | 53,715 | - |
| COPS Grant Special Revenue Fund | - | 100,000 |
| Enterprise Funds | | |
| Major Funds: | | |
| Water Enterprise Fund | - | 121,274 |
| Ambulance/Fire Enterprise Fund | 471,274 | - |
| Total | \$ 624,989 | \$ 624,989 |

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

- (1) The general fund transferred \$350,000 to the ambulance/fire enterprise fund and \$53,715 to the senior center special revenue fund.
- (2) The water enterprise fund transferred \$121,274 to the ambulance/fire enterprise fund for bond payments.
- (3) The COPS grant special revenue fund transferred \$100,000 to the general fund to cover costs of officers reported in general fund expenses.

CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 6 – CAPITAL ASSETS

Capital assets activity of the governmental activities for the year ended June 30, 2019 is as follows:

| | <u>Balances</u> <u>July 1, 2018</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balances</u> <u>June 30, 2019</u> |
|---|--|---------------------|---------------------|---|
| Governmental Activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 587,014 | \$ - | \$ - | \$ 587,014 |
| Construction in progress | <u>125,260</u> | <u>1,425,938</u> | <u>(798,940)</u> | <u>752,258</u> |
| Total capital assets, not being depreciated | <u>712,274</u> | <u>1,425,938</u> | <u>(798,940)</u> | <u>1,339,272</u> |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | 4,489,246 | - | - | 4,489,246 |
| Infrastructure | 16,653,408 | 841,974 | - | 17,495,382 |
| Machinery and equipment | <u>3,463,244</u> | <u>46,601</u> | <u>-</u> | <u>3,509,845</u> |
| Total capital assets, being depreciated | <u>24,605,898</u> | <u>888,575</u> | <u>-</u> | <u>25,494,473</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | (2,720,567) | (111,859) | - | (2,832,426) |
| Infrastructure | (3,017,415) | (423,303) | - | (3,440,718) |
| Machinery and equipment | <u>(2,800,297)</u> | <u>(162,452)</u> | <u>-</u> | <u>(2,962,749)</u> |
| Total accumulated depreciation | <u>(8,538,279)</u> | <u>(697,614)</u> | <u>-</u> | <u>(9,235,893)</u> |
| Total capital assets being depreciated, net | <u>16,067,619</u> | <u>190,961</u> | <u>-</u> | <u>16,258,580</u> |
| Governmental activities capital assets, net | <u>\$ 16,779,893</u> | <u>\$ 1,616,899</u> | <u>\$ (798,940)</u> | <u>\$ 17,597,852</u> |

Depreciation expense is charged to governmental functions as follows:

| | |
|------------------------------|-----------------------|
| Governmental activities: | |
| General government | \$ 19,653 |
| Parks and community services | 56,575 |
| Public safety | 161,479 |
| Public works | <u>459,907</u> |
| Total | <u>\$ 697,614</u> |

CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 6 – CAPITAL ASSETS (Continued)

Capital assets activity of the business-type activities for the year ended June 30, 2019 is as follows:

| | <u>Balances</u> <u>July 1, 2018</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balances</u> <u>June 30, 2019</u> |
|--|--|-------------------|------------------|---|
| Business-Type Activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 83,216 | \$ - | \$ - | \$ 83,216 |
| Construction in progress | <u>-</u> | <u>20,721</u> | <u>-</u> | <u>20,721</u> |
| Total capital assets, not being depreciated | <u>83,216</u> | <u>20,721</u> | <u>-</u> | <u>103,937</u> |
| Capital assets, being depreciated: | | | | |
| Buildings, improvements and plants | 11,038,073 | 64,117 | - | 11,102,190 |
| Machinery and equipment | <u>4,336,168</u> | <u>657,472</u> | <u>-</u> | <u>4,993,640</u> |
| Total capital assets, being depreciated | <u>15,374,241</u> | <u>721,589</u> | <u>-</u> | <u>16,095,830</u> |
| Less accumulated depreciation for: | | | | |
| Buildings, improvements and plants | (4,071,286) | (303,341) | - | (4,374,627) |
| Machinery and equipment | <u>(2,209,035)</u> | <u>(314,594)</u> | <u>-</u> | <u>(2,523,629)</u> |
| Total accumulated depreciation | <u>(6,280,321)</u> | <u>(617,935)</u> | <u>-</u> | <u>(6,898,256)</u> |
| Total capital assets being depreciated, net | <u>9,093,920</u> | <u>103,654</u> | <u>-</u> | <u>9,197,574</u> |
| Business-type activities capital assets, net | <u>\$ 9,177,136</u> | <u>\$ 124,375</u> | <u>\$ -</u> | <u>\$ 9,301,511</u> |

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

| | |
|---------------------------|-------------------|
| Business-type activities: | |
| Water | \$ 421,492 |
| Disposal | 4,318 |
| Ambulance/Fire | <u>192,125</u> |
| Total | <u>\$ 617,935</u> |

CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 7 – OPERATING LEASE

The City has a non-cancelable lease for the City’s Council Chambers. The lease was extended on November 1, 2018 and expires October 31, 2021. For the fiscal year-end June 30, 2019 rent expense was \$30,246. The lease payments are \$2,600 per month.

Future minimum lease payments for the lease are as follows:

| <u>Fiscal Year Ending</u> | <u>Principal</u> |
|---------------------------|------------------|
| 2020 | \$ 31,200 |
| 2021 | 31,200 |
| 2022 | <u>10,400</u> |
| Total | <u>\$ 72,800</u> |

NOTE 8 – LONG-TERM DEBT

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

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

| | <u>Balances</u> <u>July 1, 2018</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balances</u> <u>June 30, 2019</u> | <u>Amounts</u> <u>Due Within</u> <u>One Year</u> |
|---|--|-------------------|-----------------------|---|--|
| Governmental Activities Long-Term Debt: | | | | | |
| <i>Direct Placement:</i> | | | | | |
| PFA Refunding Revenue Bonds, Series 2015 | \$ 911,600 | \$ - | \$ (178,300) | \$ 733,300 | \$ 162,400 |
| Total Direct Placements: | <u>911,600</u> | <u>-</u> | <u>(178,300)</u> | <u>733,300</u> | <u>162,400</u> |
| <i>Direct Borrowings:</i> | | | | | |
| PFA 2015 Lease Revenue Refunding Bonds | 2,345,000 | - | (120,000) | 2,225,000 | 125,000 |
| Unamortized bond discounts | (17,040) | - | 1,010 | (16,030) | 287,400 |
| Capital lease | 37,693 | - | (16,996) | 20,697 | 16,965 |
| Total Direct Borrowings: | <u>2,365,653</u> | <u>-</u> | <u>(135,986)</u> | <u>2,229,667</u> | <u>429,365</u> |
| Compensated absences | <u>351,381</u> | <u>313,236</u> | <u>(278,921)</u> | <u>385,696</u> | <u>212,071</u> |
| Total governmental activities debt | <u>\$ 3,628,634</u> | <u>\$ 313,236</u> | <u>\$ (593,207)</u> | <u>\$ 3,348,663</u> | <u>\$ 803,836</u> |
| Business-Type Activities Long-Term Debt: | | | | | |
| <i>Direct Borrowings:</i> | | | | | |
| CIEDB water loan | \$ 2,074,708 | \$ - | \$ (95,500) | \$ 1,979,208 | \$ 98,345 |
| Water meter capital lease | 647,510 | - | (121,090) | 526,420 | 125,157 |
| Total Direct Borrowings: | <u>2,722,218</u> | <u>-</u> | <u>(216,590)</u> | <u>2,505,628</u> | <u>223,502</u> |
| Compensated absences | <u>238,246</u> | <u>179,289</u> | <u>(198,963)</u> | <u>218,572</u> | <u>105,088</u> |
| Total business-type activities debt | <u>\$ 2,960,464</u> | <u>\$ 179,289</u> | <u>\$ (415,553)</u> | <u>\$ 2,724,200</u> | <u>\$ 328,590</u> |
| Total long-term debt | <u>\$ 6,589,098</u> | <u>\$ 492,525</u> | <u>\$ (1,008,760)</u> | <u>\$ 6,072,863</u> | <u>\$ 1,132,426</u> |

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 8 – LONG-TERM DEBT (Continued)

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

Long-term debt at June 30, 2019 was comprised of the following individual issues:

A. Governmental Activities

Kingsburg Joint Powers Authority Refunding Revenue Bonds, Series 2015 – On April 28, 2015, the City issued \$1,439,100 in direct placement revenue bonds with interest rate of 2.85% payable semi-annually. The bonds were to refund \$945,000 of outstanding Kingsburg Public Finance Authority Revenue Bonds, Series 1991 and \$1,215,000 of outstanding Kingsburg Public Finance Authority Revenue Bonds, Series 1992. These bonds are payable from assessments on the property owners within the district and are payable from other funds of the City. The principal payments range from \$162,400 to \$250,500 and are due annually through fiscal year 2023. At June 30, 2019 bonds outstanding amount to \$733,300.

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

Annual debt service requirements to maturity for Kingsburg Joint Powers Authority Refunding Revenue Bonds, Series 2015 at June 30, 2019 are as follows:

| <u>Fiscal Year Ending</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------|-------------------|------------------|-------------------|
| 2020 | \$ 162,400 | \$ 18,585 | \$ 180,985 |
| 2021 | 161,300 | 13,972 | 175,272 |
| 2022 | 159,100 | 9,406 | 168,506 |
| 2023 | <u>250,500</u> | <u>3,570</u> | <u>254,070</u> |
| Total | <u>\$ 733,300</u> | <u>\$ 45,533</u> | <u>\$ 778,833</u> |

Kingsburg Public Joint Powers Authority 2004 Lease Revenue Bonds, Fire Department Facilities – On August 1, 2004, the City issued \$3,395,000 in revenue bonds to construct a new satellite fire/ambulance station and to remodel the current station. The interest rates range from 2.0% to 5.00% payable semi-annually. These bonds are payable from fees for ambulance services. The principal payments in amounts from \$65,000 to \$205,000 are due annually through 2035. On May 14, 2015, the City issued Kingsburg Joint Powers Authority 2015 Lease Revenue Refunding Bonds, Fire Department Facilities Refunding Project to refund the outstanding amount of \$2,685,000.

Kingsburg Joint Powers Authority 2015 Lease Revenue Refunding Bonds, Fire Department Facilities Refunding Project – On May 14, 2015, the City issued \$2,700,000 in direct borrowing lease revenue bonds with interest rates range from 2.0% to 3.5% payable semi-annually. The bonds were to refund \$2,685,000 of outstanding Kingsburg Public Financing Authority 2004 Lease Revenue Bonds, Fire Department Facilities. These bonds are payable from fees for ambulance services. The principal payments in amounts from \$125,000 to \$850,000 are due annually through fiscal year 2034. At June 30, 2019 bonds outstanding amount to \$2,225,000.

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

CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 8 – LONG-TERM DEBT (Continued)

A. Governmental Activities (Continued)

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

| Fiscal Year Ending | Principal | Interest | Total |
|----------------------------|---------------------|-------------------|---------------------|
| 2020 | \$ 125,000 | \$ 65,988 | \$ 190,988 |
| 2021 | 125,000 | 64,738 | 189,738 |
| 2022 | 130,000 | 63,488 | 193,488 |
| 2023 | 130,000 | 56,388 | 186,388 |
| 2024 | 135,000 | 52,413 | 187,413 |
| 2025-2029 | 730,000 | 170,677 | 900,677 |
| 2030-2034 | <u>850,000</u> | <u>107,621</u> | <u>957,621</u> |
| | 2,225,000 | 581,313 | 2,806,313 |
| Unamortized Bonds Discount | <u>(16,030)</u> | <u>-</u> | <u>(16,030)</u> |
| Total | <u>\$ 2,208,970</u> | <u>\$ 581,313</u> | <u>\$ 2,790,283</u> |

Police Vehicles Capital Lease – On August 12, 2015, the City, as Lessee entered into a capital equipment lease/purchase agreement with Leasource Financial Service, Inc., as Lessor, for purchase of two police vehicles. The agreement bears interest at 3.429% with quarterly payments of \$4,370. At June 30, 2019 the capital lease outstanding amounts to \$20,697.

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

Annual debt service requirements to maturity for the Police Vehicles Capital Lease at June 30, 2019 are as follows:

| Fiscal Year Ending | Governmental Activities | | |
|--------------------|-------------------------|---------------|------------------|
| | Principal | Interest | Total |
| 2020 | \$ 16,965 | \$ 514 | \$ 17,479 |
| 2021 | <u>3,732</u> | <u>38</u> | <u>3,770</u> |
| | <u>\$ 20,697</u> | <u>\$ 552</u> | <u>\$ 21,249</u> |

Leased equipment under capital leases in capital assets at June 30, 2019, included the following:

| | |
|--------------------------------|------------------|
| Equipment | \$ 76,442 |
| Less: Accumulated Depreciation | <u>(41,034)</u> |
| Net | <u>\$ 35,408</u> |

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 8 – LONG-TERM DEBT (Continued)

B. Business-Type Activities

CIEDB Water Loan – On August 31, 2004, the City, as purchaser, entered into an installment sale agreement with the California Infrastructure and Economic Development Bank (CIEDB), as seller, of a water system upgrade. As part of the agreement, CIEDB agreed to design, acquire and construct the project for, and sell the project to, the purchaser. In order to implement these provisions, the CIEDB appointed the City as its agent for the purpose of such design, acquisition and construction. The City has pledged all net system revenues to repay the CIEDB Loan. The agreement after the 2011 amendment, in the amount not to exceed \$3,147,396, bears interest at 2.98% with semi-annual payments on August 1 and February 1. Under the terms of the agreement, CIEDB issued tax-exempt bonds to be used for the funding of the project. At June 30, 2019, the loan outstanding amounts to \$1,979,208.

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

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

| Fiscal Year Ending | Principal | Interest | Total |
|--------------------|---------------------|-------------------|---------------------|
| 2020 | \$ 98,345 | \$ 57,515 | \$ 155,860 |
| 2021 | 101,276 | 54,541 | 155,817 |
| 2022 | 104,294 | 51,478 | 155,772 |
| 2023 | 107,402 | 48,323 | 155,725 |
| 2024 | 110,602 | 45,076 | 155,678 |
| 2025-2029 | 604,460 | 173,163 | 777,623 |
| 2030-2034 | 700,056 | 73,867 | 773,923 |
| 2035 | 152,773 | 2,276 | 155,049 |
| | <u>\$ 1,979,208</u> | <u>\$ 506,239</u> | <u>\$ 2,485,447</u> |

Water Meter Capital Lease – On September 27, 2012, the City, as Lessee entered into a capital equipment lease/purchase agreement with the Government Capital Corporation, as Lessor, for purchase and installation of 1,800 water meters. The agreement bears interest at 3.36% with annual payments of \$142,839 on September 1st. At June 30, 2019, the capital lease outstanding amounts to \$526,420.

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

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

| Fiscal Year Ending | Principal | Interest | Total |
|--------------------|-------------------|------------------|-------------------|
| 2020 | \$ 125,157 | \$ 17,682 | \$ 142,839 |
| 2021 | 129,361 | 13,478 | 142,839 |
| 2022 | 133,706 | 9,133 | 142,839 |
| 2023 | 138,196 | 4,643 | 142,839 |
| | <u>\$ 526,420</u> | <u>\$ 44,936</u> | <u>\$ 571,356</u> |

Leased equipment under capital leases in capital assets at June 30, 2019, included the following:

| | |
|--------------------------------|---------------------|
| Water meters | \$ 1,660,689 |
| Less: Accumulated Depreciation | <u>(442,851)</u> |
| Net | <u>\$ 1,217,838</u> |

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 9 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The City has a loss on refunding of debt reported in the government-wide statement of net position. A loss on refunding of debt results from the difference in the carrying value of the refunded debt and its reacquisition price. The amount is amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows of resources for loss on refunding of debt reported in the governmental activities of the government-wide statement of net position are \$68,852.

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

NOTE 10 – PENSION PLAN

A. General Information about the Pension Plans

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

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

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 10 – PENSION PLAN

A. General Information about the Pension Plans (Continued)

The Plans' provisions and benefits in effect at June 30, 2019 are summarized as follows:

| | Miscellaneous 1st Tier | Miscellaneous PEPRA |
|---|-------------------------------------|----------------------------------|
| Hire date | Prior to January 1, 2013 | On or after January 1, 2013 |
| Benefit formula | 2% @ 55 | 2% @ 62 |
| Benefit vesting schedule | 5 years service | 5 years service |
| Benefit payments | monthly for life | monthly for life |
| Retirement age | 50 - 63 | 52 - 67 |
| Monthly benefits, as a % of annual salary | 1.426% to 2.418% | 1.0% to 2.5% |
| Required employee contribution rates | 7.00% | 6.250% |
| Required employer contribution rates | 8.892% | 6.842% |
| | Safety - Police 1st Tier | Safety - Police PEPRA |
| Hire Date | Prior to January 1, 2013 | On or after January 1, 2013 |
| Benefit formula | 3% @ 55 | 2.7% @ 57 |
| Benefit vesting schedule | 5 years service | 5 years service |
| Benefit payments | monthly for life | monthly for life |
| Retirement age | 50 - 55 | 50 - 57 |
| Monthly benefits, as a % of annual salary | 2.4% to 3.0% | 2.0% to 2.7% |
| Required employee contribution rates | 9.00% | 11.50% |
| Required employer contribution rates | 17.614% | 12.141% |
| | Safety - Fire 1st Tier | Safety - Fire PEPRA |
| Hire Date | Prior to January 1, 2013 | On or after January 1, 2013 |
| Benefit formula | 3% @ 55 | 2.7% @ 57 |
| Benefit vesting schedule | 5 years service | 5 years service |
| Benefit payments | monthly for life | monthly for life |
| Retirement age | 50 - 55 | 50 - 57 |
| Monthly benefits, as a % of annual salary | 2.4% to 3.0% | 2.0% to 2.7% |
| Required employee contribution rates | 9.00% | 11.50% |
| Required employer contribution rates | 17.614% | 12.141% |

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis. The City's required contribution for the unfunded liability was \$492,770 for the fiscal year ended June 30, 2019.

Contributions – Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

The City's contributions to the plan recognized as a part of pension expense for the year ended June 30, 2019 were \$795,513.

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 10 – PENSION PLAN (Continued)

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

As of June 30, 2019, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$7,256,090.

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017, rolled forward to June 30, 2018, using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2017 and 2018 was as follows:

| | |
|------------------------------|---------|
| Proportion - June 30, 2017 | 0.0743% |
| Proportion - June 30, 2018 | 0.0753% |
| Change - Increase (Decrease) | 0.0010% |

For the year ended June 30, 2019, the City recognized pension expense of \$1,193,190. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Pension contributions subsequent to measurement date | \$886,480 | \$ - |
| Changes in assumptions | 638,909 | 115,176 |
| Differences between actual and expected experience | 153,232 | 12,832 |
| Net differences between project and actual earnings on plan investments | 37,343 | - |
| Change in employer's proportion | 71,385 | 49,834 |
| Differences between the employer's actual contributions and the employer's proportionate share of contributions | 203,031 | 25,585 |
| Total | \$ 1,990,380 | \$ 203,427 |

\$886,480 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflow of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Year Ended June 30 | |
|-----------------------|-----------|
| 2020 | \$687,652 |
| 2021 | 417,450 |
| 2022 | (157,343) |
| 2023 | (47,286) |
| 2024 | - |
| Therafter | - |

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 10 – PENSION PLAN (Continued)

C. Actuarial Assumptions

The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

| | |
|---------------------------|---|
| Valuation Date | June 30, 2017 |
| Measurement Date | June 30, 2018 |
| Actuarial Cost Method | Entry- Age Normal Cost Method |
| Actuarial Assumptions: | |
| Discount Rate | 7.15% |
| Inflation | 2.50% |
| Payroll Growth | 2.75% |
| Projected Salary Increase | 3.30% to 14.20% ⁽¹⁾ |
| Investment Rate of Return | 7.50% ⁽²⁾ |
| Mortality | Derived using CalPERS' Membership Data for all Funds ⁽³⁾ |

⁽¹⁾ Depending on age, service and type of employment

⁽²⁾ Net of pension plan investment expenses, including inflation

⁽³⁾ The mortality table was developed based on CalPERS specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016.

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

Change of Assumptions – In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 10 – PENSION PLAN (Continued)

D. Discount Rate

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

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

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

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

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

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

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

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

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 10 – PENSION PLAN (Continued)

D. Discount Rate (Continued)

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

| Discount Rate -1% 6.15% | Current Discount Rate 7.15% | Discount Rate +1% 8.15% |
|----------------------------|--------------------------------|----------------------------|
| \$10,639,870 | \$7,256,090 | \$4,475,063 |

E. Pension Plan Fiduciary Net Position

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

F. Payable to the Pension Plan

The City had an outstanding amount of contributions payable to the pension plan in the amount of \$28,969 for the year ended June 30, 2019.

NOTE 11 – POST-RETIREMENT HEALTHCARE BENEFITS

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

NOTE 12 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omission; injuries to employees and others; natural disaster. The City participates with other public entities in a joint venture under a joint powers agreement which establishes the Central San Joaquin Valley Risk Management Authority (CSJVRMA). The relationship between the City and CSJVRMA is such that CSJVRMA is not a component unit of the City for financial reporting purposes.

The CSJVRMA is a consortium of 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 three times each year, consisting of one member appointed by each member city. The day-to-day business is handled by a management group employed by the CSJVRMA. The financial statements of CSJVRMA can be obtained at 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833.

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 12 – RISK MANAGEMENT (Continued)

Each member city pays a premium to cover estimated losses for a fiscal year (claims year). Each program year is retrospectively adjusted five years following the end of a program year and annually thereafter until the last claim incurred during a program year is closed and the actuary has determined there is no longer a need for any incurred but not reported reserves. Any net surplus in the City's balance for these years will be refunded to the City, and net deficits will be billed to the City.

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

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

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

There have been no significant changes from the prior year and settlements have not exceeded coverage in any of the prior three years.

The City also purchases various property coverage programs. Deductibles and limits per property type can be obtained from the City Manager or directly from the Authority.

NOTE 13 – CONTINGENCIES

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

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 14 – SUCCESSOR AGENCY TRUST FUND

On January 18, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with Assembly Bill 1X26 (the “Bill”) which dissolved all redevelopment agencies in the State of California.

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

Successor agencies are only allocated revenue in the amount that is necessary to pay estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

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

After the date of the dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

Other Assets

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

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

Long-term Debt

Long-term debt reported in the Successor Agency Trust Fund at June 30, 2019 was comprised of the following individual issue:

| | <u>Balance July 1, 2018</u> | <u>Additions</u> | <u>Retirements</u> | <u>Balance June 30, 2019</u> | <u>Due Within One Year</u> |
|-----------------------------------|---------------------------------|------------------|--------------------|----------------------------------|--------------------------------|
| Kingsburg RDA Tax Refunding Bonds | \$ 180,000 | \$ - | \$ 30,000 | \$ 150,000 | \$ 35,000 |
| | <u>\$ 180,000</u> | <u>\$ -</u> | <u>\$ 30,000</u> | <u>\$ 150,000</u> | <u>\$ 35,000</u> |

**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 14 – SUCCESSOR AGENCY TRUST FUND (Continued)

Kingsburg RDA Tax Refunding Bonds – The former Kingsburg Redevelopment Agency issued a tax allocation bond payable in annual installments ranging from \$25,000 to \$40,000 with interest payable semi-annually at an average overall rate of 7.9% per annum. At June 30, 2019 the bond outstanding amounts to \$150,000.

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

| <u>Fiscal Year Ending</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------|-------------------|------------------|-------------------|
| 2020 | \$ 35,000 | \$ 10,467 | \$ 45,467 |
| 2021 | 35,000 | 7,702 | 42,702 |
| 2022 | 40,000 | 4,740 | 44,740 |
| 2023 | <u>40,000</u> | <u>1,580</u> | <u>41,580</u> |
| Total | <u>\$ 150,000</u> | <u>\$ 24,489</u> | <u>\$ 174,489</u> |

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REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF KINGSBURG
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019**

| | Budgeted Amounts | | | Variance with Final Budget |
|--|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | Actual | |
| REVENUES | | | | |
| Taxes | \$ 3,089,620 | \$ 3,089,620 | \$ 3,669,662 | \$ 580,042 |
| Licenses and permits | 359,085 | 359,085 | 308,666 | (50,419) |
| Intergovernmental | 1,080,100 | 1,080,100 | 1,112,537 | 32,437 |
| Charges for services | 442,210 | 337,210 | 391,458 | 54,248 |
| Fines and penalties | 13,000 | 13,000 | 20,424 | 7,424 |
| Development fees | 99,750 | 99,750 | 208,243 | 108,493 |
| Use of money and property | 2,923 | 2,923 | 15,465 | 12,542 |
| Other revenue | 40,000 | 40,000 | 257,928 | 217,928 |
| Total revenues | <u>5,126,688</u> | <u>5,021,688</u> | <u>5,984,383</u> | <u>962,695</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government: | | | | |
| City council | 38,474 | 62,474 | 54,974 | 7,500 |
| City attorney | 90,000 | 90,000 | 71,798 | 18,202 |
| Non-departmental | 298,909 | 309,809 | 210,129 | 99,680 |
| City manager | 226,042 | 235,042 | 227,878 | 7,164 |
| City clerk | 136,152 | 136,152 | 109,777 | 26,375 |
| Finance | 203,206 | 203,206 | 155,353 | 47,853 |
| Human resources/management assistant | 107,674 | 107,674 | 93,810 | 13,864 |
| Total general government | <u>1,100,457</u> | <u>1,144,357</u> | <u>923,719</u> | <u>220,638</u> |
| Parks and community services: | | | | |
| Community services | 177,390 | 177,390 | 218,510 | (41,120) |
| Pool | 182,685 | 182,685 | 206,368 | (23,683) |
| Total parks and community services | <u>360,075</u> | <u>360,075</u> | <u>424,878</u> | <u>(64,803)</u> |
| Public safety: | | | | |
| Police | 2,708,767 | 2,708,767 | 2,290,796 | 417,971 |
| Total public safety | <u>2,708,767</u> | <u>2,708,767</u> | <u>2,290,796</u> | <u>417,971</u> |
| Public works: | | | | |
| Public works - administration | 61,282 | 61,282 | 53,364 | 7,918 |
| Landscape maintenance | 182,872 | 182,872 | 442,154 | (259,282) |
| Facility maintenance | 62,500 | 62,500 | 57,459 | 5,041 |
| Vehicle maintenance | 141,533 | 141,533 | 155,039 | (13,506) |
| Total public works | <u>448,187</u> | <u>448,187</u> | <u>708,016</u> | <u>(259,829)</u> |
| Planning and community development | 358,826 | 366,465 | 385,240 | (18,775) |
| Capital outlay | 353,750 | 353,750 | 129,999 | 223,751 |
| Debt service: | | | | |
| Principal | 17,479 | 17,479 | 16,397 | 1,082 |
| Interest and fiscal charges | - | - | 1,082 | (1,082) |
| Total expenditures | <u>5,347,541</u> | <u>5,399,080</u> | <u>4,880,127</u> | <u>518,953</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(220,853)</u> | <u>(377,392)</u> | <u>1,104,256</u> | <u>1,481,648</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 816,148 | 816,148 | 100,000 | (716,148) |
| Transfers out | <u>(503,715)</u> | <u>(503,715)</u> | <u>(403,715)</u> | <u>100,000</u> |
| Total other financing sources (uses) | <u>312,433</u> | <u>312,433</u> | <u>(303,715)</u> | <u>(616,148)</u> |
| Change in fund balance | 91,580 | (64,959) | 800,541 | 865,500 |
| Fund balance - beginning | <u>4,553,205</u> | <u>4,553,205</u> | <u>4,553,205</u> | <u>-</u> |
| Fund balance - ending | <u>\$ 4,644,785</u> | <u>\$ 4,488,246</u> | <u>\$ 5,353,746</u> | <u>\$ 865,500</u> |

**CITY OF KINGSBURG
STATEMENT OF REVENUE EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
LOCAL TRANSPORTATION FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|---------------------|---------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Intergovernmental | \$ 396,750 | \$ 396,750 | \$ 383,795 | \$ (12,955) |
| Use of money and property | <u>2,320</u> | <u>2,320</u> | <u>20,669</u> | <u>18,349</u> |
| Total revenues | <u>399,070</u> | <u>399,070</u> | <u>404,464</u> | <u>5,394</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Highway and streets | 97,000 | 97,000 | 85,699 | 11,301 |
| Capital outlay | <u>1,041,833</u> | <u>1,041,833</u> | <u>829,439</u> | <u>212,394</u> |
| Total expenditures | <u>1,138,833</u> | <u>1,138,833</u> | <u>915,138</u> | <u>223,695</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(739,763)</u> | <u>(739,763)</u> | <u>(510,674)</u> | <u>229,089</u> |
| OTHER FINANCING SOURCES/(USES) | | | | |
| Transfers in | <u>75,000</u> | <u>75,000</u> | <u>-</u> | <u>(75,000)</u> |
| Total other financing sources (uses) | <u>75,000</u> | <u>75,000</u> | <u>-</u> | <u>(75,000)</u> |
| Net change in fund balances | (664,763) | (664,763) | (510,674) | 154,089 |
| Fund balances - beginning | <u>1,902,981</u> | <u>1,902,981</u> | <u>1,902,981</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 1,238,218</u> | <u>\$ 1,238,218</u> | <u>\$ 1,392,307</u> | <u>\$ 154,089</u> |

**CITY OF KINGSBURG
STATEMENT OF REVENUE EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MEASURE E FUND
FOR THE YEAR ENDED JUNE 30, 2019**

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|------------------|------------|--------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ - | \$ 651,033 | \$ 1,144,067 | \$ 493,034 |
| Use of money and property | - | - | 590 | 590 |
| Total revenues | - | 651,033 | 1,144,657 | 493,624 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | - | 349,874 | 308,853 | 41,021 |
| Capital outlay | - | 833,000 | 603,123 | 229,877 |
| Total expenditures | - | 1,182,874 | 911,976 | 270,898 |
| Excess (deficiency) of revenues over (under) expenditures | - | (531,841) | 232,681 | 764,522 |
| OTHER FINANCING SOURCES/(USES) | | | | |
| Transfers in | - | 550,000 | - | (550,000) |
| Total other financing sources (uses) | - | 550,000 | - | (550,000) |
| Net change in fund balances | - | 18,159 | 232,681 | 214,522 |
| Fund balances - beginning | - | - | - | - |
| Fund balances - ending | \$ - | \$ 18,159 | \$ 232,681 | \$ 214,522 |

**CITY OF KINGSBURG
PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2019
LAST 10 YEARS***

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|--------------|--------------|--------------|--------------|--------------|
| Proportion of the net pension liability | 0.0890% | 0.0811% | 0.0756% | 0.0743% | 0.0753% |
| Proportionate share of the net pension liability | \$ 5,591,747 | \$ 5,568,697 | \$ 6,544,355 | \$ 7,365,800 | \$ 7,256,090 |
| Covered payroll | \$ 2,539,694 | \$ 2,746,794 | \$ 2,823,084 | \$ 2,997,055 | \$ 3,175,012 |
| Proportionate share of the net pension liability as percentage of covered payroll | 220.17% | 202.73% | 231.82% | 245.77% | 228.54% |
| Plan fiduciary net position as a percentage of the total pension liability | 79.48% | 80.20% | 75.41% | 73.93% | 75.45% |

NOTES TO THE SCHEDULE

Changes in Benefit Terms - None

Changes of Assumptions - In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

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

**CITY OF KINGSBURG
SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2019
LAST 10 YEARS***

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

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

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

Park Improvements Fund – This fund is designated for the City's participation in the State's Housing Related Park Grant Program.

DEBT SERVICE FUNDS

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

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

NONMAJOR GOVERNMENTAL FUNDS
(Continued)

CAPITAL PROJECTS FUNDS

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

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

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

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

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

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

**CITY OF KINGSBURG
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

| | <u>Special Revenue Funds</u> | <u>Debt Service Funds</u> | <u>Capital Projects Funds</u> | <u>Total Nonmajor Governmental Funds</u> |
|---|----------------------------------|-------------------------------|-----------------------------------|--|
| ASSETS | | | | |
| Cash and investments | \$ 660,680 | \$ 150,535 | \$ 1,564,676 | \$ 2,375,891 |
| Receivables (net of allowance for uncollectibles) | 102,485 | - | 343,249 | 445,734 |
| Land held for low and moderate housing projects | <u>574,389</u> | <u>-</u> | <u>-</u> | <u>574,389</u> |
| Total assets | <u>\$ 1,337,554</u> | <u>\$ 150,535</u> | <u>\$ 1,907,925</u> | <u>\$ 3,396,014</u> |
| LIABILITIES | | | | |
| Accounts payable and accrued expenses | \$ 29,744 | \$ - | \$ 113,013 | \$ 142,757 |
| Due to other funds | 12,851 | - | 167,432 | 180,283 |
| Deposits | 609 | - | - | 609 |
| Advances from other funds | <u>-</u> | <u>426,000</u> | <u>-</u> | <u>426,000</u> |
| Total liabilities | <u>43,204</u> | <u>426,000</u> | <u>280,445</u> | <u>749,649</u> |
| FUND BALANCES | | | | |
| Restricted: | | | | |
| Capital improvements | - | - | 1,627,480 | 1,627,480 |
| Circulation improvements | 485,348 | - | - | 485,348 |
| Senior center activities | 6,642 | - | - | 6,642 |
| Public safety programs | 152,971 | - | - | 152,971 |
| Land held for low and moderate housing projects | 574,389 | - | - | 574,389 |
| Park improvements | 75,000 | - | - | 75,000 |
| Unassigned | <u>-</u> | <u>(275,465)</u> | <u>-</u> | <u>(275,465)</u> |
| Total fund balances | <u>1,294,350</u> | <u>(275,465)</u> | <u>1,627,480</u> | <u>2,646,365</u> |
| Total liabilities and fund balances | <u>\$ 1,337,554</u> | <u>\$ 150,535</u> | <u>\$ 1,907,925</u> | <u>\$ 3,396,014</u> |

**CITY OF KINGSBURG
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

| | Special Revenue Funds | Debt Service Funds | Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|--------------------------|-----------------------|---------------------------|---|
| REVENUES | | | | |
| Taxes | \$ - | \$ 141,817 | \$ - | \$ 141,817 |
| Intergovernmental | 1,224,163 | - | 350,481 | 1,574,644 |
| Development fees | - | - | 140,789 | 140,789 |
| Use of money and property | 11 | - | 14,454 | 14,465 |
| Other revenues | <u>9,570</u> | <u>-</u> | <u>-</u> | <u>9,570</u> |
| Total revenues | <u>1,233,744</u> | <u>141,817</u> | <u>505,724</u> | <u>1,881,285</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Parks and community services | 65,938 | - | - | 65,938 |
| Public safety | 119,265 | - | - | 119,265 |
| Highway and streets | 475,581 | - | - | 475,581 |
| Capital outlay | 346,867 | - | 403,940 | 750,807 |
| Debt service: | | | | |
| Interest and fiscal charges | <u>-</u> | <u>53,152</u> | <u>-</u> | <u>53,152</u> |
| Total expenditures | <u>1,007,651</u> | <u>53,152</u> | <u>403,940</u> | <u>1,464,743</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>226,093</u> | <u>88,665</u> | <u>101,784</u> | <u>416,542</u> |
| OTHER FINANCING SOURCES/(USES) | | | | |
| Transfers in | 53,715 | - | - | 53,715 |
| Transfers out | <u>(100,000)</u> | <u>-</u> | <u>-</u> | <u>(100,000)</u> |
| Total other financing sources (uses) | <u>(46,285)</u> | <u>-</u> | <u>-</u> | <u>(46,285)</u> |
| Net change in fund balances | 179,808 | 88,665 | 101,784 | 370,257 |
| Fund balances - beginning | <u>1,114,542</u> | <u>(364,130)</u> | <u>1,525,696</u> | <u>2,276,108</u> |
| Fund balances - ending | <u>\$ 1,294,350</u> | <u>\$ (275,465)</u> | <u>\$ 1,627,480</u> | <u>\$ 2,646,365</u> |

**CITY OF KINGSBURG
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2019**

| | Measure C | Gas Tax | Senior Center | COPS Grant | San Joaquin Valley Air Grant |
|---|-------------------|-------------------|------------------|-------------------|------------------------------------|
| ASSETS | | | | | |
| Cash and investments | \$ 193,948 | \$ 249,717 | \$ 7,881 | \$ 117,487 | \$ 21 |
| Receivables (net of allowance for uncollectibles) | 27,178 | 36,726 | 2,874 | - | - |
| Land held for low and moderate housing projects | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total assets | <u>\$ 221,126</u> | <u>\$ 286,443</u> | <u>\$ 10,755</u> | <u>\$ 117,487</u> | <u>\$ 21</u> |
| LIABILITIES | | | | | |
| Accounts payable and accrued expenses | \$ 12,848 | \$ 9,373 | \$ 3,504 | \$ - | \$ - |
| Due to other funds | - | - | - | - | - |
| Deposits | <u>-</u> | <u>-</u> | <u>609</u> | <u>-</u> | <u>-</u> |
| Total liabilities | <u>12,848</u> | <u>9,373</u> | <u>4,113</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES | | | | | |
| Restricted: | | | | | |
| Circulation improvements | 208,278 | 277,070 | - | - | - |
| Senior center activities | - | - | 6,642 | - | - |
| Public safety programs | - | - | - | 117,487 | 21 |
| Land held for low and moderate housing projects | - | - | - | - | - |
| Park improvements | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total fund balances | <u>208,278</u> | <u>277,070</u> | <u>6,642</u> | <u>117,487</u> | <u>21</u> |
| Total liabilities and fund balances | <u>\$ 221,126</u> | <u>\$ 286,443</u> | <u>\$ 10,755</u> | <u>\$ 117,487</u> | <u>\$ 21</u> |

**CITY OF KINGSBURG
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2019
(Continued)**

| | Low and Moderate Income Housing Asset | Vehicle Abandonment | ACT Task Force Grant | Park Improvements | Total |
|---|---|------------------------|-------------------------|----------------------|---------------------|
| ASSETS | | | | | |
| Cash and investments | \$ - | \$ 16,626 | \$ - | \$ 75,000 | \$ 660,680 |
| Receivables (net of allowance for uncollectibles) | - | - | 35,707 | - | 102,485 |
| Land held for low and moderate housing projects | <u>574,389</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>574,389</u> |
| Total assets | <u>\$ 574,389</u> | <u>\$ 16,626</u> | <u>\$ 35,707</u> | <u>\$ 75,000</u> | <u>\$ 1,337,554</u> |
| LIABILITIES | | | | | |
| Accounts payable and accrued expenses | \$ - | \$ - | \$ 4,019 | \$ - | \$ 29,744 |
| Due to other funds | - | - | 12,851 | - | 12,851 |
| Deposits | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>609</u> |
| Total liabilities | <u>-</u> | <u>-</u> | <u>16,870</u> | <u>-</u> | <u>43,204</u> |
| FUND BALANCES | | | | | |
| Restricted: | | | | | |
| Circulation improvements | - | - | - | - | 485,348 |
| Senior center activities | - | - | - | - | 6,642 |
| Public safety programs | - | 16,626 | 18,837 | - | 152,971 |
| Land held for low and moderate housing projects | 574,389 | - | - | - | 574,389 |
| Park improvements | <u>-</u> | <u>-</u> | <u>-</u> | <u>75,000</u> | <u>75,000</u> |
| Total fund balances | <u>574,389</u> | <u>16,626</u> | <u>18,837</u> | <u>75,000</u> | <u>1,294,350</u> |
| Total liabilities and fund balances | <u>\$ 574,389</u> | <u>\$ 16,626</u> | <u>\$ 35,707</u> | <u>\$ 75,000</u> | <u>\$ 1,337,554</u> |

**CITY OF KINGSBURG
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

| | Measure C | Gas Tax | Senior Center | COPS Grant | San Joaquin Valley Air Grant |
|--|-------------------|-------------------|------------------|-------------------|------------------------------------|
| REVENUES | | | | | |
| Intergovernmental | \$ 364,719 | \$ 475,074 | \$ 19,500 | \$ 148,747 | \$ - |
| Use of money and property | 11 | - | - | - | - |
| Other revenues | - | - | 9,570 | - | - |
| Total revenues | <u>364,730</u> | <u>475,074</u> | <u>29,070</u> | <u>148,747</u> | <u>-</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Parks and community services | - | - | 65,938 | - | - |
| Public safety | - | - | - | - | - |
| Highway and streets | 206,320 | 269,261 | - | - | - |
| Capital outlay | <u>180,000</u> | <u>163,846</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>386,320</u> | <u>433,107</u> | <u>65,938</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(21,590)</u> | <u>41,967</u> | <u>(36,868)</u> | <u>148,747</u> | <u>-</u> |
| OTHER FINANCING SOURCES/(USES) | | | | | |
| Transfers in | - | - | 53,715 | - | - |
| Transfers out | <u>-</u> | <u>-</u> | <u>-</u> | <u>(100,000)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>53,715</u> | <u>(100,000)</u> | <u>-</u> |
| Net change in fund balances | (21,590) | 41,967 | 16,847 | 48,747 | - |
| Fund balances - beginning | <u>229,868</u> | <u>235,103</u> | <u>(10,205)</u> | <u>68,740</u> | <u>21</u> |
| Fund balances - ending | <u>\$ 208,278</u> | <u>\$ 277,070</u> | <u>\$ 6,642</u> | <u>\$ 117,487</u> | <u>\$ 21</u> |

CITY OF KINGSBURG
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019
(Continued)

| | Low and Moderate Income Housing Asset | Vehicle Abandonment | ACT Task Force Grant | Park Improvements | Total |
|--|---|------------------------|-------------------------|----------------------|---------------------|
| REVENUES | | | | | |
| Intergovernmental | \$ - | \$ - | \$ 141,123 | \$ 75,000 | \$ 1,224,163 |
| Use of money and property | - | - | - | - | 11 |
| Other revenues | - | - | - | - | 9,570 |
| Total revenues | <u>-</u> | <u>-</u> | <u>141,123</u> | <u>75,000</u> | <u>1,233,744</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Parks and community services | - | - | - | - | 65,938 |
| Public safety | - | - | 119,265 | - | 119,265 |
| Highway and streets | - | - | - | - | 475,581 |
| Capital outlay | - | - | 3,021 | - | 346,867 |
| Total expenditures | <u>-</u> | <u>-</u> | <u>122,286</u> | <u>-</u> | <u>1,007,651</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>-</u> | <u>-</u> | <u>18,837</u> | <u>75,000</u> | <u>226,093</u> |
| OTHER FINANCING SOURCES/(USES) | | | | | |
| Transfers in | - | - | - | - | 53,715 |
| Transfers out | - | - | - | - | (100,000) |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(46,285)</u> |
| Net change in fund balances | - | - | 18,837 | 75,000 | 179,808 |
| Fund balances - beginning | <u>574,389</u> | <u>16,626</u> | <u>-</u> | <u>-</u> | <u>1,114,542</u> |
| Fund balances - ending | <u>\$ 574,389</u> | <u>\$ 16,626</u> | <u>\$ 18,837</u> | <u>\$ 75,000</u> | <u>\$ 1,294,350</u> |

CITY OF KINGSBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUND – MEASURE C FUND
FOR THE YEAR ENDED JUNE 30, 2019

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|-------------------|-------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Intergovernmental | \$ 375,000 | \$ 375,000 | \$ 364,719 | \$ (10,281) |
| Use of money and property | <u>-</u> | <u>-</u> | <u>11</u> | <u>11</u> |
| Total revenues | <u>375,000</u> | <u>375,000</u> | <u>364,730</u> | <u>(10,270)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Highway and streets | 285,000 | 285,000 | 206,320 | 78,680 |
| Capital outlay | <u>200,000</u> | <u>200,000</u> | <u>180,000</u> | <u>20,000</u> |
| Total expenditures | <u>485,000</u> | <u>485,000</u> | <u>386,320</u> | <u>98,680</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(110,000)</u> | <u>(110,000)</u> | <u>(21,590)</u> | <u>88,410</u> |
| Net change in fund balances | (110,000) | (110,000) | (21,590) | 88,410 |
| Fund balances - beginning | <u>229,868</u> | <u>229,868</u> | <u>229,868</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 119,868</u> | <u>\$ 119,868</u> | <u>\$ 208,278</u> | <u>\$ 88,410</u> |

CITY OF KINGSBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUND – GAS TAX FUND
FOR THE YEAR ENDED JUNE 30, 2019

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|------------------|------------|------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | \$ 530,409 | \$ 530,409 | \$ 475,074 | \$ (55,335) |
| Total revenues | 530,409 | 530,409 | 475,074 | (55,335) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Highway and streets | 278,794 | 278,794 | 269,261 | 9,533 |
| Capital outlay | 204,885 | 204,885 | 163,846 | 41,039 |
| Total expenditures | 483,679 | 483,679 | 433,107 | 50,572 |
| Excess (deficiency) of revenues over (under) expenditures | 46,730 | 46,730 | 41,967 | (4,763) |
| Net change in fund balances | 46,730 | 46,730 | 41,967 | (4,763) |
| Fund balances - beginning | 235,103 | 235,103 | 235,103 | - |
| Fund balances - ending | \$ 281,833 | \$ 281,833 | \$ 277,070 | \$ (4,763) |

CITY OF KINGSBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUND – SENIOR CENTER FUND
FOR THE YEAR ENDED JUNE 30, 2019

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|--------------------|-----------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Intergovernmental | \$ 8,000 | \$ 8,000 | \$ 19,500 | \$ 11,500 |
| Other revenues | <u>8,000</u> | <u>8,000</u> | <u>9,570</u> | <u>1,570</u> |
| Total revenues | <u>16,000</u> | <u>16,000</u> | <u>29,070</u> | <u>13,070</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Parks and community services | <u>69,689</u> | <u>69,689</u> | <u>65,938</u> | <u>3,751</u> |
| Total expenditures | <u>69,689</u> | <u>69,689</u> | <u>65,938</u> | <u>3,751</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(53,689)</u> | <u>(53,689)</u> | <u>(36,868)</u> | <u>16,821</u> |
| OTHER FINANCING SOURCES/(USES) | | | | |
| Transfers in | <u>53,715</u> | <u>53,715</u> | <u>53,715</u> | <u>-</u> |
| Total other financing sources (uses) | <u>53,715</u> | <u>53,715</u> | <u>53,715</u> | <u>-</u> |
| Net change in fund balances | 26 | 26 | 16,847 | 16,821 |
| Fund balances - beginning | <u>(10,205)</u> | <u>(10,205)</u> | <u>(10,205)</u> | <u>-</u> |
| Fund balances - ending | <u>\$ (10,179)</u> | <u>\$ (10,179)</u> | <u>\$ 6,642</u> | <u>\$ 16,821</u> |

CITY OF KINGSBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUND – COPS GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2019

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|------------------|-------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Intergovernmental | \$ 100,000 | \$ 100,000 | \$ 148,747 | \$ 48,747 |
| Total revenues | <u>100,000</u> | <u>100,000</u> | <u>148,747</u> | <u>48,747</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | - | - | - | - |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>100,000</u> | <u>100,000</u> | <u>148,747</u> | <u>48,747</u> |
| OTHER FINANCING SOURCES/(USES) | | | | |
| Transfers out | <u>(100,000)</u> | <u>(100,000)</u> | <u>(100,000)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(100,000)</u> | <u>(100,000)</u> | <u>(100,000)</u> | <u>-</u> |
| Net change in fund balances | - | - | 48,747 | 48,747 |
| Fund balances - beginning | <u>68,740</u> | <u>68,740</u> | <u>68,740</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 68,740</u> | <u>\$ 68,740</u> | <u>\$ 117,487</u> | <u>\$ 48,747</u> |

CITY OF KINGSBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUND – ACT TASK FORCE GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2019

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|-------------------|------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Intergovernmental | \$ - | \$ 105,000 | \$ 141,123 | \$ 36,123 |
| Total revenues | <u>-</u> | <u>105,000</u> | <u>141,123</u> | <u>36,123</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | - | 111,344 | 119,265 | (7,921) |
| Capital outlay | <u>-</u> | <u>-</u> | <u>3,021</u> | <u>(3,021)</u> |
| Total expenditures | <u>-</u> | <u>111,344</u> | <u>122,286</u> | <u>(10,942)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>-</u> | <u>(6,344)</u> | <u>18,837</u> | <u>25,181</u> |
| Net change in fund balances | - | (6,344) | 18,837 | 25,181 |
| Fund balances - beginning | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances - ending | <u>\$ -</u> | <u>\$ (6,344)</u> | <u>\$ 18,837</u> | <u>\$ 25,181</u> |

CITY OF KINGSBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUND – PARK IMPROVEMENTS GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2019

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|------------------|---------------|------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | \$ 75,000 | \$ 75,000 | \$ 75,000 | \$ - |
| Total revenues | <u>75,000</u> | <u>75,000</u> | <u>75,000</u> | <u>-</u> |
| EXPENDITURES | | | | |
| Capital outlay | <u>75,000</u> | <u>75,000</u> | - | <u>75,000</u> |
| Total expenditures | <u>75,000</u> | <u>75,000</u> | - | <u>75,000</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>-</u> | <u>-</u> | <u>75,000</u> | <u>75,000</u> |
| Net change in fund balances | - | - | 75,000 | 75,000 |
| Fund balances - beginning | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 75,000</u> | <u>\$ 75,000</u> |

**CITY OF KINGSBURG
 COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUNDS
 JUNE 30, 2019**

| | Assessment District | Total |
|-------------------------------------|------------------------|------------|
| ASSETS | | |
| Cash and investments | \$ 150,535 | \$ 150,535 |
| Total assets | \$ 150,535 | \$ 150,535 |
| LIABILITIES | | |
| Advances from other funds | \$ 426,000 | \$ 426,000 |
| Total liabilities | 426,000 | 426,000 |
| FUND BALANCES | | |
| Unassigned | (275,465) | (275,465) |
| Total fund balances | (275,465) | (275,465) |
| Total liabilities and fund balances | \$ 150,535 | \$ 150,535 |

**CITY OF KINGSBURG
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR DEBT SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019**

| | <u>Assessment District</u> | <u>Total</u> |
|--|--------------------------------|---------------------|
| REVENUES | | |
| Taxes | <u>\$ 141,817</u> | <u>\$ 141,817</u> |
| Total revenues | <u>141,817</u> | <u>141,817</u> |
| EXPENDITURES | | |
| Debt service: | | |
| Interest and fiscal charges | <u>53,152</u> | <u>53,152</u> |
| Total expenditures | <u>53,152</u> | <u>53,152</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>88,665</u> | <u>88,665</u> |
| Net change in fund balances | 88,665 | 88,665 |
| Fund balances - beginning | <u>(364,130)</u> | <u>(364,130)</u> |
| Fund balances - ending | <u>\$ (275,465)</u> | <u>\$ (275,465)</u> |

CITY OF KINGSBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
NONMAJOR DEBT SERVICE FUND – ASSESSMENT DISTRICT FUND
FOR THE YEAR ENDED JUNE 30, 2019

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|---------------------|---------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Taxes | <u>\$ 162,700</u> | <u>\$ 162,700</u> | <u>\$ 141,817</u> | <u>\$ (20,883)</u> |
| Total revenues | <u>162,700</u> | <u>162,700</u> | <u>141,817</u> | <u>(20,883)</u> |
| EXPENDITURES | | | | |
| Debt service: | | | | |
| Interest and fiscal charges | <u>52,290</u> | <u>52,290</u> | <u>53,152</u> | <u>(862)</u> |
| Total expenditures | <u>52,290</u> | <u>52,290</u> | <u>53,152</u> | <u>(862)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>110,410</u> | <u>110,410</u> | <u>88,665</u> | <u>(21,745)</u> |
| Net change in fund balances | 110,410 | 110,410 | 88,665 | (21,745) |
| Fund balances - beginning | <u>(364,130)</u> | <u>(364,130)</u> | <u>(364,130)</u> | <u>-</u> |
| Fund balances - ending | <u>\$ (253,720)</u> | <u>\$ (253,720)</u> | <u>\$ (275,465)</u> | <u>\$ (21,745)</u> |

CITY OF KINGSBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
MAJOR DEBT SERVICE FUND – KINGSBURG JOINT POWERS AUTHORITY FUND
FOR THE YEAR ENDED JUNE 30, 2019

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|---------------------|---------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Use of money and property | \$ 110,000 | \$ 110,000 | \$ 141,875 | \$ 31,875 |
| Total revenues | <u>110,000</u> | <u>110,000</u> | <u>141,875</u> | <u>31,875</u> |
| EXPENDITURES | | | | |
| Debt service: | | | | |
| Principal | 178,300 | 178,300 | 298,300 | (120,000) |
| Interest and fiscal charges | <u>28,390</u> | <u>28,390</u> | <u>96,827</u> | <u>(68,437)</u> |
| Total expenditures | <u>206,690</u> | <u>206,690</u> | <u>395,127</u> | <u>(188,437)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(96,690)</u> | <u>(96,690)</u> | <u>(253,252)</u> | <u>(156,562)</u> |
| Net change in fund balances | (96,690) | (96,690) | (253,252) | (156,562) |
| Fund balances - beginning | <u>3,108,243</u> | <u>3,108,243</u> | <u>3,108,243</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 3,011,553</u> | <u>\$ 3,011,553</u> | <u>\$ 2,854,991</u> | <u>\$ (156,562)</u> |

**CITY OF KINGSBURG
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2019**

| | Street Projects | Sewer Connection | Storm Drain | Parks and Recreation | Equipment Replacement | Total |
|---|-------------------|---------------------|-------------------|-------------------------|--------------------------|---------------------|
| ASSETS | | | | | | |
| Cash and investments | \$ - | \$ 1,074,307 | \$ 177,306 | \$ 287,633 | \$ 25,430 | \$ 1,564,676 |
| Receivables (net of allowance for uncollectibles) | <u>339,481</u> | <u>2,638</u> | <u>558</u> | <u>572</u> | <u>-</u> | <u>343,249</u> |
| Total assets | <u>\$ 339,481</u> | <u>\$ 1,076,945</u> | <u>\$ 177,864</u> | <u>\$ 288,205</u> | <u>\$ 25,430</u> | <u>\$ 1,907,925</u> |
| LIABILITIES | | | | | | |
| Accounts payable and accrued expenses | \$ 113,013 | \$ - | \$ - | \$ - | \$ - | \$ 113,013 |
| Due to other funds | <u>167,432</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>167,432</u> |
| Total liabilities | <u>280,445</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>280,445</u> |
| FUND BALANCES | | | | | | |
| Restricted: | | | | | | |
| Capital improvements | 59,036 | 1,076,945 | 177,864 | 288,205 | 25,430 | 1,627,480 |
| Unassigned | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total fund balances | <u>59,036</u> | <u>1,076,945</u> | <u>177,864</u> | <u>288,205</u> | <u>25,430</u> | <u>1,627,480</u> |
| Total liabilities and fund balances | <u>\$ 339,481</u> | <u>\$ 1,076,945</u> | <u>\$ 177,864</u> | <u>\$ 288,205</u> | <u>\$ 25,430</u> | <u>\$ 1,907,925</u> |

**CITY OF KINGSBURG
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

| | Street Projects | Sewer Connection | Storm Drain | Parks and Recreation | Equipment Replacement | Total |
|--|------------------|---------------------|-------------------|-------------------------|--------------------------|---------------------|
| REVENUES | | | | | | |
| Intergovernmental | \$ 350,481 | \$ - | \$ - | \$ - | \$ - | \$ 350,481 |
| Development fees | - | 17,115 | 109,344 | 14,330 | - | 140,789 |
| Use of money and property | <u>3</u> | <u>10,764</u> | <u>1,382</u> | <u>2,305</u> | - | <u>14,454</u> |
| Total revenues | <u>350,484</u> | <u>27,879</u> | <u>110,726</u> | <u>16,635</u> | - | <u>505,724</u> |
| EXPENDITURES | | | | | | |
| Capital outlay | <u>403,940</u> | - | - | - | - | <u>403,940</u> |
| Total expenditures | <u>403,940</u> | - | - | - | - | <u>403,940</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(53,456)</u> | <u>27,879</u> | <u>110,726</u> | <u>16,635</u> | - | <u>101,784</u> |
| Net change in fund balances | (53,456) | 27,879 | 110,726 | 16,635 | - | 101,784 |
| Fund balances - beginning | <u>112,492</u> | <u>1,049,066</u> | <u>67,138</u> | <u>271,570</u> | <u>25,430</u> | <u>1,525,696</u> |
| Fund balances - ending | <u>\$ 59,036</u> | <u>\$ 1,076,945</u> | <u>\$ 177,864</u> | <u>\$ 288,205</u> | <u>\$ 25,430</u> | <u>\$ 1,627,480</u> |

CITY OF KINGSBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
NONMAJOR CAPITAL PROJECTS FUND – STREET PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2019

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|-------------------|------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Intergovernmental | \$ 2,356,480 | \$ 2,356,480 | \$ 350,481 | \$ (2,005,999) |
| Use of money and property | <u>-</u> | <u>-</u> | <u>3</u> | <u>3</u> |
| Total revenues | <u>2,356,480</u> | <u>2,356,480</u> | <u>350,484</u> | <u>(2,005,996)</u> |
| EXPENDITURES | | | | |
| Capital outlay | <u>2,356,480</u> | <u>2,356,480</u> | <u>403,940</u> | <u>1,952,540</u> |
| Total expenditures | <u>2,356,480</u> | <u>2,356,480</u> | <u>403,940</u> | <u>1,952,540</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>-</u> | <u>-</u> | <u>(53,456)</u> | <u>(53,456)</u> |
| Net change in fund balances | - | - | (53,456) | (53,456) |
| Fund balances - beginning | <u>112,492</u> | <u>112,492</u> | <u>112,492</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 112,492</u> | <u>\$ 112,492</u> | <u>\$ 59,036</u> | <u>\$ (53,456)</u> |

CITY OF KINGSBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
NONMAJOR CAPITAL PROJECTS FUND – SEWER CONNECTION FUND
FOR THE YEAR ENDED JUNE 30, 2019

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|---------------------|---------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Development fees | \$ 28,000 | \$ 28,000 | \$ 17,115 | \$ (10,885) |
| Use of money and property | <u>2,500</u> | <u>2,500</u> | <u>10,764</u> | <u>8,264</u> |
| Total revenues | <u>30,500</u> | <u>30,500</u> | <u>27,879</u> | <u>(2,621)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public works | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>30,500</u> | <u>30,500</u> | <u>27,879</u> | <u>(2,621)</u> |
| Net change in fund balances | 30,500 | 30,500 | 27,879 | (2,621) |
| Fund balances - beginning | <u>1,049,066</u> | <u>1,049,066</u> | <u>1,049,066</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 1,079,566</u> | <u>\$ 1,079,566</u> | <u>\$ 1,076,945</u> | <u>\$ (2,621)</u> |

CITY OF KINGSBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
NONMAJOR CAPITAL PROJECTS FUND – STORM DRAIN FUND
FOR THE YEAR ENDED JUNE 30, 2019

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|-------------------|-------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Development fees | \$ 39,000 | \$ 39,000 | \$ 109,344 | \$ 70,344 |
| Use of money and property | <u>210</u> | <u>210</u> | <u>1,382</u> | <u>1,172</u> |
| Total revenues | <u>39,210</u> | <u>39,210</u> | <u>110,726</u> | <u>71,516</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public works | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>39,210</u> | <u>39,210</u> | <u>110,726</u> | <u>71,516</u> |
| Net change in fund balances | 39,210 | 39,210 | 110,726 | 71,516 |
| Fund balances - beginning | <u>67,138</u> | <u>67,138</u> | <u>67,138</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 106,348</u> | <u>\$ 106,348</u> | <u>\$ 177,864</u> | <u>\$ 71,516</u> |

CITY OF KINGSBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
NONMAJOR CAPITAL PROJECTS FUND – PARKS AND RECREATION FUND
FOR THE YEAR ENDED JUNE 30, 2019

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|-------------------|-------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Development fees | \$ 15,500 | \$ 15,500 | \$ 14,330 | \$ (1,170) |
| Use of money and property | <u>280</u> | <u>280</u> | <u>2,305</u> | <u>2,025</u> |
| Total revenues | <u>15,780</u> | <u>15,780</u> | <u>16,635</u> | <u>855</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Parks and community services | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>15,780</u> | <u>15,780</u> | <u>16,635</u> | <u>855</u> |
| Net change in fund balances | 15,780 | 15,780 | 16,635 | 855 |
| Fund balances - beginning | <u>271,570</u> | <u>271,570</u> | <u>271,570</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 287,350</u> | <u>\$ 287,350</u> | <u>\$ 288,205</u> | <u>\$ 855</u> |

CITY OF KINGSBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
MAJOR CAPITAL PROJECTS FUND – CAPITAL FACILITIES FUND
FOR THE YEAR ENDED JUNE 30, 2019

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|---------------------|---------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Development fees | \$ 431,000 | \$ 431,000 | \$ 192,093 | \$ (238,907) |
| Use of money and property | <u>2,000</u> | <u>2,000</u> | <u>18,319</u> | <u>16,319</u> |
| Total revenues | <u>433,000</u> | <u>433,000</u> | <u>210,412</u> | <u>(222,588)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Planning and community development | - | - | 10,368 | (10,368) |
| Capital outlay | <u>735,000</u> | <u>735,000</u> | <u>91,150</u> | <u>643,850</u> |
| Total expenditures | <u>735,000</u> | <u>735,000</u> | <u>101,518</u> | <u>633,482</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(302,000)</u> | <u>(302,000)</u> | <u>108,894</u> | <u>410,894</u> |
| Net change in fund balances | (302,000) | (302,000) | 108,894 | 410,894 |
| Fund balances - beginning | <u>1,507,463</u> | <u>1,507,463</u> | <u>1,507,463</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 1,205,463</u> | <u>\$ 1,205,463</u> | <u>\$ 1,616,357</u> | <u>\$ 410,894</u> |

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STATISTICAL SECTION

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STATISTICAL SECTION

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

Contents

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

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

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

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

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

Source - Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

| | FISCAL YEARS | | | | | | | | | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | <u>2009-2010</u> | <u>2010-2011</u> | <u>2011-2012</u> | <u>2012-2013</u> | <u>2013-2014</u> | <u>2014-2015</u> | <u>2015-2016</u> | <u>2016-2017</u> | <u>2017-2018</u> | <u>2018-2019</u> |
| <u>Governmental Activities</u> | | | | | | | | | | |
| Net investment in | | | | | | | | | | |
| capital assets | \$ 8,123,873 | \$ 9,531,019 | \$ 7,581,429 | \$ 8,175,220 | \$ 8,958,525 | \$ 11,010,739 | \$ 11,917,893 | \$ 13,726,605 | \$ 13,580,330 | \$ 14,634,885 |
| Restricted | 6,452,053 | 11,059,895 | 9,856,824 | 9,783,215 | 9,678,997 | 8,593,486 | 8,917,767 | 8,540,239 | 9,169,130 | 4,314,137 |
| Unrestricted | <u>53,274</u> | <u>(4,466,456)</u> | <u>(363,909)</u> | <u>(217,842)</u> | <u>248,329</u> | <u>(2,336,196)</u> | <u>(1,786,896)</u> | <u>(314,962)</u> | <u>356,161</u> | <u>5,732,794</u> |
| Total Net Position | <u>\$ 14,629,200</u> | <u>\$ 16,124,458</u> | <u>\$ 17,074,344</u> | <u>\$ 17,740,593</u> | <u>\$ 18,885,851</u> | <u>\$ 17,268,029</u> | <u>\$ 19,048,764</u> | <u>\$ 21,951,882</u> | <u>\$ 23,105,621</u> | <u>\$ 24,681,816</u> |
| <u>Business-type Activities</u> | | | | | | | | | | |
| Net investment in | | | | | | | | | | |
| capital assets | \$ 2,854,661 | \$ 2,372,093 | \$ 5,948,959 | \$ 5,660,682 | \$ 6,408,380 | \$ 6,998,393 | \$ 6,432,895 | \$ 6,330,963 | \$ 3,774,918 | \$ 4,300,883 |
| Unrestricted | <u>(40,196)</u> | <u>(487,859)</u> | <u>(4,285,183)</u> | <u>(4,142,048)</u> | <u>(4,624,256)</u> | <u>(4,436,064)</u> | <u>(3,228,171)</u> | <u>(2,841,875)</u> | <u>4,604,156</u> | <u>4,554,673</u> |
| Total Net Position | <u>\$ 2,814,465</u> | <u>\$ 1,884,234</u> | <u>\$ 1,663,776</u> | <u>\$ 1,518,634</u> | <u>\$ 1,784,124</u> | <u>\$ 2,562,329</u> | <u>\$ 3,204,724</u> | <u>\$ 3,489,088</u> | <u>\$ 8,379,074</u> | <u>\$ 8,855,556</u> |
| <u>Total Primary Government</u> | | | | | | | | | | |
| Net investment in | | | | | | | | | | |
| capital assets | \$ 10,978,534 | \$ 11,903,112 | \$ 13,530,388 | \$ 13,835,902 | \$ 15,366,905 | \$ 18,009,132 | \$ 18,350,788 | \$ 20,057,568 | \$ 17,355,248 | \$ 18,935,768 |
| Restricted | 6,452,053 | 11,059,895 | 9,856,824 | 9,783,215 | 9,678,997 | 8,593,486 | 8,917,767 | 8,540,239 | 9,169,130 | 4,314,137 |
| Unrestricted | <u>13,078</u> | <u>(4,954,315)</u> | <u>(4,649,092)</u> | <u>(4,359,890)</u> | <u>(4,375,927)</u> | <u>(6,772,260)</u> | <u>(5,015,067)</u> | <u>(3,156,837)</u> | <u>4,960,317</u> | <u>10,287,467</u> |
| Total Net Position | <u>\$ 17,443,665</u> | <u>\$ 18,008,692</u> | <u>\$ 18,738,120</u> | <u>\$ 19,259,227</u> | <u>\$ 20,669,975</u> | <u>\$ 19,830,358</u> | <u>\$ 22,253,488</u> | <u>\$ 25,440,970</u> | <u>\$ 31,484,695</u> | <u>\$ 33,537,372</u> |

Source: City of Kingsburg Finance Department

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

| EXPENSES: | FISCAL YEARS | | | | | | | | | |
|---|----------------------|----------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | <u>2009-2010</u> | <u>2010-2011</u> | <u>2011-2012</u> | <u>2012-2013</u> | <u>2013-2014</u> | <u>2014-2015</u> | <u>2015-2016</u> | <u>2016-2017</u> | <u>2017-2018</u> | <u>2018-2019</u> |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 986,048 | \$ 876,365 | \$ 1,022,861 | \$ 732,573 | \$ 699,807 | \$ 933,367 | \$ 810,747 | \$ 1,005,379 | \$ 965,020 | \$ 1,008,560 |
| Parks and recreation | 405,799 | 410,779 | 344,004 | 317,664 | 387,003 | 430,240 | 408,729 | 481,177 | 530,429 | 555,326 |
| Public safety | 2,339,186 | 2,461,622 | 1,635,259 | 1,816,354 | 1,927,391 | 1,785,462 | 1,542,352 | 1,797,401 | 2,787,216 | 3,660,296 |
| Highway and streets | 1,159,915 | - | - | 454,231 | 434,677 | 380,773 | 766,093 | 893,071 | 878,158 | 1,166,319 |
| Public works | - | 969,681 | 1,153,597 | 735,781 | 778,900 | 814,979 | 557,321 | 599,999 | 717,507 | 673,068 |
| Tax pass-through | 309,854 | 223,174 | - | - | - | - | - | - | - | - |
| Planning and community development | 505,680 | 836,351 | 334,737 | 166,881 | 104,243 | 189,723 | 286,768 | 356,258 | 367,442 | 477,762 |
| Interest | 652,223 | 628,210 | 550,981 | 416,929 | 437,404 | 300,066 | 199,851 | 187,158 | 173,912 | 158,427 |
| Total governmental activities | <u>6,358,705</u> | <u>6,406,182</u> | <u>5,041,439</u> | <u>4,640,413</u> | <u>4,769,425</u> | <u>4,834,610</u> | <u>4,571,861</u> | <u>5,320,443</u> | <u>6,419,684</u> | <u>7,699,758</u> |
| Business-type activities: | | | | | | | | | | |
| Water | 1,194,063 | 1,551,128 | 1,748,110 | 1,890,846 | 1,886,697 | 1,716,307 | 1,536,034 | 1,924,632 | 1,961,341 | 2,112,020 |
| Disposal | 1,303,646 | 1,306,541 | 1,647,144 | 1,668,555 | 1,697,655 | 1,810,815 | 1,854,083 | 1,940,311 | 1,924,253 | 1,986,773 |
| Ambulance/Fire | 2,771,018 | 2,774,232 | 1,568,302 | 1,524,414 | 1,649,811 | 1,705,874 | 2,437,389 | 2,296,617 | 4,730,318 | 4,322,083 |
| Building fee | 134,575 | 131,387 | 50,680 | 47,184 | 66,880 | 113,451 | - | - | - | - |
| Total business-type activities | <u>5,403,302</u> | <u>5,763,288</u> | <u>5,014,236</u> | <u>5,130,999</u> | <u>5,301,043</u> | <u>5,346,447</u> | <u>5,827,506</u> | <u>6,161,560</u> | <u>8,615,912</u> | <u>8,420,876</u> |
| Total primary government expenses | <u>\$ 11,762,007</u> | <u>\$ 12,169,470</u> | <u>\$ 10,055,675</u> | <u>\$ 9,771,412</u> | <u>\$ 10,070,468</u> | <u>\$ 10,181,057</u> | <u>\$ 10,399,367</u> | <u>\$ 11,482,003</u> | <u>\$ 15,035,596</u> | <u>\$ 16,120,634</u> |
| PROGRAM REVENUES: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services | \$ 290,801 | \$ 284,192 | \$ 287,035 | \$ 409,626 | \$ 713,585 | \$ 562,899 | \$ 703,733 | \$ 1,742,760 | \$ 1,223,069 | \$ 1,059,138 |
| Operating grants | 769,318 | 1,307,475 | 1,157,695 | 1,061,521 | 1,303,802 | 1,191,204 | 1,104,208 | 1,271,688 | 1,391,409 | 1,473,950 |
| Capital grants | 750,906 | 1,011,768 | 1,134,825 | 792,635 | 284,076 | 1,189,281 | 876,625 | 1,086,239 | 92,955 | 364,811 |
| Total governmental activities | <u>1,811,025</u> | <u>2,603,435</u> | <u>2,579,555</u> | <u>2,263,782</u> | <u>2,301,463</u> | <u>2,943,384</u> | <u>2,684,566</u> | <u>4,100,687</u> | <u>2,707,433</u> | <u>2,897,899</u> |
| Business-type activities: | | | | | | | | | | |
| Charges for services | 5,014,257 | 4,899,415 | 4,090,957 | 4,158,866 | 4,598,066 | 6,663,662 | 4,783,627 | 4,664,727 | 6,589,431 | 6,644,726 |
| Operating grants | 5,000 | - | - | - | 203,192 | 199,462 | 899,983 | 1,391,447 | 1,712,967 | 1,231,609 |
| Capital grants | - | - | - | - | 203,192 | 199,462 | - | - | - | 591,320 |
| Total business-type activities | <u>5,019,257</u> | <u>4,899,415</u> | <u>4,090,957</u> | <u>4,158,866</u> | <u>5,004,450</u> | <u>7,062,586</u> | <u>5,683,610</u> | <u>6,056,174</u> | <u>8,302,398</u> | <u>8,467,655</u> |
| Total primary government program revenues | <u>\$ 6,830,282</u> | <u>\$ 7,502,850</u> | <u>\$ 6,670,512</u> | <u>\$ 6,422,648</u> | <u>\$ 7,305,913</u> | <u>\$ 10,005,970</u> | <u>\$ 8,368,176</u> | <u>\$ 10,156,861</u> | <u>\$ 11,009,831</u> | <u>\$ 11,365,554</u> |

Source: City of Kingsburg Finance Department

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

| | FISCAL YEARS | | | | | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019 |
| Net (expense)/revenue: | | | | | | | | | | |
| Governmental activities | \$ (4,547,680) | \$ (3,802,747) | \$ (2,461,884) | \$ (2,376,631) | \$ (2,467,962) | \$ (1,891,226) | \$ (1,887,295) | \$ (1,219,756) | \$ (3,712,251) | \$ (4,801,859) |
| Business-type activities | (384,045) | (863,873) | (923,279) | (972,133) | (296,593) | 1,716,139 | (143,896) | (105,386) | (313,514) | 46,779 |
| Total primary government (expenses) revenue, net | <u>\$ (4,931,725)</u> | <u>\$ (4,666,620)</u> | <u>\$ (3,385,163)</u> | <u>\$ (3,348,764)</u> | <u>\$ (2,764,555)</u> | <u>\$ (175,087)</u> | <u>\$ (2,031,191)</u> | <u>\$ (1,325,142)</u> | <u>\$ (4,025,765)</u> | <u>\$ (4,755,080)</u> |
| GENERAL REVENUES: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property taxes | \$ 1,496,745 | \$ 1,515,714 | \$ 1,105,258 | \$ 880,544 | \$ 877,251 | \$ 891,467 | \$ 1,128,016 | \$ 1,072,835 | \$ 1,422,746 | \$ 1,472,558 |
| Sales and use taxes | 787,542 | 857,746 | 986,848 | 894,327 | 1,123,783 | 1,195,203 | 953,113 | 1,051,840 | 982,698 | 2,460,290 |
| Franchise taxes | 325,929 | 335,279 | 324,743 | 332,448 | 329,884 | 227,745 | 371,609 | 375,520 | 483,749 | 433,177 |
| Other taxes | - | 159,425 | - | - | - | - | - | - | - | - |
| Special assessments | 235,732 | 740,898 | 269,198 | 265,045 | 284,800 | 227,861 | 243,108 | 249,630 | 243,785 | 239,557 |
| Business licenses and transient occupancy taxes | 170,335 | 304,558 | 319,203 | 343,694 | 409,513 | 421,535 | 471,331 | 515,696 | 539,949 | 538,169 |
| Motor vehicle in-lieu | 856,757 | 881,333 | 839,275 | 829,356 | 852,912 | 890,591 | 959,489 | 1,051,648 | 1,081,176 | 1,105,422 |
| Investment earnings | 459,546 | 436,021 | 384,396 | 372,519 | 294,378 | 281,981 | 190,689 | 205,053 | 227,180 | 211,383 |
| Miscellaneous | 154,555 | - | 143,316 | 172,589 | 123,042 | 160,211 | 133,675 | 90,403 | 63,707 | 267,498 |
| Gain/Loss on sale of capital assets | - | - | - | - | - | 1,113,000 | - | - | - | - |
| Transfers | 145,364 | 67,031 | (688,126) | (826,055) | (794,705) | (1,126,357) | (783,000) | (383,000) | (179,000) | (350,000) |
| Extraordinary item-RDA dissolution | - | - | (224,517) | - | - | - | - | - | - | - |
| Total governmental activities | <u>4,632,505</u> | <u>5,298,005</u> | <u>3,459,594</u> | <u>3,264,467</u> | <u>3,500,858</u> | <u>4,283,237</u> | <u>3,668,030</u> | <u>4,229,625</u> | <u>4,865,990</u> | <u>6,378,054</u> |
| Business-type activities: | | | | | | | | | | |
| Investment earnings | 3,655 | 673 | - | 936 | 1,081 | 1,321 | 3,291 | 6,750 | 24,500 | 79,703 |
| Miscellaneous | - | - | 787 | 826,055 | - | - | - | - | - | - |
| Transfers | (145,364) | (67,031) | 702,034 | - | 794,705 | 1,126,357 | 783,000 | 383,000 | 179,000 | 350,000 |
| Extraordinary item-settlement revenue | - | - | - | - | - | - | - | - | 5,000,000 | - |
| Total business-type activities | <u>(141,709)</u> | <u>(66,358)</u> | <u>702,821</u> | <u>826,991</u> | <u>795,786</u> | <u>1,127,678</u> | <u>786,291</u> | <u>389,750</u> | <u>5,203,500</u> | <u>429,703</u> |
| Changes in net position: | | | | | | | | | | |
| Governmental activities | \$ 84,825 | \$ 1,495,258 | \$ 997,710 | \$ 887,836 | \$ 1,032,896 | \$ 2,392,011 | \$ 1,780,735 | \$ 3,009,869 | \$ 1,153,739 | \$ 1,576,195 |
| Business-type activities | (525,754) | (930,231) | (220,458) | (145,142) | 499,193 | 2,843,817 | 642,395 | 284,364 | 4,889,986 | 476,482 |
| Total primary government general revenues | <u>\$ (440,929)</u> | <u>\$ 565,027</u> | <u>\$ 777,252</u> | <u>\$ 742,694</u> | <u>\$ 1,532,089</u> | <u>\$ 5,235,828</u> | <u>\$ 2,423,130</u> | <u>\$ 3,294,233</u> | <u>\$ 6,043,725</u> | <u>\$ 2,052,677</u> |

Source: City of Kingsburg Finance Department

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

| | FISCAL YEARS | | | | | | | | | |
|---|---------------------|---------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2009-2010 | 2010-2011 ⁽¹⁾ | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019 |
| General Fund: | | | | | | | | | | |
| Unreserved | \$ 583,520 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Nonspendable | - | - | - | - | - | 162,769 | 130,397 | 96,706 | 61,652 | 25,180 |
| Restricted | - | - | - | - | - | - | - | - | - | - |
| Committed | - | - | - | - | - | - | - | - | - | 3,360,441 |
| Assigned | - | - | - | - | - | - | - | - | - | - |
| Unassigned | - | 633,792 | 1,086,800 | 1,232,012 | 1,461,498 | 2,443,302 | 2,629,738 | 3,531,436 | 4,491,553 | 1,968,125 |
| Total General Fund | \$ 583,520 | \$ 633,792 | \$ 1,086,800 | \$ 1,232,012 | \$ 1,461,498 | \$ 2,606,071 | \$ 2,760,135 | \$ 3,628,142 | \$ 4,553,205 | \$ 5,353,746 |
| All Other Governmental Funds: | | | | | | | | | | |
| Reserved | \$ 6,452,053 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved reported in: | | | | | | | | | | |
| Special revenue funds | 1,124,069 | - | - | - | - | - | - | - | - | - |
| Capital project funds | 2,374,357 | - | - | - | - | - | - | - | - | - |
| Nonspendable | - | - | - | - | - | - | 3,957,000 | - | - | - |
| Restricted | - | 11,059,895 | 9,856,824 | 9,783,215 | 9,678,997 | 8,593,486 | 4,621,378 | 8,540,239 | 9,169,130 | 4,314,137 |
| Unassigned | - | (1,256,922) | (1,937,912) | (1,646,087) | (1,108,285) | (809,095) | (1,150,379) | (465,268) | (374,335) | 4,428,564 |
| Total all other governmental funds | \$ 9,950,479 | \$ 9,802,973 | \$ 7,918,912 | \$ 8,137,128 | \$ 8,570,712 | \$ 7,784,391 | \$ 7,427,999 | \$ 8,074,971 | \$ 8,794,795 | \$ 8,742,701 |

Source: City of Kingsburg Finance Department

Notes:

⁽¹⁾ The City of Kingsburg implemented GASB 54 in the fiscal year ended June 30, 2011.

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

| | FISCAL YEARS | | | | | | | | | | |
|--|---------------------|---------------------|--------------------|-----------------------|-------------------|-------------------|-----------------------|-------------------|---------------------|---------------------|-------------------|
| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019 |
| REVENUES | | | | | | | | | | | |
| Taxes | \$ 3,257,050 | \$ 3,016,283 | \$ 3,754,195 | \$ 2,952,582 | \$ 2,626,639 | \$ 2,874,558 | \$ 2,806,079 | \$ 2,978,556 | \$ 3,079,961 | \$ 3,494,437 | \$ 4,955,546 |
| Licenses and permits | 886,144 | 857,066 | 884,223 | 840,982 | 972,680 | 1,004,639 | 1,050,552 | 334,854 | 636,645 | 372,683 | 308,666 |
| Intergovernmental revenue | 1,228,363 | 1,281,343 | 2,153,377 | 1,250,400 | 1,945,310 | 1,988,815 | 2,685,956 | 2,965,168 | 3,298,906 | 2,438,320 | 3,070,976 |
| Charges for services | 290,645 | 241,165 | 246,903 | 254,067 | 261,621 | 331,805 | 358,346 | 326,563 | 384,310 | 451,115 | 391,458 |
| Fines and penalties | 51,040 | 49,327 | 34,399 | 31,262 | 28,912 | 24,930 | 14,854 | 18,693 | 12,677 | 15,464 | 20,424 |
| Development fees | 337,870 | 238,881 | 165,866 | 134,788 | 132,633 | 393,690 | 206,034 | 229,372 | 1,005,356 | 689,517 | 541,125 |
| Interest | 541,216 | 459,546 | 436,021 | 384,398 | 372,522 | 294,376 | 281,982 | 190,689 | 205,053 | 227,180 | 211,383 |
| Other revenue | 127,286 | 154,555 | 159,425 | 145,219 | 174,619 | 123,834 | 170,895 | 133,675 | 90,403 | 63,707 | 267,498 |
| Total revenues | 6,719,614 | 6,298,166 | 7,834,409 | 5,993,698 | 6,514,936 | 7,036,647 | 7,574,698 | 7,177,570 | 8,713,311 | 7,752,423 | 9,767,076 |
| EXPENDITURES | | | | | | | | | | | |
| Current: | | | | | | | | | | | |
| General Government | 1,109,904 | 919,421 | 876,907 | 547,042 | 647,725 | 754,204 | 630,146 | 726,070 | 972,276 | 893,467 | 923,719 |
| Parks and community services | 395,848 | 343,924 | 353,173 | 339,590 | 314,095 | 339,903 | 374,605 | 351,214 | 380,758 | 448,594 | 490,816 |
| Public Safety | 2,231,947 | 2,282,362 | 2,347,346 | 1,531,296 | 1,724,612 | 1,830,589 | 1,805,649 | 1,919,580 | 2,055,197 | 2,305,276 | 2,718,914 |
| Public Works | 1,187,619 | 910,635 | 900,665 | 904,472 | 429,704 | 453,140 | 461,645 | 438,132 | 397,214 | 408,377 | 708,016 |
| Tax pass-through | 98,925 | 309,854 | 223,174 | 153,500 | - | - | - | - | - | - | - |
| Highway and streets | - | - | - | - | 438,270 | 433,283 | 372,677 | 574,122 | 613,152 | 542,592 | 561,280 |
| Planning and community development | 1,242,569 | 505,680 | 626,137 | 191,037 | 166,744 | 104,194 | 189,215 | 315,118 | 311,654 | 355,537 | 395,608 |
| Capital outlay | 281,494 | 451,133 | 1,708,283 | 1,552,710 | 840,407 | 1,069,364 | 1,633,605 | 1,297,259 | 2,080,185 | 493,628 | 2,404,518 |
| Debt service: | | | | | | | | | | | |
| Principal | 292,595 | 370,082 | 327,641 | 715,272 | 265,000 | 265,000 | 5,190,000 | 317,349 | 292,914 | 314,516 | 314,697 |
| Interest and fiscal charges | 685,632 | 658,687 | 635,348 | 543,079 | 498,896 | 441,557 | 478,100 | 163,665 | 179,620 | 166,549 | 151,061 |
| Bond issuance costs | - | - | - | - | - | - | 268,580 | - | - | - | - |
| Total expenditures | 7,526,533 | 6,751,778 | 7,998,674 | 6,477,998 | 5,325,453 | 5,691,234 | 11,404,222 | 6,102,509 | 7,282,970 | 5,928,536 | 8,668,629 |
| Excess of revenues Over (under) Expenditures | (806,919) | (453,612) | (164,265) | (484,300) | 1,189,483 | 1,345,413 | (3,829,524) | 1,075,061 | 1,430,341 | 1,823,887 | 1,098,447 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | | |
| Transfers in | 1,700,890 | 1,606,277 | 1,359,147 | 1,325,075 | 425,271 | 337,833 | 230,168 | 499,805 | 294,677 | 585,473 | 153,715 |
| Transfers out | (1,380,118) | (1,460,913) | (1,292,116) | (2,013,201) | (1,251,326) | (1,132,538) | (1,356,525) | (1,282,805) | (677,677) | (764,473) | (503,715) |
| Capital lease | - | - | - | - | - | - | - | 80,000 | - | - | - |
| Total other financing sources (uses) | 320,772 | 145,364 | 67,031 | (688,126) | (826,055) | (794,705) | (1,126,357) | (703,000) | (383,000) | (179,000) | (350,000) |
| EXTRAORDINARY ITEM | | | | | | | | | | | |
| RDA dissolution | - | - | - | (738,672) | - | - | - | - | - | - | - |
| Net changes in fund balances | \$ (486,147) | \$ (308,248) | \$ (97,234) | \$ (1,911,098) | \$ 363,428 | \$ 550,708 | \$ (4,955,881) | \$ 372,061 | \$ 1,047,341 | \$ 1,644,887 | \$ 748,447 |
| Debt service as a percentage of noncapital expenditures | 13.50% | 16.33% | 15.31% | 25.55% | 17.03% | 15.29% | 60.76% | 10.01% | 9.08% | 8.85% | 7.44% |

Source: City of Kingsburg Finance Department

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

| Fiscal Year | Real Property | | Personal Property | | Exemption Real Property | Net | |
|-------------|----------------|------------------------|-------------------|------------------------|-------------------------|----------------|------------------------|
| | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | | Assessed Value | Estimated Actual Value |
| 2010 | 649,058,313 | 649,058,313 | 31,718,450 | 31,718,450 | 13,524,000 | 667,252,763 | 680,776,763 |
| 2011 | 650,856,115 | 650,856,115 | 33,850,530 | 33,850,530 | 13,385,800 | 671,320,845 | 684,706,645 |
| 2012 | 657,011,437 | 657,011,437 | 31,508,270 | 31,508,270 | 13,192,500 | 675,327,207 | 688,519,707 |
| 2013 | 645,899,699 | 645,899,699 | 34,245,120 | 34,245,120 | 12,790,300 | 667,354,519 | 680,144,819 |
| 2014 | 671,443,117 | 671,443,117 | 28,981,580 | 28,981,580 | 12,806,700 | 687,617,997 | 700,424,697 |
| 2015 | 701,662,334 | 701,662,334 | 29,990,240 | 29,990,240 | 12,499,900 | 719,152,674 | 731,652,574 |
| 2016 | 877,189,470 | 877,189,470 | 50,748,640 | 50,748,640 | 12,285,700 | 915,652,410 | 927,938,110 |
| 2017 | 947,962,408 | 947,962,408 | 68,868,920 | 68,868,920 | 11,904,300 | 1,004,927,028 | 1,016,831,328 |
| 2018 | 981,408,294 | 981,408,294 | 65,683,876 | 65,683,876 | 11,530,500 | 1,035,561,670 | 1,047,092,170 |
| 2019 | 1,019,962,455 | 1,019,962,455 | 51,286,384 | 51,286,384 | 11,203,500 | 1,060,045,339 | 1,071,248,839 |

Source: Fresno County Auditor/Controller

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

| Fiscal Year | Residential | Commercial | Industrial | | Unsecured | Less Tax- | Taxable | Total | Estimated Actual | Factor of |
|--------------------|--------------------|-------------------|-------------------|-----------------------|------------------|------------------------|-----------------------|----------------------------|-------------------------------------|-----------------------------|
| End | Property | Property | Property | Other Property | Property | Exempt Property | Assessed Value | Direct Tax | Taxable Value ⁽²⁾ | Taxable |
| | | | | | | | | Rate ⁽¹⁾ | | Assessed |
| | | | | | | | | | | Value ⁽²⁾ |
| 2016-17 | 648,069,132 | 121,712,507 | 155,223,530 | 34,710,051 | 68,825,940 | 23,725,212 | 1,004,815,948 | 1.102830 | 1,142,033,614 | 1.13656 |
| 2017-18 | 680,632,513 | 126,149,224 | 147,261,420 | 35,594,962 | 65,643,166 | 22,437,155 | 1,032,844,130 | 1.155064 | 1,141,242,154 | 1.10495 |
| 2018-19 | 725,665,588 | 126,738,869 | 146,395,878 | 43,805,088 | 51,769,384 | 34,329,468 | 1,060,045,339 | 1.145616 | 1,321,236,906 | 1.24640 |

Source: Avenu Insights & Analytics

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

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

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

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

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

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

| Fiscal Year | Property | Sales | Franchise | Motor Vehicle | Other Taxes | Total |
|--------------------|-----------------|--------------|------------------|----------------------|--------------------|--------------|
| 2009-2010 | 1,496,745 | 787,542 | 325,929 | 856,757 | 406,067 | 3,873,040 |
| 2010-2011 | 1,515,714 | 857,746 | 335,279 | 881,333 | 1,045,456 | 4,635,528 |
| 2011-2012 | 1,105,258 | 986,848 | 324,743 | 839,275 | 588,401 | 3,844,525 |
| 2012-2013 | 880,544 | 894,327 | 332,448 | 829,356 | 608,739 | 3,545,414 |
| 2013-2014 | 877,251 | 1,123,783 | 329,884 | 852,912 | 694,313 | 3,878,143 |
| 2014-2015 | 891,467 | 1,195,203 | 227,745 | 890,591 | 649,396 | 3,854,402 |
| 2015-2016 | 1,128,016 | 953,113 | 371,609 | 959,489 | 714,439 | 4,126,666 |
| 2016-2017 | 1,072,835 | 1,051,840 | 375,520 | 1,051,648 | 765,326 | 4,317,169 |
| 2017-2018 | 1,422,746 | 982,698 | 483,749 | 1,081,176 | 783,734 | 4,754,103 |
| 2018-2019 | 1,472,558 | 2,460,290 | 433,177 | 1,105,422 | 777,726 | 6,249,173 |

Source: City of Kingsburg Finance Department

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

| | <u>2016-2017</u> | <u>2017-2018</u> | <u>2018-2019</u> |
|----------------------------|------------------|------------------|------------------|
| Basic City and County Levy | | | |
| FRESNO CO LIBRARY | 0.017500 | 0.017500 | 0.017500 |
| KINGSBURG CEMETARY | 0.013880 | 0.013880 | 0.013880 |
| KINGSBURG HOSPITAL | 0.043010 | 0.043010 | 0.043010 |
| CONSOLIDATED MOSQ | 0.008160 | 0.008160 | 0.008160 |
| KINGSBURG ELEM | 0.168810 | 0.168810 | 0.168810 |
| KINGSBURG HIGH | 0.166870 | 0.166870 | 0.166870 |
| STATE CENTER COMM | 0.051700 | 0.051700 | 0.051700 |
| SCH EQUALIZATION | 0.029850 | 0.029850 | 0.029850 |
| CITY OF KINGSBURG | 0.167150 | 0.167150 | 0.167150 |
| FRESNO COUNTY | <u>0.333070</u> | <u>0.333070</u> | <u>0.333070</u> |
| TOTAL | 1.000000 | 1.000000 | 1.000000 |
| Override Assessments | | | |
| STATE CC 2012 REF | 0.002562 | 0.002580 | 0.002284 |
| KINGSBURG JUES 16 REF | 0.016346 | 0.002584 | 0.006122 |
| KINGSBURG 2004 BD | 0.010330 | 0.001456 | 0.000000 |
| KINGSBURG 2006 REF | 0.005576 | 0.017282 | 0.019682 |
| KNGSBG HS 06 S08 | 0.001722 | 0.000000 | 0.000000 |
| KINGSBURG HI 16 REF | 0.027752 | 0.028416 | 0.028298 |
| KINGSBURG HI 98 | 0.027536 | 0.029258 | 0.027426 |
| KINGSBURG 2006 | 0.000000 | 0.000000 | 0.000000 |
| KINGSBURG 2013 REF | 0.000000 | 0.000000 | 0.000000 |
| KINGSBURG HI 14A | 0.005088 | 0.007664 | 0.007552 |
| KINGSBURG HI 14B | 0.000000 | 0.017210 | 0.014906 |
| KINGS JUES 2016 A | 0.000000 | 0.025260 | 0.018664 |
| ST COL 2002 2007A | 0.001724 | 0.000000 | 0.000000 |
| ST COLL 02 S 09A | 0.000482 | 0.000452 | 0.000452 |
| ST COLL 02 S 09B | 0.000540 | 0.000514 | 0.000504 |
| STATE CCC 15 REF | 0.003172 | 0.004056 | 0.004286 |
| ST COLL 2016 GO A | <u>0.000000</u> | <u>0.018332</u> | <u>0.015440</u> |
| TOTAL | <u>0.102830</u> | <u>0.155064</u> | <u>0.145616</u> |
| TOTAL TAX RATE | <u>1.102830</u> | <u>1.155064</u> | <u>1.145616</u> |

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

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

TRA 6-000 is represented for this report

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

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

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

| Taxpayer | 2018-19 | | 2009-10 | |
|--------------------------------|-------------------------|----------------|-----------------------|----------------|
| | Percent of | | Percent of | |
| | Taxable Value | Total City | Taxable Value | Total City |
| | (\$) | (%) | (\$) | (%) |
| Guardian Industries Corp | \$ 73,574,875 | 6.94% | \$ - | 0.00% |
| Sun Maid Raisin Growers Of Cal | 67,976,272 | 6.41% | - | 0.00% |
| Pca Central California Corruqa | 16,744,300 | 1.58% | - | 0.00% |
| Alves George J Louise N L Trus | 10,859,716 | 1.02% | - | 0.00% |
| Kingsburg Kings Pointe Llc | 10,560,400 | 1.00% | - | 0.00% |
| Jbbbs Llc | 9,288,173 | 0.88% | - | 0.00% |
| Kes Kingsburg L P | 8,630,300 | 0.81% | - | 0.00% |
| Superb Hospitality Llc | 7,471,519 | 0.70% | - | 0.00% |
| Central Ca Sheets Llc | 6,568,300 | 0.62% | - | 0.00% |
| Calico Kingsburg Llc | 5,618,160 | 0.53% | - | 0.00% |
| Plt Kingsburg Llc | 5,156,700 | 0.49% | 5,453,776 | 0.82% |
| Vie Del Company | 5,028,270 | 0.47% | - | 0.00% |
| Rmp Properties Llc | 3,826,862 | 0.36% | 3,381,300 | 0.51% |
| Kingsburg Investments Llc | 3,654,217 | 0.34% | 3,228,810 | 0.48% |
| Foster Poultry Farms | 3,430,988 | 0.32% | 1,527,380 | 0.23% |
| Shahbazian John Linda Trustees | 3,312,610 | 0.31% | 2,405,765 | 0.36% |
| Gong Billy Kwock Trustee | 3,246,115 | 0.31% | 2,192,165 | 0.33% |
| Public Properties Inc. | 3,088,688 | 0.29% | - | 0.00% |
| Wiebe Abe Ann Trustees | 2,791,634 | 0.26% | 2,059,685 | 0.31% |
| Kat Prop Llc | 2,758,278 | 0.26% | - | 0.00% |
| Alamsi Ahmed | 2,525,000 | 0.24% | - | 0.00% |
| Kingsburg Court Llc | 2,495,813 | 0.24% | - | 0.00% |
| Park Kingsburg | 2,449,800 | 0.23% | 2,785,000 | 0.42% |
| Canzoneri Richard M Norma G Tr | 2,438,351 | 0.23% | 2,152,451 | 0.32% |
| Oreilly Auto Enterprise Llc | 2,173,500 | 0.21% | - | 0.00% |
| Del Monte Corp | - | 0.00% | 29,919,888 | 4.49% |
| Silgan Containers Mfg. Corp | - | 0.00% | 13,768,200 | 2.06% |
| Kings View Lp | - | 0.00% | 6,045,821 | 0.91% |
| Satterberg Estates Llc | - | 0.00% | 5,974,065 | 0.90% |
| Emster Xii Llc | - | 0.00% | 5,500,000 | 0.82% |
| Filper Corp | - | 0.00% | 3,926,200 | 0.59% |
| Kingsburg Housing II LLC | - | 0.00% | 2,718,842 | 0.41% |
| Longs Drug Stores California I | - | 0.00% | 2,624,600 | 0.39% |
| Vbw Investments | - | 0.00% | 2,424,345 | 0.36% |
| Gianulias Vasio | - | 0.00% | 2,279,206 | 0.34% |
| D R Horton Inc | - | 0.00% | 2,226,818 | 0.33% |
| Han Sang Kyu & Seong Soon | - | 0.00% | 1,983,900 | 0.30% |
| Henderson Ez Storage L P | - | 0.00% | 1,972,796 | 0.30% |
| Schuil Richard E & Necia L | - | 0.00% | 1,761,134 | 0.26% |
| Patel Kantilal & Indiraben | - | 0.00% | 1,647,579 | 0.25% |
| Serpa Matilda D Trustee | - | 0.00% | 1,518,930 | 0.23% |
| Total Top 25 Taxpayers | 265,668,841 | 25.05% | 111,478,656 | 16.72% |
| Total Taxable Value | <u>\$ 1,060,045,249</u> | <u>100.00%</u> | <u>\$ 666,918,861</u> | <u>100.00%</u> |

Source: Avenu Insights & Analytics

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

| Fiscal Year | Current Tax Levies | Current Tax Collections | Percent of Current Taxes Collected | Delinquent Tax Collections | Total Tax Collections |
|--------------------|---------------------------|--------------------------------|---|-----------------------------------|------------------------------|
| 2009-2010 | 1,727,274 | 1,727,274 | 1 | - | 1,727,274 |
| 2010-2011 | 1,752,265 | 1,752,265 | 1 | - | 1,752,265 |
| 2011-2012 | 1,772,100 | 1,772,100 | 1 | - | 1,772,100 |
| 2012-2013 | 1,805,714 | 1,805,714 | 1 | - | 1,805,714 |
| 2013-2014 | 1,847,084 | 1,847,084 | 1 | - | 1,847,084 |
| 2014-2015 | 2,105,664 | 2,105,664 | 1 | - | 2,105,664 |
| 2015-2016 | 1,916,057 | 1,916,057 | 1 | - | 1,916,057 |
| 2016-2017 | 2,198,316 | 2,198,316 | 1 | - | 2,198,316 |
| 2017-2018 | 2,270,184 | 2,270,184 | 1 | - | 2,270,184 |
| 2018-2019 | 2,342,997 | 2,342,997 | 1 | - | 2,342,997 |

Source: Fresno County Auditor/Controller

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

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

| Fiscal Year | Governmental Activities | | | | Business Type Activities | | Total Primary Government | Percentage of Estimate Actual Value of Taxable Property ⁽¹⁾ |
|-------------|-------------------------|------------------------|----------------|---------------------|---------------------------|------------------|--------------------------|--|
| | Tax Allocation Bonds | CIEDB Police Bldg Loan | Capital Leases | Lease Revenue Bonds | Water Meter Capital Lease | CIEDB Water Loan | | |
| 2010 | 3,510,000 | 706,426 | - | 3,065,000 | - | 2,463,085 | 9,744,511 | 1.46% |
| 2011 | 3,345,000 | 613,785 | - | 2,968,393 | - | 2,670,144 | 9,597,322 | 1.43% |
| 2012 | 2,800,000 | - | - | 2,894,777 | - | 2,592,390 | 8,287,167 | 1.23% |
| 2013 | 2,610,000 | - | - | 2,821,161 | - | 2,512,316 | 7,943,477 | 1.19% |
| 2014 | 2,425,000 | - | - | 2,742,545 | 1,093,774 | 2,429,858 | 8,691,177 | 1.26% |
| 2015 | 1,439,100 | - | - | 2,679,930 | 987,674 | 2,344,942 | 7,451,646 | 1.04% |
| 2016 | 1,262,900 | - | 68,853 | 2,570,000 | 878,011 | 2,257,496 | 7,037,260 | 0.77% |
| 2017 | 1,095,300 | - | 53,539 | 2,441,950 | 764,664 | 2,167,443 | 6,522,896 | 0.65% |
| 2018 | 911,600 | - | 37,693 | 2,327,960 | 647,510 | 2,074,708 | 5,999,471 | 0.58% |
| 2019 | 733,300 | - | 20,697 | 2,208,970 | 526,420 | 1,979,208 | 5,468,595 | 0.52% |

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

Source: City of Kingsburg Financial Report

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

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

| Fiscal Year | General Debt Outstanding | | | Total Assessed Property Value | Population | Percent of Actual Taxable Value of Property | Per Capita |
|-------------|-------------------------------|---|-----------|-------------------------------|------------|---|------------|
| | General Fund Debt Outstanding | Less Amounts Available in Debt Service Fund | Total | | | | |
| 2010 | 7,281,426 | 327,640 | 6,953,786 | 667,252,763 | 11,509 | 1.04% | 604 |
| 2011 | 6,927,178 | 350,272 | 6,576,906 | 671,320,845 | 11,536 | 0.98% | 570 |
| 2012 | 5,694,777 | 235,000 | 5,459,777 | 675,327,207 | 11,590 | 0.81% | 471 |
| 2013 | 5,431,161 | 270,000 | 5,161,161 | 667,354,519 | 11,685 | 0.77% | 442 |
| 2014 | 5,167,545 | 270,000 | 4,897,545 | 687,617,997 | 11,711 | 0.71% | 418 |
| 2015 | 4,119,030 | 306,200 | 3,812,830 | 719,152,674 | 12,101 | 0.53% | 315 |
| 2016 | 3,901,753 | 277,600 | 3,624,153 | 915,652,410 | 12,101 | 0.40% | 299 |
| 2017 | 3,590,789 | 144,006 | 3,446,783 | 1,004,927,028 | 12,338 | 0.34% | 279 |
| 2018 | 3,277,253 | 174,572 | 3,177,461 | 1,035,561,670 | 12,253 | 0.31% | 259 |
| 2019 | 2,962,967 | 192,881 | 2,770,086 | 1,060,045,339 | 12,392 | 0.26% | 224 |

Source: City of Kingsburg Finance Department

**CITY OF KINGSBURG
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2019**

2018-2019 Assessed Valuation: \$1,071,248,839

| | Total Debt 6/30/2019 | % Applicable | City's Share of Debt 6/30/2019 |
|--|-------------------------|-----------------|--------------------------------------|
| OVERLAPPING TAX AND ASSESSMENT DEBT: | | | |
| State Center Community College District | \$ 174,485,000 | 1.253% | \$ 2,186,297 |
| Selma Unified School District | 31,358,904 | 5.325% | 1,669,862 |
| Kingsburg Joint Union High School District | 20,148,386 | 48.712% | 9,814,682 |
| Kingsburg Elementary Charter School District | 18,641,176 | 63.728% | 11,879,649 |
| City of Kingsburg 1915 Act Bonds | 426,000 | 100.000% | <u>426,000</u> |
| TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT | | | \$ 25,976,490 ⁽¹⁾ |
| DIRECT AND OVERLAPPING GENERAL FUND DEBT: | | | |
| Fresno County General Fund Obligations | \$ 37,145,000 | 1.364% | \$ 506,658 |
| Fresno County Pension Obligation Bonds | 255,277,749 | 1.364% | 3,481,988 |
| Selma Unified School District Certificates of Participation | 12,678,497 | 5.325% | 675,130 |
| Kingsburg Elementary Charter School District Certificates of Participation | 4,497,000 | 63.728% | 2,865,848 |
| City of Kingsburg General Fund Obligations | 2,225,000 | 100.000% | <u>2,225,000</u> |
| TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT | | | \$ 9,754,624 |
| OVERLAPPING TAX INCREMENT DEBT (Successor Agency): | \$ 150,000 | 100.000% | \$ 150,000 |
| TOTAL DIRECT DEBT | | | \$ 2,962,967 |
| TOTAL OVERLAPPING DEBT | | | \$ 32,918,147 |
| COMBINED TOTAL DEBT | | | \$ 35,881,114 ⁽²⁾ |

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

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

Ratios to 2017-18 Assessed Valuation:

| | |
|---|-------|
| Total Overlapping Tax and Assessment Debt | 2.42% |
| Total Direct Debt (\$2,570,000) | 0.21% |
| Combined Total Debt | 3.35% |

Ratios to Redevelopment Successor Agency Incremental Valuation (\$115,258,692):

| | |
|--------------------------------------|-------|
| Total Overlapping Tax Increment Debt | 0.13% |
|--------------------------------------|-------|

AB:(\$500)

Source: Avenu Insights & Analytics

**CITY OF KINGSBURG
LEGAL DEBT MARGIN INFORMATION
AS OF JUNE 30, 2019**

| | |
|---|------------------------------|
| ASSESSED VALUATION | |
| Assessed Value | \$ 1,060,045,339 |
| Add back exempt property | <u>11,203,500</u> |
| Total Assessed Value | <u>1,071,248,839</u> |
| | |
| LEGAL BONDED DEBT LIMIT | |
| (15% OF ASSESSED VALUE) | 160,687,326 |
| | |
| AMOUNT OF DEBT SUBJECT TO LIMIT: | |
| Total Bonded debt | 2,942,270 |
| Less Tax Allocation Bonds not subject to limit | <u>-</u> |
| Amount Subject to limit | <u>2,942,270</u> |
| | |
| LEGAL BONDED DEBT MARGIN | <u>\$ 157,745,056</u> |

| Fiscal Year | Debt Limit | Total Net Debt Applicable to Limit | Legal Debt Margin | Total net debt applicable to the limit as a percentage of debt limit |
|--------------------|-------------------|---|------------------------------|---|
| 2010 | 102,116,514 | 3,065,000 | 99,051,514 | 3.09% |
| 2011 | 102,705,997 | 2,995,000 | 99,710,997 | 3.00% |
| 2012 | 103,277,956 | 2,920,000 | 100,357,956 | 2.91% |
| 2013 | 102,021,723 | 2,845,000 | 99,176,723 | 2.87% |
| 2014 | 105,063,705 | 2,845,000 | 102,218,705 | 2.78% |
| 2015 | 109,747,886 | 2,765,000 | 106,982,886 | 2.58% |
| 2016 | 139,190,717 | 2,570,000 | 136,620,717 | 1.88% |
| 2017 | 152,524,699 | 3,537,250 | 148,987,449 | 2.37% |
| 2018 | 157,063,826 | 3,239,560 | 153,824,266 | 2.11% |
| 2019 | 160,687,326 | 2,942,270 | 157,745,056 | 1.87% |

Source: Fresno County Auditor/Controller

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

| Fiscal Year | Population (1) | Personal Income (2) | Per Capita Personal Income (2) | Median Age (4) | **Public School Enrollment | County Unemployment Rate (%) (3) | City Unemployment Rate (%) (3) | County Population (1) |
|--------------------|---------------------------|--------------------------------|---|---------------------------|---|---|---|--------------------------------------|
| 2015-2016 | 12,101 | 318,852,032 | 26,349 | 34.7 | 3,438 | 10.2% | 10.4% | 984,541 |
| 2016-2017 | 12,338 | 333,693,548 | 27,046 | 34.7 | 3,391 | 9.4% | 9.6% | 995,975 |
| 2017-2018* | 12,253 | 352,478,498 | 28,767 | 34.2 | 3,390 | 8.7% | 7.3% | 1,007,229 |
| 2018-2019 | 12,392 | 376,006,738 | 30,343 | 34.1 | 3,396 | 6.4% | 5.8% | 1,018,241 |

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

* Most current Population numbers from State of California, Dept. of Finance revised population estimate down for 2017-18.

That adjustment is reflected in this report.

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

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

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

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

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

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

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

| Business Name | 2018-2019 | |
|---|----------------------------|--|
| | Number of Employees | Percent of Total Employment (%) |
| Kingsburg Elementary Charter School Dist. * | 367 | 6.44% |
| Guardian Industries Corp | 266 | 4.67% |
| Cornerstone Cold Storage*** | 200 | 3.51% |
| Kingsburg Joint Union High School District | 104 | 1.82% |
| Kingsburg Care Ctr ** | 90 | 1.58% |
| Save Mart | 72 | 1.26% |
| Jensen Mcclarty LLC | 68 | 1.19% |
| Mc Donald's | 62 | 1.09% |
| City of Kingsburg | 54 | 0.95% |
| Kings River Union School Dist | 50 | 0.88% |
| Total Top 10 Employers | 1,333 | 23.39% |
| Total City Labor Force ⁽¹⁾ | 5,700 | |

Source: Avenu Insights & Analytics

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

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

*Includes FT, Substitutes & Coaches

** Includes FTE & On-call

*** Includes seasonal employees

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

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

| Function/Programs | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Governmental Activities | | | | | | | | | | |
| City Council | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| City Manager | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.44 | 1.42 | 1.50 |
| City Clerk | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Finance | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 0.95 | 1.00 |
| Community Services | 4.10 | 4.10 | 3.85 | 3.85 | 3.85 | 3.85 | 3.85 | 7.27 | 8.41 | 6.00 |
| Human Resource | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Police Department | 22.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.07 | 20.36 | 21.50 |
| Planning & Development | 1.25 | 1.50 | 0.25 | 0.25 | 0.55 | 0.55 | 1.35 | 2.00 | 2.00 | 2.00 |
| Public Works | 4.38 | 3.03 | 3.03 | 3.03 | 3.03 | 3.03 | 3.03 | 3.00 | 5.34 | 7.00 |
| Total Governmental Activities | 40.73 | 35.63 | 34.13 | 34.13 | 34.43 | 34.43 | 35.23 | 39.78 | 45.48 | 46.00 |
| Business-Type-Activities | | | | | | | | | | |
| Water | 5.93 | 5.83 | 5.83 | 5.83 | 5.83 | 5.83 | 5.83 | 4.00 | 4.08 | 4.00 |
| Solid Waste | 2.15 | 2.05 | 2.05 | 2.05 | 2.05 | 2.05 | 2.05 | 2.00 | 2.13 | - |
| Ambulance/Fire | 11.10 | 9.50 | 9.50 | 9.20 | 9.50 | 12.50 | 12.50 | 11.70 | 11.27 | 14.50 |
| Building Permit | 0.90 | 0.65 | 0.65 | 0.65 | 0.65 | 1.35 | - | - | - | - |
| Total Business Type Activities | 20.08 | 18.03 | 18.03 | 17.73 | 18.03 | 21.73 | 20.38 | 17.70 | 17.48 | 18.50 |
| Full Time Employees | 60.81 | 53.66 | 52.16 | 51.86 | 52.46 | 56.16 | 55.61 | 57.48 | 62.96 | 64.50 |

Source: City of Kingsburg Finance Department

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

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---------------------------------------|----------|----------|----------|----------|----------|--------|--------|--------|--------|--------|
| Police | | | | | | | | | | |
| # of calls for service | 18,702 | 17,246 | 15,644 | 17,424 | 19,109 | 12,736 | 8,125 | 9,840 | 9,635 | 9,003 |
| # of arrests | 512 | 458 | 427 | 361 | 370 | 369 | 276 | 383 | 388 | 309 |
| # of traffic citations | 1,029 | 881 | 532 | 502 | 655 | 293 | 302 | 657 | 815 | 715 |
| Fire | | | | | | | | | | |
| # of fire calls | 408 | 399 | 317 | 380 | 509 | 598 | 441 | 622 | 495 | 560 |
| # of EMS calls | 1,440 | 1,522 | 1,613 | 1,450 | 1,594 | 1,651 | 1,285 | 1,768 | 1,657 | 1,894 |
| # of inspections | 6 | 6 | 6 | 14 | 10 | 8 | 6 | 10 | 6 | 24 |
| Parks and Recreation | | | | | | | | | | |
| # of recreation classes | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 6 | 6 |
| # of facility rentals | 351 | 308 | 276 | 278 | 304 | 341 | 303 | 251 | 292 | 309 |
| Public Works | | | | | | | | | | |
| # of street miles maintained | 47.50 | 47.50 | 47.50 | 47.50 | 47.50 | 47.50 | 47.50 | 50.00 | 72.00 | 72.00 |
| # of Facilities sq ft maintained | 67,078 | 67,078 | 67,078 | 67,078 | 67,078 | 67,078 | 67,078 | 67,078 | 67,078 | 67,078 |
| Utilities: | | | | | | | | | | |
| # of utility accounts | 3,523 | 3,548 | 3,446 | 3,589 | 3,602 | 3,607 | 3,614 | 3,666 | 3,701 | 3,732 |
| Water Production volume (in millions) | 1,136.20 | 1,245.30 | 1,240.30 | 1,343.70 | 1,129.00 | 837.50 | 805.24 | 980.18 | 878.10 | |
| Planning and Building | | | | | | | | | | |
| # of building permits | 259 | 270 | 255 | 241 | 233 | 388 | 310 | 416 | 379 | 426 |
| # of planning applications | 32 | 34 | 20 | 32 | 34 | 27 | 14 | 40 | 25 | 32 |
| # of code complaints | - | - | - | - | - | 30 | 50 | 14 | 61 | 321 |

Source: City of Kingsburg Finance Department

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

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Public Safety: | | | | | | | | | | |
| Police Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Fire Stations | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Public Utilities: | | | | | | | | | | |
| Streets (miles) | 47.50 | 47.50 | 47.50 | 47.50 | 47.50 | 47.50 | 47.50 | 50.00 | 72.00 | 72.00 |
| Community Services: | | | | | | | | | | |
| Parks | 8 | 8 | 8 | 8 | 8 | 9 | 9 | 9 | 9 | 9 |
| Utilities: | | | | | | | | | | |
| Water Wells | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |

Source: City of Kingsburg Finance Department

| GENERAL FUND | 2015 | 2016 | 2017 | 2018 | 2019 |
|---------------------------------------|------------------|------------------|------------------|------------------|------------------|
| BEGINNING OF YEAR FUND BALANCE | 1,461,498 | 2,606,071 | 2,760,135 | 3,628,142 | 4,553,205 |
| REVENUES: | 5,698,128 | 5,028,261 | 5,580,361 | 5,817,503 | 6,084,383 |
| EXPENDITURES: | 4,553,555 | 4,874,197 | 4,712,354 | 4,892,440 | 5,283,842 |
| Prior period adjustments | - | - | - | - | - |
| FUND BALANCE END OF YEAR | 2,606,071 | 2,760,135 | 3,628,142 | 4,553,205 | 5,353,746 |

| WATER FUND | 2015 | 2016 | 2017 | 2018 | 2019 |
|---------------------------------------|------------------|------------------|------------------|-------------------|-------------------|
| BEGINNING OF YEAR FUND BALANCE | 3,527,990 | 4,714,717 | 5,094,997 | 5,103,642 | 10,172,474 |
| Operating Revenue | 3,507,034 | 2,081,797 | 2,092,899 | 2,197,961 | 2,347,938 |
| Operating Expense | 1,716,307 | 1,701,517 | 2,084,254 | 2,129,129 | 2,233,294 |
| Settlement revenue | | | | 5,000,000 | |
| Prior period adjustment | - | - | - | - | - |
| Changes in accounting principles | (604,000) | - | - | - | - |
| FUND BALANCE END OF YEAR | 4,714,717 | 5,094,997 | 5,103,642 | 10,172,474 | 10,287,118 |

| DISPOSAL FUND | 2015 | 2016 | 2017 | 2018 | 2019 |
|---------------------------------------|------------------|------------------|------------------|------------------|------------------|
| BEGINNING OF YEAR FUND BALANCE | (59,954) | (261,453) | (257,533) | (317,923) | (332,496) |
| Operating Revenue | 1,786,744 | 1,858,003 | 1,879,921 | 1,909,680 | 1,858,470 |
| Operating Expense | 1,810,815 | 1,854,083 | 1,940,311 | 1,924,253 | 1,986,773 |
| Changes in accounting principles | (177,428) | - | - | - | - |
| FUND BALANCE END OF YEAR | (261,453) | (257,533) | (317,923) | (332,496) | (460,799) |

| AMBULANCE FUND | 2015 | 2016 | 2017 | 2018 | 2019 |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|------------------|
| BEGINNING OF YEAR FUND BALANCE | (1,215,185) | (1,890,935) | (1,632,740) | (1,296,631) | (1,460,904) |
| Operating Revenue | 2,114,846 | 2,695,584 | 2,632,726 | 4,566,043 | 4,812,224 |
| Operating Expense | 1,705,874 | 2,437,389 | 2,296,617 | 4,730,316 | 4,322,083 |
| Changes in accounting principles | (1,084,722) | | - | - | - |
| FUND BALANCE END OF YEAR | (1,890,935) | (1,632,740) | (1,296,631) | (1,460,904) | (970,763) |



CITY OF KINGSBURG

POLICE DEPARTMENT

1300 California Street, Kingsburg, CA 93631 (559) 897-4418

Neil Dadian
Chief of Police

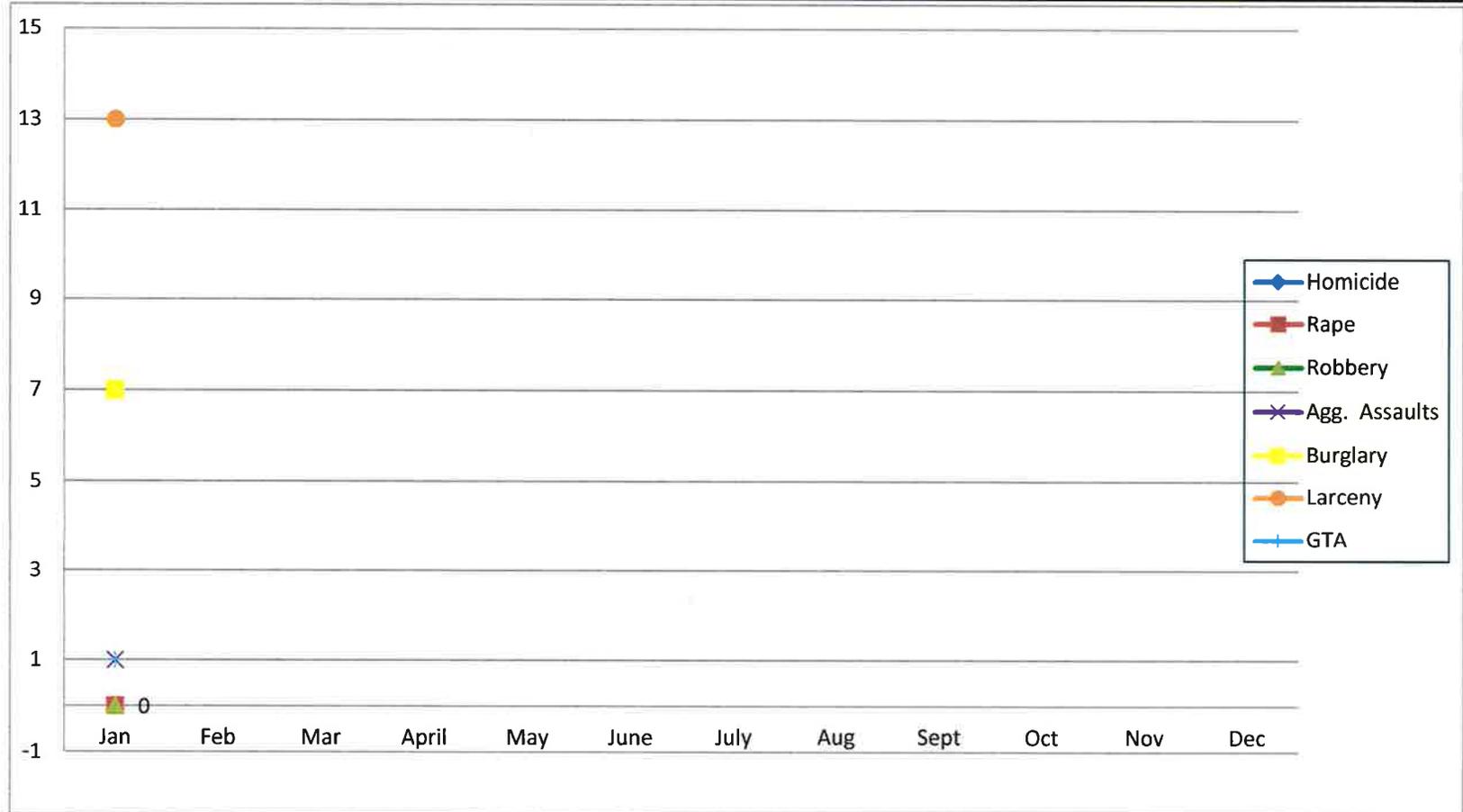
To: Mayor & City Council
From: Corina Padilla
Date: February 12, 2020
Subject: January Crime Statistics & Prevention Update

- Part I Crimes decreased by three.
- Other Offenses decreased by 10.
- Traffic collisions increased by three.
- The number of arrests decreased by two.
- Traffic citations decreased by 27.

We continue to use Facebook, Kingsburg PD mobile application, Twitter, and NIXLE as situations warrant in order to keep our citizens informed.

**Kingsburg Police Department
2020 Part I Crimes**

| Part I Crimes | Jan | Feb | Mar | April | May | June | July | Aug | Sept | Oct | Nov | Dec | Total | Monthly % Change |
|-------------------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|------------------|
| Homicide | 0 | | | | | | | | | | | | 0 | 0% |
| Rape | 0 | | | | | | | | | | | | 0 | 0% |
| Robbery | 0 | | | | | | | | | | | | 0 | 0% |
| Agg. Assaults | 1 | | | | | | | | | | | | 1 | 0% |
| Burglary | 7 | | | | | | | | | | | | 7 | 0% |
| Larceny | 13 | | | | | | | | | | | | 13 | 0% |
| GTA | 1 | | | | | | | | | | | | 1 | 0% |
| 2020 Total | 22 | 0 | 22 | 0% |

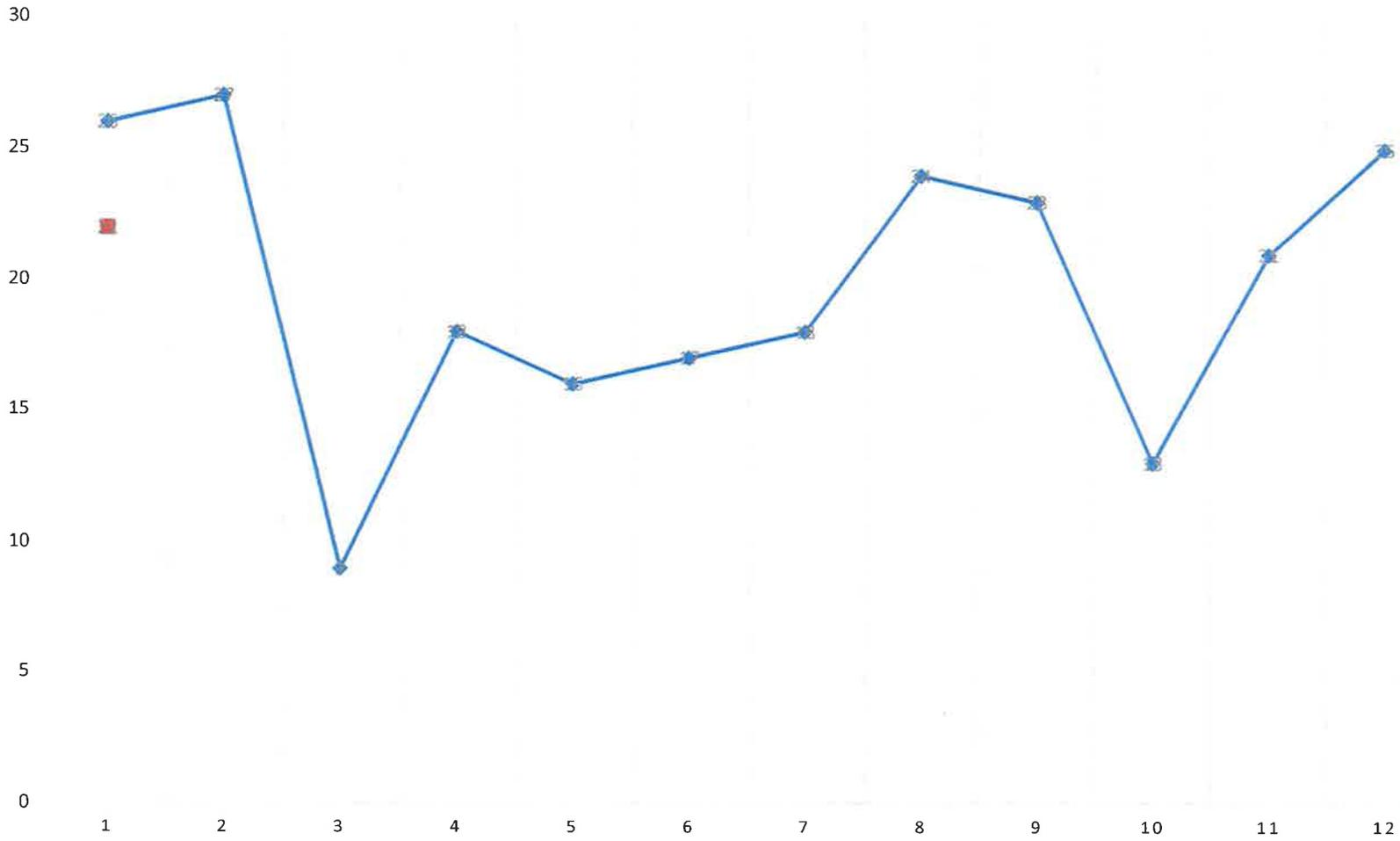


**Kingsburg Police Department
2020 Part I Crimes**

| Year | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec | Total | 2019-2020 |
|------------|-----|-----|-----|-----|-----|------|------|-----|------|-----|-----|-----|-------|-----------|
| 2019 Total | 26 | 27 | 9 | 18 | 16 | 17 | 18 | 24 | 23 | 13 | 21 | 25 | 26 | %Change |
| 2020 Total | 22 | | | | | | | | | | | | 22 | -15.00% |

2018/2019 PART I COMPARISON

—◆— 2019 Total —■— 2020 Total



Kingsburg Police Department
2020
Calls for Service

| Initiated | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec | Total | Monthly % |
|-----------------------|-----|-----|-----|-----|-----|------|------|-----|------|-----|-----|-----|-------|-----------|
| Officer | 235 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 235 | 0% |
| Citizen | 455 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 455 | 0% |
| TOTAL | 690 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 690 | 0% |
| Average Calls per Day | 22 | | | | | | | | | | | | | |

2020 Calls for Service

