



# CITY OF PERRIS, CALIFORNIA

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## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR  
ENDED JUNE 30, 2019



**CITY OF PERRIS, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**WITH THE INDEPENDENT AUDITORS' REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**PREPARED BY**  
**THE CITY OF PERRIS FINANCE DEPARTMENT**



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**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2019**  
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# City of Perris California

December 20, 2019

Honorable Mayor, Members of the City Council, and Citizens of the City of Perris:

It is with great pleasure that I submit the City of Perris' Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework designed both to protect the City's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free of material misstatement.

The Pun Group, Certified Public Accountants, have issued an unmodified opinion on the City of Perris' financial statements for the fiscal year ended June 30, 2019. The opinion states that the financial statements are presented fairly and are in conformity with generally accepted accounting principles. The independent auditors' report is presented as the first component of the financial section of this report.

Management has provided an overall analysis of the 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 of Perris' MD&A can be found immediately following the report of the independent auditors.

## **Profile of the City of Perris**

Perris ("City") covers approximately 33 square miles and is located 70 miles east of Los Angeles and 20 miles southwest of Riverside. The City offers a temperate Mediterranean climate with warm dry summers and mild winters. Demographically, Perris is an ethnically diverse community of approximately 76,971 residents, of which 75% are of Hispanic or Latino origin, the average household size is 4.5 people, and the median age is 27.3.

The City of Perris was incorporated in 1911 under the general laws of the State of California and enjoys all the rights and privileges afforded to a general law city. The City is governed by a five-member City Council under the Mayor-Council-Manager form of government. Policy-making and legislative authority are vested in the City Council, consisting of the Mayor and four other members. Council Members are elected at-large and do not represent any one district or area within the City. The Mayor and Council Members are elected to a four-year term and the City does not have term limits. Regular elections are conducted in November of even numbered years. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City Manager and City Attorney. The City Manager is responsible for carrying out the policy direction of the City Council and for overseeing the day-to-day operations of the government.

The City of Perris employs approximately 109 employees. Services include construction and maintenance of City streets, economic development, parks, recreation and senior services, animal control, disaster preparation, as well as community development activities such as urban planning, building permits and inspections, and business licensing. The City contracts for police and fire protection and water and waste water services. The Perris Public Financing Authority, Utility Authority, Housing Authority, Joint Powers Authority, and Community Economic Development Corporation are also included as an integral part of the City's financial statements.

### **Local Economy**

The median household income for Perris residents is approximately \$54,657 and many of those in the labor force commute to job locations outside the City. In the past 5 years, the City has remained focused on attracting local businesses and jobs, as well as providing more eateries for its residents. The City's growth and success resulting from that dedicated focus has produced a number of new establishments that include: Dickey's Barbecue, Ulta Beauty, Mountain Mike's Pizza, Five Below, Hibbett Sports, Ross, and Burlington. The commercial and industrial sectors in Perris have also realized new establishments as Home Depot and Wayfair expanded their existing operations to include additional warehouses and TechStyle (JustFab.com).

Due to the addition of numerous sales tax producing businesses in the City, sales tax revenues have increased exponentially. Receipts of sales tax revenues in fiscal year 18-19 increased from \$21M in fiscal year 17-18 to \$21.8M, an increase of 4%. Local retail sales, the primary source of sales tax revenues, continued to experience strong growth shown by the local point of sale activity increasing by 14%. Overall, taxable sales in the restaurant category were up 7% duly attributed to some of the establishments listed above. The top sales tax producing categories in prior years included business/industry, building/construction, and fuel/service stations. In fiscal year 18-19, the fulfillment centers category has continuously surpassed all three of those top sales tax revenue producers.

The local housing market continues to grow as the affordability advantage compared to other parts of Southern California remains. In Perris, the median home price increased 2% in the third calendar quarter of 2019 when compared to the same time period last year.

In fiscal year 18-19, secured property tax values in the City of Perris increased from \$5.3B in fiscal year 17-18 to \$5.9B, or about 11%. Unsecured assessed property values increased from \$316M in fiscal year 17-18 to \$363M, or 15%. Overall, net total assessed value increased from \$5.6B in fiscal year 17-18 to \$6.2B, or 11%.

One other economic indicator, unemployment, has continued to drop from 16% five years ago to just 4.9% in 2018. This statistic indicates the local economy is growing and producing jobs even as housing sales are only seeing slow growth.

### **Long Range Financial Planning**

**Budget Process.** The City's five-year capital improvement program is adopted annually and the operating budget is adopted bi-annually, both by the City Council. Strong financial reporting practices, conservative budgeting, and vigilance over costs have resulted in the City maintaining a healthy financial position.

The process for budgeting the City's capital improvement program begins at the end of each calendar year. Department heads and project managers, through the goals set by the City Council, update existing project budgets and propose new projects for the City Council to approve. The primary goal of the City's capital improvement program is to utilize existing resources efficiently with minimal burden to the general fund.

The process for the bi-annual operating budget begins early in spring every two years. Each department head develops goals and objectives based upon the City's strategic planning session, the community's concerns, and City Council direction. The goals are reflected in the two-year budget proposed for approval by the City Council. The overall budget is developed for the community's best interest and takes into consideration available resources. Continuing to do more with less and maintaining service levels have been the primary budget objectives in prior years. The present focus is to expand services as the economy improves and as new or increasing resources become available. A mid-year update is provided to the City Council at the halfway mark of each of the two fiscal years and throughout the budget cycle supplemental appropriations are made to the adopted budget as necessary and as approved by the City Council.

**General Fund Reserve.** On August 30, 2011 the City Council adopted a fund balance policy in compliance with GASB Statement No. 54, which committed fund balance in an amount equal to 35% of general fund expenditures. These reserves are committed for use specifically in the case of unforeseen circumstances in addition to \$3.4 million for disaster preparedness, \$1.3 million for vehicle and equipment replacement, \$1.3 million for major capital improvements and repairs, and \$200,000 as a budgetary contingency.

## **Relevant Financial Policies**

**Budget Policies and Practices.** Budgets are adopted by the City Council. As provided by City ordinance, the Director of Finance is responsible for preparing the budget and for its implementation after adoption. All appropriations lapse at year end, except those approved for carryover. The City Manager has the legal authority to transfer budget appropriations within a fund. Changes to total fund appropriations require the majority approval of the City Council. The City maintains budgetary controls to ensure compliance with legal provisions specified in the budget adopted by the City Council. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level.

**One-Time Revenue.** It is the policy of the City to budget conservatively and in line with economic indicators of the various revenues it receives in its general fund. It is general practice for the City to realize one-time revenue in the general fund, however it is not customary for one-time revenue to be budgeted until receipt of the revenue is guaranteed. This is usually accomplished by a budget amendment that occurs during the fiscal year the revenue is to be received.

**Cash Management Policies and Practices.** The City Council annually adopts an investment policy with the intention of minimizing credit and market risks while maintaining a competitive yield on its investments. During 2018-19, the City's funds were invested primarily in demand deposit accounts, the State of California Local Agency Investment Fund (LAIF), U.S. Government Treasuries, Agency securities, and commercial paper. Investments are made from pooled cash of all funds and earnings are allocated to the various funds in proportion to their relative cash book balance.

**Pension and Other Post-Employment Benefits.** The City of Perris has a defined benefit pension plan that provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The City contributes to the California Public Employees Retirement System (CalPERS), an agent, multiple-employer public employees defined benefit pension plan for its regular employees.

The City also provides post-retirement health care benefits for its retired employees according to the employee agreements for each of the employee groups. As of the end of the current fiscal year, there were 50 retired employees receiving these benefits, which are financed on a pay-as-you-go basis.

Additional information regarding the City of Perris' pension arrangements and post-employment benefits can be found in the notes to the financial statements.

In July 2018, the City Council approved the setup of two separate accounts with the purpose to prefund pension and other post-employment benefits (OPEB). The City has set up the accounts CalPERS for the prefunding of OPEB and California Employers' Retiree Benefit Trust (CERBT) for the prefunding of pension benefits. The prefunding accounts are irrevocable trusts and comply with Internal Revenue code Section 115. In addition to setting aside assets to offset the respective liabilities of each future employee benefit, entering into an investment management agreement with the two chosen trust providers will allow the City to make long-term investments to match its long-term obligations. Per the California Government Code, investments of public funds are limited to certain instruments, but funds set aside in an irrevocable trust can be invested in higher yielding, longer term, and more diverse instruments. In the next fiscal year, the City expects to have a City Council approved policy in place allowing staff to begin funding both accounts.

## **Major Initiatives**

The City plans to maintain an ongoing commitment to several major initiatives as described below.

**City Infrastructure and other Capital Improvements.** The five-year capital improvement program has committed approximately \$30M in funding for transportation, parks, community facilities, and other projects.

**Public Safety.** More General Fund dollars are devoted to public safety than for any other purpose. The City's general fund budget has set aside over \$22.8 million for Police and Fire services. In fiscal year 16-17, the City Council approved the expansion of Police services to include an additional 10 hours of patrol each day, a new traffic officer position, a new community service officer position, and the addition of a K-9. This expansion of services remained throughout fiscal year 18-19.

**Parks.** The City experienced a slowdown of park development impact fees throughout the economic downturn. The challenge for the department in recent years has been generating new revenue sources to maintain existing parks, facilities, and programs to keep up with the increased demand for more affordable recreational activities. A slowed housing market contributed to the decreased impact fees collected for residential development, but the department implemented a new park impact fee in late 2017 that would be paid by industrial developers. The new source of park funds has helped mitigate the shortage of revenues to service the City's 274 acres of parkland. The voters of Perris also approved a tax on cannabis dispensaries in 2017 that the Perris City Council has directed staff to collect for use by this department as the development of new recreation facilities are completed in the City in the future.

There are other funded or developer conditioned park projects that are anticipated to begin or continue construction in the next year including the following:

- Enchanted Heights Park Improvements
- San Jacinto River Trail
- Linear Park Lighting Project
- Morgan Street Park Improvements
- Dog Park at Rider Street and Old Evans Road
- Perris Valley Channel Trail Extension

**Economic Development.** The Perris Community Economic Development Corporation (the "Perris CEDC") was incorporated on April 16, 2014 and formed as a nonprofit public benefit corporation under Section 501(c)(3) of the Internal Revenue Code. The specific and primary purpose of this corporation is to provide physical, economic, and educational development and revitalization efforts resulting in expanded employment, economic prosperity, and business and housing opportunities for businesses and residents. The Perris CEDC is attracting new businesses to the downtown area, namely, the numerous establishments mentioned above located in the Perris Marketplace, Nuevo Crossings, and Spectrum shopping centers. The Perris CEDC will continue revitalizing the Perris community with a commercial façade program, restaurant incentive program, and restoring the Perris Theatre.

**Financial Management.** The City is committed to the highest standards of financial management and stewardship of public resources. On July 14, 2015 the City Council approved a five-year contract with Tyler Technologies to provide a virtual software platform commonly known in the municipal community as "MUNIS." Implementation of the project began in September 2015 and continued through early 2018 in order to migrate the general ledger, accounts payable, accounts receivable, payroll, cashiering, and business licensing modules from the City's old accounting system. The new software provides one location for all financial data and a virtual platform for employees, residents and customers, and department heads to view documents and budgetary data in real time, submit timesheets electronically, and utilize electronic workflow to strengthen internal control.

**Financial Transparency.** The City Council has committed to expanding financial transparency concurrent with the implementation of MUNIS described above. In October 2017, the City announced the newest addition to the City's online financial transparency portal: OpenGov. The OpenGov platform serves as a medium between the public and City financial information. It is an interactive platform that allows users to drill down and search for specific financial data online. The data is updated each month directly from the MUNIS software, essentially allowing any user to view real-time information about the financial activity of the City.

## **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada awarded the fourteenth Certificate of Achievement for Excellence in Financial Reporting to the City of Perris for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2018. In order to be awarded the Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City believes that the current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Completion of the City's Comprehensive Annual Financial Report is a significant accomplishment. Special recognition is due to the entire staff of the Finance Department. Special thanks go to Stephen Ajobiewe, Finance Manager, Adrienne Morales, Accountant II, James Frigo, Accountant I and Aja Hollins-Wallace, Management Analyst. Only through the efforts and cooperation of all of the Finance Department staff, was the preparation of this document possible. I would also like to express my appreciation to the Mayor, the City Council, and the City Manager for their interest and support in planning and conducting the financial activities of the City in a responsible and progressive manner.

Sincerely,



Ernie Reyna, CPA  
Director of Finance



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Perris  
California**

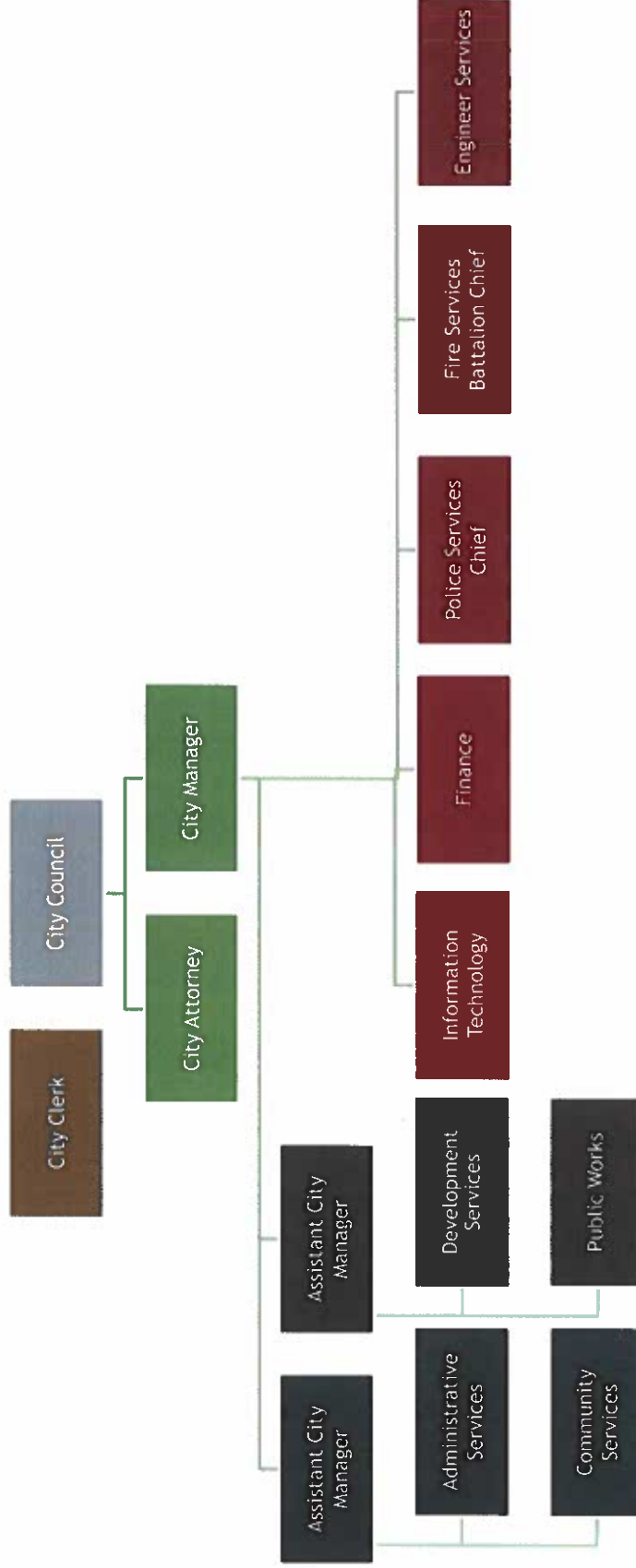
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO

# City of Perris - Organizational Chart



# Directory of City Officials

## City of Perris, CA

### June 30, 2019

#### Elected Officials

Michael Vargas	Mayor
Marisela Magana	Mayor Pro Tem
Malcom Corona	Council Member
David Starr Rabb	Council Member
Rita Rogers	Council Member
Nancy Salazar	City Clerk

#### Management

Richard Belmudez	City Manager
Isabel Carlos	Assistant City Manager
Clara Miramontes	Assistant City Manager
Dr. Stephen Ajobiewe	Finance Manager
Ron Carr	Interim Director of Finance
Arturo Cervantes	Chief Information Officer
Sabrina Chavez	Director of Community Services
Daryl Hartwill	Director of Public Works
Kenneth Phung	Planning Manager

#### Contractors

Eric Dunn	City Attorney
Habib Motlagh	City Engineer
Greg Fellows	Police Captain
Kirk Barnett	Battalion Chief





## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and the Members of the City Council  
of the City of Perris  
Perris, 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 Perris, California (the "City") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 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.

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

***Emphasis of Matter***

***Prior Period Adjustments***

As described in Note 18 to the Financial Statements, the net position at July 1, 2018 for the governmental activities and business-type activities were restated to \$308,324,143 and \$10,333,680, respectively, as a result of 1) allocating the net pension liability and net other postemployment benefits liability, and related deferred outflows and inflows of resources to the Enterprise Funds, 2) reclassification of Perris CEDC Special Revenue Fund and Housing Authority Special Revenue Fund from business-type activities to governmental activities and 3) correction of interest receivable. Our opinions are not modified with respect to this matter.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules, the Schedule of the City's Proportionate Share of the Net Pension Liability, the Schedule of Contributions – Pensions, the Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios, and the Schedule of Contributions – Other Postemployment Benefits Plan, on pages 5 to 16 and 105 to 115 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Introductory Section, the Combining and Individual Nonmajor Fund Financial Statements, the Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual, and the Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The Introductory and the Statistical Section 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*The Peris Group, LLP*

Santa Ana, California  
December 20, 2019

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**City of Perris**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2019**  
**(in thousands of dollars)**

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This section of the City's Annual Financial Report provides a narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with City's financial statements beginning on page 20. All amounts are expressed in thousands of dollars.

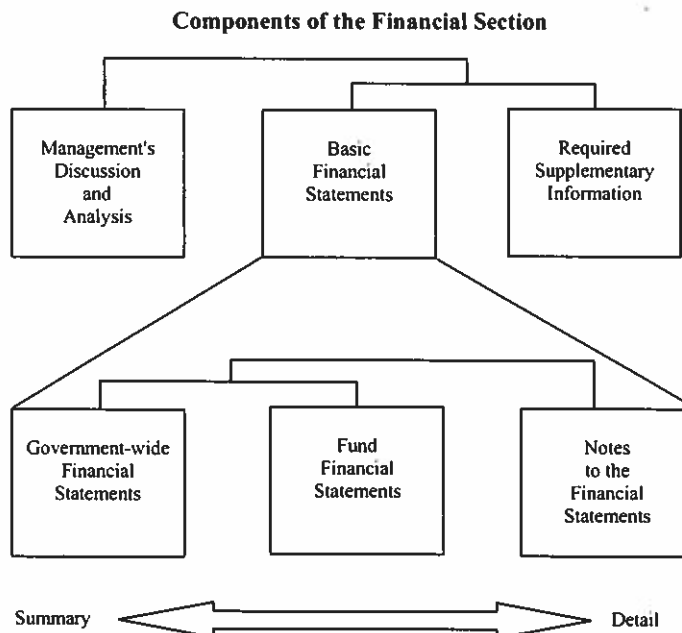
**Financial Highlights**

The following are some key financial highlights for the fiscal year:

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources (net position) at the close of the most recent fiscal year by \$362,833. The amount (unrestricted net position) that may be used to meet the government's ongoing obligations to citizens and creditors was \$3,608.
- The City's total net position increased by \$44,174 for fiscal year 2018-2019.
- As of June 30, 2019, the City's governmental funds reported combined fund balances of \$356,241, an increase of \$19,000 in comparison with the prior year.
- At the end of the current fiscal year, assigned fund balance for the General Fund was \$6,200, the committed amount representing 35% of proposed revenue budget is \$14,525 and unassigned fund balance for the General Fund was \$14,972.
- The City of Perris' total long-term debt decreased by \$15,862 for the governmental activities for the fiscal year 2018-2019.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the City of Perris' basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements 2) fund financial statements and 3) notes to basic financial statements. This report also contains supplementary information in addition to the basic financial statements.



**City of Perris**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**  
**(in thousands of dollars)**

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**Overview of the Financial Statements (Continued)**

**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 information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between 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 in this statement for some items that will only affect 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 of Perris include general government, public safety, public works, parks and recreation, community development, and interest on long-term debt. The *business-type activities* of the City of Perris include a Water, Sewer, Public Utility Authority, and Solid Waste Utility.

The government-wide financial statements include not only the City itself (known as the primary government), but also four legally separate entities, the Perris Public Utility Authority, the Perris Public Financing Authority, the Perris Joint Powers Authority, and the Perris Community Economic Development Corporation. The Perris Redevelopment Agency has since been abolished and its activities are reported as a separate Successor Agency trust fund. The City is financially accountable for these entities and financial information for these blended component units is reported within the financial information presented for the primary government itself.

The government-wide financial statements can be found beginning on page 20 of this report.

**Fund Financial Statements.** 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. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *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 City's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

**City of Perris**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**  
**(in thousands of dollars)**

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**Overview of the Financial Statements (Continued)**

The City maintains twenty-nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Public Financing Authority Debt Service Fund, Joint Powers Authority Debt Service Fund, Storm Drain Development Capital Project Fund, the Capital Improvements Projects Fund, Road and Bridge Benefit District Special Revenue Fund, Perris CEDC Special Revenue Fund, and Housing Authority Special Revenue Fund, each of which are considered to be major funds. Data from the other twenty-one governmental 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* in the *non-major governmental funds supplementary information* section of this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The governmental fund financial statements can be found beginning on page 28 of this report.

***Proprietary Funds.*** The City maintains several proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the Water Enterprise Fund, Sewer Enterprise Fund, Public Utility Authority Enterprise Fund, and the Solid Waste Enterprise Fund.

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 maintenance and operation of the City's water services, sewer services, and solid waste disposal services. These are considered to be Business-type activities in the government-wide financial statements. The Water Enterprise, Sewer Enterprise, Public Utility Authority Enterprise, and Solid Waste Enterprise Funds are aggregated and presented as a major fund in the financial statements.

The basic proprietary fund financial statements can be found beginning on page 36 of this report.

***Fiduciary Funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City of Perris' own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found beginning on page 43 of this report.

***Notes to the Basic Financial Statements.*** The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 49 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 and a comparison of budgeted to actual results for the general and major special revenue funds. *Required supplementary information* can be found beginning on page 105 of this report.

**City of Perris**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**  
**(in thousands of dollars)**

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following *the required supplementary information*. Combining and individual fund statements and schedules can be found beginning on page 125 of this report.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In this case, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$362,833 at June 30, 2019. A summary of the government-wide statement of net position at June 30, 2019 follows:

**City of Perris Net Position**  
**June 30, 2019**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Assets:</b>						
Current and other assets	\$ 412,400	\$ 386,831	\$ (3,760)	\$ 5,267	\$ 408,640	\$ 392,098
Capital assets	201,949	189,433	17,689	18,922	219,638	208,355
Total assets	<u>614,349</u>	<u>576,264</u>	<u>13,929</u>	<u>24,189</u>	<u>628,278</u>	<u>600,453</u>
<b>Deferred Outflows of Resources:</b>						
Pension and OPEB Related Items	3,665	3,900	119	158	3,784	4,058
Deferred Charge on Refunding	1,583	1,078	-	-	1,583	1,078
Total deferred outflows of resources	<u>5,248</u>	<u>4,978</u>	<u>119</u>	<u>158</u>	<u>5,367</u>	<u>5,136</u>
<b>Liabilities:</b>						
Current and other liabilities	62,709	58,590	3,471	3,093	66,180	61,683
Long-term liabilities	201,675	224,301	1,232	606	202,907	224,907
Total liabilities	<u>264,384</u>	<u>282,891</u>	<u>4,703</u>	<u>3,699</u>	<u>269,087</u>	<u>286,590</u>
<b>Deferred Inflows of Resources:</b>						
Pension and OPEB Related Items	1,121	947	30	33	1,151	980
Deferred Charge on Refunding	574	-	-	-	574	-
Total deferred inflows of resources	<u>1,695</u>	<u>947</u>	<u>30</u>	<u>33</u>	<u>1,725</u>	<u>980</u>
<b>Net position:</b>						
Net Investment in Capital Assets	201,795	189,433	17,689	18,922	219,484	208,355
Restricted	139,741	101,391	-	8,994	139,741	110,385
Unrestricted	11,982	6,580	(8,374)	(7,301)	3,608	(721)
Total net position	<u>\$ 353,518</u>	<u>\$ 297,404</u>	<u>\$ 9,315</u>	<u>\$ 20,615</u>	<u>\$ 362,833</u>	<u>\$ 318,019</u>



**City of Perris**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**  
**(in thousands of dollars)**

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The largest portion of the City's net position (\$219,484) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment, etc.), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In the current fiscal year, business-type activities' investment in capital assets changed by \$732 which arose from the change in capital assets depreciation. On page 69, analysis of the capital assets depreciation is outlined.

A portion of the City's net position \$139,741 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, if any, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report a positive balance in all two categories of the net position namely 1) Net Investment in Capital Assets (\$201,795), 2) Restricted (\$139,741) and 3) Unrestricted net position of \$11,982 for its governmental activities. In business-type activities, the net position is positive for all categories except unrestricted net position negative balance of \$8,374. The net position decreased by \$11,300 (including prior period adjustment) due mainly to reclassification of the balances relating to Perris CEDC and the Housing Authority from business-type activities to governmental activities because they no longer satisfy the criteria to be classified under the business-type activities.

***Governmental and Business-type Activities.*** Governmental and Business-type activities increased the City's net position by \$44,174 thereby accounting for the 13.9% increase in the net position of the City. Key elements of this increase are as follows:

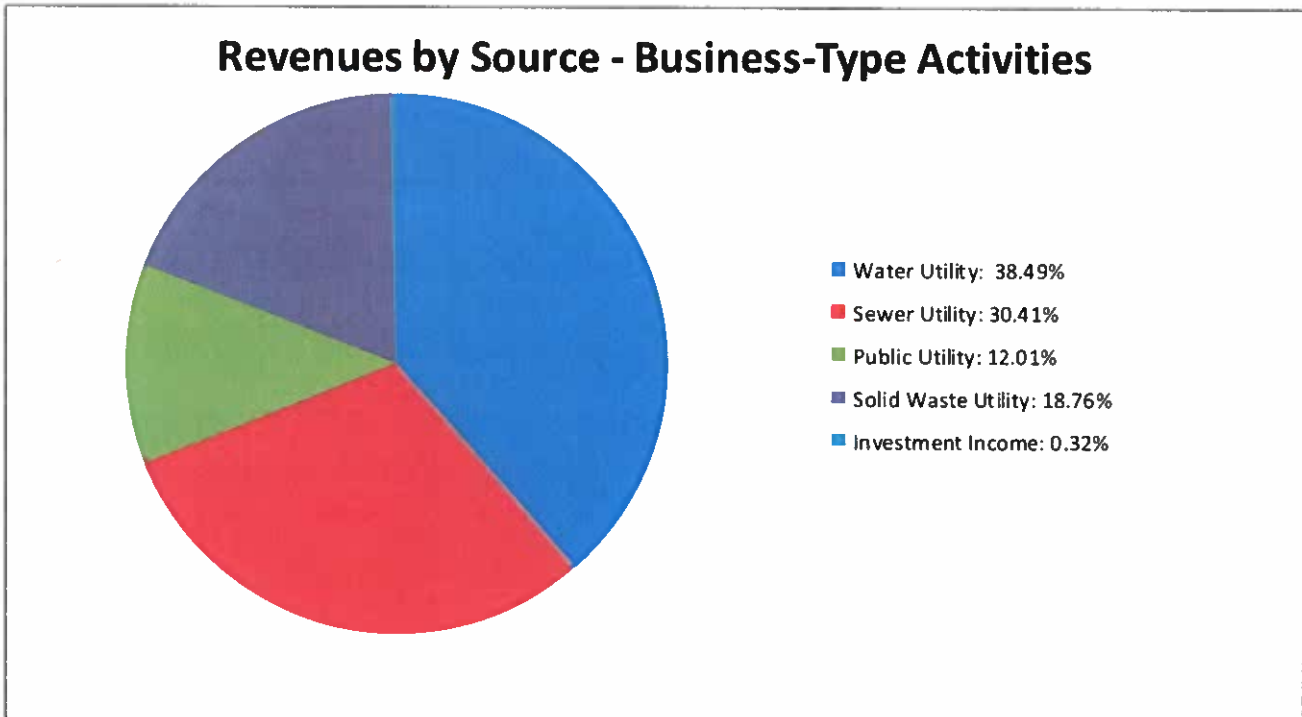
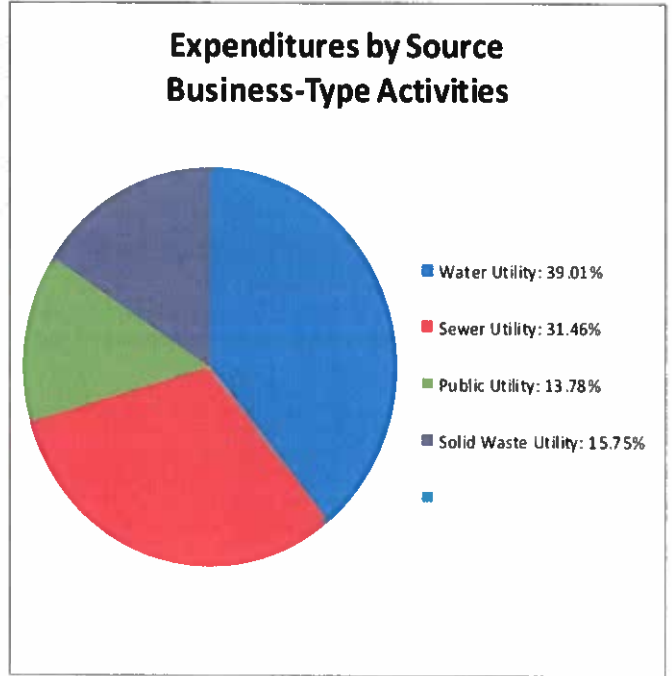
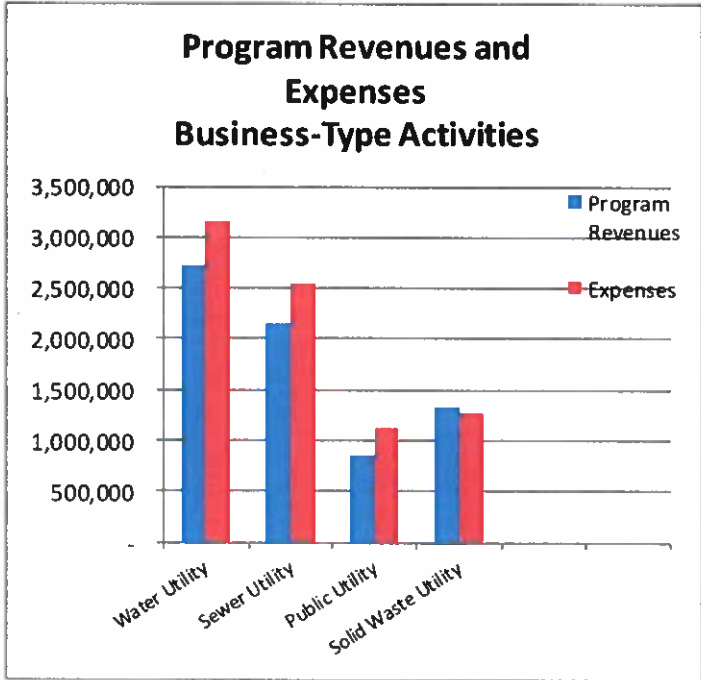
- Governmental activities increased the City's net position by \$45,193 due mainly to total revenues significantly surpassing expenditures. Contributing to the increased net position are: a) increase of \$14,907 in operating grants and contributions, b) increase of \$749 in property taxes c) increase of \$460 in sales and use taxes , d) increase of \$714 in vehicle license in lieu tax, e) increase of \$243 in real property transfer taxes, f) increase of \$600 in marijuana taxes and g) increase of \$1,615 in interest and rentals. Overall, the governmental activities recorded an increase of \$45,244 in net position.
- Business-type activities decreased the City of Perris's net position by \$1,019 due mainly to expenses exceeding revenues relating to Sewer Utility, Public Utility, Water Utility, and Solid Waste Utility.

**City of Perris**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**  
**(in thousands of dollars)**

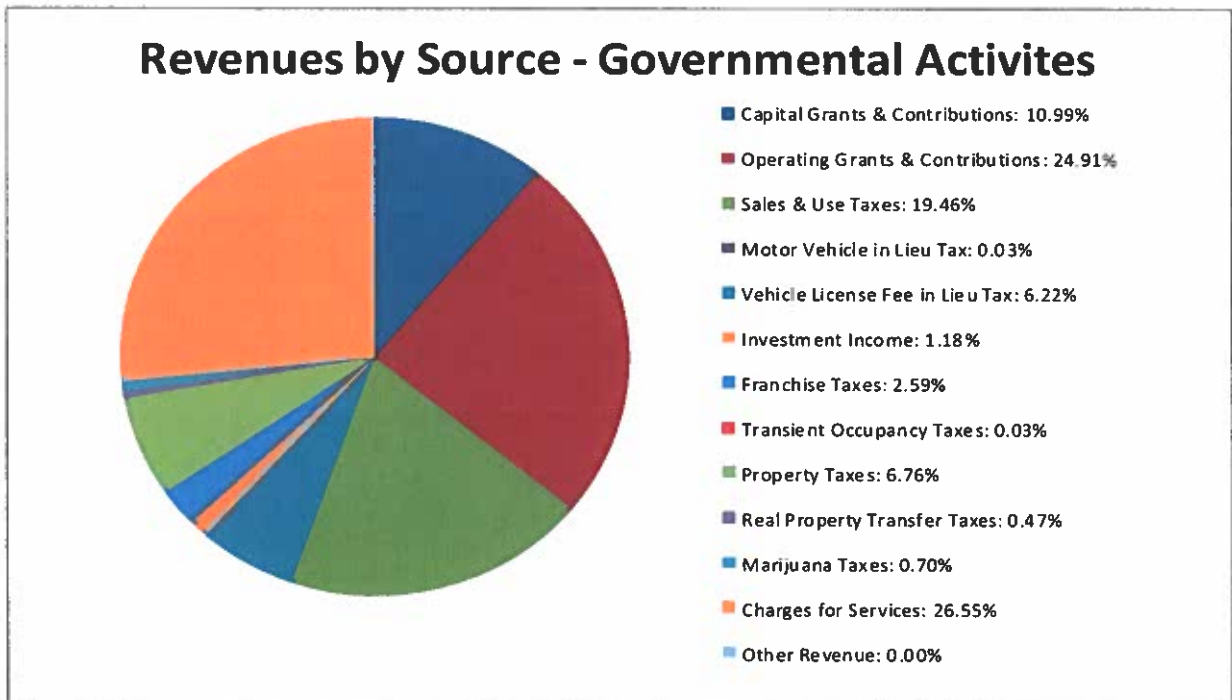
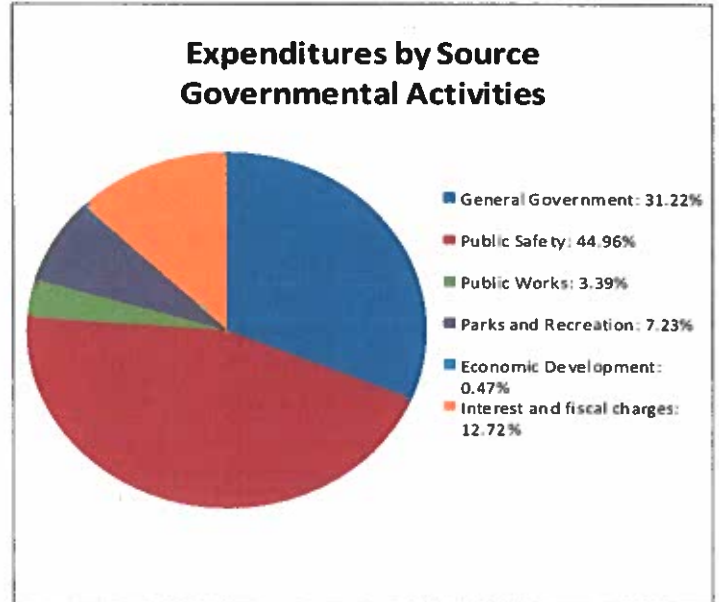
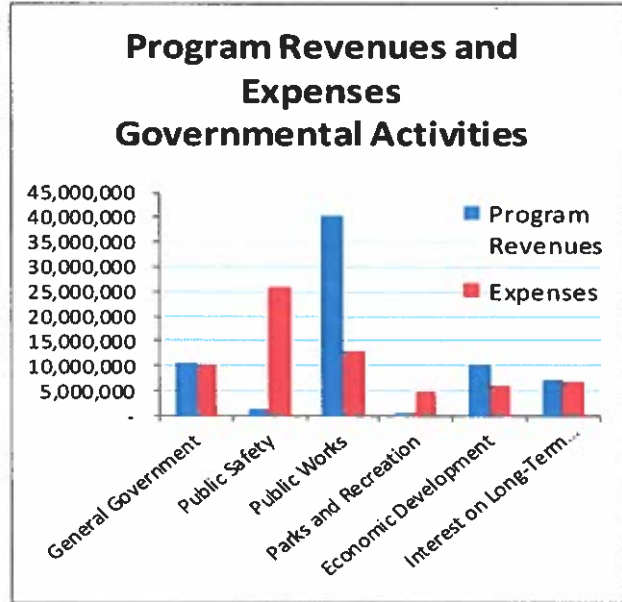
**City of Perris, Change in Net Position**  
**June 30, 2019**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 29,797	\$ 40,077	\$ 7,058	\$ 7,670	\$ 36,855	\$ 47,747
Operating grants and Contributions	27,903	12,996	-	-	27,903	12,996
Capital grants and Contributions	12,337	16,115	-	-	12,337	16,115
<b>General revenues:</b>						
Property taxes	7,587	6,838	-	-	7,587	6,838
Sales and Use taxes	21,836	21,376	-	-	21,836	21,376
Motor Vehicle	37	40	-	-	37	40
Vehicle License in Lieu Tax	6,986	6,272	-	-	6,986	6,272
Franchise taxes	2,911	2,835	-	-	2,911	2,835
Transient occupancy taxes	29	166	-	-	29	166
Real property taxes	529	286	-	-	529	286
Marijuana Taxes	781	181	-	-	781	181
Investment earnings (loss)	1,322	(295)	23	8	1,345	(287)
Miscellaneous	121	68	-	-	121	68
<b>Total revenues</b>	<b>112,176</b>	<b>106,955</b>	<b>7,081</b>	<b>7,678</b>	<b>119,257</b>	<b>114,633</b>
<b>Expenses:</b>						
General government	10,229	12,817	-	-	10,229	12,817
Public safety	26,016	24,648	-	-	26,016	24,648
Public works	13,010	20,141	-	-	13,010	20,141
Parks and recreation	4,691	4,319	-	-	4,691	4,319
Economic Development	6,143	-	-	-	6,143	-
Interest on long term debt	6,893	7,688	-	-	6,893	7,688
Water utility	-	-	3,160	3,089	3,160	3,089
Sewer utility	-	-	2,548	2,364	2,548	2,364
Public Utility	-	-	1,116	1,215	1,116	1,215
Solid Waste Utility	-	-	1,276	1,201	1,276	1,201
Housing Authority	-	-	-	919	-	919
Perris CEDC	-	-	-	1,163	-	1,163
<b>Total Expenses</b>	<b>66,982</b>	<b>69,613</b>	<b>8,100</b>	<b>9,951</b>	<b>75,082</b>	<b>79,564</b>
<b>Increase (decrease) in net position before special item and transfers</b>	<b>45,194</b>	<b>37,342</b>	<b>(1,019)</b>	<b>(2,273)</b>	<b>44,175</b>	<b>35,069</b>
<b>Special Item</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,039</b>	<b>-</b>	<b>1,039</b>
<b>Transfers</b>	<b>-</b>	<b>(546)</b>	<b>-</b>	<b>546</b>	<b>-</b>	<b>-</b>
<b>Change in net position</b>	<b>45,194</b>	<b>36,796</b>	<b>(1,019)</b>	<b>(688)</b>	<b>44,175</b>	<b>36,108</b>
<b>Net position as reported, July 1, 2018</b>	<b>297,404</b>	<b>267,797</b>	<b>20,615</b>	<b>21,303</b>	<b>318,019</b>	<b>289,100</b>
<b>Prior Period Adjustment</b>	<b>10,920</b>	<b>(7,189)</b>	<b>(10,281)</b>	<b>-</b>	<b>639</b>	<b>(7,189)</b>
<b>Net position as restated, July 1, 2018</b>	<b>308,324</b>	<b>260,608</b>	<b>10,334</b>	<b>21,303</b>	<b>318,658</b>	<b>281,911</b>
<b>Net position, June 30, 2019</b>	<b>\$ 353,518</b>	<b>\$ 297,404</b>	<b>\$ 9,315</b>	<b>\$ 20,615</b>	<b>\$ 362,833</b>	<b>\$ 318,019</b>

**City of Perris**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**  
**(in thousands of dollars)**



**City of Perris**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**  
**(in thousands of dollars)**



**City of Perris**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**  
**(in thousands of dollars)**

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

**Governmental Funds.** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information may be useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$356,241. The City's governmental funds report *unassigned fund balance* of \$14,489. The remainder of the fund balances are either non-spendable, restricted, committed or assigned to indicate amounts to be used for a specific purpose or in a non-spendable form 1) for deposits with other agencies (\$2,258), 2) for advances \$5,559, 3) restricted resources (\$313,210), 4) committed amount \$14,525, 5) assigned amounts (\$6,200) and 6) for unassigned amounts \$14,489.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the committed, assigned and unassigned fund balance of the General Fund were \$14,525, \$6,200 and \$14,972 respectively, while the total fund balance reached \$43,515. As a measure of General Fund liquidity, it may be useful to compare the unassigned and assigned fund balances to total fund revenues. General fund balance represents 88% of total general fund revenues of \$49,533.

The fund balance of the City's General Fund increased by \$8,760 during the current fiscal year. The increase in the fiscal year can be attributed primarily to an overall increase in revenues that exceeded the increase in expenditures by \$8,601 and additional amount of \$159 for other financing uses. Major increases were in taxes, licenses, permits and fees, investment earnings and contributions; and in public safety, public works, parks and recreation and capital outlay expenditures. Taxes increased by \$2,477, licenses, permits and fees increased by \$64, investment earnings increased by \$863 and contributions increased by \$190 from the prior year amounts. Public safety increased by \$1,618, public works increased by \$317 and parks and recreation increased by \$448 over prior year amounts.

The Public Financing Authority Debt Service Fund (PFA) had a decrease of \$19,578. The decrease was mainly due to debt service expenditures being higher than the investment earnings of the Fund

The Joint Powers Authority Debt Service Fund (JPA) had a decrease of \$1,334 in fund balance. The JPA issued \$4,980 2018 Local Agency Revenue Bonds, Series A, to acquire CFD 2014-A (Avelina) IA3 Special Revenue Bonds of \$5,350 (including principal payment). The JPA also paid interest and finance charges of \$4,833 and debt issuance costs of \$289.

The Storm Drain Development Capital Project Fund is used to account for the capital improvements of upgrading the storm drains within the City. The fund balance of the Storm Drain Development Capital Project Fund was a deficit of \$3 due to construction expenditures higher than the developer fees received.

The Capital Improvements Projects Capital Project Fund had an increase of \$1,603, which is attributed to the revenues received being higher than the total capital outlay during the fiscal year.

The Road and Bridge Benefit District Special Revenue Fund had an increase in fund balance of \$19,795. The increase was mainly due to developer fees collected for development projects being higher than the amount expended on capital projects as of the end of the fiscal year. The fund balance will be expended in subsequent fiscal years for capital projects.

**City of Perris**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**  
**(in thousands of dollars)**

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The Perris CEDC Special Revenue Fund had a decrease of \$71, which is attributed to excess of expenditures over revenues.

The Housing Authority Special Revenue Fund had a decrease of \$192, which is attributed to excess of expenditures over revenues.

The Other Governmental Funds fund balance increased \$10,019 primarily due to increase in revenues over expenditures and transfers in/out in the following funds: Traffic Safety, City-wide Lighting District, Lighting District No. 84-1, Landscape Maintenance District, Flood Control Maintenance District, Gas Tax, RMRA Grant, Proposition "A", State Grants, Federal Grants Development Fees, HOME Grant Program, Construction, Railway Depot Restoration Community Facilities District 06-2, Community Facilities District 05-4, Community Facilities District 14-1 IA1 and Community Facilities District 2018 Series A. The fund balance of each of these funds is restricted to specific uses except for those funds with deficit fund balances. Please refer to pages 123-124 for further description of each fund purpose.

**General Fund Budget.** During the year, there was a \$5,014 increase in the original and final expenditure budget, and a \$8,324 increase in the original and final revenue budget.

**Special Revenue Funds.** The City's special revenue funds are governmental funds used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditures for specific purposes. The total fund balance of all special revenue funds is \$137,661.

**Proprietary Funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

**Enterprise Funds.** Unrestricted net position of the enterprise funds totaled (\$8,374) which represents a decrease of \$1,019 from the prior fiscal year.

#### **Capital Asset and Debt Administration**

**Capital Assets.** The City's investment in capital assets for its governmental and business type activities amounts to \$219,638 (net of accumulated depreciation of \$214,461) as of June 30, 2019. This investment in capital assets includes buildings, building improvements, infrastructure (roads, sidewalks, streetlights, etc.), and machinery/equipment, vehicles and water and sewer infrastructures and equipment. The net increase in the City's investment in capital assets for the current fiscal year was \$11,283.

**City of Perris**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**  
**(in thousands of dollars)**

<b>Capital Assets</b>						
<b>(Net of Accumulated Depreciation)</b>						
	Governmental		Business-type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
	(as restated)		(as restated)			
Land	\$ 40,433	\$ 40,357	\$ 301	\$ 301	\$ 40,734	\$ 40,658
Buildings	24,097	24,097	-	-	24,097	24,097
Building Improvements	8,925	8,925	-	-	8,925	8,925
Improvements other than						
Buildings	-	-	315	315	315	315
Machinery	2,822	2,534	-	-	2,822	2,534
Vehicles	3,189	2,771	105	105	3,294	2,876
Infrastructure	290,313	277,032	-	-	290,313	277,032
Major equipment	-	-	543	543	543	543
Boosters	-	-	36	36	36	36
Reservoirs	-	-	2,069	2,069	2,069	2,069
Mains	-	-	19,321	19,321	19,321	19,321
Services	-	-	2,430	2,430	2,430	2,430
Meters	-	-	1,406	1,406	1,406	1,406
Hydrants	-	-	1,271	1,271	1,271	1,271
Manholes	-	-	885	885	885	885
Wells	-	-	996	996	996	996
Construction in progress	34,642	28,786	-	-	34,642	28,786
<b>Total</b>	<b>404,421</b>	<b>384,502</b>	<b>29,678</b>	<b>29,678</b>	<b>434,099</b>	<b>414,180</b>
Less: Accumulated Depreciation	202,472	194,568	11,989	11,257	214,461	205,825
<b>Total net capital assets</b>	<b>\$ 201,949</b>	<b>\$ 189,934</b>	<b>\$ 17,689</b>	<b>\$ 18,421</b>	<b>\$ 219,638</b>	<b>\$ 208,355</b>

The City's increase in capital assets was primarily due to \$5,856 additional work on construction in progress, \$13,281 in additional expenses relating to infrastructure, \$76 relating to Land, \$288 relating to Machinery and \$418 relating to vehicles. Further, the completion of the Fitness Court at the Paragon Park and Sidewalk & Pedestrian Ramps added \$194 and \$256 respectively to the Governmental-activities capital assets and a correspondent reduction in construction in progress. Infrastructure improvements are performed on parks, sidewalks, pavement, storm drains, pipelines, bridges, curbs and gutters, and street lights.

Additional information on the City's capital assets can be found in note 5 to the basic financial statements on pages 69-70 of this report.

**Debt Administration.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$170,480 which represents revenue and tax allocation bonds issued for Redevelopment projects and bonds issued by the Public Financing Authority and Joint Powers Authority to purchase CFD and assessment district bonds. The City of Perris' total bonded debt recorded a net decreased of \$20,630 during the fiscal year due to the issuance of Local Agency Revenue Bonds of \$4,980 and principal payments and retirements amount to \$25,610 during the year.

**City of Perris**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2019**  
**(in thousands of dollars)**

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Additional information on the City's outstanding debt can be found in note 6 to the basic financial statements on pages 71-80 of this report.

State statutes limit the amount of general obligation debt a governmental entity may issue to 15 percent of its total assessed valuation. The current debt limitation for the City is \$931,098 which is significantly in excess of the City's outstanding general obligation debt.

**Request for Information**

This financial report is designed to provide a general overview of the City's finances for readers of the financial statements. Questions concerning any of the information in this report or request for additional financial information should be addressed to the Director of Finance, 101 North "D" Street, Perris, CA.



## **BASIC FINANCIAL STATEMENTS**

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

<b>ASSETS</b>	Primary Government		
	Governmental Activities	Business-type Activities	Total
Current assets:			
Cash and investments	\$ 191,677,464	\$ 2,160,689	\$ 193,838,153
Receivables (net):			
Accounts	1,914,215	2,689,077	4,603,292
Interest	2,490,226	2,386	2,492,612
Taxes	5,214,184	-	5,214,184
Internal balances	8,611,681	(8,611,681)	-
Prepaid items	1,396	-	1,396
Due from Successor Agency	114,590	-	114,590
Due from other governments	2,412,535	-	2,412,535
Deposits with other agencies	2,258,341	-	2,258,341
<b>Total current assets</b>	<b>214,694,632</b>	<b>(3,759,529)</b>	<b>210,935,103</b>
Noncurrent assets:			
Restricted cash and investments with fiscal agent	20,093,414	-	20,093,414
Restricted investments	127,192,078	-	127,192,078
Notes and loans receivables	4,035,190	-	4,035,190
Advances to Successor Agency	46,385,000	-	46,385,000
Capital assets:			
Not being depreciated	75,075,387	300,564	75,375,951
Being depreciated, net of depreciation	126,873,339	17,388,342	144,261,681
<b>Total capital assets</b>	<b>201,948,726</b>	<b>17,688,906</b>	<b>219,637,632</b>
<b>Total noncurrent assets</b>	<b>399,654,408</b>	<b>17,688,906</b>	<b>417,343,314</b>
<b>Total Assets</b>	<b>614,349,040</b>	<b>13,929,377</b>	<b>628,278,417</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	1,582,837	-	1,582,837
Deferred outflows of resources related to pensions	3,467,340	108,800	3,576,140
Deferred outflows of resources related to OPEB	197,769	10,147	207,916
<b>Total Deferred Outflows of Resources</b>	<b>5,247,946</b>	<b>118,947</b>	<b>5,366,893</b>

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

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	9,063,785	3,167,082	12,230,867
Retention payable	154,195	-	154,195
Unearned revenue	10,756,456	-	10,756,456
Interest payable	2,076,481	-	2,076,481
Deposits payable	33,835,441	304,296	34,139,737
Long-term liabilities, due within one year	6,822,759	-	6,822,759
<b>Total current liabilities</b>	<b>62,709,117</b>	<b>3,471,378</b>	<b>66,180,495</b>
Noncurrent liabilities:			
Long-term liabilities, due in more than one year	173,095,407	57,788	173,153,195
Net pension liability	12,616,200	355,233	12,971,433
Other postemployment benefits liability	15,963,887	819,006	16,782,893
<b>Total noncurrent liabilities</b>	<b>201,675,494</b>	<b>1,232,027</b>	<b>202,907,521</b>
<b>Total liabilities</b>	<b>264,384,611</b>	<b>4,703,405</b>	<b>269,088,016</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred charge on refunding	573,995	-	573,995
Deferred inflows of resources related to pensions	1,107,203	29,772	1,136,975
Deferred inflows of resources related to other postemployment benefits	13,291	682	13,973
<b>Total Deferred Inflows of Resources</b>	<b>1,694,489</b>	<b>30,454</b>	<b>1,724,943</b>
<b>NET POSITION</b>			
Net investment in capital assets	201,794,531	17,688,906	219,483,437
Restricted for:			
Development	18,066,792	-	18,066,792
Debt service	380,195	-	380,195
Air quality management	219,693	-	219,693
Traffic safety	1,632,351	-	1,632,351
Light and landscape	13,398,497	-	13,398,497
Streets and flood control	82,334,157	-	82,334,157
Community development	9,321,269	-	9,321,269
Constructions	14,388,115	-	14,388,115
Unrestricted	11,982,286	(8,374,441)	3,607,845
<b>Total Net Position</b>	<b>\$ 353,517,886</b>	<b>\$ 9,314,465</b>	<b>\$ 362,832,351</b>

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

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Governmental:</b>				
Governmental activities:				
General government	\$ 10,228,928	\$ 3,194,303	\$ 7,472,022	\$ -
Public safety	26,015,948	1,274,641	264,803	-
Public works	13,010,085	24,795,180	12,027,792	3,451,064
Parks and recreation	4,691,479	230,391	640	-
Community development	6,143,280	302,533	1,101,151	8,886,130
Interest and fiscal charges	6,893,119	-	7,036,170	-
<b>Total Governmental Activities</b>	<u>66,982,839</u>	<u>29,797,048</u>	<u>27,902,578</u>	<u>12,337,194</u>
Business-type Activities:				
Sewer utility	2,548,053	2,153,348	-	-
Public utility	1,115,905	850,720	-	-
Water utility	3,160,365	2,725,845	-	-
Solid waste utility	1,276,070	1,328,425	-	-
<b>Total Business-Type Activities</b>	<u>8,100,393</u>	<u>7,058,338</u>	<u>-</u>	<u>-</u>
<b>Total Primary Government</b>	<u>\$ 75,083,232</u>	<u>\$ 36,855,386</u>	<u>\$ 27,902,578</u>	<u>\$ 12,337,194</u>

(Continued)

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

Functions/Programs	Net (Expense) Revenue and Changes in Net Position Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Primary Governmental:</b>			
Governmental activities:			
General government	\$ 437,397	\$ -	\$ 437,397
Public safety	(24,476,504)	-	(24,476,504)
Public works	27,263,951	-	27,263,951
Parks and recreation	(4,460,448)	-	(4,460,448)
Community development	4,146,534	-	4,146,534
Interest and fiscal charges	143,051	-	143,051
<b>Total Governmental Activities</b>	<b>3,053,981</b>	<b>-</b>	<b>3,053,981</b>
Business-type Activities:			
Sewer utility	-	(394,705)	(394,705)
Public utility	-	(265,185)	(265,185)
Water utility	-	(434,520)	(434,520)
Solid waste utility	-	52,355	52,355
<b>Total Business-Type Activities</b>	<b>-</b>	<b>(1,042,055)</b>	<b>(1,042,055)</b>
<b>Total Primary Government</b>	<b>3,053,981</b>	<b>(1,042,055)</b>	<b>2,011,926</b>
<b>General Revenues:</b>			
Taxes:			
Property taxes	7,587,250	-	7,587,250
Sales and use taxes	21,836,213	-	21,836,213
Vehicle license fee in lieu tax	6,985,964	-	6,985,964
Franchise taxes	2,910,739	-	2,910,739
Transient occupancy taxes	28,460	-	28,460
Real property transfer taxes	528,963	-	528,963
Marijuana taxes	781,383	-	781,383
Motor vehicle in lieu tax (intergovernmental/unrestricted)	37,362	-	37,362
Interest and rentals	1,320,265	22,840	1,343,105
Miscellaneous	123,163	-	123,163
<b>Total General Revenues</b>	<b>42,139,762</b>	<b>22,840</b>	<b>42,162,602</b>
Change in net position	45,193,743	(1,019,215)	44,174,528
<b>Net Position:</b>			
Beginning of year, as restated (Note 18)	308,324,143	10,333,680	318,657,823
End of year	<b>\$ 353,517,886</b>	<b>\$ 9,314,465</b>	<b>\$ 362,832,351</b>

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**FUND FINANCIAL STATEMENTS**

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**GOVERNMENTAL FUND FINANCIAL STATEMENTS**

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

	Debt Service Funds			Capital Projects Funds	
	General Fund	Public Financing Authority	Joint Powers Authority	Storm Drain Development	Capital Improvement Projects
<b>ASSETS</b>					
Cash and investments	\$ 39,380,109	\$ 38,815	\$ 52,054	\$ 14,193,079	\$ 8,712,258
Cash and investments with fiscal agent	-	4,803,643	10,260,648	-	-
Restricted investments	-	-	127,192,078	-	-
Receivables (net):					
Accounts	464,836	-	-	-	1,448,917
Interest	105,138	71	31	25,506	15,633
Taxes	4,523,193	-	-	-	-
Loans	-	-	-	-	-
Due from other governments	28,296	-	-	-	1,492,007
Prepaid items	1,396	-	-	-	-
Due from other funds	3,986,426	-	-	-	-
Due from Successor Agency	114,590	-	-	-	-
Deposits	2,258,341	-	-	-	-
Advance to Successor Agency	-	46,385,000	-	-	-
Advances to other funds	5,557,829	-	-	-	-
<b>Total assets</b>	<b>\$ 56,420,154</b>	<b>\$ 51,227,529</b>	<b>\$ 137,504,811</b>	<b>\$ 14,218,585</b>	<b>\$ 11,668,815</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 7,624,251	\$ -	\$ -	\$ 14,137	\$ 206,165
Retention payable	6,246	-	-	6,534	13,438
Due to other funds	-	32	43	11,431	7,006
Deposits and other liabilities	5,109,779	4,604,827	9,880,995	14,189,450	-
Unearned revenues	-	289,169	-	-	10,467,287
<b>Total liabilities</b>	<b>12,740,276</b>	<b>4,894,028</b>	<b>9,881,038</b>	<b>14,221,552</b>	<b>10,693,896</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	164,701	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>164,701</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
Nonspendable	7,817,566	-	-	-	-
Restricted	-	46,333,501	127,623,773	-	974,919
Committed	14,525,132	-	-	-	-
Assigned	6,200,000	-	-	-	-
Unassigned (deficit)	14,972,479	-	-	(2,967)	-
<b>Total fund balances</b>	<b>43,515,177</b>	<b>46,333,501</b>	<b>127,623,773</b>	<b>(2,967)</b>	<b>974,919</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 56,420,154</b>	<b>\$ 51,227,529</b>	<b>\$ 137,504,811</b>	<b>\$ 14,218,585</b>	<b>\$ 11,668,815</b>

(Continued)

**City of Perris**  
**Balance Sheet (Continued)**  
**Governmental Funds**  
**June 30, 2019**

	Special Revenue Funds			Nonmajor Governmental Funds	Total
	Road and Bridge Benefit District	Perris CEDC	Housing Authority		
<b>ASSETS</b>					
Cash and investments	\$ 72,085,773	\$ 3,111,689	\$ 1,864,630	\$ 52,239,057	\$ 191,677,464
Cash and investments with fiscal agent	-	-	-	5,029,123	20,093,414
Restricted investments	-	-	-	-	127,192,078
Receivables (net):					
Accounts	-	-	-	462	1,914,215
Interest	127,421	5,703	2,976	131,266	413,745
Taxes	-	-	-	690,991	5,214,184
Loans	-	-	3,842,080	193,110	4,035,190
Due from other governments	-	-	-	892,232	2,412,535
Prepaid items	-	-	-	-	1,396
Due from other funds	-	49,600	-	-	4,036,026
Due from Successor Agency	-	-	-	-	114,590
Deposits	-	-	-	-	2,258,341
Advance to Successor Agency	-	-	-	-	46,385,000
Advances to other funds	-	-	-	-	5,557,829
<b>Total assets</b>	<b>\$ 72,213,194</b>	<b>\$ 3,166,992</b>	<b>\$ 5,709,686</b>	<b>\$ 59,176,241</b>	<b>\$ 411,306,007</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 26,635	\$ 11,864	\$ 11,779	\$ 1,168,954	\$ 9,063,785
Retention payable	-	-	-	127,977	154,195
Due to other funds	58,103	2,556	1,334	901,669	982,174
Deposits and other liabilities	-	-	-	50,390	33,835,441
Unearned revenues	-	-	-	-	10,756,456
<b>Total liabilities</b>	<b>84,738</b>	<b>14,420</b>	<b>13,113</b>	<b>2,248,990</b>	<b>54,792,051</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	-	-	-	108,463	273,164
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>108,463</b>	<b>273,164</b>
<b>Fund Balances:</b>					
Nonspendable	-	-	-	-	7,817,566
Restricted	72,128,456	3,152,572	5,696,573	57,299,891	313,209,685
Committed	-	-	-	-	14,525,132
Assigned	-	-	-	-	6,200,000
Unassigned (deficit)	-	-	-	(481,103)	14,488,409
<b>Total fund balances</b>	<b>72,128,456</b>	<b>3,152,572</b>	<b>5,696,573</b>	<b>56,818,788</b>	<b>356,240,792</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 72,213,194</b>	<b>\$ 3,166,992</b>	<b>\$ 5,709,686</b>	<b>\$ 59,176,241</b>	<b>\$ 411,306,007</b>

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

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**Total Fund Balances - Total Governmental Funds** \$ 356,240,792

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

Capital assets, net of accumulated depreciation have not been included as financial resource; therefore, they are not reported in governmental funds. 201,948,726

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period; therefore, are not reported as fund liabilities. All liabilities, both current and long-term are reported in the Statement of Net Position.

Capital leases	(4,987,537)	
Notes payable	(781,370)	
Revenue bonds	(170,480,000)	
Deferred losses on refunding	1,582,837	
Deferred gains on refunding	(573,995)	
Issuance premium	(3,610,897)	
Issuance discount	1,056,389	
Compensated absences	<u>(1,114,751)</u>	(178,909,324)

Net pension liability and related deferred outflows and inflows of resources are not due and payable in the current period; therefore, are not reported as government funds' liabilities. They are reported in the Statement of Net Position.

Deferred outflows of resources related to pensions	3,467,340	
Net pension liability	(12,616,200)	
Deferred inflows of resources related to pensions	<u>(1,107,203)</u>	(10,256,063)

Net OPEB liability and related deferred outflows and inflows of resources are not due and payable in the current period; therefore, are not reported as government funds' liabilities. They are reported in the Statement of Net Position.

Deferred outflows of resources related to other postemployment benefits	197,769	
Net OPEB liability	(15,963,887)	
Deferred inflows of resources related to other postemployment benefits	<u>(13,291)</u>	(15,779,409)

Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds. (2,076,481)

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. They are reported as revenues in the governmental fund activities. 273,164

Interest accrued on loans receivable from the Successor Agency to the Perris Redevelopment Agency and investments in Community Facility District 2,076,481

**Net position of governmental activities** **\$ 353,517,886**

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

	Debt Service Funds		Capital Projects Funds		
	General Fund	Public Financing Authority	Joint Powers Authority	Storm Drain Development	Capital Improvement Projects
<b>REVENUES:</b>					
Taxes	\$ 40,543,335	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	2,907,403	-	-	-	-
Intergovernmental revenues	155,362	-	-	-	2,732,758
Charges for services	702,016	-	-	-	-
Fines, forfeitures and penalties	793,185	-	-	-	-
Developer fees	378,880	-	-	21,424	383,363
Investment earnings	1,285,010	28,776	4,564,784	-	206,529
Special assessments	-	-	-	-	-
Contributions	2,692,219	2,707,619	127,371	-	56,507
Miscellaneous	78,213	19,664	-	-	760
<b>Total Revenues</b>	<b>49,535,623</b>	<b>2,756,059</b>	<b>4,692,155</b>	<b>21,424</b>	<b>3,379,917</b>
<b>EXPENDITURES:</b>					
Current:					
General government	8,880,007	-	23,300	-	-
Public safety	25,193,977	-	-	-	-
Public works	2,216,232	-	-	-	-
Parks and recreation	3,976,173	-	-	-	-
Community development	5,231	-	469,153	-	-
Capital outlay	663,178	-	-	21,424	1,777,111
Debt service:					
Debt issuance costs	-	-	289,060	-	-
Principal retirement	-	20,260,000	5,350,000	-	-
Interest and fiscal charges	-	2,074,287	4,833,867	-	-
<b>Total expenditures</b>	<b>40,934,798</b>	<b>22,334,287</b>	<b>10,965,380</b>	<b>21,424</b>	<b>1,777,111</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,600,825	(19,578,228)	(6,273,225)	-	1,602,806
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	925,000	-	-	-	-
Transfers out	(766,159)	-	-	-	-
Issuance of long-term debt	-	-	4,980,000	-	-
Issuance discount	-	-	(40,872)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>158,841</b>	<b>-</b>	<b>4,939,128</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>8,759,666</b>	<b>(19,578,228)</b>	<b>(1,334,097)</b>	<b>-</b>	<b>1,602,806</b>
<b>FUND BALANCES:</b>					
Beginning of year, as restated (Note 18)	34,755,511	65,911,729	128,957,870	(2,967)	(627,887)
End of Year	\$ 43,515,177	\$ 46,333,501	\$ 127,623,773	\$ (2,967)	\$ 974,919

(Continued)



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

	Special Revenue Funds			Nonmajor Governmental Funds	Total
	Road and Bridge Benefit District	Perris CEDC	Housing Authority		
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 40,543,335
Licenses, permits and fees	-	-	-	-	2,907,403
Intergovernmental revenues	-	-	-	7,343,315	10,231,435
Charges for services	-	106,834	168,800	-	977,650
Fines, forfeitures and penalties	-	-	-	217,819	1,011,004
Developer fees	18,514,101	-	-	4,324,160	23,621,928
Investment earnings	1,498,916	74,185	39,415	1,270,755	8,968,370
Special assessments	-	-	-	5,519,639	5,519,639
Contributions	-	-	-	4,365,000	9,948,716
Miscellaneous	-	260	-	233,767	332,664
<b>Total Revenues</b>	<b>20,013,017</b>	<b>181,279</b>	<b>208,215</b>	<b>23,274,455</b>	<b>104,062,144</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	179,336	9,082,643
Public safety	-	-	-	392,531	25,586,508
Public works	-	-	-	3,974,674	6,190,906
Parks and recreation	-	-	-	-	3,976,173
Community development	-	252,576	667,615	4,700,426	6,095,001
Capital outlay	217,929	-	-	8,495,461	11,175,103
Debt service:					
Debt issuance costs	-	-	-	75,000	364,060
Principal retirement	-	-	-	-	25,610,000
Interest and fiscal charges	-	-	-	-	6,908,154
<b>Total expenditures</b>	<b>217,929</b>	<b>252,576</b>	<b>667,615</b>	<b>17,817,428</b>	<b>94,988,548</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>19,795,088</b>	<b>(71,297)</b>	<b>(459,400)</b>	<b>5,457,027</b>	<b>9,073,596</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	267,212	567,490	1,759,702
Transfers out	-	-	-	(993,543)	(1,759,702)
Issuance of long-term debt	-	-	-	4,987,537	9,967,537
Issuance discount	-	-	-	-	(40,872)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>267,212</b>	<b>4,561,484</b>	<b>9,926,665</b>
<b>Net Change in Fund Balances</b>	<b>19,795,088</b>	<b>(71,297)</b>	<b>(192,188)</b>	<b>10,018,511</b>	<b>19,000,261</b>
<b>FUND BALANCES:</b>					
Beginning of year, as restated (Note 18)	52,333,368	3,223,869	5,888,761	46,800,277	337,240,531
End of Year	<u>\$ 72,128,456</u>	<u>\$ 3,152,572</u>	<u>\$ 5,696,573</u>	<u>\$ 56,818,788</u>	<u>\$ 356,240,792</u>

(Concluded)

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

---

<b>Net change in fund balances - total governmental funds:</b>		<b>\$ 19,000,261</b>
 Amounts reported for governmental activities in the Statement of Activities are different because:		
 Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.		
Capital outlay	11,175,103	
Noncapitalized expenditures reclassified to functional expenses	(142,299)	
Donated capital assets	8,886,130	
Depreciation	<u>(7,903,824)</u>	12,015,110
 Issuance of debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal repayments:		
Revenue bonds	25,610,000	
Amortization of premium, discount, and deferred charges	86,097	
Debt issued or incurred:		
Issuance of capital lease	(4,987,537)	
Issuance of revenue bonds	(4,980,000)	
Issuance of discount	<u>40,872</u>	15,769,432
 Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.		
		292,998
 Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
		23,352
 Other postemployment benefit expense net of \$619,109 current year contribution made during the measurement period.		
		(456,760)
 Pension expenses net of \$1,240,478 pension contribution made after measurement date.		
		(678,958)
 Accrued interest revenue. This is the net change in accrued interest for the current period.		
		(292,998)
 Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the revenues in the governmental activities.		
		<u>(478,694)</u>
<b>Change in net position of governmental activities</b>		<b><u>\$ 45,193,743</u></b>

**PROPRIETARY FUND FINANCIAL STATEMENTS**

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

	Business-Type Activities				Total
	Enterprise Funds				
	Sewer Utility	Public Utility Authority	Water Utility	Solid Waste Utility	
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 647,608	\$ 216,679	\$ 3,108	\$ 1,293,294	\$ 2,160,689
Receivables (net):					
Accounts	524,219	277,556	665,694	1,221,608	2,689,077
Interest	1,056	-	-	1,330	2,386
<b>Total current assets</b>	<b>1,172,883</b>	<b>494,235</b>	<b>668,802</b>	<b>2,516,232</b>	<b>4,852,152</b>
Noncurrent assets:					
Capital assets, not being depreciated	-	300,564	-	-	300,564
Capital assets, net of depreciation	6,704,901	7,715,483	2,967,958	-	17,388,342
<b>Total noncurrent assets</b>	<b>6,704,901</b>	<b>8,016,047</b>	<b>2,967,958</b>	<b>-</b>	<b>17,688,906</b>
<b>Total assets</b>	<b>7,877,784</b>	<b>8,510,282</b>	<b>3,636,760</b>	<b>2,516,232</b>	<b>22,541,058</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows of resources related to pensions	37,527	22,982	37,527	10,764	108,800
Deferred outflows of resources related to other postemployment benefits	2,038	1,726	5,884	499	10,147
<b>Total deferred outflows of resources</b>	<b>39,565</b>	<b>24,708</b>	<b>43,411</b>	<b>11,263</b>	<b>118,947</b>

**City of Perris**  
**Statement of Net Position (Continued)**  
**Proprietary Funds**  
**June 30, 2019**

	Business-Type Activities				Total
	Enterprise Funds				
	Sewer Utility	Public Utility Authority	Water Utility	Solid Waste Utility	
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 264,110	\$ 400,164	\$ 397,697	\$ 2,105,111	\$ 3,167,082
Deposits	-	110,005	194,291	-	304,296
Due to other funds	473	3,052,783	-	596	3,053,852
<b>Total current liabilities</b>	<b>264,583</b>	<b>3,562,952</b>	<b>591,988</b>	<b>2,105,707</b>	<b>6,525,230</b>
Noncurrent liabilities:					
Compensated absences payable, due in more than one year	21,669	9,868	21,417	4,834	57,788
Advances from other funds	-	4,899,695	658,134	-	5,557,829
Net pension liability	122,527	75,036	122,527	35,143	355,233
Net other postemployment benefits liability	164,473	139,298	474,956	40,279	819,006
<b>Total noncurrent liabilities</b>	<b>308,669</b>	<b>5,123,897</b>	<b>1,277,034</b>	<b>80,256</b>	<b>6,789,856</b>
<b>Total liabilities</b>	<b>573,252</b>	<b>8,686,849</b>	<b>1,869,022</b>	<b>2,185,963</b>	<b>13,315,086</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows of resources related to pensions	10,269	6,289	10,269	2,945	29,772
Deferred inflows of resources related to other postemployment benefits	137	116	395	34	682
<b>Total deferred inflows of resources</b>	<b>10,406</b>	<b>6,405</b>	<b>10,664</b>	<b>2,979</b>	<b>30,454</b>
<b>NET POSITION</b>					
Investment in capital assets	6,704,901	8,016,047	2,967,958	-	17,688,906
Unrestricted	628,790	(8,174,311)	(1,167,473)	338,553	(8,374,441)
<b>Total net position</b>	<b>\$ 7,333,691</b>	<b>\$ (158,264)</b>	<b>\$ 1,800,485</b>	<b>\$ 338,553</b>	<b>\$ 9,314,465</b>

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

	Business-Type Activities				Total
	Enterprise Funds				
	Sewer Utility	Public Utility Authority	Water Utility	Solid Waste Utility	
<b>OPERATING REVENUES:</b>					
Charges for services	\$ 2,075,589	\$ 850,720	\$ 2,685,321	\$ 1,328,425	\$ 6,940,055
Miscellaneous	77,759	-	40,524	-	118,283
<b>Total operating revenues</b>	<b>2,153,348</b>	<b>850,720</b>	<b>2,725,845</b>	<b>1,328,425</b>	<b>7,058,338</b>
<b>OPERATING EXPENSES:</b>					
Maintenance and operations	332,552	143,010	199,035	55,576	730,173
Contractual services	1,861,190	289,003	2,769,139	1,212,700	6,132,032
Materials and supplies	94,850	-	14,968	5,014	114,832
Administrative and general	6,833	57,792	18,012	2,780	85,417
Depreciation	252,628	320,359	159,211	-	732,198
<b>Total operating expenses</b>	<b>2,548,053</b>	<b>810,164</b>	<b>3,160,365</b>	<b>1,276,070</b>	<b>7,794,652</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(394,705)</b>	<b>40,556</b>	<b>(434,520)</b>	<b>52,355</b>	<b>(736,314)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Investment earnings	12,830	-	-	10,010	22,840
Interest expense	-	(305,741)	-	-	(305,741)
<b>Total nonoperating revenues (expenses)</b>	<b>12,830</b>	<b>(305,741)</b>	<b>-</b>	<b>10,010</b>	<b>(282,901)</b>
<b>CHANGES IN NET POSITION</b>	<b>(381,875)</b>	<b>(265,185)</b>	<b>(434,520)</b>	<b>62,365</b>	<b>(1,019,215)</b>
<b>NET POSITION:</b>					
Beginning of year, as restated (Note 18)	7,715,566	106,921	2,235,005	276,188	10,333,680
End of Year	<b>\$ 7,333,691</b>	<b>\$ (158,264)</b>	<b>\$ 1,800,485</b>	<b>\$ 338,553</b>	<b>\$ 9,314,465</b>

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

	Business-Type Activities				
	Enterprise Funds				
	Sewer Utility	Public Utility Authority	Water Utility	Solid Waste Utility	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash received from customers and user	\$ 2,023,091	\$ 884,346	\$ 2,732,374	\$ 1,635,187	\$ 7,274,998
Other payments	78,232	-	40,524	-	118,756
Cash paid for employee services	(1,673,048)	(141,713)	(208,442)	(54,951)	(2,078,154)
Cash paid for suppliers for goods and services	(538,601)	(269,208)	(2,743,556)	(694,306)	(4,245,671)
<b>Net cash provided by (used in) operating activities</b>	<b>(110,326)</b>	<b>473,425</b>	<b>(179,100)</b>	<b>885,930</b>	<b>1,069,929</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Cash transfers in from other funds	-	3,052,783	182,208	596	3,235,587
Cash transfers out to other funds	-	(2,952,109)	-	-	(2,952,109)
<b>Net cash provided by noncapital financing activities</b>	<b>-</b>	<b>100,674</b>	<b>182,208</b>	<b>596</b>	<b>283,478</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Interest paid	-	(305,741)	-	-	(305,741)
Principal payments on advances	-	(195,988)	-	-	(195,988)
<b>Net cash used in capital and related financing activities</b>	<b>-</b>	<b>(501,729)</b>	<b>-</b>	<b>-</b>	<b>(501,729)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest received	12,890	-	-	9,478	22,368
<b>Net cash provided by investing activities</b>	<b>12,890</b>	<b>-</b>	<b>-</b>	<b>9,478</b>	<b>22,368</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(97,436)</b>	<b>72,370</b>	<b>3,108</b>	<b>896,004</b>	<b>874,046</b>
<b>CASH AND CASH EQUIVALENT:</b>					
Beginning of year	745,044	144,309	-	397,290	1,286,643
End of year	<b>\$ 647,608</b>	<b>\$ 216,679</b>	<b>\$ 3,108</b>	<b>\$ 1,293,294</b>	<b>\$ 2,160,689</b>

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

	Business-Type Activities				
	Enterprise Funds				Total
	Sewer Utility	Public Utility Authority	Water Utility	Solid Waste Utility	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$ (394,705)	\$ 40,556	(434,520)	\$ 52,355	\$ (736,314)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	252,628	320,359	159,211	-	732,198
(Increase) decrease in accounts receivable	(52,498)	34,371	38,602	306,762	327,237
(Increase) decrease in deferred outflows of resources related to pensions	17,053	10,525	17,627	3,819	49,024
(Increase) decrease in deferred outflows of resources related to other postemployment benefits	(2,038)	(1,726)	(5,884)	(499)	(10,147)
Increase (decrease) in accounts payable	90,011	80,764	48,053	525,646	744,474
Increase (decrease) in deposit payable	-	(745)	8,451	-	7,706
Increase (decrease) in due to other funds	473	-	-	-	473
Increase (decrease) in compensated absences	(861)	(295)	(498)	(278)	(1,932)
Increase (decrease) in net pension liabilities	(25,987)	(15,363)	(28,286)	(3,490)	(73,126)
Increase (decrease) in net other postemployment benefits liabilities	6,607	5,595	19,078	1,618	32,898
Increase (decrease) in deferred inflows of resources related to pensions	(1,146)	(732)	(1,329)	(37)	(3,244)
Increase (decrease) in deferred inflows of resources related to other postemployment benefits	137	116	395	34	682
Total adjustment	284,379	432,869	255,420	833,575	1,806,243
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (110,326)</b>	<b>\$ 473,425</b>	<b>\$ (179,100)</b>	<b>\$ 885,930</b>	<b>\$ 1,069,929</b>



**FIDUCIARY FUND FINANCIAL STATEMENTS**

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

	Agency Funds	Private - Purpose Trust Fund Successor Agency
<b>ASSETS:</b>		
Cash and investments	\$ 2,815,443	\$ 4,146,542
Cash and investments with fiscal agent	16,602,623	14,719
Receivables (net):		
Assessments	377,614	-
Interest	5,806	3,542
Loans	-	781,370
Other	15,705	-
Prepaid items	-	137,063
Deposits	9,880,992	4,604,827
Land held for development	-	1,371,372
Land	-	335,048
<b>Total assets</b>	<b>29,698,183</b>	<b>11,394,483</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Deferred charge on refunding	-	640,165
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>640,165</b>
<b>LIABILITIES:</b>		
Accounts payable and accrued liabilities	208,983	742,197
Deposits	1,300,997	-
Interest payable	-	-
Due to the City of Perris	-	114,590
Loans payable, due in one year	-	1,860,000
Bonds payable, due in one year	-	350,000
Loans payable	-	46,790,671
Bonds payable, due in more than one year	-	13,497,442
Due to bondholders	28,188,203	-
<b>Total liabilities</b>	<b>\$ 29,698,183</b>	<b>63,354,900</b>
<b>NET POSITION:</b>		
Net deficit held in trust		<b>\$ (51,320,252)</b>

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

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	<u>Private - Purpose Trust Fund</u> <u>Successor Agency</u>
<b>ADDITIONS:</b>	
Redevelopment Property Tax Trust Fund	\$ 5,314,849
Investment earnings	134,464
Miscellaneous	135
<b>Total additions</b>	<u>5,449,448</u>
<b>DEDUCTIONS:</b>	
Administration	315,708
Contributions to other governments	170,536
Loss on sale of land held for resale	67,381
Interest expense	3,289,937
<b>Total deductions</b>	<u>3,843,562</u>
Change in net position	1,605,886
<b>NET POSITION (DEFICIT):</b>	
Beginning of year	<u>(52,926,138)</u>
End of year	<u>\$ (51,320,252)</u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

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**City of Perris**  
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**For the Year Ended June 30, 2019**

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

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

**A. Reporting Entity**

The City of Perris, California (the “City”) was incorporated in 1911 as a General Law City. The City operates under a Council - Manager form of government, and provides the following services: general administrative services; public safety services; highway and street repairs and maintenance; water, sanitation, and sewer services.

The financial statements of the City include the financial activities of the City, the Perris Public Utility Authority, the Perris Public Financing Authority, the Perris Housing Authority, the Perris Joint Powers Authority and Perris Community Economic Development Corporation (the “CEDC”). In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The primary criteria for including a potential component unit within the reporting entity are the governing body’s financial accountability and a financial benefit or burden relationship and whether it is misleading to exclude. A primary government is financially accountable and shares a financial benefit or burden relationship, if it appoints a voting majority of an organization’s governing body and it is able to impose its will on the organization, or impose specific financial burdens on the primary government. A primary government may also financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government.

There may, however, be factors other than financial accountability that are so significant that exclusion of a particular agency from a reporting entity's financial statements would be misleading. These other factors include scope of public service and special financing relationships.

Based upon the application of these criteria, an agency, institution or authority, may be included as a component unit in the primary government's financial statements. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. All of the City’s the component units are blended in these financial statements. The governing bodies of these component units are comprised of the City Council and the services they provide almost exclusively benefits the City. The City’s management oversees the operations of all component units in the same manner as the City. The Perris Community Economic Development Corporation is a nonprofit public benefit Corporation which the City is the sole corporate member. Each component unit presented has a June 30 year end. The following is a brief review of each component unit included in the primary government's reporting entity.

***The Perris Public Utility Authority***

The Perris Public Utility Authority (the “Utility Authority”) was created to assist the City in its financing objectives by purchasing and operating the Sewer and Water systems from the City. The governing body of the Utility Authority is comprised of the City Council. The City and the Utility Authority entered into a “Purchase Agreement”, dated March 16, 2000, to sell the Sewer and Water Enterprise from the City to the Utility Authority. The sale price was based upon the completion of an appraisal of the Enterprise, which was not completed until November 2000. On August 28, 2001, the original purchase agreement was rescinded and replaced by a new purchase agreement. This agreement was subsequently rescinded on February 12, 2002. Therefore, transactions related to the sale have not been enacted nor are they presented in these financial statements.

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

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

**A. Reporting Entity (Continued)**

***The Perris Public Utility Authority (Continued)***

In December 2008, the Utility Authority purchased the McCanna Ranch Water Company. The Utility Authority's activities are blended with those of City in these financial statements and are reported as an enterprise fund. A component unit financial statement may be obtained at 101 North D Street, Perris, California 92507.

***The Perris Public Financing Authority***

The Perris Public Financing Authority (the "PFA") is a joint powers authority organized pursuant to the State of California Government Code, Section 6500. The Financing Authority exists under a Joint Exercise of Power Agreement dated August 28, 1989, between the City of Perris and the former Perris Redevelopment Agency (the "Agency"). Its purpose is to facilitate financing for public capital improvements of the City and the Agency. The PFA's activities are blended with those of the City in these financial statements and are reported as a debt service fund. On February 1, 2012, the former Perris Redevelopment Agency was dissolved. A component unit financial statement may be obtained at 101 North D Street, Perris, California 92570.

***The Perris Housing Authority***

The Perris Housing Authority (the "Housing Authority") was formed on March 29, 2011 and operates as a public authority whose primary goal is to provide decent, safe and sanitary housing in a suitable living environment for families that cannot afford private housing that comply with housing quality standards. A component unit financial statement may be obtained at 101 North D Street, Perris, California 92570.

***The Perris Joint Powers Authority***

The Perris Joint Powers Authority (the "JPA") is a joint exercise of powers between the City and the Housing Authority, created by a joint powers agreement dated March 26, 2013. The purpose of the JPA is to provide financing for public capital improvements and other programs within the City. A component unit financial statement may be obtained at 101 North D Street, Perris, California 92570.

***The Perris Community Economic Development Corporation***

The Perris Community Economic Development Corporation (the "Perris CEDC") was incorporated on April 16, 2014. The Corporation was formed as a nonprofit public benefit corporation under Section 501(c)(3) of the Internal Revenue Code. The specific and primary purpose of this corporation is to provide physical, economic, and educational development and revitalization efforts resulting in expanded employment, economic prosperity and, business and housing opportunities, for businesses and residents to provide such services that are associated with such specific purpose as allowed by the law. The governing body of the Perris CEDC is comprised of the City Council. Upon dissolution, any assets remaining shall be distributed to the City of Perris or a designated nonprofit fund, foundation or corporation by the governing body. A component unit financial statement may be obtained at 101 North D Street, Perris, California 92570.

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

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

***B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

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

*Government-Wide Financial Statements*

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

These financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Accordingly, all of the City’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period when they are earned while expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The Government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are expenses that are clearly identifiable with a specific program, project, function or segment. Program revenues of the City include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items that are properly not included among program revenues are reported instead as general revenues.

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

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

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

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

***B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)***

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

- Advance to/from other funds
- Due to/from other funds
- Transfers in/out

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

*Governmental Fund Financial Statements*

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and aggregated nonmajor funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances as presented in these statements to the net position presented in the government-wide financial statements. The City has presented all major funds that met the applicable criteria.

All governmental fund financial statements are reported using the “*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 collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

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 providers have been met.

Taxes, intergovernmental revenues, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual, and are therefore recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

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

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

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

***B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)***

The City reports the following major governmental funds:

The ***General Fund*** is used to account for all financial resources of the City, except for those required to be accounted for in another fund.

The ***Public Financing Authority Debt Service Fund*** is used to account for the accumulation of resources for, and the repayment of, long-term debt principal, interest and related costs of the Authority.

The ***Joint Powers Authority Debt Service Fund*** is used to provide financing and account for the accumulation of resources for, and the repayment of long-term debt principal, interests and related costs for capital improvements and other programs within the City.

The ***Storm Drain Development Capital Projects Fund*** is used to account for the capital improvements of upgrading the storm drains within the City.

The ***Capital Improvement Projects Capital Projects Fund*** is used to account for miscellaneous improvement projects which are financed primarily from developer contributions and transportation uniform mitigation fees.

The ***Road and Bridge Benefit District Special Revenue Fund*** is used to account for funds received from assessment and developer fees, and, the expenditures for the maintenance and improvements of roads and bridges.

The ***Perris Community Economic Development Corporation (the “CEDC”) Special Revenue Fund*** is used to account for the activities of the City’s nonprofit public corporation.

The ***Housing Authority Special Revenue Fund*** is used to account for the activities of the City’s housing operations.

***Proprietary Fund Financial Statements***

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

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

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

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

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

***B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)***

*Proprietary Fund Financial Statements (Continued)*

The City reports the following major proprietary funds:

The *Sewer Utility Enterprise Fund* accounts for the activities of the City's sewer utility distribution operations.

The *Public Utility Authority Enterprise Fund* accounts for the water and wastewater activities of McCanna Ranch area.

The *Water Utility Enterprise Fund* accounts for the activities of the City's water utility distribution operations.

The *Solid Waste Utility Enterprise Fund* accounts for the activities of the City's solid waste utility distribution operations.

*Fiduciary Fund Financial Statements*

Fiduciary fund financial statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The City's fiduciary funds represent agency funds and private purpose trust fund. Both agency funds and the private purpose trust funds are accounted for on the full accrual basis accounting. The fiduciary funds are used to account for resources held in the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs.

The City reports the following fiduciary funds:

The *Private-purpose Trust Fund* is used to report resources held in trust for the Successor Agency to the former Perris Redevelopment Agency.

The *Agency Funds* are used to account for money received by the City as an agent for individuals, other

- The City receives deposits from other organizations or private individuals in a custodial nature.
- Special taxes and assessments are receipted to the City to make principal and interest payments for Community Facilities Districts bonds. The City has no obligations to these debt issues.

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

The City pools its available cash for investment purposes. The City considers the pooled cash and investment amounts, with original maturities of three months or less, to be cash equivalents.

The statement of cash flows requires presentation of "cash and cash equivalents". For the purposes of the statement of cash flows, the City considers all proprietary fund pooled cash and investments as "cash and cash equivalents", as such funds are available to the various funds upon request.

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

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

**C. Cash, Cash Equivalents, and Investments (Continued)**

Certain disclosure requirements, if applicable, for deposit and investments risks in the following areas:

- Interest Rate Risk
- Credit Risk
  - Overall
  - Custodial Credit Risk
  - Concentration of Credit Risk
- Foreign Currency Risk

**D. Fair Value Measurement**

U.S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the financial statements, are categorized based upon the level of judgement associated with the inputs used to measure their fair value. Level of inputs are as follows:

- Level 1 – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.
- Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the assets or liabilities through corroboration with market data at the measurement date.
- Level 3 – Unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

**E. Accounts Receivables and Due from Other Governments**

Accounts receivables include such items as taxes, charges for services, miscellaneous accounts receivable, and interest receivable. No allowance for doubtful accounts has been established, as the City believes all amounts are considered to be collectible in the normal course of business.

Due from other government includes receivables from other governments, such as sales taxes, state gas taxes, motor vehicle in-lieu taxes and other revenues, collected or provided by the Federal, State, and County governments and unremitted to the City as of end of the year.

**F. Prepaid Items and Deposits**

Prepaid items are payments made to vendors for services that will benefit periods beyond the fiscal year ended using purchase method. Deposits are payments made as a security or in part payment. A nonspendable fund balance has been reported in the governmental funds to show that prepaid items do not constitute “available spendable resources”, even though they are a component of net current assets.

**G. Interfund Transactions**

Activities between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans).

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

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

**H. Land Held for Resale**

The former Redevelopment Agency acquired several parcels of land as part of its primary purpose to develop or redevelop blighted areas. The City also acquired several parcels of land for development as part of potential commercial development projects. The properties are held by the Successor Agency and the City at the lower of cost or estimated net realizable value determined at the date of an executed disposition and developer's agreement. The General Fund reports nonspendable fund balance equal to the carrying value of land held for development because the balances are not in spendable form.

**I. Capital Assets**

Capital assets, which include land, buildings, building improvements, machinery, vehicles, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Capital assets purchased in excess of \$5,000, and buildings and building improvements purchased in excess of \$20,000 are capitalized if they have an expected useful life of 2 years or more. Infrastructure is capitalized if cost is in excess of \$50,000 and it has an expected useful life of 2 years or more. The cost of normal maintenance and repairs that do not add to the value of the asset's lives are not capitalized.

Major capital outlay for capital assets and improvements are capitalized as projects are constructed. For debt-financed capital assets, interest incurred during the construction phase is reflected in the capitalization value of the asset constructed, net of interest earned on the invested proceeds over the same period. Capital assets acquired through lease obligations are valued at the present value of future lease payments at the date acquired. Donated capital assets are valued at their estimated acquisition value rather than fair market value at the date of donation.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the government-wide financial statements and in the fund financial statements of the proprietary funds. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective balance sheet.

The range of lives used for depreciation purposes for each capital asset class is as follows:

Assets	Years
Buildings	30-45
Building improvements	7-30
Machinery	6-15
Vehicles	5-15
Infrastructure	20-40
Structures and improvements	35-40
Reservoirs and manholes	50-60
Boosters	25
Other equipment and services	35-60



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

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

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

The Statement of Net Position reports separate sections for deferred outflows of resources and deferred inflows of resources, when applicable.

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

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

***K. Long-Term Debt***

Long-term debt and other financial obligations are reported as liabilities in the government-wide financial statements and fiduciary fund financial statements.

Bond premiums and discounts are deferred and amortized over the term of the bonds using the straight-line method, which materially approximates the effective interest method. Bond premiums are presented as an addition to the face amount of bonds payable whereas discounts are recorded as a reduction to the face value of the bonds payable amount. Issuance costs are expensed in the year of issuance.

The governmental fund financial statements do not present long-term debt but are shown as reconciliation of the Governmental Fund Balance Sheet to the government-wide Statement of Net Position.

***L. Compensated Absence***

Compensated absences (unpaid vacation and sick leave) are recorded as expenditures in the year they are paid. The balance of unpaid vacation and vested sick leave at the end of the year is reported as a long-term liability in the Government-Wide financial statements and proprietary fund financial statements. Compensated absences are reported in governmental funds only if they matured (i.e., unused reimbursable leave still outstanding following an employee's termination from employment). Compensated absences are liquidated principally by the General Fund. Unpaid compensated absences of proprietary funds are recorded as a liability in those funds as the vested benefits to the employees accrue.

***M. Pensions***

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

The following timeframes are used for pension reporting:

<u>CalPERS</u>	
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018

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

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

**M. Pensions (Continued)**

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

**N. Other Postemployment Benefits (“OPEB”)**

For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

Other Postemployment Benefits

Valuation Date	July 1, 2017
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

Gains and losses related to changes in total OPEB liability are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. Gain and loss are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

Other postemployment benefits liabilities are liquidated principally by the General Fund and the enterprise funds.

**O. Net Position**

In the government-wide financial statements, net position is classified into three components, which are defined as follows:

**Net Investment in Capital Assets** - This component of net position consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any debt and related debt premiums, discounts, and deferred inflows and outflows of resources, that are attributable to the acquisition, construction, or improvement of those assets and retention payable. If there are significant unspent debt proceeds at year-end, the unspent proceeds and the amount of related debt are included in the calculation of net investment in capital assets.

**Restricted Net Position** - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation net with related liabilities.

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

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

**O. Net Position (Continued)**

**Unrestricted Net Position** - This component of net position consists of net position that do not meet the definition of "net investment in capital assets" or "restricted".

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

**P. Fund Balances**

Fund balance in governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The City considers restricted fund balance to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

**Nonspendable Fund Balance** - Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact.

**Restricted Fund Balance** - Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

**Committed Fund Balance** - Amounts that can only be used for specific purposes because of a formal action (ordinance) by the government's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation.

**Assigned Fund Balance** - Amounts that are constrained by the City's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body, or by an official to whom the authority has been given. The City Council has by resolution authorized the Finance Director to assign fund balance. The City Council may also assign fund balance, however, unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

**Unassigned Fund Balance** - These are either residual positive net resources of the General Fund in excess of what can properly be classified in one of the other categories, or negative balances in all other funds.

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

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

***Q. General Fund Minimum Reserve Policy***

The City adopted a policy to commit to a General Fund Minimum Reserve amount consisting of 35% of the projected budgeted revenues for any given fiscal year for specific uses such as economic uncertainty, declaration of a local, state or federal emergency/disaster, or another other emergency expenditure deemed appropriate by the City Council. This commitment can only be modified or removed by an action of the City Council. The current year reserve is \$13,525,132.

***R. Property Taxes***

Property taxes are attached as an enforceable lien on property as of January 1. Taxes are levied on July 1 and are payable in two installments on November 1 and February 1. Such taxes are delinquent on December 10 and April 10, respectively. Any unpaid amounts at the end of the fiscal year are recorded as accounts receivable. The County of Riverside bills and collects the property taxes and subsequently remits the amount due to the City in installments during the year. Historically, the City has received substantially all of the taxes levied within two years from the date they are levied.

The County is permitted by State Law (Article XIII B of the California Constitution) to levy taxes at one percent (1%) of full market value (at time of purchase) and can increase the property's value no more than two percent (2%) per year. The City receives a share of this basic levy proportionate to what it received in the 1976 to 1978 period.

***S. Use of Estimates***

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

***T. Implementation of New GASB Pronouncements***

**Governmental Accounting Standard Board Statement No. 88**

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

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

**Note 2 – Cash and Investments**

At June 30, 2019, cash and investments are classified in the accompanying financial statements as follows:

	Government-Wide Statement of Net Position	Fiduciary Fund Statement of Net Position	Total
Unrestricted assets:			
Cash and investments	\$ 193,838,153	\$ 6,961,985	\$ 200,800,138
Restricted assets:			
Cash and investments	147,285,492	16,617,342	163,902,834
Total cash and investments	<u>\$ 341,123,645</u>	<u>\$ 23,579,327</u>	<u>\$ 364,702,972</u>

Cash and investments at June 30, 2019, consist of the following:

Deposits with financial institution	\$ 13,832,737
Petty cash	2,100
Investments	<u>350,868,135</u>
Total cash and investments	<u>\$ 364,702,972</u>

**A. Demand Deposits**

The carrying amounts of the City's cash deposits were \$13,832,737 at June 30, 2019. Bank balances at June 30, 2019, were \$13,812,623 which were fully insured or collateralized with securities held by the pledging financial institutions in the City's name as discussed below. The \$20,114 difference represents outstanding checks, deposits in transits, and other reconciling items.

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. The market value of pledged securities 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 ("FDIC"). The City did not waive the collateralization requirements.

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

**B. Investment Authorized by the California Government code and the City's Investment Policy**

The table below identifies the investment types that are authorized for the City by the City's investment policy. 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.

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

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

**B. Investment Authorized by the California Government code and the City’s Investment Policy (Continued)**

Authorized Investment Type	Maximum <sup>(1)</sup> Maturity	Maximum <sup>(2)</sup> Percentage Allowed	Maximum Investments in One Issuer
U.S. Treasury Obligations	5 years	None	None
United States government sponsored enterprise 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%	5%
Non-negotiable certificates of deposit	5 years	30%	None
Certificate of deposit placement service	5 years	30%	None
Repurchase agreements	92 days	20%	None
Local Agency Investment Fund ("LAIF")	None	80%	None
State of California/California local agency bonds, notes, warrants, other indebtedness	5 years	10%	None

<sup>(1)</sup> No more than 50% of the portfolio shall have maturity dates in excess of 2 years at any given time.

<sup>(2)</sup> Excluding amounts held by bond trustee that are not subject to California Government Code Restrictions.

**C. 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.

**D. Risk Disclosures**

**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. In accordance with its investment policy, one of the ways that the City manages its exposure to interest rates risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City’s investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City’s investments by maturity.

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

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

**D. Risk Disclosures (Continued)**

**Interest Rate Risk (Continued)**

At June 30, 2019, the City had the following investment maturities:

Investment Type	Remaining Maturity (In Months)				Total
	12 Months or Less	13-24 Months	25-60 Months	More than 60 Months	
<b>Investments:</b>					
Local Agency Investment Fund ("LAIF")	\$ 45,507,921	\$ -	\$ -	\$ -	\$ 45,507,921
United States government sponsored enterprise securities	28,523,946	18,631,708	36,360,465	-	83,516,119
U.S. Treasury Bills	6,772,567	10,240,160	12,785,472	-	29,798,199
Commercial Paper	1,488,272	-	-	-	1,488,272
Negotiable certificates of deposit	1,000,422	245,228	244,983	-	1,490,633
Money market funds	25,164,157	-	-	-	25,164,157
<b>Investments with fiscal agent:</b>					
Money market funds	36,710,755	-	-	-	36,710,755
Local obligation bonds	5,401,673	5,601,673	16,048,192	100,140,541	127,192,079
<b>Total</b>	<b>\$ 150,569,713</b>	<b>\$ 34,718,769</b>	<b>\$ 65,439,112</b>	<b>\$ 100,140,541</b>	<b>\$ 350,868,135</b>

**Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Presented below is the minimum rating required by (where applicable) the California Government Code or the City's investment policy and the actual rating as of year-end for each investment type.

Investment Type	Fair Value as of June 30, 2019	Minimum Legal Rating	Minimum Rating Required			Not Rated	Not Required to be Rated
			AAA	AA	A		
<b>Investments:</b>							
Local Agency Investment Fund ("LAIF")	\$ 45,507,921	N/A	\$ -	\$ -	\$ -	\$ -	\$ 45,507,921
United States government sponsored enterprise securities	83,516,119	N/A	-	78,711,051	-	4,805,068	-
U.S. Treasury Bills	29,798,199	A	-	29,798,199	-	-	-
Commercial Paper	1,488,272	A	-	-	1,488,272	-	-
Negotiable certificates of deposit	1,490,633	N/A	-	-	1,000,422	490,211	-
Money market funds	25,164,157	AAA	25,164,157	-	-	-	-
<b>Investments with fiscal agent:</b>							
Money market funds	36,710,755	N/A	36,710,755	-	-	-	-
Local obligation bonds	127,192,079	A	-	-	-	127,192,079	-
<b>Total</b>	<b>\$ 350,868,135</b>		<b>\$ 61,874,912</b>	<b>\$ 108,509,250</b>	<b>\$ 2,488,694</b>	<b>#####</b>	<b>\$ 45,507,921</b>

N/A - Not required to be rated

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

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

**D. Risk Disclosures (Continued)**

***Concentration of Credit Risk***

The investment policy of the City and California Government Code contains limitations on the amount that can be invested in any one issuer. The City is exposed to credit risk if it has invested more than 5% of its investments in any one issuer. Investment guarantee by the U.S. government and investment mutual funds and external investment pools are excluded from this requirement.

Investment in any one issuer that represent 5% or more of total City investment, excluding investment with fiscal agent, are as follow:

Issuers	Investment Type	Reported Amount	Percentage
Federal Home Loan Bank	U.S. Government Sponsored Enterprise Securities	\$ 31,261,945	16.72%
Federal Home Loan Mortgage Corporation	U.S. Government Sponsored Enterprise Securities	23,071,468	12.34%
Federal National Mortgage Association	U.S. Government Sponsored Enterprise Securities	20,193,012	10.80%

***Custodial Credit Risk***

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

As of June 30, 2019, \$13,562,623 of the City's deposits with financial institutions in excess of federal depository insurance limits were held in collateralized accounts, and none of the City's investments were held by the broker-dealer (counterparty) that was used by the City to buy the securities.



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

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

**E. Fair Value Measurement**

The following table represents the fair value measurement of investments on a recurring basis and the levels within GASB 72 fair value hierarchy in which the fair value measurements fall at June 30, 2019:

Investments:	Measurement Input		Uncategorized	Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)		
Local Agency Investment Fund ("LAIF")	-	\$ -	\$ 45,507,921	\$ 45,507,921
United States government sponsored enterprise securities	\$ -	83,516,119	-	83,516,119
U.S. Treasury Bills	29,798,199	-	-	29,798,199
Commercial Paper	-	1,488,272	-	1,488,272
Negotiable certificates of deposit	-	1,490,633	-	1,490,633
Money market funds	-	-	25,164,157	25,164,157
Investments with fiscal agent:				
Money market funds	-	-	36,710,755	36,710,755
Local obligation bonds	-	127,192,079	-	127,192,079
<b>Total</b>	<b>\$ 29,798,199</b>	<b>\$ 213,687,103</b>	<b>\$ 107,382,833</b>	<b>\$ 350,868,135</b>

The City's level 2 investments are valued based on institutional bond quotes or matrix pricing.

**F. Local Agency Investment Fund (LAIF)**

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments with LAIF at June 30, 2019, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities:

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

Asset-Backed Securities are generally mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2019, the City had \$45,507,921 invested in LAIF, which had invested 1.77% of the pool investment funds in Structured Notes and Asset-Backed Securities. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. The City valued its investments in LAIF at amortized cost which appropriates fair value.

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

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

**G. Investment in Bonds**

The Perris Public Financing Authority and the Perris Joint Powers Authority has purchased various Assessment District (“AD”) and Community Facilities District (“CFD”) Bonds from the proceeds of revenue bonds issued to facilitate the respective bond issues of the Districts.

The Assessment District and CFD Bonds are secured solely by assessments on property owners within the Districts. The repayment schedules of the bonds, and interest thereon, to the above component units are concurrent and sufficient to satisfy the debt service requirements of the respective revenue bonds.

The CFD and Assessment District Bonds investments are summarized below.

Investment	Fair Value
CFD 2002-1 Refunding Special Tax Bonds, 2013 Series	\$ 4,679,267
CFD 2001-1 Special Tax Bonds (IA 1, IA2 and IA3), 2014 Refunding Bonds	9,835,185
CFD 2006-1 Special Tax Bonds, 2014 Refunding Bonds	2,258,939
CFD 2004-3 Special Tax Refunding Bonds (IA1), 2014 Series	6,484,625
CFD 2004-2 Special Tax Refunding Bonds, 2014 Series	4,081,893
CFD 2001-1 Special Tax Refunding Bonds (IA6 and IA7), 2014 Series	12,114,023
CFD 2004-1 Special Tax Refunding Bonds, 2014 Series A	2,033,863
CFD 2003-1 Special Tax Refunding Bonds, 2014 Series	3,029,256
CFD 2005-2 Special Tax Refunding Bonds 2015 Series	12,576,544
CFD 2006-2 Special Tax Refunding Bonds 2015 Series	9,086,701
CFD 2004-3 Special Tax Refunding Bonds (IA2), 2015 Series	7,628,531
CFD 2014-2 Special Tax Refunding Bonds 2015 Series	1,641,398
CFD 2005-1 Special Tax Refunding Bonds (IA3), 2015 Series	4,336,880
CFD 2005-4 Special Tax Refunding Bonds, 2015 Series	5,353,886
CFD 2005-4 Special Tax Bonds, 2015 Series	2,626,550
CFD 2014-1 Special Tax Bonds, 2017 Series	4,133,085
CFD 2001-1 Special Tax Bonds (IA4 and IA5), 2017 Series	23,126,598
CFD 93-1 and 2004-5 Special Tax Refunding Bonds, 2017 Series	3,282,170
CFD 2014-1 Special Tax Bonds (IA2), 2018 Series	4,122,237
CFD 2014-1 Special Tax Bonds (IA2), 2018 Series	4,760,448
Total	<u>\$ 127,192,079</u>

**H. Cash and Investments with Fiscal Agent**

Included in cash and investments with fiscal agent are the debt securities issued by some of the City’s Assessment Districts and Community Facilities Districts. These are special assessment obligations and, therefore, are not obligations of the Perris Public Financing Authority, Perris Joint Powers Authority or the City.

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

**Note 3 – Loans Receivable**

The Perris Public Financing Authority has entered into loan agreements with the Perris Redevelopment Agency (Agency) whereby the Authority loaned the proceeds of the 2009 Series A, B and C Revenue Bonds, the 2010 Series A Revenue Bond and the 2015 Series A and B Revenue Refunding Bonds issued by the Authority to retire debt and provide funds for certain public improvements in Agency project areas. As of February 1, 2012, the Perris Redevelopment Agency was dissolved (see Note 1) and the Successor Agency of the Perris Redevelopment Agency oversees the remaining activities of the former Perris Redevelopment Agency. The balance of these loans is \$46,385,000 as of June 30, 2019. The Authority retained \$4,604,827 to fund reserve accounts for the above related debt issues.

**Note 4 – Interfund Transactions**

**A. Government-Wide Financial Statements**

**Internal Balances** – At June 30, 2019, the City has the following internal receivable and payable.

	Internal Payable
Internal Receivable	Business-Type Activities
Governmental Activities	\$ 8,611,681

**B. Fund Financial Statements**

**Due To/Due From** – At June 30, 2019, The City had following short-term interfund receivables and payables to cover short-term cash shortfall.

Due to Other Funds	Due from Other Funds		
	General Fund	Perris CEDC Special Revenue Fund	Total
<b>Governmental Funds:</b>			
Public Financing Authority			
Debt Service Fund	\$ 32	\$ -	\$ 32
Joint Power Authority			
Debt Service Fund	43	-	43
Storm Drain Development			
Capital Projects Fund	11,431	-	11,431
Capital Improvement Projects			
Capital Projects Fund	7,006	-	7,006
Road and Bridge Benefit			
District Special Revenue Fund	58,103	-	58,103
Perris CEDC			
Special Revenue Fund	2,556	-	2,556
Housing Authority			
Special Revenue Fund	1,334	-	1,334
Nonmajor Governmental Funds	852,069	49,600	901,669
<b>Enterprise Funds:</b>			
Sewer Utility	473	-	473
Public Utility Authority	3,052,783	-	3,052,783
Solid Waste Utility	596	-	596
<b>Total</b>	<b>\$ 3,986,426</b>	<b>\$ 49,600</b>	<b>\$ 4,036,026</b>

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

**Note 4 – Interfund Transactions (Continued)**

**B. Fund Financial Statements (Continued)**

**Advance To/Advance From** – At June 30, 2019, the City had following long-term interfund receivables and payables.

	Advance from Other Funds	Advance to Other Funds
		General Fund
<b>Enterprise Funds</b>		
Public Utility Authority		\$ 4,899,695
Water Utility		658,134
<b>Total</b>		<b>\$ 5,557,829</b>

The General Fund advanced the Public Utility Authority Enterprise Fund \$5,879,635 to provide funding for a settlement agreement with BAI Investor, LLC related to the promissory note entered by the Perris Utility Authority and McCanna Ranch Water Company on December 12, 2008. Interest on the advance accrues 6% per annum. Principal on the advance is payable in annual payments of \$195,988 and a final payment of \$195,983 commencing June 30, 2015 through June 30, 2044. The balance of the advance is \$4,899,695 as of June 30, 2019.

The General Fund advanced the Water Utility Enterprise Fund \$322,682 in 2007. The 2007 advance was used by the Water Utility Enterprise Fund to make a final payment on its note payable to the California Infrastructure and Economic Development Bank. The remaining advance is being used to assist the Water Utility Enterprise Fund's operations. The balance of the advances was \$658,134 as of June 30, 2019.

**Transfers** – For the year ended June 30, 2019, the City had the following transfers:

	Transfers In			
	Governmental Funds			
	General Fund	Housing Authority	Nonmajor Governmental	Total
<b>Transfers Out</b>				
<b>Governmental Funds:</b>				
General Fund	\$ -	\$ 267,212	\$ 498,947	\$ 766,159
Nonmajor Governmental Funds	925,000	-	68,543	993,543
<b>Total</b>	<b>\$ 925,000</b>	<b>\$ 267,212</b>	<b>\$ 567,490</b>	<b>\$ 1,759,702</b>

- General Fund transferred \$267,212 to the Housing Authority Special Revenue Fund to support the low-income rental housing activities.
- General Fund transferred \$498,947 to provide funding for capital projects.
- Nonmajor governmental funds transferred \$925,000 to General Fund to provide funding for the street maintenance and improvements.
- Nonmajor governmental funds transferred \$68,543 to nonmajor governmental funds to provide funding for the loan acquisition.

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

**Note 5 – Capital Assets**

**A. Government-Wide Financial Statements**

The following is a summary of changes in capital assets for governmental activities for the year ended June 30, 2019.

	July 1, 2018 (as restated)	Additions	Dclctions	Reclassification	Balance June 30, 2019
<b>Capital assets, not being depreciated:</b>					
Land	\$ 40,357,116	\$ 75,909	\$ -	\$ -	\$ 40,433,025
Construction in progress	28,785,818	6,306,342	-	(449,798)	34,642,362
<b>Total capital assets, not being depreciated</b>	<b>69,142,934</b>	<b>6,382,251</b>	<b>-</b>	<b>(449,798)</b>	<b>75,075,387</b>
<b>Capital assets, being depreciated:</b>					
Buildings	24,097,202	-	-	-	24,097,202
Building improvements	8,924,601	-	-	-	8,924,601
Machinery	2,534,207	202,446	-	84,813	2,821,466
Vehicles	2,770,649	418,692	-	-	3,189,341
Infrastructure	277,032,499	12,915,545	-	364,985	290,313,029
<b>Total capital assets, being depreciated</b>	<b>315,359,158</b>	<b>13,536,683</b>	<b>-</b>	<b>449,798</b>	<b>329,345,639</b>
<b>Less accumulated depreciation for:</b>					
Buildings	(7,431,649)	(595,952)	-	-	(8,027,601)
Building improvements	(4,769,966)	(391,359)	-	-	(5,161,325)
Machinery	(2,068,936)	(195,385)	-	-	(2,264,321)
Vehicles	(1,992,767)	(231,910)	-	-	(2,224,677)
Infrastructure	(178,305,158)	(6,489,218)	-	-	(184,794,376)
<b>Total accumulated depreciation</b>	<b>(194,568,476)</b>	<b>(7,903,824)</b>	<b>-</b>	<b>-</b>	<b>(202,472,300)</b>
<b>Total capital assets, being depreciated, net</b>	<b>120,790,682</b>	<b>5,632,859</b>	<b>-</b>	<b>449,798</b>	<b>126,873,339</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 189,933,616</b>	<b>\$ 12,015,110</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 201,948,726</b>

Depreciation expense for capital assets of the governmental activities for the year ended June 30, 2019, is as follows:

General government	\$ 620,316
Public safety	171,259
Public works	6,561,113
Parks and recreation	551,136
<b>Total depreciation expense - governmental activities</b>	<b>\$ 7,903,824</b>

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

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

**B. Business-Type Activities**

The following is a summary of changes in capital assets for business-type activities for the year ended June 30, 2019.

	Balance July 1, 2018 (as restated)	Additions	Deletions	Reclassification	Balance June 30, 2019
<b>Capital assets, not being depreciated:</b>					
Land	\$ 300,564	\$ -	\$ -	\$ -	\$ 300,564
<b>Total capital assets, not being depreciated</b>	<b>300,564</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>300,564</b>
<b>Capital assets, being depreciated:</b>					
Major equipment	542,732	-	-	-	542,732
Structures and improvements	315,186	-	-	-	315,186
Boosters	35,845	-	-	-	35,845
Reservoirs	2,068,567	-	-	-	2,068,567
Mains	19,321,485	-	-	-	19,321,485
Services	2,429,776	-	-	-	2,429,776
Meters	1,405,617	-	-	-	1,405,617
Hydrants	1,271,892	-	-	-	1,271,892
Manholes	885,458	-	-	-	885,458
Wells	996,071	-	-	-	996,071
Vehicles	105,079	-	-	-	105,079
<b>Total capital assets, being depreciated</b>	<b>29,377,708</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,377,708</b>
<b>Less accumulated depreciation for:</b>					
Major equipment	(274,808)	(27,342)	-	-	(302,150)
Structures and improvements	(110,149)	(7,371)	-	-	(117,520)
Boosters	(35,845)	-	-	-	(35,845)
Reservoirs	(685,457)	(44,945)	-	-	(730,402)
Mains	(7,009,565)	(461,607)	-	-	(7,471,172)
Services	(1,158,787)	(71,599)	-	-	(1,230,386)
Meters	(640,615)	(41,088)	-	-	(681,703)
Hydrants	(628,596)	(32,127)	-	-	(660,723)
Manholes	(338,775)	(17,660)	-	-	(356,435)
Wells	(269,492)	(28,459)	-	-	(297,951)
Vehicles	(105,079)	-	-	-	(105,079)
<b>Total accumulated depreciation</b>	<b>(11,257,168)</b>	<b>(732,198)</b>	<b>-</b>	<b>-</b>	<b>(11,989,366)</b>
<b>Total capital assets, being depreciated, net</b>	<b>18,120,540</b>	<b>(732,198)</b>	<b>-</b>	<b>-</b>	<b>17,388,342</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 18,421,104</b>	<b>\$ (732,198)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,688,906</b>

Depreciation expense for capital assets of the business-type activities for the year ended June 30, 2019, is as follows:

Sewer Utility	\$ 252,628
Public Utility Authority	320,359
Water Utility	159,211
<b>Total depreciation expense - business-type activities</b>	<b>\$ 732,198</b>

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

**Note 6 – Long-Term Liabilities**

**A. Governmental Activities**

The following is a summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2019.

Governmental Activities:	Balance	Additions	Deletions	Balance	Due Within	Due in More
	July 1, 2018 (as restated)			June 30, 2019	One Year	Than One Year
Notes payable	\$ 781,370	\$ -	\$ -	\$ 781,370	\$ -	\$ 781,370
WRCOG Regional Streetlight Program	-	4,987,537	-	4,987,537	68,923	4,918,614
Revenue bonds	191,110,000	4,980,000	(25,610,000)	170,480,000	6,730,000	163,750,000
Compensated absences	1,138,103	1,625,802	(1,649,154)	1,114,751	23,836	1,090,915
Premium on revenue bonds	3,826,950	-	(216,053)	3,610,897	-	3,610,897
Discounts on revenue bonds	(1,076,351)	(40,872)	60,834	(1,056,389)	-	(1,056,389)
<b>Total</b>	<b>\$195,780,072</b>	<b>\$ 11,552,467</b>	<b>\$ (27,414,373)</b>	<b>\$179,918,166</b>	<b>\$ 6,822,759</b>	<b>\$173,095,407</b>

**Notes Payable**

The City entered into a promissory note with the Agency in the amount of \$2,192,000 on October 26, 2004. The note was to reimburse the Agency's cost to acquire a property for a new sheriff station and other facilities. Interest is accrued at a rate of 4% per annum. Payments are solely made from police and community facilities development impact fees. During the year ended June 30, 2012, the Agency was dissolved and the note is now with the Successor Agency to the Perris Redevelopment Agency. The note payable has no debt service schedule and the outstanding balance of the note was \$781,370 as of June 30, 2019. The outstanding balance at June 30, 2019 was \$781,370.

**Western Riverside Council of Governments ("WRCOG") Regional Streetlight Program**

The City entered in to an Equipment/Lease purchase agreement with the Banc of America Leasing & Capital, LLC on October 11, 2018 in the amount of \$4,987,537 for the WRCOG Regional Streetlight Program. The proceeds of the loan will be used for the cost of the program. Interest is accrued at a rate of 5.52% per annum. Principal and interest payments are due semiannually on each June 1 and December 1, commencing December 1, 2019. The outstanding balance of the note was \$4,987,537 as of June 30, 2019. Future minimum lease payments under the lease at June 30, 2019 are as follows:

Fiscal Year	
2020	\$ 521,585
2021	521,586
2022	521,584
2023	521,584
2024	521,586
2025-2029	2,607,924
2030-2034	2,347,132
<b>Subtotal</b>	<b>7,562,981</b>
<b>Less amount representing interest</b>	<b>(2,575,444)</b>
<b>Present value of future minimum lease payable</b>	<b>\$ 4,987,537</b>

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

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

**A. Governmental Activities (Continued)**

*Revenue Bonds*

**2007 Revenue Refunding Bonds, Series A**

On August 7, 2007, the Public Financing Authority issued \$11,895,000 2007 Revenue Refunding Bonds, Series A, to refund a portion of the 1996 Revenue Bonds, Series F. Interest on the bonds is payable September 1 and March 1 of each year. Interest on the bonds accrues at rates varying from 4.000% to 5.000% per annum. Principal on the serial bonds is payable in annual installments ranging from \$395,000 to \$1,115,000 commencing September 1, 2008 through September 1, 2024. At June 30, 2019, the bonds were redeemed early.

**2009 Revenue Bonds, Series A**

On February 3, 2009, the Public Financing Authority issued \$4,055,000 2009 Revenue (Tax Allocation) Bonds, Series A, to provide loans to the Redevelopment Agency (see Note 3). The proceeds of these loans will be used to finance the 1987 Project Loan and to pay related expenses of the Authority. Interest on the bond is payable October 1 and April 1 of each year. Interest on the bond accrues at rates varying from 3.250% to 6.100% per annum. Principal on the serial bonds is payable in annual installments ranging from \$60,000 to \$875,000 commencing October 1, 2009 through October 1, 2037. At June 30, 2019, the debt was redeemed early through proceeds from the loan paid off by the Successor Agency.

**2009 Revenue Bonds, Series B**

On February 25, 2009, the Public Financing Authority issued \$7,605,000 2009 Revenue (Tax Allocation) Bonds, Series B, to provide loans to the Redevelopment Agency (see Note 3). The proceeds of these loans will be used to finance the 1994 Project Loan and to pay related expenses of the Authority. Interest on the bond is payable October 1 and April 1 of each year. Interest on the bond accrues at rates varying from 3.250% to 6.150% per annum. Principal on the serial bonds is payable in annual installments ranging from \$65,000 to \$1,310,000 commencing October 1, 2009 through October 1, 2039. At June 30, 2019, the debt was redeemed early through proceeds from the loan paid off by the Successor Agency.

**2009 Revenue Bonds, Series C**

On June 19, 2009, the Public Financing Authority issued \$5,490,000 2009 Revenue (Tax Allocation) Bonds, Series C, to provide loans to the Redevelopment Agency (see Note 3). The proceeds of these loans will be used to finance the Central North Project Loan and to pay related expenses of the Authority. Interest on the bond is payable October 1 and April 1 of each year. Interest on the bond accrues at rates varying from 3.000% to 6.375% per annum. Principal on the serial bonds is payable in annual installments ranging from \$60,000 to \$1,380,000 commencing October 1, 2010 through October 1, 2035. At June 30, 2019, the debt was redeemed early through proceeds from the loan paid off by the Successor Agency.



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

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

**A. Governmental Activities (Continued)**

*Revenue Bonds (Continued)*

**2010 Revenue (Tax Allocation) Bonds, Series A**

On April 19, 2010, the Perris Joint Powers Authority issued \$7,180,000 2010 Revenue (Tax Allocation) Bonds, Series A, to provide loans to the Redevelopment Agency (see Note 3). The proceeds of these loans will be used to finance the Housing Loan and to pay related expenses of the Authority. Interest on the bond is payable October 1 and April 1 of each year. Interest on the bond accrues at rates varying from 3.000% to 5.500% per annum. Principal on the serial bonds is payable in annual installments ranging from \$25,000 to \$1,200,000 commencing October 1, 2010 through October 1, 2040. At June 30, 2019, the Authority has a cash reserve balance for debt service of \$722,174 which is sufficient to cover the reserve requirement. The outstanding balance at June 30, 2019 was \$6,935,000.

**2013 Revenue Bonds, Series B**

On June 12, 2013, the Perris Joint Powers Authority issued \$5,750,000 2013 Local Agency Revenue Bonds, Series B, to acquire CFD 2002-1 (Willowbrook Refunding) Special Tax Bonds. Interest on the bonds is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 5.25% per annum. Principal on serial bonds is payable in annual installments ranging from \$125,000 to \$540,000 commencing September 1, 2014 through September 1, 2033. At June 30, 2019, the Authority has a cash reserve balance for debt service of \$556,748 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2019 was \$4,880,000.

**2014 Revenue Bonds, Series A**

On January 16, 2014, the Perris Joint Powers Authority issued \$12,165,000 2014 Local Agency Revenue Bonds, Series A, to refund a portion of the Perris Public Financing Authority 2003 Revenue Bonds, Series A and to acquire CFD 2001-1 (May Farms IA 1, 2 & 3) Special Tax Bonds. Interest on the bonds is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 5.375% per annum. Principal on serial bonds is payable in annual installments ranging from \$405,000 to \$905,000 commencing September 1, 2014 through September 1, 2033. At June 30, 2019, the Authority has a cash reserve balance for debt service of \$950,249 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2019 was \$9,700,000.

**2014 Revenue Bonds, Series B**

On June 4, 2014, the Perris Joint Powers Authority issued \$2,825,000 2014 Local Agency Revenue Bonds, Series B, to refund a portion of the Perris Public Financing Authority 2007 Revenue Bonds, Series C and to acquire CFD 2006-1 (Meritage Homes) Special Tax Bonds. Interest on the bonds is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 5.00% per annum. Principal on serial bonds is payable in annual installments ranging from \$45,000 to \$120,000 commencing September 1, 2014 through September 1, 2038. At June 30, 2019, the Authority has a cash reserve balance for debt service of \$217,636 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2019 was \$2,420,000.

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

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

**A. Governmental Activities (Continued)**

*Revenue Bonds (Continued)*

**2014 Revenue Bonds, Series C**

On July 24, 2014, the Perris Joint Powers Authority issued \$8,615,000 2014 Local Agency Revenue Bonds, Series C, to refund a portion of the Perris Public Financing Authority 2004 Revenue Bonds, Series A and to acquire CFD 2004-3 (Monument Ranch IA 1) Special Tax Bonds. Interest on the bonds is payable September 1<sup>st</sup> and March 1<sup>st</sup> of each year. Interest on the bonds accrues at rates varying from 2.00% to 4.25% per annum. Principal on serial bonds is payable in annual installments ranging from \$315,000 to \$595,000 commencing September 1, 2015 through September 1, 2034. At June 30, 2019, the Authority has a cash reserve balance for debt service of \$621,711 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2019 was \$6,765,000.

**2014 Revenue Bonds, Series D**

On July 17, 2014, the Perris Joint Powers Authority issued \$4,695,000 2014 Local Agency Revenue Bonds, Series D, to acquire CFD 2004-2 (CLC Refunding) Special Tax Bonds. Interest on the bonds is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 4.25% per annum. Principal on serial bonds is payable in annual installments ranging from \$170,000 to \$325,000 commencing September 1, 2015 through September 1, 2034. At June 30, 2019, the Authority has a cash reserve balance for debt service of \$340,718 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2019 was \$3,910,000.

**2014 Revenue Bonds, Series E**

On September 18, 2014, the Perris Joint Powers Authority issued \$13,925,000 2014 Local Agency Revenue Bonds, Series E, to refund a portion of the Perris Public Financing Authority 2007 Revenue Bonds, Series D and to acquire CFD 2001-1 (May Farms IA 6 & 7) Special Tax Bonds. Interest on the bonds is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 4.25% per annum. Principal on serial bonds is payable in annual installments ranging from \$380,000 to \$890,000 commencing September 1, 2015 through September 1, 2038. At June 30, 2019, the Authority has a cash reserve balance for debt service of \$924,474 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2019 was \$12,175,000.

**2014 Revenue Bonds, Series F**

On October 9, 2014, the Perris Joint Powers Authority issued \$2,465,000 2014 Local Agency Revenue Bonds, Series F, to refund a portion of the Perris Public Financing Authority 2004 Revenue Bonds, Series A and to acquire CFD 2004-1 (Amber Oaks) Special Tax Bonds. Interest on the bonds is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 4.00% per annum. Principal on serial bonds is payable in annual installments ranging from \$90,000 to \$165,000 commencing September 1, 2015 through September 1, 2034. At June 30, 2019, the Authority has a cash reserve balance for debt service of \$175,866 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2019 was \$2,045,000.

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

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

**A. Governmental Activities (Continued)**

*Revenue Bonds (Continued)*

**2014 Revenue Bonds, Series G**

On November 13, 2014, the Perris Joint Powers Authority issued \$3,435,000 2014 Local Agency Revenue Bonds, Series G, to acquire CFD 2003-1 (Chaparral Ridge) Special Tax Bonds. Interest on the bonds is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 4.00% per annum. Principal on serial bonds is payable in annual installments ranging from \$105,000 to \$290,000 commencing September 1, 2015 through September 1, 2033. At June 30, 2019, the Authority has a cash reserve balance for debt service of \$303,889 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2019 was \$2,965,000.

**2015 Revenue Bonds, Series A**

On March 26, 2015, the Perris Joint Powers Authority issued \$13,570,000 2015 Local Agency Revenue Bonds, Series A, to acquire CFD 2005-2 (Harmony Grove) Special Tax Bonds. Interest on the bonds is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 3.875% per annum. Principal on serial bonds is payable in annual installments ranging from \$355,000 to \$885,000 commencing September 1, 2015 through September 1, 2035. At June 30, 2019, the Authority has a cash reserve balance for debt service of \$930,388 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2019 was \$11,690,000.

**2015 Revenue Bonds, Series B**

On May 19, 2015, the Perris Joint Powers Authority issued \$9,020,000 2015 Local Agency Revenue Bonds, Series B, to acquire CFD 2006-2 (Monument Park Estates) Special Tax Bonds. Interest on the bonds is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 5.00% per annum. Principal on serial bonds is payable in annual installments ranging from \$40,000 to \$760,000 commencing September 1, 2016 through September 1, 2045. At June 30, 2019, the Authority has a cash reserve balance for debt service of \$760,489 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2019 was \$8,780,000.

**2015 Revenue Bonds, Series C**

On June 18, 2015, the Perris Joint Powers Authority issued \$8,285,000 2015 Local Agency Revenue Bonds, Series C, to acquire CFD 2004-3 (IA 2) Special Tax Bonds. Interest on the bond is payable September 1<sup>st</sup> and March 1<sup>st</sup> of each year. Interest on the bonds accrues at rates varying from 2.00% to 4.25% per annum. Principal on serial bonds is payable in annual installments ranging from \$210,000 to \$715,000 commencing September 1, 2016 through September 1, 2032. At June 30, 2019, the Authority has a cash reserve balance for debt service of \$751,033 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2019 was \$7,620,000.

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

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

**A. Governmental Activities (Continued)**

*Revenue Bonds (Continued)*

**2015 Revenue (Tax Allocation) Refunding Bonds, Series A**

On July 9, 2015, the Public Financing Authority issued \$21,590,000 2015 Revenue (Tax Allocation) Refunding Bonds, Series A, to refund the 2001 Series A and B, 2002 Series A and B and the 2006 (related to the housing loan) Tax Allocation Revenue Bonds and related Successor Agency Loans (see Note 4). Interest on the bond is payable October 1 and April 1 of each year. Interest on the bond accrues at rates varying from 2.000% to 5.000% per annum. Principal on the serial bonds is payable in annual installments ranging from \$795,000 to \$1,645,000 commencing October 1, 2016 through October 1, 2033. At June 30, 2019, the Authority has a cash reserve balance for debt service of \$1,807,572 which is sufficient to cover the reserve requirement. The outstanding balance at June 30, 2019 was \$18,670,000.

**2015 Revenue (Tax Allocation Subordinate) Refunding Bonds, Series B**

On July 9, 2015, the Public Financing Authority issued \$23,120,000 2015 Revenue (Tax Allocation Subordinate) Refunding Bonds, Series B, to refund the 2002 Series C and the 2006 (excluding the housing loan portion) Tax Allocation Revenue Bonds and related Successor Agency loans (see Note 3). Interest on the bond is payable October 1 and April 1 of each year. Interest on the bond accrues at rates varying from 2.000% to 4.150% per annum. Principal on the serial bonds is payable in annual installments ranging from \$765,000 to \$2,190,000 commencing October 1, 2016 through October 1, 2036. At June 30, 2019, the Authority has a cash reserve balance for debt service of \$2,075,081 which is sufficient to cover the reserve requirement. The outstanding balance at June 30, 2019 was \$20,780,000.

**2015 Revenue Bonds, Series D**

On August 6, 2015, the Perris Joint Powers Authority issued \$1,540,000 2015 Local Agency Revenue Bonds, Series D, to acquire CFD 2014-2 (Perris Valley Spectrum) Special Tax Bonds. Interest on the bond is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 3.00% per annum. Principal on serial bonds is payable in annual installments ranging from \$240,000 to \$270,000 commencing September 1, 2016 through September 1, 2021. At June 30, 2019, the Authority has a cash reserve balance for debt service of \$155,166 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2019 was \$795,000.

**2015 Revenue Bonds, Series E**

On September 15, 2015, the Perris Joint Powers Authority issued \$4,560,000 2015 Local Agency Revenue Bonds, Series E, to refund a portion of the Perris Public Financing Authority 2008 Revenue Bonds, Series B, and to acquire CFD 2005-1 (IA 3) Special Tax Bonds. Interest on the bond is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 4.50% per annum. Principal on serial bonds is payable in annual installments ranging from \$130,000 to \$295,000 commencing September 1, 2016 through September 1, 2038. At June 30, 2019, the Authority has a cash reserve balance for debt service of \$309,193 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2019 was \$4,105,000.

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

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

**A. Governmental Activities (Continued)**

*Revenue Bonds (Continued)*

**2015 Revenue Bonds, Series F**

On October 14, 2015, the Perris Joint Powers Authority issued \$5,415,000 2015 Local Agency Revenue Bonds, Series F, to refund a portion of the Perris Public Financing Authority 2008 Revenue Bonds, Series A, and to acquire CFD 2005-4 (Stratford Ranch) Special Tax Bonds. Interest on the bond is payable September 1st and March 1st of each year. Interest on the bonds accrues at rates varying from 2.00% to 4.25% per annum. Principal on serial bonds is payable in annual installments ranging from \$145,000 to \$340,000 commencing September 1, 2016 through September 1, 2038. At June 30, 2019, the Authority has a cash reserve balance for debt service of \$353,254 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2019 was \$4,770,000.

**2015 Revenue Bonds, Series G**

On December 8, 2015, the Perris Joint Powers Authority issued \$3,190,000 2015 Local Agency Revenue Bonds, Series G, to acquire CFD 2005-4 (Steeplechase) Special Tax Bonds. Interest on the bond is payable September 1<sup>st</sup> and March 1<sup>st</sup> of each year. Interest on the bonds accrues at rates varying from 2.00% to 4.00% per annum. Principal on serial bonds is payable in annual installments ranging from \$105,000 to \$190,000 commencing September 1, 2016 through September 1, 2038. At June 30, 2019, the Authority has a cash reserve balance for debt service of \$203,404 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2019 was \$2,850,000.

**2017 Revenue Bonds, Series A**

On June 21, 2017, the Perris Joint Powers Authority issued \$4,580,000 2017 Local Agency Revenue Bonds, Series A, to acquire CFD 2014-1 (Avelina) Special Tax Bonds. Interest on the bond is payable September 1<sup>st</sup> and March 1<sup>st</sup> of each year. Interest on the bonds accrues at rates varying from 2.00% to 3.75% per annum. Principal on serial bonds is payable in annual installments ranging from \$20,000 to \$335,000 commencing September 1, 2017 through September 1, 2047. At June 30, 2019, the Authority has a cash reserve balance for debt service of \$333,593 which is sufficient to the bond indenture reserve requirement. The outstanding balance at June 30, 2019 was \$4,515,000.

**2017 Revenue Bonds, Series B**

On September 12, 2017, the Perris Joint Powers Authority issued \$22,175,000 2017 Local Agency Revenue Bonds, Series B, to acquire CFD 2001-1 (May Farms IA 4&5) and CFD 2005-1 (Perris Valley Vistas IA 4) Special Tax Bonds. Interest on the bond is payable September 1<sup>st</sup> and March 1<sup>st</sup> of each year. Interest on the bonds accrues at rates varying from 2.00% to 5.00% per annum. Principal on serial bonds is payable in annual installments ranging from \$825,000 to \$1,555,000 commencing September 1, 2018 through September 1, 2037. The related CFD bonds have individual reserve requirements, under the Bond Indenture, but the Authority is not required to have a cash reserve balance. The outstanding balance at June 30, 2019 was \$21,325,000.

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

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

**A. Governmental Activities (Continued)**

*Revenue Bonds (Continued)*

**2017 Revenue Bonds, Series C**

On December 14, 2017, the Perris Joint Powers Authority issued \$4,060,000 2017 Local Agency Revenue Bonds, Series C, to acquire CFD 93-1 (May Ranch) and CFD 2004-5 (Amber Oaks II) Special Tax Bonds. Interest on the bond is payable September 1<sup>st</sup> and March 1<sup>st</sup> of each year. Interest on the bonds accrues at rates varying from 2.00% to 3.75% per annum. Principal on serial bonds is payable in annual installments ranging from \$70,000 to \$595,000 commencing September 1, 2018 through September 1, 2035. The related CFD bonds have individual reserve requirements, under the bond indenture, but the Authority is not required to have a cash reserve balance. The outstanding balance at June 30, 2019 was \$3,465,000.

**2018 Revenue Bonds, Series A, IA 2**

On April 10, 2018, the Perris Joint Powers Authority issued \$4,410,000 2018 Local Agency Revenue Bonds, Series A, to acquire CFD 2014-1 (Avelina IA-2) Special Tax Bonds. Interest on the bond is payable September 1<sup>st</sup> and March 1<sup>st</sup> of each year. Interest on the bonds accrues at rates varying from 2.00% to 4.00% per annum. Principal on serial bonds is payable in annual installments ranging from \$30,000 to \$330,000 commencing September 1, 2018 through September 1, 2048. At June 30, 2019, the Authority has a cash reserve balance for debt service of \$330,387 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2019 was \$4,340,000.

**2018 Revenue Bonds, Series A, IA 2**

On November 29, 2018, the Perris Joint Powers Authority issued \$4,980,000 2018 Local Agency Revenue Bonds, Series A, to acquire CFD 2014-1 (Avelina) IA 3 Special Tax Bonds. Interest on the bond is payable September 1<sup>st</sup> and March 1<sup>st</sup> of each year. Interest on the bonds accrues at rates varying from 3.00% to 5.00% per annum. Principal on serial bonds is payable in annual installments ranging from \$15,000 to \$395,000, commencing September 1, 2019 through September 1, 2037. At June 30, 2019, the Authority has a cash reserve balance for debt service of \$394,161 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2019 was \$4,980,000.

**Future Debt Requirement**

Total revenue bonds outstanding was in the amount of \$170,480,000. The future debt service requirement of the revenue bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 6,730,000	\$ 6,691,436	\$ 13,421,436
2021	6,975,000	6,561,892	13,536,892
2022	7,195,000	6,343,886	13,538,886
2023	7,200,000	6,108,008	13,308,008
2024	7,270,000	6,623,261	13,893,261
2025-2029	40,125,000	24,850,928	64,975,928
2030-2034	50,325,000	15,754,683	66,079,683
2035-2039	31,090,000	6,076,928	37,166,928
2040-2044	7,410,000	2,178,316	9,588,316
2045-2049	5,765,000	649,213	6,414,213
2050	395,000	18,250	413,250
<b>Total</b>	<b>\$ 170,480,000</b>	<b>\$ 81,856,801</b>	<b>\$ 252,336,801</b>

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

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

**B. Business-Type Activities**

The following is a summary of changes in long-term liabilities for business-type activities for the year ended June 30, 2019.

Business-Type Activities:	Balance July 1, 2018 (as restated)			Balance June 30, 2019	Due Within One Year	Due in More Than One Year
	Additions	Deletions				
Compensated absences	\$ 59,720	\$ 49,191	\$ (51,123)	\$ 57,788	\$ -	\$ 57,788
<b>Total</b>	<b>\$ 59,720</b>	<b>\$ 49,191</b>	<b>\$ (51,123)</b>	<b>\$ 57,788</b>	<b>\$ -</b>	<b>\$ 57,788</b>

**C. Non-City Obligation Debt**

*Assessment District and Community Facilities District Bonds*

Bonds issued for improvements in certain special assessment districts in accordance with the provisions of the Municipal Improvement Acts of 1911, 1913 and 1915 are liabilities of the property owners and are secured by liens against the assessed property. The City Treasurer acts as an agent for collection of principal and interest payments by the property owners and remittance of such monies to the bondholders.

Neither the faith and credit, nor the general taxing power, of the City of Perris have been pledged to the payment of the bonds. Therefore, none of the following special assessment bonds have been included in the accompanying financial statements.

	Amount of Issue	Outstanding at End of Year
CFD 2001-2 2005 Series B Bonds	\$ 5,210,000	\$ 4,835,000
CFD 2002-1 2013 Refunding Bonds	5,750,000	4,880,000
CFD 2001-2 2014 Refunding Series A Bonds	16,215,000	13,150,000
CFD 2001-1 IA1 2014 Refunding Bonds	1,505,000	1,225,000
CFD 2001-1 IA2 2014 Refunding Bonds	4,270,000	3,385,000
CFD 2001-1 IA3 2014 Refunding Bonds	6,390,000	5,090,000
CFD 2006-1 2014 Refunding Bonds	2,825,000	2,420,000
CFD 2004-3 IA 1 2014 Refunding Bonds	8,615,000	6,765,000
CFD 2004-2 2014 Refunding Bonds	4,695,000	3,910,000
CFD 2001-1 IA6 2014 Refunding Bonds	6,015,000	5,245,000
CFD 2001-1 IA7 2014 Refunding Bonds	7,910,000	6,930,000
CFD 2004-1 2014 Series A Bonds	2,465,000	2,045,000
CFD 2003-1 2014 Refunding Bonds	3,435,000	2,965,000
CFD 2005-2 2015 Refunding Bonds	13,570,000	11,690,000
CFD 2006-2 2015 Series Bonds	9,020,000	8,780,000
CFD 2004-3 IA2 2015 Refunding Bonds	8,285,000	7,620,000
CFD 2014-2 2015 Refunding Bonds	1,540,000	795,000
CFD 2005-1 IA3 2015 Refunding Bonds	4,560,000	4,105,000
CFD 2005-4 (Stratford Ranch) 2015 Refunding Bonds	5,415,000	4,770,000
CFD 2005-4 (Steeplechase) 2015 Refunding Bonds	3,190,000	2,850,000
CFD 2014-1 IA1 (Avelina) 2017 Series Bonds	4,580,000	4,515,000
CFD 2001-1 IA4 (May Farms) 2017 Series A Refunding Bonds	12,240,000	11,730,000
CFD 2001-1 IA5 (May Farms) 2017 Series B Refunding Bonds	7,405,000	7,150,000
CFD 2005-1 IA4 (Perris Valley Vistas) 2017 Series A Refunding Bonds	2,530,000	2,445,000
CFD 93-1 (May Ranch) 2017 Series A Refunding Bonds	2,640,000	2,120,000
CFD 2004-5 (Amber Oaks II) 2017 Series A Refunding Bonds	1,420,000	1,345,000
CFD 2014-1 IA2 (Avelina) 2018 Series A Bonds	4,410,000	4,340,000
CFD 2014-1 IA 3 2018 Series A Bonds	4,980,000	4,980,000
<b>Total</b>		<b>\$ 142,080,000</b>

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

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

**C. Non-City Obligation (Continued)**

*Single Family Mortgage Revenue Bonds*

The mortgage revenue bonds are special obligations payable solely from payments made on the loans and are secured by a pledge of such loans. Neither the faith and credit nor the taxing power of the City have been pledged to the payment of the bonds, and, therefore, the bond indebtedness is not shown in the financial statements of the City. The outstanding balances at June 30, 2019 were as follows:

City of Perris Single Family Mortgage Revenue Bonds	
1988 Series A	\$ 28,090,000
1988 Series B	13,145,000
1989 Series A	<u>9,315,000</u>
Total	<u>\$ 50,550,000</u>

**Note 7 – Compensated Absences**

For governmental funds and proprietary funds, accumulated vacation and sick leave benefits and compensatory time payable in future years when used by City employees amounted to \$1,114,751 and \$57,788, respectively at June 30, 2019. These amounts are payable from future resources and therefore have been recorded in long-term liabilities in the government-wide financial statements. Vacation benefits, sick leave, and compensatory time are recorded as expenditures in the related governmental fund financial statements when used. Upon retirement or termination, the expenditures are recorded in the fund which incurred the original obligation. Generally, in governmental activities, the general fund has liquidated compensated absences in prior years. Compensated absences payable for proprietary funds are reported within the respective funds.



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

**Note 8 – City Employees’ Retirement Plan (Defined Benefit Pension Plan)**

Net pension liabilities and related deferred outflows of resources and deferred inflows of resources at June 30, 2019, and pension expense for the year then ended are as follows:

	Governmental Activities	Business-Type Activities	Total
<b>Deferred outflows of resources:</b>			
Pension contribution made after measurement date:			
Miscellaneous	\$ 1,022,482	\$ 39,727	\$ 1,062,209
Safety	217,996	-	217,996
Total pension contribution made after measurement date	1,240,478	39,727	1,280,205
Change in assumptions:			
Miscellaneous	1,042,323	40,497	1,082,820
Safety	340,786	-	340,786
Total change in assumptions	1,383,109	40,497	1,423,606
Differences between expected and actual experience on pension investments:			
Miscellaneous	350,798	13,630	364,428
Safety	74,627	-	74,627
Total differences between expected and actual experience	425,425	13,630	439,055
Difference in projected and actual earnings on pension investments:			
Miscellaneous	45,198	1,756	46,954
Safety	23,517	-	23,517
Total difference in projected and actual earnings on pension investments	68,715	1,756	70,471
Differences between City's proportion change			
Miscellaneous	339,486	13,190	352,676
Safety	10,127	-	10,127
Total differences between City's proportion change	349,613	13,190	362,803
<b>Total deferred outflows of resources</b>	<b>\$ 3,467,340</b>	<b>\$ 108,800</b>	<b>\$ 3,576,140</b>
<b>Aggregate net pension liabilities:</b>			
Miscellaneous	\$ 9,142,958	\$ 355,233	\$ 9,498,191
Safety	3,473,242	-	3,473,242
<b>Total aggregate net pension liabilities</b>	<b>\$ 12,616,200</b>	<b>\$ 355,233</b>	<b>\$ 12,971,433</b>

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

**Note 8 – City Employees’ Retirement Plan (Defined Benefit Pension Plan) (Continued)**

	Governmental Activities	Business-Type Activities	Total
<b>Deferred inflows of resources:</b>			
Change in assumptions:			
Miscellaneous	\$ 255,452	\$ 9,926	\$ 265,378
Safety	45,978	-	45,978
Total change in assumptions	<u>301,430</u>	<u>9,926</u>	<u>311,356</u>
Differences between expected and actual experience			
Miscellaneous	119,375	4,638	124,013
Safety	284	-	284
Total differences between expected and actual experience	<u>119,659</u>	<u>4,638</u>	<u>124,297</u>
Difference between City's proportion change:			
Safety	79,038	-	79,038
Difference between City's contribution and proportionate share of contributions:			
Miscellaneous	391,433	15,208	406,641
Safety	215,643	-	215,643
Total difference between City's contribution and proportionate share of contributions	<u>607,076</u>	<u>15,208</u>	<u>622,284</u>
<b>Total deferred inflows of resources</b>	<u><u>\$ 1,107,203</u></u>	<u><u>\$ 29,772</u></u>	<u><u>\$ 1,136,975</u></u>
<b>Pension Expense (Credit):</b>			
Miscellaneous	\$ 1,609,725	\$ 12,381	\$ 1,622,106
Safety	309,711	-	309,711
<b>Total pension expense (credit)</b>	<u><u>\$ 1,919,436</u></u>	<u><u>\$ 12,381</u></u>	<u><u>\$ 1,931,817</u></u>

**A. General Information about the Pension Plans**

Plan Description

All qualified permanent and probationary employees are eligible to participate in the City’s Cost- Sharing Multiple Employer Defined Benefit Pension 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 sponsors four rate plans (three miscellaneous and one 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 provisions, assumptions and membership information that can be found on the CalPERS website.

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

**Note 8 – City Employees’ Retirement Plan (Defined Benefit Pension Plan) (Continued)**

**A. General Information about the Pension Plans (Continued)**

Employee Covered by Benefits Term

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

	Plans			
	Miscellaneous			Safety
	Classic	Tire II	PEPRA	Classic
Active employees	42	9	37	0
Transferred and terminated employees	57	2	14	17
Retired Employees and Beneficiaries	118	0	0	52
<b>Total</b>	<b>217</b>	<b>11</b>	<b>51</b>	<b>69</b>

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 each plan are applied as specified by the Public Employees’ Retirement Law.

Below is the summary of the plans’ provisions and benefits in effect at June 30, 2019, for the City has contracted:

	Plans			
	Miscellaneous			Safety
	Classic	Tire II	PEPRA	Classic
Hire date	Prior to January 1, 2013	January 1, 2010 but prior to January 1, 2013	January 1, 2013 and after	Prior to January 1, 2010
Benefit formula	2.7% @ 55	2.0% @ 60	2% @ 62	0.5% @ 55
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life	Monthly for life
Retirement age	Minimum 50 yrs	Minimum 50 yrs	Minimum 52 yrs	Minimum 50 yrs
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.092% to 2.418%	1.0% to 2.5%	0.50%
Employee contribution rate	8.000%	7.000%	6.25%	0.000%
Employer contribution rate (Measurement period)	11.675%	7.200%	6.533%	0.000%
Employer contribution rate (current fiscal year)	12.212%	7.634%	6.842%	0.000%

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

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**Note 8 – City Employees’ Retirement Plan (Defined Benefit Pension Plan) (Continued)**

**A. General Information about the Pension Plans (Continued)**

Benefits Provided (Continued)

Participant is eligible for non-industrial disability retirement if he/she becomes disabled and has at least 5 years of credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8 percent of final compensation, multiplied by service. Industrial disability benefits are not offered.

An employee's beneficiary may receive the basic death benefit if the employee dies while actively employed. A member's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the employee's accumulated contributions, where interest is currently credited at 7.5 percent per year, plus a lump sum in the amount of one month salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 or 36 months preceding death.

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

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

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. 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.

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

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

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

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

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**Note 8 – City Employees’ Retirement Plan (Defined Benefit Pension Plan) (Continued)**

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

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

<sup>1</sup>The mortality table used 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. For more details on this table, please refer to December 2017 Experience Study Report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

Change of Assumption

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.

Long-Term Expected Rate of Return

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

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

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

**Note 8 – City Employees’ Retirement Plan (Defined Benefit Pension Plan) (Continued)**

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

Long-Term Expected Rate of Return (Continued)

Asset Class <sup>1</sup>	Assumed Asset Allocation	Real Return Years 1 - 10 <sup>2</sup>	Real Return Years 11+ <sup>3</sup>
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
	<u>100%</u>		

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

<sup>2</sup> An expected inflation of 2.00% used

<sup>3</sup> An expected inflation of 2.92% used

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.

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

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

	Plan's Aggregate Net Pension Liability		
	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Miscellaneous Plan	\$ 15,256,731	\$ 9,498,191	\$ 4,744,611
Safety Plan	5,272,886	3,473,242	1,998,756
<b>Total</b>	<b>\$ 20,529,617</b>	<b>\$ 12,971,433</b>	<b>\$ 6,743,367</b>

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

**Note 8 – City Employees’ Retirement Plan (Defined Benefit Pension Plan) (Continued)**

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

Pension Plan Fiduciary Net Position

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

Proportionate Share of Net Pension Liability and Pension Expense

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

<u>Miscellaneous Plan</u>			
	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
	<u>(a)</u>	<u>(b)</u>	<u>(c) = (a) - (b)</u>
Balance at June 30, 2017 (Valuation Date)	\$ 37,626,073	\$ 28,110,643	\$ 9,515,430
Balance at June 30, 2018 (Measurement Date)	39,717,858	30,219,667	9,498,191
Net Changes during 2017-2018	2,091,785	2,109,024	(17,239)

<u>Safety Plan</u>			
	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
	<u>(a)</u>	<u>(b)</u>	<u>(c) = (a) - (b)</u>
Balance at June 30, 2017 (Valuation Date)	\$ 11,583,122	\$ 8,140,005	\$ 3,443,117
Balance at June 30, 2018 (Measurement Date)	11,527,470	8,054,228	3,473,242
Net Changes during 2017-2018	(55,652)	(85,777)	30,125

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

- (1) In determining a cost-sharing plan’s proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2017). The risk pool’s fiduciary net position (“FNP”) subtracted from its total pension liability (“TPL”) determines the net pension liability (“NPL”) at the valuation date.
- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2018). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool’s FNP at the measurement date denotes the aggregate risk pool’s FNP at June 30, 2018 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2017-18).

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

**Note 8 – City Employees’ Retirement Plan (Defined Benefit Pension Plan) (Continued)**

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

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

- (3) The individual plan’s TPL, FNP and NPL are also calculated at the valuation date.
- (4) Two ratios are created by dividing the plan’s individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool’s total TPL and FNP, respectively
- (5) The plan’s TPL as of the measurement date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan’s FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.
- (6) The plan’s NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

Deferred outflows of resources, deferred inflows of resources, and pension expense is allocated based on the City’s share of net pension liability at the measurement date.

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

	<b>Plans</b>	
	<b>Miscellaneous</b>	<b>Safety</b>
June 30, 2017	0.09595%	0.03472%
June 30, 2018	0.09857%	0.03604%
Change - Increase (Decrease)	0.00262%	0.00132%

For the year ended June 30, 2019, the City recognized pension expense in the amounts of \$1,622,106 and \$309,711 for the miscellaneous plan and safety plan, respectively.

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



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

**Note 8 – City Employees’ Retirement Plan (Defined Benefit Pension Plan) (Continued)**

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

As of June 30, 2018, the measurement date, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Miscellaneous Plan		Safety Plan	
	Deferred outflows of Resources	Deferred inflows of Resources	Deferred outflows of Resources	Deferred inflows of Resources
Contribution made after the measurement date	\$ 1,062,209	\$ -	\$ 217,996	\$ -
Changes of assumptions	1,082,820	(265,378)	340,786	(45,978)
Difference between expected and actual experience	364,428	(124,013)	74,627	(284)
Net difference between projected and actual earning on pension plan investments	46,954	-	23,517	-
Adjustment due to differences in proportions	352,676	-	10,127	(79,038)
Difference between the City's contributions and proportionate share of contributions	-	(406,641)	-	(215,643)
Total	<u>\$ 2,909,087</u>	<u>\$ (796,032)</u>	<u>\$ 667,053</u>	<u>\$ (340,943)</u>

\$1,062,209 and \$217,996 reported as deferred outflows of resources related to pensions for miscellaneous plan and safety plan, respectively, resulting from the City’s contributions subsequent to the measurement date will be recognized as a reduction of the collective net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in the future pension expense as follows:

Year Ending June 30	Deferred Outflows/(Inflows) of Resources	
	Miscellaneous Plan	Safety Plan
2020	\$ 926,107	\$ 180,556
2021	505,912	73,981
2022	(295,741)	(122,364)
2023	(85,432)	(24,059)
2024	-	-
Thereafter	-	-
	<u>\$ 1,050,846</u>	<u>\$ 108,114</u>

**C. Payable to the Pension Plan**

At June 30, 2019, the City reported a payable of \$46,970, which is included in accounts payable and accrued, for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2019.

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

**Note 9 – Other Postemployment Benefits (OPEB) Plan**

Net OPEB liabilities and related deferred outflows of resources and deferred inflows of resources at June 30, 2019 and OPEB expense for the year then ended are as follows:

	Governmental Activities	Business-Type Activities	Total
<b>Deferred outflows of resources:</b>			
Change in assumptions:	\$ 197,769	\$ 10,147	\$ 207,916
<b>Net other postemployment benefits liabilities</b>	<b>\$ 15,963,887</b>	<b>\$ 819,006</b>	<b>\$ 16,782,893</b>
<b>Deferred inflows of resources:</b>			
Differences between expected and actual experience	\$ 13,291	\$ 682	\$ 13,973
<b>OPEB Expense</b>	<b>\$ 1,075,869</b>	<b>\$ 55,196</b>	<b>\$ 1,131,065</b>

**A. General Information about the OPEB Plan**

Plan Description

City of Perris Retiree Healthcare Plan (“CPRHP”) is a defined benefit postemployment healthcare plan that provides medical benefits to eligible retired employees and qualified dependents. CPRHP is part of the Public Agency portion of the California Employers’ Retiree Benefit Trust Fund (CERBT), an agent multiple-employer plan administered CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements is established by State statute within the Public Employees’ Retirement Law. CPRHP selects optional benefit provisions from the benefit menu by contract with CalPERS. CalPERS issues a Comprehensive Annual Financial Report (CAFR). The CAFR is issued in aggregate and includes the sum of all CalPERS plans. Copies of the CalPERS CAFR may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the City Council. Retirees hired prior to June 26, 2007 are covered by an “equal contribution method” resolution. The City contributes 100% of the retiree and dependent premiums up to the average of the family premiums for the two median-cost plans.

Retirees hired after June 25, 2007 are covered under a “vesting” resolution. A summary of the “vesting” resolution is as follows:

Contribution (Maximum)		
Employee only	Employee and 1 dependent	Employee and 2+ dependent
\$ 907	\$ 1,815	\$ 1,676

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

**Note 9 – Other Postemployment Benefits (OPEB) Plan (Continued)**

**A. General Information about the OPEB Plan (Continued)**

Funding Policy (Continued)

<u>Years of Service</u>	<u>Vesting %</u>
Less than 10	0%
10	50%
11	55%
12	60%
13	65%
14	70%
15	75%
16	80%
17	85%
18	90%
19	95%
20 or more	100%

The plan is financed on a pay-as-you-go basis.

Employees Covered

As of July 1, 2017 actuarial valuation, the following current and former employees were covered by the benefit terms under the CPRHP:

Active employees	75
Inactive employees or beneficiaries currently receiving benefit payments	52
Inactive employees entitled to, but not receiving benefit payments	0
Total	127

**B. Total OPEB Liability**

Actuarial Methods and Assumptions Used to Determine Total OPEB Liability

The total OPEB liability as of June 30, 2019 was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

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

**Note 9 – Other Postemployment Benefits (OPEB) Plan (Continued)**

**B. Total OPEB Liability (Continued)**

Actuarial Methods and Assumptions Used to Determine Total OPEB Liability (Continued)

Valuation Date	July 1, 2017
Actuarial Cost Method	Entry Age Normal, Level of Percentage of Pay
Amortization Method	Straight-line amortization over a closed period equal to the average expected remaining service lives of all members (4.5124 years).
Actuarial Assumptions:	
Discount Rate	3.50%, net of investment expense, including inflation
Inflation	2.25%
Salary Increases	3.00%, average, including inflation
Healthcare cost trend rates	8.00% for 2017-18, decreasing to 5.00% for 2020-21 and after
Retiree's share of cost	Retirees pay the balance of the premium after City contribution which varies by calendar year and date of hire.
Mortality	Mortality rates were based on the RP-2014 Employee and Healthy Annuitant Mortality Tables for Males or Females, as appropriate, projected using a generational projection based on 100% of scale MP-2016 for years 2014 through 2029, 50% of MP-2016 for years 2030 through 2049, and 20% of MP-2016 for 2050 and thereafter.

Change in Assumptions

The discount rate decreased from 3.60% at June 30, 2018 to 3.50% at June 30, 2019.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.50%. The discount rate was based on the Bond Buyer 20-bond General Obligation Index. Currently, the City is under a pay-as-you-go method and the CPRHP has no fiduciary net position.

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

**Note 9 – Other Postemployment Benefits (OPEB) Plan (Continued)**

**C. Changes in the Net OPEB Liability**

The following table shows the changes in the total OPEB liability recognized over the measurement period.

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
Balance at July 1, 2018	\$ 16,108,757	\$ -	\$ 16,108,757
Changes Recognized for the Measurement Period:			
Service Cost	490,320	-	490,320
Interest on the total OPEB liability	585,528	-	585,528
Changes of benefit terms	-	-	-
Changes of assumptions	267,111	-	267,111
Difference between expected and actual experience	(17,951)	-	(17,951)
Contributions from the employer	-	650,872	(650,872)
Contributions from employees	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of employee contributions	(650,872)	(650,872)	-
Administrative Expense	-	-	-
Net Changes during July 1, 2018 to June 30, 2019	\$ 674,136	\$ -	\$ 674,136
Balance at June 30, 2019 (Measurement Date)	\$ 16,782,893	\$ -	\$ 16,782,893

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rates**

The following table presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.5 percent) or 1-percentage-point higher (4.5 percent) than the current discount rate:

Plan's Net OPEB Liability		
Discount Rate - 1% (2.50%)	Current Discount Rate (3.50%)	Discount Rate + 1% (4.50%)
\$ 19,703,531	\$ 16,782,893	\$ 14,466,009

**Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Rates**

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Plan's Net OPEB Liability		
Current Rate - 1% Rate (7.00%) decreasing to 4.00%)	Current Healthcare Cost Trend Rate (8.00%) decreasing to 5.00%)	Current Rate + 1% Rate (9.00%) decreasing to 6.00%)
\$14,118,445	\$ 16,782,893	\$20,182,342

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

**Note 9 – Other Postemployment Benefits (OPEB) Plan (Continued)**

**D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the fiscal year ended June 30, 2019, the City recognized OPEB expenses in the amount of \$1,131,065. As of June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred outflows of Resources</b>	<b>Deferred inflows of Resources</b>
Changes of assumptions	\$ 207,916	\$ -
Difference between expected and actual experience	-	(13,973)
Total	\$ 207,916	\$ (13,973)

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in future OPEB expenses based on expected average remaining service lifetime of 4.5124 years as follows:

Year Ended June 30	<b>Deferred Outflows/(Inflows) of Resources OPEB Plan</b>
2020	\$ 55,217
2021	55,217
2022	55,217
2023	28,292
2024	-
Thereafter	-
	\$ 193,943

**Note 10 – Risk Management**

The City maintains a self-insurance program for workers' compensation. For workers' compensation claims, the City is at risk for up to \$250,000 per occurrence, amounts in excess of \$250,000 are covered through PERMA. The limits of the coverage are \$200,000 per accident for workers' compensation and \$5,000,000 each accident for employers' liability. Estimates for all liabilities including an estimate for incurred but not reported ("IBNR") claims, have been included in the long-term liabilities as claims payable, if any (See Note 6).

PERMA was created under a joint exercise of powers agreement for the purpose of providing insurance coverage for its members. The governing Board of Directors consists of one member from each participating agency.

PERMA also provides a non-risk sharing "deductible", or banking, pool for claims within the SIR level. Annual contributions are deposited with the PERMA from which claims are paid. Any excess funds held by PERMA for the City at year-end are reported as deposits within the general fund. Any deficit funds are recorded as a liability within the General Fund. At June 30, 2019, the City had an excess of funds of \$962,188 for such claims.

Under the liability programs risk-sharing pool, each member's share of total claims liabilities, including IBNR's, is determined by the application of risk factors to specific characteristics of each member which provides the relative share of each member in total losses of PERMA. These losses are paid from premiums charged to the members which are established at levels to fund all claims costs.

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

**Note 10 – Risk Management (Continued)**

The workers' compensation insurance program is a non-risk sharing program. Therefore, each member is directly charged for any losses incurred. Each member's equity represents accumulated contributions held by PERMA on the member's behalf. Any deficits created for losses in excess of assets available for a given member is funded over a ten year period through an adjustment to required premiums.

During the past three fiscal years none of the above programs of protection have had settlements or judgements that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

The aforementioned information is not included in the accompanying financial statements. Separate financial statements of PERMA may be obtained at 36-951 Cook Street, Suite 101, Palm Desert, California, 92211.

**Note 11 – Classification of Fund Balances**

At June 30, 2019, fund balances are classified in the governmental funds as follows:

	Debt Service Funds		Capital Projects Funds			Special Revenue Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Public Financing Authority	Joint Powers Authority	Storm Drain Development	Capital Improvement Projects	Road and Bridge District	Benefit CEDC	Housing Authority		
<b>Nonspendable:</b>										
Prepaid items	\$ 1,396	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,396
Advances to other funds	5,557,829	-	-	-	-	-	-	-	-	5,557,829
Deposits	2,258,341	-	-	-	-	-	-	-	-	2,258,341
<b>Total nonspendable</b>	<b>7,817,566</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,817,566</b>
<b>Restricted:</b>										
Development	-	-	-	-	-	-	-	-	18,066,792	18,066,792
Debt service	-	46,333,501	127,623,773	-	-	-	-	-	-	173,957,274
Air quality management	-	-	-	-	-	-	-	-	219,693	219,693
Traffic safety	-	-	-	-	-	-	-	-	1,631,889	1,631,889
Lighting and landscape maintenance	-	-	-	-	-	-	-	-	13,378,492	13,378,492
Streets and flood control	-	-	-	-	-	72,128,456	-	-	10,195,878	82,324,334
Community development	-	-	-	-	-	-	3,152,572	5,696,573	472,124	9,321,269
Construction	-	-	-	-	974,919	-	-	-	13,335,023	14,309,942
<b>Total restricted</b>	<b>-</b>	<b>46,333,501</b>	<b>127,623,773</b>	<b>-</b>	<b>974,919</b>	<b>72,128,456</b>	<b>3,152,572</b>	<b>5,696,573</b>	<b>57,299,891</b>	<b>313,209,685</b>
<b>Committed</b>										
Economic uncertainty	13,525,132	-	-	-	-	-	-	-	-	13,525,132
Library endowment	1,000,000	-	-	-	-	-	-	-	-	1,000,000
<b>Total committed</b>	<b>14,525,132</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,525,132</b>
<b>Assigned:</b>										
Disaster preparedness	3,400,000	-	-	-	-	-	-	-	-	3,400,000
Vehicles and equipment replacement	1,300,000	-	-	-	-	-	-	-	-	1,300,000
Major capital improvements and repairs	1,300,000	-	-	-	-	-	-	-	-	1,300,000
Budget contingency	200,000	-	-	-	-	-	-	-	-	200,000
<b>Total assigned</b>	<b>6,200,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,200,000</b>
<b>Unassigned</b>	<b>14,972,479</b>	<b>-</b>	<b>-</b>	<b>(2,967)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(481,103)</b>	<b>14,488,409</b>
<b>Total fund balance</b>	<b>43,515,177</b>	<b>46,333,501</b>	<b>127,623,773</b>	<b>(2,967)</b>	<b>974,919</b>	<b>72,128,456</b>	<b>3,152,572</b>	<b>5,696,573</b>	<b>56,818,788</b>	<b>356,240,792</b>

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

**Note 12 – Other Required Individual Fund Disclosures**

The following funds had expenditures in excess of appropriations for the year ended June 30, 2019:

Fund	Appropriations	Expenditures	Excess of Expenditures over Appropriations
<b>Major Governmental Funds:</b>			
General Fund			
Community development	\$ -	\$ 5,231	\$ (5,231)
Public Financing Authority Debt Service Fund			
Debt service:			
Principal retirement	3,200,000	20,260,000	(17,060,000)
Joint Powers Authority Debt Service Fund			
Principal retirement	2,010,000	5,350,000	(3,340,000)
Interest and fiscal charges	2,071,050	4,833,867	(2,762,817)
<b>Nonmajor Governmental Funds:</b>			
Community Facilities District 14-1 IA23			
Capital Project Fund			
Community development	4,365,000	4,374,258	(9,258)

**Note 13 – Tax Abatements**

On December 18, 2013, the City entered into a location agreement with Home Depot U.S.A, Inc. to locate its retail sales office to the City of Perris which would generate additional sales tax revenues for the City. The agreement is for a 10 year term (40 quarterly payments) from the effective date of the agreement. As part of the agreement, the City will share 75% of all sales tax revenues, in excess of the first \$125,000, attributable to Home Depot U.S.A., Inc. for each fiscal quarter. If at any time during the term of the agreement, the Board of Equalization, who remits the sales tax revenues, requires repayment or offsets against future sales tax payments, Home Depot U.S.A., Inc. will be required to repay any related amounts that were remitted. The total amount of taxes abated as of June 30, 2019 is \$680,024.

On November 17, 2017, the City entered into a location agreement with TechStyle, Inc. to locate its e-commerce retail sales operations to the City of Perris which would create jobs and generate additional sales tax revenues for the City. The agreement is for a 20 year term or, if earlier, the end of TechStyle, Inc.'s lease of its facilities within the City of Perris. As part of the agreement, the City will share 50% of all sales tax revenues generated through its E-Commerce Retail Sales which will be fulfilled through TechStyle's Fulfillment Distribution Center. Under the agreement, TechStyle is required to have an employment outreach for local residents to provide reasonable efforts in hiring local residents for full and part-time employment. If at any time during the term of the agreement, the Board of Equalization, who remits the sales tax revenues, requires repayment or offsets against future sales tax payments, TechStyle, Inc. will be required to repay any related amounts that were remitted. The total amount of taxes abated as of June 30, 2019 is \$248,215.



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

**Note 14 – Joint Governed Organization**

The March Joint Powers Authority was formed November 14, 1993, under a joint exercise of powers agreement among the Cities of Perris, Moreno Valley and Riverside and the County of Riverside for the purpose of formulating and implementing plans for the use and reuse of March Air Force Base. In the event that the Authority is unable to sustain its operations, it may request contributions from its members.

The Authority’s office and records are located at 14205 Meridian Parkway, Suite 140, Riverside, California 92518. As of June 30, 2019, the latest financial information obtained from the March Joint Powers Authority is as follows:

Assets and deferred outflows of resources	\$ 216,843,762
Liabilities and deferred inflows of resources	\$ 10,165,769
Net position	\$ 206,677,993
Revenues	\$ 19,124,100
Expenses	\$ 12,386,130
Changes in net position	\$ 6,737,970

**Note 15 – Commitments and Contingencies**

**Encumbrances**

As of June 30, 2019, the City had outstanding encumbrances in various funds totaling \$1,183,160 at June 30, 2019 as follow:

	<b>Outstanding Encumbrances</b>
<b>Governmental Funds:</b>	
General Fund	\$ 306,768
Storm Drain Development Capital Project Fund	30,000
Capital Improvement Projects Capital Project Fund	846,392
Total	\$ 1,183,160

**Asset Purchase Agreement with Liberty Utilities (Park Water) Corp**

On December 19, 2017, the City and Liberty Utilities Corp. (“Liberty Utilities”) entered into asset purchase agreement where the City will sell the both the water distribution system located entirely inside the northeast boundary of the City owned by the Utility Authority and the water distribution system located entirely within the central downtown area of the City owned by the City (collectively the “Water Systems”) to Liberty Utilities for \$11,500,000. The sale includes the real property for the operation of the Water Systems and the related facilities, equipment, personal property, inventory, supplies, and customer-related information. The sale excludes the cash, receivables, customer deposits, and certain settlement agreements. The asset purchase agreement is subjected to approval by the California Public Utilities Commission (the “CPUC”). As of the report issuance date, the City has not received the approval from CPUC for the sale of the Water Systems.

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

**Note 16 – Successor Agency Trust for Assets and Liabilities of Former Redevelopment Agency**

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City that previously had reported a redevelopment agency within the reporting entity as a blended component unit. The Bill provides that upon dissolution of a redevelopment agency, either the City or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On March 29, 2011, the City Council elected to become the Successor Agency for the former redevelopment agency (the "Successor Agency") in accordance with the Bill as part of City resolution number 4383. In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations, or commitments. Subject to the control of a newly established oversight board, remaining assets can only be pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments. In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the 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.

**A. Capital Assets**

The remaining capital assets, as of June 30, 2019 is \$335,048 which consists of land.

**B. Long-Term Liabilities**

The following is a summary of the changes in the Successor Agency long-term liabilities for the year:

	Balance July 1, 2018	Addition	Deletion	Balance June 30, 2019	Due in one year
Loans payable to PFA	\$ 63,570,000	\$ -	\$ (17,185,000)	\$ 46,385,000	\$ 1,860,000
Loan premiums	2,418,588	-	(152,917)	2,265,671	-
Subordinate Tax Allocation Refunding Bonds, Series 2018	-	13,925,000	-	13,925,000	350,000
Discounts on revenue bonds	-	(77,558)	-	(77,558)	-
<b>Total</b>	<b>\$ 65,988,588</b>	<b>\$ 13,847,442</b>	<b>\$ (17,337,917)</b>	<b>\$ 62,498,113</b>	<b>\$ 2,210,000</b>

**Loans Payable to Public Financing Authority**

The PFA issued Tax Allocation Revenue Bonds for financing projects of the former Agency and provided funds for the various debt obligations of the former Agency. The former Agency has entered into loan agreements with the PFA which mirror the bonds issued by the PFA. Concurrent with the execution and delivery of the loan agreements, the PFA issued the aggregate principal amount of its Tax Allocation Revenue Bonds to the former Agency. The loans were made as an advance for the principal amount which was made from the proceeds of the bonds on the closing date of the bond. The principal and interest are payable in installment payments payable not less than three business days prior to the due date on the bonds. See Note 4 loans receivable for the related bond issues of the Authority.

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

**Note 16 – Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

**B. Long-Term Liabilities (Continued)**

The following table represents the balance of net proceeds advanced to the Successor Agency at the end of the year:

	Amount Issued	Loans Payable End of the Year
2009 Series A Issue	\$ 4,055,000	\$ -
2009 Series B Issue	7,605,000	-
2009 Series C Issue	5,490,000	-
2010 Series A Issue	7,180,000	6,935,000
2015 Series A Issue	21,590,000	18,670,000
2015 Series B Issue	23,120,000	20,780,000
<b>Total</b>	<b>\$ 69,040,000</b>	<b>\$ 46,385,000</b>

The balance at June 30, 2019, of the accounts with retained funds is \$4,604,827 by the Authority and is reflected as deposits in the fiduciary fund statements.

**Subordinate Tax Allocation Refunding Bonds, Series 2018**

On August 30, 2018, the Successor Agency issued \$13,925,000 Subordinate Tax Allocation Refunding Bonds, Series 2018, to refund the PFA's 2009 Tax Allocation Revenue Bonds, Series A, B, and C. Interest on the bonds is payable October 1<sup>st</sup> and April 1<sup>st</sup> of each year. Interest on the bonds accrues at rates varying from 2.92% and 4.32% per annum. Principal on the serial bonds is payable in annual installments ranging from \$350,000 to \$1,515,000 commencing October 1, 2019 through October 1, 2039. The refunding resulted in an economic gain in the amount of \$3,705,347 and saving in debt service payments in the amount of \$6,595,197.

The annual debt service requirements to mature as follows:

Year Ended June 30,	Principal	Interest	Total
2020	\$ 350,000	\$ 582,355	\$ 932,355
2021	485,000	525,964	1,010,964
2022	490,000	511,123	1,001,123
2023	510,000	495,541	1,005,541
2024	530,000	479,603	1,009,603
2025-2029	2,940,000	2,108,989	5,048,989
2030-2034	2,390,000	1,577,632	3,967,632
2035-2039	5,275,000	859,872	6,134,872
2040	955,000	41,256	996,256
<b>Total</b>	<b>\$ 13,925,000</b>	<b>\$ 7,182,335</b>	<b>\$ 21,107,335</b>

**C. Contingencies**

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 legal 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 unfavorable to the City.

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

**Note 17 – Subsequent Events**

On December 3, 2019, the Successor Agency of the Redevelopment Agency to the City of Perris issued \$6,945,000 Tax Allocation Refunding Parity Bonds, Series 2019 to advance refund \$6,905,000 of certain obligations of the Redevelopment Agency of the City of Perris, to purchase a debt service reserve insurance policy to be credited to the 2019 Reserve Subaccount and pay certain costs of issuance of the Series 2019 Bonds. Interests on the Bonds accrue at 3.54%. Principal on the series bonds is payable in annual instalments ranging from \$125,000 to \$1,015,000 commencing October 1, 2020 through October 1, 2039.

**Note 18 – Prior Period Adjustments**

**A. Government-Wide Financial Statements**

The net position at July 1, 2018 for the governmental activities and the business-type activities were related as following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Net position at July 1, 2018, as previously reported	\$ 297,404,021	\$ 20,615,078
Correction of interest receivable	638,724	-
Fund type reclassification	9,495,290	(9,495,290)
Other postemployment benefits liabilities	786,108	(786,108)
Net position at July 1, 2018, as restated	<u>\$ 308,324,143</u>	<u>\$ 10,333,680</u>

Restatements were made due to 1) correction of interest receivable, 2) fund type reclassification and 3) allocate other postemployment benefits liabilities to the business-type Activities.

**B. Fund Financial Statements**

Governmental Funds

The fund balances at July 1, 2018 for the governmental funds were restated as following:

	<u>Special Revenue Funds</u>		<u>Total</u>
	<u>Perris CDBC</u>	<u>Housing Authority</u>	<u>Governmental Fund</u>
Fund balances at July 1, 2018, as previously reported	\$ -	\$ -	\$ 328,127,901
Fund type reclassification	3,223,869	5,888,761	9,112,630
Fund balances at July 1, 2018, as restated	<u>\$ 3,223,869</u>	<u>\$ 5,888,761</u>	<u>\$ 337,240,531</u>

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

**Note 18 – Prior Period Adjustments (Continued)**

**B. Fund Financial Statements (Continued)**

Enterprise Funds

The net positions at July 1, 2018 for the enterprise funds were restated as following:

	<b>Enterprise Funds</b>						<b>Total Enterprise Funds</b>
	<b>Sewer Utility</b>	<b>Public Utility Authority</b>	<b>Water Utility</b>	<b>Solid Waste Utility</b>	<b>Perris CEDC</b>	<b>Housing Authority</b>	
Net position at July 1, 2018, as previously reported	\$7,873,432	\$ 240,624	\$2,690,883	\$ 314,849	\$3,223,869	\$6,271,421	\$20,615,078
Other postemployment benefits liabilities	(157,866)	(133,703)	(455,878)	(38,661)	-	-	(786,108)
Fund type reclassification	-	-	-	-	(3,223,869)	(6,271,421)	(9,495,290)
Net position at July 1, 2018, as restated	<u>\$7,715,566</u>	<u>\$ 106,921</u>	<u>\$2,235,005</u>	<u>\$ 276,188</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$10,333,680</u>

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**REQUIRED SUPPLEMENTARY INFORMATION  
(UNAUDITED)**

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

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 30,645,936	\$ 38,383,559	\$ 40,543,335	\$ 2,159,776
Licenses, permits and fees	2,527,264	3,142,759	2,907,403	(235,356)
Intergovernmental revenues	25,346	50,346	155,362	105,016
Charges for services	585,171	774,517	702,016	(72,501)
Fines, forfeitures and penalties	820,366	668,764	793,185	124,421
Developer fees	189,000	189,000	378,880	189,880
Investment earnings	609,243	409,243	1,285,010	875,767
Contributions	2,349,916	2,499,916	2,692,219	192,303
Miscellaneous	129,558	87,742	78,213	(9,529)
<b>Total revenues</b>	<u>37,881,800</u>	<u>46,205,846</u>	<u>49,535,623</u>	<u>3,329,777</u>
<b>EXPENDITURES:</b>				
Current:				
General government	8,571,335	10,338,293	8,880,007	1,458,286
Public safety	26,675,339	28,163,072	25,193,977	2,969,095
Public works	2,263,289	2,732,604	2,216,232	516,372
Parks and recreation	4,107,336	4,779,168	3,976,173	802,995
Community development	-	-	5,231	(5,231)
Capital outlay	76,000	694,234	663,178	31,056
<b>Total expenditures</b>	<u>41,693,299</u>	<u>46,707,371</u>	<u>40,934,798</u>	<u>5,772,573</u>
<b>REVENUES OVER EXPENDITURES</b>	<u>(3,811,499)</u>	<u>(501,525)</u>	<u>8,600,825</u>	<u>9,102,350</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	925,000	925,000	925,000	-
Transfers out	(711,463)	(711,463)	(766,159)	(54,696)
Proceeds from sale of capital assets	-	382,190	-	(382,190)
<b>Total other financing sources (uses)</b>	<u>213,537</u>	<u>595,727</u>	<u>158,841</u>	<u>(436,886)</u>
<b>Net change in fund balance</b>	<u>\$ (3,597,962)</u>	<u>\$ 94,202</u>	<u>8,759,666</u>	<u>\$ 8,665,464</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>34,755,511</u>	
End of year			<u>\$ 43,515,177</u>	

**City of Perris**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule**  
**Road and Bridge Benefit Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Developer fees	\$ 2,000,000	\$ 2,000,000	\$ 18,514,101	\$ 16,514,101
Investment earnings	8,000	8,000	1,498,916	1,490,916
<b>Total revenues</b>	<u>2,008,000</u>	<u>2,008,000</u>	<u>20,013,017</u>	<u>18,005,017</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	10,000	10,000	-	10,000
Capital outlay	-	41,694,336	217,929	41,476,407
<b>Total expenditures</b>	<u>10,000</u>	<u>41,704,336</u>	<u>217,929</u>	<u>41,486,407</u>
<b>Net change in fund balance</b>	<u>\$ 1,998,000</u>	<u>\$ (39,696,336)</u>	19,795,088	<u>\$ 59,491,424</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>52,333,368</u>	
End of year			<u>\$ 72,128,456</u>	

**City of Perris**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule**  
**Perris CEDC Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for service	\$ 92,000	\$ 920,200	\$ 106,834	\$ (813,366)
Investment earnings	20,000	20,000	74,185	54,185
Miscellaneous	5,000	5,000	260	(4,740)
<b>Total revenues</b>	<u>117,000</u>	<u>945,200</u>	<u>181,279</u>	<u>(763,921)</u>
<b>EXPENDITURES:</b>				
Current:				
Economic development	92,631	3,537,752	252,576	3,285,176
<b>Total expenditures</b>	<u>92,631</u>	<u>3,537,752</u>	<u>252,576</u>	<u>3,285,176</u>
<b>REVENUES OVER EXPENDITURES</b>	<u>24,369</u>	<u>(2,592,552)</u>	<u>(71,297)</u>	<u>2,521,255</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	925,000	925,000	-	(925,000)
<b>Total other financing sources</b>	<u>925,000</u>	<u>925,000</u>	<u>-</u>	<u>(925,000)</u>
<b>Net change in fund balance</b>	<u>\$ 949,369</u>	<u>\$ (1,667,552)</u>	<u>(71,297)</u>	<u>\$ 1,596,255</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>3,223,869</u>	
End of year			<u>\$ 3,152,572</u>	

**City of Perris**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule**  
**Housing Authority Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for service	\$ 23,500	\$ 23,500	\$ 168,800	\$ 145,300
Investment earnings	-	-	39,415	39,415
<b>Total revenues</b>	<u>23,500</u>	<u>23,500</u>	<u>208,215</u>	<u>184,715</u>
<b>EXPENDITURES:</b>				
Current:				
Economic development	1,029,959	1,029,959	667,615	362,344
<b>Total expenditures</b>	<u>1,029,959</u>	<u>1,029,959</u>	<u>667,615</u>	<u>362,344</u>
<b>REVENUES OVER EXPENDITURES</b>	<u>(1,006,459)</u>	<u>(1,006,459)</u>	<u>(459,400)</u>	<u>547,059</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	711,463	711,463	267,212	(444,251)
<b>Total other financing sources</b>	<u>711,463</u>	<u>711,463</u>	<u>267,212</u>	<u>(444,251)</u>
<b>Net change in fund balance</b>	<u>\$ (294,996)</u>	<u>\$ (294,996)</u>	<u>(192,188)</u>	<u>\$ 102,808</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>5,888,761</u>	
End of year			<u>\$ 5,696,573</u>	

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

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**Budget and Budgetary Accounting**

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Revenues and expenditures accounted for in the governmental funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements which govern the City's operations.
2. Budgets have been adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP) for nearly all governmental funds. No budgetary comparison is presented for Railway Depot Restoration Capital Projects Fund, Community Facilities District 06-2 Capital Projects Fund, Community Facilities District 05-4 Capital Projects Fund, and Community Facilities District 14-1 IA1 Capital Project Fund since no budgets were adopted for these funds. No budgetary comparisons are presented for Proprietary Funds as the City is not legally required to adopt a budget for these types of funds.
3. Budgetary control is exercised at the departmental level. Accordingly, department heads are authorized to make transfers between budgeted line items within their respective departments. Interdepartmental transfers within funds require City Manager authorization (without approval by the City Council); all other changes to the budget must be authorized by the City Council.
4. Encumbrance accounting under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriations is employed as an extension of formal budgetary integration in all governmental funds. Unencumbered appropriations of the governmental funds automatically lapse at year end.
5. Under Article XIII B of the California Constitution (the GANN Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates, revised fee schedules or other refund arrangements. For the fiscal year ended June 30, 2019, proceeds of taxes did not exceed appropriations.

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

**Last Ten Fiscal Years**

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

Measurement Period	2013-14 <sup>1</sup>	2014-15	2015-16	2016-17	2017-18
City's Proportion of the Net Pension Liability	0.06289%	0.08640%	0.09234%	0.09595%	0.09857%
City's Proportionate Share of the Net Pension Liability	3,913,052	5,930,082	7,990,663	9,515,430	9,498,191
City's Covered Payroll	4,397,129	5,146,903	5,972,105	6,174,816	6,892,285
City's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	<u>88.99%</u>	<u>115.22%</u>	<u>133.80%</u>	<u>154.10%</u>	<u>137.81%</u>
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>86.37%</u>	<u>80.34%</u>	<u>75.87%</u>	<u>74.71%</u>	<u>76.09%</u>

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

Measurement Period	2013-14 <sup>1</sup>	2014-15	2015-16	2016-17	2017-18
City's Proportion of the Net Pension Liability	0.03026%	0.03462%	0.03522%	0.03472%	0.03604%
City's Proportionate Share of the Net Pension Liability	1,882,917	2,376,536	3,047,961	3,443,117	3,473,242
City's Covered Payroll	-	-	-	-	-
City's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>82.32%</u>	<u>77.62%</u>	<u>71.90%</u>	<u>70.27%</u>	<u>69.87%</u>

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

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

**Last Ten Fiscal Years**

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

	2013-14 <sup>1</sup>	2014-15	2015-16	2016-17	2017-18
Actuarially determined contribution	\$ 552,921	\$ 595,585	\$ 690,380	\$ 717,686	\$ 871,691
Contributions in relation to the actuarially determined contribution	<u>(552,921)</u>	<u>(595,585)</u>	<u>(690,380)</u>	<u>(717,686)</u>	<u>(871,691)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll <sup>2</sup>	<u>\$ 4,397,129</u>	<u>\$ 5,146,903</u>	<u>\$ 5,972,105</u>	<u>\$ 6,174,816</u>	<u>\$ 6,892,285</u>
Contributions as a percentage of covered payroll <sup>2</sup>	<u>12.57%</u>	<u>11.57%</u>	<u>11.56%</u>	<u>11.62%</u>	<u>12.65%</u>

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

	2013-14 <sup>1</sup>	2014-15	2015-16	2016-17	2017-18
Actuarially determined contribution	\$ 38,773	\$ -	\$ 116,815	\$ 145,519	\$ 173,347
Contributions in relation to the actuarially determined contribution	<u>(38,773)</u>	<u>-</u>	<u>(116,815)</u>	<u>(145,519)</u>	<u>(173,347)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions as a percentage of covered payroll	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

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

<sup>2</sup> Included one year's payroll growth using 3.00 percent payroll assumption from 2017-18 to 2018-19

**Notes to Schedule:**

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

**Changes of Assumptions:** In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.



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

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**Last Ten Fiscal Years**

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

	2018-19
Actuarially determined contribution	\$ 1,062,209
Contributions in relation to the actuarially determined contribution	(1,062,209)
Contribution deficiency (excess)	\$ -
Covered payroll	\$ 7,099,054
Contributions as a percentage of covered payroll	14.96%

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

	2018-19
Actuarially determined contribution	\$ 217,996
Contributions in relation to the actuarially determined contribution	(217,996)
Contribution deficiency (excess)	\$ -
Covered payroll	\$ -
Contributions as a percentage of covered payroll	N/A

**City of Perris**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios**  
**For the Year Ended June 30, 2019**

Last Ten Fiscal Years

**Other Postemployment Benefits Plan**

Measurement period	2017-18 <sup>1</sup>	2018-19
<b>Total OPEB liability</b>		
Service cost	\$ 476,039	\$ 490,320
Interest	570,709	585,528
Differences between expected and actual experience	-	(17,951)
Changes in assumptions	-	267,111
Benefit payments, including refunds of employee contributions	(629,983)	(650,872)
<b>Net change in total OPEB liability</b>	416,765	674,136
<b>Total OPEB liability - beginning</b>	15,691,992	16,108,757
<b>Total OPEB liability - ending (a)</b>	\$ 16,108,757	\$ 16,782,893
<b>OPEB fiduciary net position</b>		
Contributions - employer	\$ 629,983	\$ 650,872
Contributions - employee	-	-
Net investment income	-	-
Benefit payments, including refunds of employee contributions	(629,983)	(650,872)
Net plan to plan resource movement	-	-
Administrative expenses	-	-
Other miscellaneous income	-	-
<b>Net change in plan fiduciary net position</b>	-	-
<b>Plan fiduciary net position - beginning</b>	-	-
<b>Plan fiduciary net position - ending (b)</b>	\$ -	\$ -
<b>Plan net OPEB liability - ending (a) - (b)</b>	\$ 16,108,757	\$ 16,782,893
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	0.00%	0.00%
<b>Covered payroll</b>	\$ 6,121,998	\$ 6,305,648
<b>Plan net OPEB liability as a percentage of covered payroll</b>	263.13%	266.16%

<sup>1</sup> Historical information is presented only for measurement periods for which GASB 75 is available. Additional years of information will be presented as it becomes available.

**Notes to Schedule:**

Changes of Assumptions: In 2019, the accounting discount rate reduced from 3.60 percent to 3.50 percent.

**City of Perris**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Contributions - Other Postemployment Benefits Plan**  
**For the Year Ended June 30, 2019**

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**Last Ten Fiscal Years**

**Other Postemployment Benefits Plan**

Fiscal Year	2017-18 <sup>1</sup>	2018-19
Actuarially determined contribution	\$ 511,920	\$ 526,310
Contributions in relation to the actuarially determined contribution	(629,983)	(650,872)
Contribution deficiency (excess)	\$ (118,063)	\$ (124,562)
Covered payroll	\$ 6,121,998	\$ 6,305,648
Contributions as a percentage of covered payroll	10.29%	10.32%

<sup>1</sup> Historical information is presented only for measurement periods for which GASB 75 is available. Additional years of information will be presented as it becomes available.

**Notes to Schedule:**

Methods and assumptions used to determine contribution rates:

Valuation date	July 1, 2017
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level Percent Payroll
Asset valuation method	Market Value
Inflation	2.25% per annum
Discount rate	3.60%
Payroll Growth	3.0% per annum, in aggregate
Individual salary growth	N/A
Medical Trend Rates	8.00% for 2017-18, decreasing to 5.00% for 2020-21 and after

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**SUPPLEMENTARY INFORMATION**

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**City of Perris**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Public Financing Authority Debt Service Fund**  
**For the Year Ended June 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment earnings	\$ 1,181,000	\$ 1,181,000	\$ 28,776	\$ (1,152,224)
Contributions	5,300,500	5,300,500	2,707,619	(2,592,881)
Miscellaneous	-	-	19,664	19,664
<b>Total revenues</b>	<b>6,481,500</b>	<b>6,481,500</b>	<b>2,756,059</b>	<b>(3,725,441)</b>
<b>EXPENDITURES:</b>				
Debt service:				
Principal retirement	3,200,000	3,200,000	20,260,000	(17,060,000)
Interest and fiscal charges	5,778,700	5,779,500	2,074,287	3,705,213
<b>Total expenditures</b>	<b>8,978,700</b>	<b>8,979,500</b>	<b>22,334,287</b>	<b>(13,354,787)</b>
<b>Net change in fund balance</b>	<b>\$ (2,497,200)</b>	<b>\$ (2,498,000)</b>	<b>(19,578,228)</b>	<b>\$ (17,080,228)</b>
<b>FUND BALANCE:</b>				
Beginning of year			65,911,729	
End of year			<u>\$ 46,333,501</u>	

**City of Perris**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Continued)**  
**Joint Powers Authority Debt Service Fund**  
**For the Year Ended June 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment earnings	\$ 2,060,300	\$ 2,060,300	\$ 4,564,784	\$ 2,504,484
Contributions	26,000	26,000	127,371	101,371
<b>Total revenues</b>	<u>2,086,300</u>	<u>2,086,300</u>	<u>4,692,155</u>	<u>2,605,855</u>
<b>EXPENDITURES:</b>				
Current:				
General government	22,500	47,500	23,300	24,200
Community development	-	469,153	469,153	-
Debt service:				
Debt issuance costs	-	289,060	289,060	-
Principal retirement	2,010,000	2,010,000	5,350,000	(3,340,000)
Interest and fiscal charges	2,061,250	2,071,050	4,833,867	(2,762,817)
<b>Total expenditure</b>	<u>4,093,750</u>	<u>4,886,763</u>	<u>10,965,380</u>	<u>(6,078,617)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,007,450)</u>	<u>(2,800,463)</u>	<u>(6,273,225)</u>	<u>(3,472,762)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of long-term debt	-	4,980,000	4,980,000	-
Discounts on issuance of long-term debt	-	-	(40,872)	(40,872)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>4,980,000</u>	<u>4,939,128</u>	<u>(40,872)</u>
<b>Net change in fund balance</b>	<u>\$ (2,007,450)</u>	<u>\$ 2,179,537</u>	<u>(1,334,097)</u>	<u>\$ (3,513,634)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>128,957,870</u>	
End of year			<u>\$ 127,623,773</u>	



**City of Perris**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Continued)**  
**Storm Drain Development Capital Projects Fund**  
**For the Year Ended June 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Developer fees	\$ 40,000	\$ 40,000	\$ 21,424	\$ (18,576)
Investment earnings	16,000	16,000	-	(16,000)
<b>Total revenues</b>	<u>56,000</u>	<u>56,000</u>	<u>21,424</u>	<u>(34,576)</u>
<b>EXPENDITURES:</b>				
Capital outlay	-	12,538,799	21,424	12,517,375
<b>Total expenditures</b>	<u>-</u>	<u>12,538,799</u>	<u>21,424</u>	<u>12,517,375</u>
<b>Net change in fund balance</b>	<u>\$ 56,000</u>	<u>\$ (12,482,799)</u>	\$ -	<u>\$ 12,482,799</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>(2,967)</u>	
End of year			<u>\$ (2,967)</u>	

**City of Perris**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Continued)  
Capital Improvement Projects Capital Projects Fund  
For the Year Ended June 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ -	\$ -	\$ 2,732,758	\$ 2,732,758
Developer fees	-	-	383,363	383,363
Investment earnings	10,000	10,000	206,529	196,529
Contributions	-	-	56,507	56,507
Miscellaneous	-	-	760	760
<b>Total revenues</b>	<b>10,000</b>	<b>10,000</b>	<b>3,379,917</b>	<b>3,369,917</b>
<b>EXPENDITURES:</b>				
Capital outlay	-	23,765,923	1,777,111	21,988,812
<b>Total expenditures</b>	<b>-</b>	<b>23,765,923</b>	<b>1,777,111</b>	<b>21,988,812</b>
<b>Net change in fund balance</b>	<b>\$ 10,000</b>	<b>\$ (23,755,923)</b>	<b>\$ 1,602,806</b>	<b>\$ 25,358,729</b>
<b>FUND BALANCE:</b>				
Beginning of year			(627,887)	
End of year			\$ 974,919	

## NONMAJOR GOVERNMENTAL FUNDS

### Nonmajor Special Revenue Funds:

**Asset Forfeiture** - is used to account for proceeds of assets seized and disbursement of these funds for authorized public safety activities.

**AQMD Air Pollution Program** - is used to account for AB2766 subvention revenues and expenditures related to the reduction of vehicular emissions according to South Coast Air Quality Management District guidelines.

**Traffic Safety** - is used to account for monies received under federal and state programs to enforce traffic safety laws.

**City-wide Lighting District** - is used to account for funds received from assessment fees through property tax collections from individual property owners and the expenditures for the lighting, maintenance and improvements of the City.

**Lighting District No. 84-1** - is used to account for funds received from assessment fees through property tax collections from individual property owners and the expenditures for lighting maintenance and improvements.

**Landscape Maintenance District** - is used to account for funds received from assessment fees through property tax collections from individual property owners and the expenditures for the maintenance and new landscape improvements.

**Flood Control Maintenance District** - is used to account for funds received from assessment fees through property tax collections from individual property owners and the expenditures for flood control maintenance and improvements.

**Gas Tax** - is used to account for the revenues received from the State of California under the Street and Highway Code and for expenditures for street maintenance and construction and a limited amount for engineering.

**Sidewalk Grant SB821** - is used to account for the revenues received from the SB821 grant and expenditures for sidewalk improvements.

**RMRA Grant** - is used to account for funds received for the road maintenance and rehabilitation account (RMRA) under SB1 and expenditures for the local streets.

**Proposition "A"** - is used to account for the revenues received for the portion of the half-cent County-wide sales surtax levied to fund transportation improvements to local streets and expenditures for the local streets.

**CDBG Entitlement** - is used to account for federal grant monies received directly from the Department of Housing and Urban Development.

**State Grants** - is used to account for monies received for miscellaneous state grants and expenditures.

**Federal Grants** - is used to account for monies received for miscellaneous federal grants and expenditures.

**Development Fees** - is used to account for funds received to mitigate the impact of new development on the City's infrastructure.

**HUD NSP-3** - is used to account for the receipt of intergovernmental funds to stabilize and revitalize areas within the community.

**HOME Grant Program** - is used to account for the receipts of intergovernmental funds to provide affordable housing for low income individuals.

**Local Health Grant** - is used to account for the revenues received from the County of Riverside, Department of Public Health, to provide nutrition education services.

**California Violence Intervention and Prevention ("CalVIP) Grant** - is used to account for the revenues received from the California Board of State and Community Corrections (BSCC) for the City's Protective Factors Enacted to Advance Capable and Empowered Families and Youth ("PEACE") project.

## NONMAJOR GOVERNMENTAL FUNDS (Continued)

### **Nonmajor Capital Projects Fund:**

**Construction** - is used to account for miscellaneous construction and rehabilitation projects.

**Railway Depot Restoration** - is used to account for the revenues and expenditures for the restoration of the historic Santa Fe Depot in downtown Perris, including a seismic retrofit, refurbishment of the roof, and other structural, mechanical, electrical, and aesthetic improvements.

**Community Facilities District 06-2** - is used to account for the capital projects for the 2006-2 Monument Park Estates, 2015 Special Tax Bonds.

**Community Facilities District 05-4** - is used to account for the capital projects for the 2005-4 Stratford Ranch, 2015 Special Tax Bonds, Series A.

**Community Facilities District 14-1 IA1** - is used to account for the capital projects for the 2014-1 Avelina Improvement Area No. 1, 2017 Special Tax Bonds.

**Community Facilities District 14-1 IA2** - is used to account for the capital projects for the 2014-1 Avelina Improvement Area No. 2, 2018 Special Tax Bonds, Series A.

**Community Facilities District 14-1 1A3** - is used to account for the capital projects Area No. 3, 2018 Special Tax Bonds, Series A.

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

	Special Revenue Funds				
	Asset Forfeiture	AQMD Air Pollution Program	Traffic Safety	City-wide Lighting District	Lighting District No. 84-1
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 231,038	\$ 1,620,332	\$ 2,216,207	\$ 1,381,956
Cash and investments with fiscal agent	-	-	-	-	5,026,709
Receivable (net):					
Accounts	-	-	462	-	-
Interest	-	407	2,889	3,969	19,462
Taxes	-	-	13,777	16,456	17,591
Loans	-	-	-	-	-
Due from other governments	-	26,174	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 257,619</b>	<b>\$ 1,637,460</b>	<b>\$ 2,236,632</b>	<b>\$ 6,445,718</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ -	\$ 37,744	\$ 3,814	\$ 25,909	\$ 147,835
Retention payable	-	-	-	-	-
Due to other funds	22,849	182	1,295	1,779	1,088
Deposits and other liabilities	-	-	-	-	50,390
<b>Total liabilities</b>	<b>22,849</b>	<b>37,926</b>	<b>5,109</b>	<b>27,688</b>	<b>199,313</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	-	-	462	5,345	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>462</b>	<b>5,345</b>	<b>-</b>
<b>Fund Balances:</b>					
Restricted	-	219,693	1,631,889	2,203,599	6,246,405
Unassigned	(22,849)	-	-	-	-
<b>Total fund balances</b>	<b>(22,849)</b>	<b>219,693</b>	<b>1,631,889</b>	<b>2,203,599</b>	<b>6,246,405</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ -</b>	<b>\$ 257,619</b>	<b>\$ 1,637,460</b>	<b>\$ 2,236,632</b>	<b>\$ 6,445,718</b>

(Continued)

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

	Special Revenue Funds				
	Landscape Maintenance District	Flood Control Maintenance District	Gas Tax	Sidewalk Grant SB 821	RMRA Grant
<b>ASSETS</b>					
Cash and investments	\$ 5,089,354	\$ 10,260,761	\$ 6,645,170	\$ -	\$ 1,329,399
Cash and investments with fiscal agent	-	-	-	-	-
Receivable (net):					
Accounts	-	-	-	-	-
Interest	8,878	18,252	12,031	-	2,249
Taxes	29,464	18,416	-	-	254,747
Loans	-	-	-	-	-
Due from other governments	-	-	-	-	-
<b>Total assets</b>	<b>\$ 5,127,696</b>	<b>\$ 10,297,429</b>	<b>\$ 6,657,201</b>	<b>\$ -</b>	<b>\$ 1,586,395</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 180,570	\$ 65,300	\$ 42,293	\$ -	\$ 12,408
Retention payable	-	18,248	8,060	-	-
Due to other funds	3,978	8,180	5,392	-	1,008
Deposits and other liabilities	-	-	-	-	-
<b>Total liabilities</b>	<b>184,548</b>	<b>91,728</b>	<b>55,745</b>	<b>-</b>	<b>13,416</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	14,660	9,823	-	-	-
<b>Total deferred inflows of resources</b>	<b>14,660</b>	<b>9,823</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
Restricted	4,928,488	10,195,878	6,601,456	-	1,572,979
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<b>4,928,488</b>	<b>10,195,878</b>	<b>6,601,456</b>	<b>-</b>	<b>1,572,979</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 5,127,696</b>	<b>\$ 10,297,429</b>	<b>\$ 6,657,201</b>	<b>\$ -</b>	<b>\$ 1,586,395</b>

(Continued)

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

	Special Revenue Funds				
	Proposition "A"	CDBG Entitlement	State Grants	Federal Grants	Development Fees
<b>ASSETS</b>					
Cash and investments	\$ 4,697,098	\$ 3,277	\$ -	\$ 3,362	\$ 18,349,052
Cash and investments with fiscal agent	-	-	-	-	-
Receivable (net):					
Accounts	-	-	-	-	-
Interest	8,272	-	-	-	33,437
Taxes	340,540	-	-	-	-
Loans	-	-	-	-	-
Due from other governments	-	283,005	505,823	-	-
<b>Total assets</b>	<b>\$ 5,045,910</b>	<b>\$ 286,282</b>	<b>\$ 505,823</b>	<b>\$ 3,362</b>	<b>\$ 18,382,489</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 4,218	\$ 233,315	\$ 8,317	\$ 71,667	\$ 247,196
Retention payable	12,632	35,521	-	-	53,516
Due to other funds	3,707	135,374	425,704	111,886	14,985
Deposits and other liabilities	-	-	-	-	-
<b>Total liabilities</b>	<b>20,557</b>	<b>404,210</b>	<b>434,021</b>	<b>183,553</b>	<b>315,697</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	-	-	78,173	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>78,173</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
Restricted	5,025,353	-	-	-	18,066,792
Unassigned	-	(117,928)	(6,371)	(180,191)	-
<b>Total fund balances</b>	<b>5,025,353</b>	<b>(117,928)</b>	<b>(6,371)</b>	<b>(180,191)</b>	<b>18,066,792</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 5,045,910</b>	<b>\$ 286,282</b>	<b>\$ 505,823</b>	<b>\$ 3,362</b>	<b>\$ 18,382,489</b>

(Continued)

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

	Special Revenue Funds				Capital Projects Funds
	HUD NSP-3	HOME Grant Program	Local Health Grant	CalVIP	Construction
<b>ASSETS</b>					
Cash and investments	\$ 176,194	\$ 100,649	\$ -	\$ -	\$ 2,546
Cash and investments with fiscal agent	-	-	-	-	-
Receivable (net):					
Accounts	-	-	-	-	-
Interest	398	20,778	-	-	1
Taxes	-	-	-	-	-
Loans	-	193,110	-	-	-
Due from other governments	-	-	50,739	26,491	-
<b>Total assets</b>	<b>\$ 176,592</b>	<b>\$ 314,537</b>	<b>\$ 50,739</b>	<b>\$ 26,491</b>	<b>\$ 2,547</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 18,745	\$ -	\$ 544	\$ 66,557	\$ 2,522
Retention payable	-	-	-	-	-
Due to other funds	178	82	110,305	53,588	-
Deposits and other liabilities	-	-	-	-	-
<b>Total liabilities</b>	<b>18,923</b>	<b>82</b>	<b>110,849</b>	<b>120,145</b>	<b>2,522</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
Restricted	157,669	314,455	-	-	25
Unassigned	-	-	(60,110)	(93,654)	-
<b>Total fund balances</b>	<b>157,669</b>	<b>314,455</b>	<b>(60,110)</b>	<b>(93,654)</b>	<b>25</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 176,592</b>	<b>\$ 314,537</b>	<b>\$ 50,739</b>	<b>\$ 26,491</b>	<b>\$ 2,547</b>

(Continued)



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

	Capital Projects Funds				
	Railway Depot Restoration	Community Facilities District 06-2	Community Facilities District 05-4	Community Facilities 14-1 IA1	Community Facilities 14-1 IA2
<b>ASSETS</b>					
Cash and investments	\$ 132,662	\$ -	\$ -	\$ -	\$ -
Cash and investments with fiscal agent	-	45	97	760	819
Receivable (net):					
Accounts	-	-	-	-	-
Interest	243	-	-	-	-
Taxes	-	-	-	-	-
Loans	-	-	-	-	-
Due from other governments	-	-	-	-	-
<b>Total assets</b>	<b>\$ 132,905</b>	<b>\$ 45</b>	<b>\$ 97</b>	<b>\$ 760</b>	<b>\$ 819</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Retention payable	-	-	-	-	-
Due to other funds	109	-	-	-	-
Deposits and other liabilities	-	-	-	-	-
<b>Total liabilities</b>	<b>109</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
Restricted	132,796	45	97	760	819
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<b>132,796</b>	<b>45</b>	<b>97</b>	<b>760</b>	<b>819</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 132,905</b>	<b>\$ 45</b>	<b>\$ 97</b>	<b>\$ 760</b>	<b>\$ 819</b>

(Continued)

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

	Capital Projects Funds	
	Community Facilities 14-1 IA3	Total Nonmajor Governmental Funds
<b>ASSETS</b>		
Cash and investments	\$ -	\$ 52,239,057
Cash and investments with fiscal agent	693	5,029,123
Receivable (net):		
Accounts	-	462
Interest	-	131,266
Taxes	-	690,991
Loans	-	193,110
Due from other governments	-	892,232
<b>Total assets</b>	<b>\$ 693</b>	<b>\$ 59,176,241</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Accounts payable and accrued liabilities	\$ -	\$ 1,168,954
Retention payable	-	127,977
Due to other funds	-	901,669
Deposits and other liabilities	-	50,390
<b>Total liabilities</b>	<b>-</b>	<b>2,248,990</b>
<b>Deferred Inflows of Resources:</b>		
Unavailable revenue	-	108,463
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>108,463</b>
<b>Fund Balances:</b>		
Restricted	693	57,299,891
Unassigned	-	(481,103)
<b>Total fund balances</b>	<b>693</b>	<b>56,818,788</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 693</b>	<b>\$ 59,176,241</b>

(Concluded)

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

	Special Revenue Funds				
	Asset Forfeiture	AQMD Air Pollution Program	Traffic Safety	City-wide Lighting District	Lighting District No. 84-1
<b>Revenues</b>					
Intergovernmental revenues	\$ -	\$ 100,959	\$ 174,787	\$ -	\$ -
Fines, forfeitures and penalties	-	-	217,819	-	-
Developer fees	-	-	-	-	-
Investment earnings	-	5,268	36,632	48,564	107,285
Special assessments	-	-	-	403,842	920,013
Contributions	-	-	-	-	-
Miscellaneous	-	-	24,116	59	52,500
<b>Total revenues</b>	<b>-</b>	<b>106,227</b>	<b>453,354</b>	<b>452,465</b>	<b>1,079,798</b>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	245,031	-	-
Public works	-	-	-	155,654	1,015,356
Community development	-	-	-	-	-
Capital outlay	-	107,943	-	-	-
Debt service:					
Cost of issuance	-	-	-	-	75,000
<b>Total expenditures</b>	<b>-</b>	<b>107,943</b>	<b>245,031</b>	<b>155,654</b>	<b>1,090,356</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>(1,716)</b>	<b>208,323</b>	<b>296,811</b>	<b>(10,558)</b>
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	-	-	-	68,543
Transfers out	-	-	-	(13,709)	(54,834)
Issuance of long-term debt	-	-	-	-	4,987,537
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13,709)</b>	<b>5,001,246</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>(1,716)</b>	<b>208,323</b>	<b>283,102</b>	<b>4,990,688</b>
<b>Fund Balances</b>					
Beginning of year	(22,849)	221,409	1,423,566	1,920,497	1,255,717
End of year	\$ (22,849)	\$ 219,693	\$ 1,631,889	\$ 2,203,599	\$ 6,246,405

(Continued)

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

	Special Revenue Funds				
	Landscape Maintenance District	Flood Control Maintenance District	Gas Tax	Sidewalk Grant SB 821	RMRA Grant
<b>Revenues</b>					
Intergovernmental revenues	\$ -	\$ -	\$ 1,504,366	\$ -	\$ 1,515,167
Fines, forfeitures and penalties	-	-	-	-	-
Developer fees	-	-	-	-	-
Investment earnings	98,715	217,471	152,824	-	23,217
Special assessments	2,362,661	1,833,123	-	-	-
Contributions	-	-	-	-	-
Miscellaneous	52,500	42,000	-	-	-
<b>Total revenues</b>	<b>2,513,876</b>	<b>2,092,594</b>	<b>1,657,190</b>	<b>-</b>	<b>1,538,384</b>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	1,824,076	488,975	-	-	473,564
Community development	-	-	-	-	-
Capital outlay	-	1,440	322,198	247	-
Debt service:					
Cost of issuance	-	-	-	-	-
<b>Total expenditures</b>	<b>1,824,076</b>	<b>490,415</b>	<b>322,198</b>	<b>247</b>	<b>473,564</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<b>689,800</b>	<b>1,602,179</b>	<b>1,334,992</b>	<b>(247)</b>	<b>1,064,820</b>
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	(925,000)	-	-
Issuance of long-term debt	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(925,000)</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	689,800	1,602,179	409,992	(247)	1,064,820
<b>Fund Balances</b>					
Beginning of year	4,238,688	8,593,699	6,191,464	247	508,159
End of year	<b>\$ 4,928,488</b>	<b>\$ 10,195,878</b>	<b>\$ 6,601,456</b>	<b>\$ -</b>	<b>\$ 1,572,979</b>

(Continued)

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

	Special Revenue Funds				
	Proposition "A"	CDBG Entitlement	State Grants	Federal Grants	Development Fees
<b>Revenues</b>					
Intergovernmental revenues	\$ 2,079,994	\$ 949,738	\$ 482,173	\$ 313,501	\$ -
Fines, forfeitures and penalties	-	-	-	-	-
Developer fees	-	-	-	-	4,324,160
Investment earnings	112,478	-	-	-	429,917
Special assessments	-	-	-	-	-
Contributions	-	-	-	-	-
Miscellaneous	-	-	-	-	92
<b>Total revenues</b>	<b>2,192,472</b>	<b>949,738</b>	<b>482,173</b>	<b>313,501</b>	<b>4,754,169</b>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	17,049	-	-
Community development	-	326,168	-	-	-
Capital outlay	1,532,970	665,881	295,328	39,194	2,870,938
Debt service:					
Cost of issuance	-	-	-	-	-
<b>Total expenditures</b>	<b>1,532,970</b>	<b>992,049</b>	<b>312,377</b>	<b>39,194</b>	<b>2,870,938</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	659,502	(42,311)	169,796	274,307	1,883,231
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Issuance of long-term debt	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	659,502	(42,311)	169,796	274,307	1,883,231
<b>Fund Balances</b>					
Beginning of year	4,365,851	(75,617)	(176,167)	(454,498)	16,183,561
End of year	\$ 5,025,353	\$ (117,928)	\$ (6,371)	\$ (180,191)	\$ 18,066,792

(Continued)

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

	Special Revenue Funds				Capital Projects Funds
	HUD NSP-3	HOME Grant Program	Local Health Grant	CalVIP	Construction
<b>Revenues</b>					
Intergovernmental revenues	\$ -	\$ -	\$ 168,784	\$ 53,846	\$ -
Fines, forfeitures and penalties	-	-	-	-	-
Developer fees	-	-	-	-	-
Investment earnings	5,431	13,062	-	-	-
Special assessments	-	-	-	-	-
Contributions	-	-	-	-	-
Miscellaneous	-	62,500	-	-	-
<b>Total revenues</b>	<b>5,431</b>	<b>75,562</b>	<b>168,784</b>	<b>53,846</b>	<b>-</b>
<b>Expenditures</b>					
Current:					
General government	-	-	179,336	-	-
Public safety	-	-	-	147,500	-
Public works	-	-	-	-	-
Community development	-	-	-	-	-
Capital outlay	82,001	-	-	-	498,946
Debt service:					
Cost of issuance	-	-	-	-	-
<b>Total expenditures</b>	<b>82,001</b>	<b>-</b>	<b>179,336</b>	<b>147,500</b>	<b>498,946</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(76,570)	75,562	(10,552)	(93,654)	(498,946)
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	-	-	-	498,947
Transfers out	-	-	-	-	-
Issuance of long-term debt	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>498,947</b>
Net Change in Fund Balances	(76,570)	75,562	(10,552)	(93,654)	1
<b>Fund Balances</b>					
Beginning of year	234,239	238,893	(49,558)	-	24
End of year	\$ 157,669	\$ 314,455	\$ (60,110)	\$ (93,654)	\$ 25

(Continued)

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

	Capital Projects Funds				
	Railway Depot Restoration	Community Facilities District 06-2	Community Facilities District 05-4	Community Facilities 14-1 IA1	Community Facilities 14-1 IA2
<b>Revenues</b>					
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Fines, forfeitures and penalties	-	-	-	-	-
Developer fees	-	-	-	-	-
Investment earnings	3,109	1	2	16	6,812
Special assessments	-	-	-	-	-
Contributions	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<u>3,109</u>	<u>1</u>	<u>2</u>	<u>16</u>	<u>6,812</u>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Community development	-	-	-	-	-
Capital outlay	-	-	-	-	2,078,375
Debt service:					
Cost of issuance	-	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,078,375</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,109</u>	<u>1</u>	<u>2</u>	<u>16</u>	<u>(2,071,563)</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Issuance of long-term debt	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	3,109	1	2	16	(2,071,563)
<b>Fund Balances</b>					
Beginning of year	129,687	44	95	744	2,072,382
End of year	<u>\$ 132,796</u>	<u>\$ 45</u>	<u>\$ 97</u>	<u>\$ 760</u>	<u>\$ 819</u>

(Continued)

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

	Community Facilities 14-1 IA3	Total Nonmajor Governmental Funds
<b>Revenues</b>		
Intergovernmental revenues	\$ -	\$ 7,343,315
Fines, forfeitures and penalties	-	217,819
Developer fees	-	4,324,160
Investment earnings	9,951	1,270,755
Special assessments	-	5,519,639
Contributions	4,365,000	4,365,000
Miscellaneous	-	233,767
<b>Total revenues</b>	4,374,951	23,274,455
<b>Expenditures</b>		
Current:		
General government	-	179,336
Public safety	-	392,531
Public works	-	3,974,674
Community development	4,374,258	4,700,426
Capital outlay	-	8,495,461
Debt service:		
Cost of issuance	-	75,000
<b>Total expenditures</b>	4,374,258	17,817,428
Excess (Deficiency) of Revenues Over (Under) Expenditures	693	5,457,027
<b>Other Financing Sources (Uses):</b>		
Transfers in	-	567,490
Transfers out	-	(993,543)
Issuance of long-term debt	-	4,987,537
<b>Total other financing sources (uses)</b>	-	4,561,484
Net Change in Fund Balances	693	10,018,511
<b>Fund Balances</b>		
Beginning of year	-	46,800,277
End of year	\$ 693	\$ 56,818,788

(Concluded)



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

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Fines, forfeitures, and penalties	\$ 30,000	\$ 30,000	\$ -	\$ (30,000)
<b>EXPENDITURES:</b>				
Current:				
Public safety	30,000	30,000	-	30,000
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>FUND BALANCE:</b>				
Beginning of year			\$ (22,849)	
End of year			<u>\$ (22,849)</u>	

**City of Perris**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Continued)**  
**AQMD Air Pollution Program Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ 80,000	\$ 80,000	\$ 100,959	\$ 20,959
Investment earnings	500	500	5,268	4,768
<b>Total revenues</b>	<u>80,500</u>	<u>80,500</u>	<u>106,227</u>	<u>25,727</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	-	40	-	40
Capital outlay	80,500	320,460	107,943	212,517
<b>Total expenditures</b>	<u>80,500</u>	<u>320,500</u>	<u>107,943</u>	<u>212,557</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ (240,000)</u>	<u>(1,716)</u>	<u>\$ 238,284</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>221,409</u>	
End of year			<u>\$ 219,693</u>	

**City of Perris**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Continued)**  
**Traffic Safety Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ 115,000	\$ 115,000	\$ 174,787	\$ 59,787
Fines, forfeitures and penalties	220,000	220,000	217,819	(2,181)
Investment earnings	3,000	3,000	36,632	33,632
Miscellaneous	-	-	24,116	24,116
<b>Total revenues</b>	<b>338,000</b>	<b>338,000</b>	<b>453,354</b>	<b>115,354</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	258,930	1,355,027	245,031	1,109,996
<b>Total expenditure</b>	<b>258,930</b>	<b>1,355,027</b>	<b>245,031</b>	<b>1,109,996</b>
<b>Net change in fund balance</b>	<b>\$ 79,070</b>	<b>\$ (1,017,027)</b>	<b>208,323</b>	<b>\$ 1,225,350</b>
<b>FUND BALANCE:</b>				
Beginning of year			1,423,566	
End of year			<b>\$ 1,631,889</b>	

**City of Perris**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Continued)**  
**City-Wide Lighting District Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment earnings	\$ 1,500	\$ 1,500	\$ 48,564	\$ 47,064
Special assessments	269,500	269,500	403,842	134,342
Miscellaneous	-	-	59	59
<b>Total revenues</b>	<u>271,000</u>	<u>271,000</u>	<u>452,465</u>	<u>181,465</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	<u>164,135</u>	<u>183,318</u>	<u>155,654</u>	<u>27,664</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>106,865</u>	<u>87,682</u>	<u>296,811</u>	<u>209,129</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	<u>-</u>	<u>-</u>	<u>(13,709)</u>	<u>(13,709)</u>
<b>Net change in fund balance</b>	<u>\$ 106,865</u>	<u>\$ 87,682</u>	<u>283,102</u>	<u>\$ 195,420</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>1,920,497</u>	
End of year			<u>\$ 2,203,599</u>	

**City of Perris**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Continued)**  
**Lighting District No. 84-1 Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment earnings	\$ 3,000	\$ 3,000	\$ 107,285	\$ 104,285
Special assessments	860,000	860,000	920,013	60,013
Miscellaneous	20,000	48,000	52,500	4,500
<b>Total revenues</b>	<u>883,000</u>	<u>911,000</u>	<u>1,079,798</u>	<u>168,798</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	1,062,662	1,120,448	1,015,356	105,092
Debt service:				
Cost of issuance	-	75,000	75,000	-
<b>Total expenditures</b>	<u>1,062,662</u>	<u>1,195,448</u>	<u>1,090,356</u>	<u>105,092</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(179,662)</u>	<u>(284,448)</u>	<u>(10,558)</u>	<u>273,890</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	68,543	68,543
Transfers out	-	-	(54,834)	(54,834)
Issuance of long-term debt	-	4,987,537	4,987,537	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>4,987,537</u>	<u>5,001,246</u>	<u>13,709</u>
<b>Net change in fund balance</b>	<u>\$ (179,662)</u>	<u>\$ 4,703,089</u>	4,990,688	<u>\$ 287,599</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>1,255,717</u>	
End of year			<u>\$ 6,246,405</u>	

**City of Perris**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Continued)**  
**Landscape Maintenance District Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment earnings	\$ 6,500	\$ 6,500	\$ 98,715	\$ 92,215
Special assessments	1,900,000	1,900,000	2,362,661	462,661
Miscellaneous	21,500	53,000	52,500	(500)
<b>Total revenues</b>	<u>1,928,000</u>	<u>1,959,500</u>	<u>2,513,876</u>	<u>554,376</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	<u>1,817,680</u>	<u>2,468,075</u>	<u>1,824,076</u>	<u>643,999</u>
<b>Net change in fund balance</b>	<u>\$ 110,320</u>	<u>\$ (508,575)</u>	<u>689,800</u>	<u>\$ 1,198,375</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>4,238,688</u>	
End of year			<u>\$ 4,928,488</u>	

**City of Perris**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Continued)**  
**Flood Control Maintenance District Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment earnings	\$ 16,000	\$ 16,000	\$ 217,471	\$ 201,471
Special assessments	1,535,000	1,535,000	1,833,123	298,123
Miscellaneous	5,500	33,500	42,000	8,500
<b>Total revenues</b>	<u>1,556,500</u>	<u>1,584,500</u>	<u>2,092,594</u>	<u>508,094</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	1,638,281	1,766,745	488,975	1,277,770
Capital outlay	-	2,290,891	1,440	2,289,451
<b>Total expenditures</b>	<u>1,638,281</u>	<u>4,057,636</u>	<u>490,415</u>	<u>3,567,221</u>
<b>Net change in fund balance</b>	<u>\$ (81,781)</u>	<u>\$ (2,473,136)</u>	1,602,179	<u>\$ 4,075,315</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>8,593,699</u>	
End of year			<u>\$ 10,195,878</u>	

**City of Perris**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Continued)**  
**Gas Tax Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ 1,548,301	\$ 1,548,301	\$ 1,504,366	\$ (43,935)
Investment earnings	7,500	7,500	152,824	145,324
<b>Total revenues</b>	<u>1,555,801</u>	<u>1,555,801</u>	<u>1,657,190</u>	<u>101,389</u>
<b>EXPENDITURES:</b>				
Capital outlay	-	3,854,498	322,198	3,532,300
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,555,801</u>	<u>(2,298,697)</u>	<u>1,334,992</u>	<u>3,633,689</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	(925,000)	(925,000)	(925,000)	-
<b>Net change in fund balance</b>	<u>\$ 630,801</u>	<u>\$ (3,223,697)</u>	409,992	<u>\$ 3,633,689</u>
<b>FUND BALANCE:</b>				
Beginning of year			6,191,464	
End of year			<u>\$ 6,601,456</u>	



**City of Perris**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Continued)**  
**Sidewalk Grant SB 821 Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES:</b>				
Capital outlay	\$ -	\$ 247	\$ 247	\$ -
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ (247)</b>	<b>(247)</b>	<b>\$ -</b>
<b>FUND BALANCE:</b>				
Beginning of year			247	
End of year			<u>\$ -</u>	

**City of Perris**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Continued)**  
**RMRA Grant Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ -	\$ -	\$ 1,515,167	\$ 1,515,167
Investment earnings	-	-	23,217	23,217
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>1,538,384</u>	<u>1,538,384</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	-	2,508,612	473,564	2,035,048
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ (2,508,612)</u>	1,064,820	<u>\$ 3,573,432</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>508,159</u>	
End of year			<u>\$ 1,572,979</u>	

**City of Perris**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Continued)**  
**Proposition "A" Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ 1,444,000	\$ 1,444,000	\$ 2,079,994	\$ 635,994
Investment earnings	5,000	5,000	112,478	107,478
<b>Total revenues</b>	<u>1,449,000</u>	<u>1,449,000</u>	<u>2,192,472</u>	<u>743,472</u>
<b>EXPENDITURES:</b>				
Capital outlay	-	5,568,969	1,532,970	4,035,999
<b>Net change in fund balance</b>	<u>\$ 1,449,000</u>	<u>\$ (4,119,969)</u>	659,502	<u>\$ 4,779,471</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>4,365,851</u>	
End of year			<u>\$ 5,025,353</u>	

**City of Perris**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Continued)**  
**CDBG Entitlement Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ -	\$ -	\$ 949,738	\$ 949,738
<b>EXPENDITURES:</b>				
Current:				
Community development	205,663	334,749	326,168	8,581
Capital outlay	-	1,368,426	665,881	702,545
<b>Total expenditures</b>	<u>205,663</u>	<u>1,703,175</u>	<u>992,049</u>	<u>711,126</u>
<b>Net change in fund balance</b>	<u>\$ (205,663)</u>	<u>\$ (1,703,175)</u>	(42,311)	<u>\$ 1,660,864</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>(75,617)</u>	
End of year			<u>\$ (117,928)</u>	

**City of Perris**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Continued)**  
**State Grants Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ -	\$ 11,054	\$ 482,173	\$ 471,119
<b>EXPENDITURES:</b>				
Current:				
Public works	-	23,974	17,049	6,925
Capital outlay	-	3,560,859	295,328	3,265,531
<b>Total expenditures</b>	-	3,584,833	312,377	3,272,456
<b>Net change in fund balance</b>	\$ -	\$ (3,573,779)	169,796	\$ 3,743,575
<b>FUND BALANCE:</b>				
Beginning of year			(176,167)	
End of year			\$ (6,371)	

**City of Perris**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Continued)**  
**Federal Grants Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ -	\$ -	\$ 313,501	\$ 313,501
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>313,501</u>	<u>313,501</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	-	768,801	-	768,801
Capital outlay	-	5,510,964	39,194	5,471,770
<b>Total expenditures</b>	<u>-</u>	<u>6,279,765</u>	<u>39,194</u>	<u>6,240,571</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ (6,279,765)</u>	274,307	<u>\$ 6,554,072</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>(454,498)</u>	
End of year			<u>\$ (180,191)</u>	

**City of Perris**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Continued)**  
**Development Fees Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Developer fees	\$ 481,000	\$ 481,000	\$ 4,324,160	\$ 3,843,160
Investment earnings	50,000	50,000	429,917	379,917
Miscellaneous	-	-	92	92
<b>Total revenues</b>	<u>531,000</u>	<u>531,000</u>	<u>4,754,169</u>	<u>4,223,169</u>
<b>EXPENDITURES:</b>				
Capital outlay	-	16,895,168	2,870,938	14,024,230
<b>Net change in fund balance</b>	<u>\$ 531,000</u>	<u>\$ (16,364,168)</u>	1,883,231	<u>\$ 18,247,399</u>
<b>FUND BALANCE:</b>				
Beginning of year			16,183,561	
End of year			<u>\$ 18,066,792</u>	

**City of Perris**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Continued)**  
**HUD NSP-3 Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment earnings	\$ 100	\$ 100	\$ 5,431	\$ 5,331
<b>EXPENDITURES:</b>				
Capital outlay	-	305,173	82,001	223,172
<b>Net change in fund balance</b>	<u>\$ 100</u>	<u>\$ (305,073)</u>	(76,570)	<u>\$ 228,503</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>234,239</u>	
End of year			<u>\$ 157,669</u>	



**City of Perris**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Continued)**  
**HOME Grant Program Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment earnings	\$ 50	\$ 50	\$ 13,062	\$ 13,012
Miscellaneous	-	-	62,500	62,500
<b>Total revenues</b>	<u>50</u>	<u>50</u>	<u>75,562</u>	<u>75,512</u>
<b>Net change in fund balance</b>	<u>\$ 50</u>	<u>\$ 50</u>	75,562	<u>\$ 75,512</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>238,893</u>	
End of year			<u>\$ 314,455</u>	

**City of Perris**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Continued)**  
**Local Health Grant Special Revenue Fund**  
**For the Year Ended June 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ -	\$ -	\$ 168,784	\$ 168,784
<b>EXPENDITURES:</b>				
Current:				
General government	254,233	193,706	179,336	14,370
<b>Net change in fund balance</b>	<u>\$ (254,233)</u>	<u>\$ (193,706)</u>	(10,552)	<u>\$ 183,154</u>
<b>FUND BALANCE:</b>				
Beginning of year			(49,558)	
End of year			<u>\$ (60,110)</u>	

**City of Perris**

**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Continued)  
Cal VIP Special Revenue Fund  
For the Year Ended June 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ -	\$ 500,000	\$ 53,846	\$ (446,154)
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	500,000	147,500	352,500
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	(93,654)	<u>\$ (93,654)</u>
<b>FUND BALANCE:</b>				
Beginning of year			-	
End of year			<u>\$ (93,654)</u>	

**City of Perris**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Continued)**  
**Construction Capital Projects Fund**  
**For the Year Ended June 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES:</b>				
Capital outlay	-	904,545	498,946	405,599
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	-	-	498,947	498,947
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ (904,545)</u>	1	<u>\$ 904,546</u>
<b>FUND BALANCE:</b>				
Beginning of year			24	
End of year			<u>\$ 25</u>	

**City of Perris**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Continued)**  
**Community Facilities District 14-1 IA1 Capital Projects Fund**  
**For the Year Ended June 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment earnings	\$ -	\$ -	\$ 6,812	\$ 6,812
<b>EXPENDITURES:</b>				
Capital outlay	-	2,078,375	2,078,375	-
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ (2,078,375)</u>	(2,071,563)	<u>\$ 6,812</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>2,072,382</u>	
End of year			<u>\$ 819</u>	

**City of Perris**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Continued)**  
**Community Facilities District 14-1 IA2 Capital Projects Fund**  
**For the Year Ended June 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment earnings	\$ -	\$ -	\$ 9,951	\$ 9,951
Contributions	-	4,365,000	4,365,000	-
<b>Total revenues</b>	<u>-</u>	<u>4,365,000</u>	<u>4,374,951</u>	<u>9,951</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	-	4,365,000	4,374,258	(9,258)
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	693	<u>\$ 693</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>-</u>	
End of year			<u>\$ 693</u>	

## **Agency Funds**

**City Cash Trust Fund** - is used to account for monies held for other organizations or private individuals.

**Community Facilities Districts** - is used to account for the principal and interest payments for various Community Facilities Districts bonds.

**Assessment District 86-1** - is used to account for the principal and interest payments of the 1993 Series A, AD86-1 Improvement refunding bonds for use in the construction and improvements of the City's infrastructure.

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**City of Perris**  
**Combining Statement of Fiduciary Assets and Liabilities**  
**All Agency Funds**  
**June 30, 2019**

	City Cash Trust	Community Facilities Districts	Assessment District 86-1	Total Agency Funds
<b>ASSETS:</b>				
Cash and investments	\$ 1,182,887	\$ 1,578,670	\$ 53,886	\$ 2,815,443
Cash and investments with fiscal agent	-	16,602,623	-	16,602,623
Assessments receivable	-	377,614	-	377,614
Interest receivable	-	5,707	99	5,806
Other receivable	-	15,705	-	15,705
Deposits	-	9,880,992	-	9,880,992
<b>Total Assets</b>	<b>\$ 1,182,887</b>	<b>\$ 28,461,311</b>	<b>\$ 53,985</b>	<b>\$ 29,698,183</b>
<b>LIABILITIES:</b>				
Accounts payable and accrued liabilities	\$ 180,739	\$ 28,200	\$ 44	\$ 208,983
Deposits	1,002,148	298,849	-	1,300,997
Due to bondholders	-	28,134,262	53,941	28,188,203
<b>Total Liabilities</b>	<b>\$ 1,182,887</b>	<b>\$ 28,461,311</b>	<b>\$ 53,985</b>	<b>\$ 29,698,183</b>

**City of Perris**  
**Combining Statement of Changes in Fiduciary Assets and Liabilities**  
**All Agency Funds**  
**For the Year Ended June 30, 2019**

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
<b><u>City Cash Trust</u></b>				
<b>ASSETS:</b>				
Cash and investments	\$ 1,019,090	\$ 4,484,419	\$ (4,320,622)	\$ 1,182,887
<b>Total Assets</b>	<b>\$ 1,019,090</b>	<b>\$ 4,484,419</b>	<b>\$ (4,320,622)</b>	<b>\$ 1,182,887</b>
<b>LIABILITIES:</b>				
Accounts payable and accrued liabilities	\$ 262,653	\$ 3,186,011	\$ (3,267,925)	\$ 180,739
Deposits	756,437	4,484,419	(4,238,708)	1,002,148
<b>Total Liabilities</b>	<b>\$ 1,019,090</b>	<b>\$ 7,670,430</b>	<b>\$ (7,506,633)</b>	<b>\$ 1,182,887</b>
<b><u>Community Facilities Districts</u></b>				
<b>ASSETS:</b>				
Cash and investments	\$ 8,364,330	\$ 15,765,034	\$ (22,550,694)	\$ 1,578,670
Cash and investments with fiscal agent	10,626,089	65,792,394	(59,815,860)	16,602,623
Assessments receivable	243,971	383,319	(249,676)	377,614
Interest receivable	8,644	5,964	(8,901)	5,707
Other receivable	158,967	-	(143,262)	15,705
Deposits	11,295,773	957,257	(2,372,038)	9,880,992
<b>Total Assets</b>	<b>\$ 30,697,774</b>	<b>\$ 82,903,968</b>	<b>\$ (85,140,431)</b>	<b>\$ 28,461,311</b>
<b>LIABILITIES:</b>				
Accounts payable and accrued liabilities	\$ 165,863	\$ 231,607	\$ (369,270)	\$ 28,200
Deposits	327,255	67,222	(95,628)	298,849
Due to bondholders	30,204,656	56,440,507	(58,510,901)	28,134,262
<b>Total Liabilities</b>	<b>\$ 30,697,774</b>	<b>\$ 56,739,336</b>	<b>\$ (58,975,799)</b>	<b>\$ 28,461,311</b>
<b><u>Assessment District 86-1</u></b>				
<b>ASSETS:</b>				
Cash and investments	\$ 52,601	\$ 1,285	\$ -	\$ 53,886
Interest receivable	77	99	(77)	99
<b>Total Assets</b>	<b>\$ 52,678</b>	<b>\$ 1,384</b>	<b>\$ (77)</b>	<b>\$ 53,985</b>
<b>LIABILITIES:</b>				
Accounts payable and accrued liabilities	\$ -	\$ 44	\$ -	\$ 44
Due to bondholders	52,678	2,227	(964)	53,941
<b>Total Liabilities</b>	<b>\$ 52,678</b>	<b>\$ 2,271</b>	<b>\$ (964)</b>	<b>\$ 53,985</b>
<b><u>Total - All Agency Funds</u></b>				
<b>ASSETS:</b>				
Cash and investments	\$ 9,436,021	\$ 20,250,738	\$ (26,871,316)	\$ 2,815,443
Cash and investments with fiscal agent	10,626,089	65,792,394	(59,815,860)	16,602,623
Assessments receivable	243,971	383,319	(249,676)	377,614
Interest receivable	8,721	6,063	(8,978)	5,806
Other receivable	158,967	-	(143,262)	15,705
Deposits	11,295,773	957,257	(2,372,038)	9,880,992
<b>Total Assets</b>	<b>\$ 31,769,542</b>	<b>\$ 87,389,771</b>	<b>\$ (89,461,130)</b>	<b>\$ 29,698,183</b>
<b>LIABILITIES:</b>				
Accounts payable and accrued liabilities	\$ 428,516	\$ 3,417,662	\$ (3,637,195)	\$ 208,983
Deposits	1,083,692	4,551,641	(4,334,336)	1,300,997
Due to bondholders	30,257,334	56,442,734	(58,511,865)	28,188,203
<b>Total Liabilities</b>	<b>\$ 31,769,542</b>	<b>\$ 64,412,037</b>	<b>\$ (66,483,396)</b>	<b>\$ 29,698,183</b>

**STATISTICAL SECTION**  
**(Unaudited)**

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**City of Perris  
Statistical Section  
(Unaudited)**

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This part of the City of Perris' 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 says about the City's overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	
<i>These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	166 - 177
<b>Revenue Capacity</b>	
<i>These tables contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	178 - 185
<b>Debt Capacity</b>	
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<b>Demographic and Economic Information</b>	
<i>These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	191
<b>Operating Information</b>	
<i>These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	192 - 197

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.

**City of Perris**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(in thousands of dollars)**

	Fiscal Year				
	2010	2011	2012	2013	2014
<b>Governmental activities</b>					
Net investment in capital assets	\$ 146,883	\$ 156,805	\$ 165,177	\$ 166,747	\$ 166,665
Restricted	5,752	7,410	-	-	48,033
Unrestricted	49,315	35,837	66,908	61,657	22,595
<b>Total governmental activities net position</b>	<b>\$ 201,950</b>	<b>\$ 200,052</b>	<b>\$ 232,085</b>	<b>\$ 228,404</b>	<b>\$ 237,293</b>
<b>Business-type activities</b>					
Net investment in capital assets	\$ 9,686	\$ 9,369	\$ 8,268	\$ 6,607	\$ 6,030
Restricted for Community Economic Development	-	-	-	-	-
Restricted for Low and Moderate Housing	-	-	6,785	8,715	6,023
Restricted for Other Purposes	-	-	-	-	-
Unrestricted	(908)	(366)	1,412	2,561	3,116
<b>Total business-type activities net position</b>	<b>\$ 8,778</b>	<b>\$ 9,003</b>	<b>\$ 16,465</b>	<b>\$ 17,883</b>	<b>\$ 15,169</b>
<b>Primary government</b>					
Net investment in capital assets	\$ 156,569	\$ 166,174	\$ 173,445	\$ 173,354	\$ 172,695
Restricted	5,752	7,410	6,785	8,715	54,056
Unrestricted	48,407	35,471	68,320	64,218	25,711
<b>Total primary government net position</b>	<b>\$ 210,728</b>	<b>\$ 209,055</b>	<b>\$ 248,550</b>	<b>\$ 246,287</b>	<b>\$ 252,462</b>

Source: City of Perris, Finance Department

Note: In 2017 the Perris Community Economic Development Fund was reclassified from a Government Component Unit to an Enterprise Fund, and was included as a category under the section "Business Type Activities" named: "Restricted for Community Economic Development." No adjustments to prior years have been made. In 2018 the Perris Community Economic Development Fund along with the Housing Authority Fund was reclassified from the Enterprise Fund to a Governmental Component Unit. No adjustments to prior years have been made.

**City of Perris**  
**Net Position by Component (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(in thousands of dollars)**

	Fiscal Year				
	2015	2016	2017	2018	2019
<b>Governmental activities</b>					
Net investment in capital assets	\$ 170,446	\$ 174,117	\$ 180,330	\$ 189,433	\$ 201,795
Restricted	49,630	62,636	79,411	101,390	139,741
Unrestricted	10,899	12,523	8,056	5,910	11,982
<b>Total governmental activities net position</b>	<b><u>\$ 230,975</u></b>	<b><u>\$ 249,276</u></b>	<b><u>\$ 267,797</u></b>	<b><u>\$ 296,733</u></b>	<b><u>\$ 353,518</u></b>
<b>Business-type activities</b>					
Net investment in capital assets	\$ 14,331	\$ 12,534	\$ 14,755	\$ 18,922	\$ 17,689
Restricted for Community Economic Development	-	-	4,299	3,224	-
Restricted for Low and Moderate Housing	5,854	5,758	5,848	4,734	-
Restricted for Other Purposes	-	-	-	1,037	-
Unrestricted	(5,118)	(3,736)	(3,598)	(7,301)	(8,374)
<b>Total business-type activities net position</b>	<b><u>\$ 15,067</u></b>	<b><u>\$ 14,556</u></b>	<b><u>\$ 21,304</u></b>	<b><u>\$ 20,616</u></b>	<b><u>\$ 9,315</u></b>
<b>Primary government</b>					
Net investment in capital assets	\$ 184,777	\$ 186,651	\$ 195,085	\$ 208,355	\$ 219,484
Restricted	55,484	68,394	85,259	106,124	139,741
Unrestricted	5,781	8,787	4,458	(1,391)	3,608
<b>Total primary government net position</b>	<b><u>\$ 246,042</u></b>	<b><u>\$ 263,832</u></b>	<b><u>\$ 284,802</u></b>	<b><u>\$ 313,088</u></b>	<b><u>\$ 362,833</u></b>

Source: City of Perris, Finance Department

Note: In 2017 the Perris Community Economic Development Fund was reclassified from a Government Component Unit to an Enterprise Fund, and was included as a category under the section "Business Type Activities" named: "Restricted for Community Economic Development." No adjustments to prior years have been made. In 2018 the Perris Community Economic Development Fund along with the Housing Authority Fund was reclassified from the Enterprise Fund to a Governmental Component Unit. No adjustments to prior years have been made.

**City of Perris**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(in thousands of dollars)**

	Fiscal Year				
	2010	2011	2012	2013	2014
<b>Expenses</b>					
<b>Governmental activities:</b>					
General Government	\$ 7,383	\$ 6,718	\$ 6,338	\$ 7,363	\$ 8,480
Public Safety	16,269	16,155	16,575	17,072	18,618
Public Works	22,461	19,661	17,620	12,897	10,177
Community Development	-	-	-	-	-
Parks and Recreation	2,257	2,144	2,246	2,471	3,071
Interest on Long-term Debt	7,879	8,045	7,897	7,689	7,343
State ERAF	3,771	776	-	-	-
<b>Total governmental activities expenses</b>	<b>60,020</b>	<b>53,499</b>	<b>50,676</b>	<b>47,492</b>	<b>47,689</b>
<b>Business-type activities:</b>					
Water Utility	2,745	2,390	2,507	2,750	2,972
Sewer Utility	1,483	1,638	1,691	1,760	1,828
Public Utility	977	927	955	1,088	976
Solid Waste Utility	565	596	627	890	1,223
Perris CEDC	-	-	-	-	-
Housing Authority	-	-	54	420	3,329
<b>Total business-type activities expenses</b>	<b>5,770</b>	<b>5,551</b>	<b>5,834</b>	<b>6,908</b>	<b>10,328</b>
<b>Total primary government expenses</b>	<b>\$ 65,790</b>	<b>\$ 59,050</b>	<b>\$ 56,510</b>	<b>\$ 54,400</b>	<b>\$ 58,017</b>
<b>Program Revenues</b>					
<b>Governmental activities:</b>					
<b>Charges for services:</b>					
General Government	\$ 1,054	\$ 746	\$ 948	\$ 978	\$ 1,859
Public Safety	856	804	865	909	1,039
Public Works	6,902	4,895	5,139	9,456	9,104
Parks and Recreation	211	232	247	215	144
Community Development	-	-	-	-	-
Operating Grants and Contributions	3,792	7,320	8,358	11,633	11,864
Capital Grants and Contributions	5,349	4,276	10,639	4,543	7,468
<b>Total governmental activities program revenues</b>	<b>18,164</b>	<b>18,273</b>	<b>26,196</b>	<b>27,734</b>	<b>31,478</b>
<b>Business-type activities:</b>					
<b>Charges for services:</b>					
Water Utility	2,374	2,588	2,693	2,809	3,110
Sewer Utility	1,538	1,619	1,678	1,737	1,832
Public Utility	569	556	573	599	800
Solid Waste Utility	695	703	723	835	1,136
Perris CEDC	-	-	-	-	-
Housing Authority	-	-	22	29	132
Operating Grants and Contributions	-	-	-	-	400
Capital Grants and Contributions	-	-	-	2,333	61
<b>Total business-type activities program revenues</b>	<b>5,176</b>	<b>5,466</b>	<b>5,689</b>	<b>8,342</b>	<b>7,471</b>
<b>Total primary government program revenues</b>	<b>\$ 23,340</b>	<b>\$ 23,739</b>	<b>\$ 31,885</b>	<b>\$ 36,076</b>	<b>\$ 38,949</b>
<b>Net (expense)/revenue</b>					
Governmental activities	\$ (41,856)	\$ (35,226)	\$ (24,480)	\$ (19,759)	\$ (16,210)
Business-type activities	(594)	(85)	(145)	1,434	(2,856)
<b>Total primary government net (expense)/revenue</b>	<b>\$ (42,450)</b>	<b>\$ (35,311)</b>	<b>\$ (24,625)</b>	<b>\$ (18,325)</b>	<b>\$ (19,066)</b>

Source: City of Perris, Finance Department



**City of Perris**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(in thousands of dollars)**

	Fiscal Year				
	2015	2016	2017	2018	2019
<b>Expenses</b>					
<b>Governmental activities:</b>					
General Government	\$ 9,840	\$ 10,621	\$ 9,698	\$ 12,816	\$ 10,229
Public Safety	20,286	22,586	22,936	24,648	26,016
Public Works	15,570	17,238	12,808	20,141	13,010
Community Development	-	-	-	-	6,143
Parks and Recreation	3,494	3,601	3,874	4,319	4,691
Interest on Long-term Debt	7,060	6,457	6,996	7,688	6,893
State ERAF	-	-	-	-	-
<b>Total governmental activities expenses</b>	<b>56,250</b>	<b>60,503</b>	<b>56,312</b>	<b>69,612</b>	<b>66,982</b>
<b>Business-type activities:</b>					
Water Utility	2,933	2,646	2,855	3,089	3,160
Sewer Utility	2,072	2,101	2,134	2,364	2,548
Public Utility	2,049	1,152	1,182	1,214	1,116
Solid Waste Utility	1,301	1,376	1,172	1,201	1,276
Perris CEDC	-	-	1,448	1,163	-
Housing Authority	669	801	792	919	-
<b>Total business-type activities expenses</b>	<b>9,024</b>	<b>8,076</b>	<b>9,583</b>	<b>9,950</b>	<b>8,100</b>
<b>Total primary government expenses</b>	<b>\$ 65,274</b>	<b>\$ 68,579</b>	<b>\$ 65,895</b>	<b>\$ 79,562</b>	<b>\$ 75,082</b>
<b>Program Revenues</b>					
<b>Governmental activities:</b>					
<b>Charges for services:</b>					
General Government	\$ 2,343	\$ 2,543	\$ 2,726	\$ 3,352	\$ 3,194
Public Safety	1,116	1,230	1,342	1,138	1,275
Public Works	5,986	22,446	18,848	35,386	24,795
Parks and Recreation	179	173	183	201	230
Community Development	-	-	-	-	303
Operating Grants and Contributions	12,645	17,883	11,300	12,996	27,903
Capital Grants and Contributions	14,367	7,668	16,207	15,444	12,337
<b>Total governmental activities program revenues</b>	<b>36,636</b>	<b>51,943</b>	<b>50,606</b>	<b>68,517</b>	<b>70,037</b>
<b>Business-type activities:</b>					
<b>Charges for services:</b>					
Water Utility	2,783	2,505	2,692	2,919	2,726
Sewer Utility	1,806	1,913	2,038	2,094	2,153
Public Utility	968	874	920	975	851
Solid Waste Utility	1,147	1,132	1,185	1,308	1,328
Perris CEDC	-	-	91	81	-
Housing Authority	101	80	310	293	-
Operating Grants and Contributions	-	-	-	-	-
Capital Grants and Contributions	40	399	2,363	-	-
<b>Total business-type activities program revenues</b>	<b>6,845</b>	<b>6,903</b>	<b>9,599</b>	<b>7,670</b>	<b>7,058</b>
<b>Total primary government program revenues</b>	<b>\$ 43,481</b>	<b>\$ 58,846</b>	<b>\$ 60,205</b>	<b>\$ 76,187</b>	<b>\$ 77,095</b>
<b>Net (expense)/revenue</b>					
Governmental activities	\$ (19,613)	\$ (8,559)	\$ (5,706)	\$ (1,094)	\$ 3,056
Business-type activities	(2,178)	(1,172)	16	(2,279)	(1,041)
<b>Total primary government net (expense)/revenue</b>	<b>\$ (21,791)</b>	<b>\$ (9,731)</b>	<b>\$ (5,690)</b>	<b>\$ (3,373)</b>	<b>\$ 2,015</b>

Source: City of Perris, Finance Department

**City of Perris**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(in thousands of dollars)**

	Fiscal Year				
	2010	2011	2012	2013	2014
<b>General Revenues and Other Changes in Net Position</b>					
Government activities:					
Taxes					
Property taxes	\$ 16,285	\$ 14,368	\$ 6,406	\$ 4,270	\$ 4,345
Sales and use taxes	4,264	4,594	5,624	5,682	6,688
Motor Vehicle in-lieu taxes	160	266	35	36	30
Vehicle License Fee in Lieu Tax	4,508	4,291	4,348	4,143	4,370
Sales Tax in Lieu Tax	1,402	1,358	1,517	1,808	2,080
Franchise taxes	2,015	2,154	2,245	2,293	2,474
Other taxes	270	270	264	240	239
Total taxes	<u>28,904</u>	<u>28,904</u>	<u>27,301</u>	<u>20,439</u>	<u>20,226</u>
Fines, forfeitures and penalties	-	-	-	-	-
Investment earnings	5,976	2,831	2,690	4,417	3,341
Gain (loss) on sale of capital assets	-	-	-	-	-
Miscellaneous	608	279	305	358	1,621
Extraordinary Item	-	-	33,774	-	-
Transfers	(140)	-	(765)	-	(89)
Special Item-Gain on CFD Investments	-	-	-	-	-
Total governmental activities	<u>35,348</u>	<u>35,348</u>	<u>30,411</u>	<u>56,443</u>	<u>25,099</u>
Business-type activities:					
Investment income	42	26	25	(16)	52
Gain (loss) on sale of capital assets	-	-	117	-	-
Miscellaneous	-	-	-	-	-
Extraordinary Item	-	-	6,700	-	-
Transfers	140	-	765	-	89
Total business-type activities	<u>182</u>	<u>182</u>	<u>26</u>	<u>7,607</u>	<u>141</u>
Total primary government	<u>\$ 35,530</u>	<u>\$ 35,530</u>	<u>\$ 30,437</u>	<u>\$ 64,050</u>	<u>\$ 25,240</u>
<b>Change in Net Position</b>					
Governmental activities	\$ 122	\$ 5,931	\$ 31,963	\$ 3,488	\$ 5,486
Business-type activities	97	(119)	7,462	(2,715)	(2,037)
Total primary government	<u>\$ 219</u>	<u>\$ 219</u>	<u>\$ 5,812</u>	<u>\$ 39,425</u>	<u>\$ 3,449</u>
<b>Prior Period Adjustments</b>					
Governmental activities	\$ (562)	\$ 2,917	\$ 70	\$ (7,169)	\$ -
Business-type activities	\$ -	\$ 284	\$ -	\$ -	\$ -

Source: City of Perris, Finance Department

Note: In 2017 the Perris Community Economic Development (CEDC) Fund was reclassified from a Government Component Unit to an Enterprise Fund, and was included as a category under the section "Business Type Activities" named: "Perris CEDC." No adjustments to prior years have been made. In 2018 the CEDC and Housing Authority Fund was reclassified from the Enterprise Fund to a Governmental Component Unit. No adjustments to prior years have been made.

**City of Perris**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(in thousands of dollars)**

	Fiscal Year				
	2015	2016	2017	2018	2019
<b>General Revenues and Other Changes in Net Position</b>					
Government activities:					
Taxes					
Property taxes	\$ 4,980	\$ 5,594	\$ 6,157	\$ 6,838	\$ 7,587
Sales and use taxes	6,652	9,270	10,586	21,376	21,836
Motor Vehicle in-lieu taxes	30	29	33	40	37
Vehicle License Fee in Lieu Tax	4,893	5,254	5,784	6,272	6,986
Sales Tax in Lieu Tax	2,318	1,740	-	-	-
Franchise taxes	2,633	2,625	2,496	2,835	2,911
Other taxes	338	467	401	633	1,339
Total taxes	<u>21,844</u>	<u>24,979</u>	<u>25,457</u>	<u>37,994</u>	<u>40,696</u>
Fines, forfeitures and penalties	-	-	-	-	-
Investment earnings	905	654	163	(295)	1,320
Gain (loss) on sale of capital assets	-	203	(267)	-	-
Miscellaneous	3,852	317	170	68	123
Extraordinary Item	-	-	-	-	-
Transfers	(398)	(553)	(569)	(546)	-
Special Item-Gain on CFD Investments	178	1,260	-	-	-
Total governmental activities	<u>26,381</u>	<u>26,860</u>	<u>24,954</u>	<u>37,221</u>	<u>42,139</u>
Business-type activities:					
Investment income	29	36	2	8	23
Gain (loss) on sale of capital assets	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Extraordinary Item	-	-	-	-	-
Transfers	398	553	569	546	-
Total business-type activities	<u>427</u>	<u>589</u>	<u>571</u>	<u>554</u>	<u>23</u>
Total primary government	<u>\$ 26,808</u>	<u>\$ 27,449</u>	<u>\$ 25,525</u>	<u>\$ 37,775</u>	<u>\$ 42,162</u>
<b>Change in Net Position</b>					
Governmental activities	\$ 6,768	\$ 18,301	\$ 19,248	\$ 36,127	\$ 45,195
Business-type activities	(1,751)	(583)	587	(1,725)	(1,018)
Total primary government	<u>\$ 5,017</u>	<u>\$ 17,718</u>	<u>\$ 19,835</u>	<u>\$ 34,402</u>	<u>\$ 44,177</u>
<b>Prior Period Adjustments</b>					
Governmental activities	\$ (13,085)	\$ -	\$ -	\$ (7,189)	\$ 10,920
Business-type activities	\$ 1,648	\$ 73	\$ 6,161	\$ -	\$ (10,281)

Source: City of Perris, Finance Department

Note: In 2017 the Perris Community Economic Development (CEDC) Fund was reclassified from a Government Component Unit to an Enterprise Fund, and was included as a category under the section "Business Type Activities" named: "Perris CEDC." No adjustments to prior years have been made. In 2018 the CEDC and Housing Authority Fund was reclassified from the Enterprise Fund to a Governmental Component Unit. No adjustments to prior years have been made.

**City of Perris**  
**Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(in thousands of dollars)**

	Fiscal Year				
	2010	2011*	2012	2013	2014
<b>General fund</b>					
Reserved	\$ 6,014	\$ -	\$ -	\$ -	\$ -
Unreserved	17,479	-	-	-	-
Nonspendable	-	3,292	2,776	3,181	2,582
Restricted	-	-	-	-	-
Committed	-	-	7,528	7,528	7,528
Assigned	-	6,200	6,200	6,200	6,200
Unassigned	-	15,229	10,576	9,171	10,595
<b>Total general fund</b>	<b>\$ 23,493</b>	<b>\$ 24,721</b>	<b>\$ 27,080</b>	<b>\$ 26,080</b>	<b>\$ 26,905</b>
<b>All other governmental funds</b>					
Reserved	\$ 151,482	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	35,170	-	-	-	-
Debt service funds	(7,529)	-	-	-	-
Capital project funds	(6,502)	-	-	-	-
Nonspendable	-	6,083	-	-	-
Restricted	-	181,738	173,139	177,114	183,424
Assigned	-	-	-	-	-
Unassigned	-	(30,054)	(328)	(58)	-
<b>Total all other governmental funds</b>	<b>\$ 172,621</b>	<b>\$ 157,767</b>	<b>\$ 172,811</b>	<b>\$ 177,056</b>	<b>\$ 183,424</b>

Source: City of Perris, Finance Department

\*In FY 2010-2011 the City implemented GASB 54, Fund Balance Reporting and Government Fund Type Definitions.

This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The initial distinction that is made in reporting fund balance information is identifying amounts that are considered nonspendable, such as fund balance associated with inventories. This Statement also provides for additional classification as restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2010.

**City of Perris**  
**Fund Balances - Governmental Funds (Continued)**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(in thousands of dollars)**

	Fiscal Year				
	2015	2016	2017	2018	2019
General fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	7,768	8,806	9,343	11,762	7,818
Restricted	-	-	-	-	-
Committed	10,275	10,980	11,805	11,805	14,525
Assigned	6,200	6,200	6,200	6,200	6,200
Unassigned	2,708	2,898	40	4,989	14,972
Total general fund	<u>\$ 26,951</u>	<u>\$ 28,884</u>	<u>\$ 27,388</u>	<u>\$ 34,756</u>	<u>\$ 43,515</u>
All other governmental funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Capital project funds	-	-	-	-	-
Nonspendable	-	-	-	-	-
Restricted	211,355	233,283	46,378	294,782	313,210
Assigned	-	-	-	-	-
Unassigned	(55)	(123)	(1,028)	(1,410)	(484)
Total all other governmental funds	<u>\$ 211,300</u>	<u>\$ 233,160</u>	<u>\$ 45,350</u>	<u>\$ 293,372</u>	<u>\$ 312,726</u>

**City of Perris**  
**Changes in Fund Balance of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(in thousands of dollars)**

	Fiscal Year				
	2010	2011	2012	2013	2014
<b>Revenues</b>					
Taxes	\$ 28,904	\$ 27,302	\$ 20,440	\$ 18,472	\$ 20,143
Licenses and Permits	1,005	771	1,003	1,078	1,824
Intergovernmental Revenues	5,138	5,867	5,429	9,106	6,544
Charges for Services	350	598	557	675	933
Fines, Forfeitures, and Penalties	739	666	731	670	746
Developer Fees	2,553	603	1,417	5,188	4,259
Investment Earnings	5,717	6,658	6,751	8,035	8,751
Special Assessments	4,251	4,032	4,027	3,975	4,210
Contributions from Property Owners	3,659	1,862	3,942	3,373	4,718
Other Revenue	1,273	313	333	407	427
<b>Total Revenues</b>	<b>53,589</b>	<b>48,672</b>	<b>44,630</b>	<b>50,979</b>	<b>52,555</b>
<b>Expenditures</b>					
General Government	5,636	4,738	4,684	5,447	6,131
Public Safety	16,092	15,938	16,372	16,804	18,347
Public Works	7,736	12,696	10,344	4,852	4,750
Parks and Recreation	1,827	1,716	1,795	1,987	2,560
Community Development	-	-	-	-	-
State ERAF	3,771	776	-	-	-
Capital Outlay	16,953	14,043	12,567	10,746	4,921
Debt Service					
Pass-through Agreements	3,161	3,369	1,597	-	-
Issuance Costs	930	-	-	459	810
Principal Retirement	3,100	3,590	3,130	3,370	2,630
Interest and Fiscal Charges	7,760	8,084	7,941	7,770	7,499
<b>Total Expenditures</b>	<b>66,966</b>	<b>64,950</b>	<b>58,430</b>	<b>51,435</b>	<b>47,648</b>
<b>Excess of revenues</b>					
over (under) expenditures	<b>(13,377)</b>	<b>(16,278)</b>	<b>(13,800)</b>	<b>(455)</b>	<b>4,907</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	8,845	14,873	57,680	5,589	15,555
Transfers Out	(8,985)	(14,873)	(57,680)	(5,589)	(15,644)
Issuance of Long-Term Debt	-	-	-	-	-
Issuance Discount	-	-	-	-	-
Proceeds from Sale of Property	51	(604)	(258)	50	-
Proceeds from Sale of Land	(430)	-	-	-	-
Sale of Property	-	-	-	-	107
Payments to Refunded Bond Escrow Agent	-	-	-	(4,197)	(14,915)
Loss on Debt Refunding	-	-	-	(1,344)	-
Premiums on Long Term Debt	-	-	-	37	-
Revenue Bonds Issued	-	-	-	-	-
Revenue Refunding Bonds Issued	-	-	-	-	-
Proceeds from Refunding Bonds	-	-	-	-	14,990
Proceeds from Long Term Debt	13,014	339	141	8,505	-
Premiums on Refunding Bonds Issued	-	-	-	-	-
Discounts on Refunding Bonds Issued	-	-	-	-	-
Proceed from sale of capital assets	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>12,495</b>	<b>(265)</b>	<b>(117)</b>	<b>3,051</b>	<b>93</b>
<b>Special Item</b>					
Gain on CFD Investments	-	-	-	-	-
<b>Net Change in Fund Balances before Prior Period</b>					
Adjustments and Extraordinary Item	(882)	(16,543)	(13,917)	2,595	4,999
Prior Period Adjustments	(245)	292	70	650	-
Extraordinary Item	-	-	31,250	-	-
<b>Net Change in Fund Balances</b>	<b>\$ (1,127)</b>	<b>\$ (16,251)</b>	<b>\$ 17,403</b>	<b>\$ 3,245</b>	<b>\$ 4,999</b>
<b>Debt Service as a percentage of non-capital expenditures</b>	<b>19.0%</b>	<b>23.4%</b>	<b>23.4%</b>	<b>25.4%</b>	<b>23.5%</b>

Source: City of Perris, Finance Department

**City of Perris**  
**Changes in Fund Balance of Governmental Funds (Continued)**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(in thousands of dollars)**

	Fiscal Year				
	2015	2016	2017	2018	2019
<b>Revenues</b>					
Taxes	\$ 21,845	\$ 24,948	\$ 25,421	\$ 38,067	\$ 40,543
Licenses and Permits	2,248	2,459	2,583	2,844	2,907
Intergovernmental Revenues	8,673	6,138	7,377	10,941	10,231
Charges for Services	1,191	1,031	827	800	978
Fines, Forfeitures, and Penalties	726	808	1,009	899	1,011
Developer Fees	1,164	18,507	13,494	30,532	23,622
Investment Earnings	7,956	7,097	7,141	7,802	8,968
Special Assessments	4,263	4,610	5,086	5,105	5,520
Contributions from Property Owners	14,889	8,388	6,457	6,412	9,949
Other Revenue	224	407	403	306	333
<b>Total Revenues</b>	<b>63,179</b>	<b>74,393</b>	<b>69,798</b>	<b>103,708</b>	<b>104,062</b>
<b>Expenditures</b>					
General Government	6,112	6,711	7,388	10,216	9,083
Public Safety	20,083	22,463	22,649	24,341	25,587
Public Works	6,904	5,712	5,621	6,013	6,191
Parks and Recreation	3,000	3,015	3,100	3,528	3,976
Community Development	-	-	-	-	6,095
State ERAF	-	-	-	-	-
Capital Outlay	13,636	14,373	9,221	20,766	11,175
Debt Service					
Pass-through Agreements	-	-	-	-	-
Issuance Costs	2,490	2,519	120	966	364
Principal Retirement	3,405	3,290	7,155	8,520	25,610
Interest and Fiscal Charges	7,158	6,449	7,002	7,343	6,908
<b>Total Expenditures</b>	<b>62,788</b>	<b>64,532</b>	<b>62,256</b>	<b>81,693</b>	<b>94,989</b>
<b>Excess of revenue</b>					
over (under) expenditures	391	9,861	7,542	22,015	9,073
<b>Other Financing Sources (Uses)</b>					
Transfers in	28,651	10,160	1,853	1,345	1,760
Transfers Out	(29,049)	(10,713)	(2,422)	(1,891)	(1,760)
Issuance of Long-Term Debt	-	-	-	-	4,988
Issuance Discount	-	-	-	-	(41)
Proceeds from Sale of Property	-	-	-	-	-
Proceeds from Sale of Land	-	-	-	-	-
Sale of Property	3	1,546	3	-	-
Payments to Refunded Bond Escrow Agent	(22,092)	(56,999)	-	-	-
Loss on Debt Refunding	-	-	-	-	-
Premiums on Long Term Debt	-	-	-	-	-
Revenue Bonds Issued	-	13,015	4,580	26,585	4,980
Revenue Refunding Bonds Issued	-	-	-	4,060	-
Proceeds from Refunding Bonds	55,725	54,685	-	-	-
Proceeds from Long Term Debt	-	-	-	-	-
Premiums on Refunding Bonds Issued	133	1,561	-	2,426	-
Discounts on Refunding Bonds Issued	(459)	(584)	(104)	(7)	-
Proceed from sale of capital assets	-	-	-	99	-
<b>Total Other Financing Sources (Uses)</b>	<b>32,912</b>	<b>12,671</b>	<b>3,910</b>	<b>32,617</b>	<b>9,927</b>
<b>Special Item</b>					
Gain on CFD Investments	178	1,260	-	-	-
<b>Net Change in Fund Balances before Prior Period</b>					
Adjustments and Extraordinary Item	33,481	23,792	11,452	54,632	19,000
Prior Period Adjustments	(5,560)	-	-	-	-
Extraordinary Item	-	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>\$ 27,921</b>	<b>\$ 23,792</b>	<b>\$ 11,452</b>	<b>\$ 54,632</b>	<b>\$ 19,000</b>
<b>Debt Service as a percentage of non-capital expenditures</b>	20.1%	17.4%	26.4%	21.7%	40.9%

Source: City of Perris, Finance Department

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**City of Perris**  
**Governmental Activities Tax Revenues by Source**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(in thousands of dollars)**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales &amp; Use Tax</b>	<b>Motor Vehicle in-lieu Tax</b>	<b>Vehicle License Fee in-lieu Tax</b>	<b>Sales Tax in-lieu Tax</b>	<b>Franchise Tax</b>	<b>Other Taxes</b>	<b>Total</b>
2010	16,285	4,264	160	4,508	1,402	2,015	270	28,904
2011	14,368	4,594	266	4,291	1,359	2,155	271	27,304
2012	6,406	5,624	35	4,348	1,517	2,245	264	20,439
2013	4,270	5,682	36	4,143	1,808	2,293	240	18,472
2014	4,345	6,688	30	4,370	2,080	2,474	240	20,227
2015	4,980	6,652	30	4,893	2,318	2,633	338	21,844
2016	5,594	9,271	29	5,254	1,740	2,625	467	24,980
2017	6,156	10,586	33	5,784	-	2,496	401	25,456
2018	6,838	21,376	40	6,272	-	2,835	633	37,994
2019	7,587	21,836	37	6,986	-	2,911	1,338	40,695

Source: City of Perris, Finance Department

**City of Perris**  
**Taxable Sales by Category**  
**Last Ten Calendar Years**  
**(in thousands of dollars)**

	Fiscal Year				
	2009	2010	2011	2012*	2013
Apparel Stores	\$ 3,101	\$ 3,182	\$ 3,312	\$ 3,843	\$ 4,009
General Merchandise	47,459	46,542	46,087	0	0
Food Stores	36,093	34,029	36,586	37,722	39,053
Eating and Drinking Places	43,558	47,491	47,689	51,891	57,071
Building Materials	39,835	38,182	43,828	41,366	50,008
Auto Dealers and Supplies	42,644	39,022	54,387	56,371	75,625
Service Stations	77,309	92,074	104,990	116,770	123,421
Other Retail Stores*	24,645	25,363	25,076	76,367	76,393
All Other Outlets	233,059	239,811	297,831	314,032	393,593
<b>Total</b>	<b>\$ 547,703</b>	<b>\$ 565,696</b>	<b>\$ 659,786</b>	<b>\$ 698,362</b>	<b>\$ 819,173</b>

Source: State of California Board of Equalization and the HdL Coren & Cone

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue. Information for Fiscal Year 2017 is unavailable.

\*Beginning 2012, Other Retail Stores category includes General Merchandise taxable sales.

\*Beginning 2016, Other Retail Stores category includes General Merchandise and Building Materials taxable sales.

**City of Perris**  
**Taxable Sales by Category (Continued)**  
**Last Ten Calendar Years**  
**(in thousands of dollars)**

	Fiscal Year				
	2014	2015	2016	2017	2018
Apparel Stores	\$ 4,067	\$ 8,024	\$ 10,630	\$ 11,112	\$ 12,718.00
General Merchandise	0	0	0	0	0
Food Stores	41,174	42,029	38,232	50,466	72,416
Eating and Drinking Places	63,075	71,883	78,862	93,540	99,461
Building Materials	54,126	106,130	0	215,677	239,254
Auto Dealers and Supplies	76,960	71,111	61,196	70,378	50,187
Service Stations	124,388	115,844	113,711	118,006	135,843
Other Retail Stores*	91,585	93,789	266,265	124,461	137,433
All Other Outlets	425,561	407,372	492,577	963,221	1,278,955
<b>Total</b>	<b>\$ 880,936</b>	<b>\$ 916,182</b>	<b>\$ 1,061,473</b>	<b>\$ 1,646,861</b>	<b>\$ 2,026,267</b>

Source: State of California Board of Equalization and the HdL Coren & Cone

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories

\*Beginning 2012, Other Retail Stores category includes General Merchandise taxable sales.

\*Beginning 2016, Other Retail Stores category includes General Merchandise and Building Materials taxable sales.

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**City of Perris**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(In thousands of dollars)**

Fiscal Year Ended June 30	Real Property	Personal Property	Other	Less:		Total Taxable Assessed Value	Total Direct Tax Rate
				Other Exemptions	Homeowners' Exemptions		
2010*	3,858,356	111,085	111,869	30,722	43,445	4,007,143	1.0000
2011*	3,654,277	106,428	105,083	27,412	45,808	3,792,568	1.0000
2012*	3,712,750	91,163	109,697	28,065	45,422	3,840,123	1.0000
2013*	3,552,789	94,267	115,361	38,319	44,772	3,679,326	1.0000
2014*	3,750,174	100,978	146,695	48,917	43,843	3,905,087	1.0000
2015*	4,182,286	110,855	141,272	49,308	42,854	4,342,251	1.0000
2016*	4,521,608	126,013	151,211	54,620	42,549	4,701,663	1.0000
2017*	4,932,555	150,617	177,229	62,425	42,537	5,155,439	1.0000
2018*	5,365,859	160,006	180,886	70,048	43,067	5,593,636	1.0000
2019*	5,943,640	177,942	207,270	78,869	42,666	6,207,317	1.0000

Source: HdL Coren & Cone

**City of Perris**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**

<b>Agency</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Basic Levy</b>	1.00000	1.00000	1.00000	1.00000	1.00000
Eastern Municipal Water Improvement District	0.05300	0.05300	0.05300	0.05000	0.05000
Metropolitan Water District Original Area	0.00430	0.03436	0.00370	0.00350	0.00350
Menifee School	0.03254	0.00370	0.03486	0.03543	0.03421
Perris School District	0.02485	0.01983	0.01983	0.01800	0.02524
Perris Union High School	0.02686	0.03126	0.03429	0.03429	0.06970
Riverside City Community College	0.01242	0.01499	0.01700	0.01702	0.01768
Val Verde Unified	0.04089	0.03347	0.03160	0.08383	0.07235
Mt San Jacinto Jr College	0.00000	0.00000	0.00000	0.00000	0.00000
<b>Total Prop 13 Rate</b>	<b>1.19486</b>	<b>1.19061</b>	<b>1.19428</b>	<b>1.24207</b>	<b>1.27268</b>
<b>City's Share of 1% Levy Per Prop 13</b>	<b>0.13146</b>	<b>0.25436</b>	<b>0.25436</b>	<b>0.25436</b>	<b>0.13146</b>

Source: \*HdL Coren & Cone

**City of Perris**  
**Direct and Overlapping Property Tax Rates (Continued)**  
**Last Ten Fiscal Years**

Agency	2015	2016	2017	2018	2019
<b>Basic Levy</b>	1.00000	1.00000	1.00000	1.00000	1.00000
Eastern Municipal Water Improvement District	0.05000	0.05000	0.05000	0.05000	0.05000
Metropolitan Water District Original Area	0.00350	0.00350	0.00350	0.00350	0.00350
Menifee School	0.03275	0.03010	0.03269	0.06080	0.06303
Perris School District	0.05588	0.04699	0.05491	0.06000	0.05754
Perris Union High School	0.06303	0.06236	0.06092	0.05675	0.05243
Riverside City Community College	0.01791	0.01725	0.01649	0.01616	0.01478
Val Verde Unified	0.07882	0.07135	0.07210	0.06368	0.06966
Mt San Jacinto Jr College	0.00000	0.01394	0.01320	0.01320	0.01320
<b>Total Prop 13 Rate</b>	<b>1.30189</b>	<b>1.29549</b>	<b>1.30381</b>	<b>1.32409</b>	<b>1.32414</b>
<b>City's Share of 1% Levy Per Prop 13</b>	<b>0.13146</b>	<b>0.13146</b>	<b>0.13146</b>	<b>0.13146</b>	<b>0.09452</b>

Source: \*HdL Coren & Cone

**City of Perris**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**  
**June 30, 2019**  
**(in thousands of dollars)**

<u>Taxpayer</u>	<u>2019</u>			<u>2010</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Ross Distribution Inc	\$ 188,919,750	1	3.02%			0.00%
Duke Realty LP	184,181,793	2	3.27%			0.00%
Stratford Ranch	141,163,333	3	2.50%			0.00%
DB RREEF Perris California	129,330,253	4	2.29%	126,266,476	1	3.12%
O R E Industrial	122,241,585	5	2.17%			0.00%
IIT Inland Empire 3700 Indian Ave	104,040,000	6	1.85%			0.00%
Lowes HIW Inc	86,088,182	7	1.53%	89,933,424	3	2.22%
IPT Perris DC	76,340,302	8	1.35%			0.00%
HD California DFDC Landlord	67,232,073	9	1.19%			0.00%
CR and R Inc.	53,896,051	10	0.96%			0.00%
Centex Homes	-		0.00%	91,349,287	2	2.25%
Ridge Perris	-		0.00%	83,287,328	4	2.06%
Wachovia Dev Corporation	-		0.00%	75,120,231	5	1.85%
Ross Dress For Less	-		0.00%	38,243,422	6	0.94%
FR California Ellis	-		0.00%	37,657,380	7	0.93%
First Industrial	-		0.00%	34,771,404	8	0.86%
Ranch at Green Valley	-		0.00%	31,721,444	9	0.78%
FR California Goetz Road	-		0.00%	30,685,077	10	0.76%
<b>Totals</b>	<b>\$ 1,153,433,322</b>		<b>20.13%</b>	<b>\$ 639,035,473</b>		<b>15.77%</b>

Source: HdL Coren & Cone, Riverside County Assessor 2016/17 & 2007/08 Combined Tax Rolls and SBE Non Unitary Tax Roll



**City of Perris**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
**(in thousands of dollars)**

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	3,826	3,736	97.65%	90	3,826	100.00%
2011	3,723	3,654	98.15%	69	3,723	100.00%
2012	4,650	4,586	98.62%	64	4,650	100.00%
2013	4,271	4,212	98.62%	59	4,271	100.00%
2014	4,262	4,205	98.66%	57	4,262	100.00%
2015	4,981	4,943	99.24%	38	4,981	100.00%
2016	5,562	5,540	99.60%	22	5,562	100.00%
2017	6,121	6,081	99.35%	40	6,121	100.00%
2018	6,911	6,865	99.33%	46	6,911	100.00%
2019	7,318	7,267	99.30%	51	7,318	100.00%

Source: City of Perris, Finance Department

**City of Perris**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**(in thousands of dollars, except per capita amount)**

Fiscal Year	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Value of Property	Per Capita	Percentage of Personal Income
	Revenue Bonds	Notes Payable	Lease Payable	Notes Payable					
2010	141,054 *	3,883	-	10,531	155,468	4.75%	2,853	20%	
2011	137,452 *	4,207	-	10,494	152,153	4.65%	2,853	19%	
2012	134,311 *	-	-	12,454	146,765	2.54%	2,347	16%	
2013	134,965 *	781	-	12,415	148,161	4.73%	2,084	16%	
2014	132,743 *	781	-	12,375	145,899	3.33%	2,025	16%	
2015	162,262	781	-	5,385	168,428	3.84%	2,310	18%	
2016	172,068	781	-	5,342	178,191	4.07%	1,981	18%	
2017	169,356	781	-	5,297	175,434	4.00%	1,928	18%	
2018	193,861	781	-	-	194,642	3.69%	1,876	18%	
2019	173,035	781	4,987	-	178,803	3.39%	1,897	15%	

Source: City of Perris, Finance Department

\*2008 - 2013 Revenue Bond amounts have been adjusted to include premiums on revenue bonds.

\*2014 has been restated to include discounts on revenue bonds recorded as a prior period adjustment.

\*2016 has been restated to include premiums and discounts on revenue bonds.

**City of Perris**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2019**

<b><u>DIRECT DEBT:</u></b>	<b><u>Percentage Applicable</u></b>	<b><u>Share of Overlapping Debt</u></b>
City of Perris - Perris Redevelopment Agency Loan	100.000%	\$ 781,370
Perris Financing Authority - Revenue Bonds	100.000%	46,385,000
Perris Joint Powers Authority - Revenue Bonds	100.000%	124,095,000
<b>TOTAL DIRECT DEBT</b>		<b>\$ 171,261,370</b>
 <b><u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>		
Metropolitan Water District	0.215%	\$ 103,308
Eastern Municipal Water District, I.D. U8	0.000%	-
Eastern Municipal Water District, I.D. U9	100.000%	2,571,000
Riverside County Flood Control and Water Conservation District, Zone 4	12.182%	1,789,536
Mount San Jacinto Community College District	2.727%	4,708,166
Riverside City Community College District	3.583%	9,010,208
Val Verde Unified School District	42.724%	54,944,845
Perris Union High School District	14.753%	15,196,872
Menifee Union School District	0.067%	66,092
Perris School District	71.962%	20,542,447
City of Perris Community Facilities Districts	100.000%	142,080,000
Romoland School District Community Facilities District No. 2001-1	100.000%	3,110,000
Val Verde Unified School District Community Facilities Districts	100.000%	3,860,000
Perris Union High School District Community Facilities Districts	0.023-100.0%	9,522,829
City of Perris	100.000%	-
<b>TOTAL GROSS OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<b>\$ 267,505,303</b>
 <b><u>OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u></b>		
Riverside County General Fund Obligations	2.239%	\$ 17,019,392
Riverside County Pension Obligations	2.239%	5,459,802
Riverside County Board of Education Certificates of Participation	0.000%	-
Val Verde Unified School District Certificates of Participation	42.724%	24,613,296
Perris Union High School District General Fund Obligations	14.753%	6,251,593
Menifee Union School District Certificates of Participation	0.067%	31,757
Perris School District Certificates of Participation	71.962%	4,799,865
<b>TOTAL GROSS OVERLAPPING GENERAL FUND OBLIGATION DEBT</b>		<b>\$ 58,175,705</b>
Less: Riverside County self-supporting obligations		38,894
<b>TOTAL NET OVERLAPPING GENERAL FUND OBLIGATION DEBT</b>		<b>\$ 58,136,811</b>
 <b>OVERLAPPING TAX INCREMENT DEBT (SUCCESSORY AGENCY)</b>	 100.000%	 <b>60,310,000</b>
 <b>GROSS COMBINED TOTAL DEBT <sup>(1)</sup></b>		 <b>\$ 557,252,378 <sup>(2)</sup></b>
<b>NET COMBINED TOTAL DEBT</b>		<b>\$ 557,213,484</b>

Source: California Municipal Statistics, Inc., City of Perris Finance Department

(1) Percentage of overlapping agency's assessed valuation located within the boundaries of the City.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

**City of Perris**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
**(in thousands of dollars)**

**Fiscal Year 2019**

Assessed Value	\$ 6,207,317
Debt Limit (15% of assessed value)	<u>931,098</u>
Legal Debt Margin	<u>\$ 5,276,219</u>

<u>Fiscal Year</u>	<u>Legal Debt Margin</u>	<u>Debt Limit</u>	<u>Ratio of the Legal Debt Margin to the Debt Limit</u>
2010	3,444,061	607,776	567%
2011	3,262,622	575,757	567%
2012	3,264,105	576,018	567%
2013	3,127,427	551,899	567%
2014	3,319,324	585,763	567%
2015	3,690,913	651,338	567%
2016	3,996,414	705,249	567%
2017	4,382,123	773,316	567%
2018	4,754,591	839,045	567%
2019	5,276,219	931,098	567%

Source: HdL Coren & Cone  
City of Perris, Finance Department  
Note: Currently, the City has no debt applicable to the debt limit.

**City of Perris**  
**Pledged Revenue Coverage - Sewer**  
**Last Ten Fiscal Years**  
**(in thousands of dollars)**

<b>Sewer Revenue Bonds</b>						
<b>Fiscal Year</b>	<b>Sewer Charges and Other</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Debt Service</b>		<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	
2010	1,559	1,442	117	35	41	153.95%
2011	1,619	1,598	21	37	40	27.27%
2012	1,678	1,652	26	38	39	33.77%
2013	1,734	1,524	210	39	37	276.32%
2014	1,850	1,593	257	40	36	338.16%
2015	1,820	1,837	(17)	42	35	-22.08%
2016	1,934	1,867	67	43	33	88.16%
2017	2,039	1,883	156	45	32	202.60%
2018	2,094	2,330	(236)	887	34	-25.62%
2019	2,166	2,295	(129)	-	-	0.00%

Source: City of Perris, Finance Department

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements. Sewer Charges and Other and Water Charges and Other include investment Income. Operating expenses do not include interest or depreciation.

**City of Perris**  
**Pledged Revenue Coverage - Water**  
**Last Ten Fiscal Years**  
**(in thousands of dollars)**

<b>Water Revenue Bonds</b>						
<b>Fiscal Year</b>	<b>Water Charges and Other</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Debt Service</b>		<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	
2010	2,374	2,745	(371)	-	-	-
2011	2,588	2,390	198	-	-	-
2012	2,693	2,507	186	-	-	-
2013	2,809	2,585	224	-	-	-
2014	3,112	2,814	298	-	-	-
2015	2,786	2,776	10	-	-	-
2016	2,506	2,489	17	-	-	-
2017	2,691	2,699	(8)	-	-	-
2018	2,919	3,089	(170)	-	-	-
2019	2,726	3,001	(275)	-	-	-

Source: City of Perris, Finance Department

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements. Sewer Charges and Other and Water Charges and Other include investment income. Operating expenses do not include interest or depreciation.

**City of Perris**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (in thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2010	54,387	777,445	14,295	25.4	20,427	20.8
2011	55,133	781,235	14,170	22.4	16,188	22.4
2012	70,180	921,042	13,124	25.7	16,461	18.6
2013	70,963	945,866	13,329	25.9	16,404	15.0
2014	72,103	914,410	12,682	25.4	16,317	13.2
2015	72,908	953,105	13,226	27.0	16,331	11.9
2016	73,722	964,736	13,100	27.0	16,626	9.8
2017	75,739	1,001,594	13,224	26.5	16,759	8.8
2018	77,837	1,088,435	13,983	26.6	16,765	6.7
2019	76,971	1,201,554	15,610	27.3	16,689	4.9

- Source: 1) U.S. Census Bureau  
2) CA Dept. of ED., Educational Demographics Unit, District Level Enrollment Reports.  
3) Riverside County EDA  
4) HdL Coren & Cone  
5) State of CA EDD Labor Market Information Div  
6) California State Department of Finance  
7) California Employment Development Department

**City of Perris  
Principal Employers  
Current Year and Nine Years Ago**

<u>Employer</u>	<u>2019</u>			<u>2010</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Ross Stores Inc (1)	1,973	1	6.49%	1,400	1	---
Perris Elementary School District (2)	885	2	2.91%	602	6	---
Lowe's CA Regional Distribution Center	777	3	2.56%	900	3	---
NFI Industries (3)	721	4	2.37%	-		---
Perris Union High School District (2)	664	5	2.18%	786	4	---
Eastern Municipal Water District	609	6	2.00%	580	7	---
Home Depot distribution center	550	7	1.81%	-		---
California Trus CO Inc	378	8	1.24%	-		---
C R & R Waste - Perris	348	9	1.14%	-		---
General Mills Logistics Center (1)	222	10	0.73%	-		---
Starcrest Products of California Inc.	-		0.00%	1,000	2	---
Hanes	-		0.00%	650	5	---
Walmart	-		0.00%	250	9	---
Coreslab Structures Inc.	-		0.00%	200	10	---
Whirlpool	-		0.00%	300	8	---
Totals	<u>\$ 7,127</u>		<u>23.44%</u>	<u>\$ 6,668</u>		<u>0.00%</u>

Source: 1) Muniservices, LLC

2) City of Perris, Finance Department (2019 CAFR)

3) City of Perris, Finance Department (2010 CAFR)

Notes

(1) Includes Direct staff and staffing agency employees

(2) Includes classified, certificated and admin

(3) Supply chain management for Hanes, Whirlpool and Amazon

\*2016-17 - Perris Location only. 2015-16 - 3 locations: Perris, Modesto, Sanger.

\*\* Total City Labor Force provided by EDD Labor Force Data.

Total Employment Numbers

2019 City Totals	30,400	**
2018 City Totals	30,100	**
2017 City Totals	29,800	
2016 City Totals	29,400	
2015 City Totals	16,100	
2013 City Totals	17,400	
2009 City Totals	18,045	
2007 City Totals	14,750	



**City of Perris**  
**Full-Time Equivalent City Government Employees by Function**  
**Last Ten Fiscal Years**

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government	72	59	58	42	47	43	54	54	72	60
Public safety*										
Police										
Officers	45	44	44	44	44	45	46	46	47	49
Fire										
Firefighters and officers	16	16	16	16	19	19	19	19	19	19
Highways and streets										
Engineering **	6	9	8	8	8	8	8	9	10	13
Maintenance	8	11	9	8	8	8	15	18	19	33
Culture and recreation	10	6	16	6	8	7	9	11	10	16
Water**	4	3	4	4	4	4	3	3	4	4
Sewer**	2	2	2	2	2	2	2	2	2	2
<b>Total</b>	<b>163</b>	<b>150</b>	<b>157</b>	<b>130</b>	<b>140</b>	<b>136</b>	<b>156</b>	<b>162</b>	<b>183</b>	<b>196</b>

Source: City of Perris, Finance Department

\*Public safety employees are contracted with the State of California Department of Forestry Services and the Riverside County Sheriff Department

\*\*Outsourced Services

**City of Perris**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

Function	Fiscal Year				
	2010	2011	2012	2013	2014
<b>Police</b>					
Physical arrests	3,937	2,924	1,268	1,590	1,823
Parking violations	349	744	445	638	582
Traffic violations	9,494	4,061	5,417	3,493	5,087
<b>Fire</b>					
Number of Calls answered	5,073	4,974	5,253	5,714	5,762
<b>Public Works</b>					
Street resurfacing (miles)	15	13	10	14	16
Potholes repaired (1,000 sq feet)	11	8	16	320	336
<b>Water</b>					
New connections	3	3	2	6	5
Water mains breaks	1	3	5	2	2
Average daily consumption (100 cubic feet)	3,076	2,699	2,885	3,683	3,165

Source: City of Perris, Riverside County Sheriffs Department, California Department of Forestry

Note: Information marked "n/a" are being researched and will be provided when available.

\* In 2009, the City of Perris added Water Customers from North Perris with the purchase of the McCanna Water System.

**City of Perris**  
**Operating Indicators by Function (Continued)**  
**Last Ten Fiscal Years**

Function	Fiscal Year				
	2015	2016	2017	2018	2019
<b>Police</b>					
Physical arrests	1,445	1,321	1,373	1,687	2,078
Parking violations	325	177	149	199	142
Traffic violations	5,624	6,412	6,586	6,255	6,433
<b>Fire</b>					
Number of Calls answered	5,892	6,773	8,763	7,294	7,541
<b>Public Works</b>					
Street resurfacing (miles)	32	22	16	15	15
Potholes repaired (1,000 sq feet)	280	16	26	33	39
<b>Water</b>					
New connections	10	11	13	14	9
Water mains breaks	3	4	0	1	8
Average daily consumption (100 cubic feet)	2,861	2,457	2,624	2,846	2,647

Source: City of Perris, Riverside County Sheriffs Department, California Department of Forestry

Note: Information marked "n/a" are being researched and will be provided when available.

**City of Perris**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

Function	Fiscal Year				
	2010	2011	2012	2013	2014
Public safety					
Police:					
Stations	1	1	1	1	1
Patrol units	38	38	34	45	23
Fire Stations	2	2	2	2	2
Highways and streets					
Streets (miles)	190	192	193	193	194
Streetlights	4,381	4,405	4,496	4,537	4,609
Traffic signals	63	73	84	71	75
Parks and recreation					
Parks acreage	144	144	144	146	164
Parks	19	19	19	19	20
Tennis courts	2	2	2	2	2
Community centers	2	2	2	2	2
Water					
Water mains (miles)	39	39	39	39	48
Sewer					
Sanitary sewers (miles)	27	27	27	27	35
Storm sewers (1,000 linear feet)	147	147	148	160	161

Source: City of Perris, Riverside County Sheriffs Department, California Department of Forestry

**City of Perris**  
**Capital Asset Statistics by Function (Continued)**  
**Last Ten Fiscal Years**

Function	Fiscal Year				
	2015	2016	2017	2018	2019
Public safety					
Police:					
Stations	1	1	1	1	1
Patrol units	28	31	31	35	38
Fire Stations	2	2	2	2	2
Highways and streets					
Streets (miles)	194	197	197	197	197
Streetlights	4,656	4,751	4,940	4,935	4,943
Traffic signals	75	80	83	93	95
Culture and recreation					
Parks acreage	164	174	274	274	169
Parks	20	23	23	23	26
Tennis courts	2	2	2	2	2
Community centers	2	2	2	2	2
Water					
Water mains (miles)	48	48	48	48	48
Sewer					
Sanitary sewers (miles)	35	36	36	36	36
Storm sewers (1,000 linear feet)	161	164	172	174	177

Source: City of Perris, Riverside County Sheriffs Department, California Department of Forestry

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