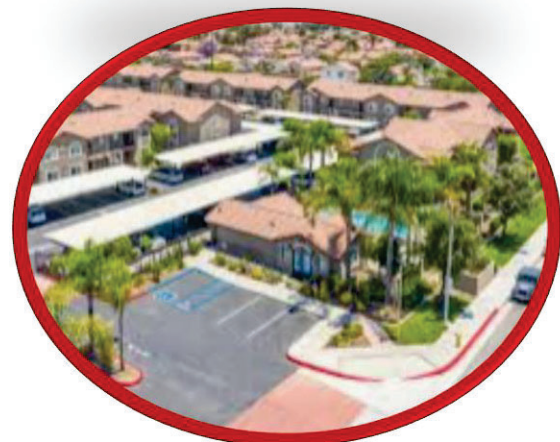


# CITY OF PERRIS, CALIFORNIA



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2020





**CITY OF PERRIS, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**WITH THE INDEPENDENT AUDITORS' REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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



**City of Perris**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2020**  
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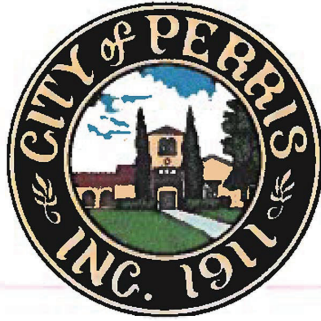
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# City of Perris California

April 2, 2021

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 for the fiscal year ended June 30, 2020.

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, 2020. 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 80,201 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 112 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 \$59,141 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: Amazon distribution center, TechStyle, 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.

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 19-20 increased from \$21.8M in fiscal year 18-19 to \$25.7M, an increase of 18%. 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 15%. Overall, taxable sales in the restaurant category were up 8% 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 19-20, 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 8% in the third calendar quarter of 2020 when compared to the same time period last year.

In fiscal year 19-20, 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 \$6.2B in fiscal year 18-19 to \$6.9B, or 11%.

Due mainly to COVID-19 pandemic, the City's unemployment rate increased from 4.9% in the prior year to 16.2% as of June 2020 which was close to the pick of the pandemic. However, the rate has since started to drop and was in the single digit range as of time of this report.

### 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 revenues. These reserves are assigned 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 2019-20, 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 set up the accounts with 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. As part of the financial sustainability policy, the City Council authorized the pay-off of \$14.72M of the entire pension liability using its reserve balance. This reduction will be reflected in the pension fund liability in the next fiscal year financial statements. In the next fiscal year, the City expects to have a City Council approved policy in place allowing staff to begin funding CERBT account.

## 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 \$25.9 million for Police and Fire services. The increase in the public safety budget over the prior year amount was a result of 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.

**Parks.** The City experienced a slowdown of park development impact fees throughout the economic downturn in the past and recently due to the COVID-19 pandemic. 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, construction of a skills / training center, 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 fifteenth Certificate of Achievement for Excellence in Financial Reporting to the City of Perris for its Comprehensive Annual Financial Report for the fiscal year ending June 30, 2019. 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 report 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, and James Frigo, 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**

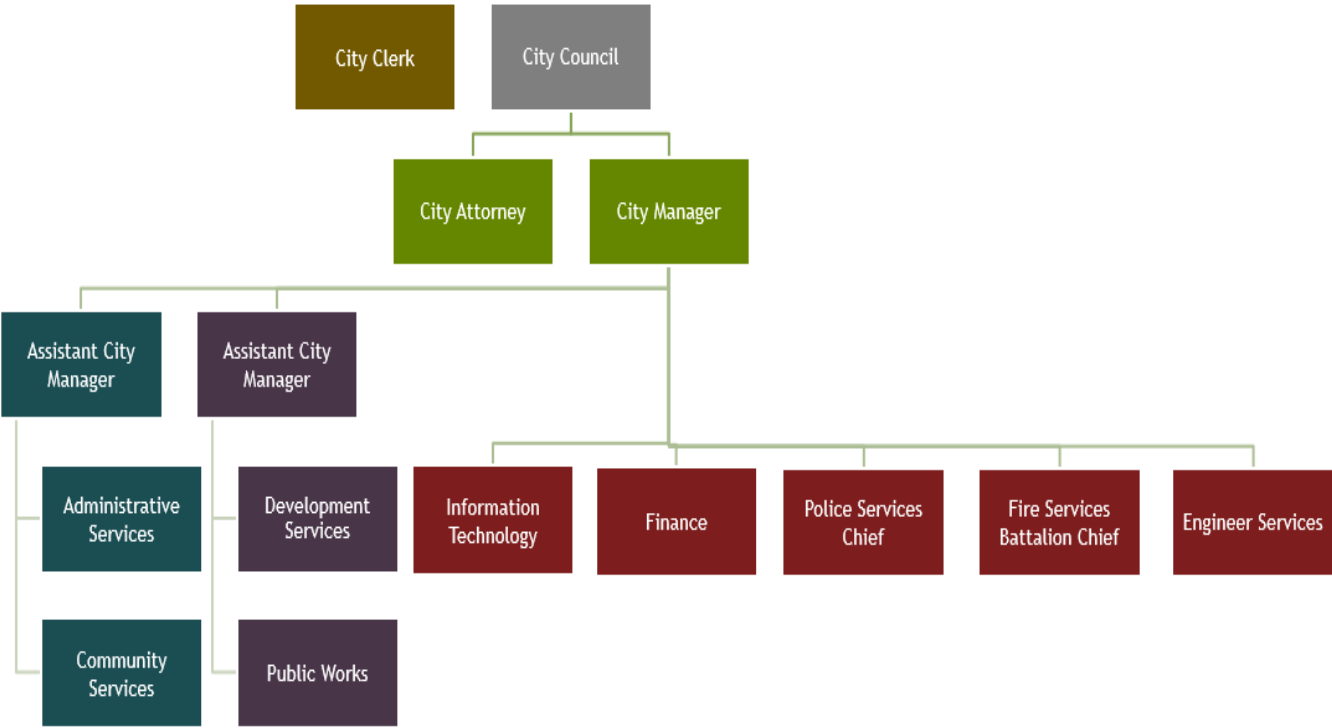
For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morrill*

Executive Director/CEO

# City of Perris - Organizational Chart



# Directory of City Officials

## City of Perris, CA

### June 30, 2020

#### Elected Officials

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

#### Management

Clara Miramontes	Interim City Manager
Isabel Carlos	Assistant City Manager
Vacant	Assistant City Manager
Dr. Stephen Ajobiewe	Finance Manager
Saida Amozgar	Director of Administrative Services
Arturo Cervantes	Chief Information Officer
Sabrina Chavez	Director of Community Services
Ernie Reyna	Director of Finance
Bryant Hill	Director of Public Works
Kenneth Phung	Planning Manager
Candida Neal	Interim Director of Development Services

#### Contractors

Eric Dunn	City Attorney
Stuart McKibbin	City Engineer
Matthew Sims	Police Chief
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, 2020, 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, 2020, 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.

**200 E. Sandpointe Ave., Suite 600, Santa Ana, California 92707**

**Tel: 949-777-8800 • Fax: 949-777-8850**

**[www.pungroup.cpa](http://www.pungroup.cpa)**

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

***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 3 to 14 and 103 to 113 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, 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.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 2, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.

  
Santa Ana, California  
April 2, 2021

**City of Perris**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2020**  
**(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, 2020. We encourage readers to consider the information presented here in conjunction with City's financial statements beginning on page 18. All amounts are expressed in thousands of dollars.

**Financial Highlights**

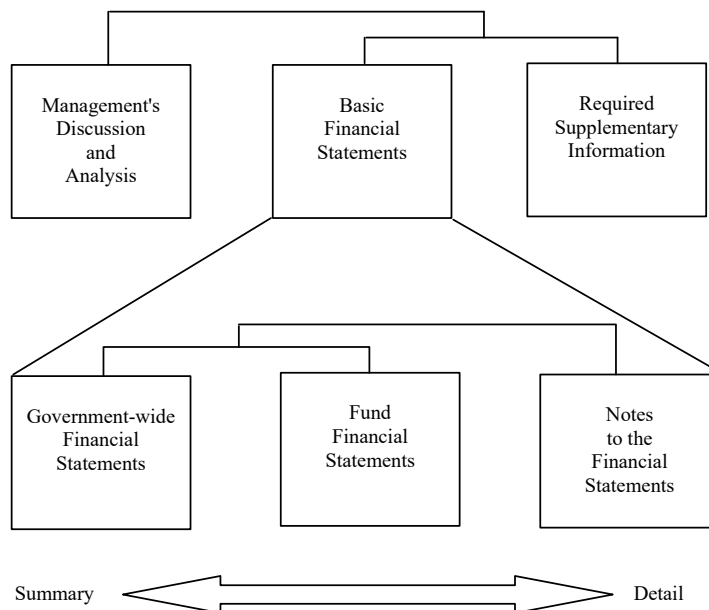
The following are some key financial highlights for the fiscal year:

- 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 \$398,747. The amount (unrestricted net position) that may be used to meet the government's ongoing obligations to citizens and creditors was \$18,155.
- The City's total net position increased by \$35,914 for fiscal year 2019-2020.
- As of June 30, 2020, the City's governmental funds reported combined fund balances of \$352,836, a decrease of \$3,405 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 \$18,219 and unassigned fund balance for the General Fund was \$10,637.
- The City of Perris' total long-term liabilities decreased by \$5,105 for the governmental activities for the fiscal year 2019-2020.

**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.

**Components of the Financial Section**



**City of Perris**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2020**  
**(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 18 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, 2020**  
**(in thousands of dollars)**

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

The City maintains thirty-five 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-seven 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 26 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 proprietary fund financial statements can be found beginning on page 34 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 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 103 of this report.

**City of Perris**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2020**  
**(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 123 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 \$398,747 at June 30, 2020. A summary of the government-wide statement of net position at June 30, 2020 follows:

**City of Perris Net Position**  
**June 30, 2020**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Assets:</b>						
Current and other assets	\$ 419,113	\$ 412,400	\$ (4,827)	\$ (3,760)	\$ 414,286	\$ 408,640
Capital assets	218,358	201,949	17,650	17,689	236,008	219,638
Total assets	<u>637,471</u>	<u>614,349</u>	<u>12,823</u>	<u>13,929</u>	<u>650,294</u>	<u>628,278</u>
<b>Deferred Outflows of Resources:</b>						
Pension and OPEB Related Items	21,465	3,665	737	119	22,202	3,784
Deferred Charge on Refunding	1,465	1,583	-	-	1,465	1,583
Total deferred outflows of resources	<u>22,930</u>	<u>5,248</u>	<u>737</u>	<u>119</u>	<u>23,667</u>	<u>5,367</u>
<b>Liabilities:</b>						
Current and other liabilities	72,571	62,709	2,842	3,471	75,413	66,180
Long-term liabilities	196,570	201,675	1,524	1,232	198,094	202,907
Total liabilities	<u>269,141</u>	<u>264,384</u>	<u>4,366</u>	<u>4,703</u>	<u>273,507</u>	<u>269,087</u>
<b>Deferred Inflows of Resources:</b>						
Pension and OPEB Related Items	1,149	1,121	33	30	1,182	1,151
Deferred Charge on Refunding	525	574	-	-	525	574
Total deferred inflows of resources	<u>1,674</u>	<u>1,695</u>	<u>33</u>	<u>30</u>	<u>1,707</u>	<u>1,725</u>
<b>Net position:</b>						
Net Investment in Capital Assets	212,973	201,795	17,650	17,689	230,623	219,484
Restricted	149,969	139,741	-	-	149,969	139,741
Unrestricted	26,644	11,982	(8,489)	(8,374)	18,155	3,608
Total net position	<u>\$ 389,586</u>	<u>\$ 353,518</u>	<u>\$ 9,161</u>	<u>\$ 9,315</u>	<u>\$ 398,747</u>	<u>\$ 362,833</u>

**City of Perris**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2020**  
**(in thousands of dollars)**

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The largest portion of the City's net position (\$230,623) 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 decreased \$39 which arose from the donated assets net with capital assets depreciation. On page 69, analysis of the capital assets depreciation is outlined.

A portion of the City's net position \$149,969 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 \$212,973, 2) Restricted \$149,969 and 3) Unrestricted net position of \$26,644 for its governmental activities. In business-type activities, the net position is positive for all categories except unrestricted net position negative balance of \$(8,489).

**Governmental and Business-type Activities.** Governmental and Business-type activities increased the City's net position by \$35,914 thereby accounting for the 9.90% 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 \$36,068 due mainly to total revenues significantly surpassing expenses. Contributing to the increased net position are: a) increase of \$1,502 in operating grants and contributions, b) increase of \$587 in property taxes c) increase of \$3,911 in sales and use taxes, d) increase of \$683 in vehicle license in lieu tax, and e) increase of \$2,164 in marijuana taxes. Overall, the governmental activities recorded an increase of \$36,068 in net position.
- Business-type activities decreased the City of Perris's net position by \$154 due mainly due to expenses exceeding revenues relating to Sewer Utility, Public Utility and Water Utility.

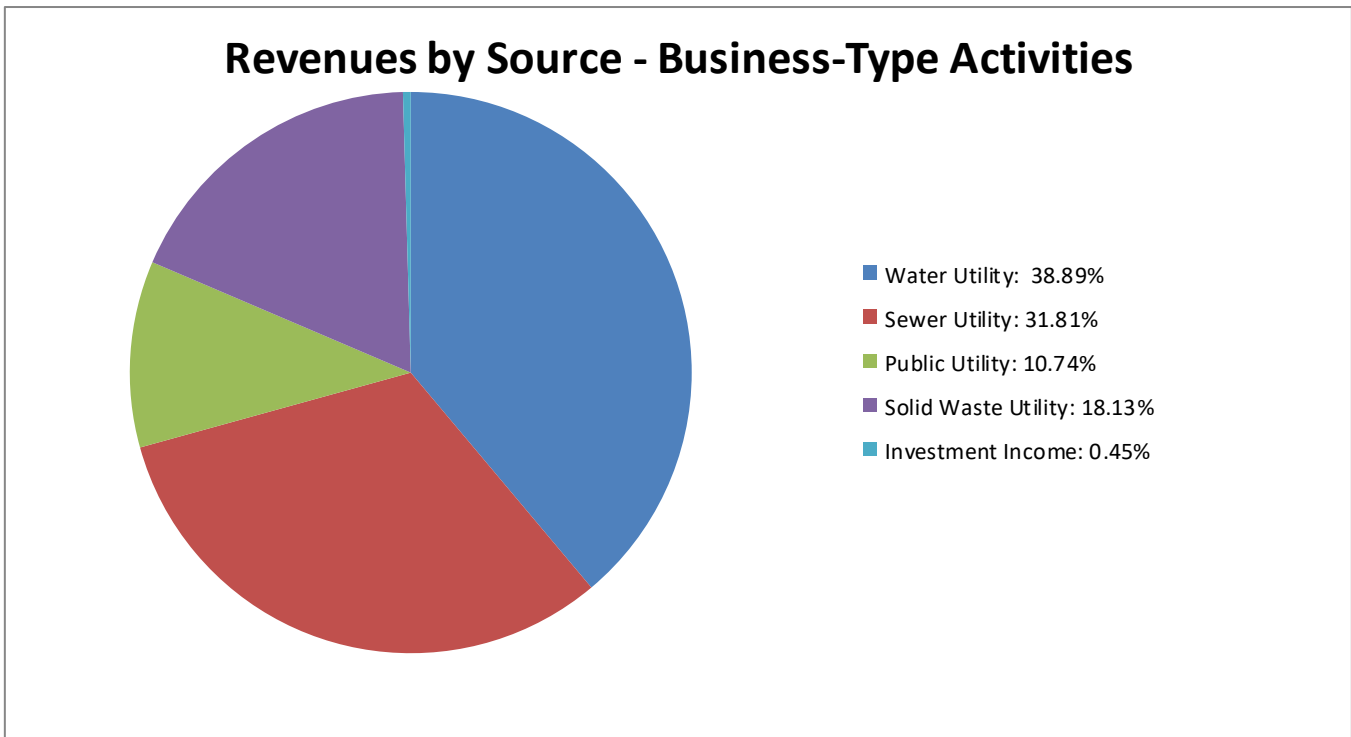
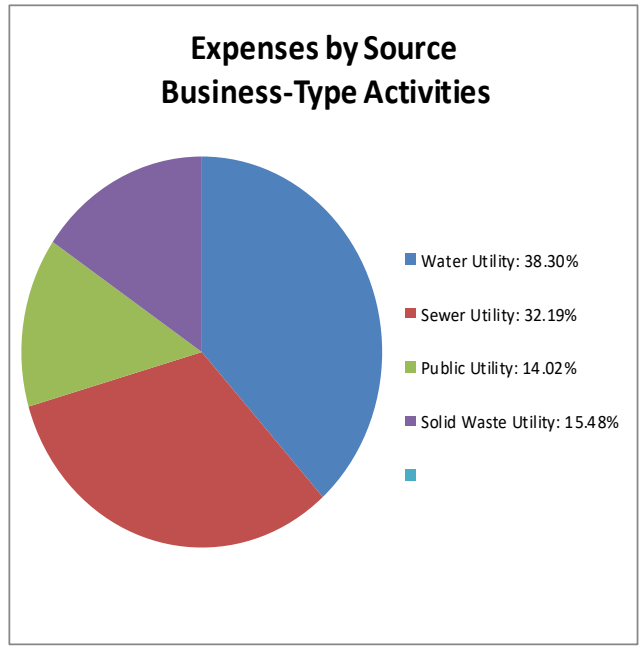
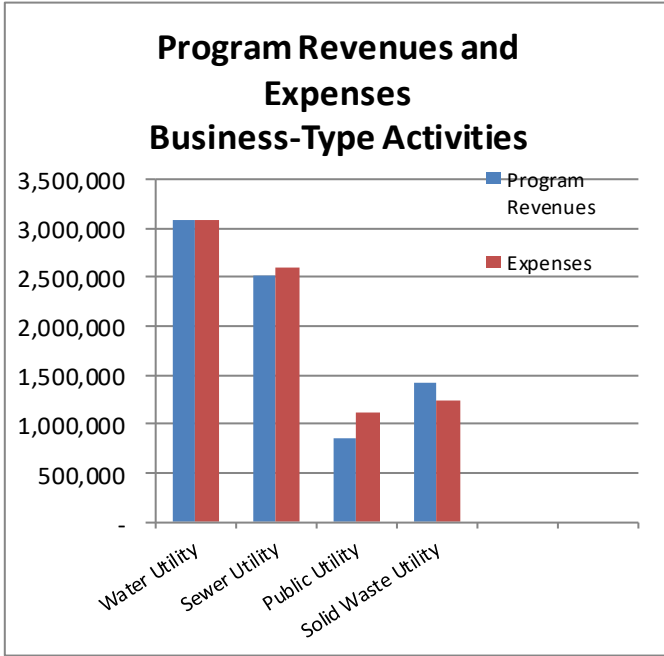
**City of Perris**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2020**  
**(in thousands of dollars)**

**City of Perris, Change in Net Position**  
**June 30, 2020**

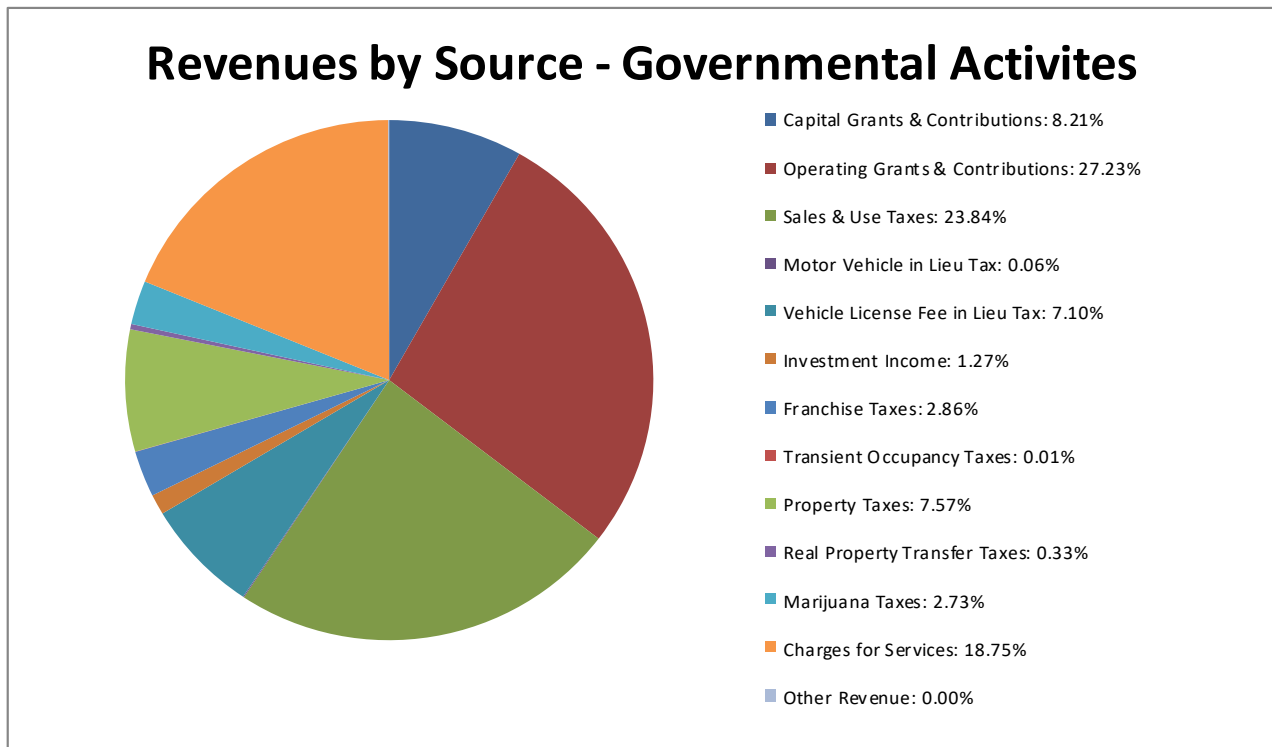
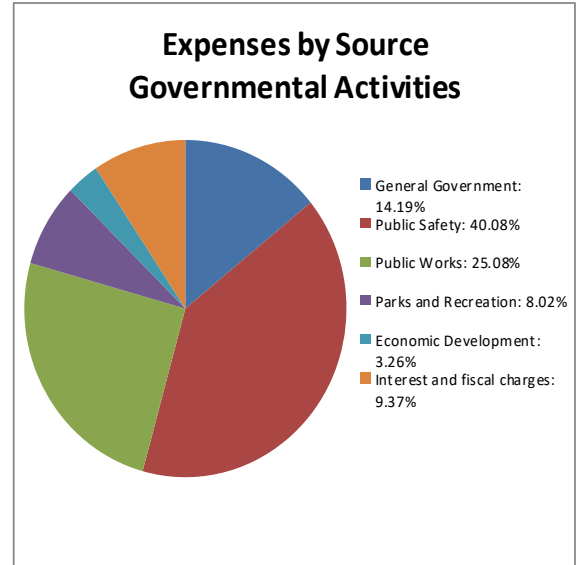
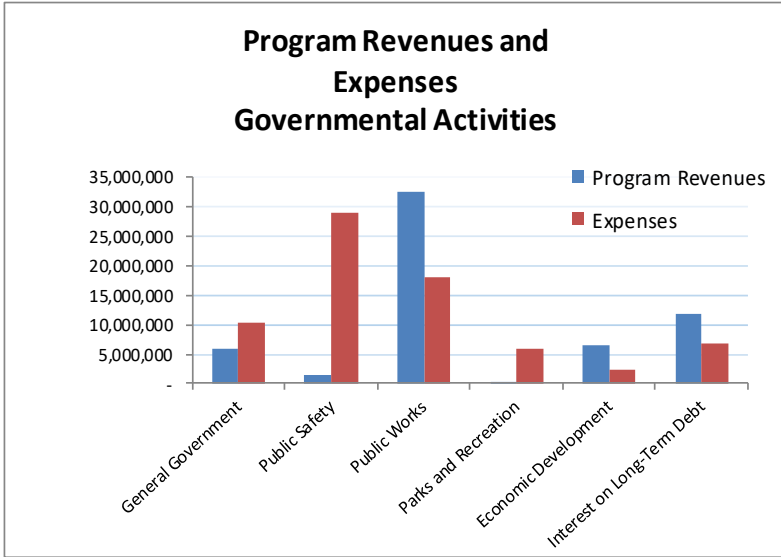
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 20,252	\$ 29,797	\$ 7,171	\$ 7,058	\$ 27,423	\$ 36,855
Operating grants and Contributions	29,405	27,903	-	-	29,405	27,903
Capital grants and Contributions	8,863	12,337	702	-	9,565	12,337
General revenues:						
Property taxes	8,174	7,587	-	-	8,174	7,587
Sales and Use taxes	25,747	21,836	-	-	25,747	21,836
Motor Vehicle	61	37	-	-	61	37
Vehicle License in Lieu Tax	7,669	6,986	-	-	7,669	6,986
Franchise taxes	3,089	2,911	-	-	3,089	2,911
Transient occupancy taxes	13	29	-	-	13	29
Real property taxes	357	529	-	-	357	529
Marijuana Taxes	2,945	781	-	-	2,945	781
Investment earnings (loss)	1,367	1,322	35	23	1,402	1,345
Miscellaneous	63	121	-	-	63	121
Total revenues	<u>108,005</u>	<u>112,176</u>	<u>7,908</u>	<u>7,081</u>	<u>115,913</u>	<u>119,257</u>
Expenses:						
General government	10,205	10,229	-	-	10,205	10,229
Public safety	28,836	26,016	-	-	28,836	26,016
Public works	18,039	13,010	-	-	18,039	13,010
Parks and recreation	5,772	4,691	-	-	5,772	4,691
Economic Development	2,343	6,143	-	-	2,343	6,143
Interest on long term debt	6,742	6,893	-	-	6,742	6,893
Water utility	-	-	3,088	3,160	3,088	3,160
Sewer utility	-	-	2,595	2,548	2,595	2,548
Public Utility	-	-	1,131	1,116	1,131	1,116
Solid Waste Utility	-	-	1,248	1,276	1,248	1,276
Housing Authority	-	-	-	-	-	-
Perris CEDC	-	-	-	-	-	-
Total Expenses	<u>71,937</u>	<u>66,982</u>	<u>8,062</u>	<u>8,100</u>	<u>79,999</u>	<u>75,082</u>
Increase (decrease) in net position before special item and transfers	36,068	45,194	(154)	(1,019)	35,914	44,175
Special Item	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Change in net position	<u>36,068</u>	<u>45,194</u>	<u>(154)</u>	<u>(1,019)</u>	<u>35,914</u>	<u>44,175</u>
Net position as previously reported, July 1	353,518	297,404	9,315	20,615	362,833	318,019
Prior Period Adjustment	-	10,920	-	(10,281)	-	639
Net position as restated, July 1	<u>353,518</u>	<u>308,324</u>	<u>9,315</u>	<u>10,334</u>	<u>362,833</u>	<u>318,658</u>
Net position, June 30	<u>\$ 389,586</u>	<u>\$ 353,518</u>	<u>\$ 9,161</u>	<u>\$ 9,315</u>	<u>\$ 398,747</u>	<u>\$ 362,833</u>



**City of Perris**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2020**  
**(in thousands of dollars)**



**City of Perris**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2020**  
**(in thousands of dollars)**



**City of Perris**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2020**  
**(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 \$352,836. The City's governmental funds report *unassigned fund balance* of \$9,372. 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 \$2,696, 2) for advances \$5,026, 3) restricted resources \$311,317, 4) committed amount \$18,219, 5) assigned amounts \$6,200 and 6) for unassigned amounts \$9,372.

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 \$18,219, \$6,200 and \$10,637 respectively, while the total fund balance reached \$42,784. As a measure of General Fund liquidity, it may be useful to compare the unassigned and assigned fund balances to total fund expenditures. General fund balance represents 74% of total general fund expenditures of \$58,029.

The fund balance of the City's General Fund decreased by \$732 during the current fiscal year. The decrease in the fiscal year can be attributed primarily to an the significantly amount of paying down unfunded actuarial liabilities during the fiscal year which resulted in deficit of revenues under expenditures of \$1,502 even though revenues increased by a total of \$6,991 over prior year amounts. Major increases were in taxes, licenses, permits and fees, and contributions; and in general government, public safety, public works, parks and recreation and capital outlay expenditures. Taxes increased by \$7,540 and contributions increased by \$200 from the prior year amounts. General government increased by \$5,559, public safety increased by \$7,518, public works increased by \$941, parks and recreation increased by \$2,309 and capital outlay increased by \$772 over prior year amounts.

The Public Financing Authority Debt Service Fund (PFA) had a decrease of \$5,878. 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 \$2,382 in fund balance. The JPA issued \$3,450 2020 Local Agency Revenue Bonds, Series A, to acquire CFD 2007-2 Pacific Heritage Special Revenue Bonds of \$3,450 (including principal payment). The JPA also paid interest and finance charges of \$4,867 and debt issuance costs of \$157.

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 prior year deficit fund balance carryover to be recovered in the future year.

The Capital Improvements Projects Capital Project Fund had an decrease of \$87, which is attributed to the capital outlay expenditures being higher than the total revenues received during the fiscal year.

The Road and Bridge Benefit District Special Revenue Fund had an increase in fund balance of \$6,516. 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, 2020**  
**(in thousands of dollars)**

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The Perris CEDC Special Revenue Fund had a decrease of \$536, which is attributed to excess of expenditures over revenues.

The Housing Authority Special Revenue Fund had a decrease of \$1,300, which is attributed to excess of expenditures over revenues.

The Other Governmental Funds fund balance increased \$994 primarily due to increase in revenues over expenditures and transfers in/out in the following funds: Traffic Safety, City-wide Lighting District, Landscape Maintenance District, Flood Control Maintenance District, Gas Tax, Proposition "A", CDBG Grant, Development Fees, HOME Grant Program, Local Health Grant, CalVIP, NRPA Grant, Railway Depot Restoration Community Facilities District 06-2, Community Facilities District 05-4, Community Facilities District 14-1 IA1, Community Facilities District 14-1 IA2, Community Facilities District 14-1 IA3 and Community Facilities District 2007-2 (Pacific Heritage). 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 119-120 for further description of each fund purpose.

**General Fund Budget.** During the year, there was a \$17,208 increase in the original and final expenditure budget, and a \$2,326 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 \$140,289.

**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 (\$8,489) which represents a decrease of \$115 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 \$236,008 (net of accumulated depreciation of \$223,630) as of June 30, 2020. 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 \$16,370.

**City of Perris**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2020**  
**(in thousands of dollars)**

	<b>Capital Assets</b> <b>(Net of Accumulated Depreciation)</b>					
	Governmental		Business-type		Total	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Land	\$ 40,433	\$ 40,433	\$ 301	\$ 301	\$ 40,734	\$ 40,734
Buildings	25,073	24,097	-	-	25,073	24,097
Building Improvements	8,925	8,925	-	-	8,925	8,925
Improvements other than Buildings	-	-	315	315	315	315
Machinery	3,358	2,822	-	-	3,358	2,822
Vehicles	3,717	3,189	105	105	3,822	3,294
Infrastructure	295,770	290,313	-	-	295,770	290,313
Major equipment	-	-	543	543	543	543
Boosters	-	-	36	36	36	36
Reservoirs	-	-	2,069	2,069	2,069	2,069
Mains	-	-	19,988	19,321	19,988	19,321
Services	-	-	2,433	2,430	2,433	2,430
Meters	-	-	1,406	1,406	1,406	1,406
Hydrants	-	-	1,271	1,271	1,271	1,271
Manholes	-	-	917	885	917	885
Wells	-	-	996	996	996	996
Construction in progress	51,982	34,642	-	-	51,982	34,642
<b>Total</b>	<b>429,258</b>	<b>404,421</b>	<b>30,380</b>	<b>29,678</b>	<b>459,638</b>	<b>434,099</b>
Less: Accumulated Depreciation	210,900	202,472	12,730	11,989	223,630	214,461
<b>Total net capital assets</b>	<b>\$ 218,358</b>	<b>\$ 201,949</b>	<b>\$ 17,650</b>	<b>\$ 17,689</b>	<b>\$ 236,008</b>	<b>\$ 219,638</b>

The City's increase in capital assets was primarily due to \$17,340 additional work on construction in progress, \$5,457 in additional expenses relating to infrastructure, \$976 relating to Buildings, \$536 relating to Machinery and \$528 relating to vehicles. Further, the completion of Sidewalk & Pedestrian Ramps added \$620 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 \$159,820 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 \$10,660 during the fiscal year due to the issuance of Local Agency Revenue Bonds of \$3,450 and principal payments and retirements amount to \$14,110 during the year.

Additional information on the City's outstanding debt can be found in note 6 to the basic financial statements on pages 71-79 of this report.

**City of Perris**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2020**  
**(in thousands of dollars)**

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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 \$1,028 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, 2020**

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Current assets:			
Cash and investments	\$ 207,866,366	\$ 1,758,288	\$ 209,624,654
Receivables (net):			
Accounts	2,545,170	2,826,497	5,371,667
Interest	2,138,147	858	2,139,005
Taxes	8,614,359	-	8,614,359
Internal balances	9,412,260	(9,412,260)	-
Prepaid items	4,823	-	4,823
Due from other governments	1,169,508	-	1,169,508
Deposits with other agencies	2,696,370	-	2,696,370
Total current assets	234,447,003	(4,826,617)	229,620,386
Noncurrent assets:			
Restricted cash and investments with fiscal agent	18,476,130	-	18,476,130
Restricted investments	124,698,803	-	124,698,803
Notes and loans receivables	3,870,157	-	3,870,157
Advances to Successor Agency	37,620,000	-	37,620,000
Capital assets:			
Not being depreciated	92,415,570	300,564	92,716,134
Being depreciated, net of depreciation	125,942,831	17,349,152	143,291,983
Total capital assets	218,358,401	17,649,716	236,008,117
Total noncurrent assets	403,023,491	17,649,716	420,673,207
<b>Total Assets</b>	637,470,494	12,823,099	650,293,593
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	1,464,650	-	1,464,650
Deferred outflows of resources related to pensions	17,864,095	552,497	18,416,592
Deferred outflows of resources related to OPEB	3,601,122	184,751	3,785,873
Total Deferred Outflows of Resources	22,929,867	737,248	23,667,115

**City of Perris**  
**Statement of Net Position (Continued)**  
**June 30, 2020**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	21,517,226	2,533,559	24,050,785
Retention payable	467,077	-	467,077
Unearned revenue	8,593,066	-	8,593,066
Interest payable	1,964,314	-	1,964,314
Deposits payable	32,593,319	299,759	32,893,078
Long-term liabilities, due within one year	7,436,094	8,763	7,444,857
<b>Total current liabilities</b>	<b>72,571,096</b>	<b>2,842,081</b>	<b>75,413,177</b>
Noncurrent liabilities:			
Long-term liabilities, due in more than one year	161,729,297	35,048	161,764,345
Net pension liability	13,860,626	413,115	14,273,741
Other postemployment benefits liability	20,979,878	1,076,345	22,056,223
<b>Total noncurrent liabilities</b>	<b>196,569,801</b>	<b>1,524,508</b>	<b>198,094,309</b>
<b>Total liabilities</b>	<b>269,140,897</b>	<b>4,366,589</b>	<b>273,507,486</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred charge on refunding	524,930	-	524,930
Deferred inflows of resources related to pensions	1,139,025	32,781	1,171,806
Deferred inflows of resources related to other postemployment benefits	9,508	487	9,995
<b>Total Deferred Inflows of Resources</b>	<b>1,673,463</b>	<b>33,268</b>	<b>1,706,731</b>
<b>NET POSITION</b>			
Net investment in capital assets	212,972,710	17,649,716	230,622,426
Restricted for:			
Development	18,949,005	-	18,949,005
Debt service	3,377,936	-	3,377,936
Air quality management	97,956	-	97,956
Traffic safety	1,737,808	-	1,737,808
Light and landscape	8,903,375	-	8,903,375
Streets and flood control	90,055,421	-	90,055,421
Community development	7,370,942	-	7,370,942
Constructions	19,476,499	-	19,476,499
Unrestricted	26,644,349	(8,489,226)	18,155,123
<b>Total Net Position</b>	<b>\$ 389,586,001</b>	<b>\$ 9,160,490</b>	<b>\$ 398,746,491</b>

**City of Perris**  
**Statement of Activities**  
**For the Year Ended June 30, 2020**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Governmental activities:				
General government	\$ 10,204,966	\$ 2,750,367	\$ 3,135,072	\$ -
Public safety	28,835,712	997,361	554,680	-
Public works	18,039,646	15,712,384	12,785,561	4,025,624
Parks and recreation	5,772,079	134,012	444	-
Community development	2,343,060	658,194	1,085,468	4,837,272
Interest and fiscal charges	6,741,896	-	11,844,131	-
<b>Total Governmental Activities</b>	<u>71,937,359</u>	<u>20,252,318</u>	<u>29,405,356</u>	<u>8,862,896</u>
Business-type Activities:				
Sewer utility	2,595,228	2,227,648	-	287,700
Public utility	1,130,507	848,934	-	-
Water utility	3,087,717	2,660,931	-	414,080
Solid waste utility	1,248,306	1,433,293	-	-
<b>Total Business-Type Activities</b>	<u>8,061,758</u>	<u>7,170,806</u>	<u>-</u>	<u>701,780</u>
<b>Total Primary Government</b>	<u>\$ 79,999,117</u>	<u>\$ 27,423,124</u>	<u>\$ 29,405,356</u>	<u>\$ 9,564,676</u>

(Continued)

**City of Perris**  
**Statement of Activities (Continued)**  
**For the Year Ended June 30, 2020**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Primary Government:</b>			
Governmental activities:			
General government	\$ (4,319,527)	\$ -	\$ (4,319,527)
Public safety	(27,283,671)	-	(27,283,671)
Public works	14,483,923	-	14,483,923
Parks and recreation	(5,637,623)	-	(5,637,623)
Community development	4,237,874	-	4,237,874
Interest and fiscal charges	5,102,235	-	5,102,235
<b>Total Governmental Activities</b>	<u>(13,416,789)</u>	<u>-</u>	<u>(13,416,789)</u>
Business-type Activities:			
Sewer utility	-	(79,880)	(79,880)
Public utility	-	(281,573)	(281,573)
Water utility	-	(12,706)	(12,706)
Solid waste utility	-	184,987	184,987
<b>Total Business-Type Activities</b>	<u>-</u>	<u>(189,172)</u>	<u>(189,172)</u>
<b>Total Primary Government</b>	<u>(13,416,789)</u>	<u>(189,172)</u>	<u>(13,605,961)</u>
<b>General Revenues:</b>			
Taxes:			
Property taxes	8,173,848	-	8,173,848
Sales and use taxes	25,746,847	-	25,746,847
Vehicle license fee in lieu tax	7,669,156	-	7,669,156
Franchise taxes	3,088,583	-	3,088,583
Transient occupancy taxes	12,935	-	12,935
Real property transfer taxes	357,199	-	357,199
Marijuana taxes	2,945,359	-	2,945,359
Motor vehicle in lieu tax (intergovernmental/unrestricted)	60,919	-	60,919
Interest	1,366,760	35,197	1,401,957
Miscellaneous	63,298	-	63,298
<b>Total General Revenues</b>	<u>49,484,904</u>	<u>35,197</u>	<u>49,520,101</u>
Change in net position	36,068,115	(153,975)	35,914,140
<b>Net Position:</b>			
Beginning of year	353,517,886	9,314,465	362,832,351
End of year	<u>\$ 389,586,001</u>	<u>\$ 9,160,490</u>	<u>\$ 398,746,491</u>

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**FUND FINANCIAL STATEMENTS**

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**GOVERNMENTAL FUND FINANCIAL STATEMENTS**

**City of Perris**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2020**

	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	\$ 41,707,309	\$ 2,819,483	\$ 53,442	\$ 14,233,702	\$ 8,228,558
Cash and investments with fiscal agent	-	3,920,409	10,796,087	-	-
Restricted investments	-	-	124,698,803	-	-
Receivables (net):					
Accounts	710,584	-	-	-	1,831,910
Interest	75,202	645	-	8,562	5,010
Taxes	7,910,443	-	-	-	-
Loans	-	-	-	-	-
Due from other governments	-	-	-	-	-
Prepaid items	4,823	-	-	-	-
Due from other funds	5,450,651	-	-	-	-
Deposits	2,696,370	-	-	-	-
Advance to Successor Agency	-	37,620,000	-	-	-
Advances to other funds	5,026,389	-	-	-	-
<b>Total assets</b>	<b>\$ 63,581,771</b>	<b>\$ 44,360,537</b>	<b>\$ 135,548,332</b>	<b>\$ 14,242,264</b>	<b>\$ 10,065,478</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 16,573,353	\$ -	\$ -	\$ 618	\$ 437,231
Retention payable	5	-	-	26,165	149,651
Due to other funds	-	-	-	-	-
Deposits and other liabilities	4,087,834	3,905,316	10,306,811	14,218,448	-
Unearned revenues	-	-	-	-	8,590,390
<b>Total liabilities</b>	<b>20,661,192</b>	<b>3,905,316</b>	<b>10,306,811</b>	<b>14,245,231</b>	<b>9,177,272</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	136,990	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>136,990</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
Nonspendable	7,727,582	-	-	-	-
Restricted	-	40,455,221	125,241,521	-	888,206
Committed	18,218,971	-	-	-	-
Assigned	6,200,000	-	-	-	-
Unassigned (deficit)	10,637,036	-	-	(2,967)	-
<b>Total fund balances</b>	<b>42,783,589</b>	<b>40,455,221</b>	<b>125,241,521</b>	<b>(2,967)</b>	<b>888,206</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 63,581,771</b>	<b>\$ 44,360,537</b>	<b>\$ 135,548,332</b>	<b>\$ 14,242,264</b>	<b>\$ 10,065,478</b>

(Continued)

**City of Perris**  
**Balance Sheet (Continued)**  
**Governmental Funds**  
**June 30, 2020**

	Special Revenue Funds			Nonmajor Governmental Funds	Total
	Road and Bridge Benefit District	Perris CEDC	Housing Authority		
<b>ASSETS</b>					
Cash and investments	\$ 81,282,549	\$ 2,792,696	\$ 846,339	\$ 55,902,288	\$ 207,866,366
Cash and investments with fiscal agent	-	-	-	3,759,634	18,476,130
Restricted investments	-	-	-	-	124,698,803
Receivables (net):					
Accounts	-	2,676	-	-	2,545,170
Interest	47,201	1,760	872	57,207	196,459
Taxes	-	-	-	703,916	8,614,359
Loans	-	-	3,677,047	193,110	3,870,157
Due from other governments	-	-	-	1,169,508	1,169,508
Prepaid items	-	-	-	-	4,823
Due from other funds	-	-	-	-	5,450,651
Deposits	-	-	-	-	2,696,370
Advance to Successor Agency	-	-	-	-	37,620,000
Advances to other funds	-	-	-	-	5,026,389
<b>Total assets</b>	<b>\$ 81,329,750</b>	<b>\$ 2,797,132</b>	<b>\$ 4,524,258</b>	<b>\$ 61,785,663</b>	<b>\$ 418,235,185</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 2,597,950	\$ 178,213	\$ 127,833	\$ 1,602,028	\$ 21,517,226
Retention payable	86,873	-	-	204,383	467,077
Due to other funds	-	-	-	1,064,780	1,064,780
Deposits and other liabilities	-	-	-	74,910	32,593,319
Unearned revenues	-	2,676	-	-	8,593,066
<b>Total liabilities</b>	<b>2,684,823</b>	<b>180,889</b>	<b>127,833</b>	<b>2,946,101</b>	<b>64,235,468</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	-	-	-	1,026,676	1,163,666
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,026,676</b>	<b>1,163,666</b>
<b>Fund Balances:</b>					
Nonspendable	-	-	-	-	7,727,582
Restricted	78,644,927	2,616,243	4,396,425	59,074,550	311,317,093
Committed	-	-	-	-	18,218,971
Assigned	-	-	-	-	6,200,000
Unassigned (deficit)	-	-	-	(1,261,664)	9,372,405
<b>Total fund balances</b>	<b>78,644,927</b>	<b>2,616,243</b>	<b>4,396,425</b>	<b>57,812,886</b>	<b>352,836,051</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 81,329,750</b>	<b>\$ 2,797,132</b>	<b>\$ 4,524,258</b>	<b>\$ 61,785,663</b>	<b>\$ 418,235,185</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, 2020**

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<b>Total Fund Balances - Total Governmental Funds</b>		\$ 352,836,051
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.		218,358,401
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	(4,918,614)	
Notes payable	(781,370)	
Revenue bonds	(159,820,000)	
Deferred losses on refunding	1,464,650	
Deferred gains on refunding	(524,930)	
Issuance premium	(3,427,568)	
Issuance discount	994,991	
Compensated absences	<u>(1,212,830)</u>	(168,225,671)
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	17,864,095	
Net pension liability	(13,860,626)	
Deferred inflows of resources related to pensions	<u>(1,139,025)</u>	2,864,444
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	3,601,122	
Net OPEB liability	(20,979,878)	
Deferred inflows of resources related to other postemployment benefits	<u>(9,508)</u>	(17,388,264)
Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds.		(1,964,314)
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.		1,163,666
Interest accrued on loans receivable from the Successor Agency to the Perris Redevelopment Agency and investments in Community Facility District.		<u>1,941,688</u>
<b>Net position of governmental activities</b>		<b><u><u>\$ 389,586,001</u></u></b>

**City of Perris**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2020**

	Debt Service Funds			Capital Projects Funds	
	General Fund	Public Financing Authority	Joint Powers Authority	Storm Drain Development	Capital Improvement Projects
<b>REVENUES:</b>					
Taxes	\$ 48,082,557	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	2,888,931	-	-	-	-
Intergovernmental revenues	61,711	-	-	-	2,410,890
Charges for services	598,715	-	-	-	-
Fines, forfeitures and penalties	612,790	-	-	-	-
Developer fees	-	-	-	578,852	601,939
Investment earnings	1,334,397	51,148	4,321,754	-	247,671
Special assessments	-	-	-	-	-
Contributions	2,892,366	4,292,840	248,242	-	172,060
Miscellaneous	55,666	5,540	13,683	-	-
<b>Total revenues</b>	<b>56,527,133</b>	<b>4,349,528</b>	<b>4,583,679</b>	<b>578,852</b>	<b>3,432,560</b>
<b>EXPENDITURES:</b>					
Current:					
General government	14,439,094	-	27,400	-	-
Public safety	32,712,176	-	-	-	-
Public works	3,157,253	-	-	-	-
Parks and recreation	6,285,486	-	-	-	-
Community development	-	-	52,868	-	-
Capital outlay	1,434,887	-	-	578,852	3,519,273
Debt service:					
Debt issuance costs	-	-	156,750	-	-
Principal retirement	-	8,765,000	5,345,000	-	-
Interest and fiscal charges	-	1,462,808	4,866,637	-	-
<b>Total expenditures</b>	<b>58,028,896</b>	<b>10,227,808</b>	<b>10,448,655</b>	<b>578,852</b>	<b>3,519,273</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,501,763)	(5,878,280)	(5,864,976)	-	(86,713)
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	925,000	-	-	-	-
Transfers out	(154,825)	-	-	-	-
Issuance of long-term debt	-	-	3,450,000	-	-
Issuance premium	-	-	32,724	-	-
<b>Total other financing sources (uses)</b>	<b>770,175</b>	<b>-</b>	<b>3,482,724</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(731,588)</b>	<b>(5,878,280)</b>	<b>(2,382,252)</b>	<b>-</b>	<b>(86,713)</b>
<b>FUND BALANCES:</b>					
Beginning of year	43,515,177	46,333,501	127,623,773	(2,967)	974,919
End of year	\$ 42,783,589	\$ 40,455,221	\$ 125,241,521	\$ (2,967)	\$ 888,206

(Continued)

**City of Perris**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Governmental Funds**  
**For the Year Ended June 30, 2020**

	Special Revenue Funds			Nonmajor Governmental Funds	Total
	Road and Bridge Benefit District	Perris CEDC	Housing Authority		
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 48,082,557
Licenses, permits and fees	-	-	-	-	2,888,931
Intergovernmental revenues	-	-	-	6,856,903	9,329,504
Charges for services	-	95,244	90,640	-	784,599
Fines, forfeitures and penalties	-	-	-	151,907	764,697
Developer fees	8,973,842	-	-	4,128,035	14,282,668
Investment earnings	2,044,831	80,058	42,872	1,431,149	9,553,880
Special assessments	-	-	-	5,731,440	5,731,440
Contributions	-	-	-	3,122,258	10,727,766
Miscellaneous	-	-	-	191,562	266,451
<b>Total revenues</b>	<b>11,018,673</b>	<b>175,302</b>	<b>133,512</b>	<b>21,613,254</b>	<b>102,412,493</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	88,174	14,554,668
Public safety	-	-	-	507,475	33,219,651
Public works	-	-	-	7,009,112	10,166,365
Parks and recreation	-	-	-	3,076	6,288,562
Community development	-	547,113	1,433,660	292,704	2,326,345
Capital outlay	4,502,202	114,917	-	11,475,717	21,625,848
Debt service:					
Debt issuance costs	-	-	-	-	156,750
Principal retirement	-	-	-	68,923	14,178,923
Interest and fiscal charges	-	-	-	453,401	6,782,846
<b>Total expenditures</b>	<b>4,502,202</b>	<b>662,030</b>	<b>1,433,660</b>	<b>19,898,582</b>	<b>109,299,958</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,516,471	(486,728)	(1,300,148)	1,714,672	(6,887,465)
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	204,426	1,129,426
Transfers out	-	(49,601)	-	(925,000)	(1,129,426)
Issuance of long-term debt	-	-	-	-	3,450,000
Issuance discount	-	-	-	-	32,724
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(49,601)</b>	<b>-</b>	<b>(720,574)</b>	<b>3,482,724</b>
<b>Net change in fund balances</b>	<b>6,516,471</b>	<b>(536,329)</b>	<b>(1,300,148)</b>	<b>994,098</b>	<b>(3,404,741)</b>
<b>FUND BALANCES:</b>					
Beginning of year	72,128,456	3,152,572	5,696,573	56,818,788	356,240,792
End of year	\$ 78,644,927	\$ 2,616,243	\$ 4,396,425	\$ 57,812,886	\$ 352,836,051

(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, 2020**

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**Net change in fund balances - total governmental funds:** \$ (3,404,741)

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	21,625,848	
Noncapitalized expenditures reclassified to functional expenses	(1,625,297)	
Donated capital assets	4,837,272	
Depreciation	<u>(8,428,148)</u>	16,409,675

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	14,110,000	
Capital lease	68,923	
Amortization of premium, discount, and deferred charges	85,533	
Debt issued or incurred:		
Issuance of revenue bonds	(3,450,000)	
Issuance of premium	<u>(32,724)</u>	10,781,732

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. 112,167

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. (98,079)

Other postemployment benefit expense net of \$674,726 current year contribution made during the measurement period. (1,608,855)

Pension expenses net of \$15,832,820 pension contribution made after measurement date. 13,120,507

Accrued interest revenue. This is the net change in accrued interest for the current period. (134,793)

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. 890,502

**Change in net position of governmental activities** \$ 36,068,115



**PROPRIETARY FUND FINANCIAL STATEMENTS**

**City of Perris**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2020**

	Business-Type Activities				
	Enterprise Funds				
	Sewer Utility	Public Utility Authority	Water Utility	Solid Waste Utility	Total
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 514,594	\$ 293,657	\$ 63,200	\$ 886,837	\$ 1,758,288
Receivables (net):					
Accounts	520,064	526,671	875,152	904,610	2,826,497
Interest	355	-	-	503	858
<b>Total current assets</b>	<b>1,035,013</b>	<b>820,328</b>	<b>938,352</b>	<b>1,791,950</b>	<b>4,585,643</b>
Noncurrent assets:					
Capital assets, not being depreciated	-	300,564	-	-	300,564
Capital assets, net of depreciation	6,736,377	7,395,124	3,217,651	-	17,349,152
<b>Total noncurrent assets</b>	<b>6,736,377</b>	<b>7,695,688</b>	<b>3,217,651</b>	<b>-</b>	<b>17,649,716</b>
<b>Total assets</b>	<b>7,771,390</b>	<b>8,516,016</b>	<b>4,156,003</b>	<b>1,791,950</b>	<b>22,235,359</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows of resources related to pensions	188,416	123,249	188,416	52,416	552,497
Deferred outflows of resources related to other postemployment benefits	37,102	31,423	107,140	9,086	184,751
<b>Total deferred outflows of resources</b>	<b>225,518</b>	<b>154,672</b>	<b>295,556</b>	<b>61,502</b>	<b>737,248</b>

**City of Perris**  
**Statement of Net Position (Continued)**  
**Proprietary Funds**  
**June 30, 2020**

	Business-Type Activities				
	Enterprise Funds				
	Sewer Utility	Public Utility Authority	Water Utility	Solid Waste Utility	Total
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 344,588	\$ 528,173	\$ 450,196	\$ 1,210,602	\$ 2,533,559
Deposits	-	111,410	188,349	-	299,759
Due to other funds	-	3,476,013	909,858	-	4,385,871
Compensated absences payable, due in one year	3,232	1,721	3,232	578	8,763
<b>Total current liabilities</b>	<b>347,820</b>	<b>4,117,317</b>	<b>1,551,635</b>	<b>1,211,180</b>	<b>7,227,952</b>
Noncurrent liabilities:					
Compensated absences payable, due in more than one year	12,928	6,882	12,928	2,310	35,048
Advances from other funds	-	4,703,707	322,682	-	5,026,389
Net pension liability	140,883	92,156	140,883	39,193	413,115
Net other postemployment benefits liability	216,152	183,067	624,191	52,935	1,076,345
<b>Total noncurrent liabilities</b>	<b>369,963</b>	<b>4,985,812</b>	<b>1,100,684</b>	<b>94,438</b>	<b>6,550,897</b>
<b>Total liabilities</b>	<b>717,783</b>	<b>9,103,129</b>	<b>2,652,319</b>	<b>1,305,618</b>	<b>13,778,849</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows of resources related to pensions	11,179	7,313	11,179	3,110	32,781
Deferred inflows of resources related to other postemployment benefits	98	83	282	24	487
<b>Total deferred inflows of resources</b>	<b>11,277</b>	<b>7,396</b>	<b>11,461</b>	<b>3,134</b>	<b>33,268</b>
<b>NET POSITION</b>					
Investment in capital assets	6,736,377	7,695,688	3,217,651	-	17,649,716
Unrestricted	531,471	(8,135,525)	(1,429,872)	544,700	(8,489,226)
<b>Total net position</b>	<b>\$ 7,267,848</b>	<b>\$ (439,837)</b>	<b>\$ 1,787,779</b>	<b>\$ 544,700</b>	<b>\$ 9,160,490</b>

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**City of Perris**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2020**

	Business-Type Activities				
	Enterprise Funds				
	Sewer Utility	Public Utility Authority	Water Utility	Solid Waste Utility	Total
<b>OPERATING REVENUES:</b>					
Charges for services	\$ 2,149,073	\$ 848,934	\$ 2,630,953	\$ 1,433,293	\$ 7,062,253
Miscellaneous	78,575	-	29,978	-	108,553
<b>Total operating revenues</b>	<b>2,227,648</b>	<b>848,934</b>	<b>2,660,931</b>	<b>1,433,293</b>	<b>7,170,806</b>
<b>OPERATING EXPENSES:</b>					
Maintenance and operations	389,806	157,240	195,831	50,205	793,082
Contractual services	1,904,149	291,595	2,631,754	1,172,696	6,000,194
Materials and supplies	1,541	-	3,408	2,432	7,381
Administrative and general	43,508	67,331	92,337	22,973	226,149
Depreciation	256,224	320,359	164,387	-	740,970
<b>Total operating expenses</b>	<b>2,595,228</b>	<b>836,525</b>	<b>3,087,717</b>	<b>1,248,306</b>	<b>7,767,776</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(367,580)</b>	<b>12,409</b>	<b>(426,786)</b>	<b>184,987</b>	<b>(596,970)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Investment earnings	14,037	-	-	21,160	35,197
Interest expense	-	(293,982)	-	-	(293,982)
Capital contribution	287,700	-	414,080	-	701,780
<b>Total nonoperating revenues (expenses)</b>	<b>301,737</b>	<b>(293,982)</b>	<b>414,080</b>	<b>21,160</b>	<b>442,995</b>
<b>CHANGES IN NET POSITION</b>	<b>(65,843)</b>	<b>(281,573)</b>	<b>(12,706)</b>	<b>206,147</b>	<b>(153,975)</b>
<b>NET POSITION:</b>					
Beginning of year	7,333,691	(158,264)	1,800,485	338,553	9,314,465
End of year	<b>\$ 7,267,848</b>	<b>\$ (439,837)</b>	<b>\$ 1,787,779</b>	<b>\$ 544,700</b>	<b>\$ 9,160,490</b>

**City of Perris**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2020**

	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	\$ 2,153,228	\$ 601,224	\$ 2,415,553	\$ 1,750,416	\$ 6,920,421
Other payments	78,102	-	939,836	-	1,017,938
Cash paid for employee services	(1,832,599)	(206,219)	(331,214)	(89,595)	(2,459,627)
Cash paid for suppliers for goods and services	(546,483)	(251,287)	(2,628,631)	(2,089,265)	(5,515,666)
<b>Net cash provided by (used in) operating activities</b>	<b>(147,752)</b>	<b>143,718</b>	<b>395,544</b>	<b>(428,444)</b>	<b>(36,934)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Principal repayment on advances	-	-	(335,452)	-	(335,452)
Interest payment on the advances	-	-	-	-	-
Cash received from other funds	-	423,230	-	-	423,230
<b>Net cash used in noncapital financing activities</b>	<b>-</b>	<b>423,230</b>	<b>(335,452)</b>	<b>-</b>	<b>87,778</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Principal repayment on advances	-	(195,988)	-	-	(195,988)
Interest payment on the advances	-	(293,982)	-	-	(293,982)
<b>Net cash used in capital financing activities</b>	<b>-</b>	<b>(489,970)</b>	<b>-</b>	<b>-</b>	<b>(489,970)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest received	14,738	-	-	21,987	36,725
<b>Net cash provided by investing activities</b>	<b>14,738</b>	<b>-</b>	<b>-</b>	<b>21,987</b>	<b>36,725</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(133,014)</b>	<b>76,978</b>	<b>60,092</b>	<b>(406,457)</b>	<b>(402,401)</b>
<b>CASH AND CASH EQUIVALENT:</b>					
Beginning of year	647,608	216,679	3,108	1,293,294	2,160,689
End of year	<b>\$ 514,594</b>	<b>\$ 293,657</b>	<b>\$ 63,200</b>	<b>\$ 886,837</b>	<b>\$ 1,758,288</b>

**City of Perris**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2020**

	Business-Type Activities				
	Enterprise Funds				
	Sewer Utility	Public Utility Authority	Water Utility	Solid Waste Utility	Total
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$ (367,580)	\$ 12,409	(426,786)	\$ 184,987	\$ (596,970)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation	256,224	320,359	164,387	-	740,970
(Increase) decrease in accounts receivable	4,155	(249,115)	(209,458)	316,998	(137,420)
(Increase) decrease in deferred outflows of resources related to pensions	(150,889)	(100,267)	(150,889)	(41,652)	(443,697)
(Increase) decrease in deferred outflows of resources related to other postemployment benefits	(35,064)	(29,697)	(101,256)	(8,587)	(174,604)
Increase (decrease) in accounts payable	80,478	128,009	52,499	(894,634)	(633,648)
Increase (decrease) in deposit payable	-	1,405	(5,942)	125	(4,412)
Increase (decrease) in due to other funds	(473)	-	909,858	-	909,385
Increase (decrease) in compensated absences	(5,509)	(1,265)	(5,257)	(1,946)	(13,977)
Increase (decrease) in net pension liabilities	18,356	17,120	18,356	4,050	57,882
Increase (decrease) in net other postemployment benefits liabilities	51,679	43,769	149,235	12,060	256,743
Increase (decrease) in deferred inflows of resources related to pensions	910	1,024	910	165	3,009
Increase (decrease) in deferred inflows of resources related to other postemployment benefits	(39)	(33)	(113)	(10)	(195)
Total adjustment	219,828	131,309	822,330	(613,431)	560,036
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (147,752)</b>	<b>\$ 143,718</b>	<b>\$ 395,544</b>	<b>\$ (428,444)</b>	<b>\$ (36,934)</b>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital Contribution	\$ 287,700	\$ -	\$ 414,080	\$ -	\$ 701,780

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**FIDUCIARY FUND FINANCIAL STATEMENTS**

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**City of Perris**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2020**

	Agency Funds	Private - Purpose Trust Fund Successor Agency
<b>ASSETS:</b>		
Cash and investments	\$ 7,937,313	\$ 1,838,863
Cash and investments with fiscal agent	11,207,218	41,731
Receivables (net):		
Assessments	404,468	-
Interest	1,568	763
Loans	-	781,370
Other	15,705	-
Prepaid items	-	183,906
Deposits	10,306,812	3,905,316
Land held for development	-	1,371,372
Land	-	335,048
<b>Total assets</b>	<b>29,873,084</b>	<b>8,458,369</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Deferred charge on refunding	-	1,095,575
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>1,095,575</b>
<b>LIABILITIES:</b>		
Accounts payable and accrued liabilities	6,622	-
Deposits	1,417,145	-
Interest payable	-	546,515
Loans payable, due in one year	-	1,865,000
Bonds payable, due in one year	-	650,000
Loans payable	-	37,867,754
Bonds payable, due in more than one year	-	19,708,364
Due to bondholders	28,449,317	-
<b>Total liabilities</b>	<b>\$ 29,873,084</b>	<b>60,637,633</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Deferred charge on refunding		316,935
<b>Total deferred inflows of resources</b>		<b>316,935</b>
<b>NET POSITION:</b>		
Net deficit held in trust		<b>\$ (51,400,624)</b>

**City of Perris**  
**Statement of Change in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2020**

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	Private - Purpose Trust Fund Successor Agency
<b>ADDITIONS:</b>	
Redevelopment Property Tax Trust Fund	\$ 5,344,605
Investment earnings	105,745
Contribution from the City of Perris	618,092
<b>Total additions</b>	<u>6,068,442</u>
<b>DEDUCTIONS:</b>	
Administration	536,289
Interest expense	5,612,525
<b>Total deductions</b>	<u>6,148,814</u>
Change in net position	(80,372)
<b>NET POSITION (DEFICIT):</b>	
Beginning of year	<u>(51,320,252)</u>
End of year	<u><u>\$ (51,400,624)</u></u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**City of Perris**  
**Index to the Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

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**City of Perris**  
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**For the Year Ended June 30, 2020**

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**City of Perris**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2020**

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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, 2020**

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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, 2020**

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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, 2020**

---

**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:

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. The fiduciary funds 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, 2020**

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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 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, 2020**

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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 collection 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, 2020**

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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, 2020**

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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 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 statement of net position.

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, 2020**

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

**City of Perris**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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

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, 2020**

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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, 2020**

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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 \$17,218,971.

***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***

In May 2020, GASB issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance (GASB Statement No. 95), to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of provisions in certain GASB Statements and Implementation Guides which became effective or were scheduled to become effective for periods beginning after June 15, 2018, and later. The City implemented GASB Statement No. 95 in the fiscal year ended June 30, 2020 and postponed the effective dates of the following GASB Statements:

- GASB Statement No. 84, Fiduciary Activities
- GASB Statement No. 87, Leases
- GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
- GASB Statement No. 90, Majority Equity Interests
- GASB Statement No. 91, Conduit Debt Obligations
- GASB Statement No. 92, Omnibus 2020
- GASB Statement No. 93, Replacement of Interbank Offered Rates

**City of Perris**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

**Note 2 – Cash and Investments**

At June 30, 2020, 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	\$ 209,624,654	\$ 9,776,176	\$ 219,400,830
Restricted assets:			
Cash and investments	143,174,933	11,248,949	154,423,882
Total cash and investments	\$ 352,799,587	\$ 21,025,125	\$ 373,824,712

Cash and investments at June 30, 2020, consist of the following:

Deposits with financial institution	\$ 36,585,973
Petty cash	1,950
Investments	337,236,789
Total cash and investments	\$ 373,824,712

**A. Demand Deposits**

The carrying amounts of the City's cash deposits were \$36,585,973 at June 30, 2020. Bank balances at June 30, 2020, were \$31,970,997 which were fully insured or collateralized with securities held by the pledging financial institutions in the City's name as discussed below. The \$4,614,976 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, 2020**

**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, 2020**

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

**D. Risk Disclosures (Continued)**

**Interest Rate Risk (Continued)**

At June 30, 2020, 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	
Investments:					
Local Agency Investment Fund ("LAIF")	\$ 31,674,646	\$ -	\$ -	\$ -	\$ 31,674,646
United States government sponsored enterprise securities	15,708,702	21,563,799	72,399,335	-	109,671,836
U.S. Treasury Bills	12,619,256	9,771,977	13,593,483	-	35,984,716
Commercial Paper	1,999,420	-	-	-	1,999,420
Negotiable certificates of deposit	248,871	-	258,321	-	507,192
Money market funds	2,975,097	-	-	-	2,975,097
Investments with fiscal agent:					
Money market funds	29,725,079	-	-	-	29,725,079
Local obligation bonds	5,634,201	5,448,664	15,868,812	97,747,126	124,698,803
<b>Total</b>	<b>\$ 100,585,272</b>	<b>\$ 36,784,440</b>	<b>\$ 102,119,951</b>	<b>\$ 97,747,126</b>	<b>\$ 337,236,789</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, 2020	Minimum Legal Rating	Rating				Not Rated	Not Required to be Rated
			AAA	AA	A			
Investments:								
Local Agency Investment Fund ("LAIF")	\$ 31,674,646	N/A	\$ -	\$ -	\$ -	\$ -	\$ 31,674,646	
United States government sponsored enterprise securities	109,671,836	N/A	109,671,836	-	-	-	-	-
U.S. Treasury Bills	35,984,716	A	35,984,716	-	-	-	-	-
Commercial Paper	1,999,420	A	-	-	1,999,420	-	-	-
Negotiable certificates of deposit	507,192	N/A	-	507,192	-	-	-	-
Money market funds	2,975,097	AAA	2,975,097	-	-	-	-	-
Investments with fiscal agent:								
Money market funds	29,725,079	N/A	29,725,079	-	-	-	-	-
Local obligation bonds	124,698,803	A	-	-	-	124,698,803	-	-
<b>Total</b>	<b>\$ 337,236,789</b>		<b>\$ 178,356,728</b>	<b>\$ 507,192</b>	<b>\$ 1,999,420</b>	<b>\$ 124,698,803</b>	<b>\$ 31,674,646</b>	

**City of Perris**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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**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 Farm Credit Bank	U.S. Government Sponsored Enterprise Securities	\$30,817,177	16.86%
Federal Home Loan Bank	U.S. Government Sponsored Enterprise Securities	26,966,793	14.75%
Federal National Mortgage Association	U.S. Government Sponsored Enterprise Securities	25,244,009	13.81%
Federal Home Loan Mortgage Corporation	U.S. Government Sponsored Enterprise Securities	17,782,301	9.73%

***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, 2020, \$31,720,997 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, 2020**

**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, 2020:

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")	-	\$ -	\$ 31,674,646	\$ 31,674,646
United States government sponsored enterprise securities	\$ -	109,671,836	-	109,671,836
U.S. Treasury Bills	35,984,716	-	-	35,984,716
Commercial Paper	-	1,999,420	-	1,999,420
Negotiable certificates of deposit	-	507,192	-	507,192
Money market funds	-	-	2,975,097	2,975,097
Investments with fiscal agent:				
Money market funds	-	-	29,725,079	29,725,079
Local obligation bonds	-	124,698,803	-	124,698,803
<b>Total</b>	<b>\$ 35,984,716</b>	<b>\$ 236,877,251</b>	<b>\$ 64,374,822</b>	<b>\$ 337,236,789</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, 2020, 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, 2020, the City had \$31,674,646 invested in LAIF, which had invested 3.37% 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, 2020**

**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	\$ 4,453,436
CFD 2001-1 Special Tax Bonds (IA1, IA2 and IA3), 2014 Refunding Bonds	9,275,642
CFD 2006-1 Special Tax Bonds, 2014 Refunding Bonds	2,177,342
CFD 2004-3 Special Tax Refunding Bonds (IA1), 2014 Series	6,128,111
CFD 2004-2 Special Tax Refunding Bonds, 2014 Series	3,850,559
CFD 2001-1 Special Tax Refunding Bonds (IA6 and IA7), 2014 Series	11,642,205
CFD 2004-1 Special Tax Refunding Bonds, 2014 Series A	1,904,598
CFD 2003-1 Special Tax Refunding Bonds, 2014 Series	2,899,720
CFD 2005-2 Special Tax Refunding Bonds 2015 Series	11,876,708
CFD 2006-2 Special Tax Refunding Bonds 2015 Series	8,979,980
CFD 2004-3 Special Tax Refunding Bonds (IA2), 2015 Series	7,373,000
CFD 2014-2 Special Tax Refunding Bonds 2015 Series	990,753
CFD 2005-1 Special Tax Refunding Bonds (IA3), 2015 Series	4,144,782
CFD 2005-4 Special Tax Refunding Bonds, 2015 Series	5,148,423
CFD 2005-4 Special Tax Bonds, 2015 Series	2,528,209
CFD 2014-1 Special Tax Bonds, 2017 Series	4,106,640
CFD 2001-1 Special Tax Bonds (IA4 and IA5), 2017 Series	22,202,427
CFD 93-1 and 2004-5 Special Tax Refunding Bonds, 2017 Series	2,783,479
CFD 2014-1 Special Tax Bonds (IA2), 2018 Series	4,099,703
CFD 2014-1 Special Tax Bonds (IA2), 2018 Series	4,752,726
CFD 2007-2 Special Tax Bonds, 2020 Series	3,380,360
Total	<u>\$ 124,698,803</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, 2020**

**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 \$37,620,000 as of June 30, 2020. The Authority retained \$3,905,316 to fund reserve accounts for the above related debt issues.

**Note 4 – Interfund Transactions**

**A. Government-Wide Financial Statements**

**Internal Balances** – At June 30, 2020, the City has the following internal receivable and payable.

<b>Internal Receivable</b>	<b>Internal Payable</b>
	Business-Type Activities
Governmental Activities	\$ 9,412,260

**B. Fund Financial Statements**

**Due To/Due From** – At June 30, 2020. The City had following short-term interfund receivables and payables to cover short-term cash shortfall.

	<b>Due from Other</b>	
<b>Due to Other Funds</b>	General Fund	Total
<b>Governmental Funds:</b>		
Nonmajor Governmental Funds	\$ 1,064,780	\$ 1,064,780
<b>Enterprise Funds:</b>		
Sewer Utility	-	-
Public Utility Authority	3,476,013	3,476,013
Solid Waste Utility	909,858	909,858
<b>Total</b>	\$ 5,450,651	\$ 5,450,651

**Advance To/Advance From** – At June 30, 2020, the City had following long-term interfund receivables and payables.

	<b>Advance to Other Funds</b>
<b>Advance from Other Funds</b>	General Fund
<b>Enterprise Funds</b>	
Public Utility Authority	\$ 4,703,707
Water Utility	322,682
<b>Total</b>	\$ 5,026,389

**City of Perris**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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

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

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 \$4,703,707 as of June 30, 2020.

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 balance of the advances was \$322,682 as of June 30, 2020.

**Transfers** – For the year ended June 30, 2020, the City had the following transfers:

	<b>Transfers In</b>		
	<b>Governmental Funds</b>		
	General Fund	Nonmajor Governmental	Total
<b>Transfers Out</b>			
<b>Governmental Funds:</b>			
General Fund	\$ -	\$ 154,825	\$ 154,825
Perris CEDC Special Revenue Fund	-	49,601	49,601
Nonmajor Governmental Funds	925,000	-	925,000
<b>Total</b>	<b>\$ 925,000</b>	<b>\$ 204,426</b>	<b>\$ 1,129,426</b>

- General Fund transferred \$154,825 to provide funding for capital projects.
- Perris CEDC Special Revenue Fund transferred \$49,601 to nonmajor government funds to provide funding for the City’s 20% of matching requirement for the skill training center construction costs.
- Nonmajor governmental funds transferred \$925,000 to General Fund to provide funding for the street maintenance and improvements.

**City of Perris**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

**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, 2020.

	Balance July 1, 2019	Additions	Deletions	Reclassification	Balance June 30, 2020
<b>Capital assets, not being depreciated:</b>					
Land	\$ 40,433,025	\$ -	\$ -	\$ -	\$ 40,433,025
Construction in progress	34,642,362	17,960,286	-	(620,103)	51,982,545
<b>Total capital assets, not being depreciated</b>	<b>75,075,387</b>	<b>17,960,286</b>	<b>-</b>	<b>(620,103)</b>	<b>92,415,570</b>
<b>Capital assets, being depreciated:</b>					
Buildings	24,097,202	976,162	-	-	25,073,364
Building improvements	8,924,601	-	-	-	8,924,601
Machinery	2,821,466	536,076	-	-	3,357,542
Vehicles	3,189,341	528,027	-	-	3,717,368
Infrastructure	290,313,029	4,837,272	-	620,103	295,770,404
<b>Total capital assets, being depreciated</b>	<b>329,345,639</b>	<b>6,877,537</b>	<b>-</b>	<b>620,103</b>	<b>336,843,279</b>
<b>Less accumulated depreciation for:</b>					
Buildings	(8,027,601)	(582,684)	-	-	(8,610,285)
Building improvements	(5,161,325)	(385,741)	-	-	(5,547,066)
Machinery	(2,264,321)	(151,993)	-	-	(2,416,314)
Vehicles	(2,224,677)	(271,393)	-	-	(2,496,070)
Infrastructure	(184,794,376)	(7,036,337)	-	-	(191,830,713)
<b>Total accumulated depreciation</b>	<b>(202,472,300)</b>	<b>(8,428,148)</b>	<b>-</b>	<b>-</b>	<b>(210,900,448)</b>
<b>Total capital assets, being depreciated, net</b>	<b>126,873,339</b>	<b>(1,550,611)</b>	<b>-</b>	<b>620,103</b>	<b>125,942,831</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 201,948,726</b>	<b>\$ 16,409,675</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 218,358,401</b>

Depreciation expense for capital assets of the governmental activities for the year ended June 30, 2020, is as follows:

General government	\$ 612,316
Public safety	168,413
Public works	7,109,442
Parks and recreation	537,977
<b>Total depreciation expense - governmental activities</b>	<b>\$ 8,428,148</b>

**City of Perris**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

**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, 2020.

	Balance July 1, 2019	Additions	Deletions	Reclassification	Balance June 30, 2020
<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	667,280	-	-	19,988,765
Services	2,429,776	3,000	-	-	2,432,776
Meters	1,405,617	-	-	-	1,405,617
Hydrants	1,271,892	-	-	-	1,271,892
Manholes	885,458	31,500	-	-	916,958
Wells	996,071	-	-	-	996,071
Vehicles	105,079	-	-	-	105,079
<b>Total capital assets, being depreciated</b>	<b>29,377,708</b>	<b>701,780</b>	<b>-</b>	<b>-</b>	<b>30,079,488</b>
<b>Less accumulated depreciation for:</b>					
Major equipment	(302,150)	(27,342)	-	-	(329,492)
Structures and improvements	(117,520)	(7,371)	-	-	(124,891)
Boosters	(35,845)	-	-	-	(35,845)
Reservoirs	(730,402)	(44,945)	-	-	(775,347)
Mains	(7,471,172)	(469,939)	-	-	(7,941,111)
Services	(1,230,386)	(71,645)	-	-	(1,302,031)
Meters	(681,703)	(41,088)	-	-	(722,791)
Hydrants	(660,723)	(32,127)	-	-	(692,850)
Manholes	(356,435)	(18,054)	-	-	(374,489)
Wells	(297,951)	(28,459)	-	-	(326,410)
Vehicles	(105,079)	-	-	-	(105,079)
<b>Total accumulated depreciation</b>	<b>(11,989,366)</b>	<b>(740,970)</b>	<b>-</b>	<b>-</b>	<b>(12,730,336)</b>
<b>Total capital assets, being depreciated, net</b>	<b>17,388,342</b>	<b>(39,190)</b>	<b>-</b>	<b>-</b>	<b>17,349,152</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 17,688,906</b>	<b>\$ (39,190)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,649,716</b>

Depreciation expense for capital assets of the business-type activities for the year ended June 30, 2020, is as follows:

Sewer Utility	\$ 256,224
Public Utility Authority	320,359
Water Utility	164,387
<b>Total depreciation expense - business-type activities</b>	<b>\$ 740,970</b>

**City of Perris**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

**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, 2020.

<b>Governmental Activities:</b>	Balance	Additions	Deletions	Balance	Due Within One Year	Due in More Than One Year
	July 1, 2019			June 30, 2020		
Notes payable	\$ 781,370	\$ -	\$ -	\$ 781,370	\$ -	\$ 781,370
WRCOG Regional Streetlight Program	4,987,537	-	(68,923)	4,918,614	253,528	4,665,086
Revenue bonds	170,480,000	3,450,000	(14,110,000)	159,820,000	6,940,000	152,880,000
Compensated absences	1,114,751	720,102	(622,023)	1,212,830	242,566	970,264
Premium on revenue bonds	3,610,897	32,724	(216,053)	3,427,568	-	3,427,568
Discounts on revenue bonds	(1,056,389)	-	61,398	(994,991)	-	(994,991)
<b>Total</b>	<b>\$179,918,166</b>	<b>\$ 4,202,826</b>	<b>\$ (14,955,601)</b>	<b>\$169,165,391</b>	<b>\$ 7,436,094</b>	<b>\$161,729,297</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, 2020 was \$781,370.

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

The City entered in to an Equipment lease financing agreement with the Banc of America Leasing & Capital, LLC on October 11, 2018 in the amount of \$4,918,614 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 \$4,918,614 as of June 30, 2020. Future debt services under the agreement at June 30, 2020 are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$253,528	\$268,056	\$ 521,584
2022	267,717	253,869	521,586
2023	282,698	238,887	521,585
2024	298,519	223,066	521,585
2025	315,224	206,361	521,585
2026-2030	1,861,319	746,605	2,607,924
2031-2034	1,639,609	185,938	1,825,547
<b>Total</b>	<b>\$ 4,918,614</b>	<b>\$ 2,122,782</b>	<b>\$ 7,041,396</b>

**City of Perris**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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

**A. Governmental Activities (Continued)**

*Revenue Bonds*

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

On April 19, 2010, the Perris Public Financing 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, 2020, the debt was redeemed early through proceeds from the loan paid off by the Successor Agency.

**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, 2020, the Authority has a cash reserve balance for debt service of \$553,761 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2020 was \$4,640,000.

**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, 2020, the Authority has a cash reserve balance for debt service of \$945,153 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2020 was \$9,150,000.

**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, 2020, the Authority has a cash reserve balance for debt service of \$210,205 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2020 was \$2,330,000.



**City of Perris**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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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, 2020, the Authority has a cash reserve balance for debt service of \$580,639 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2020 was \$6,390,000.

**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, 2020, the Authority has a cash reserve balance for debt service of \$338,890 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2020 was \$3,690,000.

**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, 2020, the Authority has a cash reserve balance for debt service of \$919,516 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2020 was \$11,700,000.

**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, 2020, the Authority has a cash reserve balance for debt service of \$174,536 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2020 was \$1,915,000.

**City of Perris**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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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, 2020, the Authority has a cash reserve balance for debt service of \$302,254 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2020 was \$2,840,000.

**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, 2020, the Authority has a cash reserve balance for debt service of \$925,397 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2020 was \$11,045,000.

**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, 2020, the Authority has a cash reserve balance for debt service of \$756,410 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2020 was \$8,685,000.

**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, 2020, the Authority has a cash reserve balance for debt service of \$747,005 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2020 was \$7,365,000.

**City of Perris**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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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 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 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, 2020, the Authority has a cash reserve balance for debt service of \$1,798,934 which is sufficient to cover the reserve requirement. The outstanding balance at June 30, 2020 was \$17,655,000.

**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, 2020, the Authority has a cash reserve balance for debt service of \$2,105,400 which is sufficient to cover the reserve requirement. The outstanding balance at June 30, 2020 was \$19,965,000.

**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, 2020, the Authority has a cash reserve balance for debt service of \$154,334 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2020 was \$535,000.

**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, 2020, the Authority has a cash reserve balance for debt service of \$307,535 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2020 was \$3,925,000.

**City of Perris**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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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, 2020, the Authority has a cash reserve balance for debt service of \$348,220 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2020 was \$4,595,000.

**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, 2020, the Authority has a cash reserve balance for debt service of \$202,313 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2020 was \$2,740,000.

**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, 2020, the Authority has a cash reserve balance for debt service of \$331,804 which is sufficient to the bond indenture reserve requirement. The outstanding balance at June 30, 2020 was \$4,475,000.

**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, 2020 was \$20,500,000.

**City of Perris**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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**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, 2020 was \$2,955,000.

**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, 2020, the Authority has a cash reserve balance for debt service of \$328,616 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2020 was \$4,310,000.

**2018 Revenue Bonds, Series A, IA 3**

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, 2020, the Authority has a cash reserve balance for debt service of \$392,051 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2020 was \$4,965,000.

**2020 Revenue Bonds (Pacific Heritage)**

On June 25, 2020, the Perris Joint Powers Authority issued \$3,450,000 2020 Local Agency Revenue Bonds, to acquire CFD 2007-2 (Pacific Heritage) 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 \$35,000 to \$160,000, commencing September 1, 2021 through September 1, 2040. At June 30, 2020, the Authority has a cash reserve balance for debt service of \$258,105 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance at June 30, 2020 was \$3,450,000.

**City of Perris**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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

**A. Governmental Activities (Continued)**

*Revenue Bonds (Continued)*

**Future Debt Requirement**

Total revenue bonds outstanding was in the amount of \$159,820,000. The future debt service requirement of the revenue bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 6,940,000	\$ 6,144,995	\$ 13,084,995
2022	7,170,000	6,027,705	13,197,705
2023	7,180,000	5,793,549	12,973,549
2024	7,245,000	5,541,387	12,786,387
2025	7,305,000	5,270,563	12,575,563
2026-2030	41,890,000	21,719,798	63,609,798
2031-2035	49,140,000	12,167,542	61,307,542
2036-2040	19,810,000	4,397,057	24,207,057
2041-2045	7,560,000	2,082,335	9,642,335
2046-2050	5,580,000	481,538	6,061,538
Total	<u>\$ 159,820,000</u>	<u>\$ 69,626,469</u>	<u>\$ 229,446,469</u>

**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, 2020.

Business-Type Activities:	Balance			Balance June 30, 2020	Due Within One Year	Due in More Than One Year
	July 1, 2019	Additions	Deletions			
Compensated absences	\$ 57,788	\$ 27,041	\$ (41,018)	\$ 43,811	\$ 8,763	\$ 35,048
<b>Total</b>	<u>\$ 57,788</u>	<u>\$ 27,041</u>	<u>\$ (41,018)</u>	<u>\$ 43,811</u>	<u>\$ 8,763</u>	<u>\$ 35,048</u>

**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.

**City of Perris**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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

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

	Amount of Issue	Outstanding at End of Year
CFD 2001-2 2005 Series B Bonds	\$ 5,210,000	\$ 4,725,000
CFD 2002-1 2013 Refunding Bonds	5,750,000	4,640,000
CFD 2001-2 2014 Refunding Series A Bonds	16,215,000	12,425,000
CFD 2001-1 IA1 2014 Refunding Bonds	1,505,000	1,155,000
CFD 2001-1 IA2 2014 Refunding Bonds	4,270,000	3,190,000
CFD 2001-1 IA3 2014 Refunding Bonds	6,390,000	4,805,000
CFD 2006-1 2014 Refunding Bonds	2,825,000	2,330,000
CFD 2004-3 IA 1 2014 Refunding Bonds	8,615,000	6,390,000
CFD 2004-2 2014 Refunding Bonds	4,695,000	3,690,000
CFD 2001-1 IA6 2014 Refunding Bonds	6,015,000	5,035,000
CFD 2001-1 IA7 2014 Refunding Bonds	7,910,000	6,665,000
CFD 2004-1 2014 Series A Bonds	2,465,000	1,915,000
CFD 2003-1 2014 Refunding Bonds	3,435,000	2,840,000
CFD 2005-2 2015 Refunding Bonds	13,570,000	11,045,000
CFD 2006-2 2015 Series Bonds	9,020,000	8,685,000
CFD 2004-3 IA2 2015 Refunding Bonds	8,285,000	7,365,000
CFD 2014-2 2015 Refunding Bonds	1,540,000	535,000
CFD 2005-1 IA3 2015 Refunding Bonds	4,560,000	3,925,000
CFD 2005-4 (Stratford Ranch) 2015 Refunding Bonds	5,415,000	4,595,000
CFD 2005-4 (Steeplechase) 2015 Refunding Bonds	3,190,000	2,740,000
CFD 2014-1 IA1 (Avelina) 2017 Series Bonds	4,580,000	4,475,000
CFD 2001-1 IA4 (May Farms) 2017 Series A Refunding Bonds	12,240,000	11,235,000
CFD 2001-1 IA5 (May Farms) 2017 Series B Refunding Bonds	7,405,000	6,905,000
CFD 2005-1 IA4 (Perris Valley Vistas) 2017 Series A Refunding Bonds	2,530,000	2,360,000
CFD 93-1 (May Ranch) 2017 Series A Refunding Bonds	2,640,000	1,675,000
CFD 2004-5 (Amber Oaks II) 2017 Series A Refunding Bonds	1,420,000	1,280,000
CFD 2014-1 IA2 (Avelina) 2018 Series A Bonds	4,410,000	4,310,000
CFD 2014-1 IA 3 2018 Series A Bonds	4,980,000	4,965,000
CFD 2007-2 (2020 Series)	3,450,000	3,450,000
Total		\$ 139,350,000

***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, 2020 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	9,315,000
Total	\$ 50,550,000

**City of Perris**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

**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 \$1,212,830 and \$43,811, respectively at June 30, 2020. 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.

**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, 2020, and pension expense for the year then ended are as follows:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Deferred outflows of resources:</b>			
Pension contribution made after measurement date:			
Miscellaneous	\$ 11,980,561	\$ 486,203	\$ 12,466,764
Safety	3,852,259	-	3,852,259
Total pension contribution made after measurement date	<u>15,832,820</u>	<u>486,203</u>	<u>16,319,023</u>
Change in assumptions:			
Miscellaneous	485,409	19,699	505,108
Safety	150,880	-	150,880
Total change in assumptions	<u>636,289</u>	<u>19,699</u>	<u>655,988</u>
Differences between expected and actual experience on pension investments:			
Miscellaneous	707,014	28,693	735,707
Safety	240,338	-	240,338
Total differences between expected and actual experience	<u>947,352</u>	<u>28,693</u>	<u>976,045</u>
Differences between City's proportion change			
Miscellaneous	441,124	17,902	459,026
Safety	6,510	-	6,510
Total differences between City's proportion change	<u>447,634</u>	<u>17,902</u>	<u>465,536</u>
<b>Total deferred outflows of resources</b>	<u>\$ 17,864,095</u>	<u>\$ 552,497</u>	<u>\$ 18,416,592</u>
<b>Aggregate net pension liabilities:</b>			
Miscellaneous	\$ 10,179,584	\$ 413,115	\$ 10,592,699
Safety	3,681,042	-	3,681,042
<b>Total aggregate net pension liabilities</b>	<u>\$ 13,860,626</u>	<u>\$ 413,115</u>	<u>\$ 14,273,741</u>



**City of Perris**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

**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	\$ 172,074	\$ 6,983	\$ 179,057
Safety	29,443	-	29,443
Total change in assumptions	201,517	6,983	208,500
Differences between expected and actual experience			
Miscellaneous	54,780	2,223	57,003
Safety	-	-	-
Total differences between expected and actual experience	54,780	2,223	57,003
Difference in projected and actual earnings on pension investments:			
Miscellaneous	177,970	7,223	185,193
Safety	50,640	-	50,640
Total difference in projected and actual earnings on pension investments	228,610	7,223	235,833
Difference between City's proportion change:			
Safety	54,595	-	54,595
Difference between City's contribution and proportionate share of contributions:			
Miscellaneous	402,924	16,352	419,276
Safety	196,599	-	196,599
Total difference between City's contribution and proportionate share of contributions	599,523	16,352	615,875
<b>Total deferred inflows of resources</b>	<b>\$ 1,139,025</b>	<b>\$ 32,781</b>	<b>\$ 1,171,806</b>
<b>Pension Expense (Credit):</b>			
Miscellaneous	\$ 2,244,854	\$ 103,397	\$ 2,348,251
Safety	467,459	-	467,459
<b>Total pension expense (credit)</b>	<b>\$ 2,712,313</b>	<b>\$ 103,397</b>	<b>\$ 2,815,710</b>

**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, 2020**

**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, 2018, valuation date, the following employees were covered by benefit terms:

	Plans			
	Miscellaneous			Safety
	Classic	Tire II	PEPRA	Classic
Active employees	41	10	41	0
Transferred and terminated employees	53	1	14	12
Retired Employees and Beneficiaries	122	0	0	56
Total	216	11	55	68

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, 2020, for the City has contracted:

	Plans			
	Miscellaneous			Safety
	Classic	Tire II	PEPRA	Classic
		January 1, 2010		
Hire date	Prior to January 1, 2013	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)	12.212%	7.634%	6.842%	0.000%
Employer contribution rate (current fiscal year)	13.182%	8.081%	6.985%	0.000%

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.

**City of Perris**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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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)

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 measurement period ended June 30, 2019, the total pension liability was determined by rolling forward the June 30, 2018 total pension liability. The June 30, 2019 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Various by Entry Age and Service
Mortality Rate Table <sup>1</sup>	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter

<sup>1</sup>The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

**City of Perris**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

**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)***

Change of Assumption

In 2019, there were no change of assumption.

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 follows:

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.

**City of Perris**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

**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)***

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:

	<b>Plan's Aggregate Net Pension Liability</b>		
	<b>Discount Rate</b>	<b>Current Discount</b>	<b>Discount Rate</b>
	<b>- 1% (6.15%)</b>	<b>Rate (7.15%)</b>	<b>+ 1% (8.15%)</b>
Miscellaneous Plan	\$ 16,991,244	\$ 10,592,699	\$ 5,311,152
Safety Plan	5,575,422	3,681,042	2,127,947
<b>Total</b>	<b>\$ 22,566,666</b>	<b>\$ 14,273,741</b>	<b>\$ 7,439,099</b>

Pension Plan Fiduciary Net Position

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

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:

	<b>Miscellaneous Plan</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension</b>	<b>Plan Fiduciary</b>	<b>Net Pension</b>
	<b>Liability</b>	<b>Net Position</b>	<b>Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(c) = (a) - (b)</b>
Balance at June 30, 2018 (Valuation Date)	\$ 39,717,858	\$ 30,219,667	\$ 9,498,191
Balance at June 30, 2019 (Measurement Date)	43,377,862	32,785,163	10,592,699
Net Changes during 2018-2019	3,660,004	2,565,496	1,094,508

	<b>Safety Plan</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension</b>	<b>Plan Fiduciary</b>	<b>Net Pension</b>
	<b>Liability</b>	<b>Net Position</b>	<b>Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(c) = (a) - (b)</b>
Balance at June 30, 2018 (Valuation Date)	\$ 11,527,470	\$ 8,054,228	\$ 3,473,242
Balance at June 30, 2019 (Measurement Date)	11,414,039	7,732,997	3,681,042
Net Changes during 2018-2019	(113,431)	(321,231)	207,800

**City of Perris**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

**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)

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, 2018). 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, 2019). 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, 2019 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2018-19).
- (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, 2018	0.09857%	0.03604%
June 30, 2019	0.10337%	0.03592%
Change - Increase (Decrease)	0.00481%	-0.00012%

For the year ended June 30, 2020, the City recognized pension expense in the amounts of \$2,348,251 and \$467,459 for the miscellaneous plan and safety plan, respectively.

**City of Perris**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

**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)

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 2018-19 measurement period is 3.8 years, which was obtained by dividing the total service years of 530,470 (the sum of remaining service lifetimes of the active employees) by 140,593 (the total number of participants: active, inactive, and retired).

As of June 30, 2019, the measurement date, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	<b>Miscellaneous Plan</b>		<b>Safety Plan</b>	
	<b>Deferred outflows of Resources</b>	<b>Deferred inflows of Resources</b>	<b>Deferred outflows of Resources</b>	<b>Deferred inflows of Resources</b>
Contribution made after the measurement date	\$ 12,466,764	\$ -	\$ 3,582,259	\$ -
Changes of assumptions	505,108	(179,057)	150,880	(29,443)
Difference between expected and actual experience	735,707	(57,003)	240,338	-
Net difference between projected and actual earning on pension plan investments	-	(185,193)	-	(50,640)
Adjustment due to differences in proportions	459,026	-	6,510	(54,595)
Difference between the City's contributions and proportionate share of contributions	-	(419,276)	-	(196,599)
Total	<u>\$ 14,166,605</u>	<u>\$ (840,529)</u>	<u>\$ 3,979,987</u>	<u>\$ (331,277)</u>

\$12,466,764 and \$3,582,259 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, 2021. 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	<b>Deferred Outflows/(Inflows) of Resources</b>	
	<b>Miscellaneous Plan</b>	<b>Safety Plan</b>
2021	\$ 775,964	\$ 118,743
2022	(66,511)	(76,535)
2023	112,437	14,391
2024	37,422	9,852
2025	-	-
Thereafter	-	-
	<u>\$ 859,312</u>	<u>\$ 66,451</u>

**C. Payable to the Pension Plan**

At June 30, 2020, the City reported a payable of \$53,294, 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, 2020.

**City of Perris**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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

Net OPEB liabilities and related deferred outflows of resources and deferred inflows of resources at June 30, 2020 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:	\$ 2,122,766	\$ 108,906	\$ 2,231,672
Differences between expected and actual experience	1,478,356	75,845	1,554,201
<b>Total deferred outflows of resources</b>	<b>3,601,122</b>	<b>184,751</b>	<b>3,785,873</b>
<b>Net other postemployment benefits liabilities</b>	<b>\$ 20,979,878</b>	<b>\$ 1,076,345</b>	<b>\$ 22,056,223</b>
<b>Deferred inflows of resources:</b>			
Differences between expected and actual experience	\$ 9,508	\$ 487	\$ 9,995
<b>OPEB Expense</b>	<b>\$ 2,283,581</b>	<b>\$ 117,156</b>	<b>\$ 2,400,737</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. The maximum contribution for the 2020 calendar year is as follows:

Contribution (Maximum)		
Employee only	Employee and 1 dependent	Employee and 2+ dependent
\$ 931	\$ 1,862	\$ 1,732



**City of Perris**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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

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

Funding Policy (Continued)

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

<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 June 30, 2019, actuarial valuation, the following current and former employees were covered by the benefit terms under the CPRHP:

Active employees	96
Inactive employees or beneficiaries currently receiving benefit payments	56
Inactive employees entitled to, but not receiving benefit payments	0
Total	152

**B. Total OPEB Liability**

Actuarial Methods and Assumptions Used to Determine Total OPEB Liability

The total OPEB liability as of June 30, 2020 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, 2020**

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**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	June 30, 2019
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 (6.5 years).
Actuarial Assumptions:	
Discount Rate	2.20%, net of investment expense, including inflation
Inflation	2.75%
Salary Increases	2.75% per year
Healthcare cost trend rates	4.00%
Retiree's share of cost	Retiree liabilities are based on actual retiree premium plus an implicit rate subsidy of 93.4% of non-Medicare medical premium. Liabilities for active participants are based on the first year costs shown below, which include the implicit rate subsidy. Subsequent years' costs are based on first year costs adjusted for trend and limited by any City contribution caps.
Mortality	2017 CalPERS Mortality for Miscellaneous and Schools Employees

Change in Assumptions

The discount rate decreased from 3.50% at June 30, 2019 to 2.20% at June 30, 2020.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.20%. 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, 2020**

**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, 2019	\$ 16,782,893	\$ -	\$ 16,782,893
Changes Recognized for the Measurement Period:			
Service Cost	1,089,408	-	1,089,408
Interest on the total OPEB liability	594,810	-	594,810
Changes of benefit terms	-	-	-
Changes of assumptions	2,461,670	-	2,461,670
Difference between expected and actual experience	1,836,784	-	1,836,784
Contributions from the employer	-	709,342	(709,342)
Contributions from employees	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of employee contributions	(709,342)	(709,342)	-
Administrative Expense	-	-	-
Net Changes during July 1, 2019 to June 30, 2020	<u>\$ 5,273,330</u>	<u>\$ -</u>	<u>\$ 5,273,330</u>
Balance at June 30, 2020 (Measurement Date)	<u>\$ 22,056,223</u>	<u>\$ -</u>	<u>\$ 22,056,223</u>

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 (1.20 percent) or 1-percentage-point higher (3.20 percent) than the current discount rate:

Plan's Net OPEB Liability		
Discount Rate - 1% (1.20%)	Current Discount Rate (2.20%)	Discount Rate + 1% (3.20%)
\$ 25,978,053	\$ 22,056,223	\$ 18,959,104

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 (3.00%)	Current Healthcare Cost Trend Rate (4.00%)	Current Rate + 1% Rate (5.00%)
\$18,570,278	\$ 22,056,223	\$26,609,920

**City of Perris**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

**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, 2020, the City recognized OPEB expenses in the amount of \$2,400,737. As of June 30, 2020, 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	\$ 2,231,672	\$ -
Difference between expected and actual experience	1,554,201	(9,995)
Total	\$ 3,785,873	\$ (9,995)

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 6.5 years as follows:

	<b>Deferred Outflows/(Inflows) of Resources OPEB Plan</b>
Year Ending June 30	
2021	\$ 716,519
2022	744,811
2023	661,302
2024	661,302
2025	661,302
Thereafter	330,642
	\$ 3,775,878

**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, 2020, the City had an excess of funds of \$1,237,067 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, 2020**

**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, 2020, 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 Benefit District	Perris CEDC		
<b>Nonspendable:</b>									
Prepaid items	\$ 4,823	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,823
Advances to other funds	5,026,389	-	-	-	-	-	-	-	5,026,389
Deposits	2,696,370	-	-	-	-	-	-	-	2,696,370
<b>Total nonspendable</b>	<b>7,727,582</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,727,582</b>
<b>Restricted:</b>									
Development	-	-	-	-	-	-	-	18,949,005	18,949,005
Debt service	-	40,455,221	125,241,521	-	-	-	-	-	165,696,742
Air quality management	-	-	-	-	-	-	-	97,956	97,956
Traffic safety	-	-	-	-	-	-	-	1,737,346	1,737,346
Lighting and landscape maintenance	-	-	-	-	-	-	-	8,849,339	8,849,339
Streets and flood control	-	-	-	-	78,644,927	-	-	11,389,364	90,034,291
Community development	-	-	-	-	-	2,616,243	4,396,425	358,274	7,370,942
Construction	-	-	-	-	888,206	-	-	17,693,266	18,581,472
<b>Total restricted</b>	<b>-</b>	<b>40,455,221</b>	<b>125,241,521</b>	<b>-</b>	<b>888,206</b>	<b>78,644,927</b>	<b>2,616,243</b>	<b>4,396,425</b>	<b>59,074,550</b>
<b>Committed</b>									
Economic uncertainty	17,218,971	-	-	-	-	-	-	-	17,218,971
Library endowment	1,000,000	-	-	-	-	-	-	-	1,000,000
<b>Total committed</b>	<b>18,218,971</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,218,971</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>6,200,000</b>
<b>Unassigned</b>	<b>10,637,036</b>	<b>-</b>	<b>-</b>	<b>(2,967)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,261,664)</b>	<b>9,372,405</b>
<b>Total fund balance</b>	<b>42,783,589</b>	<b>40,455,221</b>	<b>125,241,521</b>	<b>(2,967)</b>	<b>888,206</b>	<b>78,644,927</b>	<b>2,616,243</b>	<b>4,396,425</b>	<b>57,812,886</b>
									<b>352,836,051</b>

**City of Perris**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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

The following funds had expenditures in excess of appropriations for the year ended June 30, 2020:

Fund	Appropriations	Expenditures	Excess of Expenditures over Appropriations
<b>Major Governmental Funds:</b>			
General Fund			
General government	\$ 11,414,568	\$ 14,439,094	\$ (3,024,526)
Public works	3,064,765	3,157,253	(92,488)
Parks and recreation	5,172,208	6,285,486	(1,113,278)
Public Financing Authority Debt Service Fund			
Debt service:			
Principal retirement	1,865,000	8,765,000	(6,900,000)
Interest	990,300	1,462,808	(472,508)
Joint Powers Authority Debt Service Fund			
Principal retirement	5,035,000	5,345,000	(310,000)
<b>Nonmajor Governmental Funds:</b>			
City-Wide Lighting District Special Revenue Fund			
Public works	192,716	298,205	(105,489)
Lighting District No. 84-1 Special Revenue Fund			
Public works	1,311,006	1,765,208	(454,202)
Capital outlay	12,504	3,884,686	(3,872,182)
Debt service:			
Principal retirement	-	68,923	(68,923)
Interest	-	453,401	(453,401)
CDBG Grant Special Revenue Fund			
Community development	262,082	280,670	(18,588)

**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, 2020 is \$2,463,246.

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, 2020 is \$408,536.

**City of Perris**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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**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, 2020, the latest financial information obtained from the March Joint Powers Authority is as follows:

Assets and deferred outflows of resources	\$ 217,966,002
Liabilities and deferred inflows of resources	\$ 11,881,352
Net position	\$ 206,084,650
Revenues	\$ 12,099,681
Expenses	\$ 12,758,145
Changes in net position	\$ (658,464)

**Note 15 – Commitments and Contingencies**

**Encumbrances**

As of June 30, 2020, the City had outstanding encumbrances in various funds totaling \$6,611,529 at June 30, 2020 as follows:

	<b>Outstanding Encumbrances</b>
<b>Governmental Funds:</b>	
General Fund	\$ 1,067,648
Capital Improvement Projects Capital Projects Fund	1,087,839
Road and Bridge Benefit District Special Revenue Fund	1,698,867
Perris CEDC Special Revenue Fund	180,839
Housing Authority Special Revenue Fund	29,957
Nonmajor governmental funds	2,529,368
Total governmental funds	6,594,518
<b>Enterprise Funds:</b>	
Public Utility Authority	2,057
Sewer	9,362
Solid Waste Utility	5,592
Total enterprise funds	17,011
Total	\$ 6,611,529

**City of Perris**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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**Note 15 – Commitments and Contingencies (Continued)**

**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 was denied by the California Public Utilities Commission (the “CPUC”).

**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, 2020 is \$335,048 which consists of land.



**City of Perris**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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

***B. Long-Term Liabilities***

The following is a summary of the changes in the Successor Agency long-term liabilities for the year ended June 30, 2020:

	Balance			Balance	
	July 1, 2019	Addition	Deletion	June 30, 2020	Due in one year
Loans payable to PFA	\$ 46,385,000	\$ -	\$ (8,765,000)	\$ 37,620,000	\$ 1,865,000
Loan premiums	2,265,671	-	(152,917)	2,112,754	-
Subordinate Tax Allocation Refunding Bonds, Series 2018	13,925,000	-	(350,000)	13,575,000	485,000
Subordinate Tax Allocation Refunding Bonds, Series 2019	-	6,945,000	-	6,945,000	165,000
Discounts on revenue bonds	(77,558)	(93,605)	9,527	(161,636)	-
<b>Total</b>	<b>\$ 62,498,113</b>	<b>\$ 6,851,395</b>	<b>\$ (9,258,390)</b>	<b>\$ 60,091,118</b>	<b>\$ 2,515,000</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 3 loans receivable for the related bond issues of the Authority.

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

	Amount Issued	Loans Payable		Due in more than one year
		End of the Year	Due in one 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	-	-	-
2015 Series A Issue	21,590,000	17,655,000	1,035,000	16,620,000
2015 Series B Issue	23,120,000	19,965,000	830,000	19,135,000
<b>Total</b>	<b>\$ 69,040,000</b>	<b>\$ 37,620,000</b>	<b>\$ 1,865,000</b>	<b>\$ 35,755,000</b>

The balance at June 30, 2020, of the accounts with retained funds is \$3,905,316 by the Authority and is reflected as deposits in the fiduciary fund statements.

**City of Perris**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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

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

**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
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	555,000	461,742	1,016,742
2026-2030	3,035,000	2,002,702	5,037,702
2031-2035	2,995,000	1,486,632	4,481,632
2036-2040	4,975,000	636,673	5,611,673
Total	<u>\$ 13,575,000</u>	<u>\$ 6,599,980</u>	<u>\$ 20,174,980</u>

**Subordinate Tax Allocation Refunding Bonds, Series 2019**

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. The refunding resulted in an economic gain in the amount of \$1,998,293 and saving in debt service payments in the amount of \$2,954,813.

The annual debt service requirements to mature as follows:

Year Ended June 30,	Principal	Interest	Total
2021	\$ 165,000	\$ 111,508	\$ 276,508
2022	125,000	219,815	344,815
2023	125,000	217,215	342,215
2024	130,000	214,490	344,490
2025	140,000	211,565	351,565
2026-2030	735,000	1,004,522	1,739,522
2031-2035	1,615,000	888,136	2,503,136
2036-2040	3,910,000	359,663	4,269,663
Total	<u>\$ 6,945,000</u>	<u>\$ 3,226,914</u>	<u>\$ 10,171,914</u>

**City of Perris**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2020**

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

***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.

**Note 17 – Subsequent Events**

On November 5, 2020, the Perris Joint Powers Authority issued \$2,705,000, 2020 Local Agency Revenue Bonds, to acquire CFD 2018-1 (Green Valley-West Elm) 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 2.375% to 4.00% per annum. Principal on serial bonds is payable in annual installments ranging from \$35,000 to \$160,000, commencing September 1, 2022 through September 1, 2036.

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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, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 40,520,413	\$ 42,718,922	\$ 48,082,557	\$ 5,363,635
Licenses, permits and fees	3,048,605	3,048,605	2,888,931	(159,674)
Intergovernmental revenues	104,555	199,555	61,711	(137,844)
Charges for services	927,971	945,723	598,715	(347,008)
Fines, forfeitures and penalties	694,163	709,520	612,790	(96,730)
Developer fees	189,000	189,000	-	(189,000)
Investment earnings	1,000,000	1,000,000	1,334,397	334,397
Contributions	2,853,337	2,853,337	2,892,366	39,029
Miscellaneous	84,829	84,829	55,666	(29,163)
<b>Total revenues</b>	<b>49,422,873</b>	<b>51,749,491</b>	<b>56,527,133</b>	<b>4,777,642</b>
<b>EXPENDITURES:</b>				
Current:				
General government	10,588,265	11,414,568	14,439,094	(3,024,526)
Public safety	30,002,302	43,842,555	32,712,176	11,130,379
Public works	2,704,894	3,064,765	3,157,253	(92,488)
Parks and recreation	4,791,309	5,172,208	6,285,486	(1,113,278)
Capital outlay	769,223	2,569,843	1,434,887	1,134,956
<b>Total expenditures</b>	<b>48,855,993</b>	<b>66,063,939</b>	<b>58,028,896</b>	<b>8,035,043</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>566,880</b>	<b>(14,314,448)</b>	<b>(1,501,763)</b>	<b>12,812,685</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	925,000	925,000	925,000	-
Transfers out	(1,142,000)	(1,142,000)	(154,825)	987,175
Proceeds from sale of capital assets	382,190	382,190	-	(382,190)
<b>Total other financing sources (uses)</b>	<b>165,190</b>	<b>165,190</b>	<b>770,175</b>	<b>604,985</b>
<b>Net change in fund balance</b>	<b>\$ 732,070</b>	<b>\$ (14,149,258)</b>	<b>(731,588)</b>	<b>\$ 13,417,670</b>
<b>FUND BALANCE:</b>				
Beginning of year			43,515,177	
End of year			<u>\$ 42,783,589</u>	

**City of Perris**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule**  
**Road and Bridge Benefit Special Revenue Fund**  
**For the Year Ended June 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Developer fees	\$ 2,000,000	\$ 10,000,000	\$ 8,973,842	\$ (1,026,158)
Investment earnings	8,000	8,000	2,044,831	2,036,831
<b>Total revenues</b>	<u>2,008,000</u>	<u>10,008,000</u>	<u>11,018,673</u>	<u>1,010,673</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	10,000	10,000	-	10,000
Capital outlay	41,713,508	43,976,408	4,502,202	39,474,206
<b>Total expenditures</b>	<u>41,723,508</u>	<u>43,986,408</u>	<u>4,502,202</u>	<u>39,484,206</u>
<b>Net change in fund balance</b>	<u>\$ (39,715,508)</u>	<u>\$ (33,978,408)</u>	6,516,471	<u>\$ 40,494,879</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>72,128,456</u>	
End of year			<u>\$ 78,644,927</u>	



**City of Perris**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule**  
**Perris CEDC Special Revenue Fund**  
**For the Year Ended June 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for service	\$ 92,000	\$ 103,340	\$ 95,244	\$ (8,096)
Investment earnings	20,000	20,000	80,058	60,058
Miscellaneous	500	500	-	(500)
<b>Total revenues</b>	<u>112,500</u>	<u>123,840</u>	<u>175,302</u>	<u>51,462</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	1,081,385	1,118,685	547,113	571,572
Capital outlay	2,241,876	2,169,874	114,917	2,054,957
<b>Total expenditures</b>	<u>3,323,261</u>	<u>3,288,559</u>	<u>662,030</u>	<u>2,626,529</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(3,210,761)</u>	<u>(3,164,719)</u>	<u>(486,728)</u>	<u>2,677,991</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	-	-	(49,601)	(49,601)
<b>Total other financing uses</b>	<u>-</u>	<u>-</u>	<u>(49,601)</u>	<u>(49,601)</u>
<b>Net change in fund balance</b>	<u>\$ (3,210,761)</u>	<u>\$ (3,164,719)</u>	<u>(536,329)</u>	<u>\$ 2,628,390</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>3,152,572</u>	
End of year			<u>\$ 2,616,243</u>	

**City of Perris**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule**  
**Housing Authority Special Revenue Fund**  
**For the Year Ended June 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for service	\$ 23,500	\$ 45,369	\$ 90,640	\$ 45,271
Investment earnings	-	-	42,872	42,872
<b>Total revenues</b>	<u>23,500</u>	<u>45,369</u>	<u>133,512</u>	<u>88,143</u>
<b>EXPENDITURES:</b>				
Current:				
Economic development	1,384,691	1,461,124	1,433,660	27,464
<b>Total expenditures</b>	<u>1,384,691</u>	<u>1,461,124</u>	<u>1,433,660</u>	<u>27,464</u>
<b>REVENUES OVER EXPENDITURES</b>	<u>(1,361,191)</u>	<u>(1,415,755)</u>	<u>(1,300,148)</u>	<u>115,607</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	711,463	711,463	-	(711,463)
<b>Total other financing sources</b>	<u>711,463</u>	<u>711,463</u>	<u>-</u>	<u>(711,463)</u>
<b>Net change in fund balance</b>	<u>\$ (649,728)</u>	<u>\$ (704,292)</u>	(1,300,148)	<u>\$ (595,856)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>5,696,573</u>	
End of year			<u>\$ 4,396,425</u>	

**City of Perris**  
**Required Supplementary Information (Unaudited)**  
**Notes to the Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2020**

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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, Community Facilities District 14-1 IA1 Capital Project Fund, Community Facilities District 14-1 IA2 Capital Projects Fund, Community Facilities District 14-1 IA3 Capital Projects Fund, and Community Facilities District 2007-02 (Pacific Heritage) CPF 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, 2020, proceeds of taxes did not exceed appropriations.

**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, 2020**

**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 periods after GASB 68 implementation in 2013-14. Additional years of information will be presented as it becomes available.

**City of Perris**  
**Required Supplementary Information (Unaudited)**  
**Schedule of the City's Proportionate Share of Net Pension Liability and Related Ratios (Continued)**  
**For the Year Ended June 30, 2020**

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**Last Ten Fiscal Years**

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

Measurement Period	2018-19
City's Proportion of the Net Pension Liability	0.10337%
City's Proportionate Share of the Net Pension Liability	10,592,699
City's Covered Payroll	7,133,025
City's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	148.50%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	75.58%

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

Measurement Period	2018-19
City's Proportion of the Net Pension Liability	0.03592%
City's Proportionate Share of the Net Pension Liability	3,681,042
City's Covered Payroll	-
City's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	100.00%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	67.75%

**City of Perris**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Contributions - Pensions**  
**For the Year Ended June 30, 2020**

**Last Ten Fiscal Years**

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

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

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

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

<sup>1</sup> Historical information is presented only for periods after GASB 68 implementation in 2013-14. Additional years of information will be presented as it becomes available.

<sup>2</sup> Included one year's payroll growth using 2.75 percent payroll assumption from 2018-19 to 2019-20

**Notes to Schedule:**

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

Changes of Assumptions: In 2019, there were no changes in 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, 2020**

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**Last Ten Fiscal Years**

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

Fiscal Year	2018-19	2019-20
Actuarially determined contribution	\$ 1,062,209	\$ 12,466,764
Contributions in relation to the actuarially determined contribution	(1,062,209)	(12,466,764)
Contribution deficiency (excess)	\$ -	\$ -
Covered payroll	\$ 7,133,025	\$ 7,329,183
Contributions as a percentage of covered payroll	14.89%	170.10%

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

Fiscal Year	2018-19	2019-20
Actuarially determined contribution	\$ 217,996	\$ 3,852,259
Contributions in relation to the actuarially determined contribution	(217,996)	(3,852,259)
Contribution deficiency (excess)	\$ -	\$ -
Covered payroll	\$ -	\$ -
Contributions as a percentage of covered payroll	N/A	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, 2020**

Last Ten Fiscal Years

**Other Postemployment Benefits Plan**

Measurement period	2017-18 <sup>1</sup>	2018-19	2019-20
<b>Total OPEB liability</b>			
Service cost	\$ 476,039	\$ 490,320	\$ 1,089,408
Interest	570,709	585,528	594,810
Differences between expected and actual experience	-	(17,951)	1,836,784
Changes in assumptions	-	267,111	2,461,670
Benefit payments, including refunds of employee contributions	(629,983)	(650,872)	(709,342)
<b>Net change in total OPEB liability</b>	416,765	674,136	5,273,330
<b>Total OPEB liability - beginning</b>	15,691,992	16,108,757	16,782,893
<b>Total OPEB liability - ending (a)</b>	<u>\$ 16,108,757</u>	<u>\$ 16,782,893</u>	<u>\$ 22,056,223</u>
<b>OPEB fiduciary net position</b>			
Contributions - employer	\$ 629,983	\$ 650,872	\$ 709,342
Contributions - employee	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of employee contributions	(629,983)	(650,872)	(709,342)
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>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Plan net OPEB liability - ending (a) - (b)</b>	<u>\$ 16,108,757</u>	<u>\$ 16,782,893</u>	<u>\$ 22,056,223</u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
<b>Covered employee payroll</b>	<u>\$ 6,121,998</u>	<u>\$ 6,305,648</u>	<u>\$ 8,232,990</u>
<b>Plan net OPEB liability as a percentage of covered payroll</b>	<u>263.13%</u>	<u>266.16%</u>	<u>267.90%</u>

<sup>1</sup>Historical information is presented only for periods after GASB 75 implementation in 2017-18. Additional years of information will be presented as it becomes available.

**Notes to Schedule:**

Changes of Assumptions: In 2020, the accounting discount rate reduced from 3.50 percent to 2.20 percent.



**City of Perris**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Contributions - Other Postemployment Benefits Plan**  
**For the Year Ended June 30, 2020**

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**Last Ten Fiscal Years**

**Other Postemployment Benefits Plan**

Fiscal Year	2017-18 <sup>1</sup>	2018-19	2019-20
Actuarially determined contribution	\$ 511,920	\$ 526,310	N/A
Contributions in relation to the actuarially determined contribution	(629,983)	(650,872)	(709,342)
Contribution deficiency (excess)	\$ (118,063)	\$ (124,562)	N/A
Covered employee payroll	\$ 6,121,998	\$ 6,305,648	\$ 8,232,990
Contributions as a percentage of covered employee payroll	10.29%	10.32%	8.62%

<sup>1</sup> Historical information is presented only for periods after GASB 75 implementation in 2017-18. Additional years of information will be presented as it becomes available.

**Notes to Schedule:**

Methods and assumptions used to determine contribution rates:

Valuation date	June 30, 2019
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level Percent Payroll
Asset valuation method	Market Value
Inflation	2.75% per annum
Discount rate	2.20%
Payroll Growth	2.75% per annum, in aggregate
Individual salary growth	N/A
Medical Trend Rates	4.00%

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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, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment earnings	\$ 1,181,000	\$ 1,181,000	\$ 51,148	\$ (1,129,852)
Contributions	5,345,000	5,345,000	4,292,840	(1,052,160)
Miscellaneous	-	-	5,540	5,540
<b>Total revenues</b>	<u>6,526,000</u>	<u>6,526,000</u>	<u>4,349,528</u>	<u>(2,176,472)</u>
<b>EXPENDITURES:</b>				
Debt service:				
Principal retirement	1,865,000	1,865,000	8,765,000	(6,900,000)
Interest and fiscal charges	988,800	990,300	1,462,808	(472,508)
<b>Total expenditures</b>	<u>2,853,800</u>	<u>2,855,300</u>	<u>10,227,808</u>	<u>(7,372,508)</u>
<b>Net change in fund balance</b>	<u>\$ 3,672,200</u>	<u>\$ 3,670,700</u>	(5,878,280)	<u>\$ (9,548,980)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>46,333,501</u>	
End of year			<u>\$ 40,455,221</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, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment earnings	\$ 2,060,300	\$ 2,060,300	\$ 4,321,754	\$ 2,261,454
Contributions	26,000	26,000	248,242	222,242
Miscellaneous	-	-	13,683	13,683
<b>Total revenues</b>	<u>2,086,300</u>	<u>2,086,300</u>	<u>4,583,679</u>	<u>2,497,379</u>
<b>EXPENDITURES:</b>				
Current:				
General government	52,500	54,250	27,400	26,850
Community development	-	469,153	52,868	416,285
Debt service:				
Debt issuance costs	-	289,060	156,750	132,310
Principal retirement	5,035,000	5,035,000	5,345,000	(310,000)
Interest and fiscal charges	4,995,000	4,995,000	4,866,637	128,363
<b>Total expenditure</b>	<u>10,082,500</u>	<u>10,842,463</u>	<u>10,448,655</u>	<u>393,808</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(7,996,200)</u>	<u>(8,756,163)</u>	<u>(5,864,976)</u>	<u>2,891,187</u>
<b>OTHER FINANCING SOURCES:</b>				
Issuance of long-term debt	-	4,980,000	3,450,000	(1,530,000)
Issuance premium	-	-	32,724	32,724
<b>Total other financing sources</b>	<u>-</u>	<u>4,980,000</u>	<u>3,482,724</u>	<u>(1,497,276)</u>
<b>Net change in fund balance</b>	<u>\$ (7,996,200)</u>	<u>\$ (3,776,163)</u>	<u>(2,382,252)</u>	<u>\$ 1,393,911</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>127,623,773</u>	
End of year			<u>\$ 125,241,521</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, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Developer fees	\$ 40,000	\$ 40,000	\$ 578,852	\$ 538,852
Investment earnings	16,000	16,000	-	(16,000)
<b>Total revenues</b>	<u>56,000</u>	<u>56,000</u>	<u>578,852</u>	<u>522,852</u>
<b>EXPENDITURES:</b>				
Capital outlay	12,538,799	11,537,646	578,852	10,958,794
<b>Total expenditures</b>	<u>12,538,799</u>	<u>11,537,646</u>	<u>578,852</u>	<u>10,958,794</u>
<b>Net change in fund balance</b>	<u>\$ (12,482,799)</u>	<u>\$ (11,481,646)</u>	\$ -	<u>\$ 11,481,646</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, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ -	\$ -	\$ 2,410,890	\$ 2,410,890
Developer fees	-	-	601,939	601,939
Investment earnings	10,000	10,000	247,671	237,671
Contributions	-	-	172,060	172,060
<b>Total revenues</b>	<b>10,000</b>	<b>10,000</b>	<b>3,432,560</b>	<b>3,422,560</b>
<b>EXPENDITURES:</b>				
Capital outlay	23,765,923	26,114,941	3,519,273	22,595,668
<b>Total expenditures</b>	<b>23,765,923</b>	<b>26,114,941</b>	<b>3,519,273</b>	<b>22,595,668</b>
<b>Net change in fund balance</b>	<b>\$ (23,755,923)</b>	<b>\$ (26,104,941)</b>	<b>\$ (86,713)</b>	<b>\$ 26,018,228</b>
<b>FUND BALANCE:</b>				
Beginning of year			974,919	
End of year			<u>\$ 888,206</u>	



## 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.

**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 Grant** - 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 Special Revenue Funds (Continued):

**NRPA Grant** -is used to account for grant monies received from the National Recreation and Park Association for park improvement.

### 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 IA3** - is used to account for the capital projects Area No. 3, 2018 Special Tax Bonds, Series A.

**Community Facilities District 2007-2 (Pacific Heritage)** - is used to account for the capital projects Area No. 2007-2 Pacific Heritage area.

**City of Perris**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2020**

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	\$ -	\$ 73,828	\$ 1,766,932	\$ 2,466,338	\$ 688,013
Cash and investments with fiscal agent	-	-	-	-	634,927
Receivable (net):					
Accounts	-	-	-	-	-
Interest	-	39	1,038	1,449	430
Taxes	-	-	9,036	14,829	30,382
Loans	-	-	-	-	-
Due from other governments	-	24,089	42,114	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 97,956</b>	<b>\$ 1,819,120</b>	<b>\$ 2,482,616</b>	<b>\$ 1,353,752</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 81,312	\$ 80,000	\$ 253,548
Retention payable	-	-	-	-	-
Due to other funds	22,849	-	-	-	-
Deposits and other liabilities	-	-	-	-	74,910
<b>Total liabilities</b>	<b>22,849</b>	<b>-</b>	<b>81,312</b>	<b>80,000</b>	<b>328,458</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	-	-	462	6,811	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>462</b>	<b>6,811</b>	<b>-</b>
<b>Fund Balances:</b>					
Restricted	-	97,956	1,737,346	2,395,805	1,025,294
Unassigned	(22,849)	-	-	-	-
<b>Total fund balances</b>	<b>(22,849)</b>	<b>97,956</b>	<b>1,737,346</b>	<b>2,395,805</b>	<b>1,025,294</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ -</b>	<b>\$ 97,956</b>	<b>\$ 1,819,120</b>	<b>\$ 2,482,616</b>	<b>\$ 1,353,752</b>

(Continued)

**City of Perris**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2020**

Special Revenue Funds

	Landscape Maintenance District	Flood Control Maintenance District	Gas Tax	RMRA Grant	Proposition "A"
<b>ASSETS</b>					
Cash and investments	\$ 5,612,910	\$ 11,487,872	\$ 7,025,881	\$ 1,211,144	\$ 5,934,536
Cash and investments with fiscal agent	-	-	-	-	-
Receivable (net):					
Accounts	-	-	-	-	-
Interest	3,091	6,533	4,121	683	3,482
Taxes	47,225	21,130	-	191,971	389,343
Loans	-	-	-	-	-
Due from other governments	-	-	-	-	-
<b>Total assets</b>	<b>\$ 5,663,226</b>	<b>\$ 11,515,535</b>	<b>\$ 7,030,002</b>	<b>\$ 1,403,798</b>	<b>\$ 6,327,361</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 187,761	\$ 87,021	\$ 118,753	\$ 77,732	\$ 82,186
Retention payable	-	18,020	20,390	-	29,820
Due to other funds	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-
<b>Total liabilities</b>	<b>187,761</b>	<b>105,041</b>	<b>139,143</b>	<b>77,732</b>	<b>112,006</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	47,225	21,130	-	-	-
<b>Total deferred inflows of resources</b>	<b>47,225</b>	<b>21,130</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
Restricted	5,428,240	11,389,364	6,890,859	1,326,066	6,215,355
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<b>5,428,240</b>	<b>11,389,364</b>	<b>6,890,859</b>	<b>1,326,066</b>	<b>6,215,355</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 5,663,226</b>	<b>\$ 11,515,535</b>	<b>\$ 7,030,002</b>	<b>\$ 1,403,798</b>	<b>\$ 6,327,361</b>

(Continued)

**City of Perris**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2020**

Special Revenue Funds

	CDBG Grant	State Grants	Federal Grants	Development Fees	HUD NSP-3
<b>ASSETS</b>					
Cash and investments	\$ 43,316	\$ -	\$ -	\$ 19,315,034	\$ -
Cash and investments with fiscal agent	-	-	-	-	-
Receivable (net):					
Accounts	-	-	-	-	-
Interest	-	-	-	11,382	-
Taxes	-	-	-	-	-
Loans	-	-	-	-	-
Due from other governments	31,639	309,193	614,903	-	-
<b>Total assets</b>	<b>\$ 74,955</b>	<b>\$ 309,193</b>	<b>\$ 614,903</b>	<b>\$ 19,326,416</b>	<b>\$ -</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 84,749	\$ 49,195	\$ 202,429	\$ 269,731	\$ -
Retention payable	28,473	-	-	107,680	-
Due to other funds	79,242	186,781	540,565	-	35,995
Deposits and other liabilities	-	-	-	-	-
<b>Total liabilities</b>	<b>192,464</b>	<b>235,976</b>	<b>742,994</b>	<b>377,411</b>	<b>35,995</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	-	289,624	605,403	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>289,624</b>	<b>605,403</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
Restricted	-	-	-	18,949,005	-
Unassigned	(117,509)	(216,407)	(733,494)	-	(35,995)
<b>Total fund balances</b>	<b>(117,509)</b>	<b>(216,407)</b>	<b>(733,494)</b>	<b>18,949,005</b>	<b>(35,995)</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 74,955</b>	<b>\$ 309,193</b>	<b>\$ 614,903</b>	<b>\$ 19,326,416</b>	<b>\$ -</b>

(Continued)

**City of Perris**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2020**

	Special Revenue Funds				Capital Projects Funds
	HOME Grant Program	Local Health Grant	CalVIP	NRPA Grant	Construction
<b>ASSETS</b>					
Cash and investments	\$ 103,332	\$ -	\$ -	\$ 36,953	\$ -
Cash and investments with fiscal agent	-	-	-	-	-
Receivable (net):					
Accounts	-	-	-	-	-
Interest	24,869	-	-	10	-
Taxes	-	-	-	-	-
Loans	193,110	-	-	-	-
Due from other governments	-	71,182	76,388	-	-
<b>Total assets</b>	<b>\$ 321,311</b>	<b>\$ 71,182</b>	<b>\$ 76,388</b>	<b>\$ 36,963</b>	<b>\$ -</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ -	\$ 2,866	\$ -	\$ -	\$ 24,745
Retention payable	-	-	-	-	-
Due to other funds	-	68,316	76,388	-	54,644
Deposits and other liabilities	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>71,182</b>	<b>76,388</b>	<b>-</b>	<b>79,389</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	-	56,021	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>56,021</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
Restricted	321,311	-	-	36,963	-
Unassigned	-	(56,021)	-	-	(79,389)
<b>Total fund balances</b>	<b>321,311</b>	<b>(56,021)</b>	<b>-</b>	<b>36,963</b>	<b>(79,389)</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 321,311</b>	<b>\$ 71,182</b>	<b>\$ 76,388</b>	<b>\$ 36,963</b>	<b>\$ -</b>

(Continued)

**City of Perris**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2020**

	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	\$ 136,199	\$ -	\$ -	\$ -	\$ -
Cash and investments with fiscal agent	-	46	98	771	831
Receivable (net):					
Accounts	-	-	-	-	-
Interest	80	-	-	-	-
Taxes	-	-	-	-	-
Loans	-	-	-	-	-
Due from other governments	-	-	-	-	-
<b>Total assets</b>	<b>\$ 136,279</b>	<b>\$ 46</b>	<b>\$ 98</b>	<b>\$ 771</b>	<b>\$ 831</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	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-
<b>Total liabilities</b>	<b>-</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	136,279	46	98	771	831
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<b>136,279</b>	<b>46</b>	<b>98</b>	<b>771</b>	<b>831</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 136,279</b>	<b>\$ 46</b>	<b>\$ 98</b>	<b>\$ 771</b>	<b>\$ 831</b>

(Continued)

**City of Perris**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2020**

	Capital Projects Funds		
	Community Facilities 14-1 IA3	Community Facilities 2007-2	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash and investments	\$ -	\$ -	\$ 55,902,288
Cash and investments with fiscal agent	703	3,122,258	3,759,634
Receivable (net):			
Accounts	-	-	-
Interest	-	-	57,207
Taxes	-	-	703,916
Loans	-	-	193,110
Due from other governments	-	-	1,169,508
<b>Total assets</b>	<b>\$ 703</b>	<b>\$ 3,122,258</b>	<b>\$ 61,785,663</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 1,602,028
Retention payable	-	-	204,383
Due to other funds	-	-	1,064,780
Deposits and other liabilities	-	-	74,910
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>2,946,101</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable revenue	-	-	1,026,676
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>1,026,676</b>
<b>Fund Balances:</b>			
Restricted	703	3,122,258	59,074,550
Unassigned	-	-	(1,261,664)
<b>Total fund balances</b>	<b>703</b>	<b>3,122,258</b>	<b>57,812,886</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 703</b>	<b>\$ 3,122,258</b>	<b>\$ 61,785,663</b>

(Concluded)



**City of Perris**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2020**

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	\$ -	\$ 97,488	\$ 182,837	\$ -	\$ -
Fines, forfeitures and penalties	-	-	151,907	-	-
Developer fees	-	-	-	-	-
Investment earnings	-	4,095	44,810	60,989	45,406
Special assessments	-	-	-	428,535	893,701
Contributions	-	-	-	-	-
Miscellaneous	-	-	-	887	12,000
<b>Total revenues</b>	<b>-</b>	<b>101,583</b>	<b>379,554</b>	<b>490,411</b>	<b>951,107</b>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	274,097	-	-
Public works	-	62	-	298,205	1,765,208
Parks and recreation	-	-	-	-	-
Community development	-	-	-	-	-
Capital outlay	-	223,258	-	-	3,884,686
Debt service:					
Principal retirement	-	-	-	-	68,923
Interest and fiscal charges	-	-	-	-	453,401
<b>Total expenditures</b>	<b>-</b>	<b>223,320</b>	<b>274,097</b>	<b>298,205</b>	<b>6,172,218</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(121,737)	105,457	192,206	(5,221,111)
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	-	(121,737)	105,457	192,206	(5,221,111)
<b>Fund Balances</b>					
Beginning of year	(22,849)	219,693	1,631,889	2,203,599	6,246,405
End of year	\$ (22,849)	\$ 97,956	\$ 1,737,346	\$ 2,395,805	\$ 1,025,294

(Continued)

**City of Perris**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2020**

Special Revenue Funds

	Landscape Maintenance District	Flood Control Maintenance District	Gas Tax	RMRA Grant	Proposition "A"
<b>Revenues</b>					
Intergovernmental revenues	\$ -	\$ -	\$ 1,666,881	\$ 1,408,056	\$ 2,022,019
Fines, forfeitures and penalties	-	-	-	-	-
Developer fees	-	-	-	-	-
Investment earnings	130,832	272,901	178,256	33,507	147,057
Special assessments	2,460,439	1,948,765	-	-	-
Contributions	-	-	-	-	-
Miscellaneous	166,675	12,000	-	-	-
<b>Total revenues</b>	<b>2,757,946</b>	<b>2,233,666</b>	<b>1,845,137</b>	<b>1,441,563</b>	<b>2,169,076</b>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	2,221,244	1,031,598	-	1,688,476	-
Parks and recreation	-	-	-	-	-
Community development	-	-	-	-	-
Capital outlay	36,950	8,582	630,734	-	979,074
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>2,258,194</b>	<b>1,040,180</b>	<b>630,734</b>	<b>1,688,476</b>	<b>979,074</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	499,752	1,193,486	1,214,403	(246,913)	1,190,002
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	(925,000)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(925,000)</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	499,752	1,193,486	289,403	(246,913)	1,190,002
<b>Fund Balances</b>					
Beginning of year	4,928,488	10,195,878	6,601,456	1,572,979	5,025,353
End of year	<u>\$ 5,428,240</u>	<u>\$ 11,389,364</u>	<u>\$ 6,890,859</u>	<u>\$ 1,326,066</u>	<u>\$ 6,215,355</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, 2020**

Special Revenue Funds

	CDBG Grant	State Grants	Federal Grants	Development Fees	HUD NSP-3
<b>Revenues</b>					
Intergovernmental revenues	\$ 984,809	\$ 20,984	\$ 14,534	\$ -	\$ -
Fines, forfeitures and penalties	-	-	-	-	-
Developer fees	-	-	-	4,128,035	-
Investment earnings	-	-	-	500,362	2,521
Special assessments	-	-	-	-	-
Contributions	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<b>984,809</b>	<b>20,984</b>	<b>14,534</b>	<b>4,628,397</b>	<b>2,521</b>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	4,319	-	-	-
Parks and recreation	-	-	-	-	-
Community development	280,670	-	12,034	-	-
Capital outlay	703,720	226,701	605,404	3,746,184	196,185
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>984,390</b>	<b>231,020</b>	<b>617,438</b>	<b>3,746,184</b>	<b>196,185</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	419	(210,036)	(602,904)	882,213	(193,664)
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	-	49,601	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>49,601</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	419	(210,036)	(553,303)	882,213	(193,664)
<b>Fund Balances</b>					
Beginning of year	(117,928)	(6,371)	(180,191)	18,066,792	157,669
End of year	\$ (117,509)	\$ (216,407)	\$ (733,494)	\$ 18,949,005	\$ (35,995)

(Continued)

**City of Perris**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2020**

Special Revenue Funds

	HOME Grant Program	Local Health Grant	CalVIP	NRPA Grant	Construction
<b>Revenues</b>					
Intergovernmental revenues	\$ -	\$ 92,263	\$ 327,032	\$ 40,000	\$ -
Fines, forfeitures and penalties	-	-	-	-	-
Developer fees	-	-	-	-	-
Investment earnings	6,856	-	-	39	-
Special assessments	-	-	-	-	-
Contributions	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<b>6,856</b>	<b>92,263</b>	<b>327,032</b>	<b>40,039</b>	<b>-</b>
<b>Expenditures</b>					
Current:					
General government	-	88,174	-	-	-
Public safety	-	-	233,378	-	-
Public works	-	-	-	-	-
Parks and recreation	-	-	-	3,076	-
Community development	-	-	-	-	-
Capital outlay	-	-	-	-	234,239
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>88,174</b>	<b>233,378</b>	<b>3,076</b>	<b>234,239</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,856	4,089	93,654	36,963	(234,239)
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	-	-	-	154,825
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>154,825</b>
Net Change in Fund Balances	6,856	4,089	93,654	36,963	(79,414)
<b>Fund Balances</b>					
Beginning of year	314,455	(60,110)	(93,654)	-	25
End of year	<u>\$ 321,311</u>	<u>\$ (56,021)</u>	<u>\$ -</u>	<u>\$ 36,963</u>	<u>\$ (79,389)</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, 2020**

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	3,483	1	1	11	12
Special assessments	-	-	-	-	-
Contributions	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<u>3,483</u>	<u>1</u>	<u>1</u>	<u>11</u>	<u>12</u>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Community development	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,483</u>	<u>1</u>	<u>1</u>	<u>11</u>	<u>12</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	3,483	1	1	11	12
<b>Fund Balances</b>					
Beginning of year	132,796	45	97	760	819
End of year	<u>\$ 136,279</u>	<u>\$ 46</u>	<u>\$ 98</u>	<u>\$ 771</u>	<u>\$ 831</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, 2020**

	Capital Projects Funds		Total Nonmajor Governmental Funds
	Community Facilities 14-1 IA3	Community Facilities 2007-2	
<b>Revenues</b>			
Intergovernmental revenues	\$ -	\$ -	\$ 6,856,903
Fines, forfeitures and penalties	-	-	151,907
Developer fees	-	-	4,128,035
Investment earnings	10	-	1,431,149
Special assessments	-	-	5,731,440
Contributions	-	3,122,258	3,122,258
Miscellaneous	-	-	191,562
<b>Total revenues</b>	<u>10</u>	<u>3,122,258</u>	<u>21,613,254</u>
<b>Expenditures</b>			
Current:			
General government	-	-	88,174
Public safety	-	-	507,475
Public works	-	-	7,009,112
Parks and recreation	-	-	3,076
Community development	-	-	292,704
Capital outlay	-	-	11,475,717
Debt service:			
Principal retirement	-	-	68,923
Interest and fiscal charges	-	-	453,401
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>19,898,582</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>10</u>	<u>3,122,258</u>	<u>1,714,672</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in	-	-	204,426
Transfers out	-	-	(925,000)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(720,574)</u>
Net Change in Fund Balances	10	3,122,258	994,098
<b>Fund Balances</b>			
Beginning of year	693	-	56,818,788
End of year	<u>\$ 703</u>	<u>\$ 3,122,258</u>	<u>\$ 57,812,886</u>

(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, 2020**

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	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<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>	\$ -	\$ -	-	\$ -
<b>FUND BALANCE:</b>				
Beginning of year			\$ (22,849)	
End of year			\$ (22,849)	

**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, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ 80,000	\$ 80,000	\$ 97,488	\$ 17,488
Investment earnings	500	500	4,095	3,595
<b>Total revenues</b>	<b>80,500</b>	<b>80,500</b>	<b>101,583</b>	<b>21,083</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	-	300	62	238
Capital outlay	318,777	320,277	223,258	97,019
<b>Total expenditures</b>	<b>318,777</b>	<b>320,577</b>	<b>223,320</b>	<b>97,257</b>
<b>Net change in fund balance</b>	<b>\$ (238,277)</b>	<b>\$ (240,077)</b>	<b>(121,737)</b>	<b>\$ 118,340</b>
<b>FUND BALANCE:</b>				
Beginning of year			219,693	
End of year			<b>\$ 97,956</b>	



**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, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ 115,000	\$ 115,000	\$ 182,837	\$ 67,837
Fines, forfeitures and penalties	220,000	220,000	151,907	(68,093)
Investment earnings	3,000	3,000	44,810	41,810
<b>Total revenues</b>	<b>338,000</b>	<b>338,000</b>	<b>379,554</b>	<b>41,554</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	1,355,027	1,260,884	274,097	986,787
<b>Total expenditure</b>	<b>1,355,027</b>	<b>1,260,884</b>	<b>274,097</b>	<b>986,787</b>
<b>Net change in fund balance</b>	<b>\$ (1,017,027)</b>	<b>\$ (922,884)</b>	105,457	<b>\$ 1,028,341</b>
<b>FUND BALANCE:</b>				
Beginning of year			1,631,889	
End of year			<b>\$ 1,737,346</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, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment earnings	\$ 1,500	\$ 1,500	\$ 60,989	\$ 59,489
Special assessments	269,500	269,500	428,535	159,035
Miscellaneous	-	-	887	887
<b>Total revenues</b>	<u>271,000</u>	<u>271,000</u>	<u>490,411</u>	<u>219,411</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	177,844	192,716	298,205	(105,489)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>93,156</u>	<u>78,284</u>	<u>192,206</u>	<u>113,922</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	-	-	-	-
<b>Net change in fund balance</b>	<u>\$ 93,156</u>	<u>\$ 78,284</u>	192,206	<u>\$ 113,922</u>
<b>FUND BALANCE:</b>				
Beginning of year			2,203,599	
End of year			<u>\$ 2,395,805</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, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment earnings	\$ 3,000	\$ 3,000	\$ 45,406	\$ 42,406
Special assessments	860,000	860,000	893,701	33,701
Miscellaneous	48,000	48,000	12,000	(36,000)
<b>Total revenues</b>	<u>911,000</u>	<u>911,000</u>	<u>951,107</u>	<u>40,107</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	1,116,062	1,311,006	1,765,208	(454,202)
Capital outlay	-	12,504	3,884,686	(3,872,182)
Debt service:				
Principal retirement	-	-	68,923	(68,923)
Interest and fiscal charges	-	-	453,401	(453,401)
<b>Total expenditures</b>	<u>1,116,062</u>	<u>1,323,510</u>	<u>6,172,218</u>	<u>(4,848,708)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(205,062)</u>	<u>(412,510)</u>	<u>(5,221,111)</u>	<u>(4,808,601)</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	-	-	-	-
<b>Net change in fund balance</b>	<u>\$ (205,062)</u>	<u>\$ (412,510)</u>	<u>(5,221,111)</u>	<u>\$ (4,808,601)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>6,246,405</u>	
End of year			<u>\$ 1,025,294</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, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment earnings	\$ 6,500	\$ 6,500	\$ 130,832	\$ 124,332
Special assessments	1,900,000	1,900,000	2,460,439	560,439
Miscellaneous	103,000	103,000	166,675	63,675
<b>Total revenues</b>	<u>2,009,500</u>	<u>2,009,500</u>	<u>2,757,946</u>	<u>748,446</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	2,759,826	2,899,406	2,221,244	678,162
Capital outlay	-	61,958	36,950	25,008
<b>Total expenditures</b>	<u>2,759,826</u>	<u>2,961,364</u>	<u>2,258,194</u>	<u>703,170</u>
<b>Net change in fund balance</b>	<u>\$ (750,326)</u>	<u>\$ (951,864)</u>	499,752	<u>\$ 1,451,616</u>
<b>FUND BALANCE:</b>				
Beginning of year			4,928,488	
End of year			<u>\$ 5,428,240</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, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment earnings	\$ 16,000	\$ 16,000	\$ 272,901	\$ 256,901
Special assessments	1,535,000	1,535,000	1,948,765	413,765
Miscellaneous	33,500	33,500	12,000	(21,500)
<b>Total revenues</b>	<u>1,584,500</u>	<u>1,584,500</u>	<u>2,233,666</u>	<u>649,166</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	2,317,122	2,273,514	1,031,598	1,241,916
Capital outlay	<u>2,290,891</u>	<u>4,633,059</u>	<u>8,582</u>	<u>4,624,477</u>
<b>Total expenditures</b>	<u>4,608,013</u>	<u>6,906,573</u>	<u>1,040,180</u>	<u>5,866,393</u>
<b>Net change in fund balance</b>	<u>\$ (3,023,513)</u>	<u>\$ (5,322,073)</u>	1,193,486	<u>\$ 6,515,559</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>10,195,878</u>	
End of year			<u>\$ 11,389,364</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, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ 1,548,301	\$ 1,573,743	\$ 1,666,881	\$ 93,138
Investment earnings	7,500	7,500	178,256	170,756
<b>Total revenues</b>	<u>1,555,801</u>	<u>1,581,243</u>	<u>1,845,137</u>	<u>263,894</u>
<b>EXPENDITURES:</b>				
Capital outlay	<u>3,772,025</u>	<u>4,515,301</u>	<u>630,734</u>	<u>3,884,567</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,216,224)</u>	<u>(2,934,058)</u>	<u>1,214,403</u>	<u>4,148,461</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	<u>(925,000)</u>	<u>(925,000)</u>	<u>(925,000)</u>	<u>-</u>
<b>Net change in fund balance</b>	<u><u>\$ (3,141,224)</u></u>	<u><u>\$ (3,859,058)</u></u>	<u>289,403</u>	<u><u>\$ 4,148,461</u></u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>6,601,456</u>	
End of year			<u><u>\$ 6,890,859</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, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ 1,441,563	\$ 1,441,563	\$ 1,408,056	\$ (33,507)
Investment earnings	-	-	33,507	33,507
<b>Total revenues</b>	<u>1,441,563</u>	<u>1,441,563</u>	<u>1,441,563</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	<u>2,508,612</u>	<u>3,335,047</u>	<u>1,688,476</u>	<u>1,646,571</u>
<b>Net change in fund balance</b>	<u>\$ (1,067,049)</u>	<u>\$ (1,893,484)</u>	<u>(246,913)</u>	<u>\$ 1,646,571</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>1,572,979</u>	
End of year			<u>\$ 1,326,066</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, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ 1,444,000	\$ 1,444,000	\$ 2,022,019	\$ 578,019
Investment earnings	5,000	5,000	147,057	142,057
<b>Total revenues</b>	<u>1,449,000</u>	<u>1,449,000</u>	<u>2,169,076</u>	<u>720,076</u>
<b>EXPENDITURES:</b>				
Capital outlay	<u>5,568,969</u>	<u>5,185,674</u>	<u>979,074</u>	<u>4,206,600</u>
<b>Net change in fund balance</b>	<u><u>\$ (4,119,969)</u></u>	<u><u>\$ (3,736,674)</u></u>	1,190,002	<u><u>\$ 4,926,676</u></u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>5,025,353</u>	
End of year			<u><u>\$ 6,215,355</u></u>	



**City of Perris**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Continued)**  
**CDBG Grant Special Revenue Fund**  
**For the Year Ended June 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ 1,505,515	\$ 1,505,515	\$ 984,809	\$ (520,706)
<b>EXPENDITURES:</b>				
Current:				
Community development	212,431	262,082	280,670	(18,588)
Capital outlay	1,368,426	1,355,814	703,720	652,094
<b>Total expenditures</b>	<b>1,580,857</b>	<b>1,617,896</b>	<b>984,390</b>	<b>633,506</b>
<b>Net change in fund balance</b>	<b>\$ (75,342)</b>	<b>\$ (112,381)</b>	419	<b>\$ 112,800</b>
<b>FUND BALANCE:</b>				
Beginning of year			(117,928)	
End of year			<u>\$ (117,509)</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, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ 101,478	\$ 101,478	\$ 20,984	\$ (80,494)
<b>EXPENDITURES:</b>				
Current:				
Public works	12,920	12,920	4,319	8,601
Capital outlay	3,560,859	12,263,115	226,701	12,036,414
<b>Total expenditures</b>	<b>3,573,779</b>	<b>12,276,035</b>	<b>231,020</b>	<b>12,045,015</b>
<b>Net change in fund balance</b>	<b>\$ (3,472,301)</b>	<b>\$ (12,174,557)</b>	<b>(210,036)</b>	<b>\$ 11,964,521</b>
<b>FUND BALANCE:</b>				
Beginning of year			(6,371)	
End of year			<u>\$ (216,407)</u>	

**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, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ 6,405,768	\$ 6,455,768	\$ 14,534	\$ (6,441,234)
<b>Total revenues</b>	<u>6,405,768</u>	<u>6,455,768</u>	<u>14,534</u>	<u>(6,441,234)</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	851,275	850,300	-	850,300
Community development	-	50,000	12,034	37,966
Capital outlay	5,510,964	5,555,468	605,404	4,950,064
<b>Total expenditures</b>	<u>6,362,239</u>	<u>6,455,768</u>	<u>617,438</u>	<u>5,838,330</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>43,529</u>	<u>-</u>	<u>(602,904)</u>	<u>(12,279,564)</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	-	-	49,601	49,601
<b>Net change in fund balance</b>	<u>\$ 43,529</u>	<u>\$ -</u>	<u>(553,303)</u>	<u>\$ (553,303)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>(180,191)</u>	
End of year			<u>\$ (733,494)</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, 2020**

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	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Developer fees	\$ 481,000	\$ 2,197,827	\$ 4,128,035	\$ 1,930,208
Investment earnings	50,000	50,000	500,362	450,362
<b>Total revenues</b>	<u>531,000</u>	<u>2,247,827</u>	<u>4,628,397</u>	<u>2,380,570</u>
<b>EXPENDITURES:</b>				
Capital outlay	16,488,168	17,963,967	3,746,184	14,217,783
<b>Net change in fund balance</b>	<u>\$ (15,957,168)</u>	<u>\$ (15,716,140)</u>	882,213	<u>\$ 16,598,353</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>18,066,792</u>	
End of year			<u>\$ 18,949,005</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, 2020**

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	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment earnings	\$ 100	\$ 100	\$ 2,521	\$ 2,421
<b>EXPENDITURES:</b>				
Capital outlay	305,173	223,172	196,185	26,987
<b>Net change in fund balance</b>	<u>\$ (305,073)</u>	<u>\$ (223,072)</u>	(193,664)	<u>\$ 29,408</u>
<b>FUND BALANCE:</b>				
Beginning of year			157,669	
End of year			<u>\$ (35,995)</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, 2020**

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	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment earnings	\$ 50	\$ 50	\$ 6,856	\$ 6,806
<b>EXPENDITURES:</b>				
Community development	-	98,200	-	98,200
<b>Net change in fund balance</b>	<u>\$ 50</u>	<u>\$ (98,150)</u>	6,856	<u>\$ 105,006</u>
<b>FUND BALANCE:</b>				
Beginning of year			314,455	
End of year			<u>\$ 321,311</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, 2020**

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	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ 92,264	\$ 92,264	\$ 92,263	\$ (1)
<b>EXPENDITURES:</b>				
Current:				
General government	146,468	100,462	88,174	12,288
<b>Net change in fund balance</b>	<u>\$ (54,204)</u>	<u>\$ (8,198)</u>	4,089	<u>\$ 12,287</u>
<b>FUND BALANCE:</b>				
Beginning of year			(60,110)	
End of year			<u>\$ (56,021)</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, 2020**

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	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ 472,645	\$ 472,645	\$ 327,032	\$ (145,613)
<b>EXPENDITURES:</b>				
Current:				
Public safety	363,678	354,771	233,378	121,393
<b>Net change in fund balance</b>	<u>\$ 108,967</u>	<u>\$ 117,874</u>	93,654	<u>\$ (24,220)</u>
<b>FUND BALANCE:</b>				
Beginning of year			(93,654)	
End of year			<u>\$ -</u>	



**City of Perris**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Continued)**  
**NRPA Grant Special Revenue Fund**  
**For the Year Ended June 30, 2020**

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	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ -	\$ -	\$ 40,000	\$ 40,000
Investment earnings	-	-	39	39
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>40,039</u>	<u>40,039</u>
<b>EXPENDITURES:</b>				
Current:				
Parks and recreation	-	6,000	3,076	2,924
<b>Net change in fund balance</b>	<u>-</u>	<u>(6,000)</u>	36,963	<u>42,963</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>-</u>	
End of year			<u>\$ 36,963</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, 2020**

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	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>EXPENDITURES:</b>				
Capital outlay	904,545	4,335,598	234,239	4,101,359
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	482,000	482,000	154,825	(327,175)
<b>Net change in fund balance</b>	<b>\$ (422,545)</b>	<b>\$ (3,853,598)</b>	<b>(79,414)</b>	<b>\$ 3,774,184</b>
<b>FUND BALANCE:</b>				
Beginning of year			25	
End of year			<b>\$ (79,389)</b>	

## **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, 2020**

	City Cash Trust	Community Facilities Districts	Assessment District 86-1	Total Agency Funds
<b>ASSETS:</b>				
Cash and investments	\$ 1,171,318	\$ 6,710,672	\$ 55,323	\$ 7,937,313
Cash and investments with fiscal agent	-	11,207,218	-	11,207,218
Assessments receivable	-	404,468	-	404,468
Interest receivable	-	1,535	33	1,568
Other receivable	-	15,705	-	15,705
Deposits	-	10,306,812	-	10,306,812
<b>Total Assets</b>	<b>\$ 1,171,318</b>	<b>\$ 28,646,410</b>	<b>\$ 55,356</b>	<b>\$ 29,873,084</b>
<b>LIABILITIES:</b>				
Accounts payable and accrued liabilities	\$ 257	\$ 6,365	\$ -	\$ 6,622
Deposits	1,171,061	246,084	-	1,417,145
Due to bondholders	-	28,393,961	55,356	28,449,317
<b>Total Liabilities</b>	<b>\$ 1,171,318</b>	<b>\$ 28,646,410</b>	<b>\$ 55,356</b>	<b>\$ 29,873,084</b>

**City of Perris**  
**Combining Statement of Changes in Fiduciary Assets and Liabilities**  
**All Agency Funds**  
**For the Year Ended June 30, 2020**

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
<b><u>City Cash Trust</u></b>				
<b>ASSETS:</b>				
Cash and investments	\$ 1,182,887	\$ 2,662,379	\$ (2,673,948)	\$ 1,171,318
<b>Total Assets</b>	<b>\$ 1,182,887</b>	<b>\$ 2,662,379</b>	<b>\$ (2,673,948)</b>	<b>\$ 1,171,318</b>
<b>LIABILITIES:</b>				
Accounts payable and accrued liabilities	\$ 180,739	\$ 2,030,765	\$ (2,211,247)	\$ 257
Deposits	1,002,148	2,662,493	(2,493,580)	1,171,061
<b>Total Liabilities</b>	<b>\$ 1,182,887</b>	<b>\$ 4,693,258</b>	<b>\$ (4,704,827)</b>	<b>\$ 1,171,318</b>
<b><u>Community Facilities Districts</u></b>				
<b>ASSETS:</b>				
Cash and investments	\$ 1,578,670	\$ 15,383,937	\$ (10,251,935)	\$ 6,710,672
Cash and investments with fiscal agent	16,602,623	41,630,803	(47,026,208)	11,207,218
Assessments receivable	377,614	410,173	(383,319)	404,468
Interest receivable	5,707	10,696	(14,868)	1,535
Other receivable	15,705	-	-	15,705
Deposits	9,880,992	702,563	(276,743)	10,306,812
<b>Total Assets</b>	<b>\$ 28,461,311</b>	<b>\$ 58,138,172</b>	<b>\$ (57,953,073)</b>	<b>\$ 28,646,410</b>
<b>LIABILITIES:</b>				
Accounts payable and accrued liabilities	\$ 28,200	\$ 191,202	\$ (213,037)	\$ 6,365
Deposits	298,849	22,661	(75,426)	246,084
Due to bondholders	28,134,262	84,164,161	(83,904,462)	28,393,961
<b>Total Liabilities</b>	<b>\$ 28,461,311</b>	<b>\$ 84,378,024</b>	<b>\$ (84,192,925)</b>	<b>\$ 28,646,410</b>
<b><u>Assessment District 86-1</u></b>				
<b>ASSETS:</b>				
Cash and investments	\$ 53,886	\$ 1,558	\$ (121)	\$ 55,323
Interest receivable	99	109	(175)	33
<b>Total Assets</b>	<b>\$ 53,985</b>	<b>\$ 1,667</b>	<b>\$ (296)</b>	<b>\$ 55,356</b>
<b>LIABILITIES:</b>				
Accounts payable and accrued liabilities	\$ 44	\$ -	\$ (44)	\$ -
Due to bondholders	53,941	3,965	(2,550)	55,356
<b>Total Liabilities</b>	<b>\$ 53,985</b>	<b>\$ 3,965</b>	<b>\$ (2,594)</b>	<b>\$ 55,356</b>
<b><u>Total - All Agency Funds</u></b>				
<b>ASSETS:</b>				
Cash and investments	\$ 2,815,443	\$ 18,047,874	\$ (12,926,004)	\$ 7,937,313
Cash and investments with fiscal agent	16,602,623	41,630,803	(47,026,208)	11,207,218
Assessments receivable	377,614	410,173	(383,319)	404,468
Interest receivable	5,806	10,805	(15,043)	1,568
Other receivable	15,705	-	-	15,705
Deposits	9,880,992	702,563	(276,743)	10,306,812
<b>Total Assets</b>	<b>\$ 29,698,183</b>	<b>\$ 60,802,218</b>	<b>\$ (60,627,317)</b>	<b>\$ 29,873,084</b>
<b>LIABILITIES:</b>				
Accounts payable and accrued liabilities	\$ 208,983	\$ 2,221,967	\$ (2,424,328)	\$ 6,622
Deposits	1,300,997	2,685,154	(2,569,006)	1,417,145
Due to bondholders	28,188,203	84,168,126	(83,907,012)	28,449,317
<b>Total Liabilities</b>	<b>\$ 29,698,183</b>	<b>\$ 89,075,247</b>	<b>\$ (88,900,346)</b>	<b>\$ 29,873,084</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.

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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)**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental activities					
Net investment in capital assets	\$ 156,805	\$ 165,177	\$ 166,747	\$ 166,665	\$ 170,446
Restricted	7,410	-	-	48,033	49,630
Unrestricted	<u>35,837</u>	<u>66,908</u>	<u>61,657</u>	<u>22,595</u>	<u>10,899</u>
Total governmental activities net position	<u>\$ 200,052</u>	<u>\$ 232,085</u>	<u>\$ 228,404</u>	<u>\$ 237,293</u>	<u>\$ 230,975</u>
Business-type activities					
Net investment in capital assets	\$ 9,369	\$ 8,268	\$ 6,607	\$ 6,030	\$ 14,331
Restricted for Community Economic Development	-	-	-	-	-
Restricted for Low and Moderate Housing	-	6,785	8,715	6,023	5,854
Restricted for Other Purposes	-	-	-	-	-
Unrestricted	<u>(366)</u>	<u>1,412</u>	<u>2,561</u>	<u>3,116</u>	<u>(5,118)</u>
Total business-type activities net position	<u>\$ 9,003</u>	<u>\$ 16,465</u>	<u>\$ 17,883</u>	<u>\$ 15,169</u>	<u>\$ 15,067</u>
Primary government					
Net investment in capital assets	\$ 166,174	\$ 173,445	\$ 173,354	\$ 172,695	\$ 184,777
Restricted	7,410	6,785	8,715	54,056	55,484
Unrestricted	<u>35,471</u>	<u>68,320</u>	<u>64,218</u>	<u>25,711</u>	<u>5,781</u>
Total primary government net position	<u>\$ 209,055</u>	<u>\$ 248,550</u>	<u>\$ 246,287</u>	<u>\$ 252,462</u>	<u>\$ 246,042</u>

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				
	2016	2017	2018	2019	2020
Governmental activities					
Net investment in capital assets	\$ 174,117	\$ 180,330	\$ 189,433	\$ 201,795	\$ 212,973
Restricted	62,636	79,411	101,390	139,741	149,969
Unrestricted	12,523	8,056	5,910	11,982	26,644
Total governmental activities net position	<u>\$ 249,276</u>	<u>\$ 267,797</u>	<u>\$ 296,733</u>	<u>\$ 353,518</u>	<u>\$ 389,586</u>
Business-type activities					
Net investment in capital assets	\$ 12,534	\$ 14,755	\$ 18,922	\$ 17,689	\$ 17,650
Restricted for Community Economic Development	-	4,299	3,224	-	-
Restricted for Low and Moderate Housing	5,758	5,848	4,734	-	-
Restricted for Other Purposes	-	-	1,037	-	-
Unrestricted	(3,736)	(3,598)	(7,301)	(8,374)	(8,489)
Total business-type activities net position	<u>\$ 14,556</u>	<u>\$ 21,304</u>	<u>\$ 20,616</u>	<u>\$ 9,315</u>	<u>\$ 9,161</u>
Primary government					
Net investment in capital assets	\$ 186,651	\$ 195,085	\$ 208,355	\$ 219,484	\$ 230,623
Restricted	68,394	85,259	106,124	139,741	149,969
Unrestricted	8,787	4,458	(1,391)	3,608	18,155
Total primary government net position	<u>\$ 263,832</u>	<u>\$ 284,802</u>	<u>\$ 313,088</u>	<u>\$ 362,833</u>	<u>\$ 398,747</u>

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				
	2011	2012	2013	2014	2015
<b>Expenses</b>					
Governmental activities:					
General Government	\$ 6,718	\$ 6,338	\$ 7,363	\$ 8,480	\$ 9,840
Public Safety	16,155	16,575	17,072	18,618	20,286
Public Works	19,661	17,620	12,897	10,177	15,570
Community Development	-	-	-	-	-
Parks and Recreation	2,144	2,246	2,471	3,071	3,494
Interest on Long-term Debt	8,045	7,897	7,689	7,343	7,060
State ERAF	776	-	-	-	-
Total governmental activities expenses	<u>53,499</u>	<u>50,676</u>	<u>47,492</u>	<u>47,689</u>	<u>56,250</u>
Business-type activities:					
Water Utility	2,390	2,507	2,750	2,972	2,933
Sewer Utility	1,638	1,691	1,760	1,828	2,072
Public Utility	927	955	1,088	976	2,049
Solid Waste Utility	596	627	890	1,223	1,301
Perris CEDC	-	-	-	-	-
Housing Authority	-	54	420	3,329	669
Total business-type activities expenses	<u>5,551</u>	<u>5,834</u>	<u>6,908</u>	<u>10,328</u>	<u>9,024</u>
Total primary government expenses	<u>\$ 59,050</u>	<u>\$ 56,510</u>	<u>\$ 54,400</u>	<u>\$ 58,017</u>	<u>\$ 65,274</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General Government	\$ 746	\$ 948	\$ 978	\$ 1,859	\$ 2,343
Public Safety	804	865	909	1,039	1,116
Public Works	4,895	5,139	9,456	9,104	5,986
Parks and Recreation	232	247	215	144	179
Community Development	-	-	-	-	-
Operating Grants and Contributions	7,320	8,358	11,633	11,864	12,645
Capital Grants and Contributions	4,276	10,639	4,543	7,468	14,367
Total governmental activities program revenues	<u>18,273</u>	<u>26,196</u>	<u>27,734</u>	<u>31,478</u>	<u>36,636</u>
Business-type activities:					
Charges for services:					
Water Utility	2,588	2,693	2,809	3,110	2,783
Sewer Utility	1,619	1,678	1,737	1,832	1,806
Public Utility	556	573	599	800	968
Solid Waste Utility	703	723	835	1,136	1,147
Perris CEDC	-	-	-	-	-
Housing Authority	-	22	29	132	101
Operating Grants and Contributions	-	-	-	400	-
Capital Grants and Contributions	-	-	2,333	61	40
Total business-type activities program revenues	<u>5,466</u>	<u>5,689</u>	<u>8,342</u>	<u>7,471</u>	<u>6,845</u>
Total primary government program revenues	<u>\$ 23,739</u>	<u>\$ 31,885</u>	<u>\$ 36,076</u>	<u>\$ 38,949</u>	<u>\$ 43,481</u>
Net (expense)/revenue					
Governmental activities	\$ (35,226)	\$ (24,480)	\$ (19,759)	\$ (16,210)	\$ (19,613)
Business-type activities	(85)	(145)	1,434	(2,856)	(2,178)
Total primary government net (expense)/revenue	<u>\$ (35,311)</u>	<u>\$ (24,625)</u>	<u>\$ (18,325)</u>	<u>\$ (19,066)</u>	<u>\$ (21,791)</u>

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				
	2016	2017	2018	2019	2020
<b>Expenses</b>					
Governmental activities:					
General Government	\$ 10,621	\$ 9,698	\$ 12,816	\$ 10,229	\$ 10,205
Public Safety	22,586	22,936	24,648	26,016	28,836
Public Works	17,238	12,808	20,141	13,010	18,039
Community Development	-	-	-	6,143	2,343
Parks and Recreation	3,601	3,874	4,319	4,691	5,772
Interest on Long-term Debt	6,457	6,996	7,688	6,893	6,742
State ERAF	-	-	-	-	-
Total governmental activities expenses	<u>60,503</u>	<u>56,312</u>	<u>69,612</u>	<u>66,982</u>	<u>71,937</u>
Business-type activities:					
Water Utility	2,646	2,855	3,089	3,160	3,088
Sewer Utility	2,101	2,134	2,364	2,548	2,595
Public Utility	1,152	1,182	1,214	1,116	1,131
Solid Waste Utility	1,376	1,172	1,201	1,276	1,248
Perris CEDC	-	1,448	1,163	-	-
Housing Authority	801	792	919	-	-
Total business-type activities expenses	<u>8,076</u>	<u>9,583</u>	<u>9,950</u>	<u>8,100</u>	<u>8,062</u>
Total primary government expenses	<u>\$ 68,579</u>	<u>\$ 65,895</u>	<u>\$ 79,562</u>	<u>\$ 75,082</u>	<u>\$ 79,999</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General Government	\$ 2,543	\$ 2,726	\$ 3,352	\$ 3,194	\$ 2,750
Public Safety	1,230	1,342	1,138	1,275	998
Public Works	22,446	18,848	35,386	24,795	15,712
Parks and Recreation	173	183	201	230	134
Community Development	-	-	-	303	658
Operating Grants and Contributions	17,883	11,300	12,996	27,903	29,405
Capital Grants and Contributions	7,668	16,207	15,444	12,337	8,863
Total governmental activities program revenues	<u>51,943</u>	<u>50,606</u>	<u>68,517</u>	<u>70,037</u>	<u>58,520</u>
Business-type activities:					
Charges for services:					
Water Utility	2,505	2,692	2,919	2,726	2,661
Sewer Utility	1,913	2,038	2,094	2,153	2,227
Public Utility	874	920	975	851	849
Solid Waste Utility	1,132	1,185	1,308	1,328	1,433
Perris CEDC	-	91	81	-	-
Housing Authority	80	310	293	-	-
Operating Grants and Contributions	-	-	-	-	-
Capital Grants and Contributions	399	2,363	-	-	702
Total business-type activities program revenues	<u>6,903</u>	<u>9,599</u>	<u>7,670</u>	<u>7,058</u>	<u>7,872</u>
Total primary government program revenues	<u>\$ 58,846</u>	<u>\$ 60,205</u>	<u>\$ 76,187</u>	<u>\$ 77,095</u>	<u>\$ 66,392</u>
Net (expense)/revenue					
Governmental activities	\$ (8,559)	\$ (5,706)	\$ (1,094)	\$ 3,056	\$ (13,417)
Business-type activities	<u>(1,172)</u>	<u>16</u>	<u>(2,279)</u>	<u>(1,041)</u>	<u>(189)</u>
Total primary government net (expense)/revenue	<u>\$ (9,731)</u>	<u>\$ (5,690)</u>	<u>\$ (3,373)</u>	<u>\$ 2,015</u>	<u>\$ (13,606)</u>

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				
	2011	2012	2013	2014	2015
<b>General Revenues and Other Changes in Net Position</b>					
Government activities:					
Taxes					
Property taxes	\$ 14,368	\$ 6,406	\$ 4,270	\$ 4,345	\$ 4,980
Sales and use taxes	4,594	5,624	5,682	6,688	6,652
Motor Vehicle in-lieu taxes	266	35	36	30	30
Vehicle License Fee in Lieu Tax	4,291	4,348	4,143	4,370	4,893
Sales Tax in Lieu Tax	1,358	1,517	1,808	2,080	2,318
Franchise taxes	2,154	2,245	2,293	2,474	2,633
Other taxes	270	264	240	239	338
Total taxes	<u>28,904</u>	<u>27,301</u>	<u>20,439</u>	<u>20,226</u>	<u>21,844</u>
Fines, forfeitures and penalties	-	-	-	-	-
Investment earnings	2,831	2,690	4,417	3,341	905
Gain (loss) on sale of capital assets	-	-	-	-	-
Miscellaneous	279	305	358	1,621	3,852
Extraordinary Item	-	33,774	-	-	-
Transfers	-	(765)	-	(89)	(398)
Special Item-Gain on CFD Investments	-	-	-	-	178
Total governmental activities	<u>35,348</u>	<u>30,411</u>	<u>56,443</u>	<u>25,099</u>	<u>26,381</u>
Business-type activities:					
Investment income	26	25	(16)	52	29
Interest and rentals	-	-	-	-	-
Gain (loss) on sale of capital assets	-	117	-	-	-
Miscellaneous	-	-	-	-	-
Extraordinary Item	-	6,700	-	-	-
Transfers	-	765	-	89	398
Total business-type activities	<u>182</u>	<u>26</u>	<u>7,607</u>	<u>141</u>	<u>427</u>
Total primary government	<u>\$ 35,530</u>	<u>\$ 30,437</u>	<u>\$ 64,050</u>	<u>\$ 25,240</u>	<u>\$ 26,808</u>
<b>Change in Net Position</b>					
Governmental activities	\$ 5,931	\$ 31,963	\$ 3,488	\$ 5,486	\$ 6,768
Business-type activities	(119)	7,462	(2,715)	(2,037)	(1,751)
Total primary government	<u>\$ 219</u>	<u>\$ 5,812</u>	<u>\$ 39,425</u>	<u>\$ 3,449</u>	<u>\$ 5,017</u>
<b>Prior Period Adjustments</b>					
Governmental activities	\$ 2,917	\$ 70	\$ (7,169)	\$ -	\$ (13,085)
Business-type activities	\$ 284	\$ -	\$ -	\$ -	\$ 1,648

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				
	2016	2017	2018	2019	2020
<b>General Revenues and Other Changes in Net Position</b>					
Government activities:					
Taxes					
Property taxes	\$ 5,594	\$ 6,157	\$ 6,838	\$ 7,587	\$ 8,174
Sales and use taxes	9,270	10,586	21,376	21,836	25,747
Motor Vehicle in-lieu taxes	29	33	40	37	61
Vehicle License Fee in Lieu Tax	5,254	5,784	6,272	6,986	7,669
Sales Tax in Lieu Tax	1,740	-	-	-	-
Franchise taxes	2,625	2,496	2,835	2,911	3,089
Other taxes	467	401	633	1,339	3,315
Total taxes	<u>24,979</u>	<u>25,457</u>	<u>37,994</u>	<u>40,696</u>	<u>48,055</u>
Fines, forfeitures and penalties	-	-	-	-	-
Investment earnings	654	163	(295)	1,320	1,367
Gain (loss) on sale of capital assets	203	(267)	-	-	-
Miscellaneous	317	170	68	123	63
Extraordinary Item	-	-	-	-	-
Transfers	(553)	(569)	(546)	-	-
Special Item-Gain on CFD Investments	1,260	-	-	-	-
Total governmental activities	<u>26,860</u>	<u>24,954</u>	<u>37,221</u>	<u>42,139</u>	<u>49,485</u>
Business-type activities:					
Investment income	36	2	8	23	-
Interest and rentals	-	-	-	-	35
Gain (loss) on sale of capital assets	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Extraordinary Item	-	-	-	-	-
Transfers	553	569	546	-	-
Total business-type activities	<u>589</u>	<u>571</u>	<u>554</u>	<u>23</u>	<u>35</u>
Total primary government	<u>\$ 27,449</u>	<u>\$ 25,525</u>	<u>\$ 37,775</u>	<u>\$ 42,162</u>	<u>\$ 49,520</u>
<b>Change in Net Position</b>					
Governmental activities	\$ 18,301	\$ 19,248	\$ 36,127	\$ 45,195	\$ 36,068
Business-type activities	(583)	587	(1,725)	(1,018)	(154)
Total primary government	<u>\$ 17,718</u>	<u>\$ 19,835</u>	<u>\$ 34,402</u>	<u>\$ 44,177</u>	<u>\$ 35,914</u>
<b>Prior Period Adjustments</b>					
Governmental activities	\$ -	\$ -	\$ (7,189)	\$ 10,920	\$ -
Business-type activities	\$ 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				
	2011	2012	2013	2014	2015
General fund					
Nonspendable	\$ 3,292	\$ 2,776	\$ 3,181	\$ 2,582	\$ 7,768
Committed	-	7,528	7,528	7,528	10,275
Assigned	6,200	6,200	6,200	6,200	6,200
Unassigned	15,229	10,576	9,171	10,595	2,708
Total general fund	<u>\$ 24,721</u>	<u>\$ 27,080</u>	<u>\$ 26,080</u>	<u>\$ 26,905</u>	<u>\$ 26,951</u>
All other governmental funds					
Nonspendable	\$ 6,083	\$ -	\$ -	\$ -	\$ -
Restricted	181,738	173,139	177,114	183,424	211,355
Unassigned	(30,054)	(328)	(58)	-	(55)
Total all other governmental funds	<u>\$ 157,767</u>	<u>\$ 172,811</u>	<u>\$ 177,056</u>	<u>\$ 183,424</u>	<u>\$ 211,300</u>

Source: City of Perris, Finance Department



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

	Fiscal Year				
	2016	2017	2018	2019	2020
General fund					
Nonspendable	\$ 8,806	\$ 9,343	\$ 11,762	\$ 7,818	\$ 7,728
Committed	10,980	11,805	11,805	14,525	18,219
Assigned	6,200	6,200	6,200	6,200	6,200
Unassigned	2,898	40	4,989	14,972	10,637
Total general fund	<u>\$ 28,884</u>	<u>\$ 27,388</u>	<u>\$ 34,756</u>	<u>\$ 43,515</u>	<u>\$ 42,784</u>
All other governmental funds					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	233,283	46,378	294,782	313,210	311,317
Unassigned	(123)	(1,028)	(1,410)	(484)	(1,265)
Total all other governmental funds	<u>\$ 233,160</u>	<u>\$ 45,350</u>	<u>\$ 293,372</u>	<u>\$ 312,726</u>	<u>\$ 310,052</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				
	2011	2012	2013	2014	2015
<b>Revenues</b>					
Taxes	\$ 27,302	\$ 20,440	\$ 18,472	\$ 20,143	\$ 21,845
Licenses and Permits	771	1,003	1,078	1,824	2,248
Intergovernmental Revenues	5,867	5,429	9,106	6,544	8,673
Charges for Services	598	557	675	933	1,191
Fines, Forfeitures, and Penalties	666	731	670	746	726
Developer Fees	603	1,417	5,188	4,259	1,164
Investment Earnings	6,658	6,751	8,035	8,751	7,956
Special Assessments	4,032	4,027	3,975	4,210	4,263
Contributions from Property Owners	1,862	3,942	3,373	4,718	14,889
Other Revenue	313	333	407	427	224
<b>Total Revenues</b>	<b>48,672</b>	<b>44,630</b>	<b>50,979</b>	<b>52,555</b>	<b>63,179</b>
<b>Expenditures</b>					
General Government	4,738	4,684	5,447	6,131	6,112
Public Safety	15,938	16,372	16,804	18,347	20,083
Public Works	12,696	10,344	4,852	4,750	6,904
Parks and Recreation	1,716	1,795	1,987	2,560	3,000
Community Development	-	-	-	-	-
State ERAF	776	-	-	-	-
Capital Outlay	14,043	12,567	10,746	4,921	13,636
Debt Service					
Pass-through Agreements	3,369	1,597	-	-	-
Issuance Costs	-	-	459	810	2,490
Principal Retirement	3,590	3,130	3,370	2,630	3,405
Interest and Fiscal Charges	8,084	7,941	7,770	7,499	7,158
<b>Total Expenditures</b>	<b>64,950</b>	<b>58,430</b>	<b>51,435</b>	<b>47,648</b>	<b>62,788</b>
<b>Excess of revenues</b>					
over (under) expenditures	(16,278)	(13,800)	(455)	4,907	391
<b>Other Financing Sources (Uses)</b>					
Transfers in	14,873	57,680	5,589	15,555	28,651
Transfers Out	(14,873)	(57,680)	(5,589)	(15,644)	(29,049)
Issuance of Long-Term Debt	-	-	-	-	-
Issuance Discount	-	-	-	-	-
Proceeds from Sale of Property	(604)	(258)	50	-	-
Proceeds from Sale of Land	-	-	-	-	-
Sale of Property	-	-	-	107	3
Payments to Refunded Bond Escrow Agent	-	-	(4,197)	(14,915)	(22,092)
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	55,725
Proceeds from Long Term Debt	339	141	8,505	-	-
Premiums on Refunding Bonds Issued	-	-	-	-	133
Discounts on Refunding Bonds Issued	-	-	-	-	(459)
Proceed from sale of capital assets	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(265)</b>	<b>(117)</b>	<b>3,051</b>	<b>93</b>	<b>32,912</b>
<b>Special Item</b>					
Gain on CFD Investments	-	-	-	-	178
<b>Net Change in Fund Balances before Prior Period</b>					
Adjustments and Extraordinary Item	(16,543)	(13,917)	2,595	4,999	33,481
Prior Period Adjustments	292	70	650	-	(5,560)
Extraordinary Item	-	31,250	-	-	-
<b>Net Change in Fund Balances</b>	<b>\$ (16,251)</b>	<b>\$ 17,403</b>	<b>\$ 3,245</b>	<b>\$ 4,999</b>	<b>\$ 27,921</b>
Debt Service as a percentage of non-capital expenditures	23.4%	23.4%	25.4%	23.5%	20.1%

**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				
	2016	2017	2018	2019	2020
<b>Revenues</b>					
Taxes	\$ 24,948	\$ 25,421	\$ 38,067	\$ 40,543	\$ 48,082
Licenses and Permits	2,459	2,583	2,844	2,907	2,889
Intergovernmental Revenues	6,138	7,377	10,941	10,231	9,330
Charges for Services	1,031	827	800	978	785
Fines, Forfeitures, and Penalties	808	1,009	899	1,011	765
Developer Fees	18,507	13,494	30,532	23,622	14,282
Investment Earnings	7,097	7,141	7,802	8,968	9,554
Special Assessments	4,610	5,086	5,105	5,520	5,731
Contributions from Property Owners	8,388	6,457	6,412	9,949	10,728
Other Revenue	407	403	306	333	266
<b>Total Revenues</b>	<b>74,393</b>	<b>69,798</b>	<b>103,708</b>	<b>104,062</b>	<b>102,412</b>
<b>Expenditures</b>					
General Government	6,711	7,388	10,216	9,083	14,555
Public Safety	22,463	22,649	24,341	25,587	33,220
Public Works	5,712	5,621	6,013	6,191	10,166
Parks and Recreation	3,015	3,100	3,528	3,976	6,288
Community Development	-	-	-	6,095	2,326
State ERAF	-	-	-	-	-
Capital Outlay	14,373	9,221	20,766	11,175	21,626
Debt Service					
Pass-through Agreements	-	-	-	-	-
Issuance Costs	2,519	120	966	364	157
Principal Retirement	3,290	7,155	8,520	25,610	14,179
Interest and Fiscal Charges	6,449	7,002	7,343	6,908	6,783
<b>Total Expenditures</b>	<b>64,532</b>	<b>62,256</b>	<b>81,693</b>	<b>94,989</b>	<b>109,300</b>
<b>Excess of revenue</b>					
over (under) expenditures	9,861	7,542	22,015	9,073	(6,888)
<b>Other Financing Sources (Uses)</b>					
Transfers in	10,160	1,853	1,345	1,760	1,129
Transfers Out	(10,713)	(2,422)	(1,891)	(1,760)	(1,129)
Issuance of Long-Term Debt	-	-	-	4,988	3,450
Issuance Discount	-	-	-	(41)	33
Proceeds from Sale of Property	-	-	-	-	-
Proceeds from Sale of Land	-	-	-	-	-
Sale of Property	1,546	3	-	-	-
Payments to Refunded Bond Escrow Agent	(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	54,685	-	-	-	-
Proceeds from Long Term Debt	-	-	-	-	-
Premiums on Refunding Bonds Issued	1,561	-	2,426	-	-
Discounts on Refunding Bonds Issued	(584)	(104)	(7)	-	-
Proceed from sale of capital assets	-	-	99	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>12,671</b>	<b>3,910</b>	<b>32,617</b>	<b>9,927</b>	<b>3,483</b>
<b>Special Item</b>					
Gain on CFD Investments	1,260	-	-	-	-
<b>Net Change in Fund Balances before Prior Period</b>					
Adjustments and Extraordinary Item	23,792	11,452	54,632	19,000	(3,405)
Prior Period Adjustments	-	-	-	-	-
Extraordinary Item	-	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>\$ 23,792</b>	<b>\$ 11,452</b>	<b>\$ 54,632</b>	<b>\$ 19,000</b>	<b>\$ (3,405)</b>
Debt Service as a percentage of non-capital expenditures	17.4%	26.4%	21.7%	38.7%	22.1%

Note: 2019 Debt service as a percentage of non-capital expenditures ratio was corrected.

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>
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
2020	8,174	25,747	61	7,669	-	3,089	3,315	48,055

Source: City of Perris, Finance Department

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

	Fiscal Year				
	2010	2011	2012*	2013	2014
Apparel Stores	\$ 3,182	\$ 3,312	\$ 3,843	\$ 4,009	\$ 4,067
General Merchandise	46,542	46,087	0	0	0
Food Stores	34,029	36,586	37,722	39,053	41,174
Eating and Drinking Places	47,491	47,689	51,891	57,071	63,075
Building Materials	38,182	43,828	41,366	50,008	54,126
Auto Dealers and Supplies	39,022	54,387	56,371	75,625	76,960
Service Stations	92,074	104,990	116,770	123,421	124,388
Other Retail Stores*	25,363	25,076	76,367	76,393	91,585
All Other Outlets	239,811	297,831	314,032	393,593	425,561
<b>Total</b>	<b>\$ 565,696</b>	<b>\$ 659,786</b>	<b>\$ 698,362</b>	<b>\$ 819,173</b>	<b>\$ 880,936</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				
	2015	2016	2017	2018	2019
Apparel Stores	\$ 8,024	\$ 10,630	\$ 11,112	\$ 12,718	\$ 21,031
General Merchandise	0	0	0	0	0
Food Stores	42,029	38,232	50,466	72,416	70,817
Eating and Drinking Places	71,883	78,862	93,540	99,461	111,225
Building Materials	106,130	0	215,677	239,254	359,047
Auto Dealers and Supplies	71,111	61,196	70,378	50,187	59,174
Service Stations	115,844	113,711	118,006	135,843	144,087
Other Retail Stores*	93,789	266,265	124,461	137,433	161,282
All Other Outlets	407,372	492,577	963,221	1,278,955	1,540,350
<b>Total</b>	<b>\$ 916,182</b>	<b>\$ 1,061,473</b>	<b>\$ 1,646,861</b>	<b>\$ 2,026,267</b>	<b>\$ 2,467,013</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)**

<b>Fiscal Year</b>	<b>Real</b>	<b>Personal</b>	<b>Other</b>	<b>Less:</b>		<b>Total Taxable</b>	<b>Total</b>
				<b>Other</b>	<b>Homeowners'</b>		
<b>Ended</b>	<b>Property</b>	<b>Property</b>	<b>Exemptions</b>	<b>Exemptions</b>	<b>Value</b>	<b>Rate</b>	
<b>June 30</b>							
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
2020	6,563,797	171,656	245,918	87,127	41,763	6,852,481	1.0000

Source: HdL Coren & Cone

**City of Perris**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**

Agency	2011	2012	2013	2014	2015
<b>Basic Levy</b>	1.00000	1.00000	1.00000	1.00000	1.00000
Eastern Municipal Water Improvement District	0.05300	0.05300	0.05000	0.05000	0.05000
Metropolitan Water District Original Area	0.03436	0.00370	0.00350	0.00350	0.00350
Menifee School	0.00370	0.03486	0.03543	0.03421	0.03275
Perris School District	0.01983	0.01983	0.01800	0.02524	0.05588
Perris Union High School	0.03126	0.03429	0.03429	0.06970	0.06303
Riverside City Community College	0.01499	0.01700	0.01702	0.01768	0.01791
Val Verde Unified	0.03347	0.03160	0.08383	0.07235	0.07882
Mt San Jacinto Jr College	0.00000	0.00000	0.00000	0.00000	0.00000
<b>Total Prop 13 Rate</b>	<b>1.19061</b>	<b>1.19428</b>	<b>1.24207</b>	<b>1.27268</b>	<b>1.30189</b>
<b>City's Share of 1% Levy Per Prop 13</b>	<b>0.25436</b>	<b>0.25436</b>	<b>0.25436</b>	<b>0.13146</b>	<b>0.13146</b>

Source: \*HdL Coren & Cone

**City of Perris**  
**Direct and Overlapping Property Tax Rates (Continued)**  
**Last Ten Fiscal Years**

<b>Agency</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<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	0.03010	0.03269	0.06080	0.06303	0.06277
Perris School District	0.04699	0.05491	0.06000	0.05754	0.05867
Perris Union High School	0.06236	0.06092	0.05675	0.05243	0.08244
Riverside City Community College	0.01725	0.01649	0.01616	0.01478	0.01476
Val Verde Unified	0.07135	0.07210	0.06368	0.06966	0.06368
Mt San Jacinto Jr College	0.01394	0.01320	0.01320	0.01320	0.01320
<b>Total Prop 13 Rate</b>	<b>1.29549</b>	<b>1.30381</b>	<b>1.32409</b>	<b>1.32414</b>	<b>1.34902</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>0.09452</b>	<b>0.09484</b>

Source: \*HdL Coren & Cone

**City of Perris**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**  
**June 30, 2020**  
**(in thousands of dollars)**

<u>Taxpayer</u>	<u>2020</u>			<u>2011</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>
Duke Realty LP	\$ 256,485	1	3.72%			0.00%
Ross Distribution Inc	196,569	2	2.85%			0.00%
Stratford Ranch	139,026	3	2.02%			0.00%
DB RREEF Perris California	131,917	4	1.91%	100,000	1	2.61%
O R E Industrial	125,480	5	1.82%			0.00%
CR and R Inc.	108,751	6	1.58%			0.00%
IIT Inland Empire 3700 Indian Ave	106,121	7	1.54%	81,464	3	2.12%
Ferguson Enterprises	99,547	8	1.44%			0.00%
Lowes HIW Inc	87,186	9	1.26%	79,575	4	2.07%
IPT Perris DC	77,867	10	1.13%			0.00%
Centex Homes	-		0.00%	85,173	2	2.22%
Wachovia Dev Corporation	-		0.00%	74,942	5	1.95%
FR California Goetz Road	-		0.00%	47,743	6	1.24%
Ross Dress For Less	-		0.00%	40,384	7	1.05%
FR California Ellis	-		0.00%	37,568	8	0.98%
Ranch at Green Valley	-		0.00%	31,646	9	0.82%
First Industrial	-		0.00%	29,245	10	0.76%
	-		0.00%			0.00%
Totals	<u>\$ 1,328,949</u>		<u>19.28%</u>	<u>\$ 607,740</u>		<u>15.82%</u>

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)**

<b>Fiscal Year Ended June 30</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
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%
2020	8,933	8,074	90.38%	859	8,933	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)**

<b>Fiscal Year</b>	<b>Governmental Activities</b>			<b>Business-type</b>	<b>Total Primary Government</b>	<b>Percentage of Value of Property</b>	<b>Per Capita</b>	<b>Percentage of Personal Income</b>
	<b>Revenue Bonds</b>	<b>Notes Payable</b>	<b>Lease Payable</b>	<b>Activities Notes Payable</b>				
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	3.34%	1,876	18%
2019	173,035	781	4,987	-	178,803	3.07%	1,897	15%
2020	162,253	781	4,919	-	167,953	2.88%	1,821	13%

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, 2020**

<b><u>DIRECT DEBT:</u></b>	<b>Percentage Applicable</b>	<b>Share of Overlapping Debt</b>
City of Perris - Perris Redevelopment Agency Loan	100.000%	\$ 781,370
WRCOG Regional Streetlight Program	100.000%	4,918,614
Premiums on Revenue Bonds	100.000%	3,427,568
Discounts on Revenue Bonds	100.000%	(994,991)
Perris Financing Authority - Revenue Bonds	100.000%	37,620,000
Perris Joint Powers Authority - Revenue Bonds	100.000%	122,200,000
<b>TOTAL DIRECT DEBT</b>		<b>\$ 167,952,561</b>
 <b><u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>		
Metropolitan Water District	0.223%	\$ 83,179
Eastern Municipal Water District, I.D. U8	0.000%	-
Eastern Municipal Water District, I.D. U9	100.000%	2,498,000
Riverside County Flood Control and Water Conservation District, Zone 4	12.492%	1,565,248
Mount San Jacinto Community College District	2.728%	4,484,423
Riverside City Community College District	3.791%	10,772,734
Val Verde Unified School District	42.382%	53,742,354
Perris Union High School District	14.538%	35,885,726
Menifee Union School District	0.057%	53,517
Perris School District	72.017%	26,132,263
City of Perris Community Facilities Districts	100.000%	135,945,000
Romoland School District Community Facilities District No. 2001-1	100.000%	2,980,000
Val Verde Unified School District Community Facilities Districts	100.000%	3,715,000
Perris Union High School District Community Facilities Districts	0.021-100.000%	9,407,014
City of Perris	100.000%	-
<b>TOTAL GROSS OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<b>\$ 287,264,458</b>
 <b><u>OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u></b>		
Riverside County General Fund Obligations	2.239%	\$ 17,703,525
Riverside County Pension Obligations	2.239%	21,874,623
Riverside County Board of Education Certificates of Participation	0.000%	-
Val Verde Unified School District Certificates of Participation	42.724%	23,449,961
Perris Union High School District General Fund Obligations	14.753%	6,002,349
Menifee Union School District Certificates of Participation	0.067%	26,748
Perris School District Certificates of Participation	71.962%	3,755,687
<b>TOTAL GROSS OVERLAPPING GENERAL FUND OBLIGATION DEBT</b>		<b>\$ 72,812,893</b>
Less: Riverside County self-supporting obligations		-
<b>TOTAL NET OVERLAPPING GENERAL FUND OBLIGATION DEBT</b>		<b>\$ 72,812,893</b>
 <b>OVERLAPPING TAX INCREMENT DEBT (SUCCESSORY AGENCY)</b>	 100.000%	 <b>58,140,000</b>
 <b>GROSS COMBINED TOTAL DEBT <sup>(1)</sup></b>		 <b>\$ 586,169,912 <sup>(2)</sup></b>
<b>NET COMBINED TOTAL DEBT</b>		<b>\$ 586,169,912</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 2020**

Assessed Value	\$ 6,852,481
Debt Limit (15% of assessed value)	<u>1,027,872</u>
Legal Debt Margin	<u><u>\$ 5,824,609</u></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>
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%
2020	5,824,609	1,027,872	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>	
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%
2020	2,228	2,595	(367)	-	-	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>	
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)	-	-	-
2020	2,661	3,088	(427)	-	-	-

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**

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<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income (in thousands of dollars)</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
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
2020	80,201	1,329,979	16,583	27.5	16,459	15.4

- 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>2020</u>			<u>2011</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)	1,916	1	6.30%	1,400	1	7.76%
Val Verde Unified School District (2)	1,368	2	4.50%			---
Perris Union High School District (2)	945	3	3.11%	786	4	4.36%
Perris Elementary School District (2)	848	4	2.79%	602	6	3.34%
Lowe's CA Regional Distribution Center	799	5	2.63%	900	3	4.99%
NFI Industries (3)	728	6	2.39%			---
Eastern Municipal Water District	615	7	2.02%	580	7	3.21%
Home Depot distribution center	543	8	1.79%			---
Walmart Supercenter	405	9	1.33%			---
C R & R Waste - Perris	350	10	1.15%			---
Starcrest Products of California Inc.			0.00%	1,000	2	5.54%
Hanes	-		0.00%	650	5	3.60%
Whirlpool	-		0.00%	300	8	1.66%
Wal-Mart	-		0.00%	250	9	1.39%
Coreslab Structures Inc.	-		0.00%	50	10	1.11%
Totals	<u>\$ 8,517</u>		<u>28.02%</u>	<u>\$ 6,518</u>		<u>36.96%</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

2020 City Totals	\$ 31,000	**
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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government	59	58	42	47	43	54	54	72	60	61
Public safety*										
Police										
Officers	44	44	44	44	45	46	46	47	49	51
Fire										
Firefighters and officers	16	16	16	19	19	19	19	19	19	19
Highways and streets										
Engineering **	9	8	8	8	8	8	9	10	13	17
Maintenance	11	9	8	8	8	15	18	19	33	21
Culture and recreation	6	16	6	8	7	9	11	10	16	24
Water**	3	4	4	4	4	3	3	4	4	4
Sewer**	2	2	2	2	2	2	2	2	2	2
<b>Total</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>	<b>199</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				
	2011	2012	2013	2014	2015
<b>Police</b>					
Physical arrests	2,924	1,268	1,590	1,823	1,445
Parking violations	744	445	638	582	325
Traffic violations	4,061	5,417	3,493	5,087	5,624
<b>Fire</b>					
Number of Calls answered	4,974	5,253	5,714	5,762	5,892
<b>Public Works</b>					
Street resurfacing (miles)	13	10	14	16	32
Potholes repaired (1,000 sq feet)	8	16	320	336	280
<b>Water</b>					
New connections	3	2	6	5	10
Water mains breaks	3	5	2	2	3
Average daily consumption (100 cubic feet)	2,699	2,885	3,683	3,165	2,861

Source: City of Perris, Riverside County Sheriff's 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**

<b>Function</b>	<b>Fiscal Year</b>				
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Police</b>					
Physical arrests	1,321	1,373	1,687	2,078	1,942
Parking violations	177	149	199	142	575
Traffic violations	6,412	6,586	6,255	6,433	4,103
<b>Fire</b>					
Number of Calls answered	6,773	8,763	7,294	7,541	7,695
<b>Public Works</b>					
Street resurfacing (miles)	22	16	15	15	6
Potholes repaired (1,000 sq feet)	16	26	33	39	38
<b>Water</b>					
New connections	11	13	14	9	12
Water mains breaks	4	0	1	8	3
Average daily consumption (100 cubic feet)	2,457	2,624	2,846	2,647	2,576

Source: City of Perris, Riverside County Sheriff's 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				
	2011	2012	2013	2014	2015
Public safety					
Police:					
Stations	1	1	1	1	1
Patrol units	38	34	45	23	28
Fire Stations	2	2	2	2	2
Highways and streets					
Streets (miles)	192	193	193	194	194
Streetlights	4,405	4,496	4,537	4,609	4,656
Traffic signals	73	84	71	75	75
Parks and recreation					
Parks acreage	144	144	146	164	164
Parks	19	19	19	20	20
Tennis courts	2	2	2	2	2
Community centers	2	2	2	2	2
Water					
Water mains (miles)	39	39	39	48	48
Sewer					
Sanitary sewers (miles)	27	27	27	35	35
Storm sewers (1,000 linear feet)	147	148	160	161	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				
	2016	2017	2018	2019	2020
Public safety					
Police:					
Stations	1	1	1	1	1
Patrol units	31	31	35	38	38
Fire Stations	2	2	2	2	2
Highways and streets					
Streets (miles)	197	197	197	197	197
Streetlights	4,751	4,940	4,935	4,943	4,454
Traffic signals	80	83	93	95	103
Parks and recreation					
Parks acreage	174	274	274	169	171
Parks	23	23	23	26	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)	36	36	36	36	37
Storm sewers (1,000 linear feet)	164	172	174	177	185

Source: City of Perris, Riverside County Sheriffs Department, California Department of Forestry

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