

**Annual Comprehensive Financial Report
For the Fiscal Year Ended 30, 2023**



**CITY OF PERRIS,
CALIFORNIA**



City of Perris, California

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
WITH THE INDEPENDENT AUDITORS' REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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City of Perris

California

August 15, 2024

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' Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023.

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.

Rogers, Anderson, Malody & Scott LLP, Certified Public Accountants, have issued an unmodified opinion on the City of Perris' financial statements for the fiscal year ended June 30, 2023. 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 80,603 residents, of which 79% 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 132 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 \$78,352 while per capital income is about \$24,084 and many of those in the labor force commute to job locations outside the City. Total retail sales per capital averaged 16% during the 2022-2023 fiscal year. In the past 5 years, the City has remained focused on attracting local businesses and jobs, as well as providing more eateries for its residents. The City's growth and success resulting from that dedicated focus has produced a number of new establishments that include: Dickey's Barbecue, Ulta Beauty, Mountain Mike's Pizza, Five Below, Hibbett Sports, Ross, and Burlington. The commercial and industrial sectors in Perris have also realized new establishments as Home Depot and Wayfair expanded their existing operations to include additional warehouses and TechStyle (JustFab.com). During the fiscal year, the City witnessed the construction of IDI new 2.1 million square feet warehouse (Perris Logistics center North) which will house several companies when full completed.

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 22-23 increased from \$23.9M in fiscal year 20-21 to \$27.2M, an increase of 14%. Consumer confidence which decreased at the peak of the COVID-19 Pandemic has increased leading to a spike in consumer spending. Local retail sales, the primary source of sales tax revenues, continued to experience strong growth shown by the local point of sale activity increasing by 14%. Overall, taxable sales in the restaurant category were up 2.9% 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 22-23, the fulfillment centers category has continuously surpassed all three of those top sales tax revenue producers.

The local housing market continues to grow as the affordability advantage compared to other parts of Southern California remains. In Perris, the median home price increased 2% in the third calendar quarter of 2023 when compared to the same time period last year.

In fiscal year 22-23, secured property tax values in the City of Perris increased from \$7.7B in fiscal year 21-22 to \$9.1B, or about 18%. Unsecured assessed property values increased from \$488M in fiscal year 21-22 to \$505, or 16%. Overall, net total assessed value increased from \$8.2B in fiscal year 21-22 to \$9.6B, or 17%.

The City of Perris unemployment rate which peaked at 18% during the COVID-19 pandemic, has reduced to about 6.5% as of the end of the current fiscal year.

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 committed for use specifically in the case of unforeseen circumstances in addition to \$3.4 million for disaster preparedness, \$1.3 million for vehicle and equipment replacement, \$1.3 million for major capital improvements and repairs, and \$200,000 as a budgetary contingency.

Relevant Financial Policies

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

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

Cash Management Policies and Practices. The City Council annually adopts an investment policy with the intention of minimizing credit and market risks while maintaining a competitive yield on its investments. During 2022-2022, 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 51 retired employees receiving these benefits, which are financed on a pay-as-you-go basis.

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

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

Major Initiatives

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

City Infrastructure and other Capital Improvements. The five-year capital improvement program has committed approximately \$33M 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 \$31.4 million for Police and Fire services. In fiscal year 16-17, the City Council approved the expansion of Police services to include an additional 10 hours of patrol each day, a new traffic officer position, a new community service officer position, and the addition of a K-9. This expansion of services remained throughout fiscal year 22-23.

Parks. The City experienced a slowdown of park development impact fees throughout the economic downturn. The challenge for the department in recent years has been generating new revenue sources to maintain existing parks, facilities, and programs to keep up with the increased demand for more affordable recreational activities. A slowed housing market contributed to the decreased impact fees collected for residential development, but the department implemented a new park impact fee in late 2017 that would be paid by industrial developers. The new source of park funds has helped mitigate the shortage of revenues to service the City's 274 acres of parkland. The voters of Perris also approved a tax on cannabis dispensaries in 2017 that the Perris City Council has directed staff to collect for use by this department as the development of new recreation facilities are completed in the City in the future. Also, the City Council allocated ARPA grant funds during the fiscal year for various park projects to ensure that the parks are in compliance with COVID-19 regulations, and for other qualifying capital expenditures.

The following funded or developer conditioned park projects are anticipated to begin or continue construction in the next year:

- Early Childhood Classroom project
- Enchanted Hills Park Improvement
- Foss Field Park Improvement
- Mercado Park Improvement
- Perris Green City Farm project
- Rotary Park Improvement
- Cooper Creek Park Improvement
- Paragon Park Improvement
- Senior Center Tenant Improvement
- New Banta Beatty Park
- New meditation garden

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

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

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

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada awarded the fourteenth Certificate of Achievement for Excellence in Financial Reporting to the City of Perris for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 30, 2021. In order to be awarded the Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. 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 ACFR 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 Annual Comprehensive 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, Accounting Supervisor, James Frigo, Principal Management Analyst, and Ana Jacquez, Accountant II. 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,



Matthew Schenk, CPA
Director of Finance

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Perris
California**

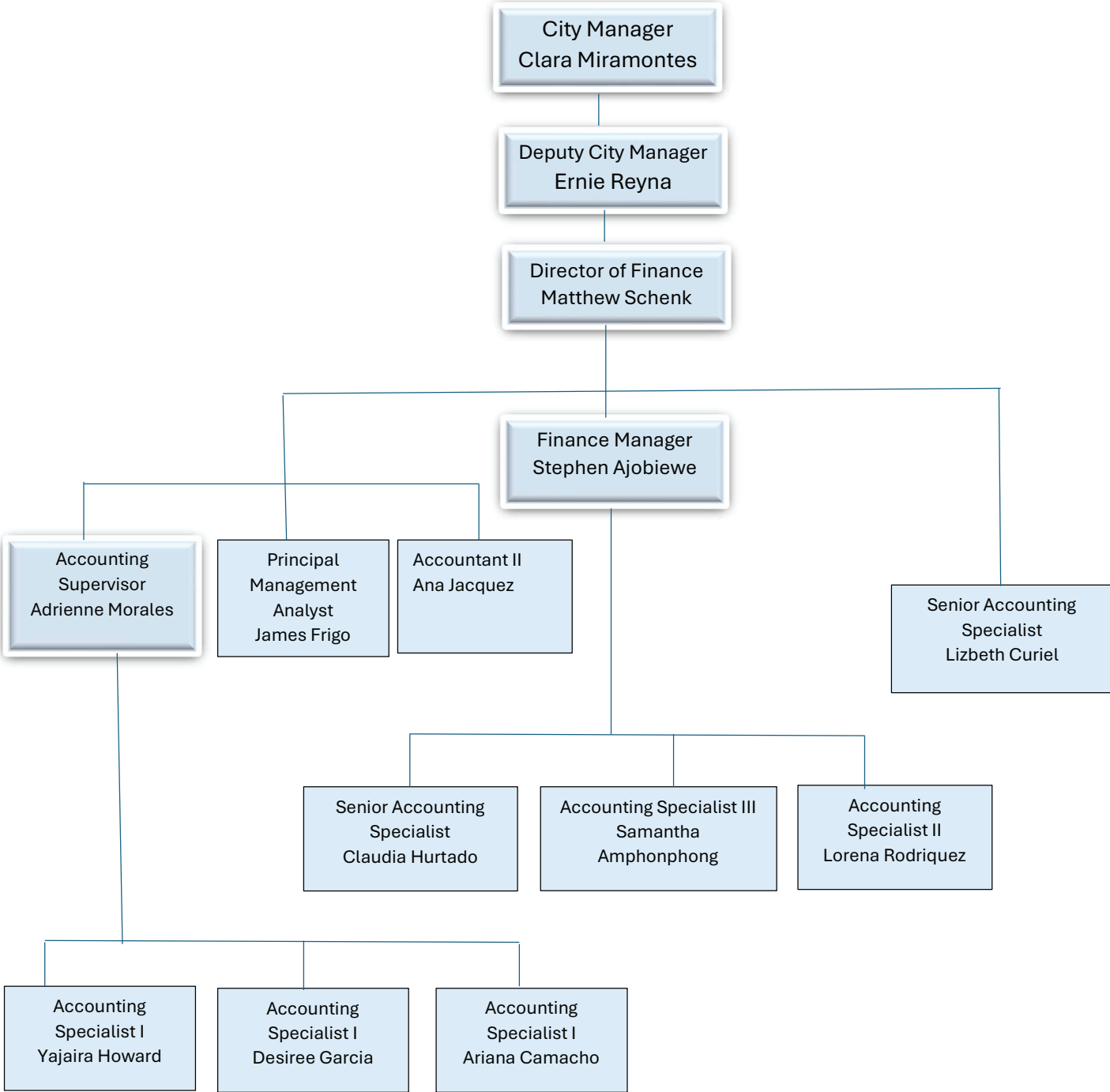
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

City of Perris – Finance Department



Directory of City Officials
City of Perris, California
June 30, 2023

Elected Official

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

Management

Clara Miramontes	City Manager
Wendell Bugtai	Assistant City Manager
Ernie Reyna	Deputy City Manager
Matthew Schenk	Director of Finance
Dr. Stephen Ajobiewe	Finance Manager
Saida Amozgar	Director of Administrative Services
Arturo Cervantes	Chief Information Officer
Sabrina Chavez	Director of Community Services
Bryant Hill	Director of Public Works
Kenneth Phung	Director of Development Services
Michele Ogawa	Director of Economic Development and Housing

Contractors

Robert Khuu	City Attorney
John Pourkazemi	Interim City Engineer
Matthew Simms	Police Chief
Mark Scoville	Fire Chief

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ROGERS, ANDERSON, MALODY & SCOTT, LLP
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Independent Auditor's Report

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Brianna Schultz, CPA, CGMA
Brenda L. Odle, CPA, MST (Partner Emeritus)
Terry P. Shea, CPA (Partner Emeritus)

MANAGERS / STAFF

Seong-Hyea Lee, CPA, MBA
Evelyn Morentin-Barcena, CPA
Veronica Hernandez, CPA
Laura Arvizu, CPA
John Maldonado, CPA, MSA
Julia Rodriguez Fuentes, CPA, MSA
Demi Hite, CPA
Jeffrey McKennan, CPA
Monica Wysocki, CPA

MEMBERS

American Institute of
Certified Public Accountants

*PCPS The AICPA Alliance
for CPA Firms*

*Governmental Audit
Quality Center*

California Society of
Certified Public Accountants

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Perris (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The identified supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The identified accompanying supplementary information is the responsibility of management and was derived from and relates 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections in the annual report but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2024 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 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.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
August 15, 2024

City of Perris

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2023 (in thousands of dollars)

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, 2023. 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.

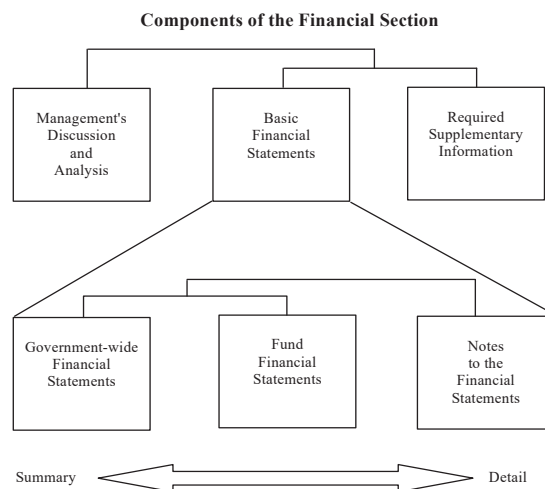
Financial Highlights

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 \$515,058. The amount (unrestricted net position) that may be used to meet the government's ongoing obligations to citizens and creditors was \$46,225.
- The City's total net position increased by \$25,565 for fiscal year 2022-23.
- As of June 30, 2023, the City's governmental funds reported combined fund balances of \$410,682, an increase of \$18,864 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 39% of proposed revenue budget is \$27,493 and unassigned fund balance for the General Fund was \$34,438.
- The City of Perris' overall total long-term liabilities decreased by \$5,375 for the fiscal year 2022-23.

Overview of the Financial Statements

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



City of Perris

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2023 (in thousands of dollars)

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 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 as listed in the table of contents.

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.

City of Perris

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2023 (in thousands of dollars)

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*.

The City maintains twenty-eight 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, 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, and Federal Grants Special Revenue Fund, each of which are considered to be major funds. Data from the other 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 as listed in the table of contents.

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 as listed in the table of contents.

City of Perris

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2023 (in thousands of dollars)

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 as listed in the table of contents.

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 as listed in the table of contents.

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 as listed in the table of contents.

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 as listed in the table of contents.

City of Perris

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2023 (in thousands of dollars)

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 \$515,058 as of June 30, 2023. A summary of the government-wide statement of net position as of June 30, 2023 follows:

City of Perris Net Position June 30, 2023						
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and other assets	\$ 497,552	\$ 489,416	\$ 3,700	\$ 3,419	\$ 501,252	\$ 492,835
Capital assets	257,678	246,140	19,145	18,672	276,823	264,812
Total assets	<u>755,230</u>	<u>735,556</u>	<u>22,845</u>	<u>22,091</u>	<u>778,075</u>	<u>757,647</u>
Deferred Outflows of Resources:						
Deferred charge on refunding	1,259	1,468	-	-	1,259	1,468
Pension and OPEB related items	16,466	20,716	462	555	16,928	21,271
Total deferred outflows of resources	<u>17,725</u>	<u>22,184</u>	<u>462</u>	<u>555</u>	<u>18,187</u>	<u>22,739</u>
Liabilities:						
Current and other liabilities	93,146	95,823	2,273	1,628	95,419	97,451
Long-term liabilities	173,034	178,518	795	699	173,829	179,217
Total liabilities	<u>266,180</u>	<u>274,341</u>	<u>3,068</u>	<u>2,327</u>	<u>269,248</u>	<u>276,668</u>
Deferred Inflows of Resources:						
Lease related	119	201.00	-	-	119	201.00
Deferred charge on refunding	378	427	-	-	378	427
Pension and OPEB related items	11,148	13,257	310	340	11,458	13,597
Total deferred inflows of resources	<u>11,645</u>	<u>13,885</u>	<u>310</u>	<u>340</u>	<u>11,955</u>	<u>14,225</u>
Net position:						
Net investment in capital assets	102,897	83,695	19,145	18,672	122,042	102,367
Restricted	346,791	344,580	-	-	346,791	344,580
Unrestricted	45,442	41,239	783	1,307	46,225	42,546
Total net position	<u>\$ 495,130</u>	<u>\$ 469,514</u>	<u>\$ 19,928</u>	<u>\$ 19,979</u>	<u>\$ 515,058</u>	<u>\$ 489,493</u>

City of Perris

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2023 (in thousands of dollars)

The largest portion of the City's net position \$122,042 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, the City's investment in capital assets increased \$19,675 which arose from the donated assets net with capital assets depreciation. On page 55, analysis of the capital assets depreciation is outlined.

A portion of the City's net position \$346,791 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 categories of the net position namely 1) Net Investment in Capital Assets \$122,042, 2) Restricted \$346,791 and 3) Unrestricted net position of \$46,225 for its governmental activities.

Governmental and Business-type Activities. Governmental and Business-type activities increased the City's net position by \$25,564 thereby accounting for the 5.27% 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 \$25,615 due mainly to total revenues significantly surpassing expenses. Contributing to the increased net position are:
a) increase of \$2,223 in property taxes, b) increase of \$2,325 in sales and use taxes, c) increase of \$1,529 in vehicle license fee in lieu tax, and d) increase of \$7,967 in interest.
- Business-type activities decreased the City of Perris's net position by \$51 due mainly due to revenues/exceeding expenses relating to Public Utility Authority, and Solid Waste Utility.

City of Perris

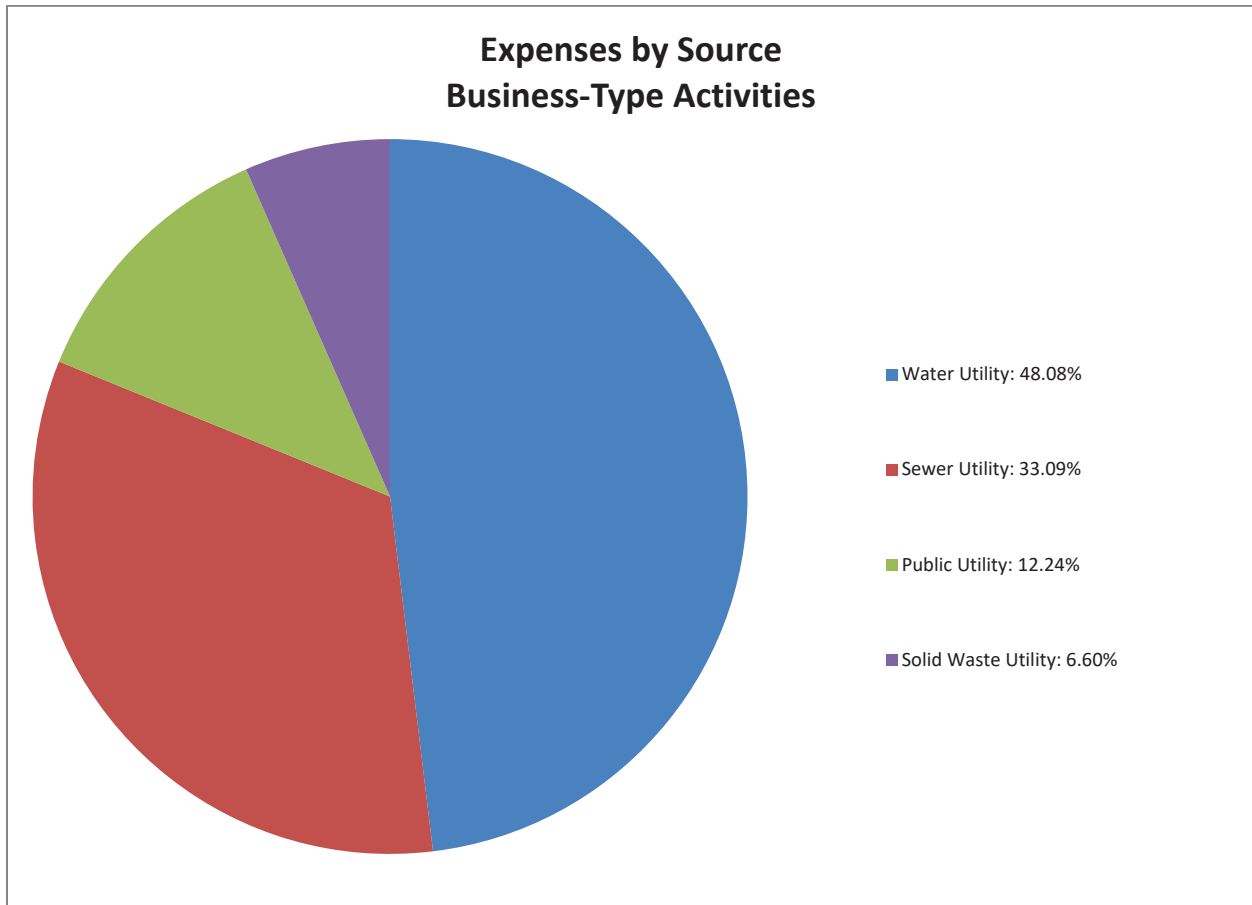
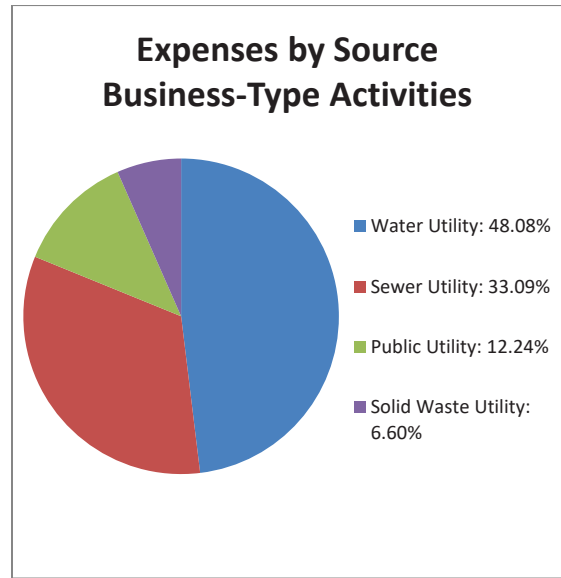
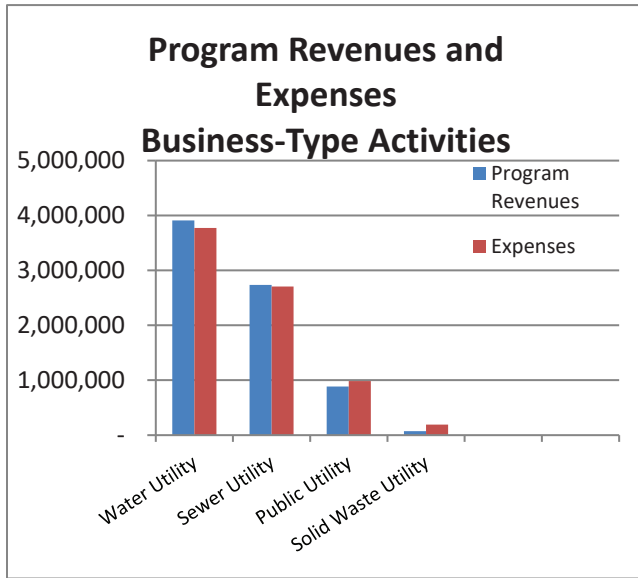
Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2023 (in thousands of dollars)

City of Perris, Change in Net Position For the Year Ended June 30, 2023

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 19,469	\$ 26,768	\$ 6,315	\$ 6,009	\$ 25,784	\$ 32,777
Operating grants and Contributions	30,908	39,837	-	-	30,908	39,837
Capital grants and Contributions	10,189	398	1,283	1,566	11,472	1,964
General revenues:						
Property taxes	12,077	9,855	-	-	12,077	9,855
Sales and use taxes	27,256	24,932	-	-	27,256	24,932
Vehicle license in Lieu Tax	10,700	9,171	-	-	10,700	9,171
Franchise taxes	3,751	3,545	-	-	3,751	3,545
Transient occupancy taxes	29	19	-	-	29	19
Real property taxes	1,518	740	-	-	1,518	740
Marijuana Taxes	3,754	5,595	-	-	3,754	5,595
Motor Vehicle	81	91	-	-	81	91
Investment earnings (loss)	994	(6,333)	3	(12)	997	(6,345)
Miscellaneous	325	513	-	-	325	513
Total revenues	121,051	115,131	7,601	7,563	128,652	122,694
Expenses:						
General government	18,482	13,509	-	-	18,482	13,509
Public safety	37,540	28,667	-	-	37,540	28,667
Public works	17,940	14,805	-	-	17,940	14,805
Parks and recreation	12,214	3,989	-	-	12,214	3,989
Community development	2,940	4,827	-	-	2,940	4,827
Interst and fiscal charges	6,319	5,075	-	-	6,319	5,075
Sewer Utility	-	-	2,704	2,250	2,704	2,250
Public Utility	-	-	984	833	984	833
Water Utility	-	-	3,773	3,269	3,773	3,269
Solid Waste Utility	-	-	191	448	191	448
Total Expenses	95,435	70,872	7,652	6,800	103,087	77,672
Increase (decrease) in net position before special item and transfers	25,616	44,259	(51)	763	25,565	45,022
Transfers	-	362	-	(362)	-	-
Change in net position	25,616	44,621	(51)	401	25,565	45,022
Net position as restated, July 1	469,514	424,893	19,979	19,578	489,493	444,471
Net position, June 30	\$ 495,130	\$469,514	\$ 19,928	\$ 19,979	\$515,058	\$ 489,493

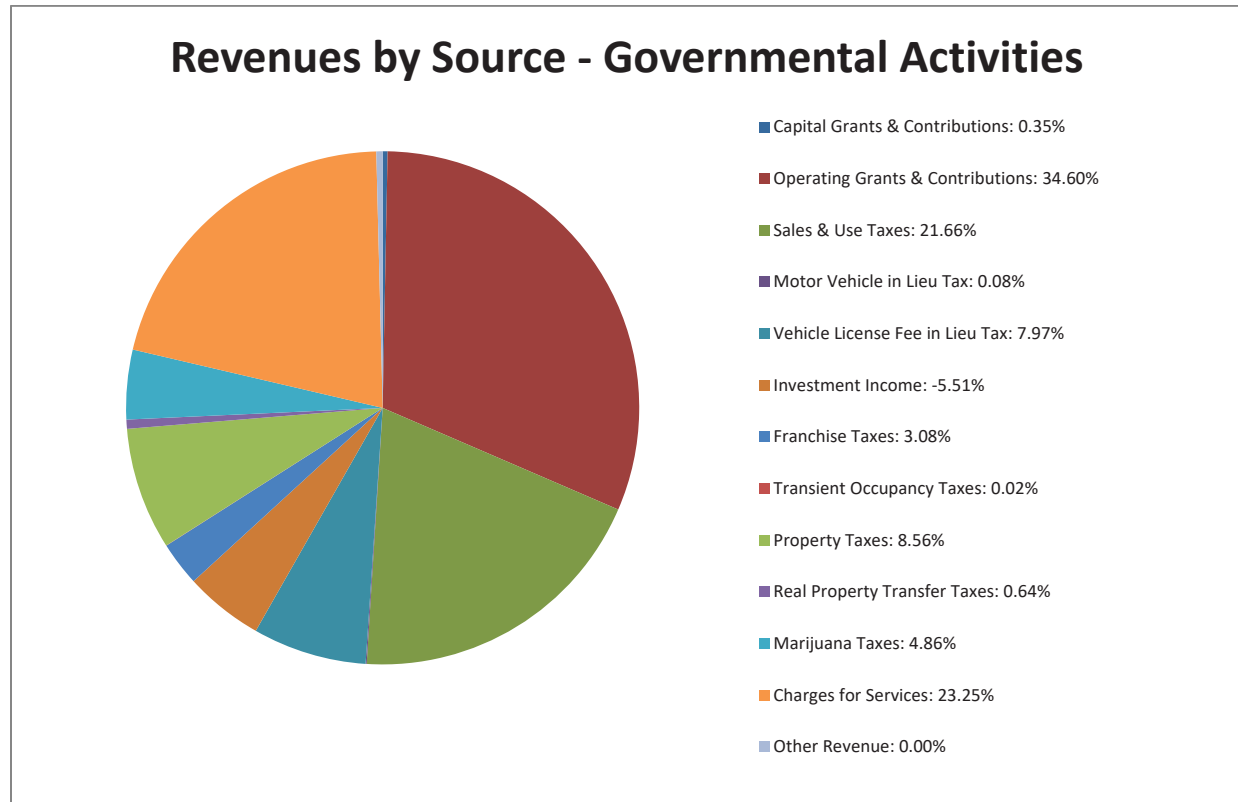
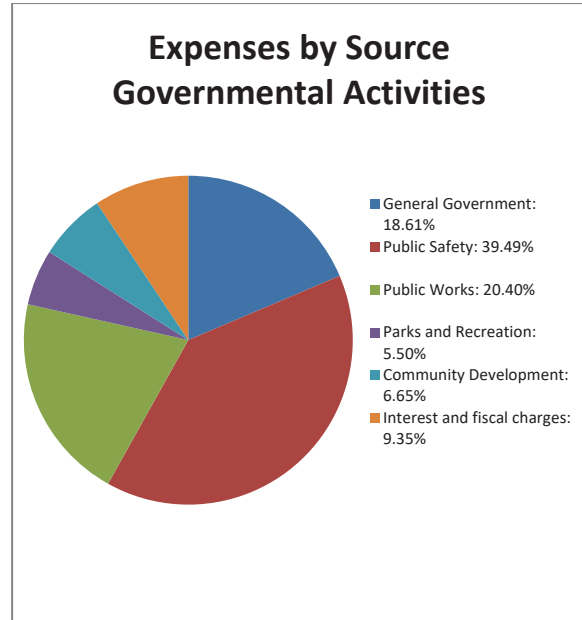
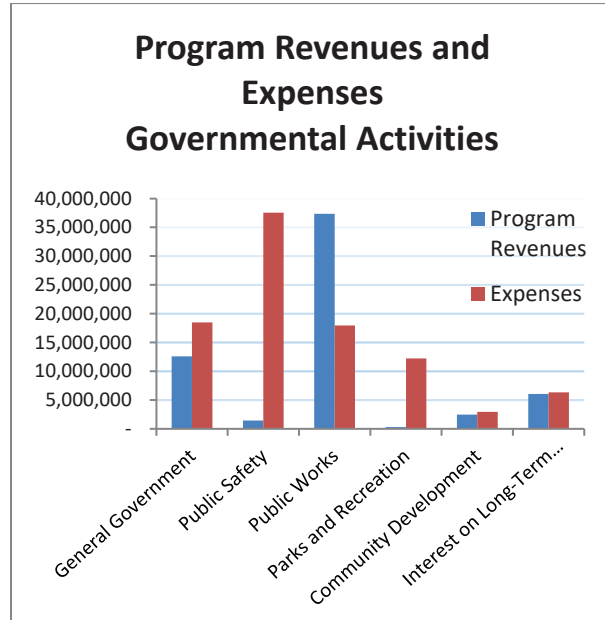
City of Perris

**Management’s Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2023
(in thousands of dollars)**



City of Perris

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2023 (in thousands of dollars)



City of Perris

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2023 (in thousands of dollars)

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 \$410,683. The City's governmental funds report *unassigned fund balance* of \$29,258. 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 \$3,041 and prepaids of \$5, 2) restricted resources \$344,686, 3) committed amount \$27,493, 4) assigned amounts \$6,200 and 6) for unassigned amounts \$29,258.

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 \$27,493, \$6,200 and \$34,438, respectively, while the total fund balance reached \$71,176. 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 122% of total General Fund expenditures of \$58,218.

The fund balance of the City's General Fund increased by \$12,823 during the current fiscal year. The increase in the fiscal year can be attributed primarily to a surplus of revenues over expenditures. Major increases were in taxes, intergovernmental revenues, investment earnings and contributions. The categories of expenditure increased from prior year amounts due mainly to impact of the general increases in operating costs and increased staff salaries/benefits. Taxes increased by \$4,867, intergovernmental revenues by \$98, investment earnings by \$2,199, special assessment by \$351 and contributions increased by \$1,846 from the prior year amounts. General government increased by \$1,293, public safety increased by \$348, public works decreased by \$203, parks and recreation increased by \$1,519 and capital outlay decreased by \$74 compared to prior year amounts.

The Joint Powers Authority Debt Service Fund (JPA) had a decrease of \$5,463 in fund balance.

City of Perris

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2023 (in thousands of dollars)

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 increased by \$19 due to surplus of revenues over the total capital outlay in the fund.

The Capital Improvements Projects Capital Project Fund had a decrease of \$1,145 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 \$683. 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 Federal Grants Special Revenue Fund had a decrease of \$1,208, which is attributed to excess of expenditures over revenues.

The Other Governmental Funds fund balance increased \$13,156 primarily due to increase in revenues over expenditures and transfers in/out in the following funds: City-wide Lighting District, Flood Control Maintenance District, RMRA Grant, Proposition "A", State Grant, Development Fees, HUD NSP-3, NRPA Grant, Construction, Railway Depot Restoration and Community Facilities Districts. 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 101-102 for further description of each fund purpose.

General Fund Budget. During the year, there was a \$7,289 increase in the original and final expenditure budget, and a \$46,375 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 \$181,513.

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 \$783 which represents a decrease of \$306 from the prior fiscal year.

City of Perris

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2023 (in thousands of dollars)

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business type activities amounts to \$276,823 (net of accumulated depreciation of \$251,870 as of June 30, 2023). 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 \$2,543.

Capital and Intangible Assets (Net of Accumulated Depreciation/Amortization)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 43,810	\$ 41,949	\$ 301	\$ 301	\$ 44,111	\$ 42,250
Buildings	25,073	25,073	-	-	25,073	25,073
Building Improvements	12,674	12,453	-	-	12,674	12,453
Improvements other than Buildings	-	-	315	315	315	315
Machinery	4,214	4,101	-	-	4,214	4,101
Vehicles	4,112	3,584	105	105	4,217	3,689
Infrastructure	336,850	321,748	-	-	336,850	321,748
Right to use asset - land	3	3	-	-	3	3
Right to use asset - equipment	138	133	-	-	138	133
Major equipment	-	-	543	543	543	543
Boosters	-	-	36	36	36	36
Reservoirs	-	-	2,069	2,069	2,069	2,069
Mains	-	-	23,579	22,539	23,579	22,539
Services	-	-	2,675	2,433	2,675	2,433
Meters	-	-	1,406	1,406	1,406	1,406
Hydrants	-	-	1,272	1,271	1,272	1,271
Manholes	-	-	917	917	917	917
Wells	-	-	996	996	996	996
Construction in progress	67,598	64,862	7	4	67,605	64,866
Total	494,472	473,906	34,221	32,935	528,693	506,841
Less: Accumulated depreciation/amortization	236,794	227,766	15,076	13,479	251,870	232,561
Total net capital assets	\$ 257,678	\$ 246,140	\$ 19,145	\$ 19,456	\$ 276,823	\$ 274,280

The City's increase in capital assets was primarily due to \$12,402 additional work on construction in progress, \$5,571 in additional expenses relating to infrastructure, \$1,861 related to land, \$220 relating to building improvements, \$112 relating to Machinery and \$528 relating to vehicles. Further, the completion of Enchanted Hills Park Projects, GEAR Bike Lane Expansion II, Perris Blvd (Ramona Expwy to 4th Street) improvement project added \$15,102 to the Governmental-activities capital assets and a correspondent reduction in construction in progress. Infrastructure improvements are performed on curbs and gutters, parks, sidewalks, pavement, storm drains, pipelines, bridges, street lights, traffic signals and medians/trees.

City of Perris

Management's Discussion and Analysis (Unaudited) For the Year Ended June 30, 2023 (in thousands of dollars)

Additional information on the City's capital assets can be found in Note 5 to the basic financial statements on pages as listed in the table of contents.

Debt Administration. The net change of the City's long-term debt was a decrease of \$7,744. At the end of the current fiscal year, the City had total bonded debt outstanding of \$140,425 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 decrease of \$7,380 during the fiscal year due to the principal payment on various bonds. The table below shows the changes in the City's outstanding debt:

	Governmental Activities	
	2023	2022
Governmental Activities:		
Notes payable	\$ 781	\$ 781
WRCOG Regional Streetlight Program	4,192	4,520
Revenue bonds	147,820	155,200
Lease liabilities	124	64
Compensated Absences	1,853	1,694
Premium on revenue bonds	3,520	3,775
Discounts on revenue bonds	(776)	(855)
Total	<u>\$ 157,514</u>	<u>\$ 165,179</u>

Additional information on the City's outstanding debt can be found in Note 6 to the basic financial statements on pages as listed in the table of contents.

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 \$1,452,246 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.

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Basic Financial Statements

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Governmental-wide Financial Statements

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City of Perris

Statement of Net Position June 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 299,535,617	\$ 801,189	\$ 300,336,806
Receivables (net):			
Accounts	9,352,115	4,779,736	14,131,851
Interest	2,478,300	904	2,479,204
Taxes	6,036,961	-	6,036,961
Internal balances	1,882,224	(1,882,224)	-
Deposits	-	145	145
Due from other governments	853,003	-	853,003
Prepaid items	4,748	-	4,748
Deposits with other agencies	3,041,242	-	3,041,242
Total current assets	<u>323,184,210</u>	<u>3,699,750</u>	<u>326,883,960</u>
Noncurrent assets:			
Restricted cash and investments with fiscal agent	21,603,129	-	21,603,129
Restricted investments	117,668,775	-	117,668,775
Notes and loans receivables	3,154,064	-	3,154,064
Lease receivables	116,020	-	116,020
Advances to Successor Agency	31,825,000	-	31,825,000
Capital and intangible assets:			
Not being depreciated	111,407,511	307,313	111,714,824
Being depreciated, net of depreciation	146,270,625	18,838,120	165,108,745
Total capital and intangible assets	<u>257,678,136</u>	<u>19,145,433</u>	<u>276,823,569</u>
Total noncurrent assets	<u>432,045,124</u>	<u>19,145,433</u>	<u>451,190,557</u>
Total Assets	<u>755,229,334</u>	<u>22,845,183</u>	<u>778,074,517</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred losses on refunding	1,258,886	-	1,258,886
Deferred outflows of resources related to pensions	12,890,580	346,834	13,237,414
Deferred outflows of resources related to OPEB	3,575,809	115,158	3,690,967
Total Deferred Outflows of Resources	<u>17,725,275</u>	<u>461,992</u>	<u>18,187,267</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	13,958,323	1,995,501	15,953,824
Retention payable	458,526	-	458,526
Unearned revenue	32,885,990	-	32,885,990
Deposits payable	35,925,729	261,533	36,187,262
Interest payable	1,691,485	-	1,691,485
Long-term liabilities, due within one year	8,226,245	15,742	8,241,987
Total current liabilities	<u>93,146,298</u>	<u>2,272,776</u>	<u>95,419,074</u>
Noncurrent liabilities:			
Long-term liabilities, due in more than one year	149,288,687	47,224	149,335,911
Net pension liability	3,072,114	82,423	3,154,537
Total OPEB liability	20,672,723	665,761	21,338,484
Total noncurrent liabilities	<u>173,033,524</u>	<u>795,408</u>	<u>173,828,932</u>
Total Liabilities	<u>266,179,822</u>	<u>3,068,184</u>	<u>269,248,006</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to leases	119,070	-	119,070
Deferred gains on refunding	377,735	-	377,735
Deferred inflows of resources related to pensions	5,368,406	124,001	5,492,407
Deferred inflows of resources related to OPEB	5,780,029	186,144	5,966,173
Total Deferred Inflows of Resources	<u>11,645,240</u>	<u>310,145</u>	<u>11,955,385</u>
NET POSITION			
Net investment in capital assets	102,896,619	19,145,433	122,042,052
Restricted for:			
Development	34,425,441	-	34,425,441
Debt service	152,452,316	-	152,452,316
Air quality management	167,712	-	167,712
Traffic safety	1,638,762	-	1,638,762
Light and landscape	9,282,411	-	9,282,411
Streets and flood control	113,393,538	-	113,393,538
Community development	6,627,805	-	6,627,805
Construction	28,802,746	-	28,802,746
Unrestricted	45,442,197	783,413	46,225,610
Total Net Position	<u>\$ 495,129,547</u>	<u>\$ 19,928,846</u>	<u>\$ 515,058,393</u>

The accompanying notes are an integral part of these financial statements.

City of Perris

Statement of Activities For the Year Ended June 30, 2023

Functions/Programs Primary Government	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 18,482,438	\$ 3,556,850	\$ 9,034,307	\$ -
Public safety	37,540,417	1,183,067	250,365	-
Public works	17,940,457	12,907,842	14,541,267	10,175,233
Parks and recreation	12,214,347	291,418	780	-
Community development	2,940,406	1,529,458	1,019,549	13,433
Interest and fiscal charges	6,318,686	-	6,062,096	-
Total Governmental Activities	<u>95,436,751</u>	<u>19,468,635</u>	<u>30,908,364</u>	<u>10,188,666</u>
Business-type activities:				
Sewer utility	2,703,945	2,386,238	-	346,735
Public utility authority	983,448	884,418	-	-
Water utility	3,772,213	2,972,660	-	935,905
Solid waste utility	190,456	71,297	-	-
Total Business-Type Activities	<u>7,650,062</u>	<u>6,314,613</u>	<u>-</u>	<u>1,282,640</u>
Total Primary Government	<u>\$ 103,086,813</u>	<u>\$ 25,783,248</u>	<u>\$ 30,908,364</u>	<u>\$ 11,471,306</u>

The accompanying notes are an integral part of these financial statements.

City of Perris

Statement of Activities (Continued) For the Year Ended June 30, 2023

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Functions/Programs Primary Government			
Governmental activities:			
General government	\$ (5,891,281)	\$ -	\$ (5,891,281)
Public safety	(36,106,985)	-	(36,106,985)
Public works	19,683,885	-	19,683,885
Parks and recreation	(11,922,149)	-	(11,922,149)
Community development	(377,966)	-	(377,966)
Interest and fiscal charges	(256,590)	-	(256,590)
Total Governmental Activities	(34,871,086)	-	(34,871,086)
Business-type activities:			
Sewer utility	-	29,028	29,028
Public utility	-	(99,030)	(99,030)
Water utility	-	136,352	136,352
Solid waste utility	-	(119,159)	(119,159)
Total Business-Type Activities	-	(52,809)	(52,809)
Total Primary Government	(34,871,086)	(52,809)	(34,923,895)
General Revenues			
Taxes:			
Property taxes	12,077,986	-	12,077,986
Sales and use taxes	27,256,075	-	27,256,075
Vehicle license fee in lieu tax	10,700,096	-	10,700,096
Franchise taxes	3,750,724	-	3,750,724
Transient occupancy taxes	28,818	-	28,818
Real property transfer taxes	1,518,283	-	1,518,283
Marijuana taxes	3,754,412	-	3,754,412
Motor vehicle in lieu tax (intergovernmental/unrestricted)	80,864	-	80,864
Interest	994,305	3,028	997,333
Miscellaneous	324,593	-	324,593
Total General Revenues	60,486,156	3,028	60,489,184
Change in net position	25,615,070	(49,781)	25,565,289
Net Position			
Beginning of year	469,514,477	19,978,627	489,493,104
End of year	<u>\$ 495,129,547</u>	<u>\$ 19,928,846</u>	<u>\$ 515,058,393</u>

The accompanying notes are an integral part of these financial statements.

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Fund Financial Statements

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Governmental Fund Financial Statements

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City of Perris

Balance Sheet Governmental Funds June 30, 2023

	General Fund	Debt Service Fund	Capital Projects Funds	
		Joint Powers Authority	Storm Drain Development	Capital Improvement Projects
ASSETS				
Cash and investments	\$ 71,617,552	\$ 7,089	\$ 13,386,155	\$ 16,832,496
Cash and investments with fiscal agent	-	11,146,328	-	-
Restricted investments	-	117,668,775	-	-
Receivables (net):				
Accounts	335,691	-	-	3,919,184
Interest	202,852	1,385,380	33,938	43,081
Taxes	5,074,153	-	-	-
Notes and loans	-	-	-	-
Leases	116,020	-	-	-
Due from other governments	-	-	-	-
Prepaid items	4,748	-	-	-
Due from other funds	9,048,997	-	-	-
Deposits	3,041,242	-	-	-
Advance to Successor Agency	-	-	-	-
Total assets	\$ 89,441,255	\$ 130,207,572	\$ 13,420,093	\$ 20,794,761
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
Liabilities:				
Accounts payable and accrued liabilities	\$ 10,144,717	\$ 20,250	\$ -	\$ 90,597
Retention payable	5	-	6,534	36,846
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	21,685,895
Deposits and other liabilities	7,854,178	10,679,348	13,396,287	-
Total liabilities	17,998,900	10,699,598	13,402,821	21,813,338
Deferred Inflows of Resources:				
Lease related	119,070	-	-	-
Unavailable revenue	146,793	1,385,146	-	-
Total deferred inflows of resources	265,863	1,385,146	-	-
Fund Balances (deficit):				
Nonspendable	3,045,990	-	-	-
Restricted	-	118,122,828	17,272	-
Committed	27,492,516	-	-	-
Assigned	6,200,000	-	-	-
Unassigned	34,437,986	-	-	(1,018,577)
Total fund balances	71,176,492	118,122,828	17,272	(1,018,577)
Total liabilities, deferred inflows of resources, and fund balances	\$ 89,441,255	\$ 130,207,572	\$ 13,420,093	\$ 20,794,761

The accompanying notes are an integral part of these financial statements.

City of Perris

Balance Sheet Governmental Funds (Continued) June 30, 2023

	Special Revenue Funds		Nonmajor Governmental Funds	Total
	Road and Bridge Benefit District	Federal Grants		
ASSETS				
Cash and investments	\$ 99,006,058	\$ 11,415,011	\$ 87,271,256	\$ 299,535,617
Cash and investments with fiscal agent	-	-	10,456,801	21,603,129
Restricted investments	-	-	-	117,668,775
Receivables (net):				
Accounts	-	12,000	5,085,240	9,352,115
Interest	254,383	32,320	526,346	2,478,300
Taxes	-	-	962,808	6,036,961
Notes and loans	-	-	3,154,064	3,154,064
Leases	-	-	-	116,020
Due from other governments	-	759,198	93,805	853,003
Prepaid items	-	-	-	4,748
Due from other funds	-	-	-	9,048,997
Deposits	-	-	-	3,041,242
Advance to Successor Agency	-	-	31,825,000	31,825,000
Total assets	\$ 99,260,441	\$ 12,218,529	\$ 139,375,320	\$ 504,717,971
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
Liabilities:				
Accounts payable and accrued liabilities	\$ 43,007	\$ 760,127	\$ 2,899,625	\$ 13,958,323
Retention payable	23,865	101,774	289,502	458,526
Due to other funds	-	-	7,166,773	7,166,773
Unearned revenues	-	11,070,053	130,042	32,885,990
Deposits and other liabilities	-	-	3,995,916	35,925,729
Total liabilities	66,872	11,931,954	14,481,858	90,395,341
Deferred Inflows of Resources:				
Lease related	-	-	-	119,070
Unavailable revenue	-	683,660	1,305,260	3,520,859
Total deferred inflows of resources	-	683,660	1,305,260	3,639,929
Fund Balances (deficit):				
Nonspendable	-	-	-	3,045,990
Restricted	99,193,569	-	127,352,404	344,686,073
Committed	-	-	-	27,492,516
Assigned	-	-	-	6,200,000
Unassigned	-	(397,085)	(3,764,202)	29,258,122
Total fund balances	99,193,569	(397,085)	123,588,202	410,682,701
Total liabilities, deferred inflows of resources, and fund balances	\$ 99,260,441	\$ 12,218,529	\$ 139,375,320	\$ 504,717,971

City of Perris

Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position June 30, 2023

Total Fund Balances - Total Governmental Funds		\$ 410,682,701
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.		257,678,136
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.		
Notes payable	\$ (781,370)	
WRCOG streetlight program	(4,192,312)	
Lease liabilities	(124,464)	
Revenue bonds	(147,820,000)	
Deferred losses on refunding	1,258,886	
Deferred gains on refunding	(377,735)	
Issuance premium	(3,519,864)	
Issuance discount	776,213	
Compensated absences	<u>(1,853,135)</u>	(156,633,781)
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 governmental funds' liabilities. They are reported in the Statement of Net Position.		
Net pension liability	(3,072,114)	
Deferred outflows of resources related to pensions	12,890,580	
Deferred inflows of resources related to pensions	<u>(5,368,406)</u>	4,450,060
Total OPEB liability and related deferred outflows and inflows of resources are not due and payable in the current period; therefore, are not reported as governmental funds' liabilities. They are reported in the Statement of Net Position.		
Deferred outflows of resources related to OPEB	3,575,809	
Total OPEB liability	(20,672,723)	
Deferred inflows of resources related to OPEB	<u>(5,780,029)</u>	(22,876,943)
Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds.		(1,691,485)
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.		<u>3,520,859</u>
Net position of governmental activities		<u><u>\$ 495,129,547</u></u>

The accompanying notes are an integral part of these financial statements.

City of Perris

Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds For the Year Ended June 30, 2023

	Debt Service Funds		Capital Projects Funds	
	General Fund	Joint Powers Authority	Storm Drain Development	Capital Improvement Projects
REVENUES				
Taxes	\$ 58,272,037	\$ -	\$ -	\$ -
Licenses, permits and fees	4,358,157	-	-	-
Intergovernmental revenues	140,972	-	-	-
Charges for services	1,404,652	-	-	-
Fines, forfeitures and penalties	704,762	-	-	-
Developer fees	-	-	19,524	-
Investment earnings	422,505	4,949,464	19,732	86,416
Special assessments	895,222	-	-	-
Contributions	3,710,337	36,290	-	494,722
Miscellaneous	314,440	-	-	-
Total revenues	70,223,084	4,985,754	39,256	581,138
EXPENDITURES				
Current:				
General government	13,341,073	-	-	-
Public safety	33,062,432	-	-	-
Public works	2,941,857	-	-	-
Parks and recreation	8,050,248	-	-	-
Community development	-	129,356	-	-
Capital outlay	822,742	-	19,524	1,726,754
Debt service:				
Principal retirement	-	5,375,000	-	-
Interest and fiscal charges	-	4,944,440	-	-
Total expenditures	58,218,352	10,448,796	19,524	1,726,754
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,004,732	(5,463,042)	19,732	(1,145,616)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,684,761	-	-	-
Transfers out	(1,017,516)	-	-	-
Lease acquisition	130,613	-	-	-
Gain on sale of asset	20,000	-	-	-
Total other financing sources (uses)	817,858	-	-	-
Net change in fund balances	12,822,590	(5,463,042)	19,732	(1,145,616)
FUND BALANCES (DEFICIT)				
Beginning of year, as restated	58,353,902	123,585,870	(2,460)	127,039
End of year	\$ 71,176,492	\$ 118,122,828	\$ 17,272	\$ (1,018,577)

The accompanying notes are an integral part of these financial statements.

City of Perris

Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds (Continued) For the Year Ended June 30, 2023

	Special Revenue Funds		Nonmajor Governmental Funds	Total
	Road and Bridge Benefit District	Federal Grants		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 58,272,037
Licenses, permits and fees	-	-	-	4,358,157
Intergovernmental revenues	-	5,455,788	16,944,778	22,541,538
Charges for services	-	-	177,486	1,582,138
Fines, forfeitures and penalties	-	-	185,589	890,351
Developer fees	4,747,573	-	7,465,485	12,232,582
Investment earnings	489,540	39,153	823,643	6,830,453
Special assessments	-	-	6,552,007	7,447,229
Contributions	-	-	1,300,356	5,541,705
Miscellaneous	-	(13,437)	177,709	478,712
Total revenues	5,237,113	5,481,504	33,627,053	120,174,902
EXPENDITURES				
Current:				
General government	-	457,396	66,166	13,864,635
Public safety	-	-	398,809	33,461,241
Public works	-	241,064	4,601,541	7,784,462
Parks and recreation	-	-	364,488	8,414,736
Community development	-	1,028,575	1,358,385	2,516,316
Capital outlay	4,553,771	3,971,958	10,259,055	21,353,804
Debt service:				
Principal retirement	-	-	2,332,566	7,707,566
Interest and fiscal charges	-	-	1,413,661	6,358,101
Total expenditures	4,553,771	5,698,993	20,794,671	101,460,861
Excess (Deficiency) of Revenues Over (Under) Expenditures	683,342	(217,489)	12,832,382	18,714,041
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,025,245	2,710,006
Transfers out	-	(991,011)	(701,479)	(2,710,006)
Lease acquisition	-	-	-	130,613
Gain on sale of asset	-	-	-	20,000
Total other financing sources (uses)	-	(991,011)	323,766	150,613
Net change in fund balances	683,342	(1,208,500)	13,156,148	18,864,654
FUND BALANCES (DEFICIT)				
Beginning of year, as restated	98,510,227	811,415	110,432,054	391,818,047
End of year	\$ 99,193,569	\$ (397,085)	\$ 123,588,202	\$ 410,682,701

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, 2023

Net change in fund balances - total governmental funds: \$ 18,864,654

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	\$ 20,691,300	
Depreciation/amortization	<u>(9,152,788)</u>	11,538,512

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	7,380,000	
WRCOG streetlight program	327,566	
Lease liabilities	70,086	
Amortization of premium, discount, and deferred charges	16,721	
Debt issued or incurred:		
Lease acquisition	<u>(130,613)</u>	7,663,760

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. 22,694

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. (158,948)

Other postemployment benefit expense net of current year contribution made during the measurement period. (1,335,738)

Pension expenses net of pension contribution made after measurement date. (11,836,783)

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. 856,919

Change in net position of governmental activities \$ 25,615,070

The accompanying notes are an integral part of these financial statements.

Proprietary Fund Financial Statements

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City of Perris

Statement of Fund Net Position Proprietary Funds June 30, 2023

	Business-Type Activities				Total
	Enterprise Funds				
	Sewer Utility	Public Utility Authority	Water Utility	Solid Waste Utility	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ -	\$ 478,789	\$ -	\$ 322,400	\$ 801,189
Receivables (net):					
Accounts	1,178,078	868,601	2,137,272	595,785	4,779,736
Interest	-	103	-	801	904
Deposits	-	946	(801)	-	145
Total current assets	1,178,078	1,348,439	2,136,471	918,986	5,581,974
Noncurrent assets:					
Capital assets, not being depreciated	-	300,564	6,749	-	307,313
Capital assets, net of depreciation	7,054,514	6,434,047	5,349,559	-	18,838,120
Total noncurrent assets	7,054,514	6,734,611	5,356,308	-	19,145,433
Total assets	8,232,592	8,083,050	7,492,779	918,986	24,727,407
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources related to pensions	103,383	83,374	123,393	36,684	346,834
Deferred outflows of resources related to OPEB	34,326	27,682	40,970	12,180	115,158
Total deferred outflows of resources	137,709	111,056	164,363	48,864	461,992
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	396,094	813,537	734,167	51,703	1,995,501
Deposits	-	90,233	171,300	-	261,533
Due to other funds	248,026	-	1,634,198	-	1,882,224
Compensated absences payable, due in one year	5,837	2,469	5,281	2,155	15,742
Total current liabilities	649,957	906,239	2,544,946	53,858	4,155,000
Noncurrent liabilities:					
Compensated absences payable, due in more than one year	17,508	7,408	15,841	6,467	47,224
Net pension liability	24,568	19,813	29,324	8,718	82,423
Total OPEB liability	198,448	160,039	236,857	70,417	665,761
Total noncurrent liabilities	240,524	187,260	282,022	85,602	795,408
Total liabilities	890,481	1,093,499	2,826,968	139,460	4,950,408
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources related to pensions	36,962	29,808	44,116	13,115	124,001
Deferred inflows of resources related to OPEB	55,485	44,746	66,225	19,688	186,144
Total deferred inflows of resources	92,447	74,554	110,341	32,803	310,145
NET POSITION					
Investment in capital assets	7,054,514	6,734,611	5,356,308	-	19,145,433
Unrestricted	332,859	291,442	(636,475)	795,587	783,413
Total net position	\$ 7,387,373	\$ 7,026,053	\$ 4,719,833	\$ 795,587	\$ 19,928,846

The accompanying notes are an integral part of these financial statements.

City of Perris

**Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2023**

	Business-Type Activities				Total
	Enterprise Funds				
	Sewer Utility	Public Utility Authority	Water Utility	Solid Waste Utility	
OPERATING REVENUES					
Charges for services	\$ 2,305,540	\$ 884,393	\$ 2,968,217	\$ 46,297	\$ 6,204,447
Miscellaneous	80,698	25	4,443	25,000	110,166
Total operating revenues	2,386,238	884,418	2,972,660	71,297	6,314,613
OPERATING EXPENSES					
Salaries and benefits	276,845	235,344	347,831	99,279	959,299
Contractual services	2,142,753	393,125	3,192,862	88,598	5,817,338
Materials and supplies	5,875	33,122	16,007	2,231	57,235
Miscellaneous expense	116	1,498	2,392	348	4,354
Depreciation	278,356	320,359	213,121	-	811,836
Total operating expenses	2,703,945	983,448	3,772,213	190,456	7,650,062
Operating income (loss)	(317,707)	(99,030)	(799,553)	(119,159)	(1,335,449)
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	495	1,566	-	967	3,028
Capital contribution	346,735	-	935,905	-	1,282,640
Total nonoperating revenues (expenses)	347,230	1,566.00	935,905	967	1,285,668
Change in net position	29,523	(97,464)	136,352	(118,192)	(49,781)
NET POSITION					
Beginning of year	7,357,850	7,123,517	4,583,481	913,779	19,978,627
End of year	<u>\$ 7,387,373</u>	<u>\$ 7,026,053</u>	<u>\$ 4,719,833</u>	<u>\$ 795,587</u>	<u>\$ 19,928,846</u>

The accompanying notes are an integral part of these financial statements.

City of Perris

Statement of Cash Flows Proprietary Funds For the Year Ended June 30, 2023

	Business-Type Activities				Total
	Enterprise Funds				
	Sewer Utility	Public Utility Authority	Water Utility	Solid Waste Utility	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers and user	\$ 1,847,426	\$ 569,701	\$ 2,117,897	\$ 93,072	\$ 4,628,096
Other receipts	80,698	25	4,443	25,000	110,166
Cash paid for employee services	(165,587)	(142,311)	(210,457)	(59,588)	(577,943)
Cash paid for suppliers for goods and services	(1,934,654)	(226,593)	(2,892,675)	(106,471)	(5,160,393)
Net cash provided by (used in) operating activities	(172,117)	200,822	(980,792)	(47,987)	(1,000,074)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Cash received from other funds	-	-	1,028,492	-	1,028,492
Cash paid to other funds	171,296	-	-	-	171,296
Net cash provided by noncapital financing activities	171,296	-	1,028,492	-	1,199,788
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Cash paid for capital projects	-	-	(47,700)	-	(47,700)
Net cash used in capital financing activities	-	-	(47,700)	-	(47,700)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment earnings	821	1,463	-	636	2,920
Net cash provided by investing activities	821	1,463	-	636	2,920
Net increase (decrease) in cash and cash equivalents	-	202,285	-	(47,351)	154,934
CASH AND CASH EQUIVALENTS					
Beginning of year	-	276,504	-	369,751	646,255
End of year	\$ -	\$ 478,789	\$ -	\$ 322,400	\$ 801,189

The accompanying notes are an integral part of these financial statements.

City of Perris

Statement of Cash Flows (Continued) Proprietary Funds For the Year Ended June 30, 2023

	Business-Type Activities				
	Enterprise Funds				
	Sewer Utility	Public Utility Authority	Water Utility	Solid Waste Utility	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income (loss)	\$ (317,707)	\$ (99,030)	\$ (799,553)	\$ (119,159)	\$ (1,335,449)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	278,356	320,359	213,121	-	811,836
Abandoned CIP project	-	-	45,000	-	45,000
Changes in assets, deferred outflows, liabilities and deferred inflows:					
(Increase) decrease in accounts receivable	(458,114)	(301,812)	(833,856)	46,775	(1,547,007)
(Increase) decrease in deposits	-	250	3,091	-	3,341
(Increase) decrease in net pension asset	68,853	49,284	76,101	23,917	218,155
(Increase) decrease in deferred outflows of resources related to pensions	27,214	10,106	20,951	8,681	66,952
(Increase) decrease in deferred outflows of resources related to other postemployment benefits	10,135	4,143	8,171	3,264	25,713
Increase (decrease) in accounts payable and accrued liabilities	214,090	201,152	273,586	(15,294)	673,534
Increase (decrease) in deposits	-	(13,130)	(19,555)	-	(32,685)
Increase (decrease) in compensated absences payable	6,187	1,709	5,550	1,866	15,312
Increase (decrease) in net pension liabilities	24,568	19,813	29,324	8,718	82,423
Increase (decrease) in OPEB liability	(10,983)	10,130	5,380	(2,333)	2,194
Increase (decrease) in deferred inflows of resources related to pensions	(24,179)	(13,956)	(23,461)	(8,123)	(69,719)
Increase (decrease) in deferred inflows of resources related to other OPEB benefits	9,463	11,804	15,358	3,701	40,326
Net cash provided by (used in) operating activities	<u>\$ (172,117)</u>	<u>\$ 200,822</u>	<u>\$ (980,792)</u>	<u>\$ (47,987)</u>	<u>\$ (1,000,074)</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contribution	\$ 346,735	\$ -	\$ 935,905	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

Fiduciary Fund Financial Statements

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City of Perris

**Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023**

	Custodial Funds	Private - Purpose Trust Fund Successor Agency
ASSETS		
Cash and investments	\$ 7,203,389	\$ 1,851,926
Cash and investments with fiscal agent	12,015,936	496
Receivables (net):		
Assessments	365,628	-
Interest	14,959	7,332
Loans	-	781,370
Prepaid items	-	134,287
Deposits	10,679,348	3,995,878
Land held for development	-	1,371,372
Land	-	335,048
Total assets	30,279,260	8,477,709
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	-	1,012,143
Total deferred outflows of resources	-	1,012,143
LIABILITIES		
Accounts payable and accrued liabilities	91,920	9,864
Deposits	420,767	-
Interest payable	-	539,631
Loans payable, due in one year	-	2,080,000
Bonds payable, due in one year	-	660,000
Loans payable	-	29,745,000
Bonds payable, due in more than one year	-	19,471,030
Total liabilities	512,687	52,505,525
DEFERRED INFLOWS OF RESOURCES		
Deferred charge on refunding	-	272,540
Total deferred inflows of resources	-	272,540
NET POSITION (DEFICIT)		
Restricted for organization and other governments	\$ 29,766,573	\$ (43,288,213)

The accompanying notes are an integral part of these financial statements.

City of Perris

**Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2023**

	Custodial Funds	Private - Purpose Trust Fund <hr/> Successor Agency
ADDITIONS		
Redevelopment Property Tax Trust Fund	\$ -	\$ 4,909,450
Special assessment	16,387,481	-
Investment earnings	784,508	137,583
Receipt from other government	379,543	90,391
Fee revenue	78,000	-
Total additions	<hr/> 17,629,532	<hr/> 5,137,424
DEDUCTIONS		
Administration	-	291,887
Payment for districts debt	12,315,195	-
Payment for districts expenses	508,763	-
Payment to other governments	3,996,535	-
Interest expense	-	1,920,382
Total deductions	<hr/> 16,820,493	<hr/> 2,212,269
Change in net position	809,039	2,925,155
NET POSITION (DEFICIT)		
Beginning of year	28,957,534	(46,213,368)
End of year	<hr/> <u>\$ 29,766,573</u>	<hr/> <u>\$ (43,288,213)</u>

The accompanying notes are an integral part of these financial statements.

Notes to the Basic Financial Statements

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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.

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

A. Reporting Entity (Continued)

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.

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 IO1 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.

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

A. Reporting Entity (Continued)

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.

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.

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

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

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

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.

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

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

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 judgments, 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.

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 **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.

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

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

The **Federal Grants Special Revenue Fund** is used to account for monies received for miscellaneous federal grants and expenditures.

Proprietary Fund Financial Statements

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

Proprietary funds are account for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Fund 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.

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.

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

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

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Fiduciary Position and a Statement of Changes in Fiduciary Net Position. The City's fiduciary funds represents a private purpose trust fund and custodial funds. The private purpose trust fund and custodial funds are accounted for on the full accrual basis of accounting where the assets associated with the activity are controlled by the City and the assets are not derived 1) solely from the government's own-source revenues or 2) from government-mandated nonexchange transactions or voluntary nonexchange transactions.

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 **Custodial Funds** are used to accounts for assets for the benefit of organizations or other governments that are not part of the City. In addition, the assets are not derived from the City's provision of goods or services to those individuals, organizations, or other governments. Two funds are reported under the custodial fund type, the Community Facilities Districts Funds and Assessment District 86-1 Fund. These custodial funds were established to account for receipt of special taxes and assessments used to pay principal and interest on related bonds that are not direct City liabilities, as well as receipt and disbursement of capital project bond proceeds related to bonds that are not direct obligations of the City.

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.

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

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

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).

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. Capital assets acquired through lease obligations are valued at the present value of future lease payments, reported as a right to use asset and amortized over the remaining life of the lease, including any extensions as deemed appropriate. 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

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 assets) 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 assets) 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.

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

M. Pensions (Continued)

The following timeframes are used for pension reporting:

CalPERS	
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

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.

OPEB	
Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

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.

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

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.

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).

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

P. Fund Balances (Continued)

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.

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 \$27,492,516.

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.

City of Perris

Notes to the Basic Financial Statements June 30, 2023

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

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

During the year ended June 30, 2023, the City implemented the following new GASB pronouncement:

GASB Statement No. 96 – Subscription Based IT Arrangements: This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The City did not have any subscription that qualified for treatment under GASB 96.

Note 2 - Cash and Investments

As of June 30, 2023, cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and investments	\$ 300,336,806
Cash and investments with fiscal agents	21,603,129
Restricted investments	117,668,775
Statement of Fiduciary Net Position	
Private-Purpose Trust Funds	
Cash and investments	1,851,926
Cash and investments with fiscal agents	496
Custodial Funds	
Cash and investments	7,203,389
Cash and investments with fiscal agents	12,015,936
	<u>\$ 460,680,457</u>

Cash and investments as of June 30, 2023, consist of the following:

Deposits with financial institution	\$ 82,130,757
Petty cash	2,000
Investments	378,547,700
Total cash and investments	<u>\$ 460,680,457</u>

Notes to the Basic Financial Statements
June 30, 2023

Note 2 - Cash and Investments (Continued)

A. Demand Deposits

The carrying amounts of the City's cash deposits were \$82,130,757 at June 30, 2023. Bank balances as of June 30, 2023, were fully insured or collateralized with securities held by the pledging financial institutions in the City's name as discussed below.

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.

Authorized Investment Type	Maximum ⁽¹⁾ Maturity	Maximum ⁽²⁾ 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
Money market funds	None	None	None

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

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

City of Perris

Notes to the Basic Financial Statements June 30, 2023

Note 2 - Cash and Investments (Continued)

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.

As of June 30, 2023, 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")	\$ 31,976,612	\$ -	\$ -	\$ -	\$ 31,976,612
Federal Agency Securities	52,718,073	35,364,128	38,123,158	-	126,205,359
U.S. Treasury Obligations	12,521,554	18,877,674	24,882,064	-	56,281,292
Money Market Funds	34,399,230	-	-	-	34,399,230
Investments with Fiscal Agent:					
Money Market Funds	12,016,432	-	-	-	12,016,432
Local Obligation Bonds	10,737,065	11,664,130	12,724,130	82,543,450	117,668,775
Total	<u>\$ 154,368,966</u>	<u>\$ 65,905,932</u>	<u>\$ 75,729,352</u>	<u>\$ 82,543,450</u>	<u>\$ 378,547,700</u>

City of Perris

Notes to the Basic Financial Statements June 30, 2023

Note 2 - Cash and Investments (Continued)

D. Risk Disclosures (Continued)

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	Total	Legal Rating	AAA	AA+	Not Rated
Investments:					
Local Agency Investment Fund ("LAIF")	\$ 31,976,612	N/A	\$ -	\$ -	\$ 31,976,612
Federal Agency Securities	126,205,359	N/A	-	105,913,905	20,291,454
U.S. Treasury Obligations	56,281,292	A	-	56,281,292	-
Money Market Funds	34,399,230	AAA	96,056	-	34,303,174
Investments with Fiscal Agent:					
Money Market Funds	12,016,432	N/A	-	-	12,016,432
Local Obligation Bonds	117,668,775	A	-	-	117,668,775
Total	<u>\$ 378,547,700</u>		<u>\$ 96,056</u>	<u>\$ 162,195,197</u>	<u>\$ 216,256,447</u>

Concentration of Credit Risk

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

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

Issuers	Investment Type	Reported Amount	Percentage
Federal Home Loan Bank	U.S. Treasury Obligations	\$ 57,200,856	15.11%
U.S. Treasury	U.S. Treasury Obligations	56,281,292	14.87%

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. As of June 30, 2023, the City's deposits with financial institutions in excess of federal depository insurance limits were appropriately collateralized.

City of Perris

Notes to the Basic Financial Statements June 30, 2023

Note 2 - Cash and Investments (Continued)

D. Risk Disclosures (Continued)

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.

E. Fair Value Measurement

The following table represents the fair value measurement of investments on a recurring basis and the levels within GASB fair value hierarchy in which the fair value measurements fall as of June 30, 2023:

Investment type	Measurement Input Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Not Subject to the Fair Value Hierarchy	Total
Local Agency Investment Fund ("LAIF")	\$ -	\$ -	\$ 31,976,612	\$ 31,976,612
Federal Agency Securities	-	126,205,359	-	126,205,359
U.S. Treasury Obligations	-	56,281,292	-	56,281,292
Money Market Funds	-	-	34,399,230	34,399,230
Investments with Fiscal Agent:				
Money Market Funds	-	-	12,016,432	12,016,432
Local Obligation Bonds	-	-	117,668,775	117,668,775
Total	\$ -	\$ 182,486,651	\$ 196,061,049	\$ 378,547,700

The City's level 2 investments are valued based on institutional bond quotes or matrix pricing. The City intends to hold the investment in local obligation bonds until the maturity date. As a result, these investments are reported at amortized costs, instead of fair value.

Note 2 - Cash and Investments (Continued)

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 as of June 30, 2023, 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, 2023, the City had \$31,976,612 invested in LAIF, which had invested 2.78% 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.

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.

City of Perris

Notes to the Basic Financial Statements June 30, 2023

Note 2 - Cash and Investments (Continued)

G. Investment in Bonds (Continued)

The CFD and Assessment District Bonds investments are summarized below.

Investment	Amortized Cost
CFD 2002-1 Refunding Special Tax.Bonds, 2013 Series	\$ 3,835,944
CFD 2001-1 Special Tax Bonds (IA1, IA2 and IA3), 2014 Refunding Bonds	7,632,015
CFD 2006-1 Special Tax.Bonds, 2014 Refunding Bonds	1,977,551
CFD 2004-3 Special Tax Refunding Bonds (IA1), 2014 Series	5,103,570
CFD 2004-2 Special Tax Refunding Bonds, 2014 Series	3,191,558
CFD 2001-1 Special Tax Refunding Bonds (IA6 and IA7), 2014 Series	10,276,749
CFD 2004-1 Special Tax Refunding Bonds, 2014 Series A	1,586,800
CFD 2003-1 Special Tax Refunding Bonds, 2014 Series	2,461,113
CFD 2005-2 Special Tax Refunding Bonds 2015 Series	9,987,198
CFD 2006-2 Special Tax Refunding Bonds 2015 Series	8,619,817
CFD 2004-3 Special Tax Refunding Bonds (IA2), 2015 Series	6,471,406
CFD 2005-1 Special Tax Refunding Bonds (IA3), 2015 Series	3,613,488
CFD 2005-4 Special Tax Refunding Bonds, 2015 Series	4,472,032
CFD 2005-4 Special Tax Bonds, 2015 Series	2,223,183
CFD 2014-1 Special Tax.Bonds, 2017 Series	3,997,305
CFD 2001-1 Special Tax Bonds (IA4 and IA5), 2017 Series	19,214,916
CFD 93-1 and 2004-5 Special Tax Refunding Bonds, 2017 Series	1,192,406
CFD 2014-1 Special Tax Bonds (IA2), 2018 Series	4,002,102
CFD 2014-1 Special Tax Bonds (IA2), 2018 Series	4,669,559
CFD 2007-2 Special Tax Bonds, 2020 Series	3,312,780
CFD 2018-1 Special Tax.Bonds, 2020 Series	2,528,123
CFD 2007-2 Special Tax Bonds, 2021 Series	3,640,029
CFD 2018-1 Special Tax Bonds (IA2), 2021 Series	3,659,131
Total	<u>\$ 117,668,775</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 June 30, 2023

Note 3 - Loans and Leases Receivable

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, Band 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 \$31,825,000 as of June 30, 2023. The Authority retained \$3,995,878 to fund reserve accounts for the above related debt issues.

Leases Receivable

The City has entered into various leases, as the lessor, with terms ranging from 24 to 38 months for the use of various buildings. As of June 30, 2023, the value of the lease receivable is \$116,020. The lessees are required to make monthly fixed payments of between \$227 and \$4,300 until the end of the respective lease. The leases each have an interest rate of 0.33%. The value of the deferred inflow of resources as of June 30, 2023 was \$119,070, and the City recognized lease revenue of \$81,688 during the fiscal year.

Note 4 - Interfund Transactions

A. Government-Wide Financial Statements

Internal Balances - As of June 30, 2023, the City has the following internal receivable and payable.

<u>Internal Receivable</u>	<u>Internal Payable</u>
Governmental Activities	Business-Type Activities
	\$ 1,882,224

Transfers - For the year ended June 30, 2023, the City did not make any transfers between governmental activities and business-type activities.

City of Perris

**Notes to the Basic Financial Statements
June 30, 2023**

Note 4 - Interfund Transactions (Continued)

B. Fund Financial Statements

Due To/Due From - As of June 30, 2023. The City had following short-term interfund receivables and payables to cover short-term cash shortfall.

<u>Due to Other Funds</u>	<u>Due from Other Funds</u>
	<u>General Fund</u>
Governmental Funds:	
Nonmajor Governmental Funds	\$ 7,166,773
Enterprise Funds:	
Sewer Utility	248,026
Water Utility	1,634,198
Total	<u>\$ 9,048,997</u>

Transfers - For the year ended June 30, 2023, the City had the following transfers:

<u>Transfers In</u>	<u>Transfers Out</u>			<u>Total</u>
	<u>Governmental Funds</u>			
	<u>General Fund</u>	<u>Federal Grants</u>	<u>Nonmajor Governmental Funds</u>	
Governmental Funds:				
General Fund	\$ -	\$ 991,011	\$ 693,750	\$ 1,684,761
Nonmajor Governmental Funds	1,017,516	-	7,729	1,025,245
Total	<u>\$ 1,017,516</u>	<u>\$ 991,011</u>	<u>\$ 701,479</u>	<u>\$ 2,710,006</u>

- General Fund transferred \$1,017,516 to the nonmajor governmental funds to provide funding for capital projects.
- Federal Grants Fund transferred \$991,011 to the General Fund for general government services under ARPA.
- Nonmajor governmental funds transferred \$7,729 between the funds to reimburse expenditures
- between the nonmajor governmental funds
- Gas Tax Fund transferred \$963,750 to reimburse General Fund for expenditures on roads construction

City of Perris

Notes to the Basic Financial Statements June 30, 2023

Note 5 - Capital Assets

A. Governmental Activities

The following is a summary of changes in capital assets for governmental activities for the year ended June 30, 2023.

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets, not being depreciated:				
Land	\$ 41,948,705	\$ 1,861,291	\$ -	\$ 43,809,996
Construction in progress	64,861,569	17,972,179	(15,236,233)	67,597,515
Total capital assets, not being depreciated	<u>106,810,274</u>	<u>19,833,470</u>	<u>(15,236,233)</u>	<u>111,407,511</u>
Capital assets, being depreciated/amortized:				
Buildings	25,073,364	-	-	25,073,364
Building improvements	12,453,378	220,559	-	12,673,937
Machinery	4,101,466	112,821	-	4,214,287
Vehicles	3,584,348	527,658	-	4,112,006
Infrastructure	321,747,974	15,102,412	-	336,850,386
Right to use asset - land	2,669	-	-	2,669
Right to use asset - Equipment	132,748	130,613	(125,655)	137,706
Total capital assets, being depreciated/amortized	<u>367,095,947</u>	<u>16,094,063</u>	<u>(125,655)</u>	<u>383,064,355</u>
Less accumulated depreciation/amortization for:				
Buildings	(9,816,705)	(603,210)	-	(10,419,915)
Building improvements	(6,462,642)	(475,407)	-	(6,938,049)
Machinery	(2,678,905)	(216,567)	-	(2,895,472)
Vehicles	(2,626,286)	(290,445)	-	(2,916,731)
Infrastructure	(206,108,470)	(7,497,944)	-	(213,606,414)
Right to use asset - land	(2,002)	(667)	-	(2,669)
Right to use asset - Equipment	(71,587)	(68,548)	125,655	(14,480)
Total accumulated depreciation	<u>(227,766,597)</u>	<u>(9,152,788)</u>	<u>125,655</u>	<u>(236,793,730)</u>
Total capital assets, being depreciated/amortized, net	<u>139,329,350</u>	<u>6,941,275</u>	<u>-</u>	<u>146,270,625</u>
Governmental activities capital and intangible assets, net	<u>\$ 246,139,624</u>	<u>\$ 26,774,745</u>	<u>\$(15,236,233)</u>	<u>\$ 257,678,136</u>

Depreciation/amortization expense for capital assets of the governmental activities for the year ended June 30, 2023, is as follows:

General government	\$ 548,678
Public safety	105,610
Public works	7,952,564
Parks and recreation	476,721
Total depreciation/amortization expense - governmental activities	<u><u>\$ 9,083,573</u></u>
General government	<u>\$ 69,215</u>
Total amortization expense - governmental activities	<u><u>\$ 69,215</u></u>

City of Perris

Notes to the Basic Financial Statements June 30, 2023

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, 2023.

	Balance July 1,2022	Additions	Deletions	Balance June 30,2023
Capital assets, not being depreciated:				
Land	\$ 300,564	\$ -	\$ -	\$ 300,564
CIP	4,049	47,700	(45,000)	6,749
Total capital assets, not being depreciated	<u>304,613</u>	<u>47,700</u>	<u>(45,000)</u>	<u>307,313</u>
Capital assets, being depreciated:				
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	22,540,082	1,040,405	-	23,580,487
Services	2,432,776	242,235	-	2,675,011
Meters	1,405,617	-	-	1,405,617
Hydrants	1,271,892	-	-	1,271,892
Manholes	916,958	-	-	916,958
Wells	996,071	-	-	996,071
Vehicles	105,079	-	-	105,079
Total capital assets, being depreciated	<u>32,630,805</u>	<u>1,282,640</u>	<u>-</u>	<u>33,913,445</u>
Less accumulated depreciation for:				
Major equipment	(384,346)	(26,096)	-	(410,442)
Structures and improvements	(139,633)	(7,371)	-	(147,004)
Boosters	(35,845)	-	-	(35,845)
Reservoirs	(865,237)	(44,945)	-	(910,182)
Mains	(8,940,451)	(547,249)	-	(9,487,700)
Services	(1,436,116)	(66,054)	-	(1,502,170)
Meters	(804,967)	(41,088)	-	(846,055)
Hydrants	(757,104)	(32,127)	-	(789,231)
Manholes	(411,383)	(18,447)	-	(429,830)
Wells	(383,328)	(28,459)	-	(411,787)
Vehicles	(105,079)	-	-	(105,079)
Total accumulated depreciation	<u>(14,263,489)</u>	<u>(811,836)</u>	<u>-</u>	<u>(15,075,325)</u>
Total capital assets, being depreciated, net	<u>18,367,316</u>	<u>470,804</u>	<u>-</u>	<u>18,838,120</u>
Business-type activities capital assets, net	<u>\$ 18,671,929</u>	<u>\$ 518,504</u>	<u>\$ (45,000)</u>	<u>\$ 19,145,433</u>

Depreciation expense for capital assets of the business-type activities for the year ended June 30, 2023, is as follows:

Sewer Utility	\$ 278,356
Public Utility Authority	320,359
Water Utility	213,121
Total depreciation expense - business-type activities	<u>\$ 811,836</u>

City of Perris

Notes to the Basic Financial Statements June 30, 2023

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, 2023:

Governmental Activities:	Balance			Balance June 30, 2023	Due Within One Year	Due in More Than One Year
	July 1, 2022	Additions	Deletions			
Notes payable	\$ 781,370	\$ -	\$ -	\$ 781,370	\$ -	\$ 781,370
WRCOG Regional Streetlight Program	4,519,878	-	(327,566)	4,192,312	341,788	3,850,524
Revenue bonds	155,200,000	-	(7,380,000)	147,820,000	7,395,000	140,425,000
Lease liabilities	63,937	130,613	(70,086)	124,464	26,173	98,291
Compensated absences	1,694,188	199,142	(40,195)	1,853,135	463,284	1,389,851
Premium on revenue bonds	3,775,235	-	(255,371)	3,519,864	-	3,519,864
Discounts on revenue bonds	(854,903)	-	78,690	(776,213)	-	(776,213)
Total	\$165,179,705	\$ 329,755	\$ (7,994,528)	\$157,514,932	\$ 8,226,245	\$ 149,288,687

Notes Payable

The City entered into a promissory note with the City's Former Redevelopment Agency in the amount of \$2,192,000 on October 26, 2004. The note was to reimburse the City's Former Redevelopment 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 City's Former Redevelopment Agency was dissolved and the note is now with the Successor Agency to the City of 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, 2023.

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

The City entered into 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. On December 9, 2021, the City refinanced the equipment lease financing agreement with Banc of America Leasing and Capital, LLC. Interest is accrued at a rate of 3.21% per annum. Principal and interest payments are due semiannually on each June 1 and December 1, commencing December 1, 2022.

The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$250,054. The difference is reported on the accompanying financial statements as a deferred charge on debt refunding and is being amortized through December 1, 2033 using the straight-line method of amortization.

As a result of the current refunding, the City reduced its debt service cash flow by \$586,117, resulting in an economic gain of \$484,982 (calculated as the difference between the debt service payments of the old and new debt discounted to present value using the effective interest rate).

City of Perris

**Notes to the Basic Financial Statements
June 30, 2023**

Note 6 - Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

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

The outstanding principal balance of the equipment lease financing agreement may be paid in whole on the first day of June and December on any given year beginning on June 1, 2025 provided that such prepayment is accompanied by the applicable prepayment premium. Prepayment amounts with premiums are as follows:

Prepayment Date	Prepayment with Premium	Prepayment Date	Prepayment with Premium
June 1, 2025	\$ 3,567,629	December 1, 2029	\$ 1,800,056
December 1, 2025	3,384,811	June 1, 2030	1,585,681
June 1, 2026	3,196,077	December 1, 2030	1,371,306
December 1, 2026	3,007,343	June 1, 2031	1,149,994
June 1, 2027	2,812,501	December 1, 2031	928,682
December 1, 2027	2,617,660	June 1, 2032	700,208
June 1, 2028	2,416,514	December 1, 2032	471,734
December 1, 2028	2,215,367	June 1, 2033	235,867
June 1, 2029	2,007,712		

Future WRCOG Note Debt Requirement

The outstanding balance of the note was \$4,192,312 as of June 30, 2023. Future debt service payments under the agreement as of June 30, 2023 are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 341,788	\$ 131,874	\$ 473,662
2025	352,849	120,815	473,664
2026	364,267	109,399	473,666
2027	376,054	97,613	473,667
2028	388,223	85,445	473,668
2029-2033	2,137,888	230,479	2,368,367
2034	231,243	3,711	234,954
Total	<u>\$ 4,192,312</u>	<u>\$ 779,336</u>	<u>\$ 4,971,648</u>

Note 6 - Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Revenue Bonds

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. As of June 30, 2023, the Authority has a cash reserve balance for debt service of \$544,915 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance as of June 30, 2023 was \$3,980,000.

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. As of June 30, 2023, the Authority has a cash reserve balance for debt service of \$936,014 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance as of June 30, 2023 was \$7,535,000.

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. As of June 30, 2023, the Authority has a cash reserve balance for debt service of \$207,855 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance as of June 30, 2023 was \$2,105,000.

Note 6 - Long-Term Liabilities (Continued)

A. Governmental Activities (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 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 \$315,000 to \$595,000 commencing September 1, 2015 through September 1, 2034. As of June 30, 2023, the Authority has a cash reserve balance for debt service of \$580,560 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance as of June 30, 2023 was \$5,310,000.

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. As of June 30, 2023, the Authority has a cash reserve balance for debt service of \$338,951 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance as of June 30, 2023 was \$3,065,000.

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. As of June 30, 2023, the Authority has a cash reserve balance for debt service of \$922,239 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance as of June 30, 2023 was \$10,325,000.

Note 6 - Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

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. As of June 30, 2023, the Authority has a cash reserve balance for debt service of \$172,583 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance as of June 30, 2023 was \$1,595,000.

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. As of June 30, 2023, the Authority has a cash reserve balance for debt service of \$306,174 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance as of June 30, 2023 was \$2,415,000.

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. As of June 30, 2023, the Authority has a cash reserve balance for debt service of \$928,140 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance as of June 30, 2023 was \$9,320,000.

Note 6 - Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

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. As of June 30, 2023, the Authority has a cash reserve balance for debt service of \$766,219 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance as of June 30, 2023 was \$8,360,000.

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 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 \$210,000 to \$715,000 commencing September 1, 2016 through September 1, 2032. As of June 30, 2023, the Authority has a cash reserve balance for debt service of \$751,400 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance as of June 30, 2023 was \$6,465,000.

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. As of June 30, 2023, the Authority has a cash reserve balance for debt service of \$1,818,399 which is sufficient to cover the reserve requirement. The outstanding balance as of June 30, 2023 was \$14,400,000.

Note 6 - Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

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. As of June 30, 2023, the Authority has a cash reserve balance for debt service of \$2,177,479 which is sufficient to cover the reserve requirement. The outstanding balance as of June 30, 2023 was \$17,425,000.

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. As of June 30, 2023, the Authority has a cash reserve balance for debt service of \$307,795 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance as of June 30, 2023 was \$3,430,000.

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. As of June 30, 2023, the Authority has a cash reserve balance for debt service of \$352,732 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance as of June 30, 2023 was \$4,010,000.

Note 6 - Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

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 and March 1 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. As of June 30, 2023, the Authority has a cash reserve balance for debt service of \$204,936 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance as of June 30, 2023 was \$2,400,000.

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 15 and March 15 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. As of June 30, 2023, the Authority has a cash reserve balance for debt service of \$336,106 which is sufficient to the bond indenture reserve requirement. The outstanding balance as of June 30, 2023 was \$4,325,000.

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 CPD 2005-1 (Perris Valley Vistas IA 4) 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 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 as of June 30, 2023 was \$17,810,000.

Note 6 - Long-Term Liabilities (Continued)

A. Governmental Activities (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 CPD 2004-5 (Amber Oaks II) 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 3.75% 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 as of June 30, 2023 was \$1,330,000.

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 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 \$30,000 to \$330,000 commencing September 1, 2018 through September 1, 2048. As of June 30, 2023, the Authority has a cash reserve balance for debt service of \$332,877 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance as of June 30, 2023 was \$4,190,000.

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 1st and March 1st 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. As of June 30, 2023, the Authority has a cash reserve balance for debt service of \$397,135 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance as of June 30, 2023 was \$4,860,000.

Note 6 - Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

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 pr and March 1st 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 \$55,000 to \$145,000, commencing September 1, 2022 through September 1, 2050. As of June 30, 2023, the Authority has a cash reserve balance for debt service of \$262,019 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance as of June 30, 2023 was \$3,375,000.

2020 Revenue Bonds (Green Valley- West Elm)

On November 5, 2020, the Perris Joint Powers Authority issued \$2,705,000 2020 Local Agency Revenue Bonds, to acquire CFD 2018-1 IA 1 (Green Valley - West Elm) 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 4.00% 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. As of June 30, 2023, the Authority has a cash reserve balance for debt service of \$155,936 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance as of June 30, 2023 was \$2,650,000.

2021 Revenue Bonds (Green Valley- West Elm)

On November 9, 2021, the Perris Joint Powers Authority issued \$3,590,000 2021 Local Agency Revenue Bonds, to acquire CFD 2018-1 IA 2 (Green Valley - West Elm) 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 4.00% per annum. Principal on serial bonds is payable in annual installments ranging from \$75,000 to \$195,000, commencing September 1, 2022 through September 1, 2051. As of June 30, 2023, the Authority has a cash reserve balance for debt service of \$217,651 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance as of June 30, 2023 was \$3,590,000.

2021 Revenue Bonds (Pacific Heritage)

On December 8, 2021, the Perris Joint Powers Authority issued \$3,550,000 2021 Local Agency Revenue Bonds, to acquire CFD 2007-2 (Pacific Heritage) 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 3.50% to 4.00% per annum. Principal on serial bonds is payable in annual installments ranging from \$30,000 to \$280,000, commencing September 1, 2023 through September 1, 2048. As of June 30, 2023, the Authority has a cash reserve balance for debt service of \$290,408 which is sufficient to cover the bond indenture reserve requirement. The outstanding balance as of June 30, 2023 was \$3,550,000.

City of Perris

Notes to the Basic Financial Statements June 30, 2023

Note 6 - Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Future Revenue Bonds Debt Requirement

Total revenue bonds outstanding was in the amount of \$147,820,000. The future debt service requirement of the revenue bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 7,395,000	\$ 5,892,267	\$ 13,287,267
2025	7,470,000	5,616,125	13,086,125
2026	7,805,000	5,313,891	13,118,891
2027	8,185,000	5,002,688	13,187,688
2028	8,550,000	4,687,941	13,237,941
2029-2033	49,180,000	17,827,738	67,007,738
2034-2038	36,025,000	8,002,222	44,027,222
2039-2043	10,470,000	3,713,151	14,183,151
2044-2048	10,100,000	1,595,979	11,695,979
2049-2052	2,640,000	139,413	2,779,413
Total	<u>\$ 147,820,000</u>	<u>\$ 57,791,415</u>	<u>\$ 205,611,415</u>

Lease Liabilities

Land Sports Park Lease

On July 1, 2021, the City entered into a 27-month lease as Lessee for the use of a Sports Park located in the City of Perris. An initial lease liability was recorded in the amount of \$2,669. As of June 30, 2023, the value of the lease liability is \$397. The City is required to make quarterly fixed payments of \$100. The lease has an interest rate of 4%. The Land estimated useful life was 27 months as of the contract commencement. The value of the right to use asset as of June 30, 2023 is \$2,669 with accumulated amortization of \$2,669 is included with intangible assets, detailed in Note 5.

Copier Leases

On March 8, 2023, the City entered into a 60-month lease as Lessee for the use of Canon Copier. An initial lease liability was recorded in the amount of \$130,613. The lease has an interest rate of 4%. The Equipment estimated useful life was 60 months as of the contract commencement. The City is required to make monthly fixed payments of \$126 to \$5,638 on all copier lease liabilities. As of June 30, 2023, the value of all copier lease liabilities is \$124,067. The value of the right to use assets as of June 30, 2023 is \$137,706 with accumulated amortization of \$14,480.

**Notes to the Basic Financial Statements
June 30, 2023**

Note 6 - Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Future Lease Liabilities Debt Requirement

Total lease liabilities outstanding was in the amount of \$124,464. The future debt service requirement of the lease liabilities are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 26,173	\$ 4,485	\$ 30,658
2025	25,396	3,469	28,865
2026	26,430	2,435	28,865
2027	27,507	1,358	28,865
2028	18,958	285	19,243
Total	<u>\$ 124,464</u>	<u>\$ 12,032</u>	<u>\$ 136,496</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, 2023.

Business-Type Activities:	Balance July 1,2022	Additions	Deletions	Balance June 30,2023	Due Within One Year	Due in More Than One Year
Compensated absences	\$ 47,654	\$ 46,150	\$ (30,838)	\$ 62,966	\$ 15,742	\$ 47,224
Total	<u>\$ 47,654</u>	<u>\$ 46,150</u>	<u>\$ (30,838)</u>	<u>\$ 62,966</u>	<u>\$ 15,742</u>	<u>\$ 47,224</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 June 30, 2023

Note 6 - Long-Term Liabilities (Continued)

C. Non-City Obligation Debt (Continued)

	Amount of Issue	Outstanding at End of Year
CFD 2001-2 2005 Series B Bonds	\$ 5,210,000	\$ 4,135,000
CFD 2002-1 2013 Refunding Bonds, Series B	5,750,000	3,980,000
CFD 2001-2 2014 Refunding Bonds	16,215,000	10,130,000
CFD 2001-1 IA1 2014 Refunding Bonds, Series A	1,505,000	970,000
CFD 2001-1 IA2 2014 Refunding Bonds, Series A	4,270,000	2,615,000
CFD 2001-1 IA3 2014 Refunding Bonds, Series A	6,390,000	3,950,000
CFD 2006-1 2014 Refunding Bonds, Series B	2,825,000	2,105,000
CFD 2004-3 IA1 2014 Refunding Bonds, Series C	8,615,000	5,310,000
CFD 2004-2 2014 Refunding Bonds, Series D	4,695,000	3,065,000
CFD 2001-1 IA7 2014 Refunding Bonds	7,910,000	5,880,000
CFD 2004-1 2014 Series F Bonds	2,465,000	1,595,000
CFD 2003-1 2014 Series G Bonds	3,435,000	2,415,000
CFD 2005-2 2015 Refunding Bonds, Series A	13,570,000	9,320,000
CFD 2006-2 2015 Series B Bonds	9,020,000	8,360,000
CFD 2004-3 IA2 2015 Refunding Bonds, Series C	8,285,000	6,465,000
CFD 2005-1 IA3 2015 Refunding Bonds, Series E	4,560,000	3,430,000
CFD 2005-4 (Stratford Ranch) 2015 Refunding Bonds, Series F	5,415,000	4,010,000
CFD 2005-4 (Steep Lechase) 2015 Refunding Bonds, Series G	3,190,000	2,400,000
CFD 2014-2 IA1 (Avelina) 2017 Bonds, Series A	4,580,000	4,325,000
CFD 2001-1 IA4 (May Farms) 2017 Series A Refunding Bonds	12,240,000	9,640,000
CFD 2001-1 IA5 (May Farms) 2017 Series B Refunding Bonds	7,405,000	6,085,000
CFD 2005-1 IA4 (Perris Valley Vistas) 2017 Series A Refunding Bonds	2,530,000	2,085,000
CFD 93-1 (May Ranch) 2017 Series C Refunding Bonds	2,640,000	250,000
CFD 2004-5 (Amber Oaks II) 2017 Series C Refunding Bonds	1,420,000	1,080,000
CFD 2014-1 IA2 (Avelina) 2018 Series A Bonds	4,410,000	4,190,000
CFD 2014-1 IA3 (Avelina) 2018 Series A Bonds	4,980,000	4,860,000
CFD 2007-2 (Pacific Heritage) 2020 Series Bonds	3,450,000	3,375,000
CFD 2018-1 IA1 (Green Valley) 2020 Series Bonds	2,705,000	2,650,000
CFD 2018-1 IA2 (Green Valley) 2021 Series Bonds	3,590,000	3,590,000
CFD 2007-2 (Pacific Heritage) 2021 Series Bonds	3,550,000	3,550,000
Total		<u>\$ 125,815,000</u>

Note 7 - Compensated Absences

For governmental funds and proprietary funds, accumulated vacation and sick leave benefits and compensatory time payable in future years when used by City employees amounted to \$1,853,135 and \$62,966, respectively at June 30, 2023. 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.

Notes to the Basic Financial Statements
June 30, 2023

Note 8 - City Employees' Retirement Plan (Defined Benefit Pension Plan)

Net pension liabilities and related deferred outflows of resources and deferred inflows of resources as of June 30, 2023, and pension expense for the year then ended are as follows:

	Governmental Activities	Business-Type Activities	Total
Net pension liability	\$ 3,072,114	\$ 82,423	\$ 3,154,537
Deferred outflows of resources	12,890,580	346,834	13,237,414
Deferred inflows of resources	5,368,406	124,001	5,492,407
Pension expense(credit)	9,456,185	304,534	9,760,719

A. General Information about the Pension Plans

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan or PERF C) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. 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 generally accepted accounting principles. 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 benefit provisions, assumptions and membership information that can be found on the CalPERS' website, at www.calpers.ca.gov.

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 5 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.

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

Notes to the Basic Financial Statements
June 30, 2023

Note 8 - City Employees' Retirement Plan (Defined Benefit Pension Plan) (Continued)

A. General Information about the Pension Plans (Continued)

The Plan's provisions and benefits in effect as of June 30, 2023 are summarized as follows:

	Plans			
	Classic	Miscellaneous		Safety
		Tire II	PEPRA	Classic
Hire date	Prior to January 1, 2013	January 1, 2010 but prior to January 1, 2013	January 1, 2013 and after	Prior to January 1, 2010
Benefit formula	2.7% @ 55	2.0% @ 60	2% @ 62	0.5% @ 55
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life	Monthly for life
Retirement age	Minimum 50 yrs.	Minimum 50 yrs.	Minimum 52 yrs.	Minimum 50 yrs.
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.092% to 2.418%	1.0% to 2.5%	0.50%
Employee contribution rate	8.000%	7.000%	6.750%	0.000%
Employer contribution rate	14.030%	8.630%	7.470%	0.000%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended June 30, 2023 were \$1,263,179. The actual employer payments of \$1,004,057 made to CalPERS by the City during the measurement period ended June 30, 2022 differed from the City's proportionate share of the employer's contributions of \$3,492,526 by \$(2,488,469), which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

B. Net Pension Liability

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

Notes to the Basic Financial Statements
June 30, 2023

Note 8 - City Employees' Retirement Plan (Defined Benefit Pension Plan) (Continued)

B. Net Pension Liability (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The collective total pension liability for the June 30, 2022 measurement period was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022. The collective total pension liability was based on the following assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age Actuarial Cost Method
Asset Valuation Method	Fair Value of Assets
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ¹	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

⁽¹⁾ The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 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 November 2021 that can be found on the CalPERS website.

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. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

**Notes to the Basic Financial Statements
June 30, 2023**

Note 8 - City Employees' Retirement Plan (Defined Benefit Pension Plan) (Continued)

B. Net Pension Liability (Continued)

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

Asset Class	Assumed Assets Allocation	Real Return ^{1,2}
Global equity - cap-weighted	30.00%	4.54%
Global equity - non-cap weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
	100.00%	

¹ An expected inflation of 2.30% used for this period

² Figures are based on the 2021 Asset Liability Management study

Change of Assumptions

Effective with the June 30, 2021, valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 6.90%. 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.

Note 8 - City Employees' Retirement Plan (Defined Benefit Pension Plan) (Continued)

B. Net Pension Liability (Continued)

Subsequent Events

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

Pension Plan Fiduciary Net Position

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov. The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

Notes to the Basic Financial Statements
June 30, 2023

Note 8 - City Employees' Retirement Plan (Defined Benefit Pension Plan) (Continued)

C. *Proportionate Share of Net Pension Liability*

The following table shows the Plan's proportionate share of the net pension liability over the measurement period.

	Miscellaneous Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2021 (VD)	\$ 50,206,961	\$ 57,454,637	\$ (7,247,676)
Balance at June 30, 2022 (MD)	55,892,000	53,250,235	2,641,765
Net Changes during 2021-2022	<u>\$ (5,685,039)</u>	<u>\$ 4,204,402</u>	<u>\$ (9,889,441)</u>

	Safety Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2021 (VD)	\$ 11,406,744	\$ 13,046,186	\$ (1,639,442)
Balance at June 30, 2022 (MD)	11,460,655	10,947,883	512,772
Net Changes during 2021-2022	<u>\$ (53,911)</u>	<u>\$ 2,098,303</u>	<u>\$ (2,152,214)</u>

Valuation Date (VD); Measurement Date (MD)

The City's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at www.calpers.ca.gov.

The City's proportionate share of the net pension liability for the miscellaneous and safety plans as of the June 30, 2021 and 2022 measurement dates was as follows:

	Plans	
	Miscellaneous	Safety
June 30, 2021	-0.38170%	-0.04671%
June 30, 2022	0.05646%	0.00746%
Change - Increase (Decrease)	<u>0.43816%</u>	<u>0.05417%</u>

Note 8 - City Employees' Retirement Plan (Defined Benefit Pension Plan) (Continued)

C. Proportionate Share of Net Pension Liability (Continued)

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

The following presents the City's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 6.9%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.9%) or 1 percentage-point higher (7.9%) than the current rate:

	Plan's Aggregate Net Pension Liability/(Asset)		
	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Miscellaneous Plan	\$ 10,260,852	\$ 2,641,765	\$ (3,626,854)
Safety Plan	2,095,470	512,772	(780,727)
Total	\$ 12,356,322	\$ 3,154,537	\$ (4,407,581)

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments	5-year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lives (EARSL) of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

Notes to the Basic Financial Statements
June 30, 2023

Note 8 - City Employees' Retirement Plan (Defined Benefit Pension Plan) (Continued)

C. *Proportionate Share of Net Pension Liability (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) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for PERF C for the measurement period ending June 30, 2022 is 3.7 years, which was obtained by dividing the total service years of 574,665 (the sum of remaining service lifetimes of the active employees) by 153,587 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

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

As of the start of the measurement period (July 1, 2021), the City's net pension (asset) was (\$8,887,118). For the measurement period ending June 30, 2022 (the measurement date), the City incurred a pension expense of \$9,760,719.

As of June 30, 2023, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Miscellaneous Plan		Safety Plan	
	Deferred outflows of Resources	Deferred inflows of Resources	Deferred outflows of Resources	Deferred inflows of Resources
Contribution made after the measurement date	\$ 1,218,098	\$ -	\$ 45,081	\$ -
Changes of assumptions	270,704	-	51,703	-
Difference between expected and actual experience	53,052	35,532	21,222	5,568
Net difference between projected and actual earning on pension plan investments	483,901	-	80,974	-
Changes in proportions	6,904,023	2,046,456	1,232,644	666,612
Difference between the City's contributions and proportionate share of contributions	2,186,702	1,892,398	689,310	845,841
Total	<u>\$ 11,116,480</u>	<u>\$ 3,974,386</u>	<u>\$ 2,120,934</u>	<u>\$ 1,518,021</u>

City of Perris

**Notes to the Basic Financial Statements
June 30, 2023**

Note 8 - City Employees' Retirement Plan (Defined Benefit Pension Plan) (Continued)

D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Continued)

The amounts above are net of outflows and inflows recognized in the 2021/22 measurement period expense. Contributions subsequent to the measurement date of \$1,263,179 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources	
	Miscellaneous Plan	Safety Plan
	2024	\$ 2,261,271
2025	2,044,671	173,297
2026	1,322,082	151,765
2027	295,972	49,396
2028	-	-
Thereafter	-	-

E. Payable to the Pension Plan

As of June 30, 2023, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year then ended.

Note 9 - Other Postemployment Benefits (OPEB) Plan

Total OPEB liabilities and related deferred outflows of resources and deferred inflows of resources as of June 30, 2023 and OPEB expense for the year then ended are as follows:

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources	\$ 3,575,809	\$ 115,158	\$ 3,690,967
Total OPEB liability	20,672,723	665,761	21,338,484
Deferred inflows of resources	5,780,029	186,144	5,966,173
OPEB expense(credit)	2,096,345	67,512	2,163,857

Note 9 - Other Postemployment Benefits (OPEB) Plan (Continued)

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 an Annual Comprehensive Financial Report (ACFR). The ACFR is issued in aggregate and includes the sum of all CalPERS plans. Copies of the CalPERS ACFR may be obtained from the CalPERS website.

Funding Policy and Contributions

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 2022 calendar year is as follows:

Contribution (Maximum)		
Employee Only	Employee and 1 dependent	Employee and 2+ dependents
\$ 761	\$ 1,477	\$ 1,920

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

Years of Service	Vesting%
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.

City of Perris

Notes to the Basic Financial Statements June 30, 2023

Note 9 - Other Postemployment Benefits (OPEB) Plan (Continued)

A. General Information about the OPEB Plan (Continued)

Employees Covered

As of June 30, 2023, actuarial valuation, the following current and former employees were covered by the benefit terms under the CPRHP:

Active employees	132
Inactive employees or beneficiaries currently receiving benefit payments	57
Inactive employees entitled to, but not receiving benefit payments	-
Total	<u>189</u>

B. Total OPEB Liability

The City's total OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation dated June 30, 2021 to determine the June 30, 2021 total OPEB liability, based on the following actuarial methods and assumptions:

<u>Actuarial Assumptions:</u>	<u>June 30, 2023 Measurement Date</u>
Valuation Date	June 30, 2023
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	3.65%, net of investment expense, including inflation
Inflation	2.50%
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 83.6% of non-Medicare medical premium. Liabilities of 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	2021 CalPERS Mortality for Miscellaneous and Schools Employees

Change in Assumptions

The discount rate increased from 3.54% at June 30, 2022 to 3.65% at June 30, 2023.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.65%. The discount rate was based on the Bond Buyer 20-bond General Obligation Index.

City of Perris

Notes to the Basic Financial Statements June 30, 2023

Note 9 - Other Postemployment Benefits (OPEB) Plan (Continued)

C. Changes in the Total OPEB Liability

The changes in the total OPEB liability for the Plan are as follows:

	<u>Total OPEB Liability</u>
Balance at June 30, 2022	\$ 22,045,404
Changes recognized for the Measurement Period:	
Service cost	1,128,232
Interest on the total OPEB liability	786,927
Change of assumptions	15,356
Benefit payments, including refunds of employee contributions	(759,886)
Experience Gains/(Losses)	(1,877,549)
Net Changes	<u>(706,920)</u>
Balance at June 30, 2023	<u>\$ 21,338,484</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rates

The following table presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current discount rate:

	<u>Discount Rate</u> <u>-1% (2.65%)</u>	<u>Current Discount</u> <u>Rate (3.65%)</u>	<u>Discount Rate</u> <u>+ 1% (4.65%)</u>
Proportionate share of the City's Total OPEB Liability	<u>\$ 25,086,387</u>	<u>\$ 21,338,484</u>	<u>\$ 18,351,730</u>

Sensitivity of the Total 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:

	<u>1% Decrease</u> <u>(3.00%)</u>	<u>Current</u> <u>Healthcare Cost</u> <u>Trend Rates</u> <u>(4.00%)</u>	<u>1% Increase</u> <u>(5.00%)</u>
Proportionate share of the City's Total OPEB Liability	<u>\$ 17,734,026</u>	<u>\$ 21,338,484</u>	<u>\$ 26,099,438</u>

Notes to the Basic Financial Statements
June 30, 2023

Note 9 - Other Postemployment Benefits (OPEB) Plan (Continued)

C. Changes in the Total OPEB Liability (Continued)

OPEB Plan Fiduciary Net Position

As the City is not prefunding with an OPEB trust, no Plan Fiduciary Net Position existed as of June 30, 2023 measurement date. The City does not have assets accumulated in a trust that meets the criteria of GASB 75 to pay related benefits.

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

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first 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. The net difference between projected and actual earnings on OPEB plan investments is amortized using the straight-line method over 5 years, while all other amounts are amortized over the expected average remaining service lifetime (EARSL) of plan participants.

For the fiscal year ended June 30, 2023, the City recognized OPEB expenses in the amount of \$2,163,857. As of June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of Resources	Deferred inflows of Resources
Changes of assumptions	\$ 1,978,943	\$ 1,693,475
Difference between expected and actual experience	1,712,024	4,272,698
Total	<u>\$ 3,690,967</u>	<u>\$ 5,966,173</u>

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 7.6 years as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ 220,406
2025	220,406
2026	(110,254)
2027	(440,896)
2028	(440,896)
Thereafter	(1,723,972)

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.

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 Self-Insured Retention ("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, 2023, the City had an excess of funds of \$1,300,711 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.

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.

City of Perris

Notes to the Basic Financial Statements June 30, 2023

Note 12 - Other Required Individual Fund Disclosures

The following funds had expenditures in excess of appropriations for the year ended June 30, 2023:

Fund	Appropriations	Expenditures	Excess of Expenditures over Appropriations
Major Governmental Funds:			
Federal Grants Fund			
General government	\$ 25,000	\$ 457,396	\$ (432,396)
Joint Powers Authority Debt Service Fund			
Community development	-	129,356	(129,356)
Debt service:			
Principal retirement	5,285,000	5,375,000	(90,000)
Nonmajor Governmental Funds:			
Local Health Grant			
General government	52,093	66,166	(14,073)
Lighting District No. 84-1 Special Revenue Fund			
Debt service:			
Principal retirement	-	327,566	(327,566)
Interest and fiscal charges	-	143,530	(143,530)
Public Financing Authority			
Debt service:			
Principal retirement	1,905,000	2,005,000	(100,000)
Interest and fiscal charges	986,050	1,270,131	(284,081)

The following funds have deficit fund balances as of June 30, 2023:

Major Governmental Funds:	Fund Deficit
Capital Improvement Projects Fund	\$ (1,018,577)
Federal Grants Fund	(397,085)
Nonmajor Governmental Funds:	
Lighting District No. 84-1 Special Revenue Fund	(1,263,864)
CDBG Grant Special Revenue Fund	(778,945)
State Grants Special Revenue Fund	(1,562,327)
HUD NSP-3 Special Revenue Fund	(35,125)
Local Health Grant Special Revenue Fund	(85,026)
Construction Capital Projects Fund	(38,915)

City of Perris

Notes to the Basic Financial Statements June 30, 2023

Note 13 - Tax Abatements

On December 18, 2013, the City entered into a location agreement with Home Depot USA, 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, 2023 is \$1,306,066.

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, 2023 is \$444,042.

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. There was no contribution made by the City during the year ended June 30, 2023.

The Authority's office and records are located at 14205 Meridian Parkway, Suite 140, Riverside, California 92518. As of June 30, 2023, the latest financial information obtained from the March Joint Powers Authority is as follows:

Assets and deferred outflows of resources	\$ 234,243,309
Liabilities and deferred inflows of resources	<u>\$ 23,848,322</u>
Net position	<u>\$ 210,394,987</u>
Revenues	\$ 14,671,232
Expenses	<u>\$ 11,969,985</u>
Changes in net position	<u>\$ 2,701,247</u>

**Notes to the Basic Financial Statements
June 30, 2023**

Note 15 - Commitments and Contingencies

Encumbrances

As of June 30, 2023, the City had outstanding encumbrances in various funds totaling \$22,575,759 as follows:

	<u>Outstanding Encumbrances</u>
Governmental Funds:	
General Fund	\$ 3,808,162
Joint Powers Authority Debt Service Fund	23,850
Capital Improvement Projects Capital Projects Fund	489,041
Road and Bridge Benefit District Special Revenue Fund	1,705,171
Federal Grants Special Revenue Fund	7,197,567
Nonmajor governmental funds	8,668,012
Total governmental funds	<u>21,891,803</u>
Enterprise Funds:	
Public Utility Authority	27,008
Water	119,542
Sewer	389,265
Solid Waste	148,141
Total enterprise funds	<u>683,956</u>
Total	<u>\$ 22,575,759</u>

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

On December 29, 2011, the California Supreme Court upheld Assembly Bill IX 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, 2023 is \$335,048 which consists of land.

Notes to the Basic Financial Statements
June 30, 2023

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, 2023:

	Balance July 1, 2022	Addition	Deletion	Balance June 30, 2023	Due in One Year	Due in More Than One Year
Loans payable to PFA	\$ 33,830,000	\$ -	\$ (2,005,000)	\$ 31,825,000	\$ 2,080,000	\$ 29,745,000
Loan premiums	1,806,918	-	(152,917)	1,654,001	-	1,654,001
Subordinate Tax Allocation Refunding Bonds, Series 2018	12,600,000	-	(510,000)	12,090,000	530,000	11,560,000
Subordinate Tax Allocation Refunding Bonds, Series 2019	6,655,000	-	(125,000)	6,530,000	130,000	6,400,000
Discounts on revenue bonds	(149,192)	6,221	-	(142,971)	-	(142,971)
Total	<u>\$ 54,742,726</u>	<u>\$ 6,221</u>	<u>\$ (2,792,917)</u>	<u>\$ 51,956,030</u>	<u>\$ 2,740,000</u>	<u>\$ 49,216,030</u>

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 End of the Year	Due in one year	Due in more than one year
2015 Series A Issue	\$ 21,590,000	\$ 14,400,000	\$ 1,200,000	\$ 13,200,000
2015 Series B Issue	23,120,000	17,425,000	880,000	16,545,000
Total	<u>\$ 44,710,000</u>	<u>\$ 31,825,000</u>	<u>\$ 2,080,000</u>	<u>\$ 29,745,000</u>

The balance as of June 30, 2023, of the accounts with retained funds is \$3,995,878 by the Authority and is reflected as deposits in the fiduciary fund statements. The outstanding balance of the Loan Payable to the Public Financing Authority (PFA) as of June 30, 2023 was \$31,825,000.

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 1st and April 1st 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 outstanding balance as of June 30, 2023 was \$12,090,000.

Notes to the Basic Financial Statements
June 30, 2023

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

B. Long-Term Liabilities (Continued)

The annual debt service requirements to mature as follows:

Year Ended June 30,	Principal	Interest	Total
2024	\$ 530,000	\$ 479,603	\$ 1,009,603
2025	555,000	461,742	1,016,742
2026	555,000	443,011	998,011
2027	595,000	423,253	1,018,253
2028	605,000	401,714	1,006,714
2029-2033	2,560,000	1,677,047	4,237,047
2034-2038	4,820,000	1,055,942	5,875,942
2039-2041	1,870,000	122,040	1,992,040
Total	<u>\$ 12,090,000</u>	<u>\$ 5,064,352</u>	<u>\$ 17,154,352</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 outstanding balance as of June 30, 2023 was \$6,530,000.

The annual debt service requirements to mature as follows:

Year Ended June 30,	Principal	Interest	Total
2024	\$ 130,000	\$ 214,490	\$ 344,490
2025	140,000	211,565	351,565
2026	140,000	208,289	348,289
2027	145,000	204,873	349,873
2028	145,000	201,146	346,146
2029-2033	790,000	939,547	1,729,547
2034-2038	3,835,000	640,506	4,475,506
2039-2041	1,205,000	57,960	1,262,960
Total	<u>\$ 6,530,000</u>	<u>\$ 2,678,376</u>	<u>\$ 9,208,376</u>

City of Perris

Notes to the Basic Financial Statements June 30, 2023

Note 17 - Prior Period Restatement

Restatement of governmental fund balances for the year ended June 30, 2023 is as follows:

	Governmental Funds			
	Housing Authority	HOME Grant Program	Proposition "A"	State Grants
As previously stated	\$ 3,764,980	\$ 218,555	\$ 10,851,967	\$ (8,951,823)
Prior period adjustment	(7,650)	7,650	150,808	(150,808)
As restated	<u>\$ 3,757,330</u>	<u>\$ 226,205</u>	<u>\$ 11,002,775</u>	<u>\$ (9,102,631)</u>

The restatements for the governmental fund statements were related to incorrect funding sources being used in the prior year. The changes in fund balance for these funds did not cause an overall adjustment to the governmental funds.

Note 18 - Subsequent Event

In February 2024, the City of Perris established an understanding with Eastern Municipal Water District for the consolidation of their Water and Sewer systems by transfer of ownership from the City systems to Eastern's systems. The City and Eastern will share the costs relating to studies, consulting, engineering, and other professional services required for the consolidation and transfer of systems. Total acquisition buy-in costs in the amount of \$7.9 million are required for the consolidation and transfer of the systems. The City and Eastern are willing to commit \$2.63 million to fund improvements to bring the systems to each party's standards and the County of Riverside has also indicated intent to commit \$2.63 million to support and partially offset the acquisition costs. Funding from the County is contingent upon successful completion of the transfer from the City systems to Eastern's. The City also intends on transferring ownership of its Groundwater Rights to Eastern with an estimated value of about \$7.7 million as part of the transaction. The transfer of systems is expected to be completed in October 2024. In addition, the City will set aside \$1.5 million to cover the cost of unperfected easements over the period of 20 years which will come from the City's reserves.

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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Taxes	\$ 6,558,443	\$ 51,873,274	\$ 58,272,037	\$ 6,398,763
Licenses, permits and fees	2,934,739	3,072,034	4,358,157	1,286,123
Intergovernmental revenues	99,792	99,792	140,972	41,180
Charges for services	1,088,233	1,088,233	1,404,652	316,419
Fines, forfeitures and penalties	677,201	677,201	704,762	27,561
Investment earnings	954,450	954,450	422,505	(531,945)
Special assessments	-	922,761	895,222	(27,539)
Contributions	3,026,860	3,026,860	3,710,337	683,477
Miscellaneous	81,067	81,067	314,440	233,373
Total revenues	15,420,785	61,795,672	70,223,084	8,427,412
EXPENDITURES				
Current:				
General government	13,604,660	15,295,042	13,341,073	1,953,969
Public safety	34,102,447	35,520,459	33,062,432	2,458,027
Public works	3,576,129	4,492,677	2,941,857	1,550,820
Parks and recreation	6,739,613	9,480,725	8,050,248	1,430,477
Capital outlay	416,603	939,184	822,742	116,442
Total expenditures	58,439,452	65,728,087	58,218,352	7,509,735
REVENUES OVER (UNDER) EXPENDITURES	(43,018,667)	(3,932,415)	12,004,732	15,937,147
OTHER FINANCING SOURCES (USES)				
Transfers in	3,925,000	3,925,000	1,684,761	(2,240,239)
Transfers out	-	-	(1,017,516)	(1,017,516)
Lease acquisition	-	-	130,613	130,613
Gain on sale of asset	-	-	20,000	20,000
Total other financing sources (uses)	3,925,000	3,925,000	817,858	(3,107,142)
Net change in fund balance	\$ (39,093,667)	\$ (7,415)	12,822,590	\$ 12,830,005
FUND BALANCE				
Beginning of year			58,353,902	
End of year			<u>\$ 71,176,492</u>	

City of Perris

**Required Supplementary Information (Unaudited)
 Budgetary Comparison Schedule - Road and Bridge Benefit District Fund
 Special Revenue Fund
 For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Developer fees	\$ 12,000,000	\$ 12,000,000	\$ 4,747,573	\$ (7,252,427)
Investment earnings	2,044,831	2,044,831	489,540	(1,555,291)
Total revenues	<u>14,044,831</u>	<u>14,044,831</u>	<u>5,237,113</u>	<u>(8,807,718)</u>
EXPENDITURES				
Capital outlay	67,368,119	69,203,039	4,553,771	64,649,268
Total expenditures	<u>67,368,119</u>	<u>69,203,039</u>	<u>4,553,771</u>	<u>64,649,268</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(53,323,288)</u>	<u>(55,158,208)</u>	<u>683,342</u>	<u>55,841,550</u>
Net change in fund balance	<u>\$ (53,323,288)</u>	<u>\$ (55,158,208)</u>	<u>683,342</u>	<u>\$ 55,841,550</u>
FUND BALANCE				
Beginning of year			98,510,227	
End of year			<u>\$ 99,193,569</u>	

City of Perris

**Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - Federal Grants Fund Special Revenue Fund
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 11,645,753	\$ 11,645,753	\$ 5,455,788	\$ (6,189,965)
Investment earnings	-	-	39,153	39,153
Miscellaneous	-	-	(13,437)	(13,437)
Total revenues	<u>11,645,753</u>	<u>11,645,753</u>	<u>5,481,504</u>	<u>(6,164,249)</u>
EXPENDITURES				
Current:				
General government	25,000	25,000	457,396	(432,396)
Public works	94,398.00	1,854,310	241,064	1,613,246
Community development	43,849	3,451,338	1,028,575	2,422,763
Capital outlay	9,720,680	14,957,481	3,971,958	10,985,523
Total expenditures	<u>9,883,927</u>	<u>20,288,129</u>	<u>5,698,993</u>	<u>14,589,136</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,761,826</u>	<u>(8,642,376)</u>	<u>(217,489)</u>	<u>8,424,887</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(3,000,000)	(3,991,011)	(991,011)	3,000,000
Total other financing sources (uses)	<u>(3,000,000)</u>	<u>(3,991,011)</u>	<u>(991,011)</u>	<u>3,000,000</u>
Net change in fund balance	<u>\$ (1,238,174)</u>	<u>\$ (12,633,387)</u>	<u>(1,208,500)</u>	<u>\$ 11,424,887</u>
FUND BALANCE (DEFICIT)				
Beginning of year			811,415	
End of year			<u>\$ (397,085)</u>	

**Required Supplementary Information (Unaudited)
Notes to the Budgetary Comparison Schedules
June 30, 2023**

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 the CalVIP Fund since no budgets were adopted for these funds. No budgetary comparisons are presented for Proprietary Funds as the City is not legally required to adopt a budget for these types of funds.
3. Budgetary control is exercised at the departmental level. Accordingly, department heads are authorized to make transfers between budgeted line items within their respective departments. Interdepartmental transfers within funds require City Manager authorization (without approval by the City Council); all other changes to the budget must be authorized by the City Council.
4. Encumbrance accounting under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriations is employed as an extension of formal budgetary integration in all governmental funds. Unencumbered appropriations of the governmental funds automatically lapse at year end.
5. Under Article XIII B of the California Constitution (the GANN Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates, revised fee schedules or other refund arrangements. For the fiscal year ended June 30, 2023, 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 as of the Measurement Date June 30, 2023

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

Measurement Date	Proportion of the net pension liability ¹	Proportionate share of the net pension liability	Covered payroll	Proportionate share of the net pension liability as a percentage of covered payroll	Proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability
6/30/2014	0.09315%	\$ 3,913,052	\$ 4,397,129	88.99%	86.37%
6/30/2015	0.12102%	5,930,082	5,146,903	115.22%	86.37%
6/30/2016	0.12757%	7,990,663	5,972,105	133.80%	80.34%
6/30/2017	0.13067%	9,515,430	6,174,816	154.10%	75.87%
6/30/2018	0.13461%	9,498,191	6,892,285	137.81%	74.71%
6/30/2019	0.13930%	10,592,699	7,133,025	148.50%	75.58%
6/30/2020	0.00326%	77,332	7,653,456	1.01%	99.83%
6/30/2021	-0.16432%	(7,247,676)	7,863,926	-92.16%	114.44%
6/30/2022	0.02731%	2,641,765	9,143,346	28.89%	95.27%

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

Measurement Date	Proportion of the net pension liability ¹	Proportionate share of the net pension liability	Covered payroll	Proportionate share of the net pension liability as a percentage of covered payroll	Proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability
6/30/2014	0.09315%	\$ 1,882,917	\$ -	100.00%	82.32%
6/30/2015	0.12102%	2,376,536	-	100.00%	77.62%
6/30/2016	0.12757%	3,047,961	-	100.00%	71.90%
6/30/2017	0.13067%	3,443,117	-	100.00%	70.27%
6/30/2018	0.13461%	3,473,242	-	100.00%	69.87%
6/30/2019	0.13930%	3,681,042	-	100.00%	67.75%
6/30/2020	0.00326%	227,113	-	100.00%	97.58%
6/30/2021	-0.16432%	(1,639,442)	-	100.00%	114.37%
6/30/2022	0.02731%	512,772	-	100.00%	95.53%

*Historical information is required only for measurement for which GASB 68 is applicable.

¹ Proportion of the net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 survivors Risk Pool.

**Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions
June 30, 2023**

California Public Employees' Retirement System ("CalPERS") - Miscellaneous Plan						
Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered payroll	Contributions as a Percentage of Covered Payroll	
6/30/2014	\$ 552,921	\$ (552,921)	\$ -	\$ 4,397,129	12.57%	
6/30/2015	595,585	(595,585)	-	5,146,903	11.57%	
6/30/2016	690,380	(690,380)	-	5,972,105	11.56%	
6/30/2017	717,686	(717,686)	-	6,174,816	11.62%	
6/30/2018	871,691	(871,691)	-	6,892,285	12.65%	
6/30/2019	1,062,209	(1,062,209)	-	7,133,025	14.89%	
6/30/2020	1,277,787	(12,466,764)	11,188,977	7,653,456	16.70%	
6/30/2021	949,357	(949,357)	-	7,863,926	12.07%	
6/30/2022	993,927	(993,927)	-	9,143,346	10.87%	
6/30/2023	1,218,098	(1,218,098)	-	10,957,840	11.12%	

California Public Employees' Retirement System ("CalPERS") - Safety Plan						
Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered payroll	Contributions as a Percentage of Covered Payroll	
6/30/2014	\$ 38,773	\$ (38,773)	\$ -	\$ -	N/A	
6/30/2015	-	-	-	-	N/A	
6/30/2016	116,815	(116,815)	-	-	N/A	
6/30/2017	145,519	(145,519)	-	-	N/A	
6/30/2018	173,347	(173,347)	-	-	N/A	
6/30/2019	217,996	(217,996)	-	-	N/A	
6/30/2020	318,967	3,852,259	3,533,292	-	N/A	
6/30/2021	-	-	-	-	N/A	
6/30/2022	10,130	(10,130)	-	-	N/A	
6/30/2023	45,081	(45,081)	-	-	N/A	

Notes to Schedule:

Change in Benefit Terms: Changes in Benefit Terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. Additionally, the figures above do not include any liability impact that may have resulted from Golden Handshakes that occurred after the June 30, 2021 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Change in Assumptions: Changes in Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. There were no assumption changes for 2021. For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. 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 2019. In 2017, the accounting discount rate was reduced from 7.65% to 7.15%. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5% discount rate.

City of Perris

Required Supplementary Information (Unaudited) Schedule of Changes in Total OPEB Liability and Related Ratios Other Postemployment Benefits Plan June 30, 2023

Measurement period	2017-18 ¹	2018-19	2019-20	2020-21	2021-22	2022-23
Total OPEB liability						
Service cost	\$ 476,039	\$ 490,320	\$ 1,089,408	\$ 1,265,946	\$ 1,566,108	\$ 1,128,232
Interest	570,709	585,528	594,810	499,162	571,963	786,927
Differences between expected and actual experience	-	(17,951)	1,836,784	1,859,795	-	-
Changes in assumptions	-	267,111	2,461,670	1,098,174	(5,412,086)	15,356
Benefit payments, including refunds of employee contributions	(629,983)	(650,872)	(709,342)	(705,306)	(754,575)	(759,886)
Experience (gains)/losses	-	-	-	-	-	(1,877,549)
Net change in total OPEB liability	416,765	674,136	5,273,330	4,017,771	(4,028,590)	(706,920)
Total OPEB liability - beginning	15,691,992	16,108,757	16,782,893	22,056,223	26,073,994	22,045,404
Total OPEB liability - ending	<u>\$ 16,108,757</u>	<u>\$ 16,782,893</u>	<u>\$ 22,056,223</u>	<u>\$ 26,073,994</u>	<u>\$ 22,045,404</u>	<u>\$ 21,338,484</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	\$ 7,458,359	\$ 8,296,784	\$ 9,439,572	\$ 9,685,260	\$ 11,625,912	\$ 13,361,761
Total OPEB liability as a percentage of covered employee payroll	263.13%	266.16%	276.09%	340.68%	189.62%	159.70%

¹Historical 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:

The City does not have assets accumulated in a trust that meet the criteria of GASB 75 to pay related benefits

Changes of Assumptions: In 2023, the discount rate increased from 3.54% to 3.65%. In 2021, the accounting discount rate increased from 2.16% to 3.54%.

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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
Joint Powers Authority Debt Service Fund
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 5,605,291	\$ 5,605,291	\$ 4,949,464	\$ (655,827)
Contributions	4,857,322	4,857,322	36,290	(4,821,032)
Total revenues	<u>10,462,613</u>	<u>10,462,613</u>	<u>4,985,754</u>	<u>(5,476,859)</u>
EXPENDITURES				
Current:				
Community development	-	-	129,356	(129,356)
Debt service:				
Principal retirement	5,285,000	5,285,000	5,375,000	(90,000)
Interest and fiscal charges	5,002,500	5,002,500	4,944,440	58,060
Total expenditures	<u>10,287,500</u>	<u>10,287,500</u>	<u>10,448,796</u>	<u>(161,296)</u>
Net change in fund balance	<u>\$ 175,113</u>	<u>\$ 175,113</u>	<u>(5,463,042)</u>	<u>\$ (5,638,155)</u>
FUND BALANCE				
Beginning of year			123,585,870	
End of year			<u>\$ 118,122,828</u>	

City of Perris

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
Storm Drain Development Capital Projects Fund
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Developer fees	\$ 578,852	\$ 578,852	\$ 19,524	\$ (559,328)
Investment earnings	-	-	19,732	19,732
Total revenues	<u>578,852</u>	<u>578,852</u>	<u>39,256</u>	<u>(539,596)</u>
EXPENDITURES				
Capital outlay	5,215,492	5,202,793	19,524	5,183,269
Total expenditures	<u>5,215,492</u>	<u>5,202,793</u>	<u>19,524</u>	<u>5,183,269</u>
Net change in fund balance	<u>\$ (4,636,640)</u>	<u>\$ (4,623,941)</u>	19,732	<u>\$ 4,643,673</u>
FUND BALANCE (DEFICIT)				
Beginning of year			(2,460)	
End of year			<u>\$ 17,272</u>	

City of Perris

**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
Capital Improvement Projects Capital Projects Fund
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 2,732,758	\$ 2,732,758	\$ -	\$ (2,732,758)
Investment earnings	247,671	247,671	86,416	(161,255)
Contributions	773,999	773,999	494,722	(279,277)
Total revenues	<u>3,754,428</u>	<u>3,754,428</u>	<u>581,138</u>	<u>(3,173,290)</u>
EXPENDITURES				
Capital outlay	16,836,651	21,780,498	1,726,754	20,053,744
Total expenditures	<u>16,836,651</u>	<u>21,780,498</u>	<u>1,726,754</u>	<u>20,053,744</u>
Net change in fund balance	<u>\$ (13,082,223)</u>	<u>\$ (18,026,070)</u>	<u>(1,145,616)</u>	<u>\$ 16,880,454</u>
FUND BALANCE (DEFICIT)				
Beginning of year			127,039	
End of year			<u>\$ (1,018,577)</u>	

Non-Major Governmental Funds

Special Revenue Funds

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 - is used to account for funds received for the road maintenance and rehabilitation account (RMRA) under SBI 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.

Non-Major Governmental Funds

Special Revenue Funds (continued)

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.

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

Perris Community Economic Development Corporation (the "CEDC") Fund - is used to account for the activities of the City's nonprofit public corporation.

Housing Authority - is used to account for the activities of the City's housing operations.

Capital Projects Funds

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 Districts - is used to account for the capital projects for the various community facilities districts in the City.

Debt Service Funds

Public Financing Authority - 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.

City of Perris

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023**

	Special Revenue Funds				
	AQMD Air Pollution Program	Traffic Safety	City-wide Lighting District	Lighting District No. 84-1	Landscape Maintenance District
ASSETS					
Cash and investments	\$ 141,009	\$ 1,640,446	\$ 4,721,211	\$ (342,508)	\$ 4,809,099
Cash and investments with fiscal agent	-	-	-	342,508	-
Receivable (net):					
Accounts	26,311	15,259	-	-	-
Interest	392	4,523	12,076	-	13,927
Taxes	-	46,966	18,054	17,532	98,074
Loans	-	-	-	-	-
Due from other governments	-	-	-	-	-
Advances to Successor Agency	-	-	-	-	-
Total assets	\$ 167,712	\$ 1,707,194	\$ 4,751,341	\$ 17,532	\$ 4,921,100
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ 60,428	\$ 8,409	\$ 98,515	\$ 363,405
Retention payable	-	8,004	-	-	12,455
Due to other funds	-	-	-	1,076,780	-
Unearned revenue	-	-	-	106,101	-
Deposits and other liabilities	-	-	-	-	-
Total liabilities	-	68,432	8,409	1,281,396	375,860
Deferred Inflows of Resources:					
Unavailable revenue	-	15,259	5,761	-	18,195
Total deferred inflows of resources	-	15,259	5,761	-	18,195
Fund Balances (deficit):					
Restricted	167,712	1,623,503	4,737,171	-	4,527,045
Unassigned	-	-	-	(1,263,864)	-
Total fund balances	167,712	1,623,503	4,737,171	(1,263,864)	4,527,045
Total liabilities, deferred inflows of resources and fund balances	\$ 167,712	\$ 1,707,194	\$ 4,751,341	\$ 17,532	\$ 4,921,100

City of Perris

**Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023**

	Special Revenue Funds			
	Flood Control Maintenance District	Gas Tax	RMRA	Proposition "A"
ASSETS				
Cash and investments	\$ 14,031,194	\$ 6,425,927	\$ 3,655,764	\$ 12,962,587
Cash and investments with fiscal agent	-	-	-	-
Receivable (net):				
Accounts	123,328	-	-	-
Interest	35,692	15,014	10,659	33,121
Taxes	32,416	175,355	308,515	265,896
Loans	-	-	-	-
Due from other governments	-	-	-	-
Advances to Successor Agency	-	-	-	-
Total assets	\$ 14,222,630	\$ 6,616,296	\$ 3,974,938	\$ 13,261,604
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 31,075	\$ 147,713	\$ 13,525	\$ 1,449,621
Retention payable	14,581	8,060	-	102,516
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Deposits and other liabilities	38	-	-	-
Total liabilities	45,694	155,773	13,525	1,552,137
Deferred Inflows of Resources:				
Unavailable revenue	10,790	-	-	-
Total deferred inflows of resources	10,790	-	-	-
Fund Balances (deficit):				
Restricted	14,166,146	6,460,523	3,961,413	11,709,467
Unassigned	-	-	-	-
Total fund balances	14,166,146	6,460,523	3,961,413	11,709,467
Total liabilities, deferred inflows of resources and fund balances	\$ 14,222,630	\$ 6,616,296	\$ 3,974,938	\$ 13,261,604

City of Perris

**Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023**

	Special Revenue Funds				
	CDBG Grant	State Grants	Development Fees	HUD NSP-3	HOME Grant Program
ASSETS					
Cash and investments	\$ -	\$ -	\$ 34,574,942	\$ -	\$ 23,472
Cash and investments with fiscal agent	-	-	-	-	-
Receivable (net):					
Accounts	988,552	3,919,987	-	-	-
Interest	-	-	87,738	2	62
Taxes	-	-	-	-	-
Loans	-	-	-	-	189,460
Due from other governments	-	93,805	-	-	-
Advances to Successor Agency	-	-	-	-	-
Total assets	\$ 988,552	\$ 4,013,792	\$ 34,662,680	\$ 2	\$ 212,994
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 334,576	\$ 18,634	\$ 194,876	\$ -	\$ -
Retention payable	55,579	31,898	42,363	-	-
Due to other funds	517,056	5,447,414	-	35,127	-
Unearned revenue	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-
Total liabilities	907,211	5,497,946	237,239	35,127	-
Deferred Inflows of Resources:					
Unavailable revenue	860,286	78,173	-	-	-
Total deferred inflows of resources	860,286	78,173	-	-	-
Fund Balances (deficit):					
Restricted	-	-	34,425,441	-	212,994
Unassigned	(778,945)	(1,562,327)	-	(35,125)	-
Total fund balances	(778,945)	(1,562,327)	34,425,441	(35,125)	212,994
Total liabilities, deferred inflows of resources and fund balances	\$ 988,552	\$ 4,013,792	\$ 34,662,680	\$ 2	\$ 212,994

City of Perris

**Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023**

	Special Revenue Funds			
	Local Health Grant	NRPA Grant	Perris CEDC	Housing Authority
ASSETS				
Cash and investments	\$ -	\$ 55,686	\$ 1,771,419	\$ 204,155
Cash and investments with fiscal agent	-	-	-	-
Receivable (net):				
Accounts	10,457	-	1,346	-
Interest	-	144	4,841	703
Taxes	-	-	-	-
Loans	-	-	-	2,964,604
Due from other governments	-	-	-	-
Advances to Successor Agency	-	-	-	-
Total assets	\$ 10,457	\$ 55,830	\$ 1,777,606	\$ 3,169,462
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 5,622	\$ -	\$ 95,176	\$ 50,127
Retention payable	-	-	14,046	-
Due to other funds	79,404	-	-	-
Unearned revenue	-	-	23,941	-
Deposits and other liabilities	-	-	-	-
Total liabilities	85,026	-	133,163	50,127
Deferred Inflows of Resources:				
Unavailable revenue	10,457	-	-	-
Total deferred inflows of resources	10,457	-	-	-
Fund Balances (deficit):				
Restricted	-	55,830	1,644,443	3,119,335
Unassigned	(85,026)	-	-	-
Total fund balances	(85,026)	55,830	1,644,443	3,119,335
Total liabilities, deferred inflows of resources and fund balances	\$ 10,457	\$ 55,830	\$ 1,777,606	\$ 3,169,462

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City of Perris

Combining Balance Sheet (Concluded) Nonmajor Governmental Funds June 30, 2023

	Capital Projects Funds			Debt Service Fund	Total Nonmajor Governmental Funds
	Construction	Railway Depot Restoration	Community Facilities Districts	Public Financing Authority	
ASSETS					
Cash and investments	\$ -	\$ 133,503	\$ -	\$ 2,463,350	\$ 87,271,256
Cash and investments with fiscal agent	-	-	6,078,045	4,036,248	10,456,801
Receivable (net):					
Accounts	-	-	-	-	5,085,240
Interest	-	345	-	307,107	526,346
Taxes	-	-	-	-	962,808
Loans	-	-	-	-	3,154,064
Due from other governments	-	-	-	-	93,805
Advances to Successor Agency	-	-	-	31,825,000	31,825,000
Total assets	\$ -	\$ 133,848	\$ 6,078,045	\$ 38,631,705	\$ 139,375,320
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 27,923	\$ -	\$ -	\$ -	\$ 2,899,625
Retention payable	-	-	-	-	289,502
Due to other funds	10,992	-	-	-	7,166,773
Unearned revenue	-	-	-	-	130,042
Deposits and other liabilities	-	-	-	3,995,878	3,995,916
Total liabilities	38,915	-	-	3,995,878	14,481,858
Deferred Inflows of Resources:					
Unavailable revenue	-	-	-	306,339	1,305,260
Total deferred inflows of resources	-	-	-	306,339	1,305,260
Fund Balances (deficit):					
Restricted	-	133,848	6,078,045	34,329,488	127,352,404
Unassigned	(38,915)	-	-	-	(3,764,202)
Total fund balances	(38,915)	133,848	6,078,045	34,329,488	123,588,202
Total liabilities, deferred inflows of resources and fund balances	\$ -	\$ 133,848	\$ 6,078,045	\$ 38,631,705	\$ 139,375,320

City of Perris

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended June 30, 2023

	Special Revenue Funds				
	AQMD Air Pollution Program	Traffic Safety	City-wide Lighting District	Lighting District No. 84-1	Landscape Maintenance District
REVENUES					
Intergovernmental revenues	\$ 104,139	\$ 200,816	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-
Fines, forfeitures and penalties	-	185,589	-	-	-
Developer fees	-	-	-	-	-
Investment earnings	842	10,399	25,255	10,339	25,451
Special assessments	-	-	557,568	942,192	2,751,185
Contributions	-	-	-	-	-
Miscellaneous	-	-	4	57,750	57,750
Total revenues	104,981	396,804	582,827	1,010,281	2,834,386
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Public safety	-	212,658	-	-	-
Public works	-	-	141,719	868,711	3,068,530
Parks and recreation	-	-	-	-	-
Community development	-	-	-	-	-
Capital outlay	151,250	246,598	-	-	-
Debt service:					
Principal retirement	-	-	-	327,566	-
Interest and fiscal charges	-	-	-	143,530	-
Total expenditures	151,250	459,256	141,719	1,339,807	3,068,530
Excess (Deficiency) of Revenues Over (Under) Expenditures	(46,269)	(62,452)	441,108	(329,526)	(234,144)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net Change in Fund Balances	(46,269)	(62,452)	441,108	(329,526)	(234,144)
FUND BALANCES (DEFICIT)					
Beginning of year, as restated	213,981	1,685,955	4,296,063	(934,338)	4,761,189
End of year	\$ 167,712	\$ 1,623,503	\$ 4,737,171	\$ (1,263,864)	\$ 4,527,045

City of Perris

**Combining Statement of Revenues, Expenditures and Changes in
Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2023**

	Special Revenue Funds			
	Flood Control Maintenance District	Gas Tax	RMRA	Proposition "A"
REVENUES				
Intergovernmental revenues	\$ -	\$ 1,999,673	\$ 1,760,628	\$ 2,976,440
Charges for services	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Developer fees	-	-	-	-
Investment earnings	75,747	28,982	27,869	77,512
Special assessments	2,301,062	-	-	-
Contributions	-	-	-	-
Miscellaneous	57,750	-	-	-
Total revenues	2,434,559	2,028,655	1,788,497	3,053,952
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	502,091	-	-	-
Parks and recreation	-	-	-	-
Community development	-	-	-	-
Capital outlay	22,316	1,667,923	42,965	2,347,260
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	524,407	1,667,923	42,965	2,347,260
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,910,152	360,732	1,745,532	706,692
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	(693,750)	-	-
Total other financing sources (uses)	-	(693,750)	-	-
Net Change in Fund Balances	1,910,152	(333,018)	1,745,532	706,692
FUND BALANCES (DEFICIT)				
Beginning of year, as restated	12,255,994	6,793,541	2,215,881	11,002,775
End of year	\$ 14,166,146	\$ 6,460,523	\$ 3,961,413	\$ 11,709,467

City of Perris

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued) Nonmajor Governmental Funds For the Year Ended June 30, 2023

	Special Revenue Funds				
	CDBG Grant	State Grants	Development Fees	HUD NSP-3	HOME Grant Program
REVENUES					
Intergovernmental revenues	\$ 1,010,787	\$ 8,823,153	\$ -	\$ 13,433	\$ -
Charges for services	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-
Developer fees	-	-	7,465,485	-	-
Investment earnings	-	-	214,462	1	(11,242)
Special assessments	-	-	-	-	-
Contributions	-	-	-	-	-
Miscellaneous	-	-	3,586	869	-
Total revenues	1,010,787	8,823,153	7,683,533	14,303	(11,242)
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Public safety	-	186,151	-	-	-
Public works	-	17,490	3,000	-	-
Parks and recreation	-	-	-	-	-
Community development	574,637	2,487	25,961.00	-	9,619
Capital outlay	1,140,010	1,076,721	2,272,368	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	1,714,647	1,282,849	2,301,329	-	9,619
Excess (Deficiency) of Revenues Over (Under) Expenditures	(703,860)	7,540,304	5,382,204	14,303	(20,861)
OTHER FINANCING SOURCES (USES)					
Transfers in	79	-	-	-	7,650
Transfers out	-	-	-	-	-
Total other financing sources (uses)	79	-	-	-	7,650
Net Change in Fund Balances	(703,781)	7,540,304	5,382,204	14,303	(13,211)
FUND BALANCES (DEFICIT)					
Beginning of year, as restated	(75,164)	(9,102,631)	29,043,237	(49,428)	226,205
End of year	\$ (778,945)	\$ (1,562,327)	\$ 34,425,441	\$ (35,125)	\$ 212,994

City of Perris

**Combining Statement of Revenues, Expenditures and Changes in
Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2023**

	Special Revenue Funds			
	Local Health Grant	NRPA Grant	Perris CEDC	Housing Authority
REVENUES				
Intergovernmental revenues	\$ 55,709	\$ -	\$ -	\$ -
Charges for services	-	-	172,586	4,900
Fines, forfeitures and penalties	-	-	-	-
Developer fees	-	-	-	-
Investment earnings	-	290	8,999	110,436
Special assessments	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	55,709	290	181,585	115,336
EXPENDITURES				
Current:				
General government	66,166	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Parks and recreation	-	-	364,488	-
Community development	-	-	-	745,681
Capital outlay	-	-	313,171	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	66,166	-	677,659	745,681
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,457)	290	(496,074)	(630,345)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(79)	(7,650)
Total other financing sources (uses)	-	-	(79)	(7,650)
Net Change in Fund Balances	(10,457)	290	(496,153)	(637,995)
FUND BALANCES (DEFICIT)				
Beginning of year, as restated	(74,569)	55,540	2,140,596	3,757,330
End of year	\$ (85,026)	\$ 55,830	\$ 1,644,443	\$ 3,119,335

City of Perris

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Concluded) Nonmajor Governmental Funds For the Year Ended June 30, 2023

	Capital Project Funds			Debt Service Fund	Total Nonmajor Governmental Funds
	Construction	Railway Depot Restoration	Community Facilities Districts	Public Financing Authority	
REVENUES					
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ 16,944,778
Charges for services	-	-	-	-	177,486
Fines, forfeitures and penalties	-	-	-	-	185,589
Developer fees	-	-	-	-	7,465,485
Investment earnings	886	695	194,176	22,544	823,643
Special assessments	-	-	-	-	6,552,007
Contributions	-	-	-	1,300,356	1,300,356
Miscellaneous	-	-	-	-	177,709
Total revenues	886	695	194,176	1,322,900	33,627,053
EXPENDITURES					
Current:					
General government	-	-	-	-	66,166
Public safety	-	-	-	-	398,809
Public works	-	-	-	-	4,601,541
Parks and recreation	-	-	-	-	364,488
Community development	-	-	-	-	1,358,385
Capital outlay	978,473	-	-	-	10,259,055
Debt service:					
Principal retirement	-	-	-	2,005,000	2,332,566
Interest and fiscal charges	-	-	-	1,270,131	1,413,661
Total expenditures	978,473	-	-	3,275,131	20,794,671
Excess (Deficiency) of Revenues Over (Under) Expenditures	(977,587)	695	194,176	(1,952,231)	12,832,382
OTHER FINANCING SOURCES (USES)					
Transfers in	1,017,516	-	-	-	1,025,245
Transfers out	-	-	-	-	(701,479)
Total other financing sources (uses)	1,017,516	-	-	-	323,766
Net Change in Fund Balances	39,929	695	194,176	(1,952,231)	13,156,148
FUND BALANCES (DEFICIT)					
Beginning of year, as restated	(78,844)	133,153	5,883,869	36,281,719	110,432,054
End of year	\$ (38,915)	\$ 133,848	\$ 6,078,045	\$ 34,329,488	\$ 123,588,202

City of Perris

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
AQMD Air Pollution Program Special Revenue Fund
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 80,000	\$ 80,000	\$ 104,139	\$ 24,139
Investment earnings	500	500	842	342
Total revenues	<u>80,500</u>	<u>80,500</u>	<u>104,981</u>	<u>24,481</u>
EXPENDITURES				
Current:				
Community development	1,800	1,800	-	1,800
Capital outlay	158,700	158,700	151,250	7,450
Total expenditures	<u>160,500</u>	<u>160,500</u>	<u>151,250</u>	<u>9,250</u>
Net change in fund balance	<u>\$ (80,000)</u>	<u>\$ (80,000)</u>	(46,269)	<u>\$ 33,731</u>
FUND BALANCE				
Beginning of year			<u>213,981</u>	
End of year			<u>\$ 167,712</u>	

City of Perris

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Traffic Safety Special Revenue Fund
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 115,000	\$ 115,000	\$ 200,816	\$ 85,816
Fines, forfeitures and penalties	220,000	220,000	185,589	(34,411)
Investment earnings	3,000	3,000	10,399	7,399
Total revenues	<u>338,000</u>	<u>338,000</u>	<u>396,804</u>	<u>58,804</u>
EXPENDITURES				
Current:				
Public safety	226,225	279,225	212,658	66,567
Capital outlay	1,029,103	1,049,613	246,598	803,015
Total expenditures	<u>1,255,328</u>	<u>1,328,838</u>	<u>459,256</u>	<u>869,582</u>
Net change in fund balance	<u>\$ (917,328)</u>	<u>\$ (990,838)</u>	<u>(62,452)</u>	<u>\$ 928,386</u>
FUND BALANCE				
Beginning of year			1,685,955	
End of year			<u>\$ 1,623,503</u>	

City of Perris

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
City-Wide Lighting District Special Revenue Fund
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 60,989	\$ 60,989	\$ 25,255	\$ (35,734)
Special assessments	589,512	589,512	557,568	(31,944)
Miscellaneous	887	887	4	(883)
Total revenues	651,388	651,388	582,827	(68,561)
EXPENDITURES				
Current:				
Public works	400,783	460,783	141,719	319,064
Total expenditures	400,783	460,783	141,719	319,064
Net change in fund balance	\$ 250,605	\$ 190,605	441,108	\$ 250,503
FUND BALANCE				
Beginning of year			4,296,063	
End of year			<u>\$ 4,737,171</u>	

City of Perris

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Lighting District No. 84-1 Special Revenue Fund
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 122,000	\$ 122,000	\$ 10,339	\$ (111,661)
Special assessments	990,906	990,906	942,192	(48,714)
Miscellaneous	12,000	12,000	57,750	45,750
Total revenues	<u>1,124,906</u>	<u>1,124,906</u>	<u>1,010,281</u>	<u>(114,625)</u>
EXPENDITURES				
Current:				
Public works	1,199,483	1,392,119	868,711	523,408
Debt service:				
Principal retirement	-	-	327,566	(327,566)
Interest and fiscal charges	-	-	143,530	(143,530)
Total expenditures	<u>1,199,483</u>	<u>1,392,119</u>	<u>1,339,807</u>	<u>52,312</u>
Net change in fund balance	<u>\$ (74,577)</u>	<u>\$ (267,213)</u>	<u>(329,526)</u>	<u>\$ (62,313)</u>
FUND BALANCE (DEFICIT)				
Beginning of year			(934,338)	
End of year			<u>\$ (1,263,864)</u>	

City of Perris

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Landscape Maintenance District Special Revenue Fund
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 130,832	\$ 130,832	\$ 25,451	\$ (105,381)
Special assessments	2,459,041	2,459,041	2,751,185	292,144
Miscellaneous	168,175	168,175	57,750	(110,425)
Total revenues	<u>2,758,048</u>	<u>2,758,048</u>	<u>2,834,386</u>	<u>76,338</u>
EXPENDITURES				
Current:				
Public works	2,757,668	5,163,058	3,068,530	2,094,528
Capital outlay	3,000	151,500	-	151,500
Total expenditures	<u>2,760,668</u>	<u>5,314,558</u>	<u>3,068,530</u>	<u>2,246,028</u>
Net change in fund balance	<u>\$ (2,620)</u>	<u>\$ (2,556,510)</u>	<u>(234,144)</u>	<u>\$ 2,322,366</u>
FUND BALANCE				
Beginning of year			4,761,189	
End of year			<u>\$ 4,527,045</u>	

City of Perris

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Flood Control Maintenance District Special Revenue Fund
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 272,901	\$ 272,901	\$ 75,747	\$ (197,154)
Special assessments	2,037,882	2,037,882	2,301,062	263,180
Miscellaneous	12,000	12,000	57,750	45,750
Total revenues	2,322,783	2,322,783	2,434,559	111,776
EXPENDITURES				
Current:				
Public works	2,285,850	3,329,027	502,091	2,826,936
Capital outlay	3,750,562	3,585,028	22,316	3,562,712
Total expenditures	6,036,412	6,914,055	524,407	6,389,648
Net change in fund balance	\$ (3,713,629)	\$ (4,591,272)	1,910,152	\$ 6,501,424
FUND BALANCE				
Beginning of year			12,255,994	
End of year			\$ 14,166,146	

City of Perris

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Gas Tax Special Revenue Fund
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 2,099,297	\$ 2,099,297	\$ 1,999,673	\$ (99,624)
Investment earnings	187,057	187,057	28,982	(158,075)
Total revenues	<u>2,286,354</u>	<u>2,286,354</u>	<u>2,028,655</u>	<u>(257,699)</u>
EXPENDITURES				
Capital outlay	4,332,758	5,083,725	1,667,923	3,415,802
Total expenditures	<u>4,332,758</u>	<u>5,083,725</u>	<u>1,667,923</u>	<u>3,415,802</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(2,046,404)</u>	<u>(2,797,371)</u>	<u>360,732</u>	<u>3,158,103</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(925,000)	(925,000)	(693,750)	231,250
Total other financing sources (uses)	<u>(925,000)</u>	<u>(925,000)</u>	<u>(693,750)</u>	<u>231,250</u>
Net change in fund balance	<u>\$ (2,971,404)</u>	<u>\$ (3,722,371)</u>	<u>(333,018)</u>	<u>\$ 3,389,353</u>
FUND BALANCE:				
Beginning of year, as restated			6,793,541	
End of year			<u>\$ 6,460,523</u>	

City of Perris

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
RMRA Special Revenue Fund
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 1,408,055	\$ 1,408,055	\$ 1,760,628	\$ 352,573
Investment earnings	33,507	33,507	27,869	(5,638)
Total revenues	<u>1,441,562</u>	<u>1,441,562</u>	<u>1,788,497</u>	<u>346,935</u>
EXPENDITURES				
Capital outlay	1,708,418	1,605,354	42,965	1,562,389
Total expenditures	<u>1,708,418</u>	<u>1,605,354</u>	<u>42,965</u>	<u>1,562,389</u>
Net change in fund balance	<u>\$ (266,856)</u>	<u>\$ (163,792)</u>	1,745,532	<u>\$ 1,909,324</u>
FUND BALANCE				
Beginning of year			2,215,881	
End of year			<u>\$ 3,961,413</u>	

City of Perris

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Proposition "A" Special Revenue Fund
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 2,995,192	\$ 2,995,192	\$ 2,976,440	\$ (18,752)
Investment earnings	161,969	161,969	77,512	(84,457)
Total revenues	<u>3,157,161</u>	<u>3,157,161</u>	<u>3,053,952</u>	<u>(103,209)</u>
EXPENDITURES				
Capital outlay	5,452,974	5,919,968	2,347,260	3,572,708
Total expenditures	<u>5,452,974</u>	<u>5,919,968</u>	<u>2,347,260</u>	<u>3,572,708</u>
Net change in fund balance	<u>\$ (2,295,813)</u>	<u>\$ (2,762,807)</u>	706,692	<u>\$ 3,469,499</u>
FUND BALANCE				
Beginning of year, as restated			11,002,775	
End of year			<u>\$ 11,709,467</u>	

City of Perris

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
CDBG Grant Special Revenue Fund
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ 1,010,787	\$ 1,010,787
Total revenues	<u>-</u>	<u>-</u>	<u>1,010,787</u>	<u>1,010,787</u>
EXPENDITURES				
Current:				
Community development	1,152,827	1,139,512	574,637	564,875
Capital outlay	1,479,088	1,740,891	1,140,010	600,881
Total expenditures	<u>2,631,915</u>	<u>2,880,403</u>	<u>1,714,647</u>	<u>1,165,756</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(2,631,915)</u>	<u>(2,880,403)</u>	<u>(703,860)</u>	<u>2,176,543</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	79	79
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>79</u>	<u>79</u>
Net change in fund balance	<u>\$ (2,631,915)</u>	<u>\$ (2,880,403)</u>	<u>(703,781)</u>	<u>\$ 2,176,622</u>
FUND BALANCE (DEFICIT)				
Beginning of year			(75,164)	
End of year			<u>\$ (778,945)</u>	

City of Perris

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
State Grants Special Revenue Fund
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 72,000	\$ 372,000	\$ 8,823,153	\$ 8,451,153
Total revenues	<u>72,000</u>	<u>372,000</u>	<u>8,823,153</u>	<u>8,451,153</u>
EXPENDITURES				
Current:				
Public safety	166,801	516,801	186,151	330,650
Public works	12,920	77,751	17,490	60,261
Community development	-	5,000	2,487	2,513
Capital outlay	9,099,166	21,355,208	1,076,721	20,278,487
Total expenditures	<u>9,278,887</u>	<u>21,954,760</u>	<u>1,282,849</u>	<u>20,671,911</u>
Net change in fund balance	<u>\$ (9,206,887)</u>	<u>\$ (21,582,760)</u>	7,540,304	<u>\$ 29,123,064</u>
FUND BALANCE (DEFICIT)				
Beginning of year, as restated			(9,102,631)	
End of year			<u>\$ (1,562,327)</u>	

City of Perris

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Development Fees Special Revenue Fund
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Developer fees	\$ 6,446,791	\$ 6,446,791	\$ 7,465,485	\$ 1,018,694
Investment earnings	429,917	429,917	214,462	(215,455)
Miscellaneous	-	-	3,586	3,586
Total revenues	6,876,708	6,876,708	7,683,533	806,825
EXPENDITURES				
Current:				
Public works	-	170,000	3,000	167,000
Community development	-	231,000	25,961	205,039
Capital outlay	15,512,108	19,358,272	2,272,368	17,085,904
Total expenditures	15,512,108	19,759,272	2,301,329	17,457,943
Net change in fund balance	\$ (8,635,400)	\$ (12,882,564)	5,382,204	\$ 18,264,768
FUND BALANCE				
Beginning of year			29,043,237	
End of year			<u>\$ 34,425,441</u>	

City of Perris

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
HUD NSP-3 Special Revenue Fund
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ 13,433	\$ 13,433
Investment earnings	2,521	2,521	1	(2,520)
Miscellaneous	-	-	869	869
Total revenues	<u>2,521</u>	<u>2,521</u>	<u>14,303</u>	<u>11,782</u>
EXPENDITURES				
Capital outlay	26,987	-	-	-
Total expenditures	<u>26,987</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ (24,466)</u>	<u>\$ 2,521</u>	<u>14,303</u>	<u>\$ 11,782</u>
FUND BALANCE (DEFICIT)				
Beginning of year			(49,428)	
End of year			<u>\$ (35,125)</u>	

City of Perris

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
HOME Grant Program Special Revenue Fund
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 6,856	\$ 6,856	\$ (11,242)	\$ (18,098)
Total revenues	<u>6,856</u>	<u>6,856</u>	<u>(11,242)</u>	<u>(18,098)</u>
EXPENDITURES				
Current:				
Community development	516,495	516,495	9,619	506,876
Total expenditures	<u>516,495</u>	<u>516,495</u>	<u>9,619</u>	<u>506,876</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(509,639)</u>	<u>(509,639)</u>	<u>(20,861)</u>	<u>488,778</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	7,650	7,650
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>7,650</u>	<u>7,650</u>
Net change in fund balance	<u>\$ (509,639)</u>	<u>\$ (509,639)</u>	<u>(13,211)</u>	<u>\$ 496,428</u>
FUND BALANCE				
Beginning of year, as restated			226,205	
End of year			<u>\$ 212,994</u>	

City of Perris

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Local Health Grant Special Revenue Fund
 For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ 55,709	\$ 55,709
Total revenues	<u>-</u>	<u>-</u>	<u>55,709</u>	<u>55,709</u>
EXPENDITURES				
Current:				
General government	(30,263)	52,093	66,166	(14,073)
Total expenditures	<u>(30,263)</u>	<u>52,093</u>	<u>66,166</u>	<u>(14,073)</u>
 Net change in fund balance	 <u>\$ 30,263</u>	 <u>\$ (52,093)</u>	 (10,457)	 <u>\$ 41,636</u>
FUND BALANCE (DEFICIT)				
Beginning of year			(74,569)	
End of year			<u>\$ (85,026)</u>	

City of Perris

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
NRPA Grant Special Revenue Fund
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 290	\$ 290
Total revenues	<u>-</u>	<u>-</u>	<u>290</u>	<u>290</u>
EXPENDITURES				
Capital outlay	34,000	34,000	-	34,000
Total expenditures	<u>34,000</u>	<u>34,000</u>	<u>-</u>	<u>34,000</u>
Net change in fund balance	<u>\$ (34,000)</u>	<u>\$ (34,000)</u>	<u>290</u>	<u>\$ 34,290</u>
FUND BALANCE				
Beginning of year			55,540	
End of year			<u>\$ 55,830</u>	

City of Perris

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Perris CEDC Special Revenue Fund
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 229,384	\$ 229,384	\$ 172,586	\$ (56,798)
Investment earnings	70,185	70,185	8,999	(61,186)
Miscellaneous	374	374	-	(374)
Total revenues	<u>299,943</u>	<u>299,943</u>	<u>181,585</u>	<u>(118,358)</u>
EXPENDITURES				
Current:				
Parks and recreation	1,269,406	1,260,116	364,488	895,628
Capital outlay	1,758,088	1,903,574	313,171	1,590,403
Total expenditures	<u>3,027,494</u>	<u>3,163,690</u>	<u>677,659</u>	<u>2,486,031</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(2,727,551)</u>	<u>(2,863,747)</u>	<u>(496,074)</u>	<u>2,367,673</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(79)	(79)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(79)</u>	<u>(79)</u>
Net change in fund balance	<u>\$ (2,727,551)</u>	<u>\$ (2,863,747)</u>	<u>(496,153)</u>	<u>\$ 2,367,594</u>
FUND BALANCE				
Beginning of year			2,140,596	
End of year			<u>\$ 1,644,443</u>	

City of Perris

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Housing Authority Special Revenue Fund
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 17,530	\$ 17,530	\$ 4,900	\$ (12,630)
Investment earnings	104,846	104,846	110,436	5,590
Total revenues	<u>122,376</u>	<u>122,376</u>	<u>115,336</u>	<u>(7,040)</u>
EXPENDITURES				
Current:				
Community development	618,775	875,633	745,681	129,952
Total expenditures	<u>618,775</u>	<u>875,633</u>	<u>745,681</u>	<u>129,952</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(496,399)</u>	<u>(753,257)</u>	<u>(630,345)</u>	<u>122,912</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	210,000	210,000	-	(210,000)
Transfers out	-	-	(7,650)	(7,650)
Total other financing sources (uses)	<u>210,000</u>	<u>210,000</u>	<u>(7,650)</u>	<u>(217,650)</u>
Net change in fund balance	<u>\$ (286,399)</u>	<u>\$ (543,257)</u>	<u>(637,995)</u>	<u>\$ (94,738)</u>
FUND BALANCE				
Beginning of year, as restated			<u>3,757,330</u>	
End of year			<u>\$ 3,119,335</u>	

City of Perris

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Construction Capital Projects Fund
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 886	\$ 886
Total revenues	<u>-</u>	<u>-</u>	<u>886</u>	<u>886</u>
EXPENDITURES				
Capital outlay	4,988,828	6,885,222	978,473	5,906,749
Total expenditures	<u>4,988,828</u>	<u>6,885,222</u>	<u>978,473</u>	<u>5,906,749</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(4,988,828)</u>	<u>(6,885,222)</u>	<u>(977,587)</u>	<u>5,907,635</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	194,532	194,532	1,017,516	822,984
Transfers out	(39,707)	(39,707)	-	39,707
Total other financing sources (uses)	<u>154,825</u>	<u>154,825</u>	<u>1,017,516</u>	<u>862,691</u>
Net change in fund balance	<u>\$ (4,834,003)</u>	<u>\$ (6,730,397)</u>	<u>39,929</u>	<u>\$ 6,770,326</u>
FUND BALANCE (DEFICIT)				
Beginning of year			(78,844)	
End of year			<u>\$ (38,915)</u>	

City of Perris

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Railway Depot Restoration Capital Projects Fund
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES3				
Investment earnings	\$ 2,105	\$ 2,105	\$ 695	\$ (1,410)
Total revenues	<u>2,105</u>	<u>2,105</u>	<u>695</u>	<u>(1,410)</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 2,105</u>	<u>\$ 2,105</u>	<u>695</u>	<u>\$ (1,410)</u>
FUND BALANCE				
Beginning of year			133,153	
End of year			<u>\$ 133,848</u>	

City of Perris

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Community Facilities Districts Capital Projects Fund
For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 33	\$ 33	\$ 194,176	\$ 194,143
Contributions	3,122,668	3,122,668	-	(3,122,668)
Total revenues	3,122,701	3,122,701	194,176	(2,928,525)
EXPENDITURES				
Current:				
Community development	2,174,111	2,174,111	-	2,174,111
Total expenditures	2,174,111	2,174,111	-	2,174,111
REVENUES OVER (UNDER) EXPENDITURES	948,590	948,590	194,176	(754,414)
OTHER FINANCING SOURCES (USES)				
Transfers out	(948,557)	(948,557)	-	948,557
Total other financing sources (uses)	(948,557)	(948,557)	-	948,557
Net change in fund balance	\$ 33	\$ 33	194,176	\$ 194,143
FUND BALANCE				
Beginning of year			5,883,869	
End of year			<u>\$ 6,078,045</u>	

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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 42,611	\$ 42,611	\$ 22,544	\$ (20,067)
Contributions	4,299,544	4,299,544	1,300,356	(2,999,188)
Miscellaneous	5,540	5,540	-	(5,540)
Total revenues	4,347,695	4,347,695	1,322,900	(3,024,795)
EXPENDITURES				
Debt service:				
Principal retirement	1,905,000	1,905,000	2,005,000	(100,000)
Interest and fiscal charges	986,050	986,050	1,270,131	(284,081)
Total expenditures	2,891,050	2,891,050	3,275,131	(384,081)
REVENUES OVER (UNDER) EXPENDITURES	1,456,645	1,456,645	(1,952,231)	(3,408,876)
Net change in fund balance	\$ 1,456,645	\$ 1,456,645	(1,952,231)	\$ (3,408,876)
FUND BALANCE				
Beginning of year			36,281,719	
End of year			<u>\$ 34,329,488</u>	

Custodial Funds

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- I 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 Net Position Custodial Funds June 30, 2023

	Community Facilities Districts	Assessment District 86-1	Total Custodial Funds
ASSETS			
Cash and investments	\$ 7,149,161	\$ 54,228	\$ 7,203,389
Cash and investments with fiscal agent	12,015,936	-	12,015,936
Assessments receivable	365,628	-	365,628
Interest receivable	14,819	140	14,959
Deposits	10,679,348	-	10,679,348
Total assets	<u>30,224,892</u>	<u>54,368</u>	<u>30,279,260</u>
LIABILITIES			
Accounts payable and accrued liabilities	91,920	-	91,920
Deposits	420,767	-	420,767
Total liabilities	<u>512,687</u>	<u>-</u>	<u>512,687</u>
NET POSITION			
Restricted for organizations and other governments	<u>\$ 29,712,205</u>	<u>\$ 54,368</u>	<u>\$ 29,766,573</u>

City of Perris

**Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2023**

	Community Facilities Districts	Assessment District 86-1	Total Custodial Funds
ADDITIONS			
Special assessments	\$ 16,387,481	\$ -	\$ 16,387,481
Investment earnings	784,225	283	784,508
Receipt from other government	379,543	-	379,543
Fee revenue	78,000	-	78,000
Total additions	<u>17,629,249</u>	<u>283</u>	<u>17,629,532</u>
DEDUCTIONS			
Payment for districts debt	12,315,195	-	12,315,195
Payment for districts expenses	508,763	-	508,763
Payment to other government	3,996,535	-	3,996,535
Total deductions	<u>16,820,493</u>	<u>-</u>	<u>16,820,493</u>
Change in net position	808,756	283	809,039
NET POSITION			
Beginning of year	28,903,449	54,085	28,957,534
End of year	<u>\$ 29,712,205</u>	<u>\$ 54,368</u>	<u>\$ 29,766,573</u>

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.

CONTENTS

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Financial Trends	140
These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	150
These tables contain information to help the reader assess the City's most significant local revenue source, the property tax.	
Debt Capacity	158
These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	163
These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	165
These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

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

City of Perris

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

	Fiscal Year				
	2014	2015	2016	2017	2018
Governmental activities					
Net investment in capital assets	\$ 166,665	\$ 170,446	\$ 174,117	\$ 180,330	\$ 189,433
Restricted	48,033	49,630	62,636	79,411	101,390
Unrestricted	22,595	10,899	12,523	8,056	5,910
Total governmental activities net position	<u>\$ 237,293</u>	<u>\$ 230,975</u>	<u>\$ 249,276</u>	<u>\$ 267,797</u>	<u>\$ 296,733</u>
Business-type activities					
Net investment in capital assets	\$ 6,030	\$ 14,331	\$ 12,534	\$ 14,755	\$ 18,922
Restricted for community economic development	-	-	-	4,299	3,224
Restricted for Low and Moderate Housing	6,023	5,854	5,758	5,848	4,734
Restricted for other purposes	-	-	-	-	1,037
Unrestricted	3,116	(5,118)	(3,736)	(3,598)	(7,301)
Total business-type activities net position	<u>\$ 15,169</u>	<u>\$ 15,067</u>	<u>\$ 14,556</u>	<u>\$ 21,304</u>	<u>\$ 20,616</u>
Primary government					
Net investment in capital assets	\$ 172,695	\$ 184,777	\$ 186,651	\$ 195,085	\$ 208,355
Restricted	54,056	55,484	68,394	85,259	106,124
Unrestricted	25,711	5,781	8,787	4,458	(1,391)
Total primary government net position	<u>\$ 252,462</u>	<u>\$ 246,042</u>	<u>\$ 263,832</u>	<u>\$ 284,802</u>	<u>\$ 313,088</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
Last Ten Fiscal Years (accrual basis of accounting) (Continued)
(in thousands of dollars)**

		Fiscal Year							
		2019	2020	2021	2022	2023			
\$	201,795	\$	211,476	\$	230,709	\$	83,695	\$	102,897
	139,741		149,969		171,925		344,580		346,791
	11,982		26,644		31,824		41,239		45,442
\$	<u>353,518</u>	\$	<u>388,089</u>	\$	<u>434,458</u>	\$	<u>469,514</u>	\$	<u>495,130</u>
\$	17,689	\$	17,650	\$	17,887	\$	18,672	\$	19,145
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		-		-
	(8,374)		(8,621)		1,092		1,307		783
\$	<u>9,315</u>	\$	<u>9,029</u>	\$	<u>18,979</u>	\$	<u>19,979</u>	\$	<u>19,928</u>
\$	219,484	\$	229,126	\$	248,596	\$	102,367	\$	122,042
	139,741		149,969		171,925		344,580		346,791
	3,608		18,023		32,916		42,546		46,225
\$	<u>362,833</u>	\$	<u>397,118</u>	\$	<u>453,437</u>	\$	<u>489,493</u>	\$	<u>515,058</u>

City of Perris

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

	Fiscal Year				
	2014	2015	2016	2017	2018
Expenses					
Governmental activities:					
General government	\$ 8,480	\$ 9,840	\$ 10,621	\$ 9,698	\$ 12,816
Public safety	18,618	20,286	22,586	22,936	24,648
Public works	10,177	15,570	17,238	12,808	20,141
Parks and recreation	3,071	3,494	3,601	3,874	4,319
Community development	-	-	-	-	-
Interest and fiscal charges	7,343	7,060	6,457	6,996	7,688
Total governmental activities expenses	<u>47,689</u>	<u>56,250</u>	<u>60,503</u>	<u>56,312</u>	<u>69,612</u>
Business-type activities:					
Sewer utility	1,828	2,072	2,101	2,134	2,364
Public utility authority	976	2,049	1,152	1,182	1,214
Water utility	2,972	2,933	2,646	2,855	3,089
Solid waste utility	1,223	1,301	1,376	1,172	1,201
Perris CEDC	-	-	-	1,448	1,163
Housing authority	3,329	669	801	792	919
Total business-type activities expenses	<u>10,328</u>	<u>9,024</u>	<u>8,076</u>	<u>9,583</u>	<u>9,950</u>
Total primary government expenses	<u>\$ 58,017</u>	<u>\$ 65,274</u>	<u>\$ 68,579</u>	<u>\$ 65,895</u>	<u>\$ 79,562</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 1,859	\$ 2,343	\$ 2,543	\$ 2,726	\$ 3,352
Public safety	1,039	1,116	1,230	1,342	1,138
Public works	9,104	5,986	22,446	18,848	35,386
Parks and recreation	144	179	173	183	201
Community development	-	-	-	-	-
Operating Grants and Contributions	11,864	12,645	17,883	11,300	12,996
Capital Grants and Contributions	7,468	14,367	7,668	16,207	15,444
Total governmental activities program revenues	<u>31,478</u>	<u>36,636</u>	<u>51,943</u>	<u>39,306</u>	<u>68,517</u>
Business-type activities:					
Charges for services:					
Sewer utility	1,832	1,806	1,913	2,038	2,094
Public utility authority	800	968	874	920	975
Water utility	3,110	2,783	2,505	2,692	2,919
Solid waste utility	1,136	1,147	1,132	1,185	1,308
Perris CEDC	-	-	-	91	81
Housing authority	132	101	80	310	293
Operating Grants and Contributions	400	-	-	-	-
Capital Grants and Contributions	61	40	399	2,363	-
Total business-type activities program revenues	<u>7,471</u>	<u>6,845</u>	<u>6,903</u>	<u>9,599</u>	<u>7,670</u>
Total primary government program revenues	<u>\$ 38,949</u>	<u>\$ 43,481</u>	<u>\$ 58,846</u>	<u>\$ 48,905</u>	<u>\$ 76,187</u>
Net (expense)/revenue					
Governmental activities	(16,211)	(19,614)	(8,560)	(17,006)	(1,095)
Business-type activities	(2,857)	(2,179)	(1,173)	16	(2,280)
Total primary government net (expense)/revenue	<u>\$ (19,068)</u>	<u>\$ (21,793)</u>	<u>\$ (9,733)</u>	<u>\$ (16,990)</u>	<u>\$ (3,375)</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							
		2019	2020	2021	2022	2023			
\$	10,229	\$	10,205	\$	12,489	\$	13,509	\$	18,482
	26,016		28,836		31,079		28,666		37,540
	13,010		19,537		15,062		14,805		17,941
	4,691		5,772		6,016		3,989		12,214
	6,143		2,343		5,693		4,827		2,940
	6,893		6,742		6,789		5,075		6,319
	<u>66,982</u>		<u>73,435</u>		<u>77,128</u>		<u>70,871</u>		<u>95,436</u>
	2,548		2,595		3,004		2,250		2,704
	1,116		1,130		1,129		833		983
	3,160		3,088		3,040		3,269		3,772
	1,276		1,380		1,244		449		190
	-		-		-		-		-
	-		-		-		-		-
	<u>8,100</u>		<u>8,193</u>		<u>8,417</u>		<u>6,801</u>		<u>7,649</u>
\$	<u>75,082</u>	\$	<u>81,628</u>	\$	<u>85,545</u>	\$	<u>77,672</u>	\$	<u>103,085</u>
\$	3,194	\$	2,750	\$	4,094	\$	3,706	\$	3,557
	1,275		997		1,118		1,269		1,183
	24,795		15,712		33,065		19,771		12,908
	230		134		4		196		291
	303		658		1,408		1,826		1,529
	27,903		29,405		27,752		39,837		30,908
	12,337		8,863		4,856		398		10,189
	<u>70,037</u>		<u>58,519</u>		<u>72,297</u>		<u>67,003</u>		<u>60,565</u>
	2,153		2,228		2,393		2,166		2,386
	851		849		891		926		884
	2,726		2,661		2,966		2,760		2,973
	1,328		1,433		1,429		158		71
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		-		-
	-		702		985		1,566		1,283
	<u>7,058</u>		<u>7,873</u>		<u>8,664</u>		<u>7,576</u>		<u>7,597</u>
\$	<u>77,095</u>	\$	<u>66,392</u>	\$	<u>80,961</u>	\$	<u>74,579</u>	\$	<u>68,162</u>
	3,055		(14,916)		(4,831)		(3,868)		(34,871)
	(1,042)		(320)		247		775		(52)
\$	<u>2,013</u>	\$	<u>(15,236)</u>	\$	<u>(4,584)</u>	\$	<u>(3,093)</u>	\$	<u>(34,923)</u>

City of Perris

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

	Fiscal Year				
	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Position					
Government activities:					
Taxes					
Property taxes	\$ 4,345	\$ 4,980	\$ 5,594	\$ 6,157	\$ 6,838
Sales and use taxes	6,688	6,652	9,270	10,586	21,376
Vehicle license fee in lieu tax	4,370	4,893	5,254	5,784	6,272
Franchise taxes	2,474	2,633	2,625	2,496	2,835
Motor Vehicle in-lieu taxes	30	30	29	33	40
Sales Tax in Lieu Tax	2,080	2,318	1,740	-	-
Other taxes	239	338	467	401	633
Total taxes	<u>20,226</u>	<u>21,844</u>	<u>24,979</u>	<u>25,457</u>	<u>37,994</u>
Fines, forfeitures and penalties	-	-	-	-	-
Investment earnings	3,341	905	654	163	(295)
Interest and rentals	-	-	-	-	-
Gain (loss) on sale of capital assets	-	-	203	(267)	-
Miscellaneous	1,621	3,852	317	170	68
Extraordinary Item	-	-	-	-	-
Transfers	(89)	(398)	(553)	(569)	(546)
Special Item-Gain on CFD Investments	-	178	1,260	-	-
Total governmental activities	<u>\$ 25,099</u>	<u>\$ 26,381</u>	<u>\$ 26,860</u>	<u>\$ 24,954</u>	<u>\$ 37,221</u>
Business-type activities:					
Investment income	\$ 52	\$ 29	\$ 36	\$ 2	\$ 8
Interest and rentals	-	-	-	-	-
Gain (loss) on sale of capital assets	-	-	-	-	-
Extraordinary Item	-	-	-	-	-
Transfers	89	398	553	569	546
Total business-type activities	<u>141</u>	<u>427</u>	<u>589</u>	<u>571</u>	<u>554</u>
Total primary government	<u>\$ 25,240</u>	<u>\$ 26,808</u>	<u>\$ 27,449</u>	<u>\$ 25,525</u>	<u>\$ 37,775</u>
Change in Net Position					
Governmental activities	\$ 8,888	\$ 6,767	\$ 18,300	\$ 7,948	\$ 36,126
Business-type activities	(2,716)	(1,752)	(584)	587	(1,726)
Total primary government	<u>\$ 6,172</u>	<u>\$ 5,015</u>	<u>\$ 17,716</u>	<u>\$ 8,535</u>	<u>\$ 34,400</u>
Prior Period Adjustments					
Governmental activities	\$ -	\$ (13,085)	\$ -	\$ -	\$ (7,189)
Business-type activities	\$ -	\$ 1,648	\$ 73	\$ 6,161	\$ -

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							
		2019	2020	2021	2022	2023			
\$	7,587	\$	8,174	\$	7,499	\$	9,856	\$	12,078
	21,836		25,747		23,609		24,932		27,256
	6,986		7,669		8,416		9,171		10,700
	2,911		3,089		3,363		3,545		3,751
	37		61		59		91		81
	-		-		-		-		-
	1,339		3,315		6,202		6,354		5,302
	40,696		48,055		49,148		53,949		59,168
	-		-		-		-		-
	1,320		-		402		(6,338)		994
	-		1,367		-		-		-
	-		-		-		-		-
	123		63		27		513		325
	-		-		-		-		-
	-		-		-		362		-
	-		-		-		-		-
\$	42,139	\$	49,485	\$	49,577	\$	48,486	\$	60,487
\$	23	\$	35	\$	(3)	\$	(12)	\$	3
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		(362)		-
	23		35		(3)		(374)		3
\$	42,162	\$	49,520	\$	49,574	\$	48,112	\$	60,490
\$	45,194	\$	34,569	\$	44,746	\$	44,618	\$	25,616
	(1,019)		(285)		244		401		(49)
\$	44,175	\$	34,284	\$	44,990	\$	45,019	\$	25,567
\$	10,920	\$	-	\$	-	\$	-	\$	-
\$	(10,281)	\$	-	\$	-	\$	-	\$	-

City of Perris

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

	Fiscal Year				
	2014	2015	2016	2017	2018
General fund					
Nonspendable	\$ 2,582	\$ 7,768	\$ 8,806	\$ 9,343	\$ 11,762
Committed	7,528	10,275	10,980	11,805	11,805
Assigned	6,200	6,200	6,200	6,200	6,200
Unassigned	10,595	2,708	2,898	40	4,989
Total general fund	<u>\$ 26,905</u>	<u>\$ 26,951</u>	<u>\$ 28,884</u>	<u>\$ 27,388</u>	<u>\$ 34,756</u>
All other governmental funds					
Restricted	183,424	211,355	233,283	46,378	294,782
Unassigned	-	(55)	(123)	(1,028)	(1,410)
Total all other governmental funds	<u>\$ 183,424</u>	<u>\$ 211,300</u>	<u>\$ 233,160</u>	<u>\$ 45,350</u>	<u>\$ 293,372</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				
2019	2020	2021	2022	2023		
\$ 7,818	\$ 7,728	\$ 3,042	\$ 2,812	\$ 3,046		
14,525	18,219	18,986	25,659	27,493		
6,200	6,200	6,200	6,200	6,200		
14,972	10,637	15,730	23,683	34,438		
<u>\$ 43,515</u>	<u>\$ 42,784</u>	<u>\$ 43,958</u>	<u>\$ 58,354</u>	<u>\$ 71,177</u>		
313,210	311,317	328,692	343,630	344,686		
(484)	(1,265)	(2,628)	(10,166)	(5,180)		
<u>\$ 312,726</u>	<u>\$ 310,052</u>	<u>\$ 326,064</u>	<u>\$ 333,464</u>	<u>\$ 339,506</u>		

City of Perris

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

	Fiscal Year				
	2014	2015	2016	2017	2018
Revenues					
Taxes	\$ 20,143	\$ 21,845	\$ 24,948	\$ 25,421	\$ 38,067
Licenses, Permits and Fees	1,824	2,248	2,459	2,583	2,844
Intergovernmental Revenues	6,544	8,673	6,138	7,377	10,941
Charges for Services	933	1,191	1,031	827	800
Fines, Forfeitures, and Penalties	746	726	808	1,009	899
Developer Fees	4,259	1,164	18,507	13,494	30,532
Investment Earnings	8,751	7,956	7,097	7,141	7,802
Special Assessments	4,210	4,263	4,610	5,086	5,105
Contributions from Property Owners	4,718	14,889	8,388	6,457	6,412
Miscellaneous	427	224	407	403	306
Total Revenues	52,555	63,179	74,393	69,798	103,708
Expenditures					
General Government	6,131	6,112	6,711	7,388	10,216
Public Safety	18,347	20,083	22,463	22,649	24,341
Public Works	4,750	6,904	5,712	5,621	6,013
Parks and Recreation	2,560	3,000	3,015	3,100	3,528
Community Development	-	-	-	-	-
Capital Outlay	4,921	13,636	14,373	9,221	20,766
Debt Service					
Issuance Costs	810	2,490	2,519	120	966
Principal Retirement	2,630	3,405	3,290	7,155	8,520
Interest and Fiscal Charges	7,499	7,158	6,449	7,002	7,343
Total Expenditures	47,648	62,788	64,532	62,256	81,693
Excess of revenues over (under) expenditures	4,907	391	9,861	7,542	22,015
Other Financing Sources (Uses)					
Transfers In	15,555	28,651	10,160	1,853	1,345
Transfers Out	(15,644)	(29,049)	(10,713)	(2,422)	(1,891)
Issuance of Long-Term Debt	14,990	55,725	67,700	4,580	30,645
Issuance Premium	-	133	1,561	-	2,426
Issuance Discount	-	(459)	(584)	(104)	(7)
Lease Acquisition	-	-	-	-	-
Proceeds from Sale of Property	-	-	-	-	99
Sale of Property	107	3	1,546	3	-
Payments to Refunded Bond Escrow Agent	(14,915)	(22,092)	(56,999)	-	-
Total Other Financing Sources (Uses)	93	32,912	12,671	3,910	32,617
Special Item					
Gain on CFD Investments	-	178	1,260	-	-
Net Change in Fund Balances before Prior Period					
Adjustments and Extraordinary Item	5,000	33,481	23,792	11,452	54,632
Prior Period Adjustments	-	(5,560)	-	-	-
Extraordinary Item	-	-	-	-	-
Net Change in Fund Balances	\$ 5,000	\$ 27,921	\$ 23,792	\$ 11,452	\$ 54,632
Debt Service as a percentage of non-capital expenditures	23.5%	20.1%	17.4%	26.4%	21.7%

Source: City of Perris, Finance Department

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

City of Perris

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

	Fiscal Year				
	2019	2020	2021	2022	2023
\$	40,543	\$ 48,083	\$ 49,183	\$ 53,405	\$ 58,272
	2,907	2,889	4,290	4,721	4,358
	10,231	9,330	10,754	17,302	22,542
	978	785	1,161	2,001	1,582
	1,011	765	729	910	890
	23,622	14,283	33,138	19,115	12,233
	8,968	9,554	5,744	(1,807)	6,830
	5,520	5,731	7,211	6,269	7,447
	9,949	10,728	9,058	14,791	5,542
	333	266	623	692	479
	<u>104,062</u>	<u>102,414</u>	<u>121,891</u>	<u>117,399</u>	<u>120,175</u>
	9,083	14,566	9,538	12,602	13,865
	25,587	33,220	29,960	33,033	33,461
	6,191	10,166	7,658	8,386	7,784
	3,976	6,289	4,748	6,907	8,415
	6,095	2,326	5,534	5,221	2,516
	11,175	21,626	25,768	23,309	21,354
	364	157	327	569	-
	25,610	14,179	7,819	11,724	7,708
	6,908	6,783	6,603	6,767	6,358
	<u>94,989</u>	<u>109,302</u>	<u>97,955</u>	<u>108,518</u>	<u>101,461</u>
	9,073	(6,888)	23,936	8,881	18,714
	1,760	1,129	2,163	5,417	2,710
	(1,760)	(1,129)	(11,728)	(5,055)	(2,710)
	9,968	3,450	2,705	11,819	-
	-	33	110	-	-
	(41)	-	-	713	-
	-	-	-	135	131
	-	-	-	-	20
	-	-	-	-	-
	<u>9,927</u>	<u>3,483</u>	<u>(6,750)</u>	<u>13,029</u>	<u>151</u>
	-	-	-	-	-
	19,000	(3,405)	17,186	21,910	18,865
\$	<u>19,000</u>	<u>\$ (3,405)</u>	<u>\$ 17,186</u>	<u>\$ 21,910</u>	<u>\$ 18,865</u>
	38.7%	22.1%	22.9%	17.0%	17.4%

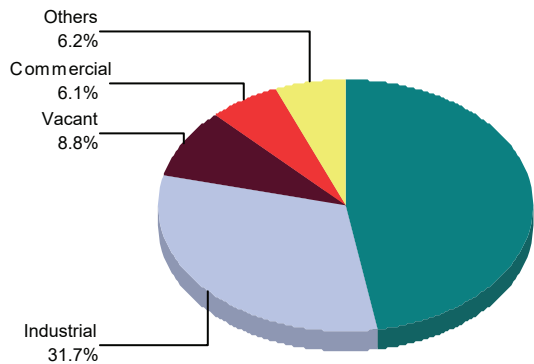
THE CITY OF PERRIS

2022/23 USE CATEGORY SUMMARY

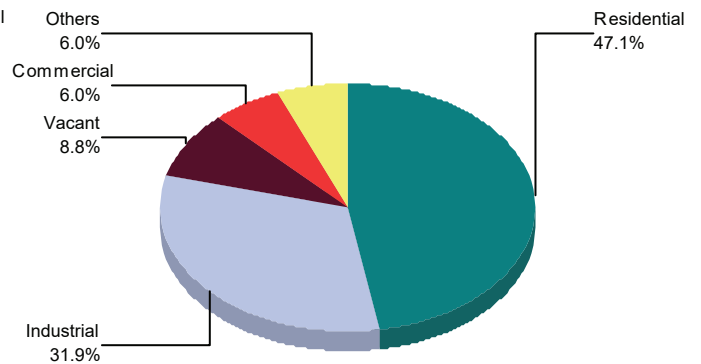
BASIC PROPERTY VALUE TABLE

Category	Parcels	Assessed Value	Net Taxable Value
Residential	16,966	\$4,580,066,020 (47.3%)	\$4,520,882,451 (47.1%)
Commercial	313	\$586,237,672 (6.1%)	\$579,705,934 (6.0%)
Industrial	275	\$3,070,796,388 (31.7%)	\$3,063,591,356 (31.9%)
Agricultural	139	\$44,721,758 (0.5%)	\$44,721,758 (0.5%)
Institutional	26	\$19,662,539 (0.2%)	\$4,030,646 (0.0%)
Miscellaneous	2	\$1,303,653 (0.0%)	\$1,303,653 (0.0%)
Recreational	1	\$111,512 (0.0%)	\$111,512 (0.0%)
Vacant	3,065	\$848,601,724 (8.8%)	\$846,754,403 (8.8%)
Exempt	793	\$0 (0.0%)	\$0 (0.0%)
Cross Reference	[410]	\$23,327,989 (0.2%)	\$23,287,248 (0.2%)
Unsecured	[786]	\$506,719,956 (5.2%)	\$505,878,511 (5.3%)
Unknown	1	\$90,957 (0.0%)	\$90,957 (0.0%)
TOTALS	21,581	\$9,681,640,168	\$9,590,358,429

ASSESSED VALUE

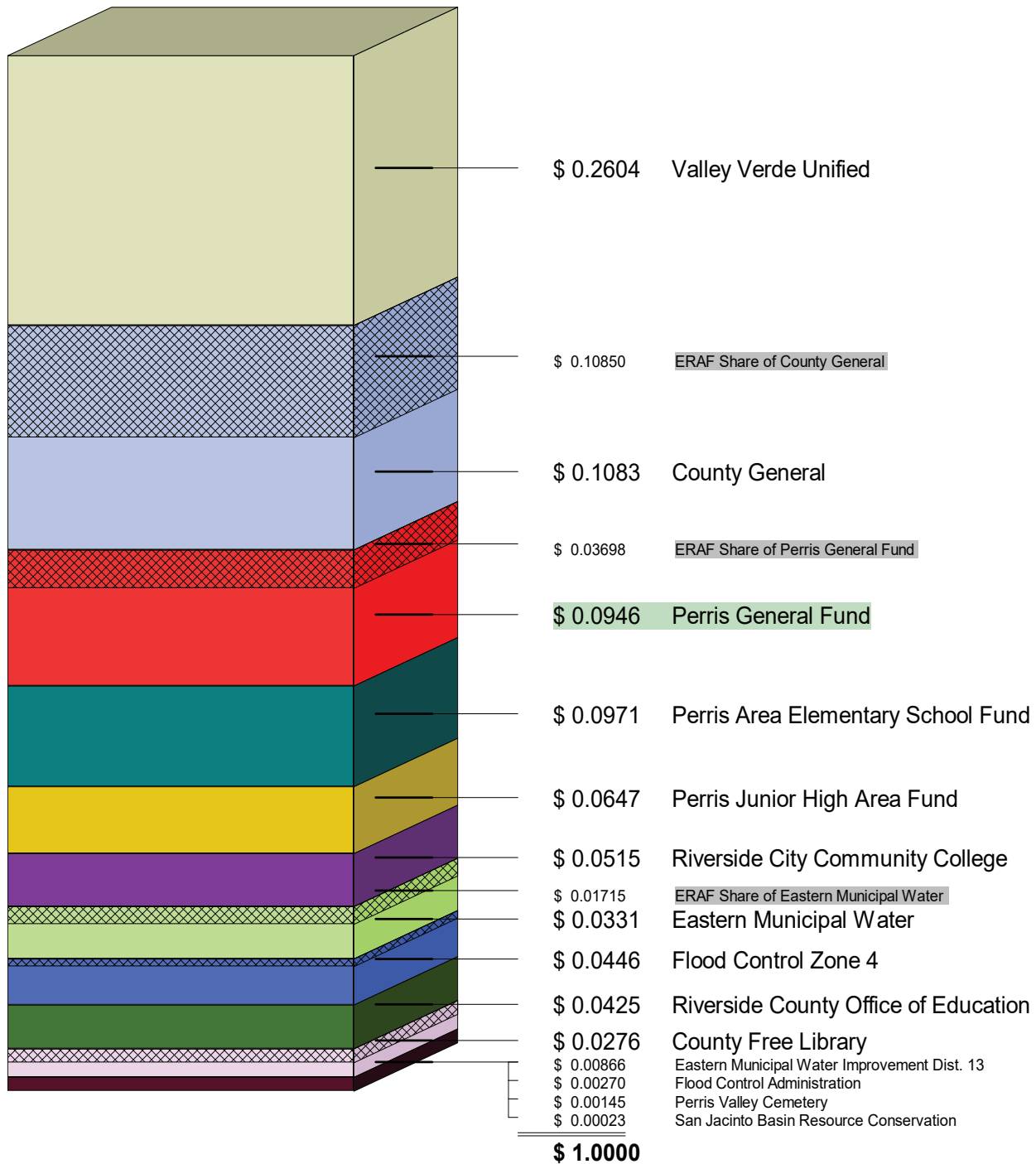


NET TAXABLE VALUE



THE CITY OF PERRIS

PROPERTY TAX DOLLAR BREAKDOWN



ATI (Annual Tax Increment) Ratios for Tax Rate Area 008-140, Excluding Redevelopment Factors & Additional Debt Service

Data Source: Riverside County Assessor 2022/23 Annual Tax Increment Tables

Prepared On 7/25/2023 By MV

This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

THE CITY OF PERRIS

2022/23 ROLL SUMMARY

Taxable Property Values

	Secured	Nonunitary Utilities	Unsecured
Parcels	20,788	0	786
TRAs	125	0	69
Values			
Land	2,733,000,830	0	7,679
Improvements	6,328,607,981	0	341,670
Personal Property	39,063,807	0	215,317,808
Fixtures	74,247,594	0	280,749,999
Aircraft	0	0	10,302,800
Total Value	\$9,174,920,212	\$0	\$496,417,156
Exemptions			
Real Estate	90,368,500	0	0
Personal Property	71,794	0	386,447
Fixtures	0	0	56,798
Aircraft	0	0	398,200
Homeowners*	40,397,219	0	0
Total Exemptions*	\$90,440,294	\$0	\$443,245
Total Net Value	\$9,084,479,918	\$0	\$495,973,911

Combined Values	Total
Total Values	\$9,671,337,368
Total Exemptions	\$90,883,539
Net Total Values	\$9,580,453,829
Net Aircraft Values	\$9,904,600

* Note: Homeowner Exemptions are not included in Total Exemptions

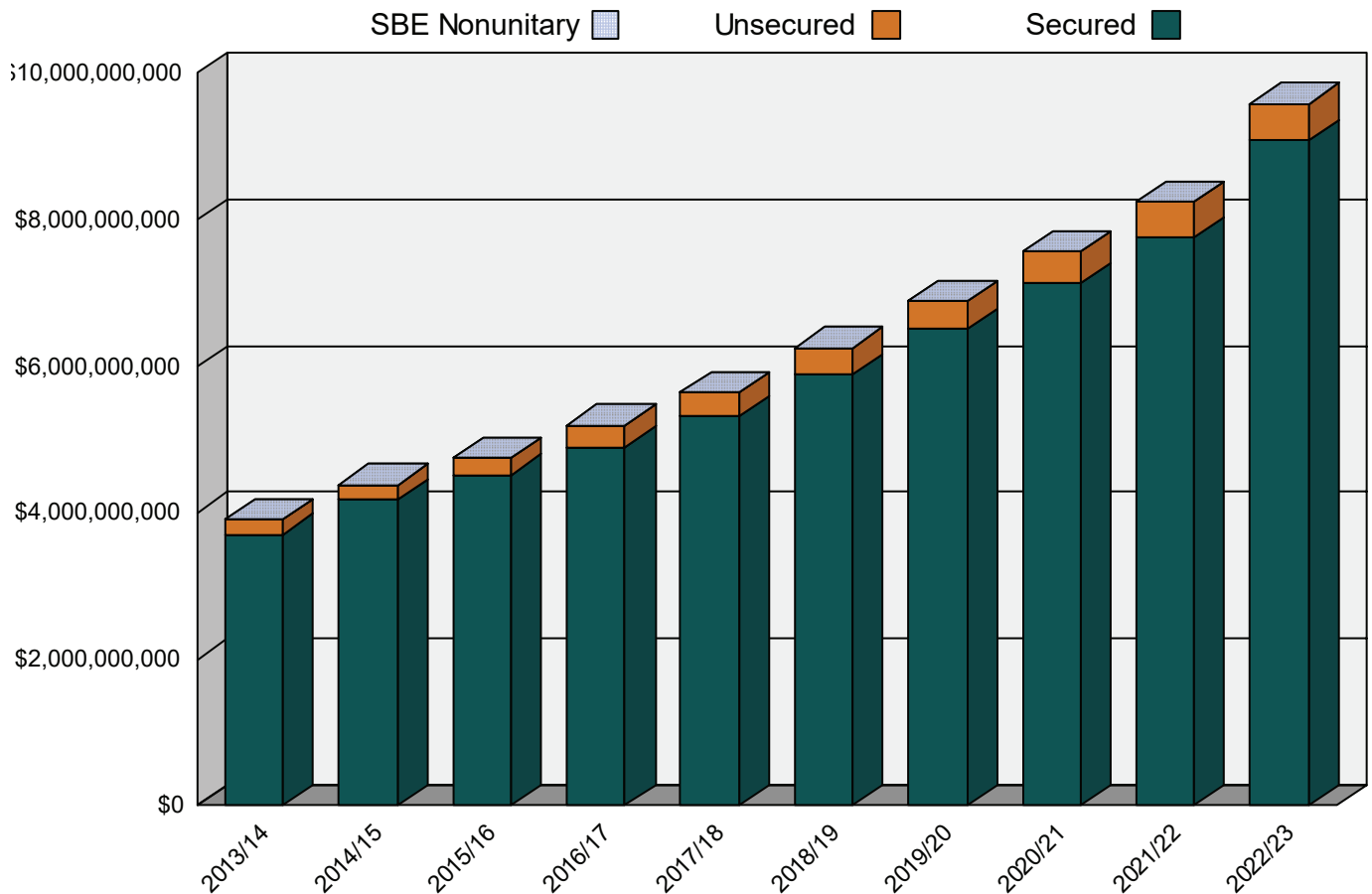
Totals do not Include Aircraft Values or Exemptions

THE CITY OF PERRIS

NET TAXABLE ASSESSED VALUE HISTORY

2013/14 - 2022/23 Taxable Property Values

Lien Year	Secured	Unsecured	SBE Nonunitary	Net Total AV	% Change
2013/14	\$3,706,633,095	\$198,217,165	\$236,520	3,905,086,780	
2014/15	\$4,182,256,421	\$201,565,294	\$236,520	4,384,058,235	12.27%
2015/16	\$4,516,925,789	\$227,050,478	\$236,520	4,744,212,787	8.22%
2016/17	\$4,894,191,625	\$303,550,118	\$236,520	5,197,978,263	9.56%
2017/18	\$5,320,283,244	\$316,181,010	\$236,520	5,636,700,774	8.44%
2018/19	\$5,887,481,010	\$362,501,976	\$0	6,249,982,986	10.88%
2019/20	\$6,511,005,960	\$383,238,197	\$0	6,894,244,157	10.31%
2020/21	\$7,138,803,751	\$428,093,594	\$0	7,566,897,345	9.76%
2021/22	\$7,758,805,916	\$488,031,523	\$0	8,246,837,439	8.99%
2022/23	\$9,084,479,918	\$505,878,511	\$0	9,590,358,429	16.29%
Average % Change					12.33%



* Net AV changes less than two percent are in purple font. Negative Net AV percent changes are in red.

Data Source: Riverside County Assessor 0/ - 2022/23 Combined Tax Rolls

Prepared On 7/25/2023 By MV

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THE CITY OF PERRIS

ASSESSED VALUE OF TAXABLE PROPERTY

2013/14 - 2022/23 Taxable Property Values

Category	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Residential	2,274,054,528	2,606,545,492	2,810,892,308	3,004,790,841	3,225,960,157	3,467,003,272	3,682,730,015	3,891,749,450	4,097,548,350	4,520,882,451
Commercial	317,070,928	308,577,006	331,659,840	354,174,181	381,720,045	423,822,129	447,369,025	491,124,486	540,399,453	579,705,934
Industrial	614,823,362	722,737,539	803,488,620	998,808,247	1,110,736,181	1,442,373,746	1,717,201,182	2,104,831,442	2,438,422,302	3,063,591,356
Agricultural	17,488,167	21,109,729	13,884,314	14,643,479	14,690,898	15,783,250	17,611,932	18,658,519	18,695,197	44,721,758
Institutional	2,261,063	1,776,519	2,255,038	1,889,929	1,932,919	1,906,279	593,045	3,916,382	6,315,933	4,030,646
Miscellaneous	1,060,122	1,040,819	1,061,609	1,372,409	1,399,855	1,394,227	1,422,109	1,264,988	1,278,093	1,303,653
Recreational	1,590,147	1,604,695	1,604,695	1,676,929		1,453,500		108,207	109,327	111,512
Vacant	460,224,420	500,605,229	532,483,107	495,557,350	562,361,190	512,106,496	619,663,362	603,634,514	632,852,327	846,754,403
SBE Nonunitary	236,520	236,520	236,520	236,520	236,520					
Cross Reference	18,060,358	18,259,393	19,386,341	21,065,145	21,264,624	21,638,111	21,086,403	22,282,612	23,095,760	23,287,248
Unsecured	198,217,165	201,565,294	227,050,478	303,550,118	316,181,010	362,501,976	383,238,197	428,093,594	488,031,523	505,878,511
Exempt	[8,690,323]	[8,654,189]	[8,795,402]	[9,491,733]	[7,560,150]	[7,754,769]	[48,232]	[0]	[0]	[0]
Unknown			209,917	213,115	217,375		3,328,887	1,233,151	89,174	90,957
TOTALS	3,905,086,780	4,384,058,235	4,744,212,787	5,197,978,263	5,636,700,774	6,249,982,986	6,894,244,157	7,566,897,345	8,246,837,439	9,590,358,429
Total Direct Rate	0.12569	0.12461	0.12310	0.12345	0.12302	0.12288	0.12230	0.12170	0.12071	0.12100

Notes:

Exempt values are not included in Total.

In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

THE CITY OF PERRIS

DIRECT & OVERLAPPING PROPERTY TAX RATES

(RATE PER \$100 OF TAXABLE VALUE)

Last 10 Fiscal Years										
Agency	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Basic Levy¹	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Eastern Municipal Water Imp Dist	0.05000	0.05000	0.05000	0.05000	0.05000	0.05000	0.05000	0.05000	0.05000	0.03500
Menifee School Ds	0.03421	0.03275	0.03010	0.03269	0.06080	0.06303	0.06277	0.06111	0.06319	0.06201
Metropolitan Water Dist Original Area	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
Mt San Jacinto Jr College	0.00000	0.00000	0.01394	0.01320	0.01320	0.01320	0.01320	0.01320	0.01320	0.01320
Perris School Ds	0.02524	0.05588	0.04699	0.05491	0.06000	0.05754	0.05867	0.06000	0.06000	0.06000
Perris Union High School Ds	0.06970	0.06303	0.06236	0.06092	0.05675	0.05243	0.08244	0.08569	0.08859	0.08859
Riverside City Cc Ds	0.01768	0.01791	0.01725	0.01649	0.01616	0.01478	0.01476	0.01470	0.01470	0.01470
Val Verde Unif Ds	0.07235	0.07882	0.07135	0.07210	0.06368	0.06966	0.06368	0.11200	0.11200	0.11200
Total Direct & Overlapping² Tax Rates	1.27268	1.30189	1.29549	1.30381	1.32409	1.32414	1.34902	1.40020	1.40518	1.38900
City's Share of 1% Levy Per Prop 13³	0.09452	0.09452	0.09452	0.09452	0.09452	0.09452	0.09484	0.09463	0.09463	0.09462
Voter Approved City Debt Rate										
Redevelopment Rate⁴										
Total Direct Rate⁵	0.12569	0.12461	0.12310	0.12345	0.12302	0.12288	0.12230	0.12170	0.12071	0.12100

Notes:
¹In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.
²Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all property owners.
³City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. The ERAF portion of the City's Levy has been subtracted where known.
⁴Redevelopment Rate is based on the largest RDA tax rate area and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.
⁵Total Direct Rate is the weighted average of all individual direct rates applied by the City/Agency preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City/Agency in the same proportions as general fund revenue.

THE CITY OF PERRIS

2022/23 TOP TEN PROPERTY TAXPAYERS

Top Property Owners Based On Net Values

Owner	Secured			Unsecured			Combined		Primary Use & Primary Agency
	Parcels	Value	% of Net AV	Parcels	Value	% of Net AV	Value	% of Net AV	
1) DUKE REALTY LP (Pending Appeals On Parcels)	50	\$670,337,774	7.38%				\$670,337,774	6.99%	Industrial Perris General Fund
2) IDIL PERRIS FULFILLMENT CENTER LP	15	\$261,377,457	2.88%				\$261,377,457	2.73%	Vacant Successor Agency
3) ROSS DISTRIBUTION INC (Pending Appeals On Parcels)	2	\$209,478,496	2.31%	3	\$6,618,889	1.31%	\$216,097,385	2.25%	Industrial Perris General Fund
4) WESTERN A WEST CALIFORNIA LLC (Pending Appeals On Parcels)	1	\$165,713,142	1.82%				\$165,713,142	1.73%	Industrial Perris General Fund
5) STRATFORD RANCH	5	\$151,008,479	1.66%				\$151,008,479	1.57%	Industrial Perris General Fund
6) DB RREEF PERRIS CALIFORNIA INC	1	\$138,668,168	1.53%				\$138,668,168	1.45%	Industrial Successor Agency
7) O R E INDUSTRIAL	2	\$131,901,624	1.45%				\$131,901,624	1.38%	Industrial Successor Agency
8) FERGUSON ENTERPRISES INC	4	\$127,232,738	1.40%	2	\$1,382,169	0.27%	\$128,614,907	1.34%	Industrial Successor Agency
9) HD CALIFORNIA DFDC LANDLORD (Pending Appeals On Parcels)	1	\$117,786,368	1.30%				\$117,786,368	1.23%	Industrial Perris General Fund
10) IPT PERRIS DC	3	\$115,803,384	1.27%				\$115,803,384	1.21%	Industrial Successor Agency
Top Ten Total	84	\$2,089,307,630	23.00%	5	\$8,001,058	1.58%	\$2,097,308,688	21.87%	
City Total		\$9,084,479,918			\$505,878,511		\$9,590,358,429		

Top Owners last edited on 7/24/23 by maheav using sales through 06/30/23 (Version r.1)

Data Source: Riverside County Assessor 2022/23 Combined Tax Rolls and the SBE Non Unitary Tax Roll

This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

Prepared On 7/25/2023 By MV

THE CITY OF PERRIS

2013/14 TOP TEN PROPERTY TAXPAYERS

Top Property Owners Based On Net Values

Owner	Secured			Unsecured			Combined		Primary Use & Primary Agency
	Parcels	Value	% of Net AV	Parcels	Value	% of Net AV	Value	% of Net AV	
1) ROSS DRESS FOR LESS INC (Pending Appeals On Parcels)	3	\$121,283,373	3.27%	1	\$56,641,380	28.58%	\$177,924,753	4.56%	Industrial Perris General Fund
2) DB RREEF PERRIS CALIFORNIA INC	1	\$103,000,000	2.78%				\$103,000,000	2.64%	Industrial Successor Agency
3) FR CAL GOETZ ROAD	205	\$98,868,826	2.67%				\$98,868,826	2.53%	Vacant Successor Agency
4) IIT INLAND EMPIRE 3700 INDIAN AVENUE (Pending Appeals On Parcels)	1	\$83,232,000	2.25%				\$83,232,000	2.13%	Industrial Perris General Fund
5) LOWES H I W INC (Pending Appeals On Parcels)	4	\$82,297,437	2.22%				\$82,297,437	2.11%	Industrial Perris General Fund
6) COUDURES FAMILY LP (Pending Appeals On Parcels)	140	\$28,729,843	0.78%				\$28,729,843	0.74%	Commercial Successor Agency
7) HD CALIFORNIA DFDC LANDLORD (Pending Appeals On Parcels)	1	\$23,744,120	0.64%				\$23,744,120	0.61%	Commercial Perris General Fund
8) CR AND R INC	6	\$20,769,878	0.56%				\$20,769,878	0.53%	Industrial Successor Agency
9) RUBIO HOLDINGS (Pending Appeals On Parcels)	11	\$19,375,645	0.52%				\$19,375,645	0.50%	Commercial Perris General Fund
10) ORE INDUSTRIAL LLC	24	\$16,642,545	0.45%				\$16,642,545	0.43%	Vacant Successor Agency
Top Ten Total	396	\$597,943,667	16.13%	1	\$56,641,380	28.58%	\$654,585,047	16.76%	
City Total		\$3,706,869,615			\$198,217,165		\$3,905,086,780		

Top Owners last edited on 7/11/14 by maheav using sales through 06/30/14 (Version r.1)

Data Source: Riverside County Assessor 2013/14 Combined Tax Rolls and the SBE Non Unitary Tax Roll

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Prepared On 7/25/2023 By MV

City of Perris

Direct and Overlapping Governmental Activities Debt As of June 30, 2022

September 18, 2023

Mr. Stephen Ajobiewe
City of Perris
101 North D Street
Perris, CA 92570

CITY OF PERRIS

2022-23 Assessed Valuation: \$9,619,032,011

	Total Debt 6/30/23	% Applicable (1)	City's Share of Debt 6/30/23
<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Metropolitan Water District	\$19,215,000	0.265%	\$50,920
Eastern Municipal Water District, I.D. U9	1,590,000	100.	1,590,000
Riverside County Flood Control & Water Conservation District Zone 4	5,380,000	13.431	722,588
Mount San Jacinto Community College District	247,850,000	2.985	7,398,323
Riverside City Community College District	291,274,397	4.360	12,699,564
Val Verde Unified School District	321,056,948	43.062	138,253,543
Perris Union High School District	298,735,042	14.736	44,021,596
Menifee Union School District	120,934,720	0.047	56,839
Perris School District	45,056,242	74.686	33,650,705
City of Perris Community Facilities Districts	130,350,000	100.	130,350,000
Romoland School District Community Facilities District No. 2001-1	2,535,000	100.	2,535,000
Val Verde Unified School District Community Facilities Districts	10,595,000	100.	10,595,000
Perris Union High School District Community Facilities Districts	40,005,000	0.019 - 100.	8,960,900
City of Perris	0	100.	0
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			\$390,884,978
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Riverside County General Fund Obligations	\$686,776,829	2.656%	\$18,240,793
Riverside County Pension Obligation Bonds	748,540,000	2.656	19,881,222
Riverside City Community College District Certificates of Participation	24,550,000	4.360	1,070,380
Val Verde Unified School District Certificates of Participation	47,860,000	43.062	20,609,473
Perris Union High School District General Fund Obligations	40,481,898	14.736	5,965,412
Menifee Union School District Certificates of Participation	45,258,119	0.047	21,271
Perris School District Certificates of Participation	4,420,000	74.686	3,301,121
City of Perris Lease Revenue Bonds	4,192,312	100.	4,192,312
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$73,281,984
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	\$50,445,000	100. %	\$50,445,000
TOTAL DIRECT DEBT			\$4,192,312
TOTAL OVERLAPPING DEBT			\$510,419,650
COMBINED TOTAL DEBT			\$514,611,962 (2)

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to 2022-23 Assessed Valuation:

Direct Debt (\$4,192,312)	0.04%
Total Direct and Overlapping Tax and Assessment Debt.....	4.06%
Combined Total Debt.....	5.35%

Ratios to Redevelopment Incremental Valuation (\$3,368,680,882):

Total Overlapping Tax Increment Debt.....	1.50%
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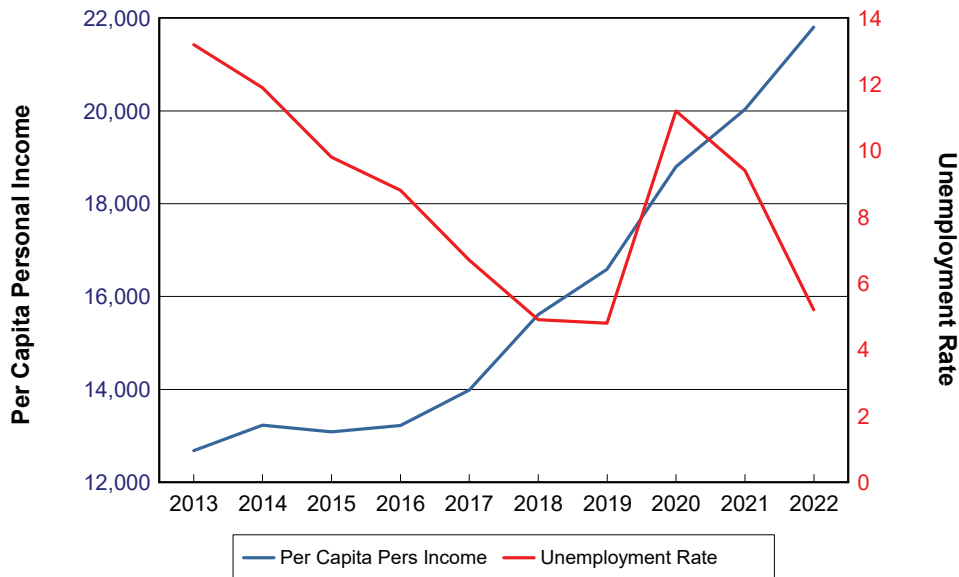
KD:(\$550)

THE CITY OF PERRIS

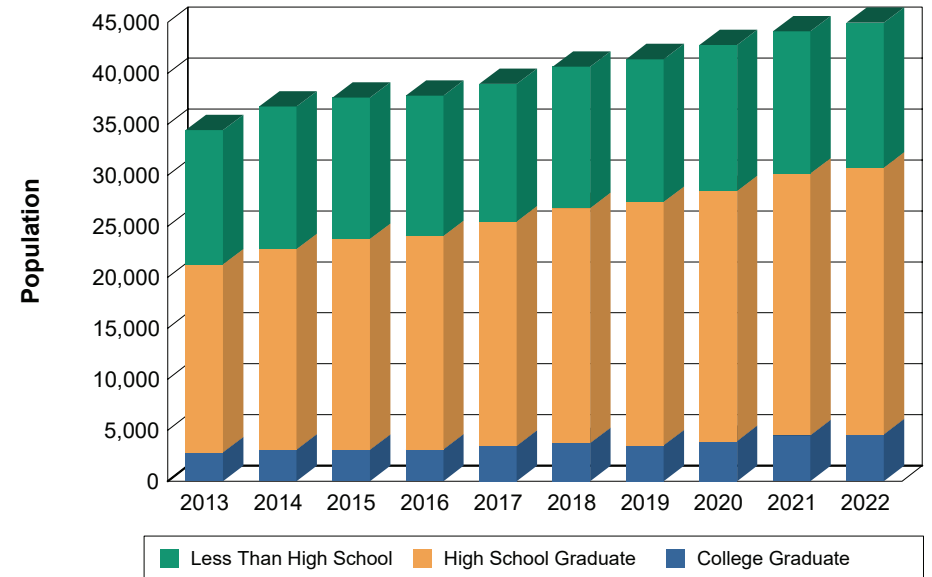
DEMOGRAPHIC AND ECONOMIC STATISTICS

Calendar Year	Population	Personal Income (In Thousands)	Per Capita Personal Income	Unemployment Rate	Median Age	% of Pop 25+ with High School Degree	% of Pop 25+ with Bachelor's Degree
2013	72,103	\$914,410	\$12,682	13.2%	25.4	61.8%	8.2%
2014	72,063	\$953,105	\$13,226	11.9%	27.0	62.0%	8.4%
2015	73,722	\$964,736	\$13,086	9.8%	27.0	63.2%	8.2%
2016	75,739	\$1,001,594	\$13,224	8.8%	26.5	63.6%	8.2%
2017	77,837	\$1,088,435	\$13,983	6.7%	26.6	65.4%	8.9%
2018	76,971	\$1,201,554	\$15,610	4.9%	27.3	65.9%	9.2%
2019	80,201	\$1,329,979	\$16,583	4.8%	27.5	66.2%	8.5%
2020	78,977	\$1,484,328	\$18,794	11.2%	28.3	66.5%	9.2%
2021	78,890	\$1,580,623	\$20,035	9.4%	28.8	68.4%	10.2%
2022	78,948	\$1,721,329	\$21,803	5.2%	29.2	68.4%	10.2%

Personal Income and Unemployment



Education Level Attained for Population 25 and Over



Notes and Data Sources:

Population: California State Department of Finance. Unemployment Data: California Employment Development Department
 2000-2009 Income, Age, and Education Data: ESRI - *Demographic Estimates are based on the last available Census.* Projections are developed by incorporating all of the prior census data released to date. Demographic Data is totaled from Census Block Groups that overlap the City's boundaries
 2010 and later - Income, Age and Education Data - US Census Bureau, most recent American Community Survey

City of Perris

Principal Employers Current Year and Nine Years Ago

<u>Employer</u>	<u>2022</u>			<u>2013</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)	2,193	1	6.85%	1,400	1	7.76%
Val Verde Unified School District (2)	1,493	2	4.67%	-		---
Perris Union High School District (2)	1,106	3	3.46%	786	4	4.36%
Lowe's CA Regional Distribution Center	926	4	2.89%	900	3	4.99%
Home Depot distribution center	905	5	2.83%	-		---
NFI Industries (3)	612	6	1.91%	-		---
Perris Elementary School District (2)	701	7	2.19%	602	6	3.34%
Eastern Municipal Water District	600	8	1.88%	580	7	3.21%
Walmart Supercenter	430	9	1.34%	250	9	1.39%
C R & R Waste - Perris	238	10	0.74%	-		---
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%
Coreslab Structures Inc.	-		0.00%	200	10	1.11%
	-		0.00%	-		---
Totals	\$ 9,204		28.76%	\$ 6,668		36.96%

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

2022	City Totals	\$ 32,000 **
2021	City Totals	31,300 **
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

THE CITY OF PERRIS

SALES VALUE HISTORY

Single Family Residential Full Value Sales 01/01/2021 - 6/30/2023)

Year	Full Value Sales	Average Price	Median Price	Median % Change
2021	813	\$431,750	\$435,500	
2022	635	\$529,450	\$505,000	15.96%
2023	264	\$510,836	\$504,750	-0.05%



* Multiparcel transfers, quitclaim deeds, trust transfers, timeshares, and partial sales are excluded from this analysis.

Data Source: Riverside County Recorder

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CITY OF PERRIS
TOP 25 SALES TAX PRODUCERS
FOR CALENDAR YEAR 2022

Business Name	Business Category
7 Eleven	Service Stations
Amazon Com Services	Fulfillment Centers
Amazon MFA	Fulfillment Centers
Arco AM PM	Service Stations
Circle K	Service Stations
dd's Discounts	Family Apparel
Fabletics	Fulfillment Centers
Food 4 Less	Grocery Stores
Forever 21 Distribution Center	Fulfillment Centers
Grove Lumber & Building Supplies	Building Materials
HD Supply Waterworks	Plumbing/Electrical Supplies
Home Depot	Building Materials
Inland Empire Truss	Building Materials
Integrity Rebar Fabricators	Contractors
Lake Chevron	Service Stations
Mobile Mini	Repair Shop/Equip. Rentals
Perris Valley Kia	New Motor Vehicle Dealers
Ritchie Bros Auctioneers	Auctioneers
Savagex	Fulfillment Centers
Shell	Service Stations
Silver Creek Industries	Contractors
United Oil	Service Stations
Walmart Supercenter	Discount Dept Stores
Wayfair	Fulfillment Centers
Whirlpool	Textiles/Furnishings

Percent of Calendar Year Total Paid By Top 25 Accounts = 70.70%

* Firms Listed Alphabetically

Printed 07/14/2023

Period: January 2022 Thru December 2022

Allocations Adjusted for Economic Data

Sources: State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, The HdL

Companies

CITY OF PERRIS
TOP 25 SALES TAX PRODUCERS
FOR CALENDAR YEAR 2013

Business Name	Business Category
Arco	Service Stations
Arco AM PM	Service Stations
Chevron	Service Stations
Circle K	Service Stations
Food 4 Less	Grocery Stores
Frazier Industrial Company	Heavy Industrial
HD Supply Waterworks	Plumbing/Electrical Supplies
Home Depot	Building Materials
Inland Auto Boat & RV	Boats/Motorcycles
Lake Chevron	Service Stations
McDonalds	Quick-Service Restaurants
Nuevo Arco AM PM	Service Stations
Perris 76	Service Stations
Perris Valley Dodge Jeep Chrysler	New Motor Vehicle Dealers
Perris Valley Kia	New Motor Vehicle Dealers
Ritchie Bros Auctioneers	Auctioneers
San Jacinto Shell	Service Stations
Silver Creek Industries	Contractors
Soco Petroleum	Petroleum Prod/Equipment
Star Crest Mail Order House	Fulfillment Centers
Stater Bros	Grocery Stores
United Oil	Service Stations
Walmart Supercenter	Discount Dept Stores
Whirlpool	Textiles/Furnishings
Winco Foods	Grocery Stores

Percent of Calendar Year Total Paid By Top 25 Accounts = 73.39%

* Firms Listed Alphabetically

Printed 07/14/2023

Period: January 2013 Thru December 2013

Allocations Adjusted for Economic Data

Sources: State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, The HdL Companies

City of Perris
Taxable Sales by Category
Last Ten Calendar Years
(in thousands of dollars)
Adjusted for Economic Data

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Apparel Stores	\$ 5,069	\$ 4,945	\$ 8,378	\$ 11,056	\$ 11,151	\$ 12,839	\$ 25,916	\$ 37,655	\$ 47,877	\$ 43,086
Food Stores	36,858	37,630	38,489	38,573	51,793	74,064	74,382	67,996	72,449	80,681
Eating and Drinking Places	58,108	65,549	73,509	82,561	95,215	104,605	113,225	116,199	150,144	158,496
Auto Dealers and Supplies	55,279	62,490	54,884	45,457	43,865	49,833	58,877	52,087	73,487	75,944
Service Stations	135,580	135,461	125,065	113,012	117,941	135,329	151,663	126,808	185,852	217,391
Other Retail Stores	151,776	169,407	233,915	293,375	351,028	378,073	523,241	741,846	928,754	940,890
All Other Outlets	305,266	313,783	300,689	476,240	792,273	1,041,325	1,213,101	1,206,862	1,153,775	1,432,387
Total	\$ 747,937	\$ 789,266	\$ 834,929	\$ 1,060,273	\$ 1,463,266	\$ 1,796,070	\$ 2,160,406	\$ 2,349,453	\$ 2,612,339	\$ 2,948,874

Sources: State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, The HdL Companies

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.

City of Perris

Full-Time Equivalent Government Employees by Function Last Ten Fiscal Years

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government	47	43	54	54	72	60	61	70	91	81
Public safety*										
Police										
Officers	44	45	46	46	47	49	51	54	52	52
Fire										
Firefighters and officers	19	19	19	19	19	19	19	19	20	26
Highways and streets										
Engineering **	8	8	8	9	10	13	17	17	16	16
Maintenance	8	8	15	18	19	33	21	27	33	27
Culture and recreation	8	7	9	11	10	16	24	27	27	36
Water**	4	4	3	3	4	4	4	4	4	4
Sewer**	2	2	2	2	2	2	2	2	2	2
Total	140	136	156	162	183	196	199	220	245	244

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

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