

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2016

**CITY OF CLOVIS  
CALIFORNIA**



**NATHAN F. MAGSIG, MAYOR**

**ROBERT WHALEN, MAYOR PRO-TEM  
HARRY ARMSTRONG, COUNCILMEMBER  
JOSE FLORES, COUNCILMEMBER  
LYNNE ASHBECK, COUNCILMEMBER**

**ROBERT WOOLLEY, CITY MANAGER**

Prepared by City of Clovis Finance Department

Jamie G. Hughson, Finance Director

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# CITY OF CLOVIS

CITY HALL • 1033 FIFTH STREET • CLOVIS, CA 93612  
(559) 324-2101

December 12, 2016

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Clovis:

It is with pleasure that I present to you the City of Clovis Comprehensive Annual Financial Report. This year's report has been formatted to comply with the financial reporting model as prescribed by the Governmental Accounting Standards Board (GASB) Statement No. 34. These statements have been audited in accordance with Generally Accepted Auditing Standards (GAAS) by a firm of licensed certified public accountants as required by State law. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Clovis of the fiscal year ended June 30, 2016.

This report consists of management's representations concerning the finances of the City of Clovis. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Clovis has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Clovis' financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City of Clovis' comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Clovis' financial statements have been audited by The Pun Group LLP. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Clovis for the fiscal year ended June 30, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion that the City of Clovis' financial statements for the fiscal year ended June 30, 2016, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Clovis was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent

auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are presented in the Single Audit section of this comprehensive annual financial report.

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

## **Profile of the Government**

The City of Clovis, incorporated in 1912, as a general law City of the State of California, is located near the middle of the state in the San Joaquin Valley. The Central Valley is considered to be a national and world leader in the agricultural industry. The City of Clovis currently occupies over 24 square miles and serves a population of 108,039.

The City of Clovis operates under the council-manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the mayor and four other members. The council is elected on a non-partisan basis. Council members serve four-year staggered terms, with two council members elected in one election and three elected in another election, separated by two years. The mayor is selected from among the council members by the council members and serves a two-year term. All five members of the governing board are elected at large. The council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City's manager and attorney. The City manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments.

The City of Clovis provides a full range of services, including police and fire protection; the construction, maintenance, and cleaning of streets and other infrastructure; planning and development services; water service; refuse collection, disposal, and recycling services; sewer service; storm drainage; transit services; recreation activities and cultural events; and general administration.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriations to the City manager during the second week of March each year. The City manager uses these requests along with input from the council to develop a proposed budget. By the third Monday in May the proposed budget is presented to the City council for review. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 30, the close of the City of Clovis' fiscal year. The appropriated budget is prepared by fund and department. The City manager may make transfers of appropriations between departments within a specific fund of up to \$5,000 and up to \$2,500 from reserves. Transfers in excess of those amounts require council action. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund the budget-to-actual comparison is presented on page 35 as part of the basic financial statements. For governmental funds,

other than the general fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 90.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Clovis operates.

**Local economy.** The local economy is experiencing economic growth. Property values experienced a small increase from the prior year and are expected to improve further during the next year. Sales taxes experienced increases from the prior year and are expected to grow at nearly 5% during the next year due to the improving economy. Building activity has returned to greater than the 10-year average and is expected to remain robust over the next few years. The City's unemployment rate still ranks one of the lowest in the area at 6.4%, lower than the Fresno County rate of 8.3%, though still higher than the national average of 4.8% and the State of California average of 5.3%.

The City experienced a 3.55% growth in population in 2016 compared to the 10-year average growth rate of 1.86%. The City has three major retail centers and Clovis Community Hospital is near completion of a medical office building and beginning the addition of another bed tower and a cancer research center. This expansion continues to be one of the biggest job creation projects in Fresno County in recent years.

Along with other significant employers, Schneider Electric, an international manufacturer of security equipment and systems, located in the City's industrial park, employs over 650 people. Other major employers include Wawona Frozen Foods, a fruit processing plant with over 1,200 employees, Clovis Community Hospital with over 1,600 employees and the largest employer, Clovis Unified School District with over 5,500 employees. Of the 32,097 total jobs in Clovis, 11,700 jobs are generated by the top ten employers.

The City's RDA Successor Agency sold properties in the Centennial Plaza where two buildings are under construction that will be home to professional firms and restaurants. Also under construction is an expansion to the Dry Creek Industrial Park. This park expansion will add 44 lots on 30 acres bringing the total park to approximately 64 lots on 60 acres. Demand has been high for the space in the park and is expected to add to employment growth in the City. The California Health Sciences University has announced its permanent campus will be located on 80 acres in the City's Central Valley Research and Technology Park with plans for 2,000 students and several hundred employees. The School will offer additional areas of discipline as it expands.

The City of Clovis is part of the Fresno/Clovis Metropolitan Area. This includes the City of Clovis, City of Fresno and developed areas of the County of Fresno in and around the cities of Clovis and Fresno. The population of Fresno County is 984,541 as of January 1, 2016. There are approximately 391,700 jobs in Fresno County. The county-wide unemployment rate is 8.3%, which increased from 8.1% last year. Normally the area experiences higher rates than other counties since Fresno County has a high agricultural employment sector. The City of Clovis has an unemployment rate of 6.4% with 49,200 employed out of a workforce of 52,600.

**Long-term financial planning.** As part of the City of Clovis land use planning process, the City completed a new General Plan which is at the top of the City's land use regulation hierarchy. It is the foundation for most of the Council's budgeting decisions in terms of capital facilities, staffing, programs, utility infrastructure, and levels of service; it establishes a land use pattern for lands beyond the City limit; it provides the vision and guidance for capital improvements and the development of City infrastructure; and it is used to create development impact fees and provides the basis for environmental analysis of the growth of the City. The plan is intended to guide development for a period of ten years and will be the basis of the City's annual 5 year operating and capital forecast.

Part of the previous current plan was the construction of a wastewater treatment plant to serve the needs of the new growth area. The plant is expected to accommodate growth through 2023 when construction of phase two of the facility is anticipated. The wastewater treatment plant creates approximately 2.4 million gallons of disinfected recycled water each day and distributes this water through a "purple pipe" distribution system for landscape irrigation throughout the east side of the City. The reuse of this water will help conserve and manage a limited water supply. The City refunded one outstanding bond issue to take advantage of lower interest rates. The City also obtained long-term financing for the purchase of a fire engine, police vehicles, a public safety communication tower, network equipment and a solar project. The City considers long-term financing appropriate to provide funding for larger Community Improvement Projects.

Also, to finance current growth, the City has in place a variety of user and developer fees to pay for streets, parks, water wells and lines, and sewer lines. The City reviews these fees on an annual basis to assure that the fee structure is in line with the cost of construction. The Water and Sewer Funds have approved annual increases of 3% into the future if necessary. The Community Sanitation Fund has approved annual increases of 4% into the future if needed. While these increases are approved, the City currently has no plans to implement increases.

**Structurally Balanced Budget Policy.** Prior to the economic recession, in 2006/07 the City Council utilized the emergency reserve when budgetary demand for services exceeded available resources. However, in the fall of 2007 when the decline in building activity began, the Council acted quickly to cut costs and services in an attempt to balance the budget. Although it was necessary in 2007/08 to utilize additional funds from the emergency reserve, the efforts of the Council to develop a "structurally balanced budget" has paid off and the reserve has been rebuilt from 5.5% of expenditures in 2007/08 to 17.5% of the 2016/17 general fund budgeted expenditures. The Council is determined to maintain a structurally balanced budget where current estimated expenditures are within projected current revenues in order to provide budgetary stability for all operating budgets.

**Assigned for Emergencies.** The City currently has a policy to assign a portion of its fund balance for emergencies. These emergencies can range from major catastrophic incidents to significant economic downturns. The City Council annually considers an increase in the fund balance assigned for emergencies whenever there is unexpected or one-time revenue or expenditure savings are realized. The use of the assigned fund balance must be approved by 4/5ths of the Council.

## Awards and Acknowledgements

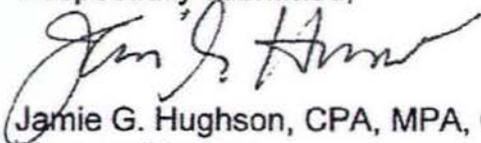
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Clovis for its comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. This was the twenty-seventh consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated July 1, 2016. In order to qualify for the Distinguished Budget Presentation Award, the governments' budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report has been accomplished with the efficient and dedicated service of the City's Finance Department. I would like to express my appreciation to everyone who assisted in its preparation, especially Jay Schengel, Haley Lynch, Gina Daniels, Susan Evans, and Steven Nitta.

Respectfully submitted,



Jamie G. Hughson, CPA, MPA, CPFO  
Finance Director



Government Finance Officers Association

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Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

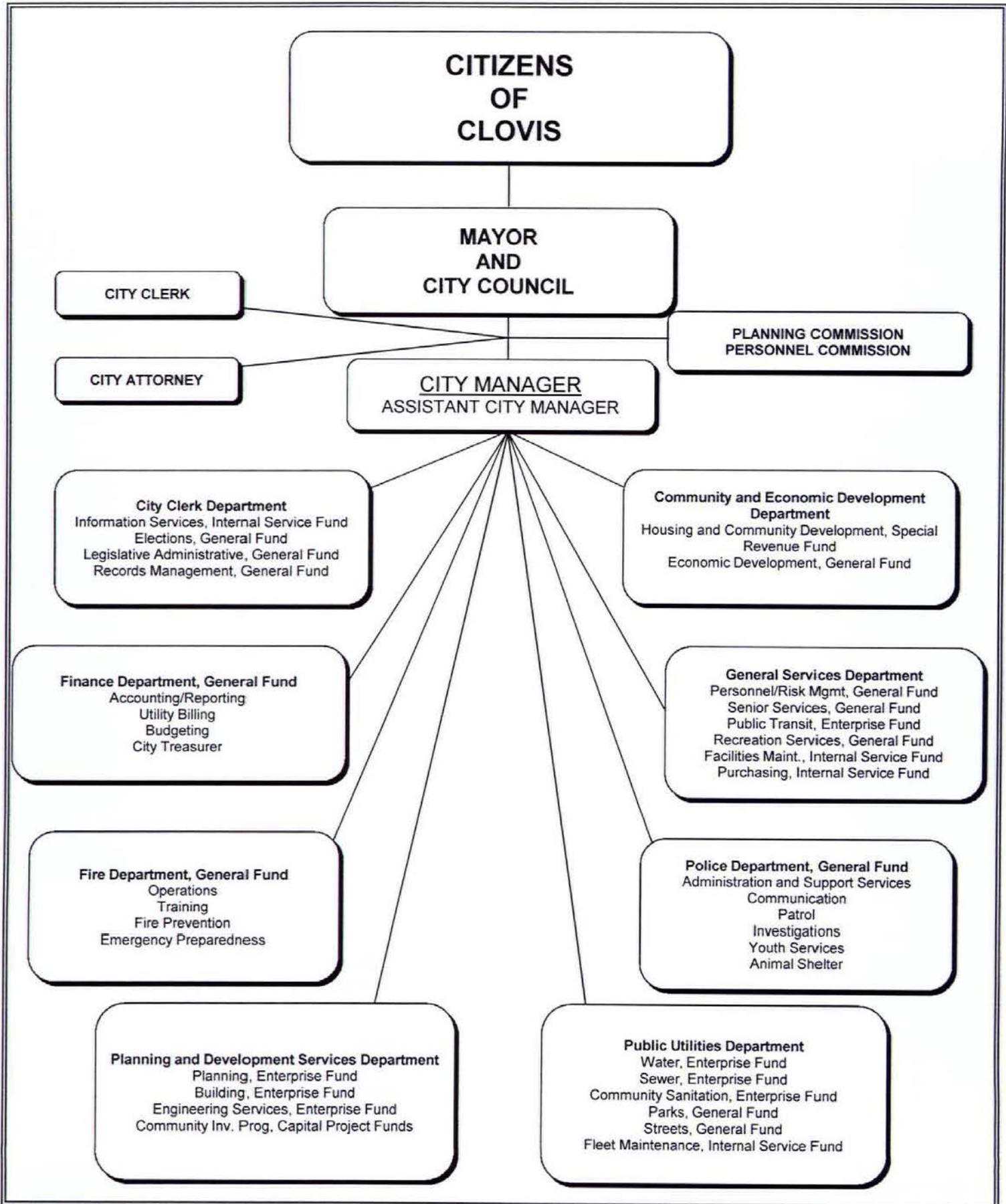
**City of Clovis  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO

# CITY OF CLOVIS ORGANIZATION CHART



**CITY OF CLOVIS  
LIST OF PRINCIPAL OFFICIALS  
JUNE 30, 2016**

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**Title**

**Name**

*City Manager*

*Robert Woolley*

*Assistant City Manager/City Clerk*

*John Holt*

*Community & Economic  
Development Director*

*Andrew Haussler*

*Finance Director/City Treasurer*

*Jamie G. Hughson*

*Fire Chief*

*John Binanski*

*General Services Director*

*Robert Ford*

*Planning & Development Services Director*

*Dwight Kroll*

*Police Chief*

*Matt Basgall*

*Public Utilities Director*

*Luke Serpa*

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clovis, California (the "City"), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows, and the respective budgetary comparison for the General Fund and the Local Transportation Special Revenue Fund, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The Introductory Section, Combining and Individual Nonmajor Fund Financial Statements, Budget Comparison Schedules, and Statistical Section, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

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

To the Honorable Mayor and Members of City Council  
of the City of Clovis  
Clovis, California  
Page 3

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2016 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*The PwC Group, LLP*

San Diego, California  
November 17, 2016

## Management's Discussion and Analysis

This discussion and analysis of the City of Clovis' financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2016. Please read it in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to those financial statements.

### Financial Highlights

The City's government-wide total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources (net position) at the close of the fiscal year by \$708 million, which is 4% more than 2015. Of this amount, \$15 million, 158% more than 2015, is in unrestricted net position, which is available to meet the City's ongoing commitments to citizens and creditors.

The City's General Fund, including Landscape Maintenance, Parking and Business Improvement (PBIA), and Supplemental Law Enforcement, ended the year with a fund balance of \$17 million, which represents a net increase of less than \$1 million from the previous year. The unassigned balance of \$3 million is available for carryover to fund future general fund expenditures.

During the year, previously approved rate increases were implemented for sewer services, recycling and green waste programs as well as a rate reduction implemented for refuse collection and disposal.

### Overview of the Financial Statements

This annual report consists of a series of financial statements. These statements include all activities of the City of Clovis, using the integrated approach as prescribed by GASB Statement No. 34. The Statement of Net Position and Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements tell how these services are financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside the Government.

### Reporting the City as a Whole

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances. These statements include all assets and liabilities of the City using the *accrual basis of accounting*, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid out.

The *statement of net position* presents information on all the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as one indicator of whether the City's financial position is improving or deteriorating.

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

The government-wide financial statements of the City are divided as follows:

*Governmental Activities:* Most of the City's basic services are included here such as public safety, transportation (street and roads), community development, culture and recreation and general government. These services are primarily financed by property and sales taxes and federal and state grants.

*Business-type Activities:* The City charges fees to customers to cover the costs of services provided. The City's utilities, water, sewer, community sanitation (refuse and street cleaning), planning and development services as well as public transit services are included here.

The government-wide financial statements can be found on pages 30-31 of this report.

**Fund financial statements.** The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State Law or by bond covenants. Management establishes other funds to control and manage money for particular purposes or to show the City is meeting legal responsibilities for using certain taxes, grants, and other money. All the funds of the City can be classified 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 the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. Such information is useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for *governmental activities* in the

government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliation between governmental funds and governmental activities. This reconciliation explains the relationship (or differences) between the fund statements and the government-wide statements.

The City of Clovis maintains seven individual governmental funds. Information is presented separately in the governmental funds' balance sheet and in the governmental funds' statement of revenues, expenditures, and changes in fund balances for the General Fund and the Local Transportation Fund, both of which are considered to be major funds. Data from the other five funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for the General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance to this budget. The basic governmental fund financial statements can be found on pages 32-35 of this report.

*Proprietary funds.* The City has two different types of proprietary funds, enterprise funds and internal service funds. Enterprise funds are used to report the same functions represented as business-type activities in the government-wide financial statements. The City utilizes enterprise funds to account for those activities that are supported primarily by user charges to external users, and includes community sanitation, sewer disposal, water, transit and planning and development services. Internal service funds are used to account for activities that are supported by user charges primarily to the City's other programs and activities and include employee benefits, general services, self-insurance and fleet services. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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 each of the enterprise funds since they are all major funds. All of the internal service funds are combined into a single, aggregated presentation in the fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. The basic proprietary fund financial statements can be found on pages 36-41 of this report.

*Fiduciary funds.* Fiduciary funds are used to account for resources held for the benefits of parties outside the city. Fiduciary funds are **not** reflected in the government-wide financial statements because the City cannot use these funds to finance its operations. The basic fiduciary fund financial statements can be found on pages 42-43 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund statements. The notes to the financial statements can be found on pages 44-84 of this report.

### Government-wide Financial Analysis

Below is a table showing the City's net position for the fiscal year ended June 30, 2016, with comparative data for the fiscal year ended June 30, 2015.

#### City of Clovis' Net Position

	Governmental activities		Business-type activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 92,838,362	\$ 87,334,821	\$ 95,736,536	\$ 89,914,945	\$ 188,574,898	\$ 177,249,766
Capital and intangible assets	545,203,801	533,153,232	282,234,634	284,000,861	827,438,435	817,154,093
<b>Total assets</b>	<b>638,042,163</b>	<b>620,488,053</b>	<b>377,971,170</b>	<b>373,915,806</b>	<b>1,016,013,333</b>	<b>994,403,859</b>
Deferred Outflows of Resources	18,235,606	7,399,912	248,268	268,673	18,483,874	7,668,585
Long-term liabilities outstanding	57,007,236	54,284,503	145,573,819	153,100,247	202,581,055	207,384,750
Other liabilities	9,073,977	9,260,035	5,731,985	6,732,158	14,805,962	15,992,193
Aggregate Net Pension Liability	91,060,651	81,945,290			91,060,651	81,945,290
<b>Total liabilities</b>	<b>157,141,864</b>	<b>145,489,828</b>	<b>151,305,804</b>	<b>159,832,405</b>	<b>308,447,668</b>	<b>305,322,233</b>
Deferred Inflows of Resources	16,492,926	15,993,407	1,078,568	478,421	17,571,494	16,471,828
<b>Net Position:</b>						
Net investment in capital assets	523,881,276	509,566,649	142,658,469	137,520,241	666,539,745	647,086,890
Restricted	25,842,905	23,997,006	905,550	3,376,973	26,748,455	27,373,979
Unrestricted	(67,081,202)	(67,158,925)	82,271,047	72,976,439	15,189,845	5,817,514
<b>Total net position (restated)</b>	<b>\$ 482,642,979</b>	<b>\$ 466,404,730</b>	<b>\$ 225,835,066</b>	<b>\$ 213,873,653</b>	<b>\$ 708,478,045</b>	<b>\$ 680,278,383</b>

As of June 30, 2016, the City's government-wide total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources (net position) by \$708 million. Governmental activities finished the year with a positive net position balance of \$483 million, an increase of \$16 million, or 3% over 2015. Business-type activities finished the year with a positive balance of \$226 million, an increase of \$13 million, or 6% over 2015. Net position, as noted earlier, may serve over time as a useful indicator of the City's financial position.

Of the total net position, \$667 million or 94% is the City's net investment in capital assets (e.g. land, buildings and improvements, machinery and equipment and the road network) less any related debt used to acquire those assets that is still outstanding. The City's investment in capital assets increased \$20 million, restricted net position decreased by less than \$1 million and unrestricted net position increased \$9 million, accounting for the increase in total net position of \$28 million. This is primarily due to the City's investment in the road network, buildings and related improvements, and machinery and equipment.

All the City's long-term liabilities relate to the acquisition of capital assets. Some of those assets include the City's corporation yard, fire stations, police vehicles and sewer

and water infrastructure including the surface water treatment plant and the sewer treatment-water reuse facility. These capital assets are utilized to provide services to citizens and are not available for future spending. The repayment of the debt on these assets must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position represents \$27 million or 4% of the total. Restricted net position represents those resources that are subject to external restrictions on how they may be used. These restrictions are established by bond covenants or restrictions on the use of funds by state or federal regulations.

Unrestricted net position represents those resources which may be used to meet the City's ongoing commitments to citizens and creditors. The June 30, 2015 unrestricted net position was restated to comply with the GASB 68 requirement to include the net pension liability in the financial statements. Government-wide unrestricted net position is \$15 million or 2% of the total net position, which is an increase of \$9 million or 157% from the previous year. Governmental activities have a negative -\$67 million unrestricted net position and increased less than \$1 million compared to last year. Business-type activities have \$82 million in unrestricted net position, an increase of \$9 million or 13% compared to last year.

**Governmental activities.** Governmental activities account for \$483 million or 68% of the total Government-wide net position. This is an increase of \$16 million or 3% over June 30, 2015. Donated and constructed assets increased by \$14 million while the amounts available for debt service, street and road construction and community development increased by \$2 million. Additionally, the amount accumulated during the year for normal activities, unrestricted net position, increased \$1 million.

The following lists key components of this increase:

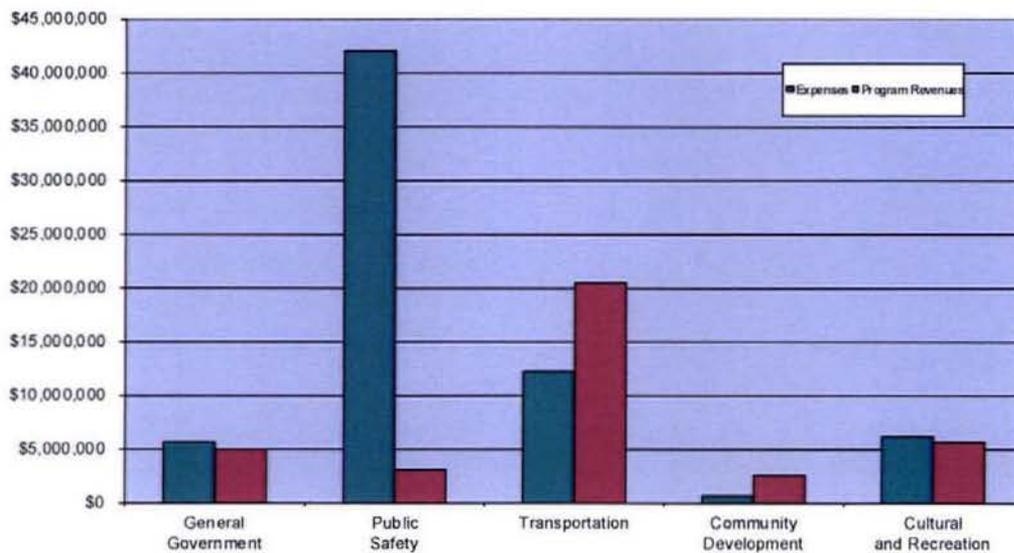
### City of Clovis' Changes in Net Position

	Governmental activities		Business-type activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 19,297,376	\$ 19,132,684	\$ 65,872,752	\$ 68,332,849	\$ 85,170,128	\$ 87,465,533
Operating grants and contributions	737,487	638,653	4,055,990	4,247,231	4,793,477	4,885,884
Capital grants and contributions	16,637,752	21,515,942	2,720,850	4,059,173	19,358,602	25,575,115
<b>General revenues:</b>						
Property taxes	20,649,898	19,842,733			20,649,898	19,842,733
Sales taxes	19,119,633	18,039,430			19,119,633	18,039,430
Business Lic/Franchise	5,271,321	4,984,246			5,271,321	4,984,246
Other taxes	2,550,809	2,327,422			2,550,809	2,327,422
Grants and contributions not restricted to specific programs	182,911	171,771			182,911	171,771
Unrestricted investment earnings	234,160	163,093	505,598	274,271	739,758	437,364
<b>Total revenues</b>	<b>84,681,347</b>	<b>86,815,974</b>	<b>73,155,190</b>	<b>76,913,524</b>	<b>157,836,537</b>	<b>163,729,498</b>
<b>Expenses:</b>						
General government	\$5,576,856	5,587,156			5,576,856	5,587,156
Public safety	42,027,043	39,460,166			42,027,043	39,460,166
Transportation	12,232,271	12,685,516			12,232,271	12,685,516
Community development	636,522	909,287			636,522	909,287
Cultural and recreation	6,195,877	6,272,026			6,195,877	6,272,026
Interest and other charges	924,529				924,529	
Community Sanitation			16,206,637	15,653,679	16,206,637	15,653,679
Sewer			18,553,446	18,010,600	18,553,446	18,010,600
Water			14,487,459	14,485,871	14,487,459	14,485,871
Transit			5,016,330	4,884,476	5,016,330	4,884,476
Planning & Development Services			7,779,905	7,557,789	7,779,905	7,557,789
<b>Total expenses</b>	<b>67,593,098</b>	<b>64,914,151</b>	<b>62,043,777</b>	<b>60,592,415</b>	<b>129,636,875</b>	<b>125,506,566</b>
Increase in net position before transfers	17,088,249	21,901,823	11,111,413	16,321,109	28,199,662	38,222,932
Transfers	(850,000)	(461,000)	850,000	461,000	0	0
Increase in net position	16,238,249	21,440,823	11,961,413	16,782,109	28,199,662	38,222,932
Net position-beginning as restated	466,404,730	444,963,907	213,873,653	197,091,544	680,278,383	642,055,451
<b>Net position - ending</b>	<b>\$ 482,642,979</b>	<b>\$ 466,404,730</b>	<b>\$ 225,835,066</b>	<b>\$ 213,873,653</b>	<b>\$ 708,478,045</b>	<b>\$ 680,278,383</b>

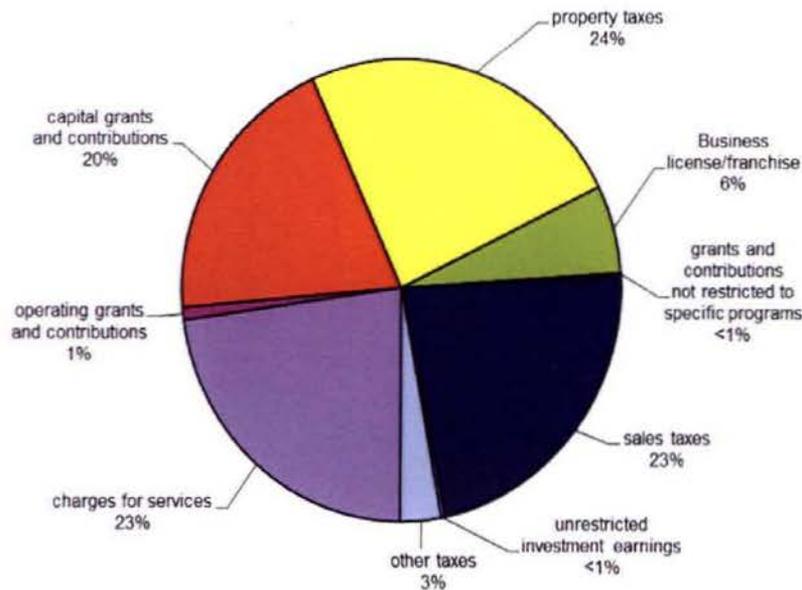
Total governmental revenues for the year were \$85 million, which is \$2 million or 2% less than in 2015. The majority of this decrease is attributable to capital grants and contributions and represents decreases in funding for streets and roads. Taxes, including property, sales, business license/franchise, and other taxes, account for \$48 million or 56% of the City's governmental activities revenue and increased \$2 million or 5% from 2015. Property taxes increased by less than \$1 million due to higher property values and the shift of former redevelopment tax increment to the City. Sales taxes increased \$1 million mainly due to increased automobile sales and normal increases in general retail sales. Business taxes increased due to additional businesses moving to Clovis. Other taxes increased due to improved transient occupancy rates.

Total governmental expenses for the year were \$68 million, an increase of \$3 million or 4% from 2015. Public Safety, which includes police and fire, accounts for \$42 million or 62% of the total governmental activities expenses. Public Safety expenses increased \$3 million or 6% primarily due to increases in salary and benefit costs and the increased costs of services, materials and supplies. Community development expenses decreased less than \$1 million or 30% from 2015 as a result of decreased funding. General government expenses were \$6 million or 8% and decreased slightly from 2015 mainly as a result of savings in contracts and attorney costs. Transportation expenses were \$12 million or 18% and decreased less than \$1 million when compared to 2015. Cultural and Recreation expenses were \$6 million or 9% and remained the same as 2015.

### Expenses and Program Revenues-Governmental Activities



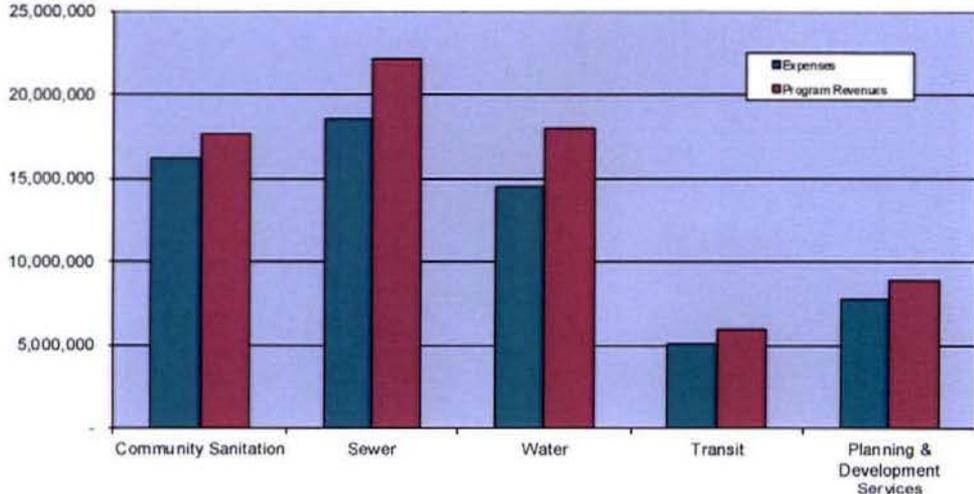
### Revenues by Source-Governmental Activities



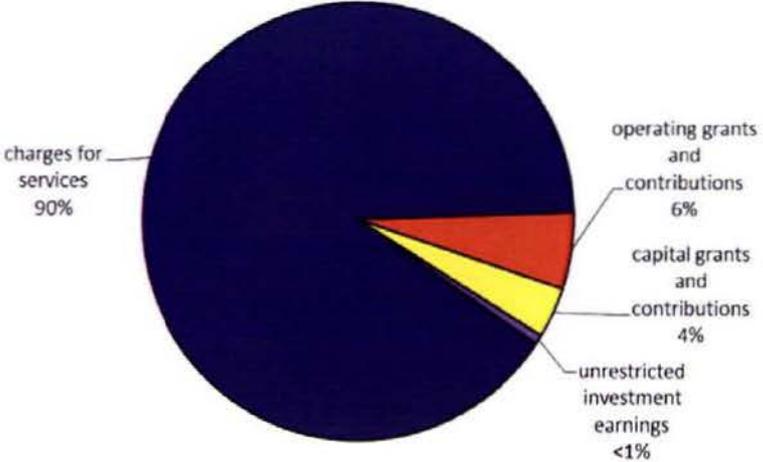
Program revenues that include charges for services and grants specific to certain programs account for \$37 million or 43% of the total governmental activity revenue. The amounts necessary to fully fund the governmental activity programs are made up of "general" revenues such as taxes, interest, and grants and contributions.

**Business-type Activities.** Business-type activities account for \$226 million or 32% of the total Government-wide net position. This is an increase of \$12 million or 6% from June 30, 2015. The component, "Net Investment in Capital Assets" accounts for \$143 million or 63% of the total net position and is an increase of \$5 million from 2015. The amount of restricted net position represents \$1 million or less than 1% of the total net position and decreased \$2 million from 2015. The amount of net position that is unrestricted, \$82 million or 36%, increased \$9 million from 2015. Charges for current services were \$66 million or 90% of the total business-type activity revenue and decreased \$2 million from 2015. Grants and contributions of \$7 million represent \$3 million in contributions of sewer and water mains from developers and \$4 million in state transit assistance.

**Expenses and Program Revenues-Business-type Activities**



**Revenues by Source-Business-type Activities**



Included in charges for current services are development fees relating to the construction of capital improvements for sewer disposal and water operations. The revenues generated by these development fees are normally accumulated until such time as there are sufficient reserves to construct or acquire capital assets or to pay debt service on previously incurred debt. Debt service payments of principal are not considered a program expense and are, therefore, not reflected in this chart.

### Financial Analysis of the City's Funds

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

**Governmental funds.** Fund balance is defined in five categories: nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balances cannot be spent because of their form. Restricted fund balance has limitations imposed externally by creditors, grantors, contributors, or laws and regulations of other governments. Committed fund balance has self-imposed limitations set in place prior to the end of the period. Assigned fund balance is the amount left available for appropriation at the City's discretion within the fund's purpose.

All of the City's governmental funds ended the year with positive fund balances. The ending fund balance for all funds is \$43 million, which is \$3 million greater than the previous year. Of the total fund balance, \$3 million or 7% is unassigned, which, within the limitations of the fund's purpose, is available for spending at the City's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it is either in a form not able to be spent or has already been restricted, assigned or committed for the following: (in millions)

Capital Projects	\$12.4
Community Development	8.3
Debt service	0.4
Landscape Maintenance	2.7
Parking and Business Improvement	<0.1
Law Enforcement	<0.1
Services materials and supplies	0.7
Capital Outlay	4.4
Emergencies	11.1

The general fund is the chief operating fund of the City. As of June 30, 2016, the *total* fund balance (including all categories) of the general fund was \$17.4 million, up \$0.5 million from June 30, 2015. The total fund balance of \$17.4 million includes restricted balances of \$2.7 million, assigned balances of \$11.8 million and an unassigned balance of \$2.9 million.

The general fund *restricted* balances of \$2.7 million increased by \$0.4 million over 2015 due to an increase in the amount restricted for the landscape maintenance. The *assigned* balance for unforeseen expenditures increased by \$1.8 million; from \$9.3 million to \$11.1 million; or 19.4% of the 2015/16 actual expenditures in order to

reach the 20%-25% level established by Council policy. The *unassigned* fund balance decreased \$0.8 million when compared to June 30, 2015. The \$2.9 million unassigned portion is the amount carried over to offset the impact of revenue shortfall that may occur in the next year due to economic uncertainty and is \$0.1 million greater than the amount projected at the time the 2016/17 budget was prepared.

Revenues exceeded expenditures by \$3.6 million excluding landscape maintenance where revenues exceeded expenditures by less than \$0.4 million. Some general fund revenues came in higher than budgeted; they were "Business licenses and Franchise fees," \$0.4 million; "Other taxes," \$0.3 million; "From other agencies," \$0.8 million and "Charges for other services," \$0.1 million. "Property tax" revenues came in under budgeted amounts by \$0.8 million. The greater than expected "Business license" revenue was mostly due to an increase in the number of businesses obtaining licenses. The increase in "Other taxes" is from improved transient occupancy tax as hotels improved their occupancy rates. The better than expected increase in "From other agencies" represents some grant funding for public safety operations as well as one-time mandated claims reimbursements from the state. The shortfall in "Property taxes" represents the County misallocation of property taxes to other taxing agencies.

Several departments experienced expenditure savings including "Clerk," \$0.1 million, "Attorney", \$0.2 million "Manager," \$0.6 million, "General Services," \$0.2 million, "Finance," \$0.8 million, and "Public Utilities," \$0.3 million. Most of the expenditure savings in the departments were savings achieved by staffing vacancies, savings in services and supplies and postponed capital expenditures. Most savings attributed to "projects" that were not commenced before the end of the fiscal year, are included in the "Assigned for Services, Materials and Supplies" or the "Assigned for Capital" amount and will be spent in the next fiscal year.

The local transportation fund, used to account for all street construction projects, incurred less than budgeted expenditures as a result of several large projects awarded towards the end of the fiscal year and limited staff resources. The ending fund balance of \$11.4 million is \$0.5 million more than June 30, 2015.

**Proprietary funds.** As indicated in the description of proprietary funds, there are two types of funds, enterprise and internal service funds. All of the City's enterprise funds ended the year with positive unrestricted net position.

All the internal service funds finished with positive unrestricted net position with the exception of the Employee Benefits Fund. The Employee Benefits Fund ended the year with a deficit unrestricted net position of \$93 million. This deficit balance is attributable to the liability of CalPERS pension funds and workers' compensation program claims. The net pension liability is \$91 million. This liability is long-term in nature, not requiring current resources, and is not being funded separately from PERS at this time. The current liability for workers' compensation claims is \$9.9 million. The City funds the current year workers' compensation expenditures with charges to City programs. The City has also funded approximately \$2.5 million of the accrued liability through charges to City programs in prior years. The balance of the liability is of a long-term nature, not requiring current resources, and therefore has not been funded.

## General Fund Budgetary Highlights

Throughout the fiscal year it was necessary to adjust the original General Fund budget. The Statement of Revenues, Expenditures, and Change in Fund Balance-Budget to Actual, General Fund, on page 35 shows the original budget and final budget. Below is a summary of the primary amendments:

\$ 8,000	City Council-additional costs incurred for additional travel and conferences
\$ 377,000	Police Department-Various grant expenditures partially offset by additional grant revenues and excess overtime related to vacancies
\$ 37,000	Fire Department-additional costs for thermal imaging equipment offset by grants

## Capital Assets and Debt Administration

**Capital Assets.** The City's capital assets for its governmental and business-type activities as of June 30, 2016, amounts to \$827 million (net of depreciation/amortization) an increase of \$10 million over 2015. Capital assets includes land, buildings and improvements, machinery and equipment, and road network and intangible capacity rights for water and sewer.

Major capital asset additions this year include the following:

Road network improvements and land acquisitions	\$ 18 million
Buildings and improvements	\$ 10 million
Machinery and equipment	\$ 5 million

During the year the City made improvements to various streets and received developer donated infrastructure. The sewer system improvements include the City's share of capital projects for the Fresno-Clovis regional waste water treatment plant.

Additional information on the City's capital assets can be found in note IV.E on pages 59-60.

### CITY OF CLOVIS' Capital Assets (net of depreciation)

	Governmental activities		Business-type activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 225,061,925	\$ 219,798,606	\$ 36,124,392	\$ 36,124,392	\$ 261,186,317	\$ 255,922,998
Buildings and improvements	89,929,803	87,772,740	214,789,895	216,613,760	304,719,698	304,386,500
Machinery and equipment	12,911,995	11,698,700	2,431,620	2,003,177	15,343,615	13,701,877
Road network	217,300,078	213,883,186			217,300,078	213,883,186
Intangibles			28,888,727	29,259,532	28,888,727	29,259,532
<b>Total</b>	<b>\$ 545,203,801</b>	<b>\$ 533,153,232</b>	<b>\$ 282,234,634</b>	<b>\$ 284,000,861</b>	<b>\$ 827,438,435</b>	<b>\$ 817,154,093</b>

**Long-term Debt.** The City's long-term debt as of June 30, 2016, was \$167 million with governmental activities accounting for \$29 million or 17% and business-type activities accounting for \$139 million or 83%.

**CITY OF CLOVIS'**  
**Outstanding Bonds, Capitals Leases, Loans and Contracts**

	Governmental activities		Business-type activities		Total	
	2016	2015	2016	2015	2016	2015
Capital leases	\$ 26,850,329	\$ 23,655,822			\$ 26,850,329	\$ 23,655,822
Loans payable	1,724,379	1,805,112			1,724,379	1,805,112
Revenue bonds			\$ 130,540,195	\$ 137,462,213	130,540,195	137,462,213
Contracts payable			8,205,774	9,018,510	8,205,774	9,018,510
<b>Total</b>	<b>\$ 28,574,708</b>	<b>\$ 25,460,934</b>	<b>\$ 138,745,969</b>	<b>\$ 146,480,723</b>	<b>\$ 167,320,677</b>	<b>\$ 171,941,657</b>

General obligation debt are direct obligations of the City and are backed by the full faith and credit of the City requiring voter approval, and may have a tax rate set to cover repayment. State statutes limit the amount of general obligation debt to 15% of the City's total assessed valuation. The City of Clovis' debt limit is \$1.3 billion. The City currently has no general obligation debt outstanding. Detailed information on the City's long-term debt activity can be found in Note F. of the notes to the financial statements.

**Economic Factors and Next Year's Budgets and Rates**

The City is closely watching the national economy and keeping up with the state's budget issues and the impact these have on Clovis. During the budget development process for the 2016/17 fiscal year, the City was able to increase general fund expenditures by \$3 million compared to the estimated 2015/16 expenditures. This increase is due to vacancies being filled, 8 additional positions, increasing costs of benefits, a 3% cost-of-living salary increase, debt service on safety equipment and communications as well as increased costs for services, materials and supplies.

Economic forecasts for the Central Valley and Fresno County indicate continued economic recovery when compared to the rest of California and the nation. The good news is the local economy is improving. Taxable sales are projected to increase by 5% compared to the previous year due to improved automobile sales and overall improvement in retail sales. The City of Clovis' population exceeds 108,000 and is expected to continue growing.

Residential building activity saw growth in 2016 and growth at a level slightly higher than the ten-year average is projected in 2017. The City of Clovis continues to be a premier city with one of the best school districts in the county and as such there is still demand for new homes in the city and the new smaller, more affordable product lines being built by local developers have been well received by home buyers. The City has seen increased interest from new businesses wanting to locate in Clovis and several major economic development projects are underway. The Clovis Community Medical Center continues to grow and expand. The Clovis Community Medical Center is emerging as a top employer in the City of Clovis.

Total city-wide expenditures, excluding capital expenditures, were projected to increase approximately 4.6% due to filling vacancies, adding ten new positions, increasing salary and benefit costs, and the rising costs of services, materials and supplies.

The steady economic recovery offers opportunities to adjust and prepare for the changes occurring in the business environment. The City completed the General Plan update keeping in mind sustainability. The City recognizes the need to encourage private sector businesses and industries to develop and expand within the city. This will benefit our citizens and support the desired quality of life this community prefers.

At June 30, 2016 the General Fund has an assigned fund balance of \$11.1 million or 19.1% of budgeted expenditures set aside for unforeseen emergencies.

The Community Sanitation Fund has an approved rate increase of 4% which was implemented for the green waste and recycling programs. However, due to savings realized in the operational costs, Council determined that no increase was necessary for the refuse collection and disposal program for the 2016-17 year. The Sewer Fund has an approved rate increase of 3% which Council determined was not necessary to implement for the 2016-17 year. Additionally, Council voted to rebate the sewer bond charge at a rate of one and one-half times the rate previously charged for a total rebate of \$10.65 per month.

### **Requests for Information**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City of Clovis' finances and to demonstrate the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Finance Director, City of Clovis, 1033 Fifth Street, Clovis, CA, 93612.

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**City of Clovis**  
**Statement of Net Position**  
**June 30, 2016**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$75,525,110	\$84,121,763	\$159,646,873
Receivables	6,646,650	7,223,163	13,869,813
Internal balances	(2,895,165)	2,895,165	0
Due from other governments	9,196,193	590,894	9,787,087
Inventories	603,000		603,000
Assets held for resale	3,195,492		3,195,492
Restricted assets:			
Cash and investments	567,082	905,551	1,472,633
Capital assets, not being depreciated			
Land	225,061,925	36,124,392	261,186,317
Capital assets (net of accumulated depreciation):			
Buildings and improvements	89,929,803	214,789,895	304,719,698
Machinery and equipment	12,911,995	2,431,620	15,343,615
Road network	217,300,078		217,300,078
Intangible assets (net of accumulated amortization)		28,888,727	28,888,727
Total assets	<u>638,042,163</u>	<u>377,971,170</u>	<u>1,016,013,333</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension deferred outflows	18,235,606		18,235,606
Deferred loss on bond refunding, net		248,268	248,268
	<u>18,235,606</u>	<u>248,268</u>	<u>18,483,874</u>
<b>LIABILITIES</b>			
Accounts payable	4,975,478	5,191,430	10,166,908
Unearned revenue	4,098,499	540,555	4,639,054
Noncurrent liabilities:			
Due within one year	6,626,264	8,196,306	14,822,570
Due in more than one year	50,380,972	137,377,513	187,758,485
Aggregate Net Pension Liability	91,060,651		91,060,651
Total liabilities	<u>157,141,864</u>	<u>151,305,804</u>	<u>308,447,668</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension deferred inflows	16,492,926		16,492,926
Deferred gain on bond refunding, net		1,078,568	1,078,568
	<u>16,492,926</u>	<u>1,078,568</u>	<u>17,571,494</u>
<b>NET POSITION</b>			
Net investment in capital assets	523,881,276	142,658,469	666,539,745
Restricted for:			
Debt service	959,164	905,550	1,864,714
Streets and roads	11,495,140		11,495,140
Community development	13,388,601		13,388,601
Unrestricted (deficit)	(67,081,202)	82,271,047	15,189,845
Total net position	<u>\$482,642,979</u>	<u>\$225,835,066</u>	<u>\$708,478,045</u>

The notes to the financial statements are an integral part of this statement.

**City of Clovis  
Statement of Activities  
For the Year Ended June 30, 2016**

Function/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
General government	\$5,576,856	\$4,874,536			(\$702,320)		(\$702,320)
Public safety	42,027,043	2,521,439	\$480,118	\$79,293	(38,946,193)		(38,946,193)
Transportation	12,232,271	6,060,533		14,391,730	8,219,992		8,219,992
Community development	636,522	300,815	241,369	2,041,764	1,947,426		1,947,426
Cultural and recreation	6,195,877	5,540,053	16,000	124,965	(514,859)		(514,859)
Interest and other charges	924,529				(924,529)		(924,529)
Total governmental activities	<u>67,593,098</u>	<u>19,297,376</u>	<u>737,487</u>	<u>16,637,752</u>	<u>(30,920,483)</u>	<u>0</u>	<u>(30,920,483)</u>
Business-type activities:							
Community sanitation	16,206,637	17,691,686				\$1,485,049	1,485,049
Sewer disposal	18,553,446	21,167,397		938,623		3,552,574	3,552,574
Water	14,487,459	16,599,013		1,388,232		3,499,786	3,499,786
Transit	5,016,330	1,607,985	3,968,703	393,995		954,353	954,353
Planning & Development Services	7,779,905	8,806,671	87,287			1,114,053	1,114,053
Total business-type activities	<u>62,043,777</u>	<u>65,872,752</u>	<u>4,055,990</u>	<u>2,720,850</u>	<u>0</u>	<u>10,605,815</u>	<u>10,605,815</u>
<b>Total primary government</b>	<u>\$129,636,875</u>	<u>\$85,170,128</u>	<u>\$4,793,477</u>	<u>\$19,358,602</u>	<u>(30,920,483)</u>	<u>10,605,815</u>	<u>(20,314,668)</u>
General revenues:							
Property taxes					20,649,898		20,649,898
Sales taxes					19,119,633		19,119,633
Business License/Franchise Fees					5,271,321		5,271,321
Other taxes					2,550,809		2,550,809
Grants and contributions not restricted to specific programs					182,911		182,911
Unrestricted investment earnings					234,160	505,598	739,758
Transfers					(850,000)	850,000	0
Total general revenues and transfers					<u>47,158,732</u>	<u>1,355,598</u>	<u>48,514,330</u>
Changes in net position					<u>16,238,249</u>	<u>11,961,413</u>	<u>28,199,662</u>
Net position-beginning					<u>466,404,730</u>	<u>213,873,653</u>	<u>680,278,383</u>
Net position-ending					<u>\$482,642,979</u>	<u>\$225,835,066</u>	<u>\$708,478,045</u>

The notes to the financial statements are an integral part of this statement.

**City of Clovis  
Balance Sheet  
Governmental Funds  
June 30, 2016**

	Major Funds		Other Governmental Funds	Total Governmental Funds
	General	Local Transportation		
<b>ASSETS</b>				
Cash and investments	\$11,801,352	\$25,403,562	\$6,585,320	\$43,790,234
Cash with agents-restricted		15,900	0	15,900
Receivables	1,528,054	316,130	4,654,619	6,498,803
Due from other governments	6,572,482	2,395,972	208,408	9,176,862
Assets held for resale			3,195,492	3,195,492
<b>Total assets</b>	<b>\$19,901,888</b>	<b>\$28,131,564</b>	<b>\$14,643,839</b>	<b>\$62,677,291</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$705,249	\$1,651,506	\$245,691	\$2,602,446
Due to other governments	257,016			257,016
Deposits and other liabilities	240,579	14,045,882	259,200	14,545,661
Unearned revenue	1,256,926	1,005,401		2,262,327
<b>Total liabilities</b>	<b>2,459,770</b>	<b>16,702,789</b>	<b>504,891</b>	<b>19,667,450</b>
Fund balances:				
Restricted for:				
Capital projects		7,280,875	66,365	7,347,240
Community development			13,388,601	13,388,601
Debt service			407,982	407,982
Landscape maintenance	2,651,770			2,651,770
Parking and business improvement	84,385			84,385
Law enforcement	1,868			1,868
Assigned for:				
Services, materials and supplies	679,000			679,000
Capital		4,147,900	276,000	4,423,900
Emergencies	11,100,000			11,100,000
Unassigned, reported in:				
General fund	2,925,095			2,925,095
<b>Total fund balances</b>	<b>17,442,118</b>	<b>11,428,775</b>	<b>14,138,948</b>	<b>43,009,841</b>
<b>Total liabilities and fund balances</b>	<b>\$19,901,888</b>	<b>\$28,131,564</b>	<b>\$14,643,839</b>	

**Reconciliation of the Governmental Fund Balances to the Governmental Activities Net Position**

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. (Net of \$86,736,943 of internal service fund capital assets)	458,466,858
Internal service funds are used by management to charge the costs of fleet management, employee benefits, liability and property insurance and general services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. (Net of \$2,895,165 allocated to business-type activities)	(16,148,720)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(2,685,000)
<b>Net Position of Governmental Activities</b>	<b>\$482,642,979</b>

The notes to the financial statements are an integral part of this statement.

**City of Clovis**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2016**

	Major Funds		Other Governmental Funds	Total Governmental Funds
	General	Local Transportation		
<b>REVENUES</b>				
Property taxes	\$20,649,898			\$20,649,898
Sales taxes	19,119,633			19,119,633
Business license/Franchise fee	5,271,321			5,271,321
Other taxes	2,550,809			2,550,809
Licenses and permits	584,412			584,412
Fines and forfeitures	253,841			253,841
Use of money and property	77,861	\$32,801	\$59,551	170,213
From other agencies	3,639,475	6,304,907	1,045,866	10,990,248
Charges for current services	4,674,726	409,160	1,460,434	6,544,320
Other revenues	5,322,834	13,262	394,595	5,730,691
Total revenue	62,144,810	6,760,130	2,960,446	71,865,386
<b>EXPENDITURES</b>				
Current:				
General government	5,620,922			5,620,922
Public safety	43,136,838			43,136,838
Transportation	3,828,619			3,828,619
Community development			577,483	577,483
Cultural and recreation	5,541,908			5,541,908
Capital outlays		6,274,510	249,317	6,523,827
Total expenditures	58,128,287	6,274,510	826,800	65,229,597
Excess (deficiency) of revenues over (under) expenditures	4,016,523	485,620	2,133,646	6,635,789
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(3,500,000)		(550,000)	(4,050,000)
Total other financing sources (uses)	(3,500,000)	0	(550,000)	(4,050,000)
Net changes in fund balances	516,523	485,620	1,583,646	2,585,789
Fund balances-beginning	16,925,595	10,943,155	12,555,302	40,424,052
Fund balances-ending	\$17,442,118	\$11,428,775	\$14,138,948	\$43,009,841

The notes to the financial statements are an integral part of this statement.

**City of Clovis  
 Reconciliation of the Statement of Revenues,  
 Expenditures, and Changes in Fund Balances of Governmental Funds  
 To the Statement of Activities  
 For the Year Ended June 30, 2016**

Amounts reported for governmental activities in the statement of activities (page 31) are different because:

Net change in fund balances-total governmental funds (page 33)	\$2,585,789
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(3,237,750)
The net effect of donations and miscellaneous transactions involving capital assets (i.e., sales and trade-ins) is to increase net position.	12,997,030
Some 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.	(439,000)
Internal service funds are used by management to charge the costs of fleet maintenance, employee benefits, liability and property insurance and general services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities. Net of \$1,284,076 allocated to business-type activities.	4,332,180
Change in net position of governmental activities (page 31)	<u><u>\$16,238,249</u></u>

The notes to the financial statements are an integral part of this statement.

**City of Clovis**  
**Statement of Revenues, Expenditures, and Change in Fund Balance-Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUE</b>				
Property taxes	\$21,517,000	\$21,517,000	\$20,649,898	(\$867,102)
Sales taxes	19,104,000	19,104,000	19,119,633	15,633
Business license/Franchise fee	4,840,000	4,840,000	5,271,321	431,321
Other taxes	2,280,000	2,280,000	2,550,809	270,809
Licenses and permits	615,000	615,000	584,412	(30,588)
Fines and forfeitures	190,978	190,978	253,841	62,863
Use of money and property	50,000	50,000	77,861	27,861
From other agencies	2,478,000	2,791,000	3,639,475	848,475
Charges for current services	4,516,000	4,538,000	4,674,726	136,726
Other revenues	5,405,000	5,405,000	5,322,834	(82,166)
Total revenues	<u>60,995,978</u>	<u>61,330,978</u>	<u>62,144,810</u>	<u>813,832</u>
<b>EXPENDITURES</b>				
Council	273,700	281,700	281,119	581
Clerk	238,905	238,905	184,537	54,368
Attorney	692,600	692,600	499,883	192,717
Manager	2,139,761	2,139,761	1,575,819	563,942
General services	1,846,843	1,846,843	1,608,686	238,157
Finance/Treasurer	3,314,553	3,314,553	2,511,348	803,205
Police	29,154,181	29,531,182	29,530,760	422
Fire	13,572,630	13,609,630	13,606,078	3,552
Public utilities	8,644,988	8,644,988	8,330,057	314,931
Total expenditures	<u>59,878,161</u>	<u>60,300,162</u>	<u>58,128,287</u>	<u>2,171,875</u>
Excess (deficiency) of revenues over expenditures	1,117,817	1,030,816	4,016,523	2,985,707
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(3,500,000)	(3,500,000)	(3,500,000)	0
Total other financing sources (uses)	<u>(3,500,000)</u>	<u>(3,500,000)</u>	<u>(3,500,000)</u>	<u>0</u>
Net change in fund balance	(2,382,183)	(2,469,184)	516,523	2,985,707
Fund balance-beginning	16,925,595	16,925,595	16,925,595	
Fund balance-ending	<u>\$14,543,412</u>	<u>\$14,456,411</u>	<u>\$17,442,118</u>	<u>\$2,985,707</u>

The notes to the financial statements are an integral part of this statement.

**City of Clovis  
Statement of Net Position  
Proprietary Funds  
June 30, 2016**

	Business-Type Activities-Enterprise Funds					Totals	Governmental Activities Internal Service Funds
	Community Sanitation	Sewer Disposal	Water	Transit	Planning & Development Services		
<b>ASSETS</b>							
Current assets:							
Cash and investments	\$13,780,009	\$30,974,754	\$30,590,032	\$1,718,936	\$7,058,032	\$84,121,763	\$31,734,876
Receivables	2,841,246	2,346,787	2,006,131	4,770	24,229	7,223,163	147,847
Due from other governments			9,015	571,597	10,283	590,895	19,331
Inventories						0	603,000
Total current assets	<u>16,621,255</u>	<u>33,321,541</u>	<u>32,605,178</u>	<u>2,295,303</u>	<u>7,092,544</u>	<u>91,935,821</u>	<u>32,505,054</u>
Noncurrent assets:							
Restricted cash and investments:							
Cash with fiscal agent-bond accounts	897,775	7,769	6			905,550	551,182
Total restricted assets	<u>897,775</u>	<u>7,769</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>905,550</u>	<u>551,182</u>
Capital assets:							
Land	18,063,844	4,287,312	13,773,236			36,124,392	12,183,895
Buildings and improvements	6,302,575	159,565,950	116,736,754			282,605,279	88,790,168
Machinery and equipment	1,954,438	442,103	1,268,444	4,830,335	91,362	8,586,682	39,492,740
Less accumulated depreciation	(2,188,998)	(37,616,064)	(30,740,433)	(3,371,657)	(53,294)	(73,970,446)	(53,729,860)
Total capital assets (net of accumulated depreciation)	<u>24,131,859</u>	<u>126,679,301</u>	<u>101,038,001</u>	<u>1,458,678</u>	<u>38,068</u>	<u>253,345,907</u>	<u>86,736,943</u>
Intangible assets		37,840,772	8,618,786			46,459,558	
Less accumulated amortization		(15,981,843)	(1,588,988)			(17,570,831)	
Total intangible assets (net of accumulated amortization)	<u>0</u>	<u>21,858,929</u>	<u>7,029,798</u>	<u>0</u>	<u>0</u>	<u>28,888,727</u>	
Total noncurrent assets	<u>25,029,634</u>	<u>148,545,999</u>	<u>108,067,805</u>	<u>1,458,678</u>	<u>38,068</u>	<u>283,140,184</u>	<u>87,288,125</u>
Total assets	<u>41,650,889</u>	<u>181,867,540</u>	<u>140,672,983</u>	<u>3,753,981</u>	<u>7,130,612</u>	<u>375,076,005</u>	<u>119,793,179</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Pension contributions after measurement date						0	18,235,606
Deferred loss on bond refunding, net			248,268			248,268	
Total Deferred Outflows	<u>0</u>	<u>0</u>	<u>248,268</u>	<u>0</u>	<u>0</u>	<u>248,268</u>	<u>18,235,606</u>

**Business-Type Activities-Enterprise Funds**

	<b>Community Sanitation</b>	<b>Sewer Disposal</b>	<b>Water</b>	<b>Transit</b>	<b>Planning &amp; Development Services</b>	<b>Totals</b>	<b>Governmental Activities Internal Service Funds</b>
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	503,792	2,983,689	1,501,321	111,243	86,969	5,187,014	2,116,015
Claims and judgments payable						0	2,548,000
Due to other governments				4,418		4,418	
Accrued compensated absences	57,400	26,300	47,900	41,100	87,900	260,600	975,700
Deposits and other liabilities			1,972,151		558,092	2,530,243	143,165
Unearned revenue		88,800		194,239	257,516	540,555	1,836,171
Capital leases-current						0	2,695,407
Loans payable-current						0	271,449
Revenue bonds-current	690,000	2,105,000	1,755,000			4,550,000	
Contracts payable-current		855,463				855,463	
Total current liabilities	<u>1,251,192</u>	<u>6,059,252</u>	<u>5,276,372</u>	<u>351,000</u>	<u>990,477</u>	<u>13,928,293</u>	<u>10,585,907</u>
Noncurrent liabilities:							
Claims and judgments payable						0	7,385,000
Accrued compensated absences	166,815	76,549	139,256	119,505	255,242	757,367	150,005
Capital leases						0	24,154,921
Loans payable						0	1,452,930
Revenue bonds (net of discount/premium)	1,451,404	97,311,598	27,227,191			125,990,193	
Contracts payable		7,350,311				7,350,311	
Landfill closure	3,279,640					3,279,640	
Net pension liability						0	91,060,651
Total noncurrent liabilities	<u>4,897,859</u>	<u>104,738,458</u>	<u>27,366,447</u>	<u>119,505</u>	<u>255,242</u>	<u>137,377,511</u>	<u>124,203,507</u>
Total liabilities	<u>6,149,051</u>	<u>110,797,710</u>	<u>32,642,819</u>	<u>470,505</u>	<u>1,245,719</u>	<u>151,305,804</u>	<u>134,789,414</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Difference between projected and actual earnings on pension plan investments							
						0	16,492,926
Deferred gain on bond refunding, net		1,078,568				1,078,568	
Total Deferred Inflows	<u>0</u>	<u>1,078,568</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,078,568</u>	<u>16,492,926</u>
<b>NET POSITION</b>							
Net investment in capital assets	21,990,455	39,837,392	79,333,876	1,458,678	38,068	142,658,469	65,414,419
Restricted for debt service	897,775	7,769	6			905,550	551,182
Unrestricted	12,613,608	30,146,101	28,944,550	1,824,798	5,846,825	79,375,882	(79,219,156)
Total net position	<u>\$35,501,838</u>	<u>\$69,991,262</u>	<u>\$108,278,432</u>	<u>\$3,283,476</u>	<u>\$5,884,893</u>	<u>222,939,901</u>	<u>(\$13,253,555)</u>
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds.						2,895,165	
Net position of business-type activities						<u>\$225,835,066</u>	

The notes to the financial statements are an integral part of this statement.

**City of Clovis**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2016**

	<b>Business-Type Activities-Enterprise Funds</b>						<b>Governmental Activities Internal Service Funds</b>
	<b>Community Sanitation</b>	<b>Sewer Disposal</b>	<b>Water</b>	<b>Transit</b>	<b>Planning &amp; Development Services</b>	<b>Totals</b>	
Operating revenues:							
Charges for services	\$17,670,265	\$20,941,069	\$15,870,122	\$222,544	\$8,796,672	\$63,500,672	\$37,743,883
From other agencies			437,524	1,422,542	97,287	1,957,353	572,346
Other revenues	21,420	226,386	291,367			539,173	374,960
Total operating revenues	<u>17,691,685</u>	<u>21,167,455</u>	<u>16,599,013</u>	<u>1,645,086</u>	<u>8,893,959</u>	<u>65,997,198</u>	<u>38,691,189</u>
Operating expenses:							
Salaries and benefits	4,681,079	1,027,922	3,270,722	2,688,241	5,548,633	17,216,597	4,332,306
Services, materials and supplies	9,269,685	5,716,642	5,286,051	1,394,668	985,084	22,652,130	25,123,671
Administration	2,458,300	2,069,000	2,398,621	720,100	1,447,200	9,093,221	1,341,854
Depreciation/amortization	211,765	4,677,334	2,571,661	396,953	15,227	7,872,940	4,710,081
Total operating expenses	<u>16,620,829</u>	<u>13,490,898</u>	<u>13,527,055</u>	<u>5,199,962</u>	<u>7,996,144</u>	<u>56,834,888</u>	<u>35,507,912</u>
Operating income (loss)	<u>1,070,856</u>	<u>7,676,557</u>	<u>3,071,958</u>	<u>(3,554,876)</u>	<u>897,815</u>	<u>9,162,310</u>	<u>3,183,277</u>
Nonoperating revenues (expenses):							
Interest income	99,403	199,306	169,997	410	36,423	505,539	100,570
Interest expense	(137,142)	(5,174,391)	(1,181,432)			(6,492,965)	(924,529)
State transit funding				3,968,703		3,968,703	
Gain (loss) on sale of capital assets						0	(886)
Total nonoperating revenue (expense)	<u>(37,739)</u>	<u>(4,975,085)</u>	<u>(1,011,435)</u>	<u>3,969,113</u>	<u>36,423</u>	<u>(2,018,723)</u>	<u>(824,845)</u>
Income before contributions and transfers	1,033,117	2,701,472	2,060,523	414,237	934,238	7,143,587	2,358,432
Capital contributions		938,623	1,388,232	356,895		2,683,750	57,824
Transfers in	550,000				300,000	850,000	3,200,000
Changes in net position	1,583,117	3,640,095	3,448,755	771,132	1,234,238	10,677,337	5,616,256
Total net position-beginning	33,918,721	66,351,167	104,829,677	2,512,344	4,650,655		(18,869,811)
Total net position-ending	<u>\$35,501,838</u>	<u>\$69,991,262</u>	<u>\$108,278,432</u>	<u>\$3,283,476</u>	<u>\$5,884,893</u>		<u>(\$13,253,555)</u>
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds.						1,284,076	
Change in net position of business-type activities (page 31)						<u>\$11,961,413</u>	

The notes to the financial statements are an integral part of this statement.

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**City of Clovis  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2016**

	Business-Type Activities-Enterprise Funds					Totals	Governmental Activities- Internal Service Funds
	Community Sanitation	Sewer Disposal	Water	Transit	Planning & Development Services		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>							
Receipts from customers and users	\$17,707,398	\$21,056,560	\$17,186,525	\$229,056	\$8,796,667	\$64,976,206	
Receipts for interfund services						0	\$37,901,140
Payments to suppliers	(11,840,216)	(8,143,798)	(7,509,585)	(2,197,812)	(2,398,013)	(32,089,424)	(26,613,376)
Payments to employees	(4,682,636)	(1,022,845)	(3,247,692)	(2,666,474)	(5,536,797)	(17,156,444)	(5,523,256)
Other operating revenues	21,420	226,386	291,367	1,422,542	46,518	2,008,233	936,837
Net cash provided/(used) by operating activities	<u>1,205,966</u>	<u>12,116,303</u>	<u>6,720,615</u>	<u>(3,212,688)</u>	<u>908,375</u>	<u>17,738,571</u>	<u>6,701,345</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Transfers-in from other funds	550,000				300,000	850,000	3,200,000
Transportation funding-State				4,092,151		4,092,151	
Net cash provided/(used) by noncapital financing activities	<u>550,000</u>	<u>0</u>	<u>0</u>	<u>4,092,151</u>	<u>300,000</u>	<u>4,942,151</u>	<u>3,200,000</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Proceeds from revenue bonds		21,600,000				21,600,000	
Acquisition and construction of capital assets	(494,068)	(1,229,779)	(1,555,177)	(500,835)		(3,779,859)	(6,944,433)
Principal paid on loans, bonds, and capital leases	(632,602)	(27,627,736)	(1,685,000)			(29,945,338)	(2,724,465)
Interest paid on loans, bonds and capital leases	(158,701)	(3,936,739)	(1,388,372)			(5,483,812)	(944,080)
Proceeds from capital grants				356,895		356,895	
Proceeds from capital leases						0	5,838,237
Proceeds from sale of capital assets						0	53,632
Net cash provided/(used) by capital and related financing activities	<u>(1,285,371)</u>	<u>(11,194,254)</u>	<u>(4,628,549)</u>	<u>(143,940)</u>	<u>0</u>	<u>(17,252,114)</u>	<u>(4,721,109)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Interest and dividends on investments	100,357	198,938	168,107	410	45,345	513,157	101,496
Net cash provided by investing activities	<u>100,357</u>	<u>198,938</u>	<u>168,107</u>	<u>410</u>	<u>45,345</u>	<u>513,157</u>	<u>101,496</u>
Net increase/(decrease) in cash and cash equivalents	570,952	1,120,987	2,260,173	735,933	1,253,720	5,941,765	5,281,732
Cash and cash equivalents-beginning of year	14,106,832	29,861,536	28,329,865	983,003	5,804,312	79,085,548	27,004,326
Cash and cash equivalents-end of year	<u>\$14,677,784</u>	<u>\$30,982,523</u>	<u>\$30,590,038</u>	<u>\$1,718,936</u>	<u>\$7,058,032</u>	<u>\$85,027,313</u>	<u>\$32,286,058</u>

**Reconciliation of operating income to net cash provided/(used) by operating activities:**

Operating income/(loss)	<u>\$1,070,856</u>	<u>\$7,676,557</u>	<u>\$3,071,958</u>	<u>(\$3,554,876)</u>	<u>\$897,815</u>	<u>\$9,162,310</u>	<u>\$3,183,277</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation/amortization expense	211,765	4,677,334	2,571,661	396,953	15,227	7,872,940	4,710,081
Landfill closure expense	216,500					216,500	
(Increase)/decrease in accounts receivable	37,133	145,091	730,924	2,094	118,991	1,034,233	(22,627)
(Increase)/decrease in due from other governments						0	3,129
(Increase)/decrease in inventories						0	10,000
(Increase)/decrease in deferred outflows - pension						0	(10,835,694)
Increase/(decrease) in accounts payable	(328,731)	(358,156)	175,087	(83,044)	34,271	(560,573)	(215,851)
Increase/(decrease) in due to other governments				4,418		4,418	
Increase/(decrease) in accrued compensated absences	(1,557)	5,077	23,030	21,767	11,836	60,153	29,864
Increase/(decrease) in unearned revenue		(29,600)			46,518	16,918	
Increase/(decrease) in claims and judgments payable						0	58,000
Increase/(decrease) in deposits			147,955		(216,283)	(68,328)	166,286
Increase/(decrease) in net pension liability						0	9,115,361
Increase/(decrease) in deferred outflows - pension						0	499,519
Total adjustments	<u>135,110</u>	<u>4,439,746</u>	<u>3,648,657</u>	<u>342,188</u>	<u>10,560</u>	<u>8,576,261</u>	<u>3,518,068</u>
Net cash provided/(used) by operating activities	<u>\$1,205,966</u>	<u>\$12,116,303</u>	<u>\$6,720,615</u>	<u>(\$3,212,688)</u>	<u>\$908,375</u>	<u>\$17,738,571</u>	<u>\$6,701,345</u>

**Noncash investing, capital, and financing activities:**

During the year the Sewer Disposal Fund, an enterprise fund, received \$938,623 in donated assets.

During the year the Water Fund, an enterprise fund, received \$1,388,232 in donated assets.

During the year the Fleet Maintenance Fund, an internal service fund, received \$57,824 in donated assets.

The notes to the financial statements are an integral part of this statement.

**City of Clovis  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2016**

	Redevelopment Successor Agency Private- purpose Trust Fund	Agency Funds
<b>ASSETS</b>		
Cash and investments	\$1,011,115	\$2,762,444
Cash with agent-restricted	3,837,898	
Receivables	175	321
Prepaid items	212,689	
Assets held for resale	52,020	
Capital Assets (net of accumulated depreciation)	8,069,196	
Total assets	13,183,093	\$2,762,765
<b>LIABILITIES</b>		
Accrued payroll		\$2,378,253
Accounts payable	281,595	
Agency funds payable		174,398
Due to bondholders		210,114
Tax Allocation Bonds Payable	14,784,093	
Total liabilities	15,065,688	\$2,762,765
<b>NET POSITION (DEFICIT)</b>		
Held in trust for Redevelopment Successor Agency Fund	(\$1,882,595)	

The notes to the financial statements are an integral part of this statement.

**City of Clovis**  
**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended June 30, 2016**

	<u>Redevelopment Successor Agency Private-purpose Trust Fund</u>
<b>ADDITIONS</b>	
Property Taxes	\$1,605,797
Total additions	<u>1,605,797</u>
<b>DEDUCTIONS</b>	
Services, materials and supplies	817,919
Administration	125,088
Depreciation/amortization	72,740
Loss on sale of property	2,760,268
Interest and other fiscal charges	768,402
Total deductions	<u>4,544,417</u>
Change in net position	(2,938,620)
Net position-Beginning	1,056,025
Net position-Ending	<u><u>(\$1,882,595)</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF CLOVIS**  
**Notes to Financial Statements**  
**June 30, 2016**

**I. Summary of significant accounting policies**

**A. Reporting entity**

The City of Clovis, California (City) was incorporated on February 27, 1912 as a general law city of the State of California, and as such can exercise the powers specified by the constitution and laws of the State of California. The City is governed by an elected five-member City Council under the administration of an appointed City Manager. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended components units, although legally separate entities, are, in substance, part of the government's operations.

**1. Blended component units**

The Clovis Municipal Development Corporation was established by the Clovis City Council in January 1985 to handle the City's and the Clovis Community Development Agency's development of property. There were no assets, liabilities, equity or activity to report for the current or prior fiscal years.

The Clovis Public Financing Authority was established by the Clovis City Council in July 1991 to facilitate the issuance of the City's debt. There were no assets, liabilities, equity or other activity to report for the current or prior fiscal years.

**B. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its components units. The effects of interfund activity have been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function of a segment. Program revenues 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 not properly included among program revenues are reported instead as general revenues.

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

**C. Measurement focus, basis of accounting, and financial statement presentation**

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the statement of net position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

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

Deferred Inflows of Resources – This amount represents inflows of resources (acquisition of net position) that apply to future periods and that, therefore, are not recognized as a revenue until that time.

**CITY OF CLOVIS**  
**Notes to Financial Statements**  
**June 30, 2016**

The government-wide financial statements are reported using the "*economic resources*" measurement focus and the accrual basis of accounting as are the proprietary fund financial statements. Fiduciary fund financial statements are reported using the accrual basis of accounting but do not have a measurement focus since agency funds and private-purpose funds are the only fiduciary funds the City reports. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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. 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, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The local transportation fund accounts for the City's share of Transportation Development Act (SB 325) funds allocated by the State and payments for capital street improvements and maintenance and for the deposits by developers for special street improvement projects.

The City reports the following major proprietary funds:

The community sanitation fund accounts for the activities of the City's refuse collection and disposal operations, landfill operations and street sweeping operations.

The sewer disposal fund accounts for the activities of the City's sanitary sewer system operations.

The water fund accounts for the activities of the City's water production and distribution operations.

The transit fund accounts for the activities of the City's transit operations.

The planning and development services fund accounts for the activities of the City's engineering operations.

Additionally, the City reports the following fund types:

Internal service funds account for general liability and property damage insurance, fleet management services, retirement, workers' compensation, and health, unemployment and Medicare insurance, facility maintenance and enhancement, telecommunication and information technology, and other general services provided to other departments or agencies of the City on cost reimbursement bases.

**CITY OF CLOVIS**  
**Notes to Financial Statements**  
**June 30, 2016**

Agency funds account for assets held by the City as an agent for special senior activities, certain special assessments collected and distributed on behalf of the districts, payroll taxes collected and distributed to other governments and collections from the State of California for assets forfeited.

Private-purpose trust funds are used to account for the assets of the former Clovis Community Development Agency during the wind down period.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. The exception to this general rule is payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the community sanitation enterprise fund, of the sewer enterprise fund, of the water enterprise fund and of the City's internal service funds are charges to customers for sales and services. The sewer enterprise fund and the water enterprise fund also recognize as operating revenue the portion of developer fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

## **E. Assets, liabilities, and net position or equity**

### **1. Cash and investments**

The City maintains a cash and investment pool that is available for use by all funds. This pool utilizes investments authorized by the Government Code and is further defined by the City's investment policy that is reviewed annually by the City Council.

Highly liquid market investments with maturities of 1 year or less at the time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for the securities for which market quotations are readily available.

Authorized investments include deposits in the State of California administered Local Agency Investment Fund, insured certificates of deposits, collateralized certificates of deposits, commercial paper, bankers acceptances, medium term notes, money market mutual funds and securities backed by the U.S. Government. All investments are stated at fair value.

Interest income earned as a result of pooling is distributed to the appropriate funds based on month end cash balances in each fund. Interest income from cash and investments with fiscal agents and deferred compensation is credited directly to the related fund.

For purposes of the statement of cash flows, the City considers short term and highly liquid investments (including restricted assets) to be cash and cash equivalents.

**CITY OF CLOVIS**  
**Notes to Financial Statements**  
**June 30, 2016**

The City invests its excess cash principally in U.S. Government Securities, U.S. Treasuries and the State of California Local Agency Investment Fund (LAIF). Investments in the LAIF are available for withdrawal on demand.

The City is also required to deposit funds with fiscal agents under the provisions of Revenue Bonds, Contracts and/or Lease Agreements. These funds are invested by the fiscal agent in instruments generally more restrictive than the City's investment policy.

In accordance with GASB Statement No. 72, Fair Value Measurement and Application, this statement defines fair values, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded fair value in the Statement of Net Position/Balance Sheet, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

Level 1 – Inputs are unadjusted, quoted prices for identical assets and 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.

## **2. Receivables**

Billed but unpaid services provided to individuals or non-governmental entities are recorded as "receivables." Services provided to other governmental entities are recorded as "due from other governments." The City's utility enterprise funds include an estimated amount for services rendered but not yet billed as of June 30, 2016, determined by prorating the July 2016 bi-monthly billing.

The City has not experienced any material write-off of receivables; and therefore, an "allowance for bad debts" is not included on the City's balance sheet or statement of net position.

## **3. Interfund receivables/payables**

During the course of operations, interfund receivables and payables transactions arise. These receivables and payables are classified as "due from other funds" or "due to other funds" on the fund financial statements. On the government-wide statement of net position, the "internal balances" represents the amounts receivable/payable between business-type activities and governmental activities. All other interfund transactions have been eliminated on the statement of net position.

## **4. Inventories**

Inventories, consisting of fuel and vehicle parts, are valued at either the lower of cost or market using the first-in/first-out (FIFO) method.

## **5. Assets held for resale**

Assets held for resale consist of land and improvements held by the City for the purpose of improving and reselling them to qualified moderate or low income individuals. Property is valued at the lower of cost or net realizable value.

**CITY OF CLOVIS**  
**Notes to Financial Statements**  
**June 30, 2016**

**6. Capital assets/intangible assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (roadways), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$10,000, and an estimated useful life of at least three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair market value at the date donated. Intangible assets are valued at historical cost.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Intangible assets include the purchase of sewer capacity rights and water entitlement rights. The City purchased sewer capacity rights from the City of Fresno at the Fresno Regional Waste Water Treatment Plant. The total amount of \$37,840,772 is reported in the City's Sewer Disposal Enterprise Fund. The City purchased water entitlement rights from the Fresno Irrigation District for surface water. The total amount of \$8,618,786 reported in the City's Water Enterprise Fund.

Donated assets include developer donated land as well as the improvements on the land including streets, curbs and gutters, sidewalks, street lighting and landscaping. Included in the total amount of capital grants and contributions on the government-wide statement of activities is \$12,997,030 of developer donated assets.

Property, plant and equipment of the primary government is depreciated over the estimated useful lives using the straight-line method, half-year convention. Estimated useful lives are as follows:

Distribution Systems	50 years
Roadways	50
Buildings	20-40
Vehicles	5-20
Other Equipment	3-10

Amortization of intangibles is computed over 40 years using the straight-line method, half-year convention. As the life of the rights have a life of 40 years.

**7. Compensated absences**

The liability for vested leave (vacation, compensated time off, holiday) earned but not used in governmental funds is expensed and established as a liability and is reported in the government-wide statement of net position in the governmental activities column. Vested leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue. No liability is recorded for non-vesting leave such as sick leave.

**8. Long-term liabilities**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts not

**CITY OF CLOVIS**  
**Notes to Financial Statements**  
**June 30, 2016**

withheld from the actual debt proceeds received are reported as debt service expenditures. Discounts withheld from the debt proceeds are reported as other financing uses.

**9. Pensions**

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

The following timeframes are used for pension plan reporting:

CalPERS

Valuation Date	June 30, 2014
Measurement Date	June 30, 2015
Measurement Period	July 1, 2014 to June 30, 2015

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

**10. Fund balances**

In the fund financial statements, governmental funds report components of fund balance based on constraints on the specific purposes for which amounts can be spent. "Nonspendable" fund balance is not in a spendable form or has a requirement to maintain intact. "Restricted" fund balance has externally enforceable limitations on its use such as restrictions from outside parties such as creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. "Committed" fund balance is constrained by limits imposed by the government's highest level of decision-making and can only be removed or modified by a formal action by that authority. "Assigned" fund balance is limited by City Council, the City Manager or the designated department head as delegated by City Council. "Unassigned" fund balance is the residual net resources.

The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The City will spend the funds restricted for their purpose within those funds first followed by assigned funds for their intended purposes prior to spending any unassigned funds. The City Council has established a target of a minimum unassigned fund balance for any operational fund is 10% of the budgeted expenditures with the goal for unassigned fund balance of up to 15% of budgeted expenditures unless capital borrowing or extraordinary fiscal conditions require higher levels of unassigned fund balance be maintained.

The local transportation fund is the City's only major special revenue fund. This fund accounts for the capital street projects paid for out of the City's share of Transportation Development Act (SB 325) funds allocated by the state, 1/2 cent sales tax for transportation, Special Gas Tax Select Street funds, and federal funding sources

**CITY OF CLOVIS**  
**Notes to Financial Statements**  
**June 30, 2016**

under the Federal Intermodal Surface Transportation Efficiency Act. In addition, funds are transferred from the Developer Trust Fund as reimbursements are made for developer-financed projects.

**11. Net Position**

In the government-wide financial statements and proprietary fund financial statements, net position is classified as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt, net of deferred refunding, that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

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

**12. Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**13. Implementation of New GASB Pronouncements**

GASB has issued Statement No. 72, *Fair Value Measurement and Application*. This pronouncement provides guidance for determining fair value measurement for financial reporting purposes and provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. Governments are required to use valuation techniques that are appropriate under the circumstances and for which sufficient data is available to measure fair value. Required disclosures include the level of fair value hierarchy and valuation techniques and should be organized by type of asset or liability. This pronouncement is effective for financial statements for periods beginning after June 15, 2015. Earlier application is encouraged. This pronouncement did not have a material effect on the financial statements of the City.

GASB has issued Statement No. 73, *Accounting and Financial Reporting for Pension and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This statement establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria (those not covered by GASB Statements 67 and 68). Application of this statement is effective for the SEJPA's fiscal year ending June 30, 2016, except those provisions that address employers and governmental nonemployer contributing entities that are not within the scope of GASB Statement 68, which are effective for financial statements for fiscal year ending June 30, 2017. This pronouncement did not have a material effect on the financial statements of the City.

GASB has issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This statement reduces the generally accepted accounting principles (GAAP) hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The first category of authoritative GAAP consists of GASB Statements of Governmental Accounting Standards. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the American Institute of

**CITY OF CLOVIS**  
**Notes to Financial Statements**  
**June 30, 2016**

Certified Public Accountants that is cleared by the GASB. Application of this statement is effective for the City's fiscal year ending June 30, 2016. This pronouncement did not have a material effect on the financial statements of the City.

**Upcoming Governmental Accounting Standards Implementation**

The City is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB statements:

GASB has issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which addresses reporting by postemployment benefits other than pensions (OPEB) plans that administer benefits on behalf of governments. This statement basically parallels GASB Statement 67 and replaces GASB Statement 43. Application of this statement is effective for the City's fiscal year ending June 30, 2017.

GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement applies to government employers who provide OPEB to their employees and for governments that finance OPEB for employees of other governments. This statement basically parallels GASB Statement 68 and replaces GASB Statement 45. Application of this statement is effective for the City's fiscal year ending June 30, 2018.

GASB has issued Statement No. 77, *Tax Abatement Disclosures*. This statement establishes financial reporting standards for tax abatement agreements entered into by state and local governments. Application of this statement is effective for the City's fiscal year ending June 30, 2017.

GASB has issued Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*. This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. Application of this statement is effective for the City's fiscal year ending June 30, 2017.

GASB has issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals. Application of this statement is effective for the City's fiscal year ending June 30, 2017.

GASB has issued Statement No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. Application of this statement is effective for the City's fiscal year ending June 30, 2017.

GASB has issued Statement No. 81, *Irrevocable Split-Interest Agreements*. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest

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agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. Application of this statement is effective for the City's fiscal year ending June 30, 2018.

GASB has issued Statement No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement clarifies that payments that are made by an employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements should be classified as plan member contributions for purposes of Statement 67 and as employee contributions for purposes of Statement 68. It also requires that an employer's expense and expenditures for those amounts be recognized in the period for which the contribution is assessed and classified in the same manner as the employer classifies similar compensation other than pensions (for example, as salaries and wages or as fringe benefits). Application of this statement is effective for the City's fiscal year ending June 30, 2018.

**II. Reconciliation of government-wide and fund financial statements**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**

The governmental fund balance sheet includes a reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this (\$2,685,000) difference are as follows:

Accrued compensated absences (net of \$1,125,705 reported in Internal Service Funds)	\$ 2,685,000
	<u>2,685,000</u>
Net adjustment to reduce <i>fund balance-total governmental funds</i> to arrive at <i>net position-governmental activities</i>	\$ <u>2,685,000</u>

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances-total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense."

The details of this \$(3,237,750) difference are as follows:

Capital Outlay	\$ 6,636,393
Depreciation expense (net of \$4,710,081 reported in Internal Service Funds)	<u>(9,874,143)</u>
Net adjustment to increase <i>net changes in fund balance-total governmental funds</i> to arrive at <i>changes in net position-governmental activities</i>	\$ <u>(3,237,750)</u>

Another element of that reconciliation states that "The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets." Donated capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.

The details of this \$6,636,393 difference are as follows:

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General government capital asset additions	\$ 26,577,856
Internal service fund capital asset additions	(6,944,433)
Donated capital asset additions	<u>(12,997,030)</u>
 Net capital outlay	 <u><u>\$ 6,636,393</u></u>

Another element of that reconciliation states that "Some 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." The details of this \$439,000 difference are as follows:

Compensated absences (Net of \$29,864 reported in Internal Service Fund)	\$ <u>439,000</u>
 Net adjustment to decrease <i>net changes in fund balance-total governmental funds</i> to arrive at <i>changes in net position-governmental activities</i>	 \$ <u><u>439,000</u></u>

**III. Stewardship, compliance, and accountability**

**A. Budgetary information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year-end.

On or before the second week of March of each year, all departments of the City submit request for appropriations to the City Manager so that a budget may be prepared. On or before the third Monday in May, the proposed budget is presented to the City council for review. The council holds public hearings and a final budget must be adopted no later than June 30.

The appropriated budget is prepared by fund and department. The City Manager may make transfers of appropriations between departments within a specific fund of up to \$5,000 and up to \$2,500 from reserves. Transfers in excess of those amounts require council action. No action is required at any level lower than the department level. The legal level of budgetary control is the department level. During the year, supplementary appropriations approved by the council were necessary for some departments.

**B. Deficit fund equity**

At June 30, 2016, deficit unrestricted net position was reported for governmental activities in the amount of \$(67,081,202). The deficit is result of GASB 68 for reporting net pension liabilities in the government-wide financial statement. City management believes the present cash aggregate position of the General Fund is adequate to meet current needs.

The Employee Benefits internal service fund has deficit net position of (\$93,391,620) as of June 30, 2016. The deficit is result of GASB 68 for reporting net pension liabilities in the government-wide financial statement. City management believes the present cash aggregate position of the General Fund is adequate to meet current needs.

The fund incurred expenses that were in excess of the amount allocated to the funds for workers compensation accrued liability. Due to the long-term nature of the liability for workers' compensation the City will fund an amount equal to the current year expense for worker's compensation benefits.

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**IV. Detailed notes on all funds**

**A. Cash and investments**

Cash and investments as of June 30, 2016 are classified in the accompanying financial statements as follows:

Primary Government:		
Cash and investments	\$	159,646,873
Cash and investments		1,472,633
Restricted Fiduciary funds:		
Cash and investments		3,773,559
Cash and investments with agent - restricted		3,837,898
Total cash and investments	<u>\$</u>	<u>168,730,963</u>

*Fair value of cash and investments based on quoted market prices.* The table below presents the fair value measurements of investments recognized in the accompany statements of net position/balance sheet measured at fair value on recurring basis and the level within GASB 72 fair value hierarchy in which the fair value measurements fall at June 30, 2016:

	Fair Value	Measurement Input
Cash on hand	\$ 7,165	N/A
Deposit with financial institution	45,982,863	
Investments:		
Money Market Funds	9,691,963	N/A
Certificates of Deposit	16,478,938	N/A
U.S. Agency Securities	33,226,849	Level 2
Local Agency Investment Fund (LAIF)	50,143,746	Level 2
Held by Bond Trustee:		
Money Market Funds	<u>13,199,439</u>	N/A
Total	<u>\$ 168,730,963</u>	

*Investments Authorized by the California Government Code and the City's Investment Policy.* The table below identifies the investment types that are authorized for the City of Clovis by the California Government Code (or the City of Clovis investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City of Clovis Investment Policy, where more restrictive) that address interest rate risk, credit risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City of Clovis, rather than the general provisions of the California Government Code or the City of Clovis' investment policy.

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<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio or Amount*</u>	<u>Maximum Investment or One Issuer or Amount</u>
U.S. Treasury Obligations	3 years	None	None
U.S. Agency Securities	3 years	None	None
Bankers Acceptances	180 days	30%	30%
Commercial Paper	270 days	15%	10%
Negotiable Certificates of Deposit	3 years	30%	Legal Limit
Repurchase Agreements	1 year	None	None
Medium-Term Notes	3 years	30%	None
Qualified Mutual Funds	N/A	\$2,000,000	\$2,000,000
Money Market Accounts	N/A	\$10,000,000	\$10,000,000
Local Agency Investment Fund (LAIF)	N/A	None	None

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

*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 of Clovis' investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment or One Issuer</u>
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Bankers Acceptances	180 days	30%	30%
Commercial Paper	270 days	15%	10%
Qualified Mutual Funds	N/A	None	None
Money Market Accounts	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

*Disclosures Relating to Interest Rate Risk.* Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City of Clovis manages its exposure to interest rate 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. The City of Clovis monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The City of Clovis investment policy states that no investment can have a maturity in excess of three years unless approved by the City Manager.

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Investment Type	Amount	Weighted Average Maturity (in years)
Money Market Funds	\$ 9,691,963	N/A
Certificates of Deposit	16,478,938	1.36
U.S. Agency Securities	33,226,849	1.79
Local Agency Investment Fund (LAIF)	50,143,746	N/A
Held by Bond Trustee:		
Money Market Funds	<u>13,199,439</u>	N/A
<b>Total</b>	<u><u>\$ 122,740,935</u></u>	

*Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations.* The City of Clovis' investments do not include any investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above).

*Disclosures Relating to Credit Risk.* Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City of Clovis' investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Investment Type	Rating	Amount	Minimum Rating Required	Ratings as of Year End	
				AAA	Not Rated
Money Market		\$ 9,691,963	N/A		\$ 9,691,963
Certificates of Deposit		16,478,938	N/A		16,478,938
U.S. Agency Securities		33,226,849	N/A	\$ 33,226,849	
LAIF		50,143,746	N/A		50,143,746
Held by Bond Trustee:					
Money Market Funds		<u>13,199,439</u>	N/A		<u>13,199,439</u>
<b>Total</b>		<u><u>\$ 122,740,935</u></u>		<u><u>\$ 33,226,849</u></u>	<u><u>\$ 89,514,086</u></u>

*Concentration of Credit Risk.* The investment policy of the City of Clovis contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities and external investment pools) that represent 5% or more of total City of Clovis' investments are as follows:

Issuer	Investment Type	Reported Amount	Percent of Total Invested
FFCB	Federal Agency Securities	\$ 9,010,960	27.23%
FHLMC	Federal Agency Securities	9,023,520	27.27%
FHLB	Federal Agency Securities	9,021,240	27.26%

*Custodial Credit Risk.* Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the broker or dealer to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. The California Government Code and the City of Clovis' investment policy do not contain legal or policy requirements that

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would limit the exposure to custodial credit risk for deposits or investments, other than the following provisions for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2016, no City of Clovis' deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts. In addition, as of June 30, 2016, no investments were held by the same broker dealer (counterparty) that was used by the City of Clovis to purchase the securities.

*Disclosures Relating to Interest Rate Risk.* Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of year-end, the average life-month end maturity of the investments contained in the LAIF investment pool is approximately 167.

*Investment in State Investment Pool.* The City's investments with Local Agency Investment Fund (LAIF) at June 30, 2016 included a portion of the pooled funds invested in Structured Notes and Assets-Backed Securities. These investments included the following:

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, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMO's) or credit card receivables.

As of June 30, 2016, the City had \$50,143,746 invested in LAIF, which had invested 1.55% of the pool investment funds in Structured Notes and Asset-Backed Securities and 1.26% of pool investment funds in Short-term Asset-Backed Commercial Paper.

The fair value of the City's position in the LAIF pool is the same as the value of the pool shares.

The Pooled Money Investment Board provides oversight to the State Treasurer's pooled investment program. The purpose of the board is to design and administer an effective cash management and investment program, using all monies flowing through the State Treasurer's Office bank accounts and keeping all available funds invested in a manner consistent with the goals of safety, liquidity, and yield. The Pooled Money Investment Board is comprised of the State Treasurer as chair, the State Controller, and the Director of Finance. The investment program is not registered with the Securities and Exchange Commission as an investment company.

The State Treasurer's Office reports its investments at fair value. The fair value of securities in the State Treasurer's pooled investment program generally is based on quoted market prices. The value of the deposits in the State Treasurer's pooled investment program, including the Local Agency Investment Fund, is equal to the dollars deposited in the program.

Certain funds have elected to participate in the pooled investment program even though they have the authority to make their own investments. Others may be required by legislation to participate in the program; as a result, the deposits of these funds or accounts may be considered involuntary. However, these funds or accounts are part of the State's reporting entity. The remaining participation in the pool, the Local Agency Investment Fund, is voluntary.

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**B. Property taxes**

Secured property taxes become a lien on the property as of January 1 and are levied in two equal installments: the first due November 1 and delinquent on December 11, and the second due February 1 and delinquent April 11. Property taxes on unsecured property are due on the lien date of March 1 and become delinquent on September 1. The County of Fresno is responsible for the assessment, collection and apportionment for all jurisdictions within the County, including the City of Clovis.

**C. Receivables**

Receivables as of June 30, 2016 for the City's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, are as follows:

	General	Local Transportation	Nonmajor & Other Funds	Total Governmental Funds	Internal Service Funds	Fiduciary Funds
Interest	\$ 9,755	\$ 22,450	\$ 5,654	\$ 37,859	\$ 20,630	\$ 496
Taxes	249,940			249,940		
Loans		1,750	4,563,368	4,565,118	45,647	
Accounts	1,268,359	291,930	85,597	1,645,886	81,570	
	<u>\$ 1,528,054</u>	<u>\$ 316,130</u>	<u>\$ 4,654,619</u>	<u>\$ 6,498,803</u>	<u>\$ 147,847</u>	<u>\$ 496</u>
	Community Sanitation	Sewer Disposal	Water	Transit	Planning & Development Services	Total Proprietary Funds
Interest	\$ 11,496	\$ 25,085	\$ 25,548	\$ 971	\$ 6,220	\$ 69,320
Loans		94,194				94,194
Accounts	2,829,750	2,227,508	1,980,583	3,799	18,009	7,059,649
	<u>\$ 2,841,246</u>	<u>\$ 2,346,787</u>	<u>\$ 2,006,131</u>	<u>\$ 4,770</u>	<u>\$ 24,229</u>	<u>\$ 7,223,163</u>

**D. Interfund receivables, payables and transfers**

Interfund balances for the purpose of the government-wide financial statements have been eliminated. The composition of interfund balances in the fund level statements as of June 30, 2016, is as follows:

Interfund transfers:

Transfers In	Transfers Out	Purpose	Amount
Enterprise Fund	Capital Project Fund	development capital cost	\$ 550,000
Enterprise Fund	General Fund	operating cost	300,000
Internal Service Fund	General Fund	fleet replacement costs	700,000
Internal Service Fund	General Fund	capital projects	2,500,000
	Total transfers		<u>\$ 4,050,000</u>

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**E. Capital assets and intangible assets**

Summary of change in capital assets for the year ended June 30, 2016 was as follows:

	Beginning Balance	Additions	Retirements/ Adjustments	Ending Balance
<b>Government activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 219,798,606	\$ 5,263,319		\$ 225,061,925
Capital assets, being depreciated:				
Buildings and improvements	120,415,574	5,595,041		126,010,615
Machinery and equipment	38,438,662	3,596,398	\$ 25,176	42,060,236
Road network	305,345,252	12,123,098		317,468,350
Total capital assets being depreciated	464,199,488	21,314,537	25,176	485,539,201
Less accumulated depreciation for				
Buildings and improvements	(32,642,834)	(3,437,978)		(36,080,812)
Machinery and equipment	(26,739,962)	(2,440,040)	31,761	(29,148,241)
Road network	(91,462,066)	(8,706,206)		(100,168,272)
Total accumulated depreciation	(150,844,862)	(14,584,224)	31,761	(165,397,325)
Total capital assets, being depreciated, net	313,354,626	6,730,313	56,937	320,141,876
Governmental activities capital assets, net	<u>\$ 533,153,232</u>	<u>\$ 11,993,632</u>	<u>\$ 56,937</u>	<u>\$ 545,203,801</u>
	Beginning Balance	Additions	Retirements	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 36,124,392			\$ 36,124,392
Capital assets, being depreciated:				
Buildings and improvements	278,344,329	\$ 4,260,950		282,605,279
Machinery and equipment	7,589,328	997,354		8,586,682
Total capital assets being depreciated	285,933,657	5,258,304	\$ 0	291,191,961
Less accumulated depreciation for				
Buildings and improvements	(61,730,569)	(6,084,815)		(67,815,384)
Machinery and equipment	(5,586,151)	(568,911)		(6,155,062)
Total accumulated depreciation	(67,316,720)	(6,653,726)	0	(73,970,446)
Total capital assets, being depreciated, net	218,616,937	(1,395,422)	0	217,221,515
Intangible assets, being amortized	45,611,149	848,409		46,459,558
Less accumulated amortization	(16,351,617)	(1,219,214)		(17,570,831)
Business-type activities intangible assets, net	29,259,532	(370,805)	0	28,888,727
Business-type activities capital assets, net	<u>\$ 284,000,861</u>	<u>\$ (1,766,227)</u>	<u>\$ 0</u>	<u>\$ 282,234,634</u>

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Depreciation/amortization expense was charged to functions as follows:

Governmental activities depreciation expense:	
General government	\$ 64,923
Public safety	97,794
Transportation	8,787,175
Community Development	88,051
Cultural and recreation	836,200
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the asset	<u>4,710,081</u>
<b>Total governmental activities depreciation expense</b>	<b><u>\$ 14,584,224</u></b>
Business-type activities depreciation/amortization:	
Community Sanitation	\$ 211,765
Sewer Disposal	4,677,334
Water	2,571,661
Transit	396,953
Planning & Development Services	<u>15,227</u>
<b>Total business-type activities depreciation/amortization expense</b>	<b><u>\$ 7,872,940</u></b>

Donated assets to governmental activities consisted of \$12,997,030 of which the majority is donated to the City by developers for streets. Donated assets to business-type activities consisted of \$2,326,855 of which represents sewer and water infrastructure donated by developers.

***Fiduciary funds capital assets***

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 5,626,786	\$ 369,377		\$ 5,996,163
Capital assets, being depreciated:				
Buildings and improvements	4,675,529	248,470	\$ (2,281,057)	2,642,942
Total capital assets being depreciated	<u>4,675,529</u>	<u>248,470</u>	<u>(2,281,057)</u>	<u>2,642,942</u>
Less accumulated depreciation for				
Buildings and improvements	(529,176)	(72,740)	32,007	(569,909)
Total accumulated depreciation	<u>(529,176)</u>	<u>(72,740)</u>	<u>32,007</u>	<u>(569,909)</u>
Total capital assets, being depreciated, net	<u>4,146,353</u>	<u>175,730</u>	<u>(2,249,050)</u>	<u>2,073,033</u>
Fiduciary funds capital assets, net	<u>\$ 9,773,139</u>	<u>\$ 545,107</u>	<u>\$ (2,249,050)</u>	<u>\$ 8,069,196</u>

Depreciation expense for the year ended June 30, 2016 was \$72,740.

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**F. Long-term debt**

Summary of changes in long-term debt for the year ended June 30, 2016 was as follows:

	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Classification	
					Due in One Year	Due in more than One Year
<b>Governmental Activities:</b>						
Capital leases	\$ 23,655,822	\$ 5,670,000	\$ (2,475,493)	\$ 26,850,329	\$2,695,407	\$ 24,154,922
Total capital leases	23,655,822	5,670,000	(2,475,493)	26,850,329	2,695,407	24,154,922
Loans payable	1,805,112	168,239	(248,972)	1,724,379	271,448	1,452,931
Total loans payable	1,805,112	168,239	(248,972)	1,724,379	271,448	1,452,931
Deposits & other liabilities:						
Developer deposits	15,031,730	4,196,526	(5,216,524)	14,011,732		14,011,732
Section 108 HUD	300,000		(50,000)	250,000	60,000	190,000
Other deposits & liabilities	274,998	861,990	(709,897)	427,091	75,487	351,604
Total deposits & other liabilities	15,606,728	5,058,516	(5,976,421)	14,688,823	135,487	14,553,336
Claims and judgments	9,875,000	2,478,770	(2,420,770)	9,933,000	2,548,000	7,385,000
Compensated absences	3,341,841	3,148,985	(2,680,121)	3,810,705	975,922	2,834,783
Total governmental activities	<u>\$ 54,284,503</u>	<u>\$ 16,524,510</u>	<u>\$ (13,801,777)</u>	<u>\$ 57,007,236</u>	<u>\$6,626,264</u>	<u>\$ 50,380,972</u>

	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Classification	
					Due in One Year	Due in more than One Year
<b>Business-Type Activities:</b>						
Revenue bonds	\$132,585,000	\$ 21,600,000	\$ (29,155,000)	\$ 125,030,000	\$4,550,000	\$ 120,480,000
Less deferred amounts:						
(Discounts)/premiums	4,877,213	1,652,032	(1,019,050)	5,510,195		5,510,195
Total bonds payable	137,462,213	23,252,032	(30,174,050)	130,540,195	4,550,000	125,990,195
Contracts payable	9,018,510		(812,736)	8,205,774	855,463	7,350,311
Landfill closure	3,063,140	216,500		3,279,640		3,279,640
Compensated absences	957,816	923,209	(863,058)	1,017,967	260,600	757,367
Deposits & other liabilities	2,598,568	2,124,339	(2,192,664)	2,530,243	2,530,243	
Total business-type activities	<u>\$153,100,247</u>	<u>\$ 26,516,080</u>	<u>\$ (34,042,508)</u>	<u>\$ 145,573,819</u>	<u>\$8,196,306</u>	<u>\$ 137,377,513</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end \$1,125,705 of internal service funds compensated absences are included in the above amounts. Included in deposits and other liabilities in business-type activities are utility customer deposits of \$1,714,858 and miscellaneous deposits and other liabilities of \$815,385. For the governmental activities, accrued compensated absences are generally liquidated by the general fund.

**CITY OF CLOVIS**  
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**Governmental activities long-term debt**

**1. Special assessment district bonds**

The 2000-1 Shepherd Temperance District is not reported as debt by the City since the City is not obligated in any way for the repayment of the debt. Transactions relating to debt service for this district are reported under an agency fund and reflect that the City's responsibility is limited to acting only as an agent. Total debt for this district at June 30, 2016 is \$129,312 including interest of \$4,312.

**2. Capital leases**

Capital leases at June 30, 2016, consisted of the following:

	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Classification	
					Due in One Year	Due in more than One Year
2007 fire station #1	\$ 3,076,751		\$ (423,358)	\$ 2,653,393	\$ 440,462	\$ 2,212,931
2011 equipment	168,658		(168,658)	0		
2011 solar project	2,134,536		(90,144)	2,044,392	94,662	1,949,730
2011 fire truck	399,888		(61,229)	338,659	63,301	275,358
2012 police vehicle	207,949		(137,799)	70,150	70,150	0
2012 SCBA	217,791		(85,432)	132,359	87,668	44,691
2013 animal shelter	2,741,531		(110,770)	2,630,761	115,245	2,515,516
2014 safety vehicle	1,520,474		(279,667)	1,240,807	284,905	955,902
2014 corportion yard	12,726,606		(892,697)	11,833,909	916,304	10,917,605
2014 CAD dispatch	461,638		(71,422)	390,216	73,543	316,673
2015 network & AV		\$ 400,000	(38,474)	361,526	77,945	283,581
2015 PD/fire comm tower		1,810,000	(80,824)	1,729,176	164,505	1,564,671
2015 solar project		2,000,000	(35,019)	1,964,981	71,877	1,893,104
2016 safety vehicle		1,460,000		1,460,000	234,840	1,225,160
<b>Total capital leases</b>	<b>\$ 23,655,822</b>	<b>\$ 5,670,000</b>	<b>\$ (2,475,493)</b>	<b>\$ 26,850,329</b>	<b>\$ 2,695,407</b>	<b>\$ 24,154,922</b>

The City has entered into multiple lease agreements for financing the acquisition of a fire station, fire trucks, fire equipment (non-capitalized), communication equipment (non-capitalized), refuse replacement trucks, police vehicles, and new and replacement landfill equipment. These lease agreements qualify as capital leases for accounting purposes. These leases have interest rates varying from 3.04% to 8.25% and the final payment on these leases is scheduled for August 2017. The City has pledged a portion of future revenues to repay these bonds. The following is an analysis of the land and structures and equipment leased as of June 30, 2016:

Land, structures and equipment	\$ 17,202,012
Less accumulated depreciation	<u>(6,216,792)</u>
<b>Total</b>	<b><u>\$ 10,985,220</u></b>

**2007 Capital lease for fire station #1**

In December 2006, the City entered into a capital lease agreement with JPMorgan Chase & Co., for the construction of the Fire Station building at 633 Pollasky Avenue. The work includes various site improvements and construction of a new 10,248 square foot fire station. The purchase price of the project was \$6,090,000 and is payable over a period of fifteen years. Semi-annual payments on the contract are \$271,118. The effective interest rate on the contract is 4.0% per annum. The balance outstanding as of June 30, 2016, was \$2,653,393.

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The annual debt service requirements for the 2007 Capital Lease for fire station #1 outstanding at June 30, 2016, are as follows:

<u>Year ending June 30,</u>	Principal	Interest	Total
2017	\$ 440,462	\$ 101,775	\$ 542,237
2018	458,256	83,980	542,236
2019	476,770	65,467	542,237
2020	496,031	46,205	542,236
2021	516,071	26,165	542,236
2022	265,803	5,316	271,119
Total	<u>\$ 2,653,393</u>	<u>\$ 328,908</u>	<u>\$ 2,982,301</u>

2011 Capital lease for landfill equipment

In January 2011, the City entered into a capital lease agreement with Commerce Bank, to lease a landfill compactor. The purchase price of the equipment is \$791,000 and is payable over a period of sixty months. Semi-annual payments on the contract are \$86,409. The effective interest rate on the contract is 3.28% per annum. The balance outstanding as of June 30, 2016, was \$0.

2011 Capital lease for solar project

In June 2011, the City entered into a capital lease agreement with Municipal Finance Corporation, to lease a solar project. The solar project includes installing solar panels on City properties including public safety headquarters and fire station #1 and #5. The City has pledged fire station #5 as collateral on the lease. The purchase price of the equipment is \$2,454,100 and is payable over a period of twenty years. Semi-annual payments on the contract are \$97,351. The effective interest rate on the contract is 4.95% per annum. The balance outstanding as of June 30, 2016, was \$2,044,392.

The annual debt service requirements for the 2011 Capital Lease for solar project outstanding at June 30, 2016, are as follows:

<u>Year ending June 30,</u>	Principal	Interest	Total
2017	\$ 94,662	\$ 100,040	\$ 194,702
2018	99,405	95,297	194,702
2019	104,387	90,315	194,702
2020	109,618	85,084	194,702
2021	115,111	79,591	194,702
2022-2026	668,087	305,422	973,509
2027-2031	853,122	120,387	973,509
Total	<u>\$ 2,044,392</u>	<u>\$ 876,136</u>	<u>\$ 2,920,528</u>

2011 Capital lease for fire truck

In June 2011, the City entered into a capital lease agreement with Bank of America, to lease a fire truck. The purchase price of the equipment was \$625,411 and is payable over a period of seven years. Semi-annual payments on the contract are \$37,068. The effective interest rate on the contract is 3.36% per annum. The balance outstanding as of June 30, 2016, was \$338,659.

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The annual debt service requirements for the 2011 Capital Lease for fire truck outstanding at June 30, 2016, are as follows:

<u>Year ending June 30,</u>	Principal	Interest	Total
2017	\$ 63,301	\$ 10,836	\$ 74,137
2018	65,442	8,694	74,136
2019	67,657	6,480	74,137
2020	69,946	4,191	74,137
2021	72,313	1,825	74,138
Total	<u>\$ 338,659</u>	<u>\$ 32,026</u>	<u>\$ 370,685</u>

2012 Capital lease for police vehicles

In August 2011, the City entered into a capital lease agreement with Banc of America, to lease eighteen police vehicles. The purchase price of the equipment was \$665,000 and is payable over a period of sixty months. Semi-annual payments on the contract are \$70,998. The effective interest rate on the contract is 2.42% per annum. The balance outstanding as of June 30, 2016, was \$70,150.

The annual debt service requirements for the 2012 Capital Lease for police vehicles outstanding at June 30, 2016, are as follows:

<u>Year ending June 30,</u>	Principal	Interest	Total
2017	\$ 70,150	\$ 848	\$ 70,998
Total	<u>\$ 70,150</u>	<u>\$ 848</u>	<u>\$ 70,998</u>

2012 Capital lease for SCBA equipment

In August 2011, the City entered into a capital lease agreement with Banc of America, to lease SCBA equipment. The purchase price of the equipment was \$500,000 and is payable over a period of seventy-two months. Semi-annual payments on the contract are \$45,272. The effective interest rate on the contract is 2.60% per annum. The balance outstanding as of June 30, 2016, was \$132,359.

The annual debt service requirements for the 2010 Capital Lease for police vehicles outstanding at June 30, 2016, are as follows:

<u>Year ending June 30,</u>	Principal	Interest	Total
2017	\$ 87,668	\$ 2,876	\$ 90,544
2018	44,691	582	45,273
Total	<u>\$ 132,359</u>	<u>\$ 3,458</u>	<u>\$ 135,817</u>

2013 Capital lease for animal shelter

In July 2012, the City entered into a capital lease agreement with Municipal Finance Corp to lease purchase an animal shelter. The purchase price was \$3,000,000 and is payable over a period of 20 years. Semi-annual payments on the contract are \$109,667. The effective interest rate on the contract is 4.00% per annum. The balance outstanding as of June 30, 2016, was \$2,630,761.

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The annual debt service requirements for the 2013 Capital Lease for animal shelter outstanding at June 30, 2016, are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 115,245	\$ 104,089	\$ 219,334
2018	119,901	99,433	219,334
2019	124,745	94,589	219,334
2020	129,785	89,549	219,334
2021	135,029	84,307	219,336
2022-2026	761,511	335,162	1,096,673
2027-2031	928,277	168,395	1,096,672
2032-2033	316,268	12,734	329,002
<b>Total</b>	<b>\$ 2,630,761</b>	<b>\$ 988,258</b>	<b>\$ 3,619,019</b>

2014 Capital lease for safety vehicles

In March 2014, the City entered into a capital lease agreement with JP Morgan Chase Bank, to lease one fire truck, four safety command vehicles, and fifteen police vehicles. The purchase price of the vehicles was \$695,000 for the fire truck, \$300,000 for the command vehicles, and \$800,000 for the police vehicles and is payable over a period of 10 years. Semi-annual payments on the contract are \$153,356. The balance outstanding as of June 30, 2016, was \$1,240,807.

The annual debt service requirements for the 2014 Capital Lease for safety vehicles outstanding at June 30, 2016, are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 284,905	\$ 21,807	\$ 306,712
2018	290,240	16,472	306,712
2019	295,675	11,037	306,712
2020	71,277	6,566	77,843
2021	72,612	5,231	77,843
2022-2024	226,098	7,432	233,530
<b>Total</b>	<b>\$ 1,240,807</b>	<b>\$ 68,545</b>	<b>\$ 1,309,352</b>

2014 Capital lease for corporation yard

In October 2013, The City entered into a lease agreement in the amount of \$14,377,528. The net proceeds of \$14,132,454 (after payment of \$245,074 in underwriting fees, insurance, and other issuance costs) from the bonds were used to refund the \$14,055,000 aggregate principal amount outstanding on the City's 2001 corporation yard revenue bonds. The aggregate debt service payments of the new debt are \$2,349,193 less than the old debt. The issuance of the new debt and refunding of the old debt resulted in an economic gain (the difference between the net present value of the old debt and new debt service payments) of approximately \$1,577,000. The balance outstanding as of June 30, 2016, was \$11,833,909.

The annual debt service requirements for the 2014 Capital Lease for corporation yard outstanding at June 30, 2016, are as follows:

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<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 916,304	\$ 359,750	\$ 1,276,054
2018	945,863	331,115	1,276,978
2019	973,909	301,576	1,275,485
2020	1,005,432	271,140	1,276,572
2021	1,040,270	239,702	1,279,972
2022-2026	5,700,997	690,865	6,391,862
2027-2029	1,251,134	29,089	1,280,223
Total	<u>\$ 11,833,909</u>	<u>\$ 2,223,237</u>	<u>\$ 14,057,146</u>

2014 Capital lease for CAD dispatch and record management system

In July 2013, the City entered into a capital lease agreement with Pinnacle Financial to lease a CAD dispatch and record management system. The purchase price of the equipment is \$531,000 and is payable over a period of seven years. Annual payments on the contract are \$85,132.54. The effective interest rate on the contract is 2.97% per annum. The balance outstanding as of June 30, 2016, was \$390,216.

The annual debt service requirements for the 2014 Capital Lease for CAD dispatch system outstanding at June 30, 2016, are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 73,543	\$ 11,589	\$ 85,132
2018	75,727	9,405	85,132
2019	77,977	7,156	85,133
2020	80,292	4,840	85,132
2021	82,677	2,456	85,133
Total	<u>\$ 390,216</u>	<u>\$ 35,446</u>	<u>\$ 425,662</u>

2015 Capital lease for network, AV and mobile computers

In August 2015, the City entered into a capital lease/purchase agreement with U.S. Bankcorp Government Leasing and Finance, Inc. for network, AV and mobile computers. The agreement includes all replacements, parts, repairs, additions, accessions and accessories for the computers. The purchase price of the computers is \$400,000 and is payable over a period of six years. Annual payments on the contract are \$41,919. The effective interest rate on the agreement is 1.722% per annum. The balance outstanding as of June 30, 2016 was \$361,526.

The annual debt service requirements for the 2015 Capital Lease for network, AV and mobile computers outstanding at June 30, 2016, are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 77,945	\$ 5,893	\$ 83,838
2018	79,294	4,544	83,838
2019	80,665	3,173	83,838
2020	82,061	1,777	83,838
2021	41,561	358	41,919
Total	<u>\$ 361,526</u>	<u>\$ 15,745</u>	<u>\$ 377,271</u>

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2015 Capital lease for police and fire communication tower

In August 2015, the City entered into a capital lease agreement with U.S. Bankcorp Government Leasing and Finance, Inc. for a police and fire communication tower. The purchase price of the tower is \$1,810,000 and is payable over a period of eleven years. Annual payments on the contract are \$102,060. The effective interest rate is 2.346% per annum. The balance outstanding as of June 30, 2016, was \$1,729,176.

The annual debt service requirements for the 2015 Capital Lease for the police and fire communication tower outstanding at June 30, 2016, are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 164,505	\$ 39,616	\$ 204,121
2018	168,388	35,733	204,121
2019	172,362	31,759	204,121
2020	176,430	27,690	204,120
2021	180,594	23,526	204,120
2022-2026	866,897	51,645	918,542
<b>Total</b>	<b>\$ 1,729,176</b>	<b>\$ 209,969</b>	<b>\$ 1,939,145</b>

2015 Capital lease for solar project

In November 2015, the City entered into a capital lease agreement with Municipal Finance Corporation, to lease a solar project. The solar project includes installing solar panels on City properties including the Maintenance and Operations Service Center, Miss Winkles Pet Adoption Center and at fire stations #2, #3 and #4. The purchase price of the equipment is \$2,000,000 and is payable over a period of twenty years. Semi-annual payments on the contract are \$69,819. The effective interest rate on the contract is 3.48% per annum. The balance outstanding as of June 30, 2016, was \$1,964,981.

The annual debt service requirements for the 2015 Capital Lease for solar project outstanding at June 30, 2016, are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 71,877	\$ 67,761	\$ 139,638
2018	74,400	65,238	139,638
2019	77,011	62,627	139,638
2020	79,715	59,923	139,638
2021	82,513	57,125	139,638
2022-2026	458,099	240,092	698,191
2027-2031	544,348	153,842	698,190
2032-2036	577,018	51,356	628,374
<b>Total</b>	<b>\$ 1,964,981</b>	<b>\$ 757,964</b>	<b>\$ 2,722,945</b>

2016 Capital lease for PD and fire vehicles

In January 2016, the City entered into a capital lease agreement with Commerce Bank, to lease twenty-five police vehicles, two fire command vehicles and one fire engine. The purchase price of the vehicles was \$1,022,000 for the police and fire command vehicles, and \$438,000 for the fire engine and is payable over a period of ten years. Semi-annual payments on the contract are \$132,611. The effective interest rate on the contract is 2.346% per annum. The balance outstanding as of June 30, 2016, was \$1,460,000.

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The annual debt service requirements for the 2016 Capital Lease for PD and fire vehicles outstanding at June 30, 2016, are as follows:

Year ending June 30,	Principal	Interest	Total
2017	\$ 234,840	\$ 30,381	\$ 265,221
2018	239,958	25,263	265,221
2019	245,188	20,034	265,222
2020	250,531	14,690	265,221
2021	255,991	9,230	265,221
2022-2026	233,492	14,143	247,635
<b>Total</b>	<b>\$ 1,460,000</b>	<b>\$ 113,741</b>	<b>\$ 1,573,741</b>

**3. Loans payable**

Loans payable at June 30, 2016, consisted of the following:

	Balance			Classification		
						July 1, 2015
R&T park loan payable	\$ 284,466		\$ (43,912)	\$ 240,554	\$ 45,255	\$ 195,299
2010 energy loan payable	468,955		(102,392)	366,563	103,429	263,134
2012 energy loan payable	796,675		(62,079)	734,596	64,019	670,577
2012 energy loan payable	148,012		(22,771)	125,241	22,771	102,470
2013 energy loan payable	36,304		(9,076)	27,228	9,076	18,152
2014 energy loan payable	70,700		(7,140)	63,560	7,671	55,889
2016 energy loan payable		\$ 168,239	(1,602)	166,637	19,227	147,410
<b>Total loans payable</b>	<b>\$ 1,805,112</b>	<b>\$ 168,239</b>	<b>\$ (248,972)</b>	<b>\$ 1,724,379</b>	<b>\$ 271,448</b>	<b>\$ 1,452,931</b>

The following is an analysis of the assets acquired with the proceeds as of June 30, 2016:

Buildings and improvements	\$ 2,446,360
Less accumulated depreciation	(515,010)
<b>Total</b>	<b>\$ 1,931,350</b>

Research and Technology Park loan payable

In April 2001, the City entered into an agreement with the California infrastructure and economic development bank for improvements at the City's Research and Technology Park. The agreement has an interest rate of 3.06% and the final payment is scheduled for August 2021. The City has pledged Building B at 1033 Fifth Street as collateral on the lease. In September 2002, the City received the first draw down of this loan. The balance outstanding as of June 30, 2016, was \$240,554.

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The annual debt service requirements for the Research and Technology Park loan payable outstanding at June 30, 2016, are as follows:

<u>Year ending June 30,</u>	Principal	Interest	Total
2017	\$ 45,255	\$ 6,669	\$ 51,924
2018	46,640	5,262	51,902
2019	48,067	3,814	51,881
2020	49,538	2,320	51,858
2021	51,054	781	51,835
Total	<u>\$ 240,554</u>	<u>\$ 18,846</u>	<u>\$ 259,400</u>

2010 Energy project loan payable

In January 2010, the City entered into an agreement with the California Energy Commission for the purchase of lighting efficiency upgrades and heating, ventilating, and air conditioning equipment replacement. The agreement has an interest rate of 1.0% and the final payment is scheduled for December 2018. The balance outstanding as of June 30, 2016, was \$366,563.

The annual debt service requirements for the energy project loan payable outstanding at June 30, 2016, are as follows:

<u>Year ending June 30,</u>	Principal	Interest	Total
2017	\$ 103,429	\$ 3,408	\$ 106,837
2018	104,467	2,372	106,839
2019	105,513	1,324	106,837
2020	53,154	266	53,420
Total	<u>\$ 366,563</u>	<u>\$ 7,370</u>	<u>\$ 373,933</u>

2011 Energy project loan payable

In April 2011, the City entered into an agreement with the California Energy Commission for the installation of solar panels on City properties including public safety headquarters and fire station #1 and #5. The agreement has an interest rate of 3.0% and the final payment is scheduled for June 2026. The balance outstanding as of June 30, 2016, was \$734,596.

The annual debt service requirements for the energy project loan payable outstanding at June 30, 2016, are as follows:

<u>Year ending June 30,</u>	Principal	Interest	Total
2017	\$ 64,019	\$ 21,563	\$ 85,582
2018	65,954	19,628	85,582
2019	67,947	17,635	85,582
2020	69,960	15,622	85,582
2021	72,115	13,466	85,581
2022-2026	394,601	33,307	427,908
Total	<u>\$ 734,596</u>	<u>\$ 121,221</u>	<u>\$ 855,817</u>

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2012 PG&E Energy loan payable

In April 2012, the City entered into an agreement with Pacific Gas & Electric for the retrofit of 436 street lights with LED fixtures. The agreement has an interest rate of 0% and the final payment is scheduled for December 2021. The balance outstanding as of June 30, 2016, was \$125,241.

The annual debt service requirements for the energy project loan payable outstanding at June 30, 2016, are as follows:

<u>Year ending June 30,</u>	Principal	Total
2017	\$ 22,771	\$ 22,771
2018	22,771	22,771
2019	22,771	22,771
2020	22,772	22,772
2021	22,771	22,771
2022	11,385	11,385
Total	<u>\$ 125,241</u>	<u>\$ 125,241</u>

2013 PG&E Energy loan payable

In August 2012, the City entered into an agreement with Pacific Gas & Electric for the purchase and installation of four pre-coolers on the Public Safety Facility's four HVAC Units. The agreement has an interest rate of 0% and the final payment is scheduled for June 2019. The balance outstanding as of June 30, 2016, was \$27,228.

The annual debt service requirements for the energy project loan payable outstanding at June 30, 2016, are as follows:

<u>Year ending June 30,</u>	Principal	Total
2017	\$ 9,076	\$ 9,076
2018	9,076	9,076
2019	9,076	9,076
Total	<u>\$ 27,228</u>	<u>\$ 27,228</u>

2014 PG&E Energy loan payable

In October 2014, the City entered into an agreement with Pacific Gas & Electric for the retrofit of LED street lights. The agreement has an interest rate of 1% and the final payment is scheduled for June 2024. The balance outstanding as of June 30, 2016, was \$63,560.

The annual debt service requirements for the energy project loan payable outstanding at June 30, 2016, are as follows:

<u>Year ending June 30,</u>	Principal	Interest	Total
2017	\$ 7,671	\$ 617	\$ 8,288
2018	7,747	540	8,287
2019	7,825	462	8,287
2020	7,902	385	8,287
2021	7,983	304	8,287
2022-2024	24,432	429	24,861
Total	<u>\$ 63,560</u>	<u>\$ 2,737</u>	<u>\$ 66,297</u>

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2016 PG&E Energy loan payable

In May 2016, the City entered into an agreement with Pacific Gas & Electric as "On Bill Financing" for the retrofit of LED lighting at the Corp Yard. The agreement has an interest rate of 0% and the final payment is scheduled for February 2025. The balance outstanding as of June 30, 2016, was \$166,637.

The annual debt service requirements for the energy project loan payable outstanding at June 30, 2016, are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Total</u>
2017	\$ 19,227	\$ 19,227
2018	19,227	19,227
2019	19,227	19,227
2020	19,228	19,228
2021	19,227	19,227
2022-2025	70,501	70,501
<b>Total</b>	<b>\$ 166,637</b>	<b>\$ 166,637</b>

**4. Deposits and other liabilities**

Section 108 HUD loan payable

In October 1999 the City entered into an agreement with the County of Fresno for the County to apply for and subsequently receive from the U.S Department of Housing and Urban Development a section 108 loan in the amount of \$500,000 to provide partial funding for 100 apartment units targeted for low-income senior citizens. The City also has an agreement with Clovis Seniors Limited to reimburse the City for payments made by the City on this loan. The agreement has an interest rate of 7.75% and the final payment is scheduled for August 2019. The balance outstanding as of June 30, 2016, was \$250,000.

The annual debt service requirements for the Section 108 HUD loan payable outstanding at June 30, 2016, are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 60,000	\$ 17,423	\$ 77,423
2018	65,000	12,495	77,495
2019	75,000	6,952	81,952
2020	50,000	1,990	51,990
<b>Total</b>	<b>\$ 250,000</b>	<b>\$ 38,860</b>	<b>\$ 288,860</b>

**CITY OF CLOVIS**  
**Notes to Financial Statements**  
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**Business-type activities long-term debt**

**1. Revenue bonds**

Revenue bonds at June 30, 2016, consisted of the following:

	Balance			Balance June 30, 2016	Classification	
	July 1, 2015	Additions	Reductions		Due in One Year	Due in more than One Year
1998 refuse bonds	\$ 2,830,000		\$ (655,000)	\$ 2,175,000	\$ 690,000	\$ 1,485,000
2005 wastewater bonds	24,960,000		(24,960,000)	0		
2007 wastewater bonds	64,025,000		(1,390,000)	62,635,000	1,480,000	61,155,000
2013 wastewater bonds	12,045,000		(465,000)	11,580,000	480,000	11,100,000
2015 wastewater bonds		\$ 21,600,000		21,600,000	145,000	21,455,000
2014 water bonds	28,725,000		(1,685,000)	27,040,000	1,755,000	25,285,000
<b>Total revenue bonds</b>	<b>\$132,585,000</b>	<b>\$ 21,600,000</b>	<b>\$ (29,155,000)</b>	<b>\$ 125,030,000</b>	<b>\$ 4,550,000</b>	<b>\$ 120,480,000</b>

The following is an analysis of the improvements made with the proceeds of these bonds through June 30, 2016:

Land, structures and equipment	\$ 140,291,752
Less accumulated depreciation	<u>(32,066,435)</u>
<b>Total</b>	<b><u>\$ 108,225,317</u></b>

1998 refuse revenue bonds

In August 1998 the City issued the Refuse Revenue Bonds for financing landfill improvements and the advance refunding of the 1987A and 1988A Certificates of Participation (COPs). The bonds have interest rates varying from 3.80% to 5.00% and the final payment is scheduled for September 2018. The City has pledged a portion of future refuse revenues to repay this bond.

The 1998 refuse revenue bond debt service requirements to maturity are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 690,000	\$ 91,500	\$ 781,500
2018	725,000	56,125	781,125
2019	760,000	19,000	779,000
<b>Total</b>	<b><u>\$ 2,175,000</u></b>	<b><u>\$ 166,625</u></b>	<b><u>\$ 2,341,625</u></b>

2005 wastewater revenue bonds

In May 2005 the City issued \$25,735,000 in Wastewater Revenue Bonds for financing the construction of pump station E, deep sewer trunk lines, force mains and other improvements to the wastewater system. The bonds have interest rates varying from 3.2% to 5.0% and the final payment is scheduled for August 2035. The City has pledged a portion of future sewer revenues to repay this bond. The 2005 Wastewater Revenue Bonds were refinanced on August 1, 2015. The balance outstanding as of June 30, 2016, was \$0.

**CITY OF CLOVIS**  
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2007 wastewater revenue bonds

In March 2007 the City issued \$68,540,000 in Wastewater Revenue Bonds for financing the construction of a sewer treatment water reuse facility, pump stations, recycled water mains, deep sewer trunk lines, additional force mains and other improvements to the wastewater system. The bonds have interest rates varying from 4.0% to 5.0% and the final payment is scheduled for August 2035. The City has pledged a portion of future sewer revenues to repay this bond.

The 2007 wastewater revenue bond debt service requirements to maturity are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,480,000	\$ 2,875,350	\$ 4,355,350
2018	1,535,000	2,804,887	4,339,887
2019	1,620,000	2,730,925	4,350,925
2020	1,700,000	2,647,925	4,347,925
2021	1,785,000	2,565,263	4,350,263
2022-2026	11,160,000	11,360,250	22,520,250
2027-2031	13,795,000	8,014,575	21,809,575
2032-2036	10,615,000	5,500,013	16,115,013
2037-2039	18,945,000	1,304,212	20,249,212
<b>Total</b>	<b>\$ 62,635,000</b>	<b>\$ 39,803,400</b>	<b>\$ 102,438,400</b>

2013 wastewater revenue bonds

In July 2013, The City issued wastewater revenue refunding bonds in the amount of \$12,500,000. The net proceeds of \$12,698,281 (after the original issue premium of \$596,726 and payment of \$398,445 in underwriting fees, insurance, and other issuance costs) from the bonds were used to refund the \$13,745,000 aggregate principal amount outstanding on the City's 1998 wastewater bonds. The aggregate debt service payments of the new debt are \$2,519,935 less than the old debt. The issuance of the new debt and refunding of the old debt resulted in an economic gain (the difference between the net present value of the old debt and new debt service payments) of approximately \$644,000.

The 2013 wastewater revenue bond debt service requirements to maturity are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 480,000	\$ 541,850	\$ 1,021,850
2018	495,000	522,350	1,017,350
2019	515,000	502,150	1,017,150
2020	535,000	481,150	1,016,150
2021	555,000	459,350	1,014,350
2022-2026	4,020,000	1,835,875	5,855,875
2027-2029	4,980,000	382,000	5,362,000
<b>Total</b>	<b>\$ 11,580,000</b>	<b>\$ 4,724,725</b>	<b>\$ 16,304,725</b>

**CITY OF CLOVIS**  
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2015 wastewater revenue bonds

In August 2015, The City refinanced the 2005 wastewater revenue bonds and issued 2015 wastewater revenue bonds in the amount of \$21,600,000. The net proceeds of \$22,881,723 (after the original issue premium of \$1,652,032 and payment of \$370,309 in underwriting fees, insurance, and other issuance costs) from the bonds were used to refund the \$24,885,000 aggregate principal amount outstanding on the City's 2005 wastewater bonds. The aggregate debt service payments of the new debt are \$10,852,200 less than the old debt. The issuance of the new debt and refunding of the old debt resulted in an economic gain (the difference between the net present value of the old debt and new debt service payments) of approximately \$4,410,265.

The 2015 wastewater revenue bond debt service requirements to maturity are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 145,000	\$ 897,606	\$ 1,042,606
2018	155,000	893,831	1,048,831
2019	160,000	889,506	1,049,506
2020	165,000	885,444	1,050,444
2021	170,000	879,982	1,049,982
2022-2026	2,100,000	4,206,755	6,306,755
2027-2031	5,985,000	3,399,201	9,384,201
2032-2036	12,720,000	1,120,340	13,840,340
Total	<u>\$ 21,600,000</u>	<u>\$ 13,172,665</u>	<u>\$ 34,772,665</u>

2013 water refunding revenue bond

In July 2013, The City issued water revenue refunding bonds in the amount of \$31,810,000. The net proceeds of \$33,780,909 (after the original issue premium of \$2,427,739 and payment of \$456,830 in underwriting fees, insurance, and other issuance costs) from the bonds were used to refund the \$33,895,000 aggregate principal amount outstanding on the City's 2003 water revenue bonds. The aggregate debt service payments of the new debt are \$4,614,844 less than the old debt. The issuance of the new debt and refunding of the old debt resulted in an economic gain (the difference between the present value of the old debt and new debt service payments) of approximately \$2,651,000.

The 2013 water refunding revenue bond debt service requirements to maturity are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,755,000	\$ 1,256,088	\$ 3,011,088
2018	1,825,000	1,185,888	3,010,888
2019	1,890,000	1,112,888	3,002,888
2020	1,965,000	1,037,288	3,002,288
2021	2,050,000	958,687	3,008,687
2022-2026	11,925,000	3,146,688	15,071,688
2027-2029	5,630,000	382,123	6,012,123
Total	<u>\$ 27,040,000</u>	<u>\$ 9,079,649</u>	<u>\$ 36,119,649</u>

**CITY OF CLOVIS**  
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**2. Contracts payable**

Contracts payable at June 30, 2016, consisted of the following:

	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Classification	
					Due in One Year	Due in more than One Year
1993 wastewater renovation	\$ 9,018,510		\$ (812,736)	\$ 8,205,774	\$ 855,463	\$ 7,350,311
Total contracts payable	\$ 9,018,510	\$ 0	\$ (812,736)	\$ 8,205,774	\$ 855,463	\$ 7,350,311

1993 wastewater renovation

The City has entered into a contract with the City of Fresno to purchase capacity rights in the form of participation in the cost of sewer system improvements. These improvements include the renovation and expansion of the Fresno Clovis Regional Wastewater Treatment Plant. The 1993 contract is for the City's share of the 1993 renovation of the Fresno Clovis Regional Wastewater Treatment Plant. The underlying City of Fresno 1993 Revenue Bonds on which the City of Clovis' contract payable amount is based have interest rates varying from 3.50%-6.25% and the final payments are scheduled for September 2023. The City's \$12,423,873 share of the renovation is capitalized as an intangible asset in the Sewer Disposal Fund, an enterprise fund, as disclosed in Note I. D. 6.

The 1993 waste water renovation contract debt service requirements to maturity are as follows:

Year ending June 30,	Principal	Interest	Total
2017	\$ 855,463	\$ 379,933	\$ 1,235,396
2018	900,536	333,838	1,234,374
2019	947,488	285,328	1,232,816
2020	997,257	234,278	1,231,535
2021	1,049,843	183,166	1,233,009
2022-2024	3,455,187	239,290	3,694,477
Total	\$ 8,205,774	\$ 1,655,833	\$ 9,861,607

***Fiduciary funds long-term debt***

**1. Tax allocation bonds payable**

2008 Tax allocation bonds

The former Clovis Community Development Agency issued tax allocation bonds in the amount of \$19,100,000 in April 2008. The interest rates on the 2008 tax allocation bonds vary from 3.00% to 4.75% and the final payment is scheduled for August 2037. Bonds outstanding at January 31, 2012 were \$17,445,000 and were transferred to the Successor Agency on February 1, 2012 due to the dissolution of the Agency. The balance outstanding at June 30, 2016 is \$14,955,000 and is held in the City's Redevelopment Successor Agency Private-purpose Trust Fund.

**CITY OF CLOVIS**  
**Notes to Financial Statements**  
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Tax Allocation Bonds at June 30, 2016, consisted of the following:

	Balance July 1, 2015	Adjustments	Reductions	Balance June 30, 2016
2008 Tax allocation bonds	\$ 15,431,324	\$ 7,769	\$ (655,000)	\$ 14,784,093
Total tax allocation bonds	<u>\$ 15,431,324</u>	<u>\$ 7,769</u>	<u>\$ (655,000)</u>	<u>\$ 14,784,093</u>

**2. Notes payable**

Section 108 HUD loan payable

In December 2000, the City entered into an agreement with the County of Fresno for the County to apply for and subsequently receive from the U.S Department of Housing and Urban Development a section 108 loan in the amount of \$1,800,000. This loan was used to provide funding to Mi-Rancho Tortilla, Inc. for the construction of a modernized manufacturing facility and the purchase of modernized machinery and equipment. The agreement has a variable interest rate and the final payment was scheduled for August 2020, but the City paid off the remaining principal balance on November 20, 2015. The balance outstanding as of June 30, 2016, was \$0.

The annual debt service requirements for the Section 108 HUD loan payable outstanding at June 30, 2016, are as follows:

	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016
2001 Mi Rancho Section 108	\$ 715,000		\$ (715,000)	\$ 0
Total note payable	<u>\$ 715,000</u>	<u>\$ 0</u>	<u>\$ (715,000)</u>	<u>\$ 0</u>

**G. Landfill closure**

The City has recorded liabilities for landfill closure, post-closure maintenance and for landfill corrective action in the Community Sanitation Fund, an enterprise fund. The State of California performs an annual analysis to determine estimated total cost of the landfill closure, post-closure care costs, total capacity and remaining life. During the fiscal year the City was able to significantly increase the capacity and remaining life of the landfill with the landfill reclamation project which involved excavation of the unlined portion of the landfill, sorting out recyclable materials and preparing the area for lining. The City's landfill closure liability, based on landfill capacity used to date, is recorded based on the information provided by their analysis. The landfill corrective action liability is based on the estimated cost of known or reasonably foreseeable corrective action that may be required at the facility.

The City is currently estimating at June 30, 2016 that the capacity of the landfill used is approximately 31%, the estimated remaining life is approximately 32 years and the estimated remaining cost to be recognized is \$15,423,681. The estimated capacity remaining is 5,799,367 cubic yards and the estimated landfill closure liability is \$3,279,640. The current estimated cost of known and/or reasonably foreseeable corrective action is \$1,031,769 and the City currently has \$1,000,000 set aside for this purpose. These estimates are based on a closure and post-closure maintenance plan and corrective action plan. The estimates have been adjusted for inflation and other factors such as technology and laws and regulations.

**CITY OF CLOVIS**  
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**H. Pension Plans**

General Information about the Pension Plan

Plan Description

The City contributes to the California Public Employees' Retirement System (CalPERS), an agent multiple-employer public employee defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and City ordinance. A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2014 Annual Actuarial Valuation Report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

Benefit Provided

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. A classic miscellaneous member becomes eligible for Service Retirement upon attainment of age 55 with at least 5 years of credited service. PEPRA miscellaneous members become eligible for service retirement upon attainment of age 62 with at least 5 years of service. A classic safety member becomes eligible for Service Retirement upon attainment of age 50 with at least 5 years of credited service. PEPRA safety members become eligible for service retirement upon attainment of age 57 with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 or 12 consecutive months' full-time equivalent monthly pay. Retirement benefits for classic miscellaneous employees are calculated as 2.7% of the average final 12 months compensation. Retirement benefits for PEPRA miscellaneous employees are calculated as 2% of the highest average annual compensation over a three-year period. Retirement benefits for classic safety employees are calculated as 3% of the average highest 12 months compensation. Retirement benefits for PEPRA safety employees are calculated as 2.7% of the average highest 36 months compensation.

Participants are eligible for non-industrial disability retirement if they become disabled and have at least 5 years of credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8 percent of final compensation, multiplied by service. Industrial disability benefits are not offered to miscellaneous employees. The City provides industrial disability retirement benefits to safety employees. The industrial disability retirement benefit is a monthly allowance equal to 50 percent of highest compensation.

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

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

**CITY OF CLOVIS**  
**Notes to Financial Statements**  
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Employees Covered by Benefit Terms

At June 30, 2015, the measurement date, the following employees were covered by the benefit terms:

	Plans	
	Miscellaneous	Safety
Active employees	437	153
Transferred and terminated employees	562	62
Retired Employees and Beneficiaries	238	153
Total	<u>1,237</u>	<u>368</u>

Contributions

Section 20814(c) of the California Public Employees' Retirement Law ("PERL") requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The 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.

For Measurement Period ending June 30, 2015

	Miscellaneous	Safety	Aggregate Total
Contributions - employer	<u>\$ 3,275,626</u>	<u>\$ 4,110,362</u>	<u>\$ 7,385,988</u>

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2015, the total pension liability was determined by rolling forward the June 30, 2014 total pension liability. The June 30, 2015 total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2% thereafter

The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

**CITY OF CLOVIS**  
**Notes to Financial Statements**  
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Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

Long-term Expected Rate of Return by Asset Class

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 <sup>1</sup>	Real Return Years 11+ <sup>2</sup>
Global Equity	50.00%	5.25%	5.71%
Global Fixed Income	17.00%	0.99%	2.43%
Inflation Sensitive	5.00%	0.45%	3.36%
Private Equity	12.00%	6.83%	6.95%
Real Estate	11.00%	4.50%	5.13%
Infrastructure and Forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%

<sup>1</sup> An expected inflation of 2.5% used for this period.

<sup>2</sup> An expected inflation of 3.0% used for this period.

Pension Expense

The Net Pension Expense for the year ended June 30, 2016 is itemized as follows:

	Net Pension Expense
Miscellaneous Plan	\$ 1,066,012
Safety Plan	154,802
	<u>\$ 1,220,814</u>

**CITY OF CLOVIS**  
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Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period.

Miscellaneous Plan	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2014	\$ 151,660,172	\$ 116,365,770	\$ 35,294,402
Changes Recognized for the Measurement Period:			
Service Cost	3,839,364		3,839,364
Interest on the total pension liability	11,339,870		11,339,870
Changes of Benefit Terms			0
Difference between expected & actual experience	265,438		265,438
Changes of assumptions	(2,825,475)		(2,825,475)
Contributions from the employer		3,275,626	(3,275,626)
Contributions from employees		3,097,353	(3,097,353)
Net investment income, net of administrative expense		2,655,292	(2,655,292)
Benefit payments, including refunds of employee contributions	(5,572,456)	(5,572,456)	0
Administrative Expense		(134,636)	134,636
Net Changes during July 1, 2014 to June 30, 2015	<u>\$ 7,046,741</u>	<u>\$ 3,321,179</u>	<u>\$ 3,725,562</u>
Balance at June 30, 2015 (Measurement Date)	<u>\$ 158,706,913</u>	<u>\$ 119,686,949</u>	<u>\$ 39,019,964</u>
Safety Plan	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2014	\$ 165,109,754	\$ 118,458,866	\$ 46,650,888
Changes Recognized for the Measurement Period:			
Service Cost	3,953,791		3,953,791
Interest on the total pension liability	12,319,585		12,319,585
Changes of Benefit Terms			0
Difference between expected & actual experience	936,342		936,342
Changes of assumptions	(3,070,074)		(3,070,074)
Contributions from the employer		4,110,362	(4,110,362)
Contributions from employees		2,157,404	(2,157,404)
Net investment income, net of administrative expense		2,616,436	(2,616,436)
Benefit payments, including refunds of employee contributions	(7,825,158)	(7,825,158)	0
Administrative Expense		(134,357)	134,357
Net Changes during July 1, 2014 to June 30, 2015	<u>\$ 6,314,486</u>	<u>\$ 924,687</u>	<u>\$ 5,389,799</u>
Balance at June 30, 2015 (Measurement Date)	<u>\$ 171,424,240</u>	<u>\$ 119,383,553</u>	<u>\$ 52,040,687</u>

**CITY OF CLOVIS**  
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Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.65 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.65 percent) or 1 percentage-point higher (8.65 percent) than the current rate:

	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1% (6.65%)	Current Discount Rate (7.65%)	Discount Rate + 1% (8.65%)
Miscellaneous Plan	\$ 60,822,311	\$ 39,019,964	\$ 20,987,633
Safety Plan	\$ 75,491,543	\$ 52,040,687	\$ 32,725,204
<b>Aggregate Total</b>	<b>\$ 136,313,854</b>	<b>\$ 91,060,651</b>	<b>\$ 53,712,837</b>

Pension Plan Fiduciary Net Position

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

Deferred Outflows and Deferred Inflows of Resources Related to Pensions

Deferred Outflows of Resources

	Deferred employer pension contributions made after measurement date	Investment earnings less than expected earnings	Differences between actual versus expected experience	Total pension-related deferred outflows
Miscellaneous Plan	\$ 2,918,817	\$ 5,017,202	\$ 189,599	\$ 8,125,618
Safety Plan	4,263,086	5,090,626	756,276	10,109,988
<b>Total</b>	<b>\$ 7,181,903</b>	<b>\$ 10,107,828</b>	<b>\$ 945,875</b>	<b>\$ 18,235,606</b>

Deferred Inflows of Resources

	Investment earnings greater than expected earnings	Changes in assumptions	Total pension-related deferred inflows
Miscellaneous Plan	\$ 5,909,964	\$ 2,018,196	\$ 7,928,160
Safety Plan	6,085,091	2,479,675	8,564,766
<b>Total</b>	<b>\$ 11,995,055</b>	<b>\$ 4,497,871</b>	<b>\$ 16,492,926</b>

**CITY OF CLOVIS**  
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Amortization of deferred outflows/(inflows) of resources

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Period Ended June 30	Deferred Outflows/(Inflows) of Resources	
	Miscellaneous Plan	Safety Plan
2016	\$ (1,447,128)	\$ (1,166,041)
2017	(1,447,128)	(1,166,041)
2018	(1,081,405)	(1,166,040)
2019	1,254,302	862,325
2020	0	(82,067)
	<u>\$ (2,721,359)</u>	<u>\$ (2,717,864)</u>

Payable to Pension Plan

At June 30, 2016, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2016.

**V. Other information**

**A. Self insurance**

The City is self-insured for general liability, automobile liability, workers' compensation, group dental and group vision programs. The City is responsible for all claims up to \$100,000 per occurrence for automobile liability, \$250,000 per occurrence for workers' compensation, and \$100,000 per occurrence on general liability. The dental and vision programs have no individual per occurrence stop-loss and no aggregate annual stop-loss. Excess insurance for all amounts in excess of the self-insured retention in the workers' compensation program is purchased from Local Agency Workers' Compensation Excess JPA (LAWCX). Consistent with the LAWCX Memorandum of Coverage, LAWCX provides coverage for the City above its self-insured retention of \$250,000 up to \$5,000,000. LAWCX purchases excess insurance which covers the pool for losses from \$5,000,000 to statutory limits.

The City is a member of the Central San Joaquin Valley Risk Management Authority (RMA) for the purpose of pooling general and automobile liability coverage under a retrospectively rated Memorandum of Coverage. Deposit premiums to the RMA are based on actuarially determined claims costs, including incurred but not reported claims, and expenses. Premiums are accrued based on the ultimate cost determined by the experience to date of the pool's member cities. The risk pool covers the City above its self-insured retention of \$100,000 up to \$1,000,000. The Authority purchases excess insurance which covers the pool for losses from \$1,000,001 to \$10,000,000. Pool Members may receive rebates when declared by RMA or, in the event excess liability claims against RMA exceed available resources, may be required to make additional contributions through a retrospective adjustment process.

The City accounts for the self-insurance programs in the Self-Insurance Fund and Employee Benefits Fund, both internal service funds. Charges to user departments are reported as interfund transactions.

Incurred but not reported claims have been accrued as a liability for the workers' compensation and dental programs as required in the amount of \$4,520,420 based on previous claims experience and actuarial studies.

There were no reductions in insurance coverage from the prior year and there were no settlements that exceeded insurance coverage for the past three fiscal years. Following is a reconciliation of the changes in the City's aggregate liabilities for claims for the current and prior fiscal year:

**CITY OF CLOVIS**  
**Notes to Financial Statements**  
**June 30, 2016**

	Workers' Compensation	Dental	Total
Balance, 06/30/14	\$ 10,762,000	\$ 48,000	\$ 10,810,000
Claims provision	1,061,668	403,402	1,465,070
Claims paid	(1,996,668)	(403,402)	(2,400,070)
Balance, 06/30/15	\$ 9,827,000	\$ 48,000	\$ 9,875,000
Claims provision	2,034,135	444,635	2,478,770
Claims paid	(1,976,135)	(444,635)	(2,420,770)
Balance, 06/30/16	<u>\$ 9,885,000</u>	<u>\$ 48,000</u>	<u>\$ 9,933,000</u>

**B. Deferred compensation**

The City has established a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan, available to all full time employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts deferred under the plan and all income attributable to those amounts are solely the property and rights of the plan participants.

Semi-monthly the City forwards all contributions to the plan administrator, the ICMA Retirement Corporation. Plan participants may choose from investment options which are managed by the plan trustee. The City has no liability for losses under the plan. As of January 1, 1998 ICMA Retirement Corporation amended the agreement with the City to comply with IRC Section 457 regulations. The assets and related liabilities are not reported on the City's financial statements in accordance with Governmental Accounting Standards Board Statement No. 32 - "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans."

**C. Postretirement benefits**

The City allows its retirees who retire under provisions of a regular service retirement and who have five years of service the opportunity to continue enrollment in the City's health insurance program until age 65. The retirees have the same choice of insurance plans as those of current employees. The retirees are pooled together separately from the active employee pool and pay the full cost of the insurance premiums without cost to the City.

**D. Contingent liabilities**

The City entered into a settlement agreement and release of all claims with various chemical corporations in May 1997 which entitled the City to significant recovery of future costs associated with the treatment of contaminated wells. The City expects to incur costs in future years for the treatment of contaminated wells. However, as of June 30, 2016, these costs cannot be reasonably estimated.

The City participates in a number of federally assisted grant programs, including those from the U.S. Department of Housing and Urban Development, U.S. Department of Justice, U.S. Department of Transportation, U.S. Department of Labor, U.S. Department of Health and Human Services and the U.S. Department of Homeland Security. Receipts from these grant programs are subject to audit to determine if the monies were expended in accordance with the appropriate statutes, grant terms and regulations. The City believes no significant liabilities will result.

Although the outcome of other lawsuits and claims is not determinable, it is the opinion of the City Attorney that the resolution of these matters will not have a material adverse effect on the financial condition of the City.

**CITY OF CLOVIS**  
**Notes to Financial Statements**  
**June 30, 2016**

**E. Subsequent events**

In September 2016, The City entered into a loan agreement with PG&E for \$30,000. The loan is to provide and install LED lighting at Clovis Rotary Skate Part at Letterman Park. The four year loan has a 0% interest rate and the City will make monthly payments of \$769.23 to repay the loan.

The City settled their litigation with Dow Chemical and Occidental on September 22, 2016 and received net settlements of \$4,750,000 from Dow Chemical and \$210,000 from Occidental on October 11, 2016. The purpose of the litigation was prosecution of a Trichloropropane (TCP) water contamination action. The City is currently still in trial with Shell Oil over the water contamination.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Schedule of Changes in Net Pension Liability and Related Ratios**

California Public Employees' Retirement System (CalPERS) - Miscellaneous Plan  
Last Ten Fiscal Years

Measurement period	2014-15	2013-14
<b>Total pension liability</b>		
Service cost	\$ 3,839,364	\$ 3,770,553
Interest	11,339,870	10,627,308
Differences between Expected and Actual Experience	265,438	-
Changes of Assumptions	(2,825,475)	-
Benefit payments, including refunds of employee contributions	(5,572,456)	(5,099,721)
Net change in total pension liability	7,046,741	9,298,140
Total pension liability - beginning	151,660,172	142,362,032
Total pension liability - ending (a)	\$ 158,706,913	\$ 151,660,172
<b>Pension fiduciary net position</b>		
Contributions - employer	\$ 3,275,626	\$ 3,096,889
Contributions - employee	3,097,353	2,553,852
Net investment income	2,655,292	17,261,431
Benefit payments, including refunds of employee contributions	(5,572,456)	(5,099,721)
Administrative Expense	(134,636)	-
Net change in plan fiduciary net position	3,321,179	17,812,451
Plan fiduciary net position - beginning	116,365,770	98,553,319
Plan fiduciary net position - ending (b)	\$ 119,686,949	\$ 116,365,770
<b>Plan net pension liability - ending (a) - (b)</b>	\$ 39,019,964	\$ 35,294,402
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	75.41%	76.73%
Covered-employee payroll	\$ 22,815,330	\$ 21,224,617
<b>Plan net pension liability as a percentage of covered-employee payroll</b>	171.03%	166.29%

Covered-Employee Payroll presented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required total payroll-related ratios.

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: The discount rate was changed from 7.5% (net of administrative expense) to 7.65%.

\*GASB 68 was implemented in fiscal year 2015, therefore only two years of data are available.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Schedule of Changes in Net Pension Liability and Related Ratios, Continued**

California Public Employees' Retirement System (CalPERS) - Safety Plan  
Last Ten Fiscal Years

Measurement period	2014-15	2013-14
<b>Total pension liability</b>		
Service cost	\$ 3,953,791	\$ 3,803,175
Interest	12,319,585	11,633,302
Changes of Assumptions	(3,070,074)	-
Difference between Expected and Actual Experience	936,342	-
Benefit payments, including refunds of employee contributions	(7,825,158)	(7,071,659)
Net change in total pension liability	6,314,486	8,364,818
Total pension liability - beginning	165,109,754	156,744,936
Total pension liability - ending (a)	\$ 171,424,240	\$ 165,109,754
<b>Pension fiduciary net position</b>		
Contributions - employer	\$ 4,110,362	\$ 3,752,858
Contributions - employee	2,157,404	1,915,171
Net investment income	2,616,436	17,731,050
Benefit payments, including refunds of employee contributions	(7,825,158)	(7,071,659)
Administrative Expense	(134,357)	-
<b>Net change in plan fiduciary net position</b>	924,687	16,327,420
Plan fiduciary net position - beginning	118,458,866	102,131,446
Plan fiduciary net position - ending (b)	\$ 119,383,553	\$ 118,458,866
<b>Plan net pension liability - ending (a) - (b)</b>	\$ 52,040,687	\$ 46,650,888
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	69.64%	71.75%
Covered-employee payroll	\$ 14,732,611	\$ 13,667,214
<b>Net pension liability as a percentage of covered-employee payroll</b>	353.23%	341.33%

Covered-Employee Payroll presented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required total payroll-related ratios.

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: The discount rate was changed from 7.5% (net of administrative expense) to 7.65%.

\*GASB 68 was implemented in fiscal year 2015, therefore only two years of data are available.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Schedule of Contributions**

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

	2015-16 <sup>1</sup>	2014-15 <sup>1</sup>	2013-14 <sup>1</sup>
Actuarially determined contribution	\$ 3,275,626	\$ 3,285,836	\$ 3,096,889
Contributions in relation to the actuarially determined contribution <sup>2</sup>	<u>(3,275,626)</u>	<u>(3,285,836)</u>	<u>(3,096,889)</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered-employee payroll <sup>3, 4</sup>	\$ 22,815,330	\$ 21,861,356	\$ 21,224,617
Contributions as a percentage of covered-employee payroll <sup>3</sup>	14.36%	15.03%	14.59%

<sup>1</sup> Historical information is required only for measurement periods for which GASB 68 is applicable.

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

<sup>3</sup> Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

<sup>4</sup> Payroll from prior year \$22,150,806 was assumed to increase by the 3.00 percent payroll growth assumption.

**Valuation date:**

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2014-15 were derived from the June 30, 2012 funding valuation report.

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	For details, see June 30, 2012 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. Details-see June 30, 2012 Funding Valuation Rpt
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Schedule of Contributions, Continued**

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

	2015-16 <sup>1</sup>	2014-15 <sup>1</sup>	2013-14 <sup>1</sup>
Actuarially determined contribution	\$ 4,110,362	\$ 4,114,076	\$ 3,752,858
Contributions in relation to the actuarially determined contribution <sup>2</sup>	<u>(4,110,362)</u>	<u>(4,114,076)</u>	<u>(3,752,858)</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered-employee payroll <sup>3, 4</sup>	\$ 14,732,611	\$ 14,077,230	\$ 13,667,214
Contributions as a percentage of covered-employee payroll <sup>3</sup>	27.90%	29.23%	27.46%

<sup>1</sup> Historical information is required only for measurement periods for which GASB 68 is applicable.

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

<sup>3</sup> Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

<sup>4</sup> Payroll from prior year \$14,303,506 was assumed to increase by the 3.00 percent payroll growth assumption.

Valuation date:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2014-15 were derived from the June 30, 2012 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	For details, see June 30, 2012 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. Details-see June 30, 2012 Funding Valuation Rpt
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

## **Nonmajor Governmental Funds**

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### **Special Revenue Funds**

Special revenue funds are used to account for specific revenues that are legally restricted for particular purposes.

Off Highway Use Fund - This fund is used to account for the revenue received from the off-highway users fee since the fee can only be used for off-road facilities.

Housing & Community Development Fund - This fund is used to account for the revenue and expenses for the Community Development Block Grant operational activities.

### **Debt Service Funds**

The debt service fund is used to account for the accumulation of resources and payment of bond principal and interest when the government is obligated in some manner for the payment.

1976 Fire and Sewer Bond Fund - This fund is used to account for the proceeds of the 1976 Fire and Sewer Bond sale and the annual debt service.

### **Capital Projects Funds**

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Park and Recreation Improvement Fund - This fund is used to account for capital improvements for parks, including acquisition of property. Revenues come from developer fees and grants.

Refuse Equipment Reserve Fund - This fund is used to account for the revenue generated by developer fees for the acquisition of equipment for refuse collection and disposal.

**City of Clovis**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2016**

	Special Revenue		Total
	Off Highway Use	Housing & Comm Development	
<b>ASSETS</b>			
Cash and investments	\$66,308	\$820,613	\$886,921
Receivables	57	4,649,476	4,649,533
Due from other governments		76,892	76,892
Assets held for resale		3,195,492	3,195,492
Total assets	<u>\$66,365</u>	<u>\$8,742,473</u>	<u>\$8,808,838</u>
<b>LIABILITIES</b>			
Accounts payable		\$245,191	\$245,191
Deposits and other liabilities		250,000	250,000
Total Liabilities	<u>0</u>	<u>495,191</u>	<u>495,191</u>
<b>FUND BALANCES</b>			
Restricted for:			
Capital projects	\$66,365		66,365
Community Development		8,247,282	8,247,282
Debt service			
Assigned for:			
Capital			
Total fund balances	<u>66,365</u>	<u>8,247,282</u>	<u>8,313,647</u>
Total liabilities and fund balances	<u>\$66,365</u>	<u>\$8,742,473</u>	<u>\$8,808,838</u>

**City of Clovis  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2016**

Debt Service		Capital Projects		Total Nonmajor Governmental Funds
1976 Fire and Sewer	Park and Recreation	Refuse Equipment	Total	
\$407,653	\$4,076,939	\$1,213,807	\$5,290,746	\$6,585,320
329	3,389	1,368	4,757	4,654,619
	131,516		131,516	208,408
<u>\$407,982</u>	<u>\$4,211,844</u>	<u>\$1,215,175</u>	<u>\$5,427,019</u>	<u>3,195,492</u>
				<u>\$14,643,839</u>
	\$500		\$500	\$245,691
	9,200		9,200	259,200
<u>0</u>	<u>9,700</u>	<u>0</u>	<u>9,700</u>	<u>504,891</u>
				66,365
\$407,982	3,926,144	\$1,215,175	5,141,319	13,388,601
				407,982
	276,000		276,000	276,000
<u>407,982</u>	<u>4,202,144</u>	<u>1,215,175</u>	<u>5,417,319</u>	<u>14,138,948</u>
<u>\$407,982</u>	<u>\$4,211,844</u>	<u>\$1,215,175</u>	<u>\$5,427,019</u>	<u>\$14,643,839</u>

**City of Clovis**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2016**

	Special Revenue		Total
	Off Highway Use	Housing & Comm Development	
<b>REVENUES</b>			
Use of money and property	\$336	\$31,504	\$31,840
From other agencies		702,750	702,750
Charges for current services			
Other revenues		73,841	73,841
Total revenue	<u>336</u>	<u>808,095</u>	<u>808,431</u>
<b>EXPENDITURES</b>			
Current:			
Community development		577,483	577,483
Capital outlays			
Total expenditures	<u>0</u>	<u>577,483</u>	<u>577,483</u>
Excess (deficiency) of revenues over (under) expenditures	<u>336</u>	<u>230,612</u>	<u>230,948</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out			
Total other financing sources	<u>0</u>	<u>0</u>	<u>0</u>
Net changes in fund balances	336	230,612	230,948
Fund balances-beginning	<u>66,029</u>	<u>8,016,670</u>	<u>8,082,699</u>
Fund balances-ending	<u>\$66,365</u>	<u>\$8,247,282</u>	<u>\$8,313,647</u>

**City of Clovis**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2016**

Debt Service	Capital Projects		Total Nonmajor Governmental Funds	
1976 Fire and Sewer	Park and Recreation	Refuse Equipment	Total	
\$1,954	\$17,707	\$8,050	\$25,757	\$59,551
	343,116		343,116	1,045,866
	1,207,495	252,939	1,460,434	1,460,434
	320,754		320,754	394,595
<u>1,954</u>	<u>1,889,072</u>	<u>260,989</u>	<u>2,150,061</u>	<u>2,960,446</u>
				577,483
	249,317		249,317	249,317
<u>0</u>	<u>249,317</u>	<u>0</u>	<u>249,317</u>	<u>826,800</u>
<u>1,954</u>	<u>1,639,755</u>	<u>260,989</u>	<u>1,900,744</u>	<u>2,133,646</u>
		(550,000)	(550,000)	(550,000)
<u>0</u>	<u>0</u>	<u>(550,000)</u>	<u>(550,000)</u>	<u>(550,000)</u>
1,954	1,639,755	(289,011)	1,350,744	1,583,646
406,028	2,562,389	1,504,186	4,066,575	12,555,302
<u>\$407,982</u>	<u>\$4,202,144</u>	<u>\$1,215,175</u>	<u>\$5,417,319</u>	<u>\$14,138,948</u>

**City of Clovis**  
**Statement of Revenues, Expenditures, and Change in Fund Balance-Budget and Actual**  
**Local Transportation Capital Projects Fund**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUE</b>				
Use of money and property	\$12,000	\$12,000	\$32,801	\$20,801
From other agencies	10,282,000	10,282,000	6,304,907	(3,977,093)
Charges for services	1,660,000	1,660,000	409,160	(1,250,840)
Other revenues	0	0	13,262	13,262
Total revenues	11,954,000	11,954,000	6,760,130	(5,193,870)
<b>EXPENDITURES</b>				
Capital Outlay	13,166,370	22,590,370	6,274,510	16,315,860
Total expenditures	13,166,370	22,590,370	6,274,510	16,315,860
Excess (deficiency) of revenues over expenditures	(1,212,370)	(10,636,370)	485,620	11,121,990
Fund balance-beginning	10,943,155	10,943,155	10,943,155	
Fund balance-ending	\$9,730,785	\$306,785	\$11,428,775	\$11,121,990

**City of Clovis**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance-Budget and Actual**  
**Off Highway Use Special Revenue Fund**  
**For the Year Ended June 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUE</b>				
Use of money and property	\$0	\$0	\$336	\$336
Total revenues	<u>0</u>	<u>0</u>	<u>336</u>	<u>336</u>
<b>EXPENDITURES</b>				
Capital Outlay	0	0	0	0
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over expenditures	0	0	336	336
Fund balance-beginning	66,029	66,029	66,029	
Fund balance-ending	<u><u>\$66,029</u></u>	<u><u>\$66,029</u></u>	<u><u>\$66,365</u></u>	<u><u>\$336</u></u>

**City of Clovis**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance-Budget and Actual**  
**Housing and Community Development Special Revenue Fund**  
**For the Year End June 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUE</b>				
Use of money and property	\$1,000	\$1,000	\$31,504	\$30,504
From other agencies	1,531,000	1,531,000	702,750	(828,250)
Other revenues	0	0	73,841	73,841
Total revenues	<u>1,532,000</u>	<u>1,532,000</u>	<u>808,095</u>	<u>(723,905)</u>
<b>EXPENDITURES</b>				
Community development	2,264,000	2,264,000	577,483	1,686,517
Total expenditures	<u>2,264,000</u>	<u>2,264,000</u>	<u>577,483</u>	<u>1,686,517</u>
Excess (deficiency) of revenues over expenditures	(732,000)	(732,000)	230,612	962,612
Fund balance-beginning	8,016,670	8,016,670	8,016,670	
Fund balance-ending	<u><u>\$7,284,670</u></u>	<u><u>\$7,284,670</u></u>	<u><u>\$8,247,282</u></u>	<u><u>\$962,612</u></u>

**City of Clovis**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance-Budget and Actual**  
**1976 Fire and Sewer Debt Service Fund**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUE</b>				
Use of money and property	\$0	\$0	\$1,954	\$1,954
Total revenues	0	0	1,954	1,954
<b>EXPENDITURES</b>				
Debt service:	0	0	0	0
Total expenditures	0	0	0	0
Excess (deficiency) of revenues over expenditures	0	0	1,954	1,954
Fund balance-beginning	406,028	406,028	406,028	
Fund balance-ending	\$406,028	\$406,028	\$407,982	\$1,954

**City of Clovis**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance-Budget and Actual**  
**Park and Recreation Capital Project Fund**  
**For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUE</b>				
Use of money and property	\$5,000	\$5,000	\$17,707	\$12,707
From other agencies	230,000	230,000	343,116	113,116
Charges for current services	2,261,000	2,261,000	1,207,495	(1,053,505)
Other revenues	0	0	320,754	320,754
Total revenues	2,496,000	2,496,000	1,889,072	(606,928)
<b>EXPENDITURES</b>				
Capital outlays	1,778,598	1,958,598	249,317	1,709,281
Total expenditures	1,778,598	1,958,598	249,317	1,709,281
Excess (deficiency) of revenues over expenditures	717,402	537,402	1,639,755	1,102,353
Fund balance-beginning	2,562,389	2,562,389	2,562,389	
Fund balance-ending	\$3,279,791	\$3,099,791	\$4,202,144	\$1,102,353

**City of Clovis**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance-Budget and Actual**  
**Refuse Equipment Capital Project Fund**  
**For the Year Ended June 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUE</b>				
Use of money and property	\$0	\$0	\$8,050	\$8,050
Charges for current services	0	0	252,939	252,939
Total revenues	<u>0</u>	<u>0</u>	<u>260,989</u>	<u>260,989</u>
<b>EXPENDITURES</b>				
Capital outlays	0	0	0	0
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over expenditures	<u>0</u>	<u>0</u>	<u>260,989</u>	<u>260,989</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(550,000)	(550,000)	(550,000)	0
Total other financing sources (uses)	<u>(550,000)</u>	<u>(550,000)</u>	<u>(550,000)</u>	<u>0</u>
Net change in fund balance	(550,000)	(550,000)	(289,011)	260,989
Fund balance-beginning	1,504,186	1,504,186	1,504,186	
Fund balance-ending	<u>\$954,186</u>	<u>\$954,186</u>	<u>\$1,215,175</u>	<u>\$260,989</u>

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## Internal Service Funds

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Internal service funds are used to account for the financing of goods or services provided by one department of the agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

**Self Insurance Fund** - This fund is used to account for the cost of general liability and property damage insurance. It is funded by a charge to all operating departments.

**Fleet Fund** - This fund is used to account for rental charges to all operating departments for maintenance and replacement cost for equipment and vehicles.

**Employee Benefit Fund** - This fund is used to account for the cost of employee benefits including retirement, workers' compensation, health insurance, unemployment insurance and medicare insurance. It is funded by a charge to all operating departments.

**General Services** - This fund is used to account for the centralized support provided to other departments and for government facility enhancements and acquisitions.

**City of Clovis**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2016**

	Self Insurance	Fleet	Employee Benefits	General Services	Total
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$1,120,427	\$10,461,453	\$7,428,232	\$12,724,764	\$31,734,876
Receivables	19,280	6,881	74,538	47,148	147,847
Due from other governments				19,331	19,331
Inventories		603,000			603,000
Total current assets	<u>1,139,707</u>	<u>11,071,334</u>	<u>7,502,770</u>	<u>12,791,243</u>	<u>32,505,054</u>
Noncurrent assets:					
Restricted cash and investments:					
Cash with fiscal agent-bond accounts				551,182	551,182
Total restricted assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>551,182</u>	<u>551,182</u>
Capital assets:					
Land				12,183,895	12,183,895
Buildings and improvements		940,271		87,849,897	88,790,168
Machinery and equipment		31,274,205		8,218,535	39,492,740
Less accumulated depreciation		(20,174,836)		(33,555,024)	(53,729,860)
Total capital assets (net of accumulated depreciation)	<u>0</u>	<u>12,039,640</u>	<u>0</u>	<u>74,697,303</u>	<u>86,736,943</u>
Total noncurrent assets	<u>0</u>	<u>12,039,640</u>	<u>0</u>	<u>75,248,485</u>	<u>87,288,125</u>
Total assets	<u>1,139,707</u>	<u>23,110,974</u>	<u>7,502,770</u>	<u>88,039,728</u>	<u>119,793,179</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>					
Pension deferred outflows			18,235,606		18,235,606
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	113,899	915,878	719,419	366,819	2,116,015
Claims and judgements payable			2,548,000		2,548,000
Accrued compensated absences		12,400	924,000	39,300	975,700
Deposits and other liabilities				143,165	143,165
Unearned revenue				1,836,171	1,836,171
Capital leases-current		653,196		2,042,211	2,695,407
Loans payable-current				271,449	271,449
Total current liabilities	<u>113,899</u>	<u>1,581,474</u>	<u>4,191,419</u>	<u>4,699,115</u>	<u>10,585,907</u>
Noncurrent liabilities:					
Claims and judgements payable			7,385,000		7,385,000
Accrued compensated absences		36,035		113,970	150,005
Capital leases		2,456,419		21,698,502	24,154,921
Loans payable				1,452,930	1,452,930
Aggregate Net pension liability			91,060,651		91,060,651
Total noncurrent liabilities	<u>0</u>	<u>2,492,454</u>	<u>98,445,651</u>	<u>23,265,402</u>	<u>124,203,507</u>
Total liabilities	<u>113,899</u>	<u>4,073,928</u>	<u>102,637,070</u>	<u>27,964,517</u>	<u>134,789,414</u>
<b>DEFERRED INFLOW OF RESOURCES</b>					
Pension deferred inflows			16,492,926		16,492,926
<b>NET POSITION</b>					
Net investment in capital assets		10,390,025		55,024,394	65,414,419
Restricted for debt service				551,182	551,182
Unrestricted	1,025,808	8,647,021	(93,391,620)	4,499,635	(79,219,156)
Total net position	<u>\$1,025,808</u>	<u>\$19,037,046</u>	<u>(\$93,391,620)</u>	<u>\$60,075,211</u>	<u>(\$13,253,555)</u>

**City of Clovis**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Internal Service Funds**  
**For the Year Ended June 30, 2016**

	Self Insurance	Fleet	Employee Benefits	General Services	Total
Operating revenues:					
Charges for services	\$1,830,300	\$8,190,374	\$17,835,642	\$9,887,567	\$37,743,883
From other agencies				572,346	572,346
Other revenues	145,211			229,749	374,960
Total operating revenues	<u>1,975,511</u>	<u>8,190,374</u>	<u>17,835,642</u>	<u>10,689,662</u>	<u>38,691,189</u>
Operating expenses:					
Salaries and benefits	191,163	1,466,689	324,529	2,349,925	4,332,306
Services, materials and supplies	1,633,517	3,139,112	15,927,763	4,423,279	25,123,671
Administration	34,800	891,200	56,300	359,554	1,341,854
Depreciation		2,132,892		2,577,189	4,710,081
Total operating expenses	<u>1,859,480</u>	<u>7,629,893</u>	<u>16,308,592</u>	<u>9,709,947</u>	<u>35,507,912</u>
Operating income (loss)	<u>116,031</u>	<u>560,481</u>	<u>1,527,050</u>	<u>979,715</u>	<u>3,183,277</u>
Nonoperating revenues (expenses):					
Interest income	4,220	41,810	36,122	18,418	100,570
Interest expense		(59,423)		(865,106)	(924,529)
Gain (loss) on sale of capital assets		(886)		0	(886)
Total nonoperating revenue (expense)	<u>4,220</u>	<u>(18,499)</u>	<u>36,122</u>	<u>(846,688)</u>	<u>(824,845)</u>
Income before contributions and transfers	120,251	541,982	1,563,172	133,027	2,358,432
Capital contributions		57,824			57,824
Transfers in		700,000		2,500,000	3,200,000
Changes in net position	120,251	1,299,806	1,563,172	2,633,027	5,616,256
Total net position-beginning	905,557	17,737,240	(94,954,792)	57,442,184	(18,869,811)
Total net position-ending	<u>\$1,025,808</u>	<u>\$19,037,046</u>	<u>(\$93,391,620)</u>	<u>\$60,075,211</u>	<u>(\$13,253,555)</u>

**City of Clovis**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended June 30, 2016**

	Self Insurance	Fleet	Employee Benefits	General Services	Total
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Receipts for interfund services	\$1,830,300	\$8,188,618	\$17,841,613	\$10,040,609	\$37,901,140
Payments to suppliers	(1,557,710)	(4,171,249)	(15,889,945)	(4,994,472)	(26,613,376)
Payments to employees	(191,163)	(1,475,765)	(1,525,343)	(2,330,985)	(5,523,256)
Other operating revenues	131,613			805,224	936,837
Net cash provided by operating activities	<u>213,040</u>	<u>2,541,604</u>	<u>426,325</u>	<u>3,520,376</u>	<u>6,701,345</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers-in from other funds		700,000		2,500,000	3,200,000
Net cash provided by noncapital financing activities	<u>0</u>	<u>700,000</u>	<u>0</u>	<u>2,500,000</u>	<u>3,200,000</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets		(2,966,445)		(3,977,988)	(6,944,433)
Principal paid on loans, bonds and capital leases		(647,353)		(2,077,112)	(2,724,465)
Interest paid on loans, bonds and capital leases		(65,983)		(878,097)	(944,080)
Proceeds from capital leases and loans		1,460,000		4,378,237	5,838,237
Proceeds from sale of property and equipment				53,632	53,632
Net cash (used) by capital and related financing activities	<u>0</u>	<u>(2,219,781)</u>	<u>0</u>	<u>(2,501,328)</u>	<u>(4,721,109)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest and dividends on investments	3,639	41,543	36,025	20,289	101,496
Net cash provided by investing activities	<u>3,639</u>	<u>41,543</u>	<u>36,025</u>	<u>20,289</u>	<u>101,496</u>
Net increase in cash and cash equivalents	216,679	1,063,366	462,350	3,539,337	5,281,732
Cash and cash equivalents-beginning of year	903,748	9,398,087	6,965,882	9,736,609	27,004,326
Cash and cash equivalents-end of year	<u>\$1,120,427</u>	<u>\$10,461,453</u>	<u>\$7,428,232</u>	<u>\$13,275,946</u>	<u>\$32,286,058</u>
<b>Reconciliation of operating income/(loss) to net cash provided/(used) by operating activities:</b>					
Operating income/(loss)	\$116,031	\$560,481	\$1,527,050	\$979,715	\$3,183,277
Adjustments to reconcile operating income to net cash provided/(used) by operating activities:					
Depreciation/amortization expense		2,132,892		2,577,189	4,710,081
(Increase)/decrease in accounts receivable	(13,598)	(1,756)	5,971	(13,244)	(22,627)
(Increase)/decrease in due from other governments				3,129	3,129
(Increase)/decrease in inventories		10,000			10,000
(Increase)/decrease in deferred outflows - pension			(10,835,694)		(10,835,694)
Increase/(decrease) in accounts payable	110,607	(150,937)	36,118	(211,639)	(215,851)
Increase/(decrease) in accrued compensated absences		(9,076)	20,000	18,940	29,864
Increase/(decrease) in claims and judgments payable			58,000		58,000
Increase/(decrease) in unearned revenue				166,286	166,286
Increase/(decrease) in net pension liability			9,115,361		9,115,361
Increase/(decrease) in deferred outflows - pension			499,519		499,519
Total adjustments	<u>97,009</u>	<u>1,981,123</u>	<u>(1,100,725)</u>	<u>2,540,661</u>	<u>3,518,068</u>
Net cash provided/(used) by operating activities	<u>\$213,040</u>	<u>\$2,541,604</u>	<u>\$426,325</u>	<u>\$3,520,376</u>	<u>\$6,701,345</u>

**Noncash investing, capital, and financing activities:**

During the year the Fleet Maintenance Fund, an internal service fund, received \$57,824 in donated assets

## Fiduciary Funds

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Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

Senior Citizens Memorial Fund - This fund is used to account for revenue and expenditures related to special programs within the Senior Services Program.

Blackhorse Assessment Fund - This fund is used to account for revenue and expenditures related to the maintenance within the Blackhorse III (95-1) Assessment District such as streets, curb & gutter, street lighting, sidewalks and gates.

Payroll Tax and Withholding Fund - This fund is used to account employee withholding deductions prior to submittal to state or federal agencies.

Temperance/Barstow Assessment Fund - This fund is used to account for the receipts and disbursements of the Temperance Barstow Assessment District.

Shepherd/Temperance Assessment Fund - This fund is used to account for the receipts and disbursements of the Shepherd Temperance Assessment District.

Asset Forfeiture Fund - This fund is used to account for the receipts and disbursements of money received from seized assets.

**City of Clovis**  
**Combining Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2016**

	Agency Funds						Total
	Senior Citizen Memorial	Blackhorse Assessment	Payroll Tax and Withholdings	Temperance Barstow Assessment	Shepherd Temperance Assessment	Asset Forfeiture	
<b>ASSETS</b>							
Cash and investments	\$48,434	\$117,442	\$2,378,253	\$70,792	\$139,139	\$8,384	\$2,762,444
Receivables	43	89	0	60	123	6	321
Total assets	<u>\$48,477</u>	<u>\$117,531</u>	<u>\$2,378,253</u>	<u>\$70,852</u>	<u>\$139,262</u>	<u>\$8,390</u>	<u>\$2,762,765</u>
<b>LIABILITIES</b>							
Accrued payroll			\$2,378,253				\$2,378,253
Agency funds payable	\$48,477	\$117,531				\$8,390	174,398
Due to bondholders				\$70,852	\$139,262		210,114
Total liabilities	<u>\$48,477</u>	<u>\$117,531</u>	<u>\$2,378,253</u>	<u>\$70,852</u>	<u>\$139,262</u>	<u>\$8,390</u>	<u>\$2,762,765</u>

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**City of Clovis**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Year Ended June 30, 2016**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b>Senior Citizen Memorial</b>				
Assets				
Cash and investments	\$48,873	\$1,661	\$2,100	\$48,434
Receivables	27	176	160	43
Total assets	<u>\$48,900</u>	<u>\$1,837</u>	<u>\$2,260</u>	<u>\$48,477</u>
Liabilities				
Agency funds payable	\$48,900	\$1,837	\$2,260	\$48,477
Total liabilities	<u>\$48,900</u>	<u>\$1,837</u>	<u>\$2,260</u>	<u>\$48,477</u>
<b>Blackhorse Assessment</b>				
Assets				
Cash and investments	\$111,252	\$62,561	\$56,371	\$117,442
Receivables	286	336	533	89
Total assets	<u>\$111,538</u>	<u>\$62,897</u>	<u>\$56,904</u>	<u>\$117,531</u>
Liabilities				
Agency funds payable	\$111,538	\$62,897	\$56,904	\$117,531
Total liabilities	<u>\$111,538</u>	<u>\$62,897</u>	<u>\$56,904</u>	<u>\$117,531</u>
<b>Payroll Tax and Withholding</b>				
Assets				
Cash and investments	\$2,349,776	\$2,378,253	\$2,349,776	\$2,378,253
Total assets	<u>\$2,349,776</u>	<u>\$2,378,253</u>	<u>\$2,349,776</u>	<u>\$2,378,253</u>
Liabilities				
Accrued Payroll	\$2,349,776	\$2,378,253	\$2,349,776	\$2,378,253
Total liabilities	<u>\$2,349,776</u>	<u>\$2,378,253</u>	<u>\$2,349,776</u>	<u>\$2,378,253</u>

**Temperance/Barstow Assessment**

## Assets

Cash and investments	\$70,815	\$487	\$510	\$70,792
Receivables	0	386	326	60
Total assets	<u>\$70,815</u>	<u>\$873</u>	<u>\$836</u>	<u>\$70,852</u>

## Liabilities

Due to bondholders	\$70,815	\$873	\$836	\$70,852
Total liabilities	<u>\$70,815</u>	<u>\$873</u>	<u>\$836</u>	<u>\$70,852</u>

**Shepherd/Temperance Assessment**

## Assets

Cash and investments	\$179,650	\$108,442	\$148,953	\$139,139
Receivables	861	525	1,263	123
Total assets	<u>\$180,511</u>	<u>\$108,967</u>	<u>\$150,216</u>	<u>\$139,262</u>

## Liabilities

Due to bondholders	\$180,511	\$108,967	\$150,216	\$139,262
Total liabilities	<u>\$180,511</u>	<u>\$108,967</u>	<u>\$150,216</u>	<u>\$139,262</u>

**Asset Forfeiture**

## Assets

Cash and investments	\$1,199	\$7,209	\$24	\$8,384
Receivables	5,135	25	5,154	6
Total assets	<u>\$6,334</u>	<u>\$7,234</u>	<u>\$5,178</u>	<u>\$8,390</u>

## Liabilities

Agency funds payable	\$6,334	\$7,234	\$5,178	\$8,390
Total liabilities	<u>\$6,334</u>	<u>\$7,234</u>	<u>\$5,178</u>	<u>\$8,390</u>

**Grand Total All Agency Funds**

## Assets

Cash and investments	\$2,761,565	\$2,558,613	\$2,557,734	\$2,762,444
Receivables	6,309	1,448	7,436	321
Total assets	<u>\$2,767,874</u>	<u>\$2,560,061</u>	<u>\$2,565,170</u>	<u>\$2,762,765</u>

## Liabilities

Accrued payroll	\$2,349,776	\$2,378,253	\$2,349,776	\$2,378,253
Agency funds payable	166,772	71,968	64,342	174,398
Due to bondholders	251,326	109,840	151,052	210,114
Total liabilities	<u>\$2,767,874</u>	<u>\$2,560,061</u>	<u>\$2,565,170</u>	<u>\$2,762,765</u>

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## Statistical Section

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This part of the City of Clovis' 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 government's overall financial health.

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## Statistical Section

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<b>Contents</b>	<b>Page</b>
Financial Trends	113
<p>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</p>	
Revenue Capacity	121
<p>These schedules contain information to help the reader assess the governments' most significant local revenue source, the property tax.</p>	
Debt Capacity	125
<p>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</p>	
Demographic and Economic Information	131
<p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</p>	
Operating Information	134
<p>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</p>	

**CITY OF CLOVIS**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**

(accrual basis of accounting)  
(in thousands)

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities:										
Net investment in capital assets	\$ 294,905	\$ 375,445	\$ 394,479	\$ 414,755	\$ 436,785	\$ 469,871	\$ 481,729	\$ 490,722	\$ 509,567	\$ 523,881
Restricted	29,022	39,670	38,672	35,940	33,283	21,302	19,810	24,266	23,997	25,843
Unrestricted	<u>17,918</u>	<u>8,968</u>	<u>11,485</u>	<u>13,991</u>	<u>16,121</u>	<u>13,688</u>	<u>16,070</u>	<u>21,548</u>	<u>(67,159)</u>	<u>(67,081)</u>
Total net position	<u>\$ 341,845</u>	<u>\$ 424,083</u>	<u>\$ 444,636</u>	<u>\$ 464,686</u>	<u>\$ 486,189</u>	<u>\$ 504,861</u>	<u>\$ 517,609</u>	<u>\$ 536,536</u>	<u>\$ 466,405</u>	<u>\$ 482,643</u>
Business-type activities:										
Net investment in capital assets	\$ 94,552	\$ 105,729	\$ 107,645	\$ 107,065	\$ 111,939	\$ 125,253	\$ 130,123	\$ 132,872	\$ 137,520	\$ 142,658
Restricted	4,940	7,174	8,370	7,706	5,269	5,292	4,794	3,365	3,377	906
Unrestricted	<u>52,680</u>	<u>53,724</u>	<u>50,645</u>	<u>43,031</u>	<u>44,638</u>	<u>38,660</u>	<u>51,584</u>	<u>60,855</u>	<u>72,977</u>	<u>82,271</u>
Total net position	<u>\$ 152,172</u>	<u>\$ 166,627</u>	<u>\$ 166,660</u>	<u>\$ 157,802</u>	<u>\$ 161,846</u>	<u>\$ 169,205</u>	<u>\$ 186,501</u>	<u>\$ 197,092</u>	<u>\$ 213,874</u>	<u>\$ 225,835</u>
Total Primary government:										
Net investment in capital assets	\$ 389,457	\$ 481,174	\$ 502,124	\$ 521,820	\$ 548,724	\$ 595,124	\$ 611,852	\$ 623,594	\$ 647,087	\$ 666,540
Restricted	33,961	46,844	47,042	43,646	38,552	26,594	24,604	27,631	27,374	26,748
Unrestricted	<u>70,598</u>	<u>62,692</u>	<u>62,130</u>	<u>57,022</u>	<u>60,759</u>	<u>52,348</u>	<u>67,654</u>	<u>82,403</u>	<u>5,818</u>	<u>15,190</u>
Total net position	<u>\$ 494,016</u>	<u>\$ 590,710</u>	<u>\$ 611,296</u>	<u>\$ 622,488</u>	<u>\$ 648,035</u>	<u>\$ 674,066</u>	<u>\$ 704,110</u>	<u>\$ 733,628</u>	<u>\$ 680,279</u>	<u>\$ 708,478</u>

**CITY OF CLOVIS**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
 (accrual basis of accounting)  
 (in thousands)

	For the Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses:										
Governmental activities:										
General government	\$ 5,319	\$ 5,495	\$ 5,265	\$ 4,282	\$ 4,684	\$ 4,952	\$ 5,948	\$ 5,642	\$ 5,587	\$ 5,577
Public safety	34,586	36,476	35,238	31,345	33,331	35,185	37,106	38,736	39,460	42,027
Transportation	7,932	7,982	8,886	10,123	9,869	10,803	11,160	11,251	12,686	12,232
Community development	11,531	11,437	11,065	11,289	10,931	8,925	930	310	909	637
Cultural and recreation	4,520	4,955	5,786	4,659	5,585	5,435	5,790	6,370	6,272	6,196
Interest and other charges										925
Special assessment	48									
Total governmental activities expenses	<u>63,936</u>	<u>66,345</u>	<u>66,240</u>	<u>61,698</u>	<u>64,400</u>	<u>65,300</u>	<u>60,934</u>	<u>62,309</u>	<u>64,914</u>	<u>67,593</u>
Business-type activities:										
Refuse	10,997	12,207	12,400	13,793	13,097	13,617	14,057	14,857	15,654	16,207
Sewer	11,210	15,054	15,159	19,631	17,139	18,207	17,555	19,883	18,011	18,553
Water	13,087	13,672	13,775	14,098	13,352	14,114	14,587	13,626	14,486	14,487
Transit	2,678	3,397	3,897	3,980	4,226	4,419	4,749	4,946	4,884	5,016
Planning & Development Services							6,826	7,226	7,558	7,780
Street Cleaning	871	963	877	944						
Total business-type activities expenses	<u>38,843</u>	<u>45,293</u>	<u>46,108</u>	<u>52,446</u>	<u>47,814</u>	<u>50,357</u>	<u>57,774</u>	<u>60,538</u>	<u>60,592</u>	<u>62,044</u>
Total primary government expenses	<u>102,779</u>	<u>111,638</u>	<u>112,348</u>	<u>114,144</u>	<u>112,214</u>	<u>115,657</u>	<u>118,708</u>	<u>122,847</u>	<u>125,506</u>	<u>129,637</u>
Program revenues:										
Governmental activities:										
Charges for services:										
General Government	3,064	3,374	3,338	3,005	3,765	3,224	4,271	4,378	4,995	4,875
Public Safety	2,231	2,563	2,658	1,906	2,094	2,071	1,700	2,195	2,209	2,521
Transportation	5,383	7,398	8,872	6,558	7,637	8,586	6,818	9,916	6,788	6,061
Community development	9,178	8,370	7,348	6,735	6,153	7,961	578	352	1,231	301
Cultural and recreation	5,496	5,204	4,217	4,349	4,171	4,025	4,509	5,901	4,909	5,540
Special assessment	132									
Operating grants and contributions	626	581	737	1,115	1,524	1,963	1,100	527	639	737
Capital grants and contributions	41,644	73,664	16,330	19,652	21,427	22,262	15,859	15,292	20,516	16,638
Total governmental activities program revenues	<u>67,754</u>	<u>101,154</u>	<u>43,500</u>	<u>43,320</u>	<u>46,771</u>	<u>50,092</u>	<u>34,835</u>	<u>38,561</u>	<u>41,287</u>	<u>36,673</u>

Business-type activities:

Charges for services:

Community Sanitation	13,981	15,060	15,901	16,405	16,592	16,576	17,784	17,240	17,608	17,692
Sewer	16,594	16,881	9,607	9,265	14,027	16,295	18,340	18,130	21,974	21,167
Water	16,242	18,784	10,358	10,870	13,874	16,550	21,243	18,580	19,050	16,599
Transit	3,626	3,658	4,254	3,535	3,841	3,950	4,361	1,473	1,541	1,608
Planning & Development Services							7,720	8,630	8,159	8,807

Operating grants and contributions

						48	102	2,879	4,247	4,056
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Capital grants and contributions

	<u>70</u>	<u>25</u>	<u>3,534</u>	<u>2,800</u>	<u>3,177</u>	<u>4,829</u>	<u>4,639</u>	<u>3,535</u>	<u>4,059</u>	<u>2,721</u>
Total business-type activities program revenues	<u>50,513</u>	<u>54,408</u>	<u>43,654</u>	<u>42,875</u>	<u>51,511</u>	<u>58,248</u>	<u>74,189</u>	<u>70,467</u>	<u>76,638</u>	<u>72,650</u>

Total primary government program revenues

	<u>118,267</u>	<u>155,562</u>	<u>87,154</u>	<u>86,195</u>	<u>98,282</u>	<u>108,340</u>	<u>109,024</u>	<u>109,028</u>	<u>117,925</u>	<u>109,323</u>
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Net revenues (expenses):

Governmental activities	3,818	34,809	(22,740)	(18,378)	(17,629)	(15,208)	(26,099)	(23,748)	(23,627)	(30,920)
Business-type activities	<u>11,670</u>	<u>9,115</u>	<u>(2,454)</u>	<u>(9,571)</u>	<u>3,697</u>	<u>7,891</u>	<u>16,415</u>	<u>9,929</u>	<u>16,047</u>	<u>10,606</u>
Total net revenues (expenses)	<u>15,488</u>	<u>43,924</u>	<u>(25,194)</u>	<u>(27,949)</u>	<u>(13,932)</u>	<u>(7,317)</u>	<u>(9,684)</u>	<u>(13,819)</u>	<u>(7,580)</u>	<u>(20,314)</u>

General revenues and other changes in net assets:

Governmental activities:

Taxes:

Property taxes	18,719	21,175	22,093	19,944	20,159	15,294	17,961	19,159	19,842	20,649
Sales tax	19,067	18,174	14,837	12,406	13,121	13,853	15,049	16,923	18,039	19,120
Business Lic/Franchise	3,570	4,054	3,992	4,045	4,081	4,184	4,386	4,664	4,984	5,271
Other taxes	1,134	790	620	1,163	1,602	1,740	1,935	2,097	2,327	2,551
Grants and contributions not restricted	741	512	536	446	628	190	175	131	172	183
Unrestricted investment earnings	3,358	2,845	1,291	473	475	148	61	138	163	234
Transfers	<u>(145)</u>	<u>(120)</u>	<u>(77)</u>	<u>(49)</u>	<u>(49)</u>	<u>727</u>	<u>(720)</u>	<u>(437)</u>	<u>(461)</u>	<u>(850)</u>
Total governmental activities	<u>46,444</u>	<u>47,430</u>	<u>43,292</u>	<u>38,428</u>	<u>40,017</u>	<u>36,136</u>	<u>38,847</u>	<u>42,675</u>	<u>45,067</u>	<u>47,159</u>

Business-type activities:

Unrestricted investment earnings	4,058	5,220	2,410	664	298	195	161	224	274	506
Transfers	<u>145</u>	<u>120</u>	<u>77</u>	<u>49</u>	<u>49</u>	<u>(727)</u>	<u>720</u>	<u>437</u>	<u>461</u>	<u>850</u>
Total business-type activities	<u>4,203</u>	<u>5,340</u>	<u>2,487</u>	<u>713</u>	<u>347</u>	<u>(532)</u>	<u>881</u>	<u>661</u>	<u>735</u>	<u>1,356</u>
Total primary government	<u>50,647</u>	<u>52,770</u>	<u>45,779</u>	<u>39,141</u>	<u>40,364</u>	<u>35,604</u>	<u>39,728</u>	<u>43,336</u>	<u>45,802</u>	<u>48,515</u>

Extraordinary Item-Dissolution of CCDA

(2,257)

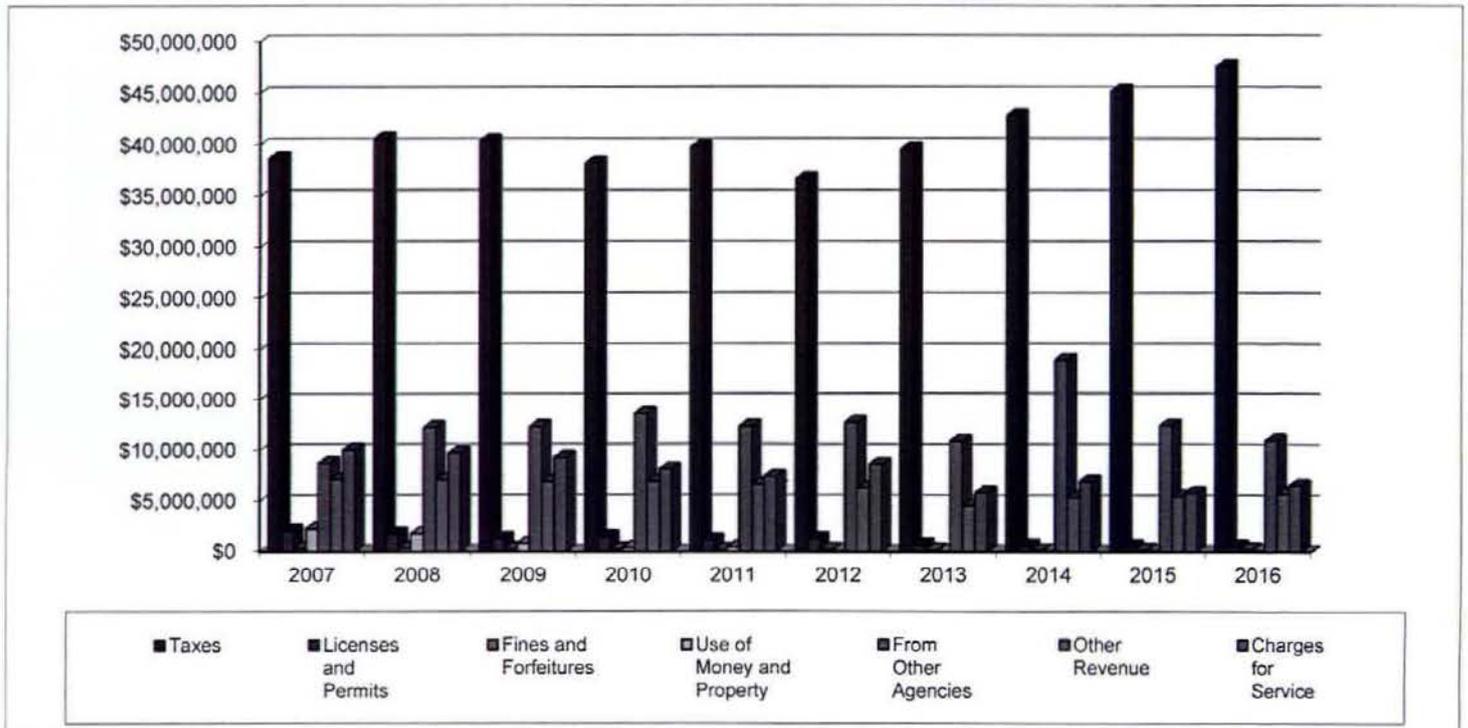
Changes in net assets:

Governmental activities	50,262	82,239	20,552	20,050	22,388	18,671	12,748	18,927	21,441	16,240
Business-type activities	<u>15,873</u>	<u>14,455</u>	<u>33</u>	<u>(8,858)</u>	<u>4,044</u>	<u>7,359</u>	<u>17,296</u>	<u>10,590</u>	<u>16,782</u>	<u>11,961</u>
Total primary government	<u>\$66,135</u>	<u>\$96,694</u>	<u>\$20,585</u>	<u>\$11,192</u>	<u>\$26,432</u>	<u>\$26,030</u>	<u>\$30,044</u>	<u>\$29,517</u>	<u>\$ 38,223</u>	<u>\$ 28,201</u>

**CITY OF CLOVIS  
GENERAL GOVERNMENT REVENUES BY SOURCE  
LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30,</b>	<b>Taxes</b>	<b>Licenses and Permits</b>	<b>Fines and Forfeitures</b>	<b>Use of Money and Property</b>	<b>From Other Agencies</b>	<b>Charges for Service</b>	<b>Other Revenue</b>	<b>Total</b>
2007	\$38,707,722	\$2,050,759	\$306,592	\$2,245,415	\$8,698,857	\$10,045,798	\$7,120,738	\$69,175,881
2008	40,593,526	1,763,279	352,647	1,776,955	12,284,310	9,740,854	7,073,402	73,584,973
2009	40,381,087	1,302,368	275,406	778,310	12,364,635	9,305,542	6,925,095	71,332,443
2010	38,232,859	1,454,196	240,622	371,328	13,649,374	8,129,216	6,969,861	69,047,456
2011	39,776,909	1,113,238	166,010	433,979	12,418,299	7,432,331	6,671,487	68,012,253
2012	36,715,550	1,305,849	208,227	125,071	12,799,825	8,676,798	6,318,419	66,149,739
2013	39,611,753	688,001	192,636	83,549	10,963,343	5,819,507	4,554,963	61,913,752
2014	42,837,215	593,886	148,495	122,725	19,056,135	6,945,717	5,368,776	75,072,949
2015	45,191,980	583,060	207,358	144,328	12,484,156	5,794,337	5,469,201	69,874,420
2016	47,591,661	584,412	253,841	170,213	10,990,248	6,544,320	5,730,691	71,865,386

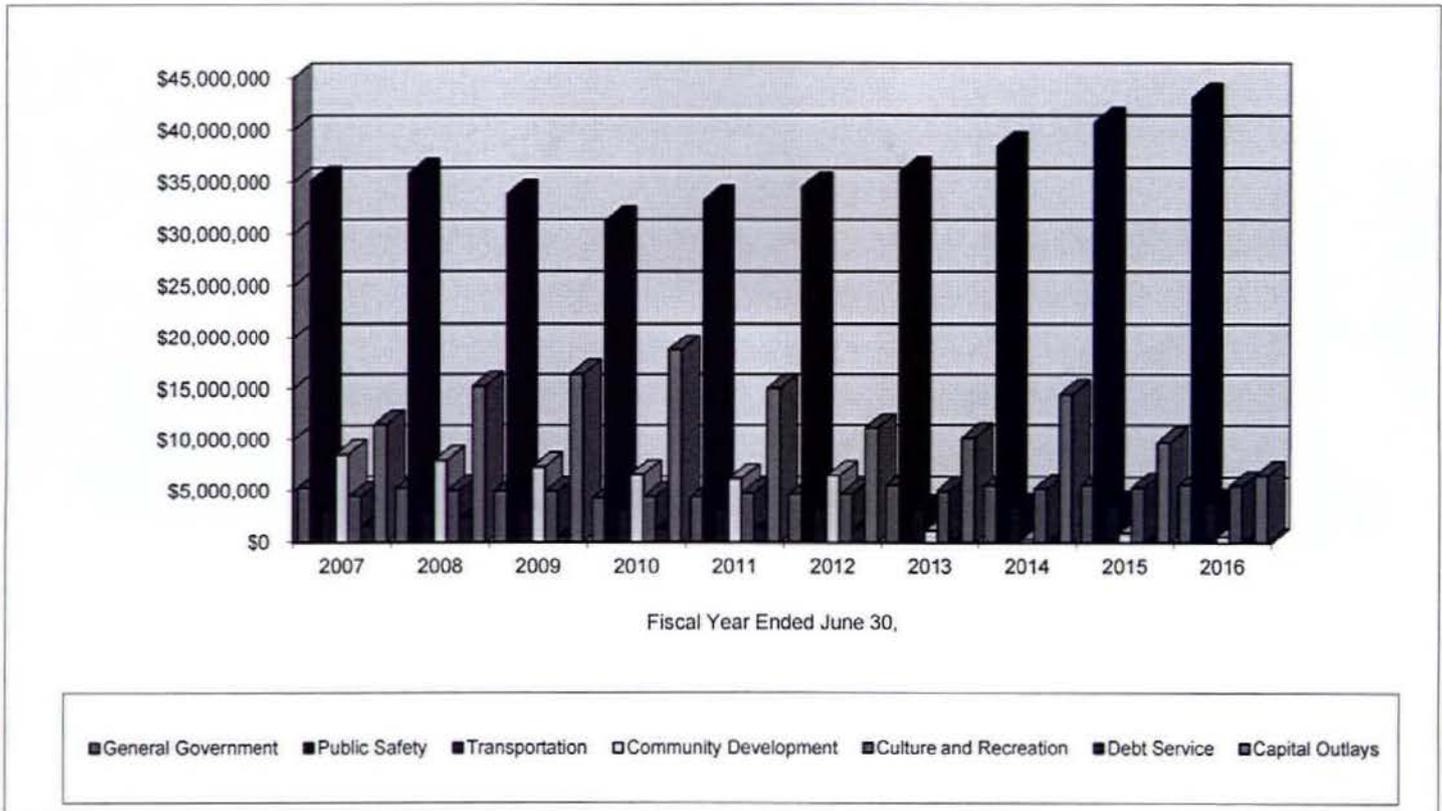
Note: Includes all governmental fund types (General, Special Revenue, Debt Service and Capital Projects Funds).



**CITY OF CLOVIS  
GENERAL GOVERNMENT EXPENDITURES BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30,</b>	<b>General Government</b>	<b>Public Safety</b>	<b>Transportation</b>	<b>Community Development</b>	<b>Culture and Recreation</b>	<b>Debt Service</b>	<b>Capital Outlays</b>	<b>Total</b>
2007	\$5,293,459	\$35,131,624	\$3,011,329	\$8,601,267	\$4,482,704	\$1,667,645	\$11,457,349	\$69,645,377
2008	5,275,513	35,837,948	3,030,319	7,991,154	5,059,317	2,344,585	15,254,647	74,793,483
2009	4,979,945	33,824,405	3,110,287	7,348,048	4,970,931	642,966	16,425,668	71,302,250
2010	4,317,898	31,289,958	3,288,404	6,622,952	4,496,927	1,361,979	18,825,875	70,203,993
2011	4,468,062	33,303,647	3,134,317	6,223,288	4,843,250	1,364,129	15,066,781	68,403,474
2012	4,726,595	34,576,576	3,333,681	6,514,706	4,719,477	1,364,378	11,167,421	66,402,834
2013	5,620,526	36,043,170	3,256,789	1,150,395	5,024,870	0	10,205,465	61,301,215
2014	5,546,340	38,498,881	3,430,068	302,091	5,235,028	0	14,510,295	67,522,703
2015	5,622,192	40,767,185	3,595,841	917,702	5,409,366	0	9,800,799	66,113,085
2016	5,620,922	43,136,838	3,828,619	577,483	5,541,908	0	6,523,827	65,229,597

Notes: Includes all governmental fund types (General, Special Revenue, Debt Service and Capital Projects Funds).



**CITY OF CLOVIS**  
**CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

(modified accrual basis of accounting)

	For the Fiscal Year Ended June 30, 2016				
	2007	2008	2009	2010	2011
<b>Revenues:</b>					
Property taxes	\$ 19,083,256	\$ 21,482,384	\$ 22,509,936	\$ 20,425,109	\$ 20,764,779
Sales taxes	11,350,453	14,266,968	12,993,878	12,404,059	13,329,533
Business license/Franchise	3,570,363	4,054,455	3,992,374	4,054,563	4,080,924
Other taxes	4,703,650	789,719	884,899	1,349,128	1,601,673
Licenses and permits	2,050,759	1,763,279	1,302,368	1,454,196	1,113,238
Fines and forfeitures	306,592	352,647	275,406	240,622	166,010
Use of money and property	2,245,415	1,776,955	778,310	371,328	433,979
From other agencies	8,698,857	12,284,310	12,364,635	13,649,374	12,418,299
Charges for current services	10,045,798	9,740,854	9,305,542	8,129,216	7,432,331
Other revenues	7,120,738	7,073,402	6,925,095	6,969,861	6,671,487
<b>Total revenues</b>	<b>69,175,881</b>	<b>73,584,973</b>	<b>71,332,443</b>	<b>69,047,456</b>	<b>68,012,253</b>
<b>Expenditures</b>					
<b>Current:</b>					
General government	5,293,459	5,275,513	4,979,945	4,317,898	4,468,062
Public safety	35,131,624	35,837,948	33,824,405	31,289,958	33,303,647
Transportation	3,011,329	3,030,319	3,110,287	3,288,404	3,134,317
Community development	8,601,267	7,991,154	7,348,048	6,622,952	6,223,288
Cultural and recreation	4,482,704	5,059,317	4,970,931	4,496,927	4,843,250
<b>Debt service:</b>					
Principal	1,111,939	1,164,786		530,000	550,000
Interest and fiscal charges	555,706	516,771	642,966	831,979	814,129
Bond issue costs		663,028			
Capital outlays	8,325,576	13,469,244	13,841,599	14,095,728	11,574,183
<b>Total expenditures</b>	<b>66,513,604</b>	<b>73,008,080</b>	<b>68,718,181</b>	<b>65,473,846</b>	<b>64,910,876</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>2,662,277</b>	<b>576,893</b>	<b>2,614,262</b>	<b>3,573,610</b>	<b>3,101,377</b>
<b>Other financing sources (uses):</b>					
Transfers in	1,624,000	899,000	862,175	1,350,000	1,388,000
Transfers out	(1,194,000)	(1,269,000)	(852,175)	(1,399,000)	(2,487,000)
Issuance of bonds		19,100,000			
Bond discount		(233,214)			
Payment to bond escrow agent		(7,162,780)			
<b>Total other financing sources (uses)</b>	<b>430,000</b>	<b>11,334,006</b>	<b>10,000</b>	<b>(49,000)</b>	<b>(1,099,000)</b>
<b>Extraordinary item-Dissolution of CCDA</b>					
<b>Net change in Fund balances</b>	<b>\$ 3,092,277</b>	<b>\$ 11,910,899</b>	<b>\$ 2,624,262</b>	<b>\$ 3,524,610</b>	<b>\$ 2,002,377</b>
Debt service as a percentage of noncapital expenditures	3.0%	4.1%	1.2%	2.7%	2.6%

CITY OF CLOVIS Page 2 of 2  
**CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)

For the Fiscal Year Ended June 30, 2016				
2012	2013	2014	2015	2016
\$ 16,653,534	\$ 17,961,308	\$ 19,159,555	\$ 19,842,732	\$ 20,649,898
14,076,648	15,284,968	16,916,615	18,037,581	19,119,633
4,183,484	4,331,760	4,664,123	4,929,246	5,271,321
1,801,884	2,033,716	2,096,922	2,382,421	2,550,809
1,305,849	688,001	593,886	583,060	584,412
208,227	192,636	148,495	207,358	253,841
125,071	83,549	122,725	144,328	170,213
12,799,825	10,963,343	19,056,135	12,484,156	10,990,248
8,676,798	5,819,507	6,945,717	5,794,337	6,544,320
6,318,419	4,554,963	5,368,776	5,469,201	5,730,691
<u>66,149,739</u>	<u>61,913,751</u>	<u>75,072,949</u>	<u>69,874,420</u>	<u>71,865,386</u>
4,726,595	5,620,526	5,546,340	5,622,192	5,620,922
34,576,576	36,043,170	38,498,881	40,767,185	43,136,838
3,333,681	3,256,789	3,430,068	3,595,841	3,828,619
6,514,706	1,150,395	302,091	917,702	577,483
4,719,477	5,024,870	5,235,028	5,409,366	5,541,908
575,000				
789,378				
<u>9,465,085</u>	<u>9,966,973</u>	<u>14,510,295</u>	<u>9,800,799</u>	<u>6,523,827</u>
<u>64,700,498</u>	<u>61,062,723</u>	<u>67,522,703</u>	<u>66,113,085</u>	<u>65,229,597</u>
<u>1,449,241</u>	<u>851,028</u>	<u>7,550,246</u>	<u>3,761,335</u>	<u>6,635,789</u>
1,531,696	30,000	18,995	0	0
(1,599,696)	(1,265,000)	(1,256,080)	(1,211,000)	(4,050,000)
<u>(68,000)</u>	<u>(1,235,000)</u>	<u>(1,237,085)</u>	<u>(1,211,000)</u>	<u>(4,050,000)</u>
(11,551,717)				
<u>\$ (10,170,476)</u>	<u>\$ (383,972)</u>	<u>\$ 6,313,161</u>	<u>\$ 2,550,335</u>	<u>\$ 2,585,789</u>
2.5%	0.0%	0.0%	0.0%	0.0%

**CITY OF CLOVIS**  
**FUND BALANCE OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

(modified accrual basis of accounting)

**General Fund**

<b>Fiscal Year Ended June 30,</b>	<b>Nonspendable</b>	<b>Restricted</b>	<b>Assigned</b>	<b>Unassigned</b>	<b>Total</b>
2007	\$ 0	\$2,359,832	\$5,657,082	\$1,440,184	\$9,457,098
2008	855,000	3,236,197	4,138,000	147,846	8,377,043
2009	855,000	3,373,603	3,525,000	1,576,248	9,329,851
2010	855,000	3,278,491	5,320,000	1,209,788	10,663,279
2011	855,000	2,984,719	6,565,000	544,966	10,949,685
2012	855,000	2,767,463	7,208,000	556,206	11,386,669
2013	855,000	2,383,432	7,883,000	1,135,539	12,256,971
2014	855,000	2,188,316	9,451,000	1,611,802	14,106,118
2015	855,000	2,368,439	10,000,000	3,702,156	16,925,595
2016	0	2,738,023	11,779,000	2,925,095	17,442,118

**All Other Governmental Funds**

<b>Fiscal Year Ended June 30,</b>	<b>Nonspendable</b>	<b>Restricted</b>	<b>Assigned</b>	<b>Unassigned</b>	<b>Total</b>
2007	\$6,204,553	\$19,772,849	\$2,036,191		\$28,013,593
2008	7,240,974	29,791,170	2,187,000		39,219,144
2009	9,075,743	25,491,786	3,739,000		38,306,529
2010	11,082,808	22,186,756	2,498,000		35,767,564
2011	9,010,607	20,907,638	3,187,900		33,106,145
2012	6,850,436	10,683,943	3,261,970		20,796,349
2013	7,155,675	8,795,952	3,351,955		19,303,582
2014	6,762,061	8,115,950	8,889,586		23,767,597
2015	6,865,628	6,349,429	10,283,400		23,498,457
2016	0	16,002,504	4,423,900		20,426,404

**CITY OF CLOVIS  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY  
 LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Real Property		Personal Property		Exemptions Homeowners	Net		Total Direct Tax Rate
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		Assessed	Estimated Actual	
2007	\$6,441,754,743	\$6,441,754,743	\$185,287,815	\$185,287,815	\$98,770,200	\$6,528,272,358	\$6,627,042,558	0%
2008	7,453,513,829	7,453,513,829	231,559,017	231,559,017	100,075,996	7,584,996,850	7,685,072,846	0%
2009	7,575,659,027	7,575,659,027	175,147,109	175,147,109	102,754,800	7,648,051,336	7,750,806,136	0%
2010	7,244,885,892	7,244,885,892	214,587,308	214,587,308	104,305,200	7,355,168,000	7,459,473,200	0%
2011	7,201,539,162	7,201,539,162	215,795,027	215,795,027	104,977,700	7,312,356,489	7,417,334,189	0%
2012	7,133,083,317	7,133,083,317	205,900,352	205,900,352	104,273,160	7,234,710,509	7,338,983,669	0%
2013	7,024,285,314	7,024,285,314	201,775,479	201,775,479	101,603,300	7,124,457,493	7,226,060,793	0%
2014	7,507,886,552	7,507,886,552	198,810,435	198,810,435	103,378,700	7,603,318,287	7,706,696,987	0%
2015	8,158,612,400	8,158,612,400	204,592,938	204,592,938	101,969,400	8,261,235,938	8,363,205,338	0%
2016	8,696,361,855	8,696,361,855	213,125,102	213,125,102	100,450,200	8,809,036,757	8,909,486,957	0%

Note: Effective fiscal year 1981-82 and fiscal years thereafter, assessed value is 100% of market value.  
 The rate applied to the assessed value for county wide property tax is 1%.

Source: Fresno County Auditor Controller/Treasurer Tax Collector

**CITY OF CLOVIS  
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENT  
LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30,</b>	<b>City of Clovis</b>	<b>Clovis Unified School District Bond</b>	<b>State Center General Obligation Bond</b>	<b>County Wide</b>	<b>Total</b>
2007	0.000000	0.197500	0.005038	1.000000	1.202538
2008	0.000000	0.197500	0.015618	1.000000	1.213118
2009	0.000000	0.197488	0.000594	1.000000	1.198082
2010	0.000000	0.197500	0.013294	1.000000	1.210794
2011	0.000000	0.186740	0.010050	1.000000	1.196790
2012	0.000000	0.155352	0.007070	1.000000	1.162422
2013	0.000000	0.155350	0.009358	1.000000	1.164708
2014	0.000000	0.155350	0.009602	1.000000	1.164952
2015	0.000000	0.155346	0.009308	1.000000	1.164654
2016	0.000000	0.155350	0.008064	1.000000	1.163414

Note: The basis for the tax rates is per \$100 assessed valuation.

Source: Fresno County Auditor Controller/Treasurer Tax Collector

**CITY OF CLOVIS  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND TEN YEARS AGO**

Taxpayer	2016			2007		
	Taxable Assessed Value (1)	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value (1)	Rank	Percent of Total City Taxable Assessed Value
Fresno Community Hospital & Med CTR	\$115,326	1	1.25%	\$78,813	1	1.21%
Pelco	41,593	2	0.45%	31,280	2	0.70%
Prindiville Dennis Trustee	41,476	3	0.45%	45,932	4	0.48%
Bre Throne Clovis Commons LLC	38,235	4	0.41%			
Winterfell Yosemite Gardens L P	25,611	5	0.28%			
Clovis-Herndon Center II LLC	25,475	6	0.28%			
Wal-Mart Real Estate Business Trust	24,921	7	0.27%			
GSF Sunnyside Clovis Investors L P	23,098	8	0.25%			
Copper Beech Townhome Communities	21,269	9	0.23%	18,165	5	0.38%
Clovis Apartment Group LLC	20,621	10	0.22%			
Rengency Cahan-Clovis LLC				34,509	3	0.53%
Anlin Industries				22,498	6	0.34%
Vons Companies Inc				19,386	7	0.30%
Brown Garold C Family LTD Partnership				18,165	8	0.28%
Kaiser Foundation Health Plan Inc				17,258	9	0.26%
Save Mart Supermarkets				17,143	10	0.26%
	<u>\$377,625</u>		<u>4.09%</u>	<u>\$303,149</u>		<u>4.74%</u>

(1) Amounts in thousands

Source: City of Clovis-GIS  
Fresno County Assessor

**CITY OF CLOVIS  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30,</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percent of Current Taxes Collected</b>	<b>Delinquent Tax Collections<sub>1</sub></b>	<b>Total Tax Collections</b>	<b>Ratio of Total Tax Collections to Total Tax Levy</b>	<b>Current Delinquent Taxes</b>	<b>Ratio of Current Delinquent Taxes to Total Tax Levy<sub>2</sub></b>
2007	\$9,146,452	\$8,732,938	95.5	\$170,287	\$8,903,225	97.3	\$320,583	3.505
2008	10,136,188	9,745,493	96.1	342,395	10,087,888	99.5	463,224	4.570
2009	9,853,029	9,353,774	94.9	385,460	9,739,234	98.8	382,987	3.887
2010	9,510,716	8,756,447	92.1	274,402	9,030,849	95.0	307,101	3.229
2011	9,158,780	8,702,520	95.0	448,065	9,150,585	99.9	243,624	2.660
2012	9,176,983	8,787,604	95.8	298,162	9,085,766	99.0	185,100	2.017
2013	9,209,497	8,867,999	96.3	270,584	9,138,583	99.2	150,299	1.632
2014	9,957,414	9,627,588	96.7	216,607	9,844,195	98.9	148,664	1.493
2015	10,824,263	10,592,809	97.9	202,176	10,794,985	99.7	155,869	1.440
2016	11,475,064	11,371,562	99.1	111,527	11,483,089	100.1	159,503	1.390

Notes: Amounts include only General Fund tax collections.

<sub>1</sub> Includes prior year delinquent tax collections.

<sub>2</sub> The ratio of current delinquent taxes represents the Fresno County wide rate as the County of Fresno is unable to provide the City of Clovis' delinquent tax ratio.

Sources: Fresno County Assessor's Office  
Fresno County Auditor Controller

**CITY OF CLOVIS**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Tax</u> <u>Allocation</u> <u>Bonds (1)</u>	<u>Special</u> <u>Assessment</u> <u>Bonds (1)</u>	<u>Lease</u> <u>Revenue</u> <u>Bonds (1)</u>	<u>Revenue</u> <u>Bonds (1)</u>	<u>Capital</u> <u>Leases (1)</u>	<u>Loans/</u> <u>Contracts</u> <u>Payable (1)</u>	<u>Total</u>	<u>Debt</u> <u>Per</u> <u>AV</u>	<u>Debt</u> <u>Per</u> <u>Capita</u>
<b>Governmental Activities</b>									
2007	\$7,625,000	\$650,000	\$192,060	\$22,773,404	\$8,565,039	\$1,917,486	\$41,722,989	\$0.006	\$452
2008	18,203,757	0	0	26,260,117	8,686,869	1,209,646	54,360,389	0.007	577
2009	18,233,657	0	0	16,283,638	7,585,655	515,201	42,618,151	0.006	448
2010	17,733,557	0	0	15,683,638	7,140,369	1,346,309	41,903,873	0.006	433
2011	17,213,457	0	0	15,082,836	10,123,390	1,309,095	43,728,778	0.006	450
2012	0	0	0	14,447,032	10,099,702	2,343,196	26,889,930	0.004	273
2013	0	0	0	13,786,231	11,740,045	2,198,243	27,724,519	0.004	277
2014	0	0	0	0	26,255,248	2,120,278	28,375,526	0.004	278
2015	0	0	0	0	23,655,822	1,805,112	25,460,934	0.003	244
2016	0	0	0	0	26,850,329	1,724,379	28,574,708	0.003	264
<b>Business-type Activities</b>									
2007	\$0	\$0	\$56,347	\$157,971,292	\$27,804	\$17,268,807	\$175,324,250	\$0.027	\$1,900
2008	0	0	0	156,157,035	16,942	17,194,949	173,368,926	0.023	1,839
2009	0	0	0	157,308,932	5,735	15,815,472	173,130,139	0.023	1,820
2010	0	0	0	155,265,239	0	14,359,233	169,624,472	0.023	1,751
2011	0	0	0	153,136,546	0	12,818,719	165,955,265	0.023	1,707
2012	0	0	0	149,682,848	0	11,181,113	160,863,961	0.022	1,631
2013	0	0	0	146,013,411	0	10,503,598	156,517,009	0.022	1,565
2014	0	0	0	141,888,294	0	9,783,356	151,671,650	0.020	1,484
2015	0	0	0	137,462,213	0	9,018,510	146,480,723	0.018	1,404
2016	0	0	0	130,540,195	0	8,205,774	138,745,969	0.016	1,284
<b>Total Primary Government</b>									
2007	\$7,625,000	\$650,000	\$248,407	\$180,744,696	\$8,592,843	\$19,186,293	\$217,047,239	\$0.033	\$2,352
2008	18,203,757	0	0	182,417,152	8,703,811	18,404,595	227,729,315	0.030	2,416
2009	18,233,657	0	0	173,592,570	7,591,390	16,330,673	215,748,290	0.028	2,268
2010	17,733,557	0	0	170,948,877	7,140,369	15,705,542	211,528,345	0.029	2,184
2011	17,213,457	0	0	168,219,382	10,123,390	14,127,814	209,684,043	0.029	2,157
2012	0	0	0	164,129,880	10,099,702	13,524,309	187,753,891	0.026	1,904
2013	0	0	0	159,799,642	11,740,045	12,701,841	184,241,528	0.026	1,843
2014	0	0	0	141,888,294	26,255,248	11,903,634	180,047,176	0.024	1,762
2015	0	0	0	137,462,213	23,655,822	10,823,622	171,941,657	0.021	1,648
2016	0	0	0	130,540,195	26,850,329	9,930,153	167,320,677	0.019	1,549

(1) Presented net of original issuance discounts and premiums  
Source: City of Clovis Finance Department

**CITY OF CLOVIS**  
**RATIO OF NET GENERAL OBLIGATION BONDED DEBT**  
**TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>								
<b>Ended</b>	<b>Estimated</b>	<b>Assessed</b>	<b>Gross Bonded</b>	<b>Less Debt</b>	<b>Net</b>	<b>Ratio of Net</b>	<b>Net</b>	
<b>June 30,</b>	<b>Population</b>	<b>Valuation</b>	<b>Debt (1)</b>	<b>Service Fund</b>	<b>Bonded Debt</b>	<b>Bonded Debt to</b>	<b>Bonded Debt</b>	
						<b>Assessed Value</b>	<b>Per Capita</b>	
2007	92,269	\$6,528,272,358	\$0	\$0	\$0	0.00%	\$0	
2008	94,278	7,584,996,850	0	0	0	0.00%	0	
2009	95,128	7,648,051,336	0	0	0	0.00%	0	
2010	96,868	7,355,168,000	0	0	0	0.00%	0	
2011	97,218	7,312,356,489	0	0	0	0.00%	0	
2012	98,611	7,234,710,509	0	0	0	0.00%	0	
2013	99,983	7,124,457,493	0	0	0	0.00%	0	
2014	102,188	7,603,318,287	0	0	0	0.00%	0	
2015	104,339	8,261,235,938	0	0	0	0.00%	0	
2016	108,039	8,809,036,757	0	0	0	0.00%	0	

(1) Amount does not include special assessment bonds.

Source: Fresno County Auditor Controller/Treasurer Tax Collector

**CITY OF CLOVIS**  
**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES**  
**FOR GENERAL OBLIGATION BONDED DEBT**  
**TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30,</b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total Debt Service</u></b>	<b><u>Total General Governmental Expenditures (1)</u></b>	<b><u>Ratio of Debt Service to General Government Expenditures</u></b>
2007	\$0	\$0	\$0	\$69,645,377	0.0
2008	0	0	0	74,793,483	0.0
2009	0	0	0	71,302,250	0.0
2010	0	0	0	70,203,993	0.0
2011	0	0	0	68,403,474	0.0
2012	0	0	0	66,402,834	0.0
2013	0	0	0	61,301,215	0.0
2014	0	0	0	67,522,703	0.0
2015	0	0	0	66,113,085	0.0
2016	0	0	0	65,229,597	0.0

(1) Includes all governmental fund types (General, Special Revenue, Debt Service and Capital Projects Funds).

**CITY OF CLOVIS**  
**COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**JUNE 30, 2016**

**2015-2016 Assessed Valuation:** \$8,909,486,957

<u>Direct and Overlapping Debt:</u>	<u>% Applicable*</u>	<u>Debt</u>
<b>Direct Debt:</b>		
City of Clovis Capital Leases	100.00%	\$ 26,850,329
City of Clovis Loans Payable	100.00%	1,724,378
Total Net Direct Debt		<u>28,574,707</u>
<b>Direct Bonded Debt:</b>		
City of Clovis 1915 Act Bonds	100.00%	\$ 125,000
Total Net Direct Bonded Debt		<u>125,000</u>
Total Net Direct and Direct Bonded Debt		<u>\$ 28,699,707</u>
<b>Overlapping Bonded Debt:</b>		
Fresno County General Fund Obligations	13.176%	\$ 6,799,475
Fresno County Pension Obligations	13.176%	47,727,787
State Center Community College District	12.084%	11,117,280
Clovis Unified School District	39.869%	164,388,141
Clovis Unified School District Certificates of Participation	39.869%	3,715,791
Fresno Unified School District	2.151%	10,375,927
Fresno Unified School District General Fund Obligations	2.151%	368,251
Sanger Unified School District	0.027%	22,102
Sanger Unified School District Certificates of Participation	0.027%	7,923
Total Gross Overlapping Bonded Debt		<u>244,522,677</u>
<b>Overlapping Tax Increment Debt:</b>		
Total Net Direct and Overlapping Bonded Debt	100.00%	<u>\$ 14,955,000</u>
Total Net Direct and Overlapping Bonded Debt		<u>288,177,384 (1)</u>
Total Net Direct and Overlapping Bonded Debt		<u>\$288,177,384</u>

(1) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

**Ratios to Assessed Valuation:**

Total Overlapping Tax and Assessment Debt	2.09%
Total Direct and Direct Bonded Debt	0.32%
Combined Total Debt	3.23%

**Ratios to Redevelopment Incremental Valuation** \$705,319,375

Total Overlapping Tax Increment Debt	2.12%
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**Share of Authorized and Unsold Bonds:**

City of Clovis	\$ 2,000,000 Hasn't changed since 1995.
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Source: California Municipal Statistics & City of Clovis

\*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 assessed value.

**CITY OF CLOVIS  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

<u>Fiscal Year Ended June 30,</u>	<u>Debt Limit</u>	<u>Total Net Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Total Net Debt Applicable to the Limit As a Percentage of Debt Limit</u>
2007	\$ 994,056,384	\$0	\$994,056,384	0%
2008	1,152,760,927	0	1,152,760,927	0
2009	1,162,620,920	0	1,162,620,920	0
2010	1,118,920,980	0	1,118,920,980	0
2011	1,112,600,128	0	1,112,600,128	0
2012	1,100,847,550	0	1,100,847,550	0
2013	1,083,909,119	0	1,083,909,119	0
2014	1,156,004,548	0	1,156,004,548	0
2015	1,254,480,801	0	1,254,480,801	0
2016	1,336,423,044	0	1,336,423,044	0

**LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR 2016**

Assessed Valuations:		
Assessed Value		\$8,809,036,757
Add back exempt property		<u>100,450,200</u>
Total Assessed Value		<u><u>\$8,909,486,957</u></u>
Legal Debt Margin:		
Debt Limitation-15 percent of total assessed value		\$1,336,423,044
Debt applicable to Limitation:		
Total bonded debt	\$0	
Less: Amount in debt service funds available for payment of principal	<u>0</u>	
Total debt applicable to Limitation		<u><u>0</u></u>
Legal Debt Margin:		<u><u>\$1,336,423,044</u></u>

**CITY OF CLOVIS  
REVENUE BOND COVERAGE  
LAST TEN FISCAL YEARS**

**REFUSE DISPOSAL FUND**

Fiscal Year Ended <u>June 30,</u>	Gross Revenues (1)	Operating Expenses (2)	Net Revenue		Debt Service Requirements (3)			Coverage
			Available for Debt Service	Principal	Interest	Total		
2007	\$13,386,126	\$10,628,469	\$2,757,657	\$430,000	\$353,620	\$783,620	3.52	
2008	14,413,377	11,289,716	3,123,661	450,000	334,005	784,005	3.98	
2009	15,116,271	11,570,964	3,545,307	465,000	311,819	776,819	4.56	
2010	15,519,039	12,275,661	3,243,378	490,000	287,628	777,628	4.17	
2011	15,691,270	11,526,394	4,164,876	515,000	262,089	777,089	5.36	
2012	16,515,045	11,747,301	4,767,744	540,000	235,299	775,299	6.15	
2013	16,584,300	12,478,604	4,105,696	565,000	207,260	772,260	5.32	
2014	16,106,761	13,524,511	2,582,250	595,000	177,763	772,763	3.34	
2015	16,612,320	14,612,658	1,999,662	625,000	146,765	771,765	2.59	
2016	16,684,608	15,578,895	1,105,713	655,000	114,268	769,268	1.44	

**SEWER SERVICE FUND**

Fiscal Year Ended <u>June 30,</u>	Gross Revenues (4)	Operating Expenses (2)	Net Revenue		Debt Service Requirements (3)			Coverage
			Available for Debt Service	Principal	Interest	Total		
2007	\$16,886,582	\$5,104,538	\$11,782,044	\$115,000	\$2,857,535	\$2,972,535	3.96	
2008	15,988,470	6,561,113	9,427,357	120,000	5,323,098	5,443,098	1.73	
2009	11,225,176	5,504,389	5,720,787	125,000	5,197,580	5,322,580	1.07	
2010	9,633,733	9,213,349	420,384	130,000	5,206,043	5,336,043	0.08	
2011	14,193,351	6,819,675	7,373,676	140,000	5,199,784	5,339,784	1.38	
2012	16,378,861	7,806,516	8,572,345	1,385,000	5,162,329	6,547,329	1.31	
2013	18,420,785	7,329,635	11,091,150	1,440,000	5,081,716	6,521,716	1.70	
2014	18,219,581	8,360,501	9,859,080	1,345,000	4,902,681	6,247,681	1.58	
2015	22,072,796	8,248,142	13,824,654	1,870,000	4,801,933	6,671,933	2.07	
2016	21,366,761	8,813,564	12,553,197	1,930,000	4,575,379	6,505,379	1.93	

**WATER SERVICE FUND**

Fiscal Year Ended <u>June 30,</u>	Gross Revenues (4)	Operating Expenses (2)	Net Revenue		Debt Service Requirements (3)			Coverage
			Available for Debt Service	Principal	Interest	Total		
2007	\$14,288,867	\$9,366,877	\$4,921,990	\$465,000	\$1,935,138	\$2,400,138	2.05	
2008	12,651,179	9,470,680	3,180,499	1,320,000	1,915,967	3,235,967	0.98	
2009	10,921,272	9,530,338	1,390,934	1,350,000	1,881,568	3,231,568	0.43	
2010	11,049,053	10,090,509	958,544	1,390,000	1,836,111	3,226,111	0.30	
2011	13,936,677	9,231,283	4,705,394	1,440,000	1,786,880	3,226,880	1.46	
2012	16,645,199	9,953,181	6,692,018	1,495,000	1,733,364	3,228,364	2.07	
2013	22,908,215	10,460,126	12,448,089	1,555,000	1,676,634	3,231,634	3.85	
2014	19,996,964	10,730,310	9,266,654	1,455,000	1,454,062	2,909,062	3.19	
2015	19,133,751	10,860,381	8,273,370	1,630,000	1,367,074	2,997,074	2.76	
2016	16,769,010	10,955,394	5,813,616	1,685,000	1,301,145	2,986,145	1.95	

- (1) Total revenues, including interest.
- (2) Total operating expenses exclusive of depreciation.
- (3) Includes principal and interest of revenue bonds only. It does not include the other debt reported in the refuse and sewer funds.
- (4) Total revenues, including interest and capital contributed by developers. The amount contributed by developers is available for payment of annual debt service and is therefore included in gross revenue for the purposes of this schedule.

Note: This schedule does not represent legal bond covenants.

**CITY OF CLOVIS  
DEMOGRAPHICS STATISTICS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30,</b>	<b>City Population</b>	<b>% Change</b>	<b>City Unemployment Rate</b>	<b>Fresno County Population</b>	<b>City Population as % of County Population</b>	<b>Fresno County Unemployment Rate</b>
2007	92,269	2.61	*	917,515	10.06	8.10
2008	94,278	2.18	*	931,098	10.13	9.70
2009	95,128	0.90	*	942,298	10.10	15.30
2010	96,868	1.83	12.50	953,761	10.16	16.00
2011	97,218	0.36	12.90	940,220	10.34	16.80
2012	98,611	1.43	11.70	945,711	10.43	15.20
2013	99,983	1.39	10.00	952,166	10.50	12.30
2014	102,188	2.21	8.50	964,040	10.60	10.40
2015	104,339	2.10	7.50	972,297	10.73	9.30
2016	108,039	3.55	7.20	984,541	10.97	9.30

Sources: County of Fresno  
Labor market Info EDD

\* Data unavailable.

Note: Per capita income and total personal income information not available.

**CITY OF CLOVIS  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND TEN YEARS AGO**

<b>Employer</b>	<b>2016</b>			<b>2007</b>		
	<b>Number of Employees</b>	<b>Rank</b>	<b>Percent of Total Employment*</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>Percent of Total Employment*</b>
Clovis Unified School District	6400	1	12.14%	5,979	1	13.78%
Clovis Community Hospital	1680	2	3.19	771	4	1.78
Wawona Frozen Foods	1276	3	2.42			
Wal-Mart	762	4	1.45	403	6	0.93
City of Clovis	656	5	1.24	793	3	1.83
Pelco	650	6	1.23	1,811	2	4.17
Alorica	535	7	1.02	350	7	0.81
Target	363	8	0.69	404	5	0.93
Anlin Industries	304	9	0.58	325	9	0.75
Costco	295	10	0.56	278	10	0.64
AT&T				328	8	0.76

\* "Total Employment" as used above represents the total employment of all employers located within City limits based on a projection for 2016.

Source: Employment Development Department

**CITY OF CLOVIS  
FULL-TIME CITY EMPLOYEES  
LAST TEN FISCAL YEARS**

<u>Function</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b><u>Governmental Activities</u></b>										
General Government	30.750	29.750	35.700	24.100	36.550	38.050	39.050	43.150	41.850	43.850
Public Safety										
Police	170.000	174.000	151.000	146.000	146.000	148.000	152.000	156.000	163.000	168.000
Fire	76.000	76.000	65.000	60.500	66.500	64.500	66.000	66.000	66.000	66.000
Transportation	13.800	13.500	13.550	13.500	13.800	13.800	14.800	14.800	14.950	13.950
Community Development	67.250	62.250	46.250	52.250	41.500	40.000	0.500	0.400		1.000
Culture & Recreation	37.225	43.525	31.025	30.500	30.500	28.100	23.100	24.700	24.200	26.000
Internal Service	34.950	38.450	26.000	26.525	26.525	26.525	26.525	27.525	29.225	30.225
Total Governmental Activities	<u>429.975</u>	<u>436.475</u>	<u>368.525</u>	<u>353.375</u>	<u>361.375</u>	<u>358.975</u>	<u>321.975</u>	<u>332.575</u>	<u>339.225</u>	<u>349.025</u>
<b><u>Business-Type Activities</u></b>										
Refuse	37.610	39.610	39.460	39.610	41.860	41.860	41.860	42.560	44.310	44.310
Sewer	10.750	11.000	10.850	10.750	11.250	11.250	11.250	11.250	11.250	11.250
Water	32.750	34.750	34.550	34.350	34.600	34.600	34.600	34.300	34.300	35.300
Street Cleaning	5.790	5.840	5.790	4.790	4.790	4.790	4.790	4.790	6.790	6.790
Transit	19.125	22.325	22.825	22.125	22.125	22.525	22.525	22.525	24.125	25.325
Planning & Dev Services*							37.000	43.000	45.000	45.000
Total Business-Type Activities	<u>106.025</u>	<u>113.525</u>	<u>113.475</u>	<u>111.625</u>	<u>114.625</u>	<u>115.025</u>	<u>152.025</u>	<u>158.425</u>	<u>165.775</u>	<u>167.975</u>
Total Full-Time Employees	<u>536.000</u>	<u>550.000</u>	<u>482.000</u>	<u>465.000</u>	<u>476.000</u>	<u>474.000</u>	<u>474.000</u>	<u>491.000</u>	<u>505.000</u>	<u>517.000</u>

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Source: City of Clovis

Notes: Decimals represent the portions of employees performing duties in two or more functions.

Internal Service Functions have been included in Governmental Activities.

\*The Planning and Development Services Fund was created beginning July 1, 2012. Employees in this business-type activity were formerly in the governmental activities.

**CITY OF CLOVIS  
CAPITAL ASSET STATISTICS  
BY FUNCTION  
LAST TEN FISCAL YEARS**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire stations	4	5	5	5	5	5	5	5	5	5
Public utilities:										
Streets (miles)	369	313	315	315	359	362	369	380	384	391
Streetlights	8,391	8,929	8,930	8,938	9,567	9,576	9,587	10,308	10,461	10,479
Cultural and recreation:										
Parks	46	50	51	53	54	55	58	59	62	63
Community centers	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	440	459	469	475	479	484	490	499	508	514
Sewer										
Sanitary sewers (miles)	330	342	349	352	356	358	361	367	373	379

Source: City of Clovis

**CITY OF CLOVIS  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Police:										
Arrests	5,168	4,761	4,674	4,396	4,503	4,612	4,936	5,135	4,046	4,326
Parking citations issued	2,501	1,596	1,414	878	797	513	972	1,343	954	982
Fire:										
Number of emergency calls	6,184	6,492	9,139	8,135	6,970	8,945	9,958	8,290	10,098	10,069
Parks and recreation:										
Number of recreation classes	305	270	97	63	86	93	94	95	119	130
Number of facility rentals	5	5	18	18	18	13	13	13	32	32
Water:										
New connections	1,005	573	353	325	543	282	793	779	636	837
Average daily consumption (thousands of gallons)	25,416	25,521	24,930	22,889	21,918	22,453	23,917	23,840	20,684	16,883
Sewer:										
New connections	1,005	573	353	350	352	425	667	721	639	509
Average daily sewage treatment (thousands of gallons)	7,210	7,365	7,397	7,279	7,269	6,996	6,914	6,949	6,862	6,543

Source: City of Clovis

**CITY OF CLOVIS  
BUILDING PERMIT VALUATIONS  
LAST TEN YEARS**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Valuation (in Thousands)										
Residential	\$189,387	\$126,584	\$115,217	\$118,545	\$99,320	\$110,041	\$136,224	\$226,295	\$237,913	\$206,930
Non-residential	85,670	81,666	75,262	74,849	31,386	45,056	60,451	89,672	85,728	104,839
<b>Total</b>	<b><u>\$275,057</u></b>	<b><u>\$208,250</u></b>	<b><u>\$190,479</u></b>	<b><u>\$193,394</u></b>	<b><u>\$130,706</u></b>	<b><u>\$155,097</u></b>	<b><u>\$196,675</u></b>	<b><u>\$315,967</u></b>	<b><u>\$323,641</u></b>	<b><u>\$311,769</u></b>
New Dwelling Units										
Single Family	688	408	431	474	370	378	501	703	815	709
Multiple Family	30	116	16	0	60	100	60	32	209	0
<b>Total</b>	<b><u>718</u></b>	<b><u>524</u></b>	<b><u>447</u></b>	<b><u>474</u></b>	<b><u>430</u></b>	<b><u>478</u></b>	<b><u>561</u></b>	<b><u>735</u></b>	<b><u>1,024</u></b>	<b><u>709</u></b>

Source: City of Clovis Building Department

**CITY OF CLOVIS  
MISCELLANEOUS STATISTICS  
JUNE 30, 2016**

Date of Incorporation	February 27, 1912
Form of Government	Council/Manager
Number of Employees (full-time and part-time)	656
Area (square miles)	24.36
Miles of Streets	391
Number of Street Lights	10,479
Fire Protection:	
Number of Stations	5
Number of Firefighters and Officers	61
Police Protection:	
Number of Police Officers and Other Sworn Personnel	103
Water Department:	
Number of Water Services	33,854
Miles of Water Mains	514
Sewers:	
Miles of Sanitary Sewers	379

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Clovis, California (the "City") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 17, 2016.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*The PwC Group, LLP*

San Diego, California  
November 17, 2016



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

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

**Report on Compliance for Each Major Program**

We have audited the City of Clovis, California's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2016. The City's major federal programs are identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

**Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*The PwC Group, LLP*

San Diego, California  
November 17, 2016

City Of Clovis  
Single Audit Reports  
Schedule of Expenditures of Federal Awards  
For the year ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b><u>U. S. Department of Transportation</u></b>			
<i>Passed through State Department of Transportation:</i>			
-Highway Planning and Construction	20.205	06-5208	\$2,538,091
<i>Passed through CA Office of Traffic Safety:</i>			
-National Priority Safety Programs	20.616	n/a	66,368
-Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	SC14081	288,792
<b>Total U.S. Department of Transportation</b>			<b><u>2,893,251</u></b>
<b><u>U. S. Department of Homeland Security</u></b>			
<i>Passed through County of Fresno:</i>			
-State Homeland Security Program (SHSP)	97.067	01900000	50,670
<b>Total U.S. Department of Homeland Security</b>			<b><u>50,670</u></b>
<b><u>U. S. Department of Housing and Urban Development</u></b>			
<i>Direct Programs:</i>			
-Community Development Block Grant-Entitlement	14.218	n/a	630,866
<b>Total U.S. Department of Housing and Urban Development</b>			<b><u>630,866</u></b>
<b><u>U.S. Department of Justice</u></b>			
<i>Direct Programs:</i>			
-Bulletproof Vests Partnership Program	16.607	n/a	475
-Justice Assistance Grant Program	16.738	n/a	15,054
<b>Total U.S. Department of Justice</b>			<b><u>15,529</u></b>
<b><u>U. S. Department of Health and Human Services</u></b>			
<i>Passed through Fresno-Madera Area Agency on Aging:</i>			
-Special Programs for the Aging, Title III, Part C	93.045	16-0051	16,000
<b>Total U.S. Department of Health and Human Services</b>			<b><u>16,000</u></b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b><u>\$3,606,316</u></b>

See accompanying note to Schedule of Expenditures of Federal Awards

**City of Clovis**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2016**

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**Note 1 – Reporting Entity**

The financial reporting entity consists of (a) the primary government, City of Clovis, California (the "City"), (b) organizations for which the primary government is financially accountable, including the Clovis Community Development Agency (dissolved on February 1, 2012 and established a Successor Agency, which is reported as a private-purpose trust fund in the City's financial statements), Clovis Municipal Development Corporation, and Clovis Public Financing Authority, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

**Note 2 – Summary of Significant Accounting Policies**

*Basis of Accounting*

Funds received under the various grant programs have been recorded within governmental fund types of the City. The City utilizes the modified accrual method of accounting for the governmental fund type. The accompanying Schedule of Expenditures of Federal Awards ("Schedule") has been prepared on the modified accrual basis of accounting.

*Schedule of Expenditures of Federal Awards*

The accompanying Schedule presents the activity of all federal financial assistance programs of the City. Federal financial assistance received directly from federal agencies as well as federal financial assistance passed through the State of California, County of Fresno, and/or City of Fresno is included in the Schedule.

The Schedule was presented only from the accounts of various grant programs and, therefore, does not present the financial position or results of operations of the City.

**City of Clovis**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2016**

**SECTION I – SUMMARY OF AUDIT RESULTS**

**Financial Statements**

Type of report the auditors issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None Reported

Noncompliance material to financial statements noted? No

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None Reported

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in Accordance with 2 CFR 200.516(a)? No

Identification of major programs:

	Federal CFDA Number	Federal Expenditures
<b>Major Programs:</b>		
Community Development Block Grant - Entitlement	14.218	\$ 630,866
Highway Planning and Construction	20.205	2,538,091
<b>Total Major Program Expenditures</b>		<b>\$ 2,538,091</b>
<b>Total Expenditures of Federal Awards</b>		<b>\$ 3,606,316</b>
<b>Percentage of Total Expenditures of Federal Awards</b>		<b>70.38%</b>

Dollar threshold used to distinguish between type A and type B programs \$750,000

Auditee qualified as low-risk auditee in accordance with 2 CFR 200.520? Yes

**City of Clovis**  
**Schedule of Findings and Questioned Costs (Continued)**  
**For the Year Ended June 30, 2016**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

**A. Current Year Financial Statement Findings**

No financial statement findings were noted for the year ended June 30, 2016.

**B. Prior Year Financial Statement Findings**

No financial statement findings were noted for the year ended June 30, 2015.

**SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

**A. Current Year Findings and Questioned Costs – Major Federal Award Program Audit**

No findings or questioned costs were noted on major federal award programs for the year ended June 30, 2016.

**B. Prior Year Findings and Questioned Costs – Major Federal Award Program Audit**

No findings or questioned costs were noted on major federal award programs for the year ended June 30, 2015.



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND OTHER MATTERS  
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF THE FINANCIAL  
STATEMENTS IN RELATION TO THE LOCAL TRANSPORTATION PURPOSE FUNDS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Clovis, California (the "City"), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 17, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the TDA Funds' internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, including the requirements of the California Public Utilities Code Section 142257 regulations as it applies to Local Transportation Purpose Funds noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with such provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance with the California Public Utilities Code Section 142257 regulations as applies to Local Transportation Purpose Funds that are required to be reported herein under *Government Auditing Standards*.

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

**Restriction on Use**

This report is intended for the information of the management, City Council, and officials of applicable federal and state awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

*The Real Group, LLP*

San Diego, California  
November 17, 2016



**INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

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

We have performed the procedures enumerated below to the accompanying Appropriations Limit Schedule of the City of Clovis, California (City) for the year ended June 30, 2016. These procedures, which were agreed to by the City and the League of California Cities (as presented in the publication entitled *Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution*), were performed solely to assist you in meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution. The City management is responsible for the Appropriations Limit Schedule. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or any other purpose.

The procedures performed and our findings are described below:

1. We obtained the completed worksheets used by the City to calculate its appropriations limit for the year ended June 30, 2016, and determined that the limit and annual calculation factors were adopted by resolution of City Council. We also determined that the population and inflation options were selected by a recorded vote of the City Council.  
*Finding:* No exceptions were noted as a result of our procedures.
2. For the accompanying Appropriations Limit Schedule, we added the prior year's limit to the total adjustments, and agreed the resulting amount to the current year's limit.  
*Finding:* No exceptions were noted as a result of our procedures.
3. We agreed the current year information presented in the accompanying Appropriations Limit Schedule to corresponding information in worksheets used by the City.  
*Finding:* No exceptions were noted as a result of our procedures.
4. We agreed the appropriations limit presented in the accompanying Appropriations Limit Schedule to the appropriations limit adopted by the City Council.  
*Finding:* No exceptions were noted as a result of our procedures.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the accompanying Appropriation Limit Schedule. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by Article XIII-B of the California Constitution.

This report is intended solely for the information and use of the City Council and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

*The Pun Group, LLP*

San Diego, California  
November 17, 2016

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**City of Clovis**  
**Appropriations Limit Schedule**  
**For the Year Ended June 30, 2016**

	<u>Amount</u>	<u>Source</u>
A. Appropriations Limit FY 2014-2015	\$ 192,421,737	Prior year
B. Calculation Factors:		
1) Population increase %	1.0239	State Department of Finance
2) Inflation increase %	1.0628	City Building Department
3) Total adjustment %	<u>1.0882</u>	(B1*B2)
C. Annual Adjustment Increase	16,971,774	[A*(B3-1)]
D. Other Adjustments:		
1) Loss responsibility (-)	-	N/A
2) Transfer to private (-)	-	N/A
3) Transfer to fees (-)	-	N/A
4) Assumed responsibility (+)	-	N/A
E. Total Adjustments	<u>16,971,774</u>	(C+D)
F. Appropriations Limit FY 2015-2016	<u>\$ 209,393,511</u>	(A+E)

**City of Clovis**  
**Notes to Appropriations Limit Schedule**  
**For the Year Ended June 30, 2016**

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**Note 1 – Purpose of Limited Procedures Review**

Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), California governmental agencies are restricted as to the amount of annual appropriations from proceeds of taxes. Effective for years beginning on or after July 1, 1990, under Section 1.5 of Article XIII B, the annual calculation of the appropriations limit is subject to a limited procedures review in connection with the annual audit.

**Note 2 – Method of Calculation**

Under Section 10.5 of Article XIII B, for fiscal years beginning on or after July, 1990, the appropriations limit is required to be calculated based on the limit for the fiscal year 1986-87, adjusted for the inflation and population factors discussed in Notes 3 and 4 below.

**Note 3 – Population Factors**

A California governmental agency may use as its population factor either the annual percentage change of the jurisdiction's own population or the annual percentage change in population of the county where the jurisdiction is located. The factor adopted by the City for the year 2015-2016 represents the annual percentage change in population for the City.

**Note 4 – Inflation Factors**

A California governmental agency may use as its inflation factor either the annual percentage change in the 4<sup>th</sup> quarter per capita personal income (which percentage is supplied by the State Department of Finance) or the percentage change in the local assessment roll from the preceding year due to the change of local nonresidential construction. The factor adopted by the City for the year 2015-2016 represents the annual percentage change in the local assessment roll from the preceding year due to the change in local nonresidential construction.

**Note 5 – Other Adjustments**

A California government agency may be required to adjust its appropriations limit when certain events occur, such as the transfer of responsibility for municipal services to, or from, another government agency or private entity. The City had no such adjustments for the year 2015-2016.

*(The End)*