

CITY OF FILLMORE
FINANCIAL STATEMENTS
JUNE 30, 2010

**CITY OF FILLMORE, CALIFORNIA
FINANCIAL STATEMENTS
Fiscal year ended June 30, 2010**

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The Members of the City Council of the
City of Fillmore
Fillmore, California

INDEPENDENT AUDITORS' REPORT

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 Fillmore, California (City) as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fillmore, California, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable thereof, for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11, 2011 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, grants, 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* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis, the budgetary comparison schedules and the OPEB schedule of funding progress as listed in the table of contents are not required parts of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and therefore, express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining nonmajor fund financial statements and schedules, combining sewer fund statements, and supplementary budgetary comparison schedules, are presented for purposes of additional analysis and are not required parts of the basic financial statements. The combining nonmajor fund financial statements and schedules, combining sewer fund statements, and supplementary budgetary comparison schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

January 11, 2011

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2010
(Unaudited)

This management's discussion and analysis provides an overview of financial activities of the City of Fillmore (City) for the fiscal year ended June 30, 2010. Please read this discussion and analysis in conjunction with the accompanying transmittal letter, the basic financial statements, and the accompanying notes to the basic financial statements.

The financial statements presented herein include all financial activities of the City and its component units in accordance with Governmental Accounting Standards Board Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Government" (GASB 34).

The Government-Wide Financial Statements present the financial position of the City using the economic resources measurement focus and the accrual basis of accounting. These statements present governmental activities and business-type activities separately. Also, these statements include all assets of the City, as well as all liabilities, including long-term debt. Additionally, in accordance with GASB 34, certain eliminations have been made related to inter-fund activity, payables, and receivables.

The Fund Financial Statements include governmental, proprietary, and fiduciary funds. The governmental funds are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The proprietary funds are prepared using the economic resources measurement focus and the modified accrual basis of accounting. The fiduciary funds consist of agency funds, which only report a balance sheet and do not have a measurement focus. A reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach under GASB 34.

REPORTING THE CITY AS A WHOLE

The Statement of Net Assets and the Statement of Activities

The Statement of Net Assets and the Statement of Activities report information about the City as a whole and its activities. These statements include all assets and liabilities of the City using the accrual basis of accounting, which is similar to the accounting used by most private-sector entities. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses recorded when incurred.

These statements report the City's net assets and changes in them. Net assets are the differences between assets and liabilities, which is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the City's property tax base and economic trends, such as expansion and development, as well as economic strength or weakness.

In the Statement of Net Assets and the Statement of Activities, the City's activities are categorized as follows:

Governmental Activities

Most of the City's basic services are reported in this category including the general government activities, such as Administrative Services, Fire Services, Police Services, Public Works, Development Services, Parks and Community Services, and General Services. Property and sales taxes, user fees, investment income, franchise fees, and other revenues finance these activities.

Business-Type Activities

The City charges a fee to customers to pay for the cost of certain services provided. The City's water system, wastewater system, and solid waste services (sewer and disposal), and the City of Fillmore's Town Theatre are reported in this category.

Fund Financial Statements

The Fund Financial Statements provide detailed information about the City's major funds - not the City as a whole. Some funds are required to be established by State law, grantors or by bond covenants. However, the City establishes other funds to help control and manage money for a particular purpose or to show that the City is meeting legal responsibilities for using certain taxes, grants, and other funds.

Governmental Funds

Most of the City's basic services are reported in governmental funds. These funds focus on reporting the flow of money into and out of those funds and the balances left at fiscal year-end that are available for spending. These funds are reported using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available). "Measurable" means that the amount of the transaction can be determined and "available" means that it is collectible within the current period or soon enough thereafter to be used. The governmental fund financial statements provide a detailed short-term view of the City's general government operations and the basic services provided. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences between the Governmental Fund Financial Statements and the Government-Wide Financial Statements are explained in a reconciliation following the Government-Wide Financial Statements.

Proprietary Funds

When the City charges customers for services - whether to outside customers or to programs of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way in that all activities are reported in the Statement of Net assets and the Statement of Revenues, Expenses, and Changes in Fund Net Assets. The City's enterprise funds are the same as the business-type activities reported in the Government-Wide Financial Statements, but provide more detail and additional information, such as cash flows for each enterprise fund.

Fiduciary Funds

The City is the trustee, or fiduciary, for certain funds established to account for assets held by the City in a trustee capacity, or as an agent for individuals, private organizations, and other governmental units. The City's fiduciary activities are reported in separate Statement of Fiduciary Net Assets. These activities are excluded from the City's Government-Wide Financial Statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their specified purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide financial statements provide long-term and short-term information about the City of Fillmore's overall financial condition. This analysis addresses the financial statements of the City as a whole.

The largest portion of the City's net assets reflects its investment in capital assets (e.g., land, buildings, improvements other than buildings, equipment, infrastructure, and construction in progress); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Governmental Activities

The following schedule summarizes the financial position of the city's governmental activities as of June 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Assets:		
Current assets	\$ 27,723,636	\$ 30,578,279
Deferred charges, net	4,343,571	4,606,963
Restricted assets:		
Cash and investments with fiscal agents	3,995,831	15,709,953
Internal balances	65,011,391	65,198,376
Capital assets not being depreciated	22,268,991	28,916,106
Capital assets being depreciated, net	<u>26,237,972</u>	<u>18,133,834</u>
Total assets	<u>149,581,392</u>	<u>163,143,511</u>
Liabilities:		
Current liabilities	\$ 7,335,620	\$ 6,327,321
Noncurrent liabilities:		
Due within one year	1,868,168	1,024,121
Due in more than one year	<u>114,814,058</u>	<u>124,840,924</u>
Total liabilities	<u>124,017,846</u>	<u>132,192,366</u>
Net assets:		
Invested in capital assets, net of related debt	1,385,754	(9,156,237)
Restricted	20,526,872	28,781,834
Unrestricted	<u>3,650,920</u>	<u>11,325,548</u>
Total net assets	<u>\$ 25,563,546</u>	<u>\$ 30,951,145</u>

At the end of fiscal year 2010, the current assets are 18.5% of the total assets with the remaining 81.46% representing capital assets, net of accumulated depreciation, internal balances, restricted assets and deferred charges. The current liabilities are approximately 5.9% of the total liabilities. The current ratio for governmental activities at the end of the year is 3.78. This is a decrease from last year. Of the total net assets, 86% was restricted and the remaining 14% represented unrestricted assets, which are available for future operations.

The cost of all governmental activities during fiscal year 2010 was \$18,565,875. The amount that the City's taxpayers ultimately financed, however, was \$7,869,296. Some of the cost of governmental activities was paid by those who directly benefited from the programs \$1,377,901 or by other government agencies and organizations that subsidized certain programs with grants and contributions totaling \$2,240,331.

Overall, the City generated program revenues from governmental activities amounting to \$3,618,232. The remaining cost of governmental activities of \$14,947,643 was paid by the City's sources of general revenue (taxes and other general revenues).

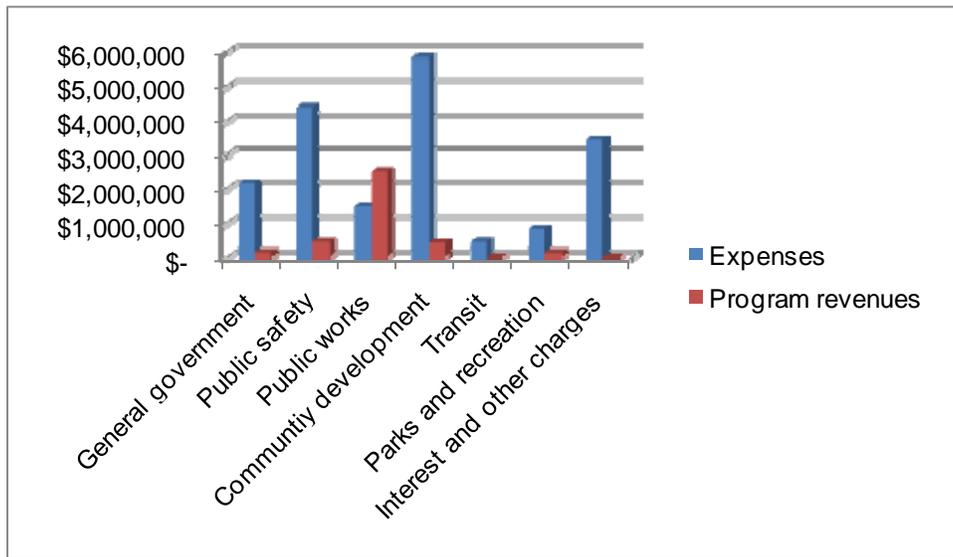
The City's governmental activities include General Government, Public Safety (Police and Fire services), Public Works, Community Development, Transit, Parks and Recreation, and Interest on Long-term Debt.

The following table represents the changes in net assets for governmental activities for the fiscal years ended June 30, 2010 and 2009:

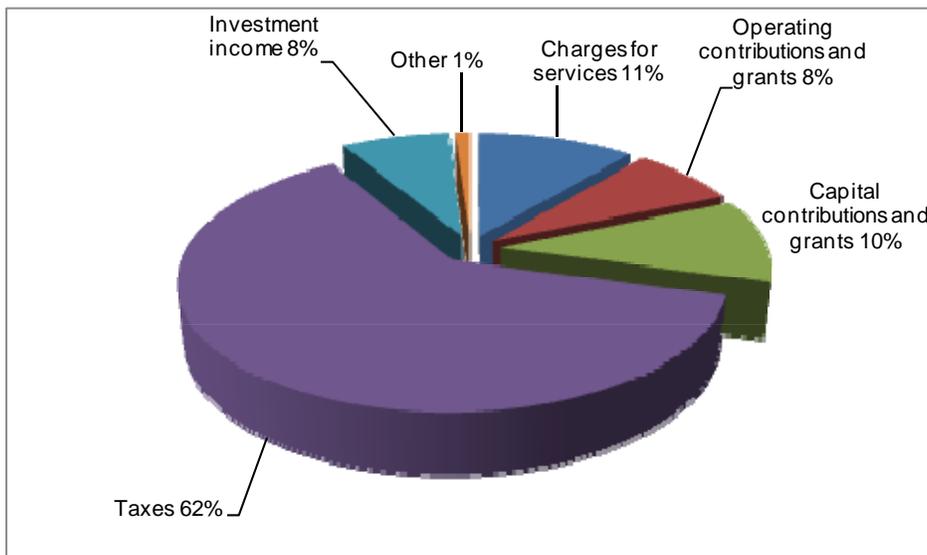
	<u>2010</u>	<u>2009</u>
General revenues:		
Taxes	\$ 7,743,024	\$ 14,429,068
Investment income	941,157	2,917,836
Other	126,272	89,857
Gain on sale of property	-	427,600
Program revenues:		
Charges for services	1,377,901	2,084,856
Operating contributions and grants	940,749	706,195
Capital contributions and grants	<u>1,299,582</u>	<u>1,263,185</u>
Total revenues	<u>12,428,685</u>	<u>21,918,597</u>
Expenses:		
General government	2,156,722	1,784,885
Public safety	4,386,275	4,251,443
Public works	1,501,747	2,035,682
Communtiy development	5,843,128	6,064,926
Transit	436,642	424,486
Parks and recreation	812,009	1,360,997
Interest and other charges	<u>3,429,352</u>	<u>4,246,056</u>
Total expenses	<u>18,565,875</u>	<u>20,168,475</u>
Increase in net assets before transfers	(6,137,190)	1,750,122
Transfers in (out)	<u>927,710</u>	<u>506,060</u>
Change in net assets	(5,209,480)	2,256,182
Net assets, beginning of year, restated	<u>30,773,026</u>	<u>28,694,963</u>
Net assets, end of year	<u>\$ 25,563,546</u>	<u>\$ 30,951,145</u>

Governmental Activities

Governmental activities expenses and programs revenues for the year ended June 30, 2010:



Governmental activities revenues by source for the year ended June 30, 2010:



Business Type Activities

The following schedule summarizes the financial position of the City's business-type activities at June 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Assets:		
Current assets	\$ 13,857,402	\$ 8,167,381
Deferred charges, net	1,382,175	1,425,162
Restricted assets:		
Cash and investments with fiscal agents	3,995,831	19,566,476
Internal balances	(65,011,391)	(65,198,376)
Capital assets not being depreciated	68,301,161	57,547,376
Capital assets being depreciated, net	<u>11,008,966</u>	<u>11,211,489</u>
Total assets	<u>33,534,144</u>	<u>32,719,508</u>
Liabilities:		
Current liabilities	\$ 6,593,596	\$ 6,002,366
Noncurrent liabilities:		
Due within one year	77,159	86,444
Due in more than one year	<u>2,005,353</u>	<u>2,019,921</u>
Total liabilities	<u>8,676,108</u>	<u>8,108,731</u>
Net assets:		
Invested in capital assets, net of related debt	19,994,371	16,992,905
Restricted	2,176,370	5,375,630
Unrestricted	<u>2,687,295</u>	<u>2,242,242</u>
Total net assets	<u>\$ 24,858,036</u>	<u>\$ 24,610,777</u>

The business-type activities of the City showed a current ratio at June 30, 2010: \$1.94 of current assets for every \$1.00 of current liabilities. Net assets for business-type activities totaled \$24,858,036. Of the total net assets, \$19,994,371 was invested in capital assets, \$2,176,370 was restricted for debt service, and \$2,687,295 was unrestricted.

Total expenses for business-type activities for the fiscal year ended June 30, 2010 were \$7,315,261. Program revenues are primarily comprised of charges for services in the amount of \$7,181,835. Transfers to governmental activities amounted to \$927,710. The City also received capital grants and contributions totaling \$1,299,582.

The City's business-type activities include: water, sewer, and the Towne Theatre.

The following table presents the changes in net assets for the business-type activities for the fiscal years ended June 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
General revenues:		
Investment income	\$ 1,308,395	\$ 1,623,191
Program revenues:		
Charges for services	7,181,835	7,065,104
Capital contributions and grants	-	1,556,475
	<u>8,490,230</u>	<u>10,244,770</u>
Total revenues		
Expenses:		
Sewer	4,750,960	4,947,285
Water	2,474,741	2,360,380
Theatre	89,560	112,078
	<u>7,315,261</u>	<u>7,419,743</u>
Total expenses		
Increase in net assets before transfers	1,174,969	2,825,027
Transfers in (out)	<u>(927,710)</u>	<u>(506,060)</u>
Change in net assets	247,259	2,318,967
Net assets, beginning of year, restated	<u>24,610,777</u>	<u>22,291,810</u>
Net assets, end of year	<u>\$ 24,858,036</u>	<u>\$ 24,610,777</u>

FINANCIAL ANALYSIS OF CITY'S MAJOR FUNDS

General Fund

The General Fund accounts for all financial resources traditionally associated with government activities that are not required legally to be accounted for in another fund.

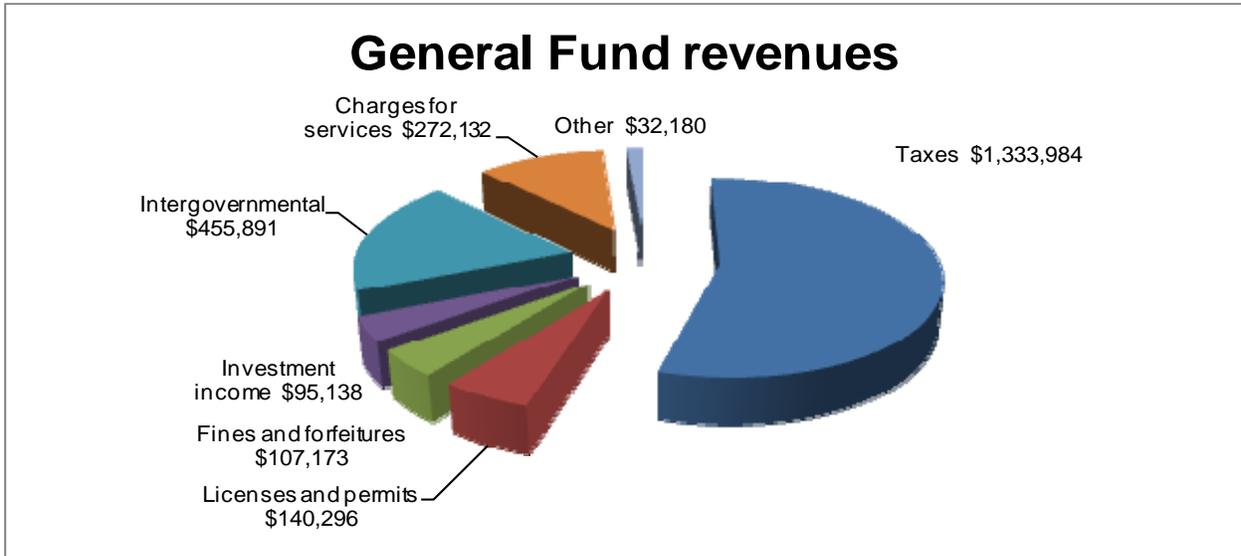
The General Fund ended the fiscal year with a fund balance of \$3,094,790, which is a decrease of \$2,410,323 as compared to the prior fiscal year. This decrease is due to a significant drop in tax revenues.

General Fund revenues for the fiscal year ended June 30, 2010, were \$2,436,794, not including \$2,810,174 of transfers in.

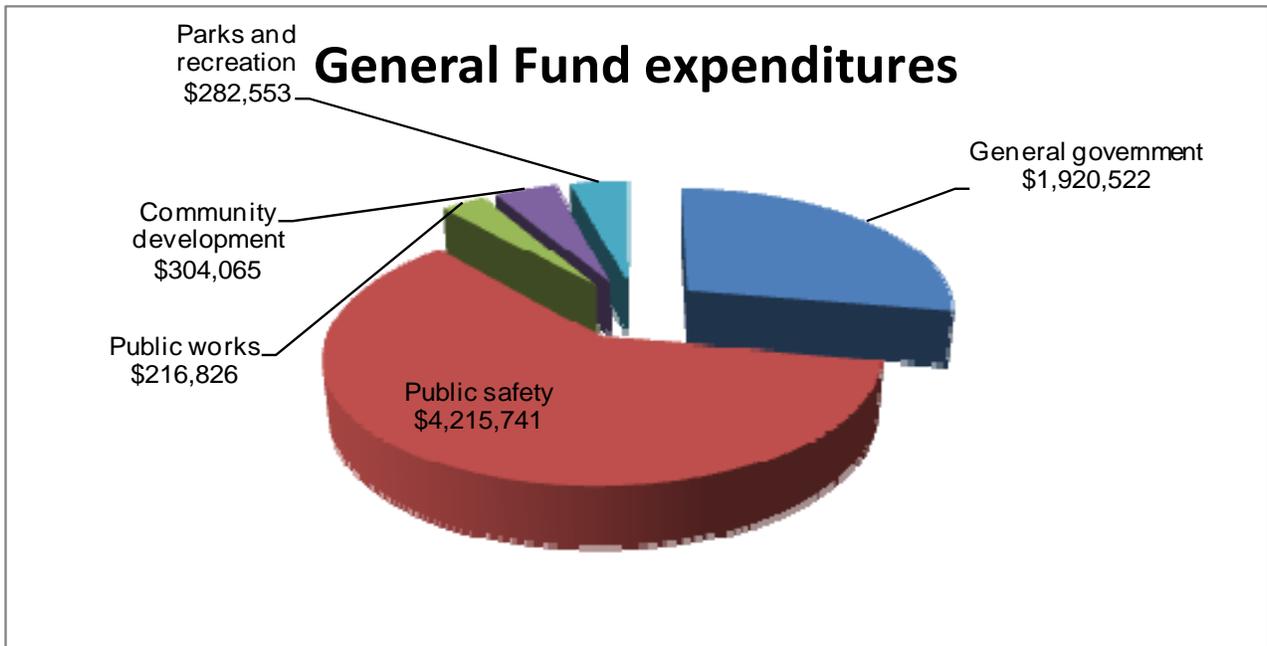
General Fund expenditures were \$6,939,707 for fiscal year 2010, not including \$717,584 of transfers out.

Overall, General Fund revenues decreased tremendously due to the current economic environment and the fact the State overpaid sales taxes in previous years.

General fund revenues for the year ended June 30, 2010:



General fund expenditures for the year ended June 30, 2010:



Other Major Funds

Redevelopment Agency Debt Service Fund:

Tax increment revenue totaled \$6,160,386 for the fiscal year an increase of 1.46% over the prior year. These revenues were used to fund pass through payments to other local agencies, pay principal and interest on long-term debt and fund various capital projects of the City's Redevelopment Agency.

Redevelopment Agency Capital Projects Fund:

A variety of capital projects were included in this Fund's expenditures of \$728,313 this year.

Public Financing Authority Debt Service Fund:

The revenues and expenditures in this fund were brought about by the 2003 Revenue Bond issuance and the 2005 Revenue Bond issuance and \$57,490,000 of 2007 Revenue Bonds for the City Water Recycling Financing Project.

Enterprise Funds:

The three major enterprise funds for the City of Fillmore are Water, Sewer, and Town Theatre. The enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises, wherein the cost of goods and services to the general public are financed or recovered primarily through user charges.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business type activities as of June 30, 2010, amounts to \$127,817,090 (net of accumulated depreciation). Of that, \$48,506,963 is in governmental activities and \$79,310,127 is business type capital assets. The large increase in the governmental activities is due to the pool project and various infrastructure projects. The large increase in the business-type activities is due to a large sewer project. The City's capital assets include land, land improvements, buildings, improvements other than buildings, machinery and equipment, and construction in progress.

DEBT ADMINISTRATION

The City uses a variety of tax increment, revenue, and lease indebtedness to finance various capital acquisitions. At June 30, 2010, the City's long-term debt outstanding was \$118,764,738. Of this total, \$116,682,226 was in governmental activities and \$2,082,512 was in business-type activities.

The following table provides a breakdown of the City's outstanding indebtedness as of June 30, 2010 and 2009:

	Governmental activities		Business-typeactivities		Totals	
	2010	2009	2010	2009	2010	2009
Revenue bonds	\$ 69,235,000	\$ 69,555,000	\$ -	\$ -	\$ 69,235,000	\$ 69,555,000
Capital leases	544,491	658,603	-	-	544,491	658,603
State water loan payable	445,289	534,537	-	-	445,289	534,537
Notes/bond and loans	38,730,000	47,555,000	23,449	28,146	38,753,449	47,583,146
Certificates of participation	7,200,000	7,360,000	-	-	7,200,000	7,360,000
OPEB Obligation	340,233	168,562	-	-	340,233	168,562
Compensated absences	187,213	201,905	105,664	71,783	292,877	273,688
Premium on debt	-	-	1,953,399	2,006,436	1,953,399	2,006,436
Total debt	\$ 116,682,226	\$ 126,033,607	\$ 2,082,512	\$ 2,106,365	\$ 118,764,738	\$ 128,139,972

The tax allocation bonds are paid from the receipt of incremental property taxes levied within the City's redevelopment areas. These redevelopment project areas currently are accounted for by the Fillmore's Redevelopment Agency.

Revenue bonds include issues used to finance projects for streets and roads, the new Public Works/Fire Station, sewer and treatment plant expansion, and new park development. Debt service on these issues is paid from the revenues of the appropriate funds.

The General fund pays for only a portion of the Capital lease payable to fund the City's newest fire engine. The remainder is paid from a variety of other funding sources including property tax increment collections, property owner special taxes, water utility rates, and property tax increments. None of the debt which is paid by the General Fund is supported by external sources specifically intended to support the retirement of the debt.

The State of California mandates a limit on general obligation debt of 15 percent of true cash value of all taxable property within the City boundaries.

BUDGETING

The City's annual budget is the legally adopted expenditure control document of the City. Budgetary comparison statements are required for the General Fund and all major special revenue funds and may be found immediately following the Government-wide financial statements in this Financial Section. These statements compare the original adopted budget, the budget as amended throughout the fiscal year, and the actual expenditures for each fund, prepared on a budgetary basis. Budgets are prepared on the modified accrual basis of accounting consistent with GAAP, except that encumbrances are included in budgeted expenditures.

Appropriations lapse at year-end. The City Council generally reauthorizes appropriations for continuing projects and activities. The City Council has the legal authority to amend the budget of any fund at any time during the fiscal year. The budgetary legal level of control (the level on which expenditures may not legally exceed appropriations) is generally at the fund level. For budgeting purposes, the General Fund, Water Fund and Sewer Fund are composed of several departments while all other budgeted funds (special revenue funds included) are considered a single department. Budgeted expenditures may be reallocated within a division and between divisions within a department without City Council approval.

General Fund Budgetary Highlights

The General Fund actual expenditures were over final budget appropriations excluding transfers out by approximately \$17,920 while the actual revenues exceeded final budget estimated revenues excluding transfers in by \$93,585.

The General Fund budget to actual statements can be found later in the Financial Section of this report.

This management's discussion and analysis is designed to provide the City's residents, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about this document, separate reports of the City's component units, or wish any additional financial information, contact the Finance Director at 250 Central Avenue, Fillmore, California 93015 or by telephone at (805) 524-3701.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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CITY OF FILLMORE
Statement of Net Assets
June 30, 2010

	Governmental activities	Business-type activities	Total
Assets			
Cash and investments	\$ 15,150,710	\$ 8,323,028	\$ 23,473,738
Cash and investments, restricted	2,362,935	-	2,362,935
Cash and investments with fiscal agent	3,995,831	8,640,018	12,635,849
Receivables, net:			
Intergovernmental	195,460	-	195,460
Accounts	349,717	884,647	1,234,364
Interest	699,345	5,540	704,885
Notes and loans	8,440,469	-	8,440,469
Land held for resale	525,000	-	525,000
Internal balances	65,011,391	(65,011,391)	-
Deferred charges, net of amortization	4,343,571	1,382,175	5,725,746
Capital assets not being depreciated	22,268,991	68,301,161	90,570,152
Capital assets, net of accumulated depreciation	<u>26,237,972</u>	<u>11,008,966</u>	<u>37,246,938</u>
Total assets	<u>149,581,392</u>	<u>33,534,144</u>	<u>183,115,536</u>
Liabilities			
Accounts payable	3,700,656	5,887,660	9,588,316
Accrued interest payable	551,377	547,765	1,099,142
Unearned revenue	3,058,077	-	3,058,077
Deposits payable	25,510	117,289	142,799
Due to others	-	40,882	40,882
Noncurrent liabilities			
Due within one year	1,868,168	77,159	1,945,327
Due in more than one year	<u>114,814,058</u>	<u>2,005,353</u>	<u>116,819,411</u>
Total liabilities	<u>124,017,846</u>	<u>8,676,108</u>	<u>132,693,954</u>
Net assets			
Invested in capital assets, net of related debt	1,385,754	19,994,371	21,380,125
Restricted for:			
Housing	3,077,176	-	3,077,176
Community development	8,440,469	-	8,440,469
Debt service	6,688,456	2,176,370	8,864,826
Capital projects	2,320,771	-	2,320,771
Unrestricted	<u>3,650,920</u>	<u>2,687,295</u>	<u>6,338,215</u>
Total net assets	<u>\$ 25,563,546</u>	<u>\$ 24,858,036</u>	<u>\$ 50,421,582</u>

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

CITY OF FILLMORE
Statement of Activities
For the fiscal year ended June 30, 2010

Functions/programs	Expenses	Program revenues		
		Charges for services	Operating contributions and grants	Capital contributions and grants
Governmental activities:				
General government	\$ 2,156,722	\$ 138,046	\$ 450	\$ -
Public safety	4,386,275	115,214	314,230	-
Public works	1,501,747	853,702	361,328	1,299,582
Community development	5,843,128	146,921	256,741	-
Transit	436,642	-	-	-
Parks and recreation	812,009	124,018	8,000	-
Interest and other charges	3,429,352	-	-	-
Total governmental activities	<u>18,565,875</u>	<u>1,377,901</u>	<u>940,749</u>	<u>1,299,582</u>
Business-type activities:				
Sewer	4,750,960	4,797,946	-	-
Water	2,474,741	2,333,000	-	-
Town Theater	89,560	50,889	-	-
Total business-type activities	<u>7,315,261</u>	<u>7,181,835</u>	<u>-</u>	<u>-</u>
Total government	<u>\$ 25,881,136</u>	<u>\$ 8,559,736</u>	<u>\$ 940,749</u>	<u>\$ 1,299,582</u>

General revenues:

Taxes:
Property taxes
Sales taxes
Transient occupancy tax
Franchise taxes
Business licenses
Other taxes
Motor vehicle in lieu
Other
Investment income
Transfers

Total general revenues and transfers

Change in net assets

Net assets, beginning of year, as restated

Net assets, end of year

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

Net (expense) revenue and changes in net assets

<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>
\$ (2,018,226)	\$ -	\$ (2,018,226)
(3,956,831)	-	(3,956,831)
1,012,865	-	1,012,865
(5,439,466)	-	(5,439,466)
(436,642)	-	(436,642)
(679,991)	-	(679,991)
<u>(3,429,352)</u>	<u>-</u>	<u>(3,429,352)</u>
<u>(14,947,643)</u>	<u>-</u>	<u>(14,947,643)</u>
-	46,986	46,986
-	(141,741)	(141,741)
<u>-</u>	<u>(38,671)</u>	<u>(38,671)</u>
-	(133,426)	(133,426)
<u>(14,947,643)</u>	<u>(133,426)</u>	<u>(15,081,069)</u>
6,473,631	-	6,473,631
611,591	-	611,591
58,918	-	58,918
318,956	-	318,956
130,478	-	130,478
102,052	-	102,052
47,398	-	47,398
126,272	-	126,272
941,157	1,308,395	2,249,552
<u>927,710</u>	<u>(927,710)</u>	<u>-</u>
<u>9,738,163</u>	<u>380,685</u>	<u>10,118,848</u>
(5,209,480)	247,259	(4,962,221)
<u>30,773,026</u>	<u>24,610,777</u>	<u>55,383,803</u>
<u>\$ 25,563,546</u>	<u>\$ 24,858,036</u>	<u>\$ 50,421,582</u>

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FUND FINANCIAL STATEMENTS

CITY OF FILLMORE
Balance Sheet
Governmental Funds
June 30, 2010

	Debt Service Funds		
	General	Redevelopment Agency	Public Financing Authority
Assets			
Cash and investments	\$ 2,877,130	\$ 2,655,877	\$ 9,459
Restricted cash and investments	2,362,935	-	-
Cash and investments with fiscal agent	-	3,045,828	950,003
Receivables:			
Intergovernmental	67,117	11,168	-
Accounts	244,372	-	-
Interest	3,899	16,722	604,260
Notes and loans	-	-	-
Due from other funds	913,552	1,215,574	82,273
Advances to other funds	-	-	75,950,000
Land held for resale	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 6,469,005</u>	<u>\$ 6,945,169</u>	<u>\$ 77,595,995</u>
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ 474,281	\$ 1,319,506	\$ -
Accrued liabilities	511,568	-	-
Due to other funds	-	-	718,721
Deferred revenue	2,365,356	-	603,870
Deposits payable	23,010	-	-
Advances from other funds	-	11,260,000	-
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>3,374,215</u>	<u>12,579,506</u>	<u>1,322,591</u>
Fund balances:			
Reserved:			
Reserved for advances	-	-	75,950,000
Reserved for land held for resale	-	-	-
Reserved for debt service	-	-	323,404
Reserved for low and moderate housing	-	-	-
Reserved for projects	-	-	-
Unreserved reported in:			
General fund	3,094,790	-	-
Special revenue funds	-	-	-
Capital projects funds	-	-	-
Debt service funds	-	(5,634,337)	-
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>3,094,790</u>	<u>(5,634,337)</u>	<u>76,273,404</u>
	<u>\$ 6,469,005</u>	<u>\$ 6,945,169</u>	<u>\$ 77,595,995</u>

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

Special Revenue Fund	Capital Projects Fund		
Redevelopment Agency	Redevelopment Agency	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,817,813	\$ -	\$ 7,790,431	\$ 15,150,710
-	-	-	2,362,935
-	-	-	3,995,831
1,964	-	115,211	195,460
-	12,464	92,881	349,717
20,731	51,264	2,469	699,345
2,900,719	5,539,750	-	8,440,469
745,030	1,731,108	-	4,687,537
-	-	-	75,950,000
525,000	-	-	525,000
<u>\$ 6,011,257</u>	<u>\$ 7,334,586</u>	<u>\$ 8,000,992</u>	<u>\$ 112,357,004</u>
\$ 4,180	\$ 23,012	\$ 1,333,942	\$ 3,154,921
7,797	26,370	-	545,735
21,385	2,013,363	1,612,677	4,366,146
2,900,719	5,576,852	51,749	11,498,546
-	-	2,500	25,510
-	-	-	11,260,000
<u>2,934,081</u>	<u>7,639,597</u>	<u>3,000,868</u>	<u>30,850,858</u>
-	-	-	75,950,000
525,000	-	-	525,000
-	-	-	323,404
2,552,176	-	-	2,552,176
-	14,469,100	-	14,469,100
-	-	-	3,094,790
-	-	1,480,483	1,480,483
-	(14,774,111)	3,519,641	(11,254,470)
-	-	-	(5,634,337)
<u>3,077,176</u>	<u>(305,011)</u>	<u>5,000,124</u>	<u>81,506,146</u>
<u>\$ 6,011,257</u>	<u>\$ 7,334,586</u>	<u>\$ 8,000,992</u>	<u>\$ 112,357,004</u>

CITY OF FILLMORE
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2010

Fund balances of governmental funds	\$	81,506,146
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets net of depreciation have not been included in the governmental fund activity:		
Capital assets		58,531,261
Accumulated depreciation		(10,024,298)
Long-term debt has not been included in the governmental fund activity:		
Loans payable		(445,289)
Bonds payable		(107,965,000)
Certificates of participation payable		(7,200,000)
Capital leases payable		(544,491)
Compensated absences		(187,213)
OPEB Obligation		(340,233)
Certain accounts, interest, advances, and intergovernmental receivables are not available to pay for current period expenditures and, therefore, are offset by deferred revenue in the governmental funds.		8,440,469
Deferred charges, net of accumulated amortization for debt issuance costs on long-term debt have not been reported in the governmental funds.		4,343,571
Accrued interest payable for the current portion of interest due on long-term debt have not been reported in the governmental funds.		(551,377)
Net assets of governmental activities	\$	<u>25,563,546</u>

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

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CITY OF FILLMORE
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the fiscal year ended June 30, 2010

	Debt Service Funds		
	General	Redevelopment Agency	Public Financing Authority
Revenues			
Taxes	\$ 1,333,984	\$ 4,928,309	\$ -
Licenses and permits	140,296	-	-
Fines and forfeitures	107,173	-	-
Investment income	95,138	31,092	449,196
Intergovernmental	455,891	-	-
Charges for services	272,132	-	-
Other	32,180	-	-
	<u>2,436,794</u>	<u>4,959,401</u>	<u>449,196</u>
Total revenues			
	<u>2,436,794</u>	<u>4,959,401</u>	<u>449,196</u>
Expenditures			
Current:			
General government	1,920,522	-	-
Public safety	4,215,741	-	-
Public works	216,826	-	-
Community development	304,065	-	-
Pass through payments	-	1,410,562	-
Supplemental ERAF	-	-	-
Transit	-	-	-
Parks and recreation	282,553	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	260,000	683,360
Interest and fiscal charges	-	2,460,179	1,116,667
	<u>6,939,707</u>	<u>4,130,741</u>	<u>1,800,027</u>
Total expenditures			
	<u>6,939,707</u>	<u>4,130,741</u>	<u>1,800,027</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,502,913)</u>	<u>828,660</u>	<u>(1,350,831)</u>
Other financing sources (uses)			
Transfers in	2,810,174	6,150	1,199,253
Transfers out	(717,584)	(1,004,960)	-
	<u>2,092,590</u>	<u>(998,810)</u>	<u>1,199,253</u>
Total other financing sources (uses)			
	<u>2,092,590</u>	<u>(998,810)</u>	<u>1,199,253</u>
Net change in fund balances	(2,410,323)	(170,150)	(151,578)
Fund balances, beginning of year	<u>5,505,113</u>	<u>(5,464,187)</u>	<u>76,424,982</u>
Fund balances, end of year	<u>\$ 3,094,790</u>	<u>\$ (5,634,337)</u>	<u>\$ 76,273,404</u>

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

Special Revenue Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Redevelopment Agency	Redevelopment Agency		
\$ 1,232,077	\$ -	\$ 64,883	\$ 7,559,253
-	-	-	140,296
-	-	2	107,175
41,340	101,371	14,260	732,397
-	-	1,871,235	2,327,126
-	-	922,739	1,194,871
7,140	107,797	1,478	148,595
<u>1,280,557</u>	<u>209,168</u>	<u>2,874,597</u>	<u>12,209,713</u>
-	-	-	1,920,522
-	-	-	4,215,741
-	-	853,945	1,070,771
548,309	728,313	171,808	1,752,495
-	-	-	1,410,562
2,384,857	-	-	2,384,857
-	-	424,277	424,277
-	-	440,118	722,671
-	-	2,271,279	2,271,279
-	8,565,000	-	9,508,360
-	-	-	3,576,846
<u>2,933,166</u>	<u>9,293,313</u>	<u>4,161,427</u>	<u>29,258,381</u>
<u>(1,652,609)</u>	<u>(9,084,145)</u>	<u>(1,286,830)</u>	<u>(17,048,668)</u>
-	-	7,483,271	11,498,848
(294,718)	(6,120,934)	(2,432,942)	(10,571,138)
<u>(294,718)</u>	<u>(6,120,934)</u>	<u>5,050,329</u>	<u>927,710</u>
(1,947,327)	(15,205,079)	3,763,499	(16,120,958)
<u>5,024,503</u>	<u>14,900,068</u>	<u>1,236,625</u>	<u>97,627,104</u>
<u>\$ 3,077,176</u>	<u>\$ (305,011)</u>	<u>\$ 5,000,124</u>	<u>\$ 81,506,146</u>

CITY OF FILLMORE
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the fiscal year ended June 30, 2010

Net change in fund balances - total governmental funds	\$ (16,120,958)
<p>Amounts reported for governmental activities in the statement of activities differ from the amounts reported in the statement of activities because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay capitalized exceeds depreciation in the current period.</p>	
Capital outlay, net of disposals	2,298,441
Depreciation, net of disposals	(841,418)
<p>Repayment of debt service principal and capital lease liabilities are expenditures in the governmental funds but the repayment reduces long-term liabilities in the statement of net assets.</p>	
	9,508,360
<p>Debt issuance costs are expenditures in the governmental funds, but these costs are capitalized on the statement of net assets. Likewise, the deferred gain (loss) on the refunding of debt is amortized over the life of the debt. This is the cost less the amount of amortization in the current period.</p>	
	(263,392)
<p>Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>	
	14,692
<p>OPEB obligation 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.</p>	
	(171,671)
<p>Some of the revenue will be collected after year-end, but is not available soon enough to pay for the current period's expenditures, and therefore is reported as deferred revenue in the governmental funds.</p>	
	218,972
<p>Accrued interest for debt service. This is the net change in accrued interest for the current period.</p>	
	147,494
Change in net assets of governmental activities	\$ (5,209,480)

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

CITY OF FILLMORE
Statement of Net Assets
Proprietary Funds
June 30, 2010

	Enterprise Funds			Total
	Sewer	Water	Town Theater	
Assets				
Current assets:				
Cash and investments	\$ 7,439,246	\$ 883,382	\$ 400	\$ 8,323,028
Cash and investments with fiscal agent	8,400,304	239,714	-	8,640,018
Accounts receivable, net	509,456	375,191	-	884,647
Interest receivable	4,698	842	-	5,540
Due from other funds	69,082	-	-	69,082
Total current assets	16,422,786	1,499,129	400	17,922,315
Noncurrent assets:				
Deferred issuance costs, net	1,121,127	261,048	-	1,382,175
Capital assets:				
Land	2,688,630	497,523	-	3,186,153
Construction in progress	64,939,151	175,857	-	65,115,008
Depreciable infrastructure, net	3,951,040	4,578,196	-	8,529,236
Depreciable buildings and improvements, net	-	122,545	-	122,545
Depreciable equipment, net	1,863,206	493,748	231	2,357,185
Total non-current assets	74,563,154	6,128,917	231	80,692,302
Total assets	90,985,940	7,628,046	631	98,614,617

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

CITY OF FILLMORE
Statement of Net Assets
Proprietary Funds
June 30, 2010

	Enterprise Funds			Total
	Sewer	Water	Town Theater	
Liabilities				
Current liabilities:				
Accounts payable	5,771,433	112,391	3,836	5,887,660
Accrued interest payable	474,659	73,106	-	547,765
Deposits payable	53,328	63,586	375	117,289
Due to other funds	6,856	27,884	355,733	390,473
Due to others	40,882	-	-	40,882
Current portion of long-term obligations	62,963	14,196	-	77,159
Total current liabilities	<u>6,410,121</u>	<u>291,163</u>	<u>359,944</u>	<u>7,061,228</u>
Noncurrent liabilities:				
Compensated absences	18,725	67,511	-	86,236
Advances payable	57,490,000	7,200,000	-	64,690,000
Loan payable - State Water Board	18,752	-	-	18,752
Premium on long-term advances	1,900,365	-	-	1,900,365
Total non-current liabilities	<u>59,427,842</u>	<u>7,267,511</u>	<u>-</u>	<u>66,695,353</u>
Total liabilities	<u>65,837,963</u>	<u>7,558,674</u>	<u>359,944</u>	<u>73,756,581</u>
Net assets				
Invested in capital assets, net of related debt	21,065,223	(1,071,083)	231	19,994,371
Restricted for debt service	2,009,762	166,608	-	2,176,370
Unrestricted	2,072,992	973,847	(359,544)	2,687,295
Total net assets	<u>\$ 25,147,977</u>	<u>\$ 69,372</u>	<u>\$ (359,313)</u>	<u>\$ 24,858,036</u>

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

CITY OF FILLMORE
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Funds
For the fiscal year ended June 30, 2010

	Enterprise Funds			Total
	Sewer	Water	Town Theater	
Operating revenues				
Sales and service charges	\$ 4,618,905	\$ 2,257,547	\$ 50,889	\$ 6,927,341
Other revenue	179,041	75,453	-	254,494
Total operating revenues	4,797,946	2,333,000	50,889	7,181,835
Operating expenses				
Administration costs	361,703	569,917	89,134	1,020,754
Bad debt	25,000	10,000	-	35,000
Pumping	-	549,113	-	549,113
Transmission and distribution	-	496,865	-	496,865
Customer accounts	-	273,463	-	273,463
Treatment and disposal plant	1,445,147	-	-	1,445,147
Depreciation	93,051	124,180	426	217,657
Total operating expenses	1,924,901	2,023,538	89,560	4,037,999
Operating income (loss)	2,873,045	309,462	(38,671)	3,143,836
Non-operating revenues (expenses)				
Investment income	1,300,377	8,018	-	1,308,395
Amortization	(31,140)	(11,865)	-	(43,005)
Interest expense	(2,794,919)	(439,338)	-	(3,234,257)
Total other financing sources (uses)	(1,525,682)	(443,185)	-	(1,968,867)
Income (loss) before transfers	1,347,363	(133,723)	(38,671)	1,174,969
Transfers in	14,665,000	4,500	-	14,669,500
Transfers out	(15,083,926)	(513,284)	-	(15,597,210)
Change in net assets	928,437	(642,507)	(38,671)	247,259
Net assets, beginning of year	24,219,540	711,879	(320,642)	24,610,777
Net assets, end of year	\$ 25,147,977	\$ 69,372	\$ (359,313)	\$ 24,858,036

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

CITY OF FILLMORE
Statement of Cash Flows
Proprietary Funds
For the fiscal year ended June 30, 2010

	Enterprise Funds			Total
	Sewer	Water	Town Theater	
Cash flows from operating activities				
Receipts from customers	\$ 5,516,807	\$ 2,310,132	\$ 50,889	\$ 7,877,828
Payments to employees	(251,987)	(1,272,829)	(30,644)	(1,555,460)
Payments to suppliers	(878,929)	(679,722)	(61,942)	(1,620,593)
Net cash provided (used) by operating activities	<u>4,385,891</u>	<u>357,581</u>	<u>(41,697)</u>	<u>4,701,775</u>
Cash flows from noncapital financing activities				
Loan to other funds	(69,082)	-	-	(69,082)
Transfer to/from other funds	(418,926)	(508,784)	42,097	(885,613)
Net cash provided (used) by noncapital financing activities	<u>(488,008)</u>	<u>(508,784)</u>	<u>42,097</u>	<u>(954,695)</u>
Cash flows from capital and related financing activities				
Principal payments on long-term debt	(6,518)	(145,804)	-	(152,322)
Purchase of capital assets	(10,753,785)	(15,135)	-	(10,768,920)
Interest paid on long-term debt	(2,794,919)	(441,990)	-	(3,236,909)
Net cash (used) by capital and related financing activities	<u>(13,555,222)</u>	<u>(602,929)</u>	<u>-</u>	<u>(14,158,151)</u>
Cash flows from investing activities				
Interest on investments	<u>1,267,211</u>	<u>12,397</u>	<u>-</u>	<u>1,279,608</u>
Net cash provided by investing activities	<u>1,267,211</u>	<u>12,397</u>	<u>-</u>	<u>1,279,608</u>
Net increase (decrease) in cash and cash equivalents	(8,390,128)	(741,735)	400	(9,131,463)
Cash and cash equivalents, beginning of year	<u>24,229,678</u>	<u>1,864,831</u>	<u>-</u>	<u>26,094,509</u>
Cash and cash equivalents, end of year	<u>\$ 15,839,550</u>	<u>\$ 1,123,096</u>	<u>\$ 400</u>	<u>\$ 16,963,046</u>

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

CITY OF FILLMORE
Statement of Cash Flows
Proprietary Funds
For the fiscal year ended June 30, 2010

	Enterprise Funds			Total
	Sewer	Water	Town Theater	
Non-cash activities				
Amortization of deferred charges	\$ 31,140	\$ 11,865	\$ -	\$ 43,005
Increase in allowance for doubtful accounts	\$ 25,000	\$ 10,000	\$ -	\$ 35,000
Reconciliation of cash and cash equivalents to amounts reported on the statement of net assets				
Reported on the statements of net assets:				
Cash and investments	\$ 7,439,246	\$ 883,382	\$ 400	\$ 8,323,028
Cash and investments with fiscal agents	8,400,304	239,714	-	8,640,018
	<u>\$ 15,839,550</u>	<u>\$ 1,123,096</u>	<u>\$ 400</u>	<u>\$ 16,963,046</u>
Reconciliation of operating income (loss) to net cash provided (used) by operations:				
Operating income (loss)	<u>\$ 2,873,045</u>	<u>\$ 309,462</u>	<u>\$ (38,671)</u>	<u>\$ 3,143,836</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	93,051	124,180	426	217,657
Bad debt expense	25,000	10,000	-	35,000
(Increase) decrease in assets:				
Accounts receivable	715,288	(25,380)	-	689,908
Increase (decrease) in liabilities:				
Accounts payable	626,911	(76,561)	(3,452)	546,898
Deposits payable	3,573	2,512	-	6,085
Compensated absences	8,141	13,368	-	21,509
Due to others	40,882	-	-	40,882
Total adjustments	<u>1,512,846</u>	<u>48,119</u>	<u>(3,026)</u>	<u>1,557,939</u>
Net cash provided (used) by operating activities	<u>\$ 4,385,891</u>	<u>\$ 357,581</u>	<u>\$ (41,697)</u>	<u>\$ 4,701,775</u>

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

CITY OF FILLMORE
Statement of Fiduciary Assets and Liabilities
June 30, 2010

	<u>Agency Funds</u>
Assets	
Cash and investments	\$ 2,014,876
Cash and investments with fiscal agent	547,726
Receivables:	
Interest	592
Intergovernmental	37,004
Prepaid expenses	1,325
 Total assets	 \$ 2,601,523
Liabilities	
Accounts payable	\$ 20,217
Deposits payable	932,286
Due to bondholders	1,649,020
 Total liabilities	 \$ 2,601,523

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2010

Note 1: Summary of significant accounting policies

The financial statements of the City of Fillmore (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (USGAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

a. Description of the reporting entity

The City of Fillmore was incorporated July 10, 1914 under the general laws of the State of California. The City operates under the Council-Manager form of government.

The City of Fillmore is a reporting entity which includes the following component units:

Fillmore Redevelopment Agency
Fillmore Public Financing Authority

As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body and the City is either able to impose its will on that organization, or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable if an organization is fiscally dependent upon the City (i.e., it is unable to adopt its budget, levy taxes, set rates or charges or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City's financial statements to be misleading or incomplete.

All of the City's component units are considered to be blended component units because, in all cases, the City Council serves as the governing board for each component unit. Blended component units, although legally separate entities, are, in substance, part of the City's operations, therefore data from these units are reported with the interfund data of the primary government.

The Fillmore Redevelopment Agency issues separate component unit statements. The financial statements of the component units can be obtained at City Hall. The following entities are considered to be component units of the City.

Fillmore Redevelopment Agency

The Redevelopment Agency was established on August 28, 1979, pursuant to the State of California Health and Safety Code Section 33000. Its purpose is to prepare and carry out plans for the improvement, rehabilitation, and development of blighted areas within the territorial limits of the City of Fillmore.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2010

Note 1: Summary of significant accounting policies (continued)

a. Description of the reporting entity (continued)

Fillmore Public Financing Authority

The Fillmore Public Financing Authority was formed on September 25, 1990, by a joint powers agreement between the City of Fillmore and the Fillmore Redevelopment Agency. It was created to acquire and finance the acquisition of public capital improvements necessary or convenient for the operation of the City or Agency.

b. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has 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 or 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 meet 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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the fiscal 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 collectible within the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2010

Note 1: Summary of significant accounting policies (continued)

c. Measurement focus, basis of accounting, and financial statement presentation, (continued)

The City reports the following major governmental funds:

General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other funds.

Fillmore Redevelopment Agency Debt Service Fund - This fund accounts for the property tax increment received by the Agency and also for the repayment of the Agency's indebtedness.

Fillmore Public Financing Authority Debt Service Fund - This fund accounts for debt service payments on long-term debt issues.

Fillmore Redevelopment Agency Special Revenue Fund - This fund accounts for the Agency's activities related to Low and Moderate Income Housing.

Fillmore Redevelopment Agency Capital Projects Fund - This fund accounts for the financing, construction, and administrative activities of the Agency.

The City also reports the following major proprietary funds:

Water Enterprise Fund - This fund accounts for the operation and maintenance of the City's water distribution system.

Sewer Enterprise Fund - This fund accounts for the operation and maintenance of the wastewater system within the City's boundaries.

Town Theater Fund - This fund accounts for the operation of the movie theater located in the City.

Additionally, the City reports the following fund types:

Agency Funds are used to report resources held by the City in a purely custodial capacity, which involves only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). For proprietary fund type activities, the City has elected to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board (FASB), the Accounting Principles Board (APB), or any Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they contradict or conflict with GASB pronouncements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's proprietary funds function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2010

Note 1: Summary of significant accounting policies (continued)

c. Measurement focus, basis of accounting, and financial statement presentation, (continued)

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 nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds are charges to customers for sales and services. Operating expenses for the Enterprises 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 nonoperating 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.

d. Assets, liabilities, net assets or equity

Cash and cash equivalents

For purposes of the statement of cash flows, the City considers cash and cash equivalents as short term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. The City follows the practice of pooling cash and investments of all funds except for funds required to be held by outside fiscal agents under the provisions of bond indentures. Cash equivalents have an original maturity date of three months or less from the date of purchase.

Cash and investments

Investments are reported in the accompanying statement of net assets at fair value, except for nonparticipating certificates of deposit and investment contracts that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates.

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investment.

The City pools cash and investments of all funds, except assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2010

Note 1: Summary of significant accounting policies (continued)

d. Assets, liabilities, net assets or equity (continued)

Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as interfund receivables/interfund payables (i.e., the current portion of interfund loans) or advances to/from other funds (the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as interfund receivables or interfund payables. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in the applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and tax receivables are shown net of an allowance for uncollectible accounts if applicable, and estimated refunds due.

Property taxes

Property taxes in the State of California are administered for all local agencies at the county level, and consist of secured, unsecured, and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

Property valuations - are established by the Assessor of the County of Ventura for the secured and unsecured property tax rolls; the utility property tax rolls are valued by the State Board of Equalization. Under the provisions of Article XIII A of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978) properties are assessed at 100% of full value. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

Tax levies - are limited to 1% of full value which results in a tax rate of \$1.00 per \$100 assessed valuation, under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

Tax levy dates - are attached annually on January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

Tax levy apportionments - Due to the nature of the City-wide maximum levy, it is not possible to identify general purpose tax rates for specific entities. Under state legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by the county auditor-controller based primarily on the ratio that each agency represented of the total City-wide levy for the three years prior to fiscal year 1979.

Property tax administration fees - The State of California FY 1990-91 Budget Act authorized counties to collect an administrative fee for collection and distribution of property taxes. Property taxes are recorded as net of administrative fees withheld during the fiscal year.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2010

Note 1: Summary of significant accounting policies (continued)

d. Assets, liabilities, net assets or equity (continued)

Prepaid items

Payments made to vendors for services that will benefit periods beyond June 30, 2010 are recorded as prepaid items and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available resources and therefore are not available for appropriation.

Cash and investments with fiscal agents

Certain proceeds of the City's long-term debt, as well as certain resources set aside for their repayment are maintained in separate bank accounts and their use is limited by applicable bond covenants.

In the absence of specific statutory provisions governing the issuance of bonds, certificates, or leases, these monies may be invested in accordance with the ordinance; resolutions, and indentures specifying the types of investments its trustees or fiscal agents may make. These ordinances, resolutions, and indentures are generally more restrictive than the City's general investment policy. In no instance have additional types of investments been authorized that are not permitted by the City's general investment policy.

Capital assets

Capital assets, which include property, plant, equipment, fine art, and infrastructure assets (e.g., roads, bridges, sidewalks, traffic lights and signals, street lights, and similar items), 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 \$5,000 (\$50,000 for buildings and infrastructure) or more and an estimated useful life in excess of one year. Such capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the capital asset or materially extend capital asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during the fiscal year ended June 30, 2010.

Property, plant, and equipment of the City is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	25 to 50
Improvements other than buildings	30
Infrastructure	20 to 40
Utility systems	50 to 200
Vehicles	8 to 20
Equipment and furnishings	5 to 20
Storm drains	200

Periodic restoration and maintenance costs on particular items are charged to expense as incurred.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2010

Note 1: Summary of significant accounting policies (continued)

d. Assets, liabilities, net assets or equity (continued)

Claims and judgments

The City records a liability for litigation, judgments, and claims when it is probable that an asset has been impaired or a liability has been incurred prior to fiscal year end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated. At June 30, 2010, the City has determined that there are no outstanding claims or judgments which would be material to the financial statements.

Compensated absences

In accordance with GASB Statement No. 16, an employee benefits payable liability is recorded for unused vacation and similar compensatory leave balances since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement.

Under GASB Statement No. 16, a liability is recorded for unused sick leave balances only to the extent that it is probable that the unused balances will result in termination payments. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of a future event (illness) which is outside the control of the City and the employee.

The short-term portion is determined to be the amount due to employees for future absences which is attributed to services already rendered and which is expected to be paid during the next fiscal year. The total amount of liability for compensated absences is segregated between short-term and long-term as indicated above.

Vacation pay is payable to employees at the time a vacation is taken or upon termination of employment. Normally, an employee cannot accrue more than his/her regular annual entitlement plus ten (10) days.

Sick leave is payable when an employee is unable to work because of illness. Any unused sick leave is forfeited upon termination of employment, except by reason of layoff. Accumulated sick leave is only payable after an employee reaches 62 years of age.

Long-term obligations

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 assets. Initial-issue bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. The difference between the reacquisition refunding bonds and the net carrying amount of refunded debt (deferred amount on refunding) is amortized over the shorter of the lives of the refunding debt or remaining life of the refunded debt. Bond issuance costs, including deferred refunding amounts and underwriters' discount, are reported as deferred bond issuance costs. Amortization of bond premiums or discounts, issuance costs, and deferred amounts on refunding is included in interest expense.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and issuance costs during the period issued. The face amount of debt issued is reported as other financing sources. Premiums received are reported as other financing sources, while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2010

Note 1: Summary of significant accounting policies (continued)

d. Assets, liabilities, net assets or equity (continued)

In the government-wide financial statements, proprietary fund financial statements, and fiduciary fund financial statements, net assets are reported in three categories: net assets invested in capital assets, net of related debt; restricted net assets, and unrestricted net assets. Restricted net assets represent net assets restricted by parties outside of the City (such as creditors, grantors, contributors, and laws and regulations of other governments) and include unspent proceeds of bonds issued to acquire or construct capital assets. The City's other restricted net assets are temporarily restricted (ultimately expendable assets). All other net assets are considered unrestricted.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

e. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

Note 2: Stewardship, compliance, and accountability

General budget policies

The City Council has the responsibility for adoption of the City's budget. Budgets are adopted for governmental funds. From the effective date of the budget, the amounts stated as proposed expenditures become appropriations to the various City departments. The City Council may amend the budget by motion during each fiscal year. The City Manager is authorized to transfer funds from one major expenditure category to another within the same department and fund. Any revisions that alter the total expenditures of any fund must be approved by the City Council.

All appropriations lapse at the end of the fiscal year to the extent that they have not been expended. Lease contracts entered into by the City are subject to annual review by the City Council; hence, they legally are one year contracts with an option for renewal for another fiscal year.

Budgeted revenue and expenditure amounts represent the City's originally-adopted legal budget adjusted for unanticipated revenues and appropriations during the course of the fiscal year. Budget amounts, as adjusted, reported for the governmental funds of the City are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Budgets are adopted for all general, special revenue, capital projects, and debt service funds except for the Intermodal Transit Capital Projects Fund, Heritage Valley Tourism Capital Projects Fund, Sespe Creek Bike Path Capital Projects Fund, and Depot Restoration Capital Project Fund.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2010

Note 2: Stewardship, compliance, and accountability

General budget policies (continued)

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental fund types. Encumbrances outstanding at fiscal year end are reported as reservations of fund balance and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent fiscal year.

Deficit fund balances/net assets

The following funds contained deficits of fund balances/net assets as of June 30, 2010:

Major governmental fund:	
Redevelopment Agency Debt Service Fund	\$ 5,634,337
Redevelopment Agency Capital Projects Fund	305,011
Major enterprise fund:	
Town Theater Fund	359,313
Nonmajor governmental funds:	
Special revenue funds:	
DIF Water Improvement	691,543
Gas Tax	86,561
Swimming Pool Maintenance	45,839
Recreation	26,281
DIF Transportation Improvement	8,905
Capital projects funds:	
Signals	109,127
Pool Underground and Design	77,847
Depot Restoration	29,097
Vehicle Replacement	19,615
Street Projects	3,777

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2010

Note 2: Stewardship, compliance, and accountability

General budget policies (continued)

Excess expenditures over appropriations

Excess of expenditures over appropriations in departments/cost centers of individual funds are as follows:

Fund	Final budget	Expenditures	Excess
Nonmajor funds:			
Special revenue			
Gas Tax	\$ 473,508	\$ 526,893	\$ (53,385)
Local Transportation	-	3,725	(3,725)
Lighting/Landscape Assessment	168,717	190,044	(21,327)
Solid Waste Source Reduction	87,305	92,994	(5,689)
Recreation	159,169	160,498	(1,329)
DIF Water Improvement	-	5,000	(5,000)
Storm Water NPDES	13,897	20,068	(6,171)
Capital projects			
Well #9	44,000	56,992	(12,992)
Parking Lot	-	10	(10)
Pool Underground and Design	71,400	71,697	(297)
Sidewalk Repair	-	2,194	(2,194)

Note 3: Cash and investments

Cash and investments as of June 30, 2010 are classified in the accompanying financial statements as follows:

Statement of net assets:	
Cash and investments	\$ 23,473,738
Cash and investments, restricted	2,362,935
Cash and investments with fiscal agent	12,635,849
Statement of fiduciary assets and liabilities:	
Cash and investments	2,014,876
Cash and investments with fiscal agent	<u>547,726</u>
Total cash and investments	<u><u>\$ 41,035,124</u></u>

Cash and investments as of June 30, 2010 consist of the following:

Cash on hand	\$ 1,329
Deposits with financial institutions	4,225,121
Investments	<u>36,808,674</u>
	<u><u>\$ 41,035,124</u></u>

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2010

Note 3: Cash and investments (continued)

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 by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized investment type	Maximum maturity	Maximum percentage of portfolio *	Maximum investment in one issuer
U.S. Treasury Obligation	2 years	75%	None
U.S. Agency Securities	2 years	75%	None
Certificates of Deposit	2 years	30%	None
Savings Accounts	N/A	85%	None
Money Market Mutual Fund (U.S. Treasury)	2 years	None	10%
Ventura County Pooled Investment Funds	N/A	30%	None
Local Agency Investment Fund (LAIF)	N/A	100%	\$ 40,000,000

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

Authorized investment type	Maximum maturity	Maximum percentage of portfolio	Maximum investment in one issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Time Deposits	None	None	None
Money Market Mutual Funds	N/A	None	10%
Investment Contracts	31 years	None	None
Local Agency Investment Fund	None	None	None

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2010

Note 3: Cash and investments (continued)

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 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.

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

Investment type	Totals	Remaining maturity			
		12 months or less	13 to 24 months	25 to 60 months	More than 60 months
State Investment Pool	\$ 23,516,171	\$ 23,516,171	\$ -	\$ -	\$ -
Certificate of deposit	108,928	108,928	-	-	-
Held by bond trustee:					
Investment agreement	4,247,980	4,247,980	-	-	-
Money market	8,935,595	8,935,595	-	-	-
Total investments	\$ 36,808,674	\$ 36,808,674	\$ -	\$ -	\$ -

Investments with fair value highly sensitive to interest rate fluctuations

The City has no investments (including investments held by bond trustees) that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above).

Disclosures relating to a 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's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

Investment type	Amount	Minimum legal rating	Ratings at fiscal year end	
			Aaa	Not rated
State Investment Pool	\$ 23,516,171	N/A	\$ -	\$ 23,516,171
Certificate of deposit	108,928	N/A	-	108,928
Held by bond trustee:				
Investment agreement	4,247,980	N/A	-	4,247,980
Money market	8,935,595	N/A	8,935,595	-
Total investments	\$ 36,808,674		\$ 8,935,595	\$ 27,873,079

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2010

Note 3: Cash and investments (continued)

Concentration of credit risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The City has no investments in any one issuer (other U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments.

Custodial credit risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental 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 fair 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 the City's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2010, \$4,137,722 of the City's deposits with financial institutions in excess of federal depository insurance limits were held in collateralized accounts as required by the California Government Code as stated above.

Investment in State Investment Pool

The Agency is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2010

Note 4: Accounts Receivable

The following is a list of accounts receivable at June 30, 2010:

	Receivable	Allowance	Net
Governmental activities:			
Intergovernmental	\$ 195,460	\$ -	\$ 195,460
Accounts	349,717	-	349,717
	\$ 545,177	\$ -	\$ 545,177
Business-type activities:			
Accounts	\$ 1,049,293	\$ (164,646)	\$ 884,647
Fiduciary funds:			
Intergovernmental	\$ 37,004	\$ -	\$ 37,004

Based on historical estimates, the City has established an allowance for uncollectible accounts for the sewer and water enterprise funds.

Note 5: Notes and loans receivable

Notes and loans receivable, including accrued interest consists of the following:

	Balance at June 30, 2010
a) The Agency has entered into loan agreements with various residents within the redevelopment project area. The loans are either fully amortized or deferred until the corresponding property is sold. Interest rates are 5.0%. These loans are home rehabilitation loans.	\$ 107,062
b) The Agency has a First Time Homebuyers program whereby qualified residents can receive assistance in purchasing a home within the City. The assistance is in the form of deferred loans of up to \$40,000. These loans are secured by a second trust deed and are due upon sale of the property.	1,028,506
c) The Agency has entered into 2 loan agreements with Ronald and Doris Stewart. The first loan is \$225,000 at 4% and is fully amortized over 20 years beginning January 1, 2011. The second loan is \$85,000 at 4% and is fully amortized over 20 years beginning January 1, 2004.	235,865
d) The Agency entered into a Disposition and Development Agreement with the Cabrillo Economic Development Corp. The total loan committed by the Agency is \$1,318,348 with interest at 3%. The loan is to assist in the development of low and moderate income housing units and is to be repaid over time as the units are sold. The repayment will be in the form of new financing with the homebuyers.	1,537,540

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2010

Note 5: Notes and loans receivable (continued)

	Balance at June 30, 2010
e) The Agency has entered into a participation Agreement, as of June 19, 2007, with Carrera Boats West, Inc. The proceeds of the loan are to be used to assist in relocation and rehabilitation. The loan is for \$85,000 plus annual interest at 7.25%. The company agrees to operate within the City of Fillmore for at least 10 years. After 3 years in operation, the City will credit the company with a 10% offset and for each year thereafter. Final maturity is March 27, 2017.	91,163
f) The Agency and the Fillmore and Western Railway Co. (Company) have entered into an owner participation agreement in the amount of \$103,800 at 6% per annum. The Agency and the Company have also entered into a separate lease agreement. Repayment of the note is predicated on the lease agreement. Each year of the lease, the principal and interest will be credited in an equal amount to 1/10 th of the principal and interest outstanding.	9,325
g) The Agency has loaned \$5,000 to C. Charles and N. Moberly to assist in the operation of the Central Cigar Co. Interest accrues at a rate of 6%. The balance is past due as of June 30, 2010.	4,278
h) The Agency has loaned \$5,000 to the Towne Theatre for the purchase of a ticketing system. This is a non-interest bearing note with no specific repayment terms.	5,000
i) The Agency has loaned John and Janet Foy \$105,000 at a rate of 4% per annum. Monthly principal and interest payments are \$636 with a maturity date of March 31, 2016.	43,602
j) The Agency has entered into a participation agreement with Keller Classics, Inc. (Classics). The agreement is evidenced by a promissory note in the amount of \$84,563. This deferred note carries interest at a rate of 6% per annum. As long as Classics operates its clothing business and continues to maintain full time employees, the loan will be forgiven at a specified rate not to exceed 1/10 th of the outstanding balance.	70,500
k) The Agency has entered into a residual receipts agreement with Fillmore Parkview Seniors LP. The original amount of the note was \$4,666,593 and was used by the maker to build senior housing within the Agency project area. The note is to be repaid from 50% of the residual receipts of the housing project. The interest rate is 3% (simple) and the entire note is due and payable by September 1, 2055. The note is secured by the project and is subject to the term of the DDA between the Agency and the maker. Accrued interest included as of June 30, 2010 is \$641,035.	5,307,628
Total notes and loans receivable	<hr style="border: 0.5px solid black;"/> \$ 8,440,469 <hr style="border: 0.5px solid black;"/>

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2010

Note 6: Interfund activity

The following represents the interfund activity of the City for the fiscal year ended June 30, 2010.

a. Transfers

With council approval, resources may be transferred from one City fund to another. The purpose of the majority of transfers is to reimburse a fund that has made an expenditure on behalf of another fund.

Transfers in and out for the year ended June 30, 2010 were as follows:

<u>Transfers to</u>	<u>Transfers from</u>	<u>Amounts</u>
General Fund	Redevelopment Agency Debt Service Fund	\$ 44,960
	Redevelopment Agency Capital Projects Fund	815,930
	Redevelopment Agency Special Revenue Fund	276,692
	Sewer	414,896
	Water	162,784
	Nonmajor Governmental Funds	1,094,912
Public Financing Authority	Redevelopment Agency Debt Service Fund	960,000
	Sewer	4,030
	Nonmajor Governmental Funds	235,223
Redevelopment Agency Debt Service Fund	Nonmajor Governmental Funds	6,150
Sewer	Sewer	14,665,000
Water	Nonmajor Governmental Funds	4,500
Nonmajor Governmental Funds	General Fund	717,584
	Redevelopment Agency Capital Projects Fund	5,305,004
	Redevelopment Agency Special Revenue Fund	18,026
	Water	350,500
	Nonmajor Governmental Funds	1,092,157
	Totals	<u>\$ 26,168,348</u>

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2010

Note 6: Interfund activity (continued)

b. Advances

Advances are long-term in nature and will be repaid when the funds become available. The advances made by the Public Financing Authority are pursuant to an installment agreement and bond indenture and are being repaid according to the debt service schedule provided by the bond indenture.

	Receivable	Payable
Major funds:		
Redevelopment Agency Debt Service	\$ -	\$ 11,260,000
Public Financing Authority Debt Service	75,950,000	-
Major enterprise funds:		
Sewer	-	57,490,000
Water	-	7,200,000
	\$ 75,950,000	\$ 75,950,000
Total advances		

c. Due to/from other funds

Current interfund balance arises in the normal course of business and to assist funds with negative cash balance at the fiscal year end. They are expected to be repaid shortly after the end of the fiscal year.

Receivable fund	Payable fund	Amounts
General Fund	Redevelopment Agency Capital Projects Fund	\$ 52,759
	Redevelopment Agency Special Revenue Fund	21,385
	Sewer	6,856
	Water	27,884
	Town Theater	286,651
	Nonmajor Governmental Funds	518,017
Redevelopment Agency Debt Service Fund	Redevelopment Agency Capital Projects Fund	1,215,574
Sewer	Town Theater	69,082
Public Financing Authority	Nonmajor Governmental Funds	82,273
Redevelopment Agency Special Revenue Fund	Redevelopment Agency Capital Projects Fund	745,030
Redevelopment Agency Capital Projects Fund	Public Financing Authority	718,721
	Nonmajor Governmental Funds	1,012,387
	Totals	\$ 4,756,619

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2010

Note 7: Capital assets

a. Governmental activities

Capital assets governmental activity for the fiscal year ended June 30, 2010 was as follows:

Governmental activities:	<u>Beginning balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending balance</u>
Capital assets, not being depreciated:				
Land	\$ 13,967,986	\$ -	\$ -	\$ 13,967,986
Construction in progress	14,948,120	2,282,972	(8,930,087)	8,301,005
Total capital assets, not being depreciated	<u>28,916,106</u>	<u>2,282,972</u>	<u>(8,930,087)</u>	<u>22,268,991</u>
Capital assets, being depreciated:				
Buildings and improvements:				
Buildings	8,491,705	5,119,389	-	13,611,094
Land improvements	2,861,097	2,370,728	-	5,231,825
Machinery and equipment	3,558,519	15,469	(50,633)	3,523,355
Infrastructure:				
Roadways and bikepaths	12,402,026	1,439,970	-	13,841,996
Other street appurtenances	54,000	-	-	54,000
Total capital assets, being depreciated	<u>27,367,347</u>	<u>8,945,556</u>	<u>(50,633)</u>	<u>36,262,270</u>
Less accumulated depreciation for:				
Buildings and improvements:				
Buildings	(2,408,694)	(193,430)	-	(2,602,124)
Land improvements	(791,726)	(152,249)	-	(943,975)
Machinery and equipment	(2,006,794)	(229,953)	50,633	(2,186,114)
Infrastructure:				
Roadways and bikepaths	(3,972,299)	(265,786)	-	(4,238,085)
Other street appurtenances	(54,000)	-	-	(54,000)
Total accumulated depreciation	<u>(9,233,513)</u>	<u>(841,418)</u>	<u>50,633</u>	<u>(10,024,298)</u>
Total capital assets, being depreciated, net	<u>18,133,834</u>	<u>8,104,138</u>	<u>-</u>	<u>26,237,972</u>
Total governmental activities capital assets, net	<u>\$ 47,049,940</u>	<u>\$ 10,387,110</u>	<u>\$ (8,930,087)</u>	<u>\$ 48,506,963</u>

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2010

Note 7: Capital assets (continued)

a. Governmental activities (continued)

Depreciation expense was charged to functions/programs of the City's governmental activities as follows:

Governmental activities:

General government	\$	151,132
Public safety		170,534
Public works		353,545
Community development		97,929
Parks and recreation		<u>68,278</u>
Total	<u>\$</u>	<u>841,418</u>

b. Business-type activities

Capital asset business-type activity for the fiscal year ended June 30, 2010 was as follows:

<i>Business-type activities:</i>	Beginning balance	Additions	Deletions	Ending balance
<i>Sewer activity</i>				
Capital assets, not being depreciated:				
Land	\$ 2,688,630	\$ -	\$ -	\$ 2,688,630
Construction in progress	54,185,366	10,753,785	-	64,939,151
Total capital assets, not being depreciated	<u>56,873,996</u>	<u>10,753,785</u>	<u>-</u>	<u>67,627,781</u>
Capital assets, being depreciated:				
Buildings and improvements	3,280,504	-	-	3,280,504
Infrastructure	7,722,310	-	-	7,722,310
Less - accumulated depreciation	<u>(5,095,517)</u>	<u>(93,051)</u>	<u>-</u>	<u>(5,188,568)</u>
Total capital assets, being depreciated	<u>5,907,297</u>	<u>(93,051)</u>	<u>-</u>	<u>5,814,246</u>
Total sewer capital assets, net	<u>\$ 62,781,293</u>	<u>\$ 10,660,734</u>	<u>\$ -</u>	<u>\$ 73,442,027</u>

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2010

Note 7: Capital assets (continued)

b. Business-type activities (continued)

	Beginning balance	Additions	Deletions	Ending balance
Water activity				
Capital assets, not being depreciated:				
Land	\$ 497,523	\$ -	\$ -	\$ 497,523
Construction in progress	175,857	-	-	175,857
Total capital assets, not being depreciated	<u>673,380</u>	<u>-</u>	<u>-</u>	<u>673,380</u>
Capital assets, being depreciated:				
Buildings and improvements	313,488	-	-	313,488
Infrastructure	6,425,572	-	-	6,425,572
Machinery and equipment	1,421,440	15,134	-	1,436,574
Less - accumulated depreciation	<u>(2,856,965)</u>	<u>(124,180)</u>	<u>-</u>	<u>(2,981,145)</u>
Total capital assets, being depreciated	<u>5,303,535</u>	<u>(109,046)</u>	<u>-</u>	<u>5,194,489</u>
Total water capital assets, net	<u>\$ 5,976,915</u>	<u>\$ (109,046)</u>	<u>\$ -</u>	<u>\$ 5,867,869</u>
Town Theater				
Capital assets, being depreciated:				
Machinery and equipment	\$ 44,818	\$ -	\$ -	\$ 44,818
Less - accumulated depreciation	<u>(44,161)</u>	<u>(426)</u>	<u>-</u>	<u>(44,587)</u>
Total theater capital assets, net	<u>\$ 657</u>	<u>\$ (426)</u>	<u>\$ -</u>	<u>\$ 231</u>
Total business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 3,186,153	\$ -	\$ -	\$ 3,186,153
Construction in progress	54,361,223	10,753,785	-	65,115,008
Total capital assets, not being depreciated	<u>57,547,376</u>	<u>10,753,785</u>	<u>-</u>	<u>68,301,161</u>
Capital assets, being depreciated:				
Buildings and improvements	3,593,992	-	-	3,593,992
Infrastructure	14,147,882	-	-	14,147,882
Machinery and equipment	1,466,258	15,134	-	1,481,392
Less - accumulated depreciation	<u>(7,996,643)</u>	<u>(217,657)</u>	<u>-</u>	<u>(8,214,300)</u>
Total capital assets, being depreciated	<u>11,211,489</u>	<u>(202,523)</u>	<u>-</u>	<u>11,008,966</u>
Total business-type activities capital assets, net	<u>\$ 68,758,865</u>	<u>\$ 10,551,262</u>	<u>\$ -</u>	<u>\$ 79,310,127</u>

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2010

Note 7: Capital assets (continued)

b. Business-type activities (continued)

Depreciation expense was charged to functions/programs of the City's business-type activities as follows:

Sewer	\$	93,051
Water		124,180
Town Theater		426
		426
Total	\$	217,657

Note 8: Long-term liabilities

The following is a summary of changes in the City's long-term liabilities for the fiscal year ended June 30, 2010:

	Beginning balance	Additions	Deletions	Ending balance	Due within one year
Governmental activities:					
Capital leases payable	\$ 658,603	\$ -	\$ (114,112)	\$ 544,491	\$ 120,424
State water loan payable	534,537	-	(89,248)	445,289	89,248
Revenue bonds	69,555,000	-	(320,000)	69,235,000	920,000
Bonds/notes	47,555,000	-	(8,825,000)	38,730,000	355,000
Certificates of participation	7,360,000	-	(160,000)	7,200,000	170,000
OPEB Obligation	168,562	184,481	(12,810)	340,233	176,053
Compensated absences	201,905	102,432	(117,124)	187,213	37,443
Governmental activity long-term liabilities	\$ 126,033,607	\$ 286,913	\$ (9,638,294)	\$ 116,682,226	\$ 1,868,168
Business-type activities:					
<i>Water</i>					
Compensated absences	\$ 54,143	\$ 61,992	\$ (34,428)	\$ 81,707	\$ 14,196
Sub-total water	54,143	61,992	(34,428)	81,707	14,196
<i>Sewer</i>					
Compensated absences	17,640	60,347	(54,030)	23,957	5,229
State water loan payable	28,146	-	(4,697)	23,449	4,697
Premium on advance	2,006,436	-	(53,037)	1,953,399	53,037
Sub-total water	2,052,222	60,347	(111,764)	2,000,805	62,963
Business-type activities long-term liabilities	\$ 2,106,365	\$ 122,339	\$ (146,192)	\$ 2,082,512	\$ 77,159

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2010

Note 8: Long-term liabilities (continued)

a. Capital lease obligations

The City is obligated under leases which are accounted for as capital leases. The City has entered into two capital lease agreements with Oshkosh Capital for 2004 and 2006 fire engines. The obligations are accounted for as governmental activities long-term debt.

The balance of the Capital Leases at June 30, 2010 is \$544,491. Minimum annual payments on the Capital Leases are \$47,608 for the first lease and \$96,864 for the second lease, which include interest between 4% and 5%.

b. Loan payable – State Water Resources Control Board

On May 15, 1993, the City entered into a loan contract with the State Water Resources Control Board. Under provision of the Federal Clean Water Act and State law, the State Water Board agreed to loan the City a maximum sum of \$1,877,385 for the wastewater treatment plant expansion project. The loan carries an interest rate of 2.9 percent per annum.

In fiscal year 1995-96, this loan was restructured into a zero interest State Revolving Fund Loan. In order to accomplish this, the City paid \$99,106 accrued interest through October 31, 1995 and the State match share of \$312,904. The balance of governmental activities long-term debt is \$445,289 as of June 30, 2010. An additional amount of \$23,449 is recorded in the Sewer Enterprise Fund, for a total outstanding balance of \$468,738.

Minimum annual payments on the loan amount to \$89,248 and \$4,697 for the governmental long-term debt Sewer Enterprise Debt, respectively.

c. Fillmore Public Financing Authority revenue bonds

1. On February 16, 2006, the Fillmore Public Financing Authority sold \$13,225,000 total aggregate principal amount of 2005 Revenue Bonds Series A. From the issuance, the Authority paid issue costs of \$160,000, financed a reserve fund in the amount of \$950,000, and loaned the balance to the Redevelopment Agency to fund various projects in the amount of \$12,115,000. The loan is secured by incremental property tax revenues of the Agency and the interest rate varies between 3.25% and 5.50%. Interest payments are due semi-annually each May 15 and November 15 with annual principal payments due each May 15 through 2031. The outstanding principal balance at June 30, 2010 is \$11,745,000.
2. On June 7, 2007, the Fillmore Public Financing Authority issued \$57,490,000 of Series 2007 Revenue Bonds. The proceeds are to be loaned to the City's wastewater enterprise utility to assist in the construction of a new wastewater treatment facility. The bonds are secured by an installment agreement between the Authority and the City and through which the new revenues of the wastewater system are pledged. Proceeds from the issue have also been used to fund a reserve account, fund capitalized interest on the bonds through May 1, 2009, and pay costs of issuance.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2010

Note 8: Long-term liabilities (continued)

c. Fillmore Public Financing Authority revenue bonds (continued)

Interest on the bonds consists of serial and term bonds and are payable semi-annually each May 1 and November 1. The first 2 years of interest will be paid through the bond proceeds. The principal will be paid annually on May 1 beginning in 2011 and ending in the year 2047. Interest rates vary between 4% and 5%. The outstanding principal balance of the bonds as of June 30, 2010 was \$57,490,000.

d. Redevelopment Agency bonds

1. On August 10, 2006, the Fillmore Redevelopment Agency issued \$38,970,000 of 2006 Series A Tax Allocation Bonds. The proceeds from the bonds are to be used to finance projects within the Agency's Project Area, pay costs of issuance, fund a reserve account, and advance refund the 2003 loan from the Fillmore Public Authority (PFA) in the amount of \$30,895,982. The bonds are junior and subordinate to the 2005 loans with the PFA. The bonds are secured by a pledge of future tax increment revenues of the Agency. The bonds mature annually beginning May 1, 2007 and ending May 1, 2031. Interest is payable semi-annually each May 1 and November 1, calculated at rates ranging from 4% to 5.37%. The issue consists of \$7,190,000 of serial bonds due from 2007 through 2018 and \$31,780,000 of term bonds due from 2021 through 2031. The outstanding principal balance of the bonds as of June 30, 2010 was \$37,845,000.

On December 28, 2006, the Agency issued \$9,450,000 of 2006 Tax Allocation Bond Anticipation Notes. The proceeds from the notes are to be used to pay for costs of issuance, fund a reserve fund, fund capitalized interest for 26 months, and finance projects with the Agency's Project Area. The Notes are junior and subordinate to the 2005 Public Financing Authority loan and the 2006 Tax Allocation Bonds. The Notes are secured by a pledge of future tax increment revenue of the Agency. Principal on the Notes is due and payable on May 1, 2013. Interest is payable semi-annually each May 1 and November 1 at a rate of 4.70%. The outstanding principal balance of the Notes as of June 30, 2010 was \$885,000.

e. 2002 Certificates of Participation

On May 1, 2002, the Fillmore Public Financing Authority issued \$8,065,000 in Certificates of Participation.

The purpose of the certificates was to defease \$7,345,000 of outstanding 1997 Certificates of Participation, to fund a reserve fund, to fund capitalized interest with respect to the Certificates through May 1, 2003, and to pay certain expenses of the transaction. The water system will be sold by the Fillmore Public Financing Authority to the City of Fillmore pursuant to an Installment Sale Agreement.

The City and the Authority have entered into an Installment Sales Agreement to make payments solely from the net revenues of the water system. The installment payments are scheduled to be made in amount sufficient to pay, when due, the annual principal and interest with respect to the certificates. The outstanding principal balance of the loan at June 30, 2010 is \$7,200,000.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2010

Note 8: Long-term liabilities (continued)

f. Governmental long-term debt amortization

The schedules of annual requirements to amortize all governmental long-term debt outstanding as of June 30, 2010 including interest are as follows:

Fiscal year ending June 30,	Capital leases payable		
	2004 Pierce	2006 Pierce	Total
2011	\$ 49,104	\$ 96,864	\$ 145,968
2012	-	96,864	96,864
2013	-	96,864	96,864
2014	-	96,864	96,864
2015	-	96,864	96,864
2016	-	96,864	96,864
Totals	49,104	581,184	630,288
Less amount representing interest	(1,496)	(84,301)	(85,797)
Present value of minimum payments	\$ 47,608	\$ 496,883	\$ 544,491

Fiscal year ending June 30,	Loan payable - State Water Resource Control Board		
	Principal	Interest	Total
2011	\$ 89,248	\$ -	\$ 89,248
2012	89,248	-	89,248
2013	89,248	-	89,248
2014	89,248	-	89,248
2015	88,297	-	88,297
Totals	\$ 445,289	\$ -	\$ 445,289

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2010

Note 8: Long-term liabilities (continued)

f. Governmental long-term debt amortization (continued)

Fiscal year ending June 30,	2005 Revenue Bonds Series A		
	Principal	Interest	Total
2011	\$ 330,000	\$ 617,197	\$ 947,197
2012	345,000	603,767	948,767
2013	360,000	588,487	948,487
2014	375,000	572,287	947,287
2015	395,000	554,663	949,663
2016-2020	2,270,000	2,462,544	4,732,544
2021-2025	2,940,000	1,793,900	4,733,900
2026-2030	3,830,000	896,000	4,726,000
2031	900,000	49,500	949,500
Totals	<u>\$ 11,745,000</u>	<u>\$ 8,138,345</u>	<u>\$ 19,883,345</u>

Fiscal year ending June 30,	2007 Revenue Bonds		
	Principal	Interest	Total
2011	\$ 590,000	\$ 2,847,956	\$ 3,437,956
2012	615,000	2,824,356	3,439,356
2013	640,000	2,799,756	3,439,756
2014	670,000	2,767,756	3,437,756
2015	700,000	2,740,956	3,440,956
2016-2020	4,035,000	13,162,731	17,197,731
2021-2025	5,025,000	12,174,888	17,199,888
2026-2030	6,450,000	10,741,775	17,191,775
2031-2035	8,290,000	8,902,750	17,192,750
2036-2040	10,575,000	6,612,500	17,187,500
2041-2045	13,505,000	3,690,250	17,195,250
2046-2047	6,395,000	483,500	6,878,500
Totals	<u>\$ 57,490,000</u>	<u>\$ 69,749,174</u>	<u>\$ 127,239,174</u>

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2010

Note 8: Long-term liabilities (continued)

f. Governmental long-term debt amortization (continued)

Fiscal year ending June 30,	2006 Series A Tax Allocation Bonds		
	Principal	Interest	Total
2011	\$ 355,000	\$ 617,197	\$ 972,197
2012	455,000	603,767	1,058,767
2013	560,000	588,487	1,148,487
2014	680,000	572,287	1,252,287
2015	800,000	554,663	1,354,663
2016-2020	6,025,000	2,462,544	8,487,544
2021-2025	9,870,000	1,793,900	11,663,900
2026-2030	15,250,000	896,000	16,146,000
2031	3,850,000	49,500	3,899,500
Totals	<u>\$ 37,845,000</u>	<u>\$ 8,138,345</u>	<u>\$ 45,983,345</u>

Fiscal year ending June 30,	2006 Tax Allocation Bond Anticipation Notes		
	Principal	Interest	Total
2011	\$ -	\$ 41,595	\$ 41,595
2012	-	41,595	41,595
2013	885,000	41,595	926,595
Totals	<u>\$ 885,000</u>	<u>\$ 124,785</u>	<u>\$ 1,009,785</u>

Fiscal year ending June 30,	2002 Certificates of Participation		
	Principal	Interest	Total
2011	\$ 170,000	\$ 438,638	\$ 608,638
2012	180,000	429,797	609,797
2013	185,000	420,258	605,258
2014	195,000	410,268	605,268
2015	210,000	399,543	609,543
2016-2020	1,230,000	1,802,233	3,032,233
2021-2025	1,665,000	1,373,344	3,038,344
2026-2030	2,255,000	785,939	3,040,939
2031-2033	1,110,000	104,400	1,214,400
Totals	<u>\$ 7,200,000</u>	<u>\$ 6,164,420</u>	<u>\$ 13,364,420</u>

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2010

Note 8: Long-term liabilities (continued)

f. Governmental long-term debt amortization (continued)

The schedule of annual requirements to amortize business-type long-term debt outstanding as of June 30, 2010, including interest are as follows:

Fiscal year ending June 30,	Loan payable - State Water Resource Control Board		
	Principal	Interest	Total
2011	\$ 4,697	\$ -	\$ 4,697
2012	4,697	-	4,697
2013	4,697	-	4,697
2014	4,697	-	4,697
2015	4,661	-	4,661
Totals	<u>\$ 23,449</u>	<u>\$ -</u>	<u>\$ 23,449</u>

g. Defeased debt

As of June 30, 2010, all debt defeased has been paid in full. There are no outstanding debt balances.

h. Deferred debt issuance costs

Bond issuance costs are capitalized and amortized over the terms of the respective bonds using a method that approximates the effective interest method.

Note 9: Defined benefit pension plan

Plan description

The City of Fillmore contributes to the California Public Employees Retirement System (PERS), a cost-sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement, disability benefits, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Copies of PERS' annual financial report may be obtained from its executive office at 400 "P" Street, Sacramento, California 95814.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2010

Note 9: Defined benefit pension plan (continued)

Funding policy

Participants are required to contribute 7% (9% for safety employees) of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. For the fiscal year ended June 30, 2010, the amount contributed by the City on behalf of the employees was \$121,870. The City is required to contribute at an actuarially determined rate calculated as a percentage of covered payroll. The employer contribution rate for the fiscal year ended June 30, 2010 was 40.876% for safety employees and 14.382% for miscellaneous employees. Separately funded plans have been established for each employee group. Benefit provisions and all other requirements are established by state statute and City contract with employee bargaining groups, and the employer contribution rate is established and may be amended by PERS. The City's contribution to PERS for the fiscal year ending June 30, 2010, 2009, and 2008 were \$124,007, \$112,376, and \$113,960, respectively for safety employees; and \$303,909, \$303,341, and \$258,766, respectively for miscellaneous employees, and equal 100% of the required contribution for each fiscal year.

Note 10: Other post employment benefits

Plan description

The City provides a medical plan coverage for retirees. This coverage is available for employees who satisfy the requirements for retirement under the California Public Employees Retirement System (PERS), which is age 55 or older with at least ten years of State or public agency service. The healthcare coverage provided by the City meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

Medical plan benefits are provided through the Association of California Water Agencies (ACWA).

Funding policy

The contribution requirements of the City are established and may be amended by the City Council. The required contribution is based on pay-as-you-go financing requirements. For fiscal year 2009-10, the City contributed \$7,077 to the plan.

Annual OPEB cost and net OPEB obligation

The City's annual other OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially in accordance with GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

	June 30, 2010
Annual required contribution	\$ 176,053
Interest on net OPEB obligation	8,428
Adjustment to annual required contribution	(5,733)
Annual OPEB cost (expense)	178,748
Contributions made	(7,077)
Increase in net OPEB obligation	171,671
Net OPEB obligation – beginning of year	168,562
Net OPEB obligation – end of year	\$ 340,233

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2010

Note 10: Other post employment benefits (continued)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 and the two preceding years were as follows:

Fiscal year ended	Annual OPEB cost	Percentage of annual OPEB cost contributed	Net OPEB obligation
June 30, 2008	N/A	N/A	N/A
June 30, 2009	\$ 176,053	0.00%	\$ 168,562
June 30, 2010	176,053	0.00%	340,233

Funded status and progress

The funded status of the plan as of July 1, 2007 (the most recent valuation) was as follows:

Actuarial accrued liability (AAL)	\$ 1,699,465
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 1,699,465</u>
Funded ratio (actuarial value of plan assets/AAL)	-
Covered payroll (active plan members)	\$ 2,477,896
UAAL as a percentage of covered payroll	68.59%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

Actuarial methods and assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations.

The actuarial cost method used for determining the benefit obligations is the Entry Age Normal Cost Method. The actuarial assumptions included 5.0% investment rate of return, which is the assumed rate of the expected long-term investment returns on plan assets calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 10.5% initially, reduced by increments of .50% per year to an ultimate rate of 5.0% after the ninth year.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2010

Note 11: Fund balance reservations

The City has established certain fund balance reserve accounts to report amounts which represent resources not available for appropriation.

- a. The reserve for land held for resale represents the amount of land held which is not available as a resource to meet current year expenditures.
- b. Amounts reserved for continuing projects in governmental funds are unexpended appropriations on incomplete capital improvement projects which have been carried forward into the new fiscal year.
- c. The reserve for housing represents the 20% housing set aside money in the Fillmore Redevelopment Agency.
- d. The reserve for debt service represents amounts held by fiscal agents which is legally restricted by bond indenture.

Note 12: Risk management

Description of self-insurance pool pursuant to joint powers agreement

City of Fillmore is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 119 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other coverages. The Authority's pool began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a 9-member Executive Committee.

General liability

Each member government pays a primary deposit to cover estimated losses for a fiscal year (claims year). After the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Claims are pooled separately between police and non-police. Costs are spread to members as follows: the first \$30,000 of each occurrence is charged directly to the member's primary deposit; costs from \$30,000 to \$750,000 and the loss development reserves associated with losses up to \$750,000 are pooled based on the member's share of losses under \$30,000. Losses from \$750,000 to \$5,000,000 and the associated loss development reserves are pooled based on payroll. Costs of covered claims from \$5,000,000 to \$50,000,000 are currently paid by excess insurance. Costs of covered claims for subsidence losses from \$15,000,000 to \$25,000,000 are paid by excess insurance. The protection for each member is \$50,000,000 per occurrence and \$50,000,000 annual aggregate. Administrative expenses are paid from the Authority's investment earnings.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2010

Note 12: Risk management (continued)

Workers' compensation

City of Fillmore also participates in the workers' compensation pool administered by the Authority. Each member pays a primary deposit to cover estimated losses for a fiscal year (claims year). After the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Claims are pooled separately between public safety and non-public safety. Each member has a retention level of \$50,000 for each loss and this is charged directly to the member's primary deposit. Losses from \$50,000 to \$100,000 and the loss development reserve associated with losses up to \$100,000 are pooled based on the member's share of losses under \$50,000. Losses from \$100,000 to \$2,000,000 and employer's liability losses from \$5,000,000 to \$10,000,000 and loss development reserves associated with those losses are pooled based on payroll. Losses from \$2,000,000 to \$5,000,000 are pooled with California State Association of Counties - Excess Insurance Authority members. Costs from \$2,000,000 to \$300,000,000 are transferred to reinsurance carriers. Costs in excess of \$300,000,000 are pooled among the Members based on payroll. Protection is provided per statutory liability under California Workers' Compensation law. Administrative expenses are paid from the Authority's investment earnings.

C. Adequacy of protection

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

Information regarding claims incurred, but not reported, is not available and management believes that the total amount would not be material.

Note 13: Deferred compensation plan and trust

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the employees. Accordingly, the plan/trust assets have been excluded from the City's reported assets.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2010

Note 14: Contingencies and commitments

The City participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

The City is involved in several pending lawsuits of a nature common to many similar jurisdictions. City management estimates that potential claims against the City, not covered by insurance, will not have a material adverse effect on the financial statements of the City.

Proposition 218, which was approved by the voters in November 1996, will regulate the City's ability to impose, increase, and extend taxes, assessments, and fees. Any new, increased, or extended taxes, assessments, and fees subject to the provisions of Proposition 218 require voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes, assessments, and fees are subject to the voter initiative process and may be rescinded in the future by the voters. Therefore, the City's ability to finance the services for which the taxes, assessments, and fees were imposed may be significantly impaired. At this time, it is uncertain how Proposition 218 will affect the City's ability to maintain or increase the revenue it receives from taxes, assessments, and fees.

Note 15: Supplemental Education Revenue Augmentation Fund

On July 24, 2009, the State Legislature passed Assembly Bill (AB)X4-26, which requires redevelopment agencies statewide to deposit a total of \$2.05 billion of property tax increment in county "Supplemental" Educational Revenue Augmentation Funds (SERAF) to be distributed to meet the State's Proposition 98 obligations to schools. The SERAF revenue shift of \$2.05 billion will be made over two years, \$1.7 billion in fiscal year 2009-2010 and \$350 million in fiscal year 2010-2011. The SERAF would then be paid to school districts and the county offices of education which have students residing in redevelopment project areas, or residing in affordable housing projects financially assisted by a redevelopment agency, thereby relieving the State of payments to those schools. The Fillmore Redevelopment Agency's share of this revenue shift was \$2,384,857 for fiscal year 2009-2010 and \$490,531 for fiscal year 2010-2011. Payments are to be made by May 10 of each respective fiscal year. In response to ABX4-26, the Agency funded the SERAF payment due in May 2010 with the Low/Mod Housing Fund.

The California Redevelopment Association (CRA) is the lead petitioner on a lawsuit to invalidate ABX4-26, similar to last year's successful lawsuit challenging the constitutionality of AB 1389. CRA filed the lawsuit on October 20, 2009. The lawsuit asserted that the transfer of property tax increment to the SERAF is not permitted under Article XVI, Section 16 of the California Constitution. The complaint also asserted impairment of contract and gift of public funds arguments. While the State made adjustments in ABX4-26 to address the constitutional issues raised by the Superior Court over last year's lawsuit challenging AB 1389, the Agency, along with the CRA and other California redevelopment agencies, believe that the SERAF remains unconstitutional.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2010

Note 16: Special assessment district debt with no City commitment

Special Assessment Districts in various parts of the City have issued debt to finance infrastructure improvements and facilities within their boundaries. The City is the collecting and paying agent for the debt issued by these Districts, but has no direct or contingent liability or moral obligation for the payment of this debt. Therefore, this debt is not included as debt of the City. The outstanding balance of each of these issues as of June 30, 2010 is as follows:

Description	Fiscal year		Balance outstanding June 30, 2010
	Issue year	Maturity Year	
North Fillmore Industrial Park CFD #1	2006	2028	\$ 2,250,000
Balden Towne Plaza Improvements CFD #2	2005	2021	635,000
River Oaks CFD #3	2006	2036	<u>2,705,000</u>
Totals			<u>\$ 5,590,000</u>

Note 17: Prior period adjustment

The beginning net assets for the current fiscal year were restated as shown below:

Net assets, beginning of year, as previously reported	\$ 30,941,588
Prior period adjustment - OPEB obligation	<u>(168,562)</u>
Net assets, beginning of year, as restated	<u>\$ 30,773,026</u>

REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information
CITY OF FILLMORE
Budgetary Comparison Schedule - General Fund
For the fiscal year ended June 30, 2010

	Budgeted amounts		Actual	Variance with final budget
	Original	Final		
Revenues				
Taxes	\$ 4,704,000	\$ 1,261,846	\$ 1,333,984	\$ 72,138
Licenses and permits	9,300	124,300	140,296	15,996
Fines and forfeitures	18,000	100,300	107,173	6,873
Investment income	196,900	93,560	95,138	1,578
Intergovernmental	1,000,000	465,176	455,891	(9,285)
Charges for services	105,150	234,780	272,132	37,352
Other	21,200	13,260	32,180	18,920
Total revenues	<u>6,054,550</u>	<u>2,293,222</u>	<u>2,436,794</u>	<u>143,572</u>
Expenditures				
General government:				
City council	23,837	18,491	15,803	2,688
City clerk	86,766	62,789	65,099	(2,310)
City attorney	620,000	650,000	690,538	(40,538)
Administration	2,930,666	-	-	-
City manager	-	197,456	167,224	30,232
Central support	380,951	272,201	271,071	1,130
Risk management	634,712	420,103	421,112	(1,009)
Government buildings	391,810	284,731	289,675	(4,944)
Total general government	<u>5,068,742</u>	<u>1,905,771</u>	<u>1,920,522</u>	<u>(14,751)</u>
Public safety:				
Sheriff	4,003,959	3,327,059	3,338,605	(11,546)
Fire	879,178	628,321	690,093	(61,772)
Animal regulation	52,200	48,000	45,872	2,128
Building and safety	183,543	166,804	141,171	25,633
Total public safety	<u>5,118,880</u>	<u>4,170,184</u>	<u>4,215,741</u>	<u>(45,557)</u>
Parks and recreation	447,707	293,618	282,553	11,065
Total parks and recreation	<u>447,707</u>	<u>293,618</u>	<u>282,553</u>	<u>11,065</u>
Public works:				
Parking facilities	1,860	1,600	600	1,000
Central garage	279,450	141,450	127,885	13,565
City engineering	316,477	88,360	88,341	19
Total public works	<u>597,787</u>	<u>231,410</u>	<u>216,826</u>	<u>14,584</u>
Community development:				
Community promotion	379,427	186,567	168,213	18,354
Planning	267,184	134,237	135,852	(1,615)
Total community development	<u>646,611</u>	<u>320,804</u>	<u>304,065</u>	<u>16,739</u>
Total expenditures	<u>11,879,727</u>	<u>6,921,787</u>	<u>6,939,707</u>	<u>(17,920)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,825,177)</u>	<u>(4,628,565)</u>	<u>(4,502,913)</u>	<u>125,652</u>
Other financing sources (uses)				
Transfers in	4,096,467	2,810,173	2,810,174	1
Transfers out	(70,000)	(717,584)	(717,584)	-
Total other financing sources (uses)	<u>4,026,467</u>	<u>2,092,589</u>	<u>2,092,590</u>	<u>1</u>
Net change in fund balance	<u>(1,798,710)</u>	<u>(2,535,976)</u>	<u>(2,410,323)</u>	<u>125,653</u>
Fund balance, beginning of year	<u>5,505,113</u>	<u>5,505,113</u>	<u>5,505,113</u>	<u>-</u>
Fund balance, end of year	<u>\$ 3,706,403</u>	<u>\$ 2,969,137</u>	<u>\$ 3,094,790</u>	<u>\$ 125,653</u>

**Required Supplementary Information
CITY OF FILLMORE
Budgetary Comparison Schedule – Major Fund
Redevelopment Agency Special Revenue Fund
For the fiscal year ended June 30, 2010**

	Final budget	Actual	Variance with final budget
Revenues			
Taxes	\$ 1,236,000	\$ 1,232,077	\$ (3,923)
Investment income	60,600	41,340	(19,260)
Other	-	7,140	7,140
	<u>1,296,600</u>	<u>1,280,557</u>	<u>(16,043)</u>
Total revenues			
	<u>1,296,600</u>	<u>1,280,557</u>	<u>(16,043)</u>
Expenditures			
Current:			
Community development	1,050,672	548,309	502,363
Supplemental ERAF	2,384,857	2,384,857	-
	<u>3,435,529</u>	<u>2,933,166</u>	<u>502,363</u>
Total expenditures			
	<u>3,435,529</u>	<u>2,933,166</u>	<u>502,363</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,138,929)</u>	<u>(1,652,609)</u>	<u>486,320</u>
Other financing sources (uses)			
Transfers out	(294,718)	(294,718)	-
Total other financing sources (uses)	<u>(294,718)</u>	<u>(294,718)</u>	<u>-</u>
Net change in fund balance	(2,433,647)	(1,947,327)	486,320
Fund balance, beginning of year	<u>5,024,503</u>	<u>5,024,503</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,590,856</u>	<u>\$ 3,077,176</u>	<u>\$ 486,320</u>

**Required Supplementary Information
CITY OF FILLMORE
Other Postemployment Benefits Plan
Schedule of Funding Progress**

Actuarial valuation date	Actuarial value of assets (a)	Actuarial accrued liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded ratio (a/b)	Covered payroll (c)	UAAL as a percentage of covered payroll [(b-a)/c]
7/1/2008	\$ -	\$ 1,699,465	\$ 1,699,465	0.00%	\$ 2,477,896	68.59%

CITY OF FILLMORE
Notes to Required Supplementary Information
For the fiscal year ended June 30, 2010

Note 1: Budgets and Budgetary Data

General Budget Policies

The City Council has the responsibility for adoption of the City's budget. Budgets are adopted for governmental funds. From the effective date of the budget, the amounts stated as proposed expenditures become appropriations to the various City departments. The City Council may amend the budget by motion during each fiscal year. The City Manager is authorized to transfer funds from one major expenditure category to another within the same department and fund. Any revisions that alter the total expenditures of any fund must be approved by the City Council.

All appropriations lapse at the end of the fiscal year to the extent that they have not been expended. Lease contracts entered into by the City are subject to annual review by the City Council; hence, they legally are one year contracts with an option for renewal for another fiscal year.

Budgeted revenue and expenditure amounts represent the City's originally-adopted legal budget adjusted for unanticipated revenues and appropriations during the course of the fiscal year. Budget amounts, as adjusted, reported for the governmental funds of the City are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Excess Expenditures over Appropriations

Excess of expenditures over appropriations in departments/cost centers of major funds are as follows:

Fund	Final budget	Expenditures	Excess
General Fund			
General government:			
City clerk	\$ 62,789	\$ 65,099	\$ (2,310)
City attorney	650,000	690,538	(40,538)
Risk management	420,103	421,112	(1,009)
Government buildings	284,731	289,675	(4,944)
Public safety:			
Sheriff	3,327,059	3,338,605	(11,546)
Fire	628,321	690,093	(61,772)
Community development			
Planning	134,237	135,852	(1,615)

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance – Budget and Actual
Public Financing Authority Debt Service Fund
For the fiscal year ended June 30, 2010

	Final budget	Actual	Variance with final budget
Revenues			
Investment income	\$ 451,000	\$ 449,196	\$ (1,804)
Total revenues	451,000	449,196	(1,804)
Expenditures			
Debt Service:			
Principal	320,000	683,360	(363,360)
Interest and fiscal charges	1,096,939	1,116,667	(19,728)
Total expenditures	1,416,939	1,800,027	(383,088)
Excess (deficiency) of revenues over (under) expenditures	(965,939)	(1,350,831)	(384,892)
Other financing sources (uses)			
Transfers in	964,030	1,199,253	235,223
Total other financing sources (uses)	964,030	1,199,253	235,223
Net change in fund balance	(1,909)	(151,578)	(149,669)
Fund balance, beginning of year	76,424,982	76,424,982	-
Fund balance, end of year	\$ 76,423,073	\$ 76,273,404	\$ (149,669)

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance – Budget and Actual
Redevelopment Agency Debt Service Fund
For the fiscal year ended June 30, 2010**

	Final budget	Actual	Variance with final budget
Revenues			
Taxes	\$ 4,950,000	\$ 4,928,309	\$ (21,691)
Investment income	32,000	31,092	(908)
Total revenues	<u>4,982,000</u>	<u>4,959,401</u>	<u>(22,599)</u>
Expenditures			
Current:			
Pass through payments	1,400,000	1,410,562	(10,562)
Debt Service:			
Principal	260,000	260,000	-
Interest and fiscal charges	2,081,046	2,460,179	(379,133)
Total expenditures	<u>3,741,046</u>	<u>4,130,741</u>	<u>(389,695)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,240,954</u>	<u>828,660</u>	<u>(412,294)</u>
Other financing sources (uses)			
Transfers in	6,150	6,150	-
Transfers out	(1,004,961)	(1,004,960)	1
Total other financing sources (uses)	<u>(998,811)</u>	<u>(998,810)</u>	<u>1</u>
Net change in fund balance	242,143	(170,150)	(412,293)
Fund balance (deficit), beginning of year	<u>(5,464,187)</u>	<u>(5,464,187)</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ (5,222,044)</u>	<u>\$ (5,634,337)</u>	<u>\$ (412,293)</u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance – Budget and Actual
Redevelopment Agency Capital Projects Fund
For the fiscal year ended June 30, 2010

	Final budget	Actual	Variance with final budget
Revenues			
Investment income	\$ 191,400	\$ 101,371	\$ (90,029)
Other	63,048	107,797	44,749
Total revenues	<u>254,448</u>	<u>209,168</u>	<u>(45,280)</u>
Expenditures			
Current:			
Community development	726,110	728,313	(2,203)
Capital outlay	475,000	-	475,000
Debt service:			
Principal	<u>8,565,000</u>	<u>8,565,000</u>	<u>-</u>
Total expenditures	<u>9,766,110</u>	<u>9,293,313</u>	<u>472,797</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,511,662)</u>	<u>(9,084,145)</u>	<u>427,517</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	<u>(6,120,934)</u>	<u>(6,120,934)</u>	<u>-</u>
Total other financing sources (uses)	<u>(6,120,934)</u>	<u>(6,120,934)</u>	<u>-</u>
Net change in fund balance	(15,632,596)	(15,205,079)	427,517
Fund balance, beginning of year	<u>14,900,068</u>	<u>14,900,068</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ (732,528)</u>	<u>\$ (305,011)</u>	<u>\$ 427,517</u>

COMBINING NONMAJOR FUNDS

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**Nonmajor Governmental Funds
Fund Descriptions
Special Revenue Funds**

Special Revenue Funds are used to account for specific revenues (other than those for major capital projects) that are restricted legally to expenditures for particular purposes.

Traffic Safety Fund - to account for fines collected on vehicle code violations which can be expended only for traffic safety purposes.

Gas Tax Fund - to account for the construction and maintenance of the road network system of the City. Financing is provided by the City's share of state gasoline taxes, which are required by state law to be used to maintain streets.

Local Transportation Fund - to account for Article 3 and Article 8 funds received pursuant to State of California, Transportation Development Act. These funds are restricted for the improvement and maintenance of street systems, and State allocations for street and mass transit improvements.

Lighting/Landscape Assessment District Fund - to account for street lighting and landscaping services which is financed primarily through property tax assessments levied specifically for this purpose.

Storm Drain Assessment District Fund - to account for storm drain repairs and maintenance which is financed primarily through property tax assessments levied specifically for this purpose.

Community Development Block Grant (CDBG) Fund - to account for the receipt and expenditure of CDBG funds allocated to the City by the U.S. Department of Housing and Urban Development.

Public Transit Fund - to account for the portion of the local transportation funds allocated for public transit. The City contracts out its public transit.

Bike Path Maintenance Fund - to account for grants received and used to maintain the City's bikepaths.

Solid Waste Source Reduction Fund - to account for Source Reduction Fees collected per water meter and used to reduce the waste stream per AB 939.

Public Safety Augmentation Fund - to account for the 1/2 cent sales tax apportioned to the City for public safety purposes.

COPS/CLEEP Grant Fund - to account for State grants to be used for the purpose of public safety capital expenditures.

Swimming Pool Maintenance Fund - to account for assessments/taxes collected to be used for maintenance of the local Swimming Pool.

Recreation Fund - to account for rental fees and recreation program fees and related expenditures.

DIF Public Facility Fund - to account for Developer Impact Fees to be used for future public facility expenditures.

DIF Transportation Improvement Fund - to account for Developer Impact Fees to be used for future transportation improvements.

DIF Parkland Fund - to account for Developer Impact Fees to be used for future acquisition and maintenance of the City's park.

**Nonmajor Governmental Funds
Fund Descriptions
Special Revenue Funds
(Continued)**

DIF Sewer Improvement Fund - to account for Developer Impact fees to be used for future sewer utility improvements.

DIF Water Improvement Fund - to account for Developer Impact Fees to be used for future improvements to the City's Water Operating System.

DIF Storm Drain Improvement Fund - to account for Developer Impact Fees to be used for future improvements to the City's storm drains.

Storm Water NPDES Fund - to account for property tax assessments levied for the purpose of controlling storm water pollution.

**Nonmajor Governmental Funds
Fund Descriptions
Capital Projects Funds**

Capital Projects Funds are used to account for resources used for the acquisition and construction of capital facilities by the City, except those financed by proprietary funds.

Intermodal Transportation Center Fund - to account for grant funds and transfers from the RDA to enhance the VISTA transit service in the City.

Heritage Valley Tourism Fund - to account for funds for capital projects for Heritage Valley.

Sespe Creek Bikepath Fund - to account for grant funds used in the extension of the paved Sespe Creek Bikepath as well as landscaping and construction of a wood fence.

Signals Fund - the purpose of this fund is to use grants and other funds to construct and maintain the City's traffic signals.

Miscellaneous Capital Projects Fund - to account for funds used for various capital projects within the City.

Street Projects Fund - to account for maintenance expenditures on the City's streets funded by TDA and RDA funds.

Central Avenue Improvements Fund - to account for maintenance expenditures on the Central Avenue.

Corporate Yard/Fire Station Project Fund - to account for the purchase of land and construction of the new City public yard and fire station. RDA bond proceeds are funding the construction.

Vehicle Replacement Fund - reserve funds set aside to replace fleet vehicles whose useful life has expired.

Depot Restoration Fund - capital projects fund to restore the historic Fillmore Railroad Depot. Funds used are grants from the Federal Transportation Enhancement Activities Grant program.

Well #9 Fund - capital projects fund to account for the development including drilling of domestic water well #9.

Parking Lot Fund - capital projects fund to account for the construction of a city owned parking lot.

Pool Underground and Design Fund - capital projects fund to account for the construction of additional community pool improvements.

Storm Drain Weir River Fund - capital projects fund to account for the related costs for a storm drain connection to the Weir River.

Mt. View Railroad Crossing Fund - to account for the cost of improvements to the Mt. View rail crossing.

BTA Bike Path Fund - to account for bike path construction.

Business Park Infrastructure Fund - to account for costs related to the development and construction of business park infrastructure assets.

Sidewalk Repair Fund - to account for repair of sidewalks.

A Street Water Line Fund - to account for construction of a water line on A Street.

CITY OF FILLMORE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010

	SPECIAL REVENUE FUNDS		
	Traffic Safety	Gas Tax	Local Transportation
Assets			
Cash and investments	\$ -	\$ -	\$ 217,025
Receivables:			
Intergovernmental	-	26,847	39,536
Accounts	-	-	-
Interest	-	-	-
	-	-	-
Total assets	\$ -	\$ 26,847	\$ 256,561
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ -	\$ 36,754	\$ 10,545
Due to other funds	-	76,654	2,146
Deferred revenue	-	-	4,449
Deposits payable	-	-	-
	-	-	-
Total liabilities	-	113,408	17,140
Fund balances:			
Unreserved:			
Special revenue funds	-	(86,561)	239,421
Capital projects funds	-	-	-
	-	-	-
Total fund balances (deficit)	-	(86,561)	239,421
Total liabilities and fund balances	\$ -	\$ 26,847	\$ 256,561

SPECIAL REVENUE FUNDS

Lighting/ Landscape Assessment District	Storm Drain Assessment District	Community Development Block Grant	Public Transit	Bike Path Maintenance
\$ 409,692	\$ 886,959	\$ 277,892	\$ 209	\$ 23,607
4,503	5,761	6,556	-	-
-	-	-	-	-
476	615	-	-	41
<u>\$ 414,671</u>	<u>\$ 893,335</u>	<u>\$ 284,448</u>	<u>\$ 209</u>	<u>\$ 23,648</u>
\$ 47,455	\$ -	\$ -	\$ -	\$ 360
-	-	262,451	-	180
-	-	-	-	-
-	-	-	-	-
<u>47,455</u>	<u>-</u>	<u>262,451</u>	<u>-</u>	<u>540</u>
367,216	893,335	21,997	209	23,108
-	-	-	-	-
<u>367,216</u>	<u>893,335</u>	<u>21,997</u>	<u>209</u>	<u>23,108</u>
<u>\$ 414,671</u>	<u>\$ 893,335</u>	<u>\$ 284,448</u>	<u>\$ 209</u>	<u>\$ 23,648</u>

CITY OF FILLMORE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010

	SPECIAL REVENUE FUNDS		
	Solid Waste Source Reduction	Public Safety Augmentation	COPS/CLEEP Grant
Assets			
Cash and investments	\$ 37,159	\$ -	\$ -
Receivables:			
Intergovernmental	-	5,288	25,000
Accounts	25,680	-	-
Interest	-	-	-
	<u>\$ 62,839</u>	<u>\$ 5,288</u>	<u>\$ 25,000</u>
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	2,942	5,288	25,000
Deferred revenue	-	-	-
Deposits payable	-	-	-
	<u>2,942</u>	<u>5,288</u>	<u>25,000</u>
Fund balances:			
Unreserved:			
Special revenue funds	59,897	-	-
Capital projects funds	-	-	-
	<u>59,897</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>59,897</u>	<u>-</u>	<u>-</u>
	<u>\$ 62,839</u>	<u>\$ 5,288</u>	<u>\$ 25,000</u>

SPECIAL REVENUE FUNDS

Swimming Pool Maintenance	Recreation	DIF Public Facility	DIF Transportation Improvement	DIF Parkland
\$ 52,250	\$ 13,282	\$ 122,833	\$ 38,365	\$ 140,376
1,720	-	-	-	-
1,300	1,431	-	-	-
-	-	91	30	114
<u>\$ 55,270</u>	<u>\$ 14,713</u>	<u>\$ 122,924</u>	<u>\$ 38,395</u>	<u>\$ 140,490</u>
\$ 21,109	\$ 6,522	\$ -	\$ -	\$ -
80,000	31,972	82,273	-	-
-	-	-	47,300	-
-	2,500	-	-	-
<u>101,109</u>	<u>40,994</u>	<u>82,273</u>	<u>47,300</u>	<u>-</u>
(45,839)	(26,281)	40,651	(8,905)	140,490
-	-	-	-	-
<u>(45,839)</u>	<u>(26,281)</u>	<u>40,651</u>	<u>(8,905)</u>	<u>140,490</u>
<u>\$ 55,270</u>	<u>\$ 14,713</u>	<u>\$ 122,924</u>	<u>\$ 38,395</u>	<u>\$ 140,490</u>

CITY OF FILLMORE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010

	SPECIAL REVENUE FUNDS		
	DIF Sewer Improvement	DIF Water Improvement	DIF Storm Drain Improvement
Assets			
Cash and investments	\$ 397,956	\$ 57,888	\$ 115,105
Receivables:			
Intergovernmental	-	-	-
Accounts	-	-	-
Interest	416	569	93
	<u>\$ 398,372</u>	<u>\$ 58,457</u>	<u>\$ 115,198</u>
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	750,000	-
Deferred revenue	-	-	-
Deposits payable	-	-	-
	<u>-</u>	<u>750,000</u>	<u>-</u>
Fund balances:			
Unreserved:			
Special revenue funds	398,372	(691,543)	115,198
Capital projects funds	-	-	-
	<u>398,372</u>	<u>(691,543)</u>	<u>115,198</u>
Total fund balances (deficit)	<u>398,372</u>	<u>(691,543)</u>	<u>115,198</u>
Total liabilities and fund balances	<u>\$ 398,372</u>	<u>\$ 58,457</u>	<u>\$ 115,198</u>

SPECIAL REVENUE FUND	CAPITAL PROJECTS FUNDS			
Storm Water NPDES	Intermodal Transportation Center	Heritage Valley Tourism	Sespe Creek Bikepath	Signals
\$ 33,608	\$ 28,628	\$ 21,370	\$ 45,127	\$ -
-	-	-	-	-
6,268	-	-	-	-
24	-	-	-	-
<u>\$ 39,900</u>	<u>\$ 28,628</u>	<u>\$ 21,370</u>	<u>\$ 45,127</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -
182	-	-	-	109,127
-	-	-	-	-
-	-	-	-	-
<u>182</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>109,127</u>
39,718	-	-	-	-
-	28,628	21,370	45,127	(109,127)
<u>39,718</u>	<u>28,628</u>	<u>21,370</u>	<u>45,127</u>	<u>(109,127)</u>
<u>\$ 39,900</u>	<u>\$ 28,628</u>	<u>\$ 21,370</u>	<u>\$ 45,127</u>	<u>\$ -</u>

CITY OF FILLMORE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010

	CAPITAL PROJECTS FUNDS		
	Miscellaneous Capital Projects	Street Projects	Central Avenue Improvements
Assets			
Cash and investments	\$ 1,463,800	\$ 289,996	\$ 95,266
Receivables:			
Intergovernmental	-	-	-
Accounts	-	-	-
Interest	-	-	-
	<u>\$ 1,463,800</u>	<u>\$ 289,996</u>	<u>\$ 95,266</u>
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ 757,892	\$ 293,773	\$ -
Due to other funds	-	-	-
Deferred revenue	-	-	-
Deposits payable	-	-	-
	<u>757,892</u>	<u>293,773</u>	<u>-</u>
Fund balances:			
Unreserved:			
Special revenue funds	-	-	-
Capital projects funds	705,908	(3,777)	95,266
	<u>705,908</u>	<u>(3,777)</u>	<u>95,266</u>
Total fund balances (deficit)	<u>705,908</u>	<u>(3,777)</u>	<u>95,266</u>
	<u>\$ 1,463,800</u>	<u>\$ 289,996</u>	<u>\$ 95,266</u>

CAPITAL PROJECTS FUNDS

Corporate Yard/ Fire Station Project	Vehicle Replacement	Depot Restoration	Well #9	Parking Lot
\$ 516,540	\$ -	\$ -	\$ 718,500	\$ 195,433
-	-	-	-	-
-	-	58,202	-	-
-	-	-	-	-
<u>\$ 516,540</u>	<u>\$ -</u>	<u>\$ 58,202</u>	<u>\$ 718,500</u>	<u>\$ 195,433</u>
\$ -	\$ -	\$ -	\$ 31,492	\$ -
-	19,615	87,299	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>19,615</u>	<u>87,299</u>	<u>31,492</u>	<u>-</u>
-	-	-	-	-
516,540	(19,615)	(29,097)	687,008	195,433
516,540	(19,615)	(29,097)	687,008	195,433
<u>\$ 516,540</u>	<u>\$ -</u>	<u>\$ 58,202</u>	<u>\$ 718,500</u>	<u>\$ 195,433</u>

CITY OF FILLMORE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010

	CAPITAL PROJECTS FUNDS		
	Pool Underground and Design	Storm Drain - Weir River	Mt. View Railroad Crossing
Assets			
Cash and investments	\$ -	\$ 206,000	\$ -
Receivables:			
Intergovernmental	-	-	-
Accounts	-	-	-
Interest	-	-	-
	-	-	-
Total assets	\$ -	\$ 206,000	\$ -
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ 299	\$ -	\$ -
Due to other funds	77,548	-	-
Deferred revenue	-	-	-
Deposits payable	-	-	-
	-	-	-
Total liabilities	77,847	-	-
Fund balances:			
Unreserved:			
Special revenue funds	-	-	-
Capital projects funds	(77,847)	206,000	-
	(77,847)	206,000	-
Total fund balances (deficit)	(77,847)	206,000	-
Total liabilities and fund balances	\$ -	\$ 206,000	\$ -

<u>CAPITAL PROJECTS FUNDS</u>				
<u>BTA Bike Path</u>	<u>Business Park Infrastructure</u>	<u>Sidewalk Repair</u>	<u>A Street Water Line</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 1,485	\$ 1,000,000	\$ 147,806	\$ 236,274	\$ 7,790,431
-	-	-	-	115,211
-	-	-	-	92,881
-	-	-	-	2,469
<u>\$ 1,485</u>	<u>\$ 1,000,000</u>	<u>\$ 147,806</u>	<u>\$ 236,274</u>	<u>\$ 8,000,992</u>
\$ -	\$ -	\$ -	\$ 127,741	\$ 1,333,942
-	-	-	-	1,612,677
-	-	-	-	51,749
-	-	-	-	2,500
-	-	-	127,741	3,000,868
-	-	-	-	1,480,483
1,485	1,000,000	147,806	108,533	3,519,641
1,485	1,000,000	147,806	108,533	5,000,124
<u>\$ 1,485</u>	<u>\$ 1,000,000</u>	<u>\$ 147,806</u>	<u>\$ 236,274</u>	<u>\$ 8,000,992</u>

CITY OF FILLMORE
Combining Statements of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended June 30, 2010

	SPECIAL REVENUE FUNDS		
	Traffic Safety	Gas Tax	Local Transportation
Revenues			
Taxes	\$ -	\$ -	\$ -
Fines and forfeitures	2	-	-
Investment income	-	(14)	254
Intergovernmental	-	265,028	560,303
Charges for services	-	-	-
Other	-	-	-
	<u>2</u>	<u>265,014</u>	<u>560,557</u>
Expenditures			
Current:			
Public works	-	526,893	3,725
Community development	-	-	-
Transit	-	-	-
Parks and recreation	-	-	-
Capital outlay	-	-	-
	<u>-</u>	<u>526,893</u>	<u>3,725</u>
Total expenditures	<u>-</u>	<u>526,893</u>	<u>3,725</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2</u>	<u>(261,879)</u>	<u>556,832</u>
Other financing sources (uses)			
Transfers in	-	102,881	-
Transfers out	(81,296)	(43,505)	(716,588)
	<u>(81,296)</u>	<u>59,376</u>	<u>(716,588)</u>
Total other financing sources (uses)	<u>(81,296)</u>	<u>59,376</u>	<u>(716,588)</u>
Net change in fund balances	<u>(81,294)</u>	<u>(202,503)</u>	<u>(159,756)</u>
Fund balances (deficit), beginning of year	<u>81,294</u>	<u>115,942</u>	<u>399,177</u>
Fund balances (deficit), end of year	<u>\$ -</u>	<u>\$ (86,561)</u>	<u>\$ 239,421</u>

SPECIAL REVENUE FUNDS

Lighting/ Landscape Assessment District	Storm Drain Assessment District	Community Development Block Grant	Public Transit	Bike Path Maintenance
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
3,300	3,895	-	-	261
-	-	241,766	-	27,106
226,321	228,526	-	-	-
-	-	-	-	-
<u>229,621</u>	<u>232,421</u>	<u>241,766</u>	<u>-</u>	<u>27,367</u>
190,044	-	-	-	8,602
-	-	171,808	-	-
-	-	-	424,277	-
-	-	-	-	-
-	-	-	-	-
<u>190,044</u>	<u>-</u>	<u>171,808</u>	<u>424,277</u>	<u>8,602</u>
39,577	232,421	69,958	(424,277)	18,765
98,500	-	18,026	424,486	-
<u>(298,000)</u>	<u>(32,900)</u>	<u>-</u>	<u>-</u>	<u>(68,810)</u>
<u>(199,500)</u>	<u>(32,900)</u>	<u>18,026</u>	<u>424,486</u>	<u>(68,810)</u>
<u>(159,923)</u>	<u>199,521</u>	<u>87,984</u>	<u>209</u>	<u>(50,045)</u>
<u>527,139</u>	<u>693,814</u>	<u>(65,987)</u>	<u>-</u>	<u>73,153</u>
<u>\$ 367,216</u>	<u>\$ 893,335</u>	<u>\$ 21,997</u>	<u>\$ 209</u>	<u>\$ 23,108</u>

CITY OF FILLMORE
Combining Statements of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended June 30, 2010

	SPECIAL REVENUE FUNDS		
	Solid Waste Source Reduction	Public Safety Augmentation	COPS/CLEEP Grant
Revenues			
Taxes	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-
Investment income	-	-	-
Intergovernmental	38,007	-	-
Charges for services	72,756	-	-
Other	-	1,478	-
	<u>110,763</u>	<u>1,478</u>	<u>-</u>
Total revenues			
	<u>110,763</u>	<u>1,478</u>	<u>-</u>
Expenditures			
Current:			
Public works	92,994	-	-
Community development	-	-	-
Transit	-	-	-
Parks and recreation	-	-	-
Capital outlay	-	-	-
	<u>92,994</u>	<u>-</u>	<u>-</u>
Total expenditures			
	<u>92,994</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>17,769</u>	<u>1,478</u>	<u>-</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	(4,000)	(65,040)	(5,630)
	<u>(4,000)</u>	<u>(65,040)</u>	<u>(5,630)</u>
Total other financing sources (uses)			
	<u>(4,000)</u>	<u>(65,040)</u>	<u>(5,630)</u>
Net change in fund balances	<u>13,769</u>	<u>(63,562)</u>	<u>(5,630)</u>
Fund balances (deficit), beginning of year	<u>46,128</u>	<u>63,562</u>	<u>5,630</u>
Fund balances (deficit), end of year	<u>\$ 59,897</u>	<u>\$ -</u>	<u>\$ -</u>

SPECIAL REVENUE FUNDS

Swimming Pool Maintenance	Recreation	DIF Public Facility	DIF Transportation Improvement	DIF Parkland
\$ 64,883	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
132	-	480	197	696
-	-	-	-	-
29,124	94,197	60,114	393	-
-	-	-	-	-
<u>94,139</u>	<u>94,197</u>	<u>60,594</u>	<u>590</u>	<u>696</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
279,620	160,498	-	-	-
-	-	-	-	-
<u>279,620</u>	<u>160,498</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(185,481)</u>	<u>(66,301)</u>	<u>60,594</u>	<u>590</u>	<u>696</u>
-	70,000	-	-	-
-	-	-	-	(10,100)
-	70,000	-	-	(10,100)
<u>(185,481)</u>	<u>3,699</u>	<u>60,594</u>	<u>590</u>	<u>(9,404)</u>
<u>139,642</u>	<u>(29,980)</u>	<u>(19,943)</u>	<u>(9,495)</u>	<u>149,894</u>
<u>\$ (45,839)</u>	<u>\$ (26,281)</u>	<u>\$ 40,651</u>	<u>\$ (8,905)</u>	<u>\$ 140,490</u>

CITY OF FILLMORE
Combining Statements of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended June 30, 2010

	SPECIAL REVENUE FUNDS		
	DIF Sewer Improvement	DIF Water Improvement	DIF Storm Drain Improvement
Revenues			
Taxes	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-
Investment income	656	3,702	561
Intergovernmental	-	-	-
Charges for services	172,517	17,647	3,578
Other	-	-	-
	<u>173,173</u>	<u>21,349</u>	<u>4,139</u>
Expenditures			
Current:			
Public works	-	5,000	-
Community development	-	-	-
Transit	-	-	-
Parks and recreation	-	-	-
Capital outlay	-	-	-
	<u>-</u>	<u>5,000</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>5,000</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>173,173</u>	<u>16,349</u>	<u>4,139</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	(112,248)	(823,700)	(12,000)
	<u>(112,248)</u>	<u>(823,700)</u>	<u>(12,000)</u>
Total other financing sources (uses)	<u>(112,248)</u>	<u>(823,700)</u>	<u>(12,000)</u>
Net change in fund balances	<u>60,925</u>	<u>(807,351)</u>	<u>(7,861)</u>
Fund balances (deficit), beginning of year	<u>337,447</u>	<u>115,808</u>	<u>123,059</u>
Fund balances (deficit), end of year	<u>\$ 398,372</u>	<u>\$ (691,543)</u>	<u>\$ 115,198</u>

SPECIAL REVENUE FUND	CAPITAL PROJECTS FUNDS			
Storm Water NPDES	Intermodal Transportation Center	Heritage Valley Tourism	Sespe Creek Bikepath	Signals
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
140	-	-	-	-
-	-	-	-	185,297
17,566	-	-	-	-
-	-	-	-	-
<u>17,706</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>185,297</u>
20,068	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>20,068</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(2,362)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>185,297</u>
7,500	-	-	-	-
-	-	-	-	-
<u>7,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
5,138	-	-	-	185,297
<u>34,580</u>	<u>28,628</u>	<u>21,370</u>	<u>45,127</u>	<u>(294,424)</u>
<u>\$ 39,718</u>	<u>\$ 28,628</u>	<u>\$ 21,370</u>	<u>\$ 45,127</u>	<u>\$ (109,127)</u>

CITY OF FILLMORE
Combining Statements of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended June 30, 2010

	<u>CAPITAL PROJECTS FUNDS</u>		
	<u>Miscellaneous Capital Projects</u>	<u>Street Projects</u>	<u>Central Avenue Improvements</u>
Revenues			
Taxes	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-
Investment income	-	-	-
Intergovernmental	236,494	317,234	-
Charges for services	-	-	-
Other	-	-	-
	<u>236,494</u>	<u>317,234</u>	<u>-</u>
Total revenues	<u>236,494</u>	<u>317,234</u>	<u>-</u>
Expenditures			
Current:			
Public works	-	-	-
Community development	-	-	-
Transit	-	-	-
Parks and recreation	-	-	-
Capital outlay	<u>1,251,587</u>	<u>480,432</u>	<u>11,664</u>
	<u>1,251,587</u>	<u>480,432</u>	<u>11,664</u>
Total expenditures	<u>1,251,587</u>	<u>480,432</u>	<u>11,664</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,015,093)</u>	<u>(163,198)</u>	<u>(11,664)</u>
Other financing sources (uses)			
Transfers in	2,690,544	464,764	153,492
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2,690,544</u>	<u>464,764</u>	<u>153,492</u>
Total other financing sources (uses)	<u>2,690,544</u>	<u>464,764</u>	<u>153,492</u>
Net change in fund balances	<u>1,675,451</u>	<u>301,566</u>	<u>141,828</u>
Fund balances (deficit), beginning of year	<u>(969,543)</u>	<u>(305,343)</u>	<u>(46,562)</u>
Fund balances (deficit), end of year	<u>\$ 705,908</u>	<u>\$ (3,777)</u>	<u>\$ 95,266</u>

CAPITAL PROJECTS FUNDS

Corporate Yard/ Fire Station Project	Vehicle Replacement	Depot Restoration	Well #9	Parking Lot
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	10
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
440	-	-	56,992	-
440	-	-	56,992	10
(440)	-	-	(56,992)	(10)
518,978	105,500	-	749,700	210,000
(2,000)	(145,975)	-	-	(5,000)
516,978	(40,475)	-	749,700	205,000
516,538	(40,475)	-	692,708	204,990
2	20,860	(29,097)	(5,700)	(9,557)
\$ 516,540	\$ (19,615)	\$ (29,097)	\$ 687,008	\$ 195,433

CITY OF FILLMORE
Combining Statements of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended June 30, 2010

	CAPITAL PROJECTS FUNDS		
	Pool Underground and Design	Storm Drain - Weir River	Mt. View Railroad Crossing
Revenues			
Taxes	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-
Investment income	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Other	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Current:			
Public works	-	-	-
Community development	-	-	-
Transit	-	-	-
Parks and recreation	-	-	-
Capital outlay	71,697	-	262,000
Total expenditures	<u>71,697</u>	<u>-</u>	<u>262,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(71,697)</u>	<u>-</u>	<u>(262,000)</u>
Other financing sources (uses)			
Transfers in	-	206,000	262,000
Transfers out	(6,150)	-	-
Total other financing sources (uses)	<u>(6,150)</u>	<u>206,000</u>	<u>262,000</u>
Net change in fund balances	<u>(77,847)</u>	<u>206,000</u>	<u>-</u>
Fund balances (deficit), beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit), end of year	<u>\$ (77,847)</u>	<u>\$ 206,000</u>	<u>\$ -</u>

CAPITAL PROJECTS FUNDS

BTA Bike Path	Business Park Infrastructure	Sidewalk Repair	A Street Water Line	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 64,883
-	-	-	-	2
-	-	-	-	14,260
-	-	-	-	1,871,235
-	-	-	-	922,739
-	-	-	-	1,478
-	-	-	-	2,874,597
4,415	-	2,194	-	853,945
-	-	-	-	171,808
-	-	-	-	424,277
-	-	-	-	440,118
-	-	-	136,467	2,271,279
4,415	-	2,194	136,467	4,161,427
(4,415)	-	(2,194)	(136,467)	(1,286,830)
5,900	1,000,000	150,000	245,000	7,483,271
-	-	-	-	(2,432,942)
5,900	1,000,000	150,000	245,000	5,050,329
1,485	1,000,000	147,806	108,533	3,763,499
-	-	-	-	1,236,625
\$ 1,485	\$ 1,000,000	\$ 147,806	\$ 108,533	\$ 5,000,124

CITY OF FILLMORE
Nonmajor Fund Budgetary Comparison Schedules
For the Year Ended June 30, 2010

Budgetary comparison statements are presented as required supplementary information for the General Fund and all Major Special Revenue Funds as provided for by GASB Statement No. 34. The budgetary comparison schedules for the remaining funds are presented to aid in additional analysis and are not a required part of the basic financial statements.

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Traffic Safety Special Revenue Fund
For the fiscal year ended June 30, 2010

	Final budget	Actual	Variance with final budget
Revenues			
Fines and forfeitures	\$ -	\$ 2	\$ 2
Total revenues	-	2	2
Other financing sources (uses)			
Transfers out	(81,296)	(81,296)	-
Total other financing sources (uses)	(81,296)	(81,296)	-
Net change in fund balance	(81,296)	(81,294)	2
Fund balance, beginning of year	81,294	81,294	-
Fund balance, end of year	<u>\$ (2)</u>	<u>\$ -</u>	<u>\$ 2</u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Gas Tax Special Revenue Fund
For the fiscal year ended June 30, 2010

	Final budget	Actual	Variance with final budget
Revenues			
Investment income	\$ 140	\$ (14)	\$ (154)
Intergovernmental	278,000	265,028	(12,972)
Total revenues	<u>278,140</u>	<u>265,014</u>	<u>(13,126)</u>
Expenditures			
Current:			
Public works	473,508	526,893	(53,385)
Total expenditures	<u>473,508</u>	<u>526,893</u>	<u>(53,385)</u>
Other financing sources (uses)			
Transfers in	102,881	102,881	-
Transfers out	(43,505)	(43,505)	-
Total other financing sources (uses)	<u>59,376</u>	<u>59,376</u>	<u>-</u>
Net change in fund balance	(135,992)	(202,503)	(66,511)
Fund balance, beginning of year	115,942	115,942	-
Fund balance (deficit), end of fiscal year	<u>\$ (20,050)</u>	<u>\$ (86,561)</u>	<u>\$ (66,511)</u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Local Transportation Special Revenue Fund
For the fiscal year ended June 30, 2010

	Final budget	Actual	Variance with final budget
Revenues			
Investment income	\$ 350	\$ 254	\$ (96)
Intergovernmental	516,572	560,303	43,731
Total revenues	516,922	560,557	43,635
Expenditures			
Current:			
Public works	-	3,725	(3,725)
Total expenditures	-	3,725	(3,725)
Other financing sources (uses)			
Transfers out	(716,588)	(716,588)	-
Total other financing sources (uses)	(716,588)	(716,588)	-
Net change in fund balance	(199,666)	(159,756)	39,910
Fund balance, beginning of year	399,177	399,177	-
Fund balance, end of year	\$ 199,511	\$ 239,421	\$ 39,910

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Lighting/Landscape Assessment District Special Revenue Fund
For the fiscal year ended June 30, 2010

	Final budget	Actual	Variance with final budget
Revenues			
Investment income	\$ 2,200	\$ 3,300	\$ 1,100
Charges for services	240,000	226,321	(13,679)
	<u>242,200</u>	<u>229,621</u>	<u>(12,579)</u>
Expenditures			
Current:			
Public works	168,717	190,044	(21,327)
	<u>168,717</u>	<u>190,044</u>	<u>(21,327)</u>
Other financing sources (uses)			
Transfers in	98,500	98,500	-
Transfers out	(298,000)	(298,000)	-
	<u>(199,500)</u>	<u>(199,500)</u>	<u>-</u>
Net change in fund balance	(126,017)	(159,923)	(33,906)
Fund balance, beginning of year	527,139	527,139	-
Fund balance, end of year	<u>\$ 401,122</u>	<u>\$ 367,216</u>	<u>\$ (33,906)</u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Storm Drain Assessment District Special Revenue Fund
For the fiscal year ended June 30, 2010

	Final budget	Actual	Variance with final budget
Revenues			
Investment income	\$ 2,400	\$ 3,895	\$ 1,495
Charges for services	222,113	228,526	6,413
Total revenues	<u>224,513</u>	<u>232,421</u>	<u>7,908</u>
Expenditures			
Current:			
Public works	3,000	-	3,000
Total expenditures	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Other financing sources (uses)			
Transfers out	(32,900)	(32,900)	-
Total other financing sources (uses)	<u>(32,900)</u>	<u>(32,900)</u>	<u>-</u>
Net change in fund balance	188,613	199,521	10,908
Fund balance, beginning of year	<u>693,814</u>	<u>693,814</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 882,427</u></u>	<u><u>\$ 893,335</u></u>	<u><u>\$ 10,908</u></u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Community Development Block Grant Special Revenue Fund
For the fiscal year ended June 30, 2010

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	\$ 381,319	\$ 241,766	\$ (139,553)
Total revenues	<u>381,319</u>	<u>241,766</u>	<u>(139,553)</u>
Expenditures			
Current:			
Community development	<u>381,245</u>	<u>171,808</u>	<u>209,437</u>
Total expenditures	<u>381,245</u>	<u>171,808</u>	<u>209,437</u>
Other Financing Sources (Uses):			
Transfers in	<u>18,026</u>	<u>18,026</u>	<u>-</u>
Total other financing sources (uses):	<u>18,026</u>	<u>18,026</u>	<u>-</u>
Net change in fund balance	18,100	87,984	69,884
Fund balance (deficit), beginning of year	<u>(65,987)</u>	<u>(65,987)</u>	<u>-</u>
Fund balance, end of year	<u>\$ (47,887)</u>	<u>\$ 21,997</u>	<u>\$ 69,884</u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Public Transit Special Revenue Fund
For the fiscal year ended June 30, 2010

	Final budget	Actual	Variance with final budget
Expenditures			
Current:			
Transit	\$ 424,277	\$ 424,277	\$ -
Total expenditures	424,277	424,277	-
Other financing sources (uses)			
Transfers in	424,486	424,486	-
Total other financing sources (uses)	424,486	424,486	-
Net change in fund balance	209	209	-
Fund balance, beginning of year	-	-	-
Fund balance, end of year	\$ 209	\$ 209	\$ -

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Bike Path Maintenance Special Revenue Fund
For the fiscal year ended June 30, 2010

	Final budget	Actual	Variance with final budget
Revenues			
Investment income	\$ 160	\$ 261	\$ 101
Intergovernmental	25,000	27,106	2,106
Total revenues	<u>25,160</u>	<u>27,367</u>	<u>2,207</u>
Expenditures			
Current:			
Public works	<u>8,766</u>	<u>8,602</u>	<u>164</u>
Total expenditures	<u>8,766</u>	<u>8,602</u>	<u>164</u>
Other financing sources (uses)			
Transfers out	<u>(68,810)</u>	<u>(68,810)</u>	<u>-</u>
Total other financing sources (uses)	<u>(68,810)</u>	<u>(68,810)</u>	<u>-</u>
Net change in fund balance	(52,416)	(50,045)	2,371
Fund balance, beginning of year	<u>73,153</u>	<u>73,153</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 20,737</u></u>	<u><u>\$ 23,108</u></u>	<u><u>\$ 2,371</u></u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Solid Waste Source Reduction Special Revenue Fund
For the fiscal year ended June 30, 2010

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	\$ 28,820	\$ 38,007	\$ 9,187
Charges for services	75,000	72,756	(2,244)
Total revenues	<u>103,820</u>	<u>110,763</u>	<u>6,943</u>
Expenditures			
Current:			
Public works	<u>87,305</u>	<u>92,994</u>	<u>(5,689)</u>
Total expenditures	<u>87,305</u>	<u>92,994</u>	<u>(5,689)</u>
Other financing sources (uses)			
Transfers out	<u>(4,000)</u>	<u>(4,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(4,000)</u>	<u>(4,000)</u>	<u>-</u>
Net change in fund balance	12,515	13,769	1,254
Fund balance, beginning of year	<u>46,128</u>	<u>46,128</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 58,643</u></u>	<u><u>\$ 59,897</u></u>	<u><u>\$ 1,254</u></u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Public Safety Augmentation Special Revenue Fund
For the fiscal year ended June 30, 2010

	Final budget	Actual	Variance with final budget
Revenues			
Other	\$ -	\$ 1,478	\$ 1,478
Total revenues	-	1,478	1,478
Other financing sources (uses)			
Transfers out	(65,040)	(65,040)	-
Total other financing sources (uses)	(65,040)	(65,040)	-
Net change in fund balance	(65,040)	(63,562)	1,478
Fund balance, beginning of year	63,562	63,562	-
Fund balance, end of year	\$ (1,478)	\$ -	\$ 1,478

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
COPS/CLEEP Grant Special Revenue Fund
For the fiscal year ended June 30, 2010

	Final budget	Actual	Variance with final budget
Other financing sources (uses)			
Transfers out	\$ (5,630)	\$ (5,630)	\$ -
Total other financing sources (uses)	(5,630)	(5,630)	-
Net change in fund balance	(5,630)	(5,630)	-
Fund balance, beginning of year	5,630	5,630	-
Fund balance, end of year	\$ -	\$ -	\$ -

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Swimming Pool Maintenance Special Revenue Fund
For the fiscal year ended June 30, 2010

	Final budget	Actual	Variance with final budget
Revenues			
Taxes	\$ 65,000	\$ 64,883	\$ (117)
Investment income	500	132	(368)
Charges for services	32,350	29,124	(3,226)
Total revenues	97,850	94,139	(3,711)
Expenditures			
Current:			
Parks and recreation	279,759	279,620	139
Total expenditures	279,759	279,620	139
Net change in fund balance	(181,909)	(185,481)	(3,572)
Fund balance, beginning of year	139,642	139,642	-
Fund balance (deficit), end of year	\$ (42,267)	\$ (45,839)	\$ (3,572)

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Recreation Special Revenue Fund
For the fiscal year ended June 30, 2010

	Final budget	Actual	Variance with final budget
Revenues			
Charges for services	\$ 92,150	\$ 94,197	\$ 2,047
Total revenues	92,150	94,197	2,047
Expenditures			
Current:			
Parks and recreation	159,169	160,498	(1,329)
Total expenditures	159,169	160,498	(1,329)
Other financing sources (uses)			
Transfers in	70,000	70,000	-
Total other financing sources (uses)	70,000	70,000	-
Net change in fund balance	2,981	3,699	718
Fund balance (deficit), beginning of year	(29,980)	(29,980)	-
Fund balance (deficit), end of year	\$ (26,999)	\$ (26,281)	\$ 718

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
DIF Public Facility Special Revenue Fund
For the fiscal year ended June 30, 2010

	Final budget	Actual	Variance with final budget
Revenues			
Investment income	\$ 220	\$ 480	\$ 260
Charges for services	50,000	60,114	10,114
Total revenues	50,220	60,594	10,374
Net change in fund balance	50,220	60,594	10,374
Fund balance (deficit), beginning of year	(19,943)	(19,943)	-
Fund balance, end of year	\$ 30,277	\$ 40,651	\$ 10,374

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
DIF Transportation Improvement Special Revenue Fund
For the fiscal year ended June 30, 2010

	Final budget	Actual	Variance with final budget
Revenues			
Investment income	\$ -	\$ 197	\$ 197
Charges for services	400	393	(7)
	<u>400</u>	<u>590</u>	<u>190</u>
Total revenues	400	590	190
Net change in fund balance	400	590	190
Fund balance (deficit), beginning of year	<u>(9,495)</u>	<u>(9,495)</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ (9,095)</u>	<u>\$ (8,905)</u>	<u>\$ 190</u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
DIF Parkland Special Revenue Fund
For the fiscal year ended June 30, 2010

	Final budget	Actual	Variance with final budget
Revenues			
Investment income	\$ 400	\$ 696	\$ 296
Total revenues	400	696	296
Other financing sources (uses)			
Transfers out	(10,100)	(10,100)	-
Total other financing sources (uses)	(10,100)	(10,100)	-
Net change in fund balance	(9,700)	(9,404)	296
Fund balance, beginning of year	149,894	149,894	-
Fund balance, end of year	\$ 140,194	\$ 140,490	\$ 296

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
DIF Sewer Improvement Special Revenue Fund
For the fiscal year ended June 30, 2010

	Final budget	Actual	Variance with final budget
Revenues			
Investment income	\$ 2,400	\$ 656	\$ (1,744)
Charges for services	172,510	172,517	7
 Total revenues	 174,910	 173,173	 (1,737)
Other financing sources (uses)			
Transfers out	(112,248)	(112,248)	-
 Total other financing sources (uses)	 (112,248)	 (112,248)	 -
 Net change in fund balance	 62,662	 60,925	 (1,737)
Fund balance, beginning of year	337,447	337,447	-
Fund balance, end of year	<u>\$ 400,109</u>	<u>\$ 398,372</u>	<u>\$ (1,737)</u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
DIF Water Improvement Special Revenue Fund
For the fiscal year ended June 30, 2010

	Final budget	Actual	Variance with final budget
Revenues			
Investment income	\$ 2,400	\$ 3,702	\$ 1,302
Charges for services	17,650	17,647	(3)
Total revenues	<u>20,050</u>	<u>21,349</u>	<u>1,299</u>
Expenditures			
Current:			
Public works	-	5,000	(5,000)
Total expenditures	<u>-</u>	<u>5,000</u>	<u>(5,000)</u>
Other financing sources (uses)			
Transfers out	(823,700)	(823,700)	-
Total other financing sources (uses)	<u>(823,700)</u>	<u>(823,700)</u>	<u>-</u>
Net change in fund balance	(803,650)	(807,351)	(3,701)
Fund balance, beginning of year	<u>115,808</u>	<u>115,808</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ (687,842)</u>	<u>\$ (691,543)</u>	<u>\$ (3,701)</u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
DIF Storm Drain Improvement Special Revenue Fund
For the fiscal year ended June 30, 2010

	Final budget	Actual	Variance with final budget
Revenues			
Investment income	\$ 400	\$ 561	\$ 161
Charges for services	3,700	3,578	(122)
Total revenues	<u>4,100</u>	<u>4,139</u>	<u>39</u>
Other financing sources (uses)			
Transfers out	<u>(12,000)</u>	<u>(12,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(12,000)</u>	<u>(12,000)</u>	<u>-</u>
Net change in fund balance	(7,900)	(7,861)	39
Fund balance, beginning of year	<u>123,059</u>	<u>123,059</u>	<u>-</u>
Fund balance, end of year	<u>\$ 115,159</u>	<u>\$ 115,198</u>	<u>\$ 39</u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Storm Water NPDES Special Revenue Fund
For the fiscal year ended June 30, 2010

	Final budget	Actual	Variance with final budget
Revenues			
Investment income	\$ 75	\$ 140	\$ 65
Charges for services	17,237	17,566	329
Total revenues	17,312	17,706	394
Expenditures			
Current:			
Public works	13,897	20,068	(6,171)
Total expenditures	13,897	20,068	(6,171)
Other Financing Sources (Uses):			
Transfers in	7,500	7,500	-
Total other financing sources (uses):	7,500	7,500	-
Net change in fund balance	10,915	5,138	(5,777)
Fund balance, beginning of year	34,580	34,580	-
Fund balance, end of year	\$ 45,495	\$ 39,718	\$ (5,777)

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Signals Capital Projects Fund
For the fiscal year ended June 30, 2010

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	\$ 294,425	\$ 185,297	\$ (109,128)
Total revenues	294,425	185,297	(109,128)
Net change in fund balance	294,425	185,297	(109,128)
Fund balance (deficit), beginning of year	(294,424)	(294,424)	-
Fund balance (deficit), end of year	\$ 1	\$ (109,127)	\$ (109,128)

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Miscellaneous Capital Projects Fund
For the fiscal year ended June 30, 2010

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	\$ 236,500	\$ 236,494	\$ (6)
Total revenues	236,500	236,494	(6)
Expenditures			
Capital outlay	1,280,000	1,251,587	28,413
Total expenditures	1,280,000	1,251,587	28,413
Other financing sources (uses)			
Transfers in	2,690,544	2,690,544	-
Total other financing sources (uses)	2,690,544	2,690,544	-
Net change in fund balance	1,647,044	1,675,451	28,407
Fund balance, beginning of year	(969,543)	(969,543)	-
Fund balance, end of year	\$ 677,501	\$ 705,908	\$ 28,407

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Street Projects Capital Projects Fund
For the fiscal year ended June 30, 2010

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	\$ 748,144	\$ 317,234	\$ (430,910)
Total revenues	748,144	317,234	(430,910)
Expenditures			
Capital outlay	515,600	480,432	35,168
Total expenditures	515,600	480,432	35,168
Other financing sources (uses)			
Transfers in	464,764	464,764	-
Total other financing sources (uses)	464,764	464,764	-
Net change in fund balance	697,308	301,566	(395,742)
Fund balance, beginning of year	(305,343)	(305,343)	-
Fund balance, end of year	\$ 391,965	\$ (3,777)	\$ (395,742)

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Central Avenue Improvements Capital Projects Fund
For the fiscal year ended June 30, 2010

	Final budget	Actual	Variance with final budget
Expenditures			
Capital outlay	\$ 107,030	\$ 11,664	\$ 95,366
Total expenditures	107,030	11,664	95,366
Other financing sources (uses)			
Transfers in	153,492	153,492	-
Total other financing sources (uses)	153,492	153,492	-
Net change in fund balance	46,462	141,828	95,366
Fund balance, beginning of year	(46,562)	(46,562)	-
Fund balance, end of year	\$ (100)	\$ 95,266	\$ 95,366

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Corporate Yard/Fire Station Capital Projects Fund
For the fiscal year ended June 30, 2010

	Final budget	Actual	Variance with final budget
Expenditures			
Capital outlay	\$ 12,500	\$ 440	\$ 12,060
Total expenditures	12,500	440	12,060
Other financing sources (uses)			
Transfers in	518,978	518,978	-
Transfers out	(2,000)	(2,000)	-
Total other financing sources (uses)	516,978	516,978	-
Net change in fund balance	504,478	516,538	12,060
Fund balance, beginning of year	2	2	-
Fund balance, end of year	\$ 504,480	\$ 516,540	\$ 12,060

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Vehicle Replacement Capital Projects Fund
For the fiscal year ended June 30, 2010

	Final budget	Actual	Variance with final budget
Other financing sources (uses)			
Transfers in	\$ 105,500	\$ 105,500	\$ -
Transfers out	(145,975)	(145,975)	-
Total other financing sources (uses)	(40,475)	(40,475)	-
Net change in fund balance	(40,475)	(40,475)	-
Fund balance, beginning of year	20,860	20,860	-
Fund balance, end of year	\$ (19,615)	\$ (19,615)	\$ -

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Well #9 Capital Projects Fund
For the fiscal year ended June 30, 2010

	Final budget	Actual	Variance with final budget
Expenditures			
Capital outlay	\$ 44,000	\$ 56,992	\$ (12,992)
Total expenditures	44,000	56,992	(12,992)
Other financing sources (uses)			
Transfers in	749,700	749,700	-
Total other financing sources (uses):	749,700	749,700	-
Net change in fund balance	705,700	692,708	(12,992)
Fund balance, beginning of year	(5,700)	(5,700)	-
Fund balance, end of year	<u>\$ 700,000</u>	<u>\$ 687,008</u>	<u>\$ (12,992)</u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Parking Lot Capital Projects Fund
For the fiscal year ended June 30, 2010

	Final budget	Actual	Variance with final budget
Expenditures			
Public works	\$ -	\$ 10	\$ (10)
Total expenditures	-	10	(10)
Other financing sources (uses)			
Transfers in	210,000	210,000	-
Transfers out	(5,000)	(5,000)	-
Total other financing sources (uses):	205,000	205,000	-
Net change in fund balance	205,000	204,990	(10)
Fund balance, beginning of year	(9,557)	(9,557)	-
Fund balance, end of year	<u>\$ 195,443</u>	<u>\$ 195,433</u>	<u>\$ (10)</u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Pool Underground and Design Capital Projects Fund
For the fiscal year ended June 30, 2010

	Final budget	Actual	Variance with final budget
Expenditures			
Capital outlay	\$ 71,400	\$ 71,697	\$ (297)
Total expenditures	71,400	71,697	(297)
Other financing sources (uses)			
Transfers out	(6,150)	(6,150)	-
Total other financing sources (uses):	(6,150)	(6,150)	-
Net change in fund balance	(77,550)	(77,847)	(297)
Fund balance, beginning of year	-	-	-
Fund balance, end of year	\$ (77,550)	\$ (77,847)	\$ (297)

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Storm Drain – Weir River Capital Projects Fund
For the fiscal year ended June 30, 2010

	Final budget	Actual	Variance with final budget
Other financing sources (uses)			
Transfers in	\$ 206,000	\$ 206,000	\$ -
Total other financing sources (uses):	206,000	206,000	-
Net change in fund balance	206,000	206,000	-
Fund balance, beginning of year	-	-	-
Fund balance, end of year	\$ 206,000	\$ 206,000	\$ -

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Mt. View Railroad Crossing Capital Projects Fund
For the fiscal year ended June 30, 2010

	Final budget	Actual	Variance with final budget
Revenues:			
Intergovernmental	\$ 2,000	\$ -	\$ (2,000)
Total revenues	2,000	-	(2,000)
Expenditures			
Capital outlay	262,000	262,000	-
Total expenditures	262,000	262,000	-
Other financing sources (uses)			
Transfers in	262,000	262,000	-
Total other financing sources (uses)	262,000	262,000	-
Net change in fund balance	2,000	-	(2,000)
Fund balance, beginning of year	-	-	-
Fund balance, end of year	\$ 2,000	\$ -	\$ (2,000)

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
BTA Bike Path Capital Projects Fund
For the fiscal year ended June 30, 2010

	Final budget	Actual	Variance with final budget
Expenditures			
Public works	\$ 5,900	\$ 4,415	\$ 1,485
Total expenditures	5,900	4,415	1,485
Other financing sources (uses)			
Transfers in	5,900	5,900	-
Total other financing sources (uses)	5,900	5,900	-
Net change in fund balance	-	1,485	1,485
Fund balance, beginning of year	-	-	-
Fund balance, end of year	\$ -	\$ 1,485	\$ 1,485

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Business Park Infrastructure Capital Projects Fund
For the fiscal year ended June 30, 2010

	Final budget	Actual	Variance with final budget
Other financing sources (uses)			
Transfers in	\$ 1,000,000	\$ 1,000,000	\$ -
Total other financing sources (uses)	1,000,000	1,000,000	-
Net change in fund balance	1,000,000	1,000,000	-
Fund balance, beginning of year	-	-	-
Fund balance, end of year	\$ 1,000,000	\$ 1,000,000	\$ -

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Sidewalk Repair Capital Projects Fund
For the fiscal year ended June 30, 2010

	Final budget	Actual	Variance with final budget
Expenditures			
Public works	\$ -	\$ 2,194	\$ (2,194)
Total expenditures	-	2,194	(2,194)
Other financing sources (uses)			
Transfers in	150,000	150,000	-
Total other financing sources (uses)	150,000	150,000	-
Net change in fund balance	150,000	147,806	(2,194)
Fund balance, beginning of year	-	-	-
Fund balance, end of year	<u>\$ 150,000</u>	<u>\$ 147,806</u>	<u>\$ (2,194)</u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
A Street Water Line Capital Projects Fund
For the fiscal year ended June 30, 2010

	Final budget	Actual	Variance with final budget
Expenditures			
Capital outlay	\$ 245,000	\$ 136,467	\$ 108,533
Total expenditures	245,000	136,467	108,533
Other financing sources (uses)			
Transfers in	245,000	245,000	-
Total other financing sources (uses)	245,000	245,000	-
Net change in fund balance	-	108,533	108,533
Fund balance, beginning of year	-	-	-
Fund balance, end of year	\$ -	\$ 108,533	\$ 108,533

CITY OF FILLMORE
Combining Statement of Net Assets
Proprietary Funds – Sewer Funds
June 30, 2010

	Sewer Operating Fund	Sewer Projects Fund	Sewer Replacement Fund	Rate Stabilization Fund	Totals
Assets					
Current assets:					
Cash and investments	\$ (698,324)	\$ 3,156,462	\$ 6,183	\$ 4,974,925	\$ 7,439,246
Cash and investments with fiscal agent	8,400,304	-	-	-	8,400,304
Accounts receivable, net	509,456	-	-	-	509,456
Interest receivable	-	-	-	4,698	4,698
Due from other funds	69,082	-	-	-	69,082
Total current assets	8,280,518	3,156,462	6,183	4,979,623	16,422,786
Noncurrent assets:					
Deferred issuance costs, net	1,121,127	-	-	-	1,121,127
Capital assets:					
Land	2,688,630	-	-	-	2,688,630
Construction in progress	-	64,939,151	-	-	64,939,151
Depreciable infrastructure, net	3,951,040	-	-	-	3,951,040
Depreciable equipment, net	1,863,206	-	-	-	1,863,206
Total non-current assets	9,624,003	64,939,151	-	-	74,563,154
Total assets	17,904,521	68,095,613	6,183	4,979,623	90,985,940

CITY OF FILLMORE
Combining Statement of Net Assets
Proprietary Funds – Sewer Funds
June 30, 2010

	Sewer Operating Fund	Sewer Projects Fund	Sewer Replacement Fund	Rate Stabilization Fund	Totals
Liabilities					
Current liabilities:					
Accounts payable	195,234	5,576,199	-	-	5,771,433
Accrued interest payable	474,659	-	-	-	474,659
Deposits payable	53,328	-	-	-	53,328
Due to other funds	6,856	-	-	-	6,856
Due to others	40,882	-	-	-	40,882
Current portion of long-term obligations	62,963	-	-	-	62,963
Total current liabilities	<u>833,922</u>	<u>5,576,199</u>	<u>-</u>	<u>-</u>	<u>6,410,121</u>
Noncurrent liabilities:					
Compensated absences	18,725	-	-	-	18,725
Advances payable	57,490,000	-	-	-	57,490,000
Loan payable - State Water Board	18,752	-	-	-	18,752
Premium on long-term advances	1,900,365	-	-	-	1,900,365
Total non-current liabilities	<u>59,427,842</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,427,842</u>
Total liabilities	<u>60,261,764</u>	<u>5,576,199</u>	<u>-</u>	<u>-</u>	<u>65,837,963</u>
Net Assets					
Invested in capital assets, net of related debt	(43,873,928)	64,939,151	-	-	21,065,223
Restricted for debt service	2,009,762	-	-	-	2,009,762
Unrestricted	(493,077)	(2,419,737)	6,183	4,979,623	2,072,992
Total net assets	<u>\$ (42,357,243)</u>	<u>\$ 62,519,414</u>	<u>\$ 6,183</u>	<u>\$ 4,979,623</u>	<u>\$ 25,147,977</u>

CITY OF FILLMORE
Combining Statement of Revenues, Expenses and
Changes in Net Assets
Proprietary Funds – Sewer Funds
For the fiscal year ended June 30, 2010

	Sewer Operating Fund	Sewer Projects Fund	Sewer Replacement Fund	Rate Stabilization Fund	Totals
Operating revenues					
Sales and service charges	\$ 4,618,905	\$ -	\$ -	\$ -	\$ 4,618,905
Other revenue	179,041	-	-	-	179,041
Total operating revenues	<u>4,797,946</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,797,946</u>
Operating expenses					
Administration costs	361,703	-	-	-	361,703
Bad debt	25,000	-	-	-	25,000
Treatment and disposal plant	1,445,147	-	-	-	1,445,147
Depreciation	93,051	-	-	-	93,051
Total operating expenses	<u>1,924,901</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,924,901</u>
Operating income	<u>2,873,045</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,873,045</u>
Non-operating revenues (expenses)					
Investment earnings	1,268,660	-	-	31,717	1,300,377
Amortization	(31,140)	-	-	-	(31,140)
Interest expense	(2,794,919)	-	-	-	(2,794,919)
Total non-operating revenues (expenses)	<u>(1,557,399)</u>	<u>-</u>	<u>-</u>	<u>31,717</u>	<u>(1,525,682)</u>
Income before transfers	1,315,646	-	-	31,717	1,347,363
Transfers in	-	14,665,000	-	-	14,665,000
Transfers out	(15,028,126)	(55,800)	-	-	(15,083,926)
Change in net assets	(13,712,480)	14,609,200	-	31,717	928,437
Net assets, beginning of year	<u>(28,644,763)</u>	<u>47,910,214</u>	<u>6,183</u>	<u>4,947,906</u>	<u>24,219,540</u>
Net assets, end of fiscal year	<u>\$ (42,357,243)</u>	<u>\$ 62,519,414</u>	<u>\$ 6,183</u>	<u>\$ 4,979,623</u>	<u>\$ 25,147,977</u>

AGENCY FUNDS

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CITY OF FILLMORE
Agency Funds

Agency Funds are used to account for assets held by the City as trustee or agent for individuals, private organizations, or other governmental units or funds.

Special Deposits Fund - to account for refundable deposits being held by the City.

Community Facilities District No. 1 Fund – to account for funds set aside by the City, on behalf of the CFD No. 1 bondholders, for debt service payments and reserves.

Community Facilities District No. 2 Fund – to account for funds set aside by the City, on behalf of the CFD No. 2 bondholders, for debt service payments and reserves.

Community Facilities District No. 3 Fund – to account for funds set aside by the City, on behalf of the CFD No. 3 bondholders, for debt service payments and reserves.

Community Facilities District No. 5 Fund – to account for funds set aside by the City, on behalf of the CFD No. 5 bondholders, for debt service payments and reserves.

Community Facilities District No. 6 Fund – to account for funds set aside by the City, on behalf of the CFD No. 6 bondholders, for debt service payments and reserves.

CITY OF FILLMORE
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2010

	Special Deposits	Community Facilities District No. 1	Community Facilities District No. 2
Assets			
Cash and investments	\$ 952,430	\$ 90,620	\$ 60,279
Cash and investments with fiscal agents	-	192,058	40,500
Receivables:			
Interest	-	77	-
Intergovernmental	73	882	10,094
Prepaid items	-	-	1,325
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 952,503</u>	<u>\$ 283,637</u>	<u>\$ 112,198</u>
Liabilities			
Accounts payable	\$ 20,217	\$ -	\$ -
Deposits payable	932,286	-	-
Due to bondholders	-	283,637	112,198
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>\$ 952,503</u>	<u>\$ 283,637</u>	<u>\$ 112,198</u>

Community Facilities District No. 3	Community Facilities District No. 5	Community Facilities District No. 6	Totals
\$ 271,408	\$ 384,385	\$ 255,754	\$ 2,014,876
315,168	-	-	547,726
215	300	-	592
3,543	22,412	-	37,004
-	-	-	1,325
<u>\$ 590,334</u>	<u>\$ 407,097</u>	<u>\$ 255,754</u>	<u>\$ 2,601,523</u>
\$ -	\$ -	\$ -	\$ 20,217
-	-	-	932,286
590,334	407,097	255,754	1,649,020
<u>\$ 590,334</u>	<u>\$ 407,097</u>	<u>\$ 255,754</u>	<u>\$ 2,601,523</u>

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