

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2016
CITY OF FILLMORE, CALIFORNIA



CITY OF FILLMORE

CALIFORNIA

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FISCAL YEAR ENDED JUNE 30, 2016

Prepared by the Finance Department

**Gaylynn Brien, Finance Director
Janyne Brown, Assistant Finance Director**

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City of Fillmore

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City of Fillmore

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INTRODUCTORY SECTION

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CITY OF FILLMORE
CENTRAL PARK PLAZA
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December 13, 2016

To the
Citizens of the City of Fillmore,
Honorable Mayor,
Members of the City Council:

It is a pleasure to present the Fiscal Year 2015-16 Comprehensive Annual Financial Report (CAFR) for the City of Fillmore, California. State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of the City of Fillmore for the fiscal year ended June 30, 2016.

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

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

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

PROFILE OF THE CITY OF FILLMORE

Fillmore is a City in Ventura County, California, approximately 60 miles north of the City of Los Angeles along Highway 126, and approximately 20 miles east of the Pacific Ocean, along the Santa Clara River Valley below the San Cayetano Mountain peak in the Los Padres National Forest. It's known for its rich agriculture and multiple fruit growing trees. Fillmore was established when Southern Pacific built the railroad through the valley in 1887 and was named after J. A. Fillmore, a general superintendent for Southern Pacific. Fillmore is a general law City and was incorporated in 1914. The City occupies a land area of 3.23 square miles and serves a population of approximately 15,530. The City is empowered to levy a property tax on both real and personal property located within its boundaries. Increases in property tax rates are subject to voter approval. It is also empowered by state statute to extend its corporate limits by annexation, which has occurred periodically in the past when deemed appropriate by the governing council.

The City is governed by a five-member City Council under the council-manager form of government. The City Council is elected at large with staggered four-year terms and the positions of Mayor and Mayor Pro-Tem are selected amongst Council members annually. The council appoints the City Manager, who in turn appoints the heads of the various departments, and also appoints the City Attorney, who currently operates under contractual agreement.

The City provides a full range of municipal services to its residents with a total regular full-time staff of 28 and part-time/volunteer staff of approximately 38 employees. Major services such as police are contracted with Ventura County Sheriff; and wastewater treatment plant operation, attorney, vector/animal control, landscape and storm drain maintenance are also provided through contractual arrangements. The City provides services such as fire protection, potable water utility services, emergency management, code enforcement, building and safety, city engineering, planning, economic development, recreation programs, park and facilities, street maintenance, crossing guard and administrative management services with city employees.

The City prepares an annual budget consistent with Generally Accepted Accounting Principles (GAAP) for all governmental funds on a modified accrual basis where revenues are recognized when they become measurable and available to finance expenditures of the current period. Expenditures are recorded when the goods or services are received and the liabilities are incurred.

Department directors are responsible, not only to accomplish his/her particular goals within each program, but also to monitor budget allocations consistent to the funding levels adopted by the City Council prior to July 1 of the budget year.

The City reports on a fiscal year basis from July 1 to June 30. Departments and agencies submit current level expenditure budgets, requests for budget increases (Policy Items), requests for replacement of equipment items (Capital Asset Requests), and possible budget reductions (Reverse Priority Items) to the Budget Officer in early March. The City Manager and his/her staff conduct a series of budget review meetings with departments and agencies in April. The City Manager then presents a Preliminary Base Budget that contains line item budget information to the City Council for review in early May.

The City Council conducts one or more budget hearings during the month of May and June, modifies the Preliminary Base Budget as appropriate, and adopts the Annual Budget no later than June 30. The City Council is committed to a budget process that is open and clear to the public and which provides for public input. Expenditures are budgeted at the line-item level according to fund and operational area. Overall budgetary control, however, is exercised at the fund level, except for the City's General Fund, where control is exercised at the department level. The City Council has the legal authority to amend the budget at any time during the fiscal year. The City Manager is also authorized to make administrative amendments to the budget, provided the amendments do not have a significant policy impact or affect budgeted year-end fund balances.

Interim financial reports can be generated on demand by operating departments. In addition, comprehensive financial reviews are prepared and submitted to the City Council at mid-year of each fiscal year and are reviewed publicly at regularly scheduled City Council meetings. Interim financial reports are made available to the general public upon request. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund and major special revenue funds, this comparison is presented in the Basic Financial Statements section of this report. For other governmental funds with appropriated annual budgets, this comparison is presented in the Supplementary Information section.

ECONOMIC CONDITIONS

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

Local Economy. The City enjoyed more than ten consecutive years of General Fund growth prior to FY 2007-08. This growth was fueled by annual increases in assessed valuation, population increases, new development and a robust economy. The revenue allowed the City to accomplish a number of projects that increased the level of public safety, improved services to the public, and improved the effectiveness and efficiency of City operations. Due to an economic downturn at the national level, an ongoing State budget crisis, dissolution of redevelopment, and the extreme slowing in local land development, revenues decreased in FY 2008-09 through FY 2010-11, but since then, this downward trend has tapered and the City is experiencing new growth. FY 2015-16, locally generated revenues from property, transient occupancy, franchise, business and other taxes increased approximately by \$301,000 or 11% over the prior fiscal year. Over the past two fiscal years, total General Fund revenues (excluding sales taxes) have increased by \$358,000 or 9.6%. The resolution of the sales tax dispute resulted in a large payment of sales taxes in FY 2014-15, so the reduction in sales tax revenue in FY 2015-16 is not a result of a decrease in the local economy.

In recent years, the California economy has reflected a rebound, and City revenues are following suit. The City remains in strong financial shape and will remain so in consideration of the conservative budget practices of the City Council.

The local unemployment rate is 6.0%, a slight decrease from the previous fiscal year. The City's commercial and industrial base continues to be diverse. Major industries with headquarters or divisions located within the City's boundaries, or in close proximity, include retail sales, real estate lending, health care, computer hardware, and light manufacturing.

Residential development activity in the City continues to grow, reflective of the nationwide trend, and is expected to continue this increase in the upcoming year. Activity in the residential and commercial real estate market is expanding, and continued additions to the City's property tax roll are anticipated next year.

Financial Position. Fillmore's financial situation deteriorated significantly between 2008 and 2013 due to the combined impact of the recession, State legislation that dissolved the City's redevelopment agency, and a sales tax dispute that resulted in the Board of Equalization withholding more than four years of sales tax revenue due to issues surrounding a sales tax sharing agreement. Those combined factors resulted in a significant reduction in spending, staffing, and services to the public due to lost tax revenue, a near cessation of land development activity, and the absence of redevelopment tax increment funds used to fund much needed infrastructure improvements. However, in fiscal year 2015-16, the City showed a continuation in the improvement in their financial situation.

The Fiscal Year 2015-16 financial report continues to show the City's economic recovery after several years of deficit General Fund spending that, of necessity, utilized reserves set aside in prior years to address the difficult financial times. It is reflective of the efforts of the City Council and staff to resolve significant financial issues involving a sales tax sharing dispute, a major recession, and the state-mandated dissolution of the former Fillmore Redevelopment Agency.

The City received most of the withheld sales tax from the Board of Equalization in October 2013, and the balance of withheld funds was received in FY 2014-15. From a land development standpoint, the City is experiencing an increase in residential development and this development is projected to continue over the next five years, which will result in improved property tax revenue and significantly improved land development fees. Additionally, sales tax and other General Fund revenues are anticipated to increase as the City's population is projected to increase by between 3% and 5% also over the next five years.

The City must continue to generate additional revenues in order to further improve the level of services provided to the public. Additional revenues are needed to restore staffing levels of earlier years and for technology improvements to increase staff productivity. Such changes will allow the City Council to continue its efforts to operate on a more proactive level, rather than reactively responding to issues.

With regard to staffing, the number of full-time staff decreased by 26 full-time positions between FY 2009-10 and FY 2002-13, a 57% reduction. Six of those positions have since been restored, but additional staff is needed to manage capital projects, process land development applications in a timely manner, plan for emergencies, expand staff training efforts, encourage citywide economic development activity, and further strengthen the bond between city government and the general public.

In that regard, efforts are in place to:

- Encourage both commercial and residential development in accordance with the City's adopted Economic Development Plan.
- Identify immediate and short-term infrastructure needs as identified in the City's newly developed Capital Improvement Program.
- Review and update as appropriate the Master Fee Schedule that has not been adjusted for several years to assure that the City is being reimbursed for specialized services provided to developers and the public.
- Expedite, whenever possible, new land development projects in order to generate additional sales tax, business tax, and property tax revenues.
- Expand the focus on improving quality of life issues in the City by emphasizing complaint based code enforcement activities and expanding leisure service and recreational activities for persons of all ages.

The City's population has grown by small increments, averaging less than 1% over the last two years. Turnover in the real estate market is increasing, along with further additions to the City's property tax roll. Residential and commercial development is moving forward, with residential permits increasing by 18.4%, issuing 45 permits in FY 2015-16, up from 38 permits issued in the previous fiscal year, and the continued expansion in the business park.

The City updates a Five-Year General Fund Financial Projection each year in an effort to identify and address structural issues while continuing to maintain sufficient cash reserves and providing quality service to residents into the future without the need for significant additional local revenues. The update was prepared with the assumption that the Consumer Price Index (CPI) will increase by 1.5% annually. Property tax revenues are projected to increase by 10% each year and sales tax is projected to increase by 5% per year through FY 2020-21. The Five-Year General Fund Financial Projection will continue to be used to provide a road map of the long-term actions necessary to address structural budget issues, even when the level of General Fund revenues is restored to previous levels.

Despite a challenging financial environment, the City continues to be fiscally conservative, maintaining a prudent set-aside amount in fund balance.

LONG-TERM LIABILITIES/BONDED INDEBTEDNESS

The total debt of the City is currently \$59.7 million, with debt service requirements of approximately \$4.0 million per year. The total debt of the Successor Agency to the RDA, reported as a private-purpose trust fund under the fiduciary funds, is \$37.5 million, with debt service requirements of approximately \$3.7 million per year, which are now paid through the county Redevelopment Property Tax Trust Fund (RPTTF). The Successor Agency has the Series 2015 Tax Allocation Refunding Bonds which refunded the 2005 Revenue Bonds and the 2006 Tax Allocation Bonds whose purpose was to finance a portion of the costs to implement the Redevelopment Plan and fund redevelopment activities within the Agency project area.

Additionally, the City's Community Facilities Districts reported total debt of \$21.9 million with annual debt service of approximately \$602,900.

At June 30, 2016, the City has no new outstanding bonds but does have long-term liabilities in the approximate amount of \$376,900 for employee compensated absences (accrued leave).

The City provides retirement benefits (pension) by contributing to the California Public Employees Retirement System (CalPERS). The City pays 100% of the Annual Required Contributions (ARC), as calculated by CalPERS. However, the retirement plan is not fully funded and the City is in the process of fully funding this plan.

The City participates in the California Employers' Retiree Benefit Trust (CERBT) administered by CalPERS to provide post-employment medical insurance to City retirees. The City accounts for this liability, per GASB 45, Other Post-Employment Benefits (OPEB). The most recent actuarial valuation was performed on June 30, 2016, and shows the OPEB liability at the end of the fiscal year was \$900,411. For additional information please see Note 10 in the Notes to the Basic Financial Statements in this report.

APPROPRIATION LIMIT

Article XIII B of the California Constitution (Proposition 4), commonly referred to as the "GANN Initiative" was approved by California voters in 1979, which placed limits on the amount of proceeds of taxes that State and Local agencies can appropriate and spend each fiscal year. In addition, voters approved Proposition 111 in 1990 to further increase the accountability of local government in adopting their limits by requiring the governing body to annually adopt, by resolution, an appropriation limit for the upcoming fiscal year. The appropriation limit and the City's appropriations subject to the limit for fiscal year 2015/2016 amounted to \$13,052,794 and \$8,052,794 respectively.

AWARD

The City, for the first time, submitted its 2014-15 Comprehensive Annual Financial Report (CAFR) and is submitting its 2015-16 CAFR for review by the Government Finance Officers Association of the United States and Canada (GFOA) in preparation to receive the distinguished award for the Certificate of Achievement for Excellence in Financial Reporting. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The City of Fillmore received the Certificate of Achievement for Excellence in Financial Reporting for its 2014-15 CAFR.

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

OTHER REFERENCES

Additional information and detail is contained in the Management's Discussion and Analysis (MD&A) and in the Notes to the Basic Financial Statements found in the Financial Section of this report.

ACKNOWLEDGEMENT

We would like to express appreciation to all City staff that assisted and contributed to the preparation of this report, particularly to the members of the Finance Department. We would also like to extend our appreciation to the auditors, Rogers, Anderson, Malody & Scott, LLP, Certified Public Accountants for their professional assistance. As in the past, the Annual Financial Report and now CAFR is available on the City's website at www.fillmoreca.com.

Respectfully submitted,

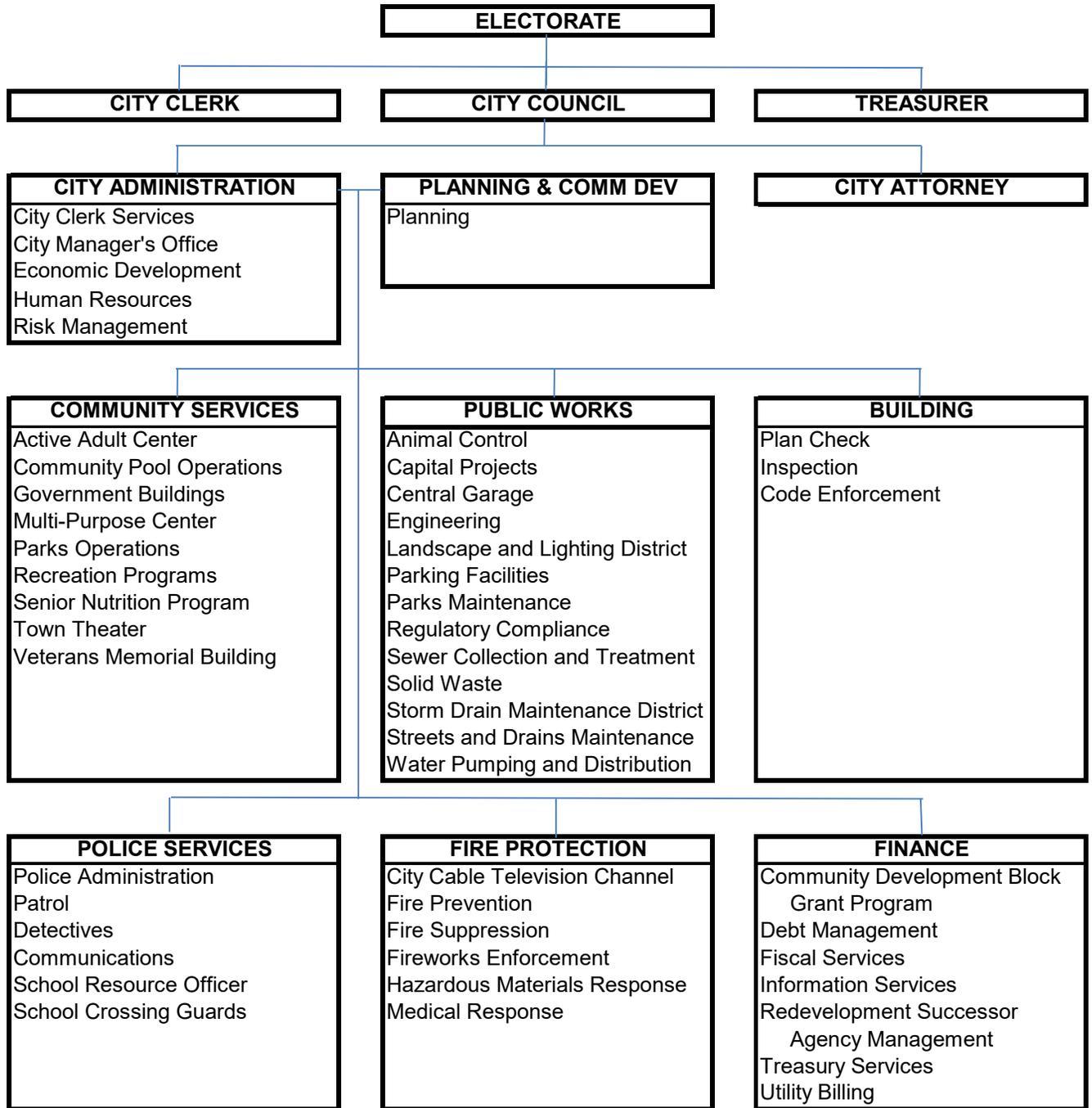


David Rowlands
City Manager



Gaylynn Brien
Finance Director

CITY OF FILLMORE ORGANIZATIONAL CHART



CITY OF FILLMORE OFFICIALS

CITY COUNCIL

Dianne McCall, Mayor
Carrie Broggie, Mayor Pro Tem
Manuel Minjares, Council Member
Rick Neal, Council Member
Douglas Tucker, Council Member

CITY TREASURER

Shannon Godfrey, Elected

CITY CLERK

Nancy Blendermann-Meyer, Elected
Diana Impeartrice, Deputy City Clerk

ADMINISTRATIVE STAFF

David Rowlands, City Manager
Keith Gurrola, Fire Chief
David Wareham, Police Chief
Gaylynn Brien, Finance Director
Kevin McSweeney, Planning-Development Director
Diana Impeartrice, Human Resources Director
Annette Cardona, Community Services Supervisor
David Smallwood, Public Works Supervisor

CITY ATTORNEY

Tiffany Israel
Aleshire & Wynder, LLP

PLANNING COMMISSION

Tim Holmgren, Chair
Christopher Hoy
Robert Smith
Jayme Laber
Albert Mendez

PARKS & RECREATION COMMISSION

Kenneth Palmer, Chair
Camilla Conaway, Vice Chair
Geraldine Lee
Jose Ibarra
Giovany Robles
Sara Beylik
Angel Cisneros

FILM COMMISSION

Carrie Broggie, Chair
Pat Couse
Nancy Bowlin
Paul Nielsen
Yvette Busby

ACTIVE ADULT COMMISSION

Ernest Morales, Chair
Douglas Tucker
Robert Crum
Charles Richardson



Government Finance Officers Association

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

Presented to

**City of Fillmore
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

FINANCIAL SECTION

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ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

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Honorable Mayor and City Council
City of Fillmore
Fillmore, California

INDEPENDENT AUDITOR'S REPORT

PARTNERS

Brenda L. Odle, CPA, MST
Terry P. Shea, CPA
Kirk A. Franks, CPA
Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradferd A. Welebir, CPA, MBA, CGMA
Jay H. Zercher, CPA (Partner Emeritus)
Phillip H. Waller, CPA (Partner Emeritus)

MANAGERS / STAFF

Jenny Liu, CPA, MST
Seong-Hyea Lee, CPA, MBA
Charles De Simoni, CPA
Nathan Statham, CPA, MBA
Gardenya Duran, CPA
Brianna Schultz, CPA
Daniel Hernandez, CPA, MBA
Lisa Dongxue Guo, CPA, MSA

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

MEMBERS

American Institute of
Certified Public Accountants

*PCPS The AICPA Alliance
for CPA Firms*

*Governmental Audit
Quality Center*

California Society of
Certified Public Accountants

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP

San Bernardino, California
December 13, 2016

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**Management's Discussion and Analysis
Year ended June 30, 2016**

This management's discussion and analysis provides an overview and analysis of financial activities of the City of Fillmore (City) for the fiscal year ended June 30, 2016. Please read this discussion and analysis in conjunction with the accompanying transmittal letter, basic financial statements and notes to the financial statements.

USING THE ACCOMPANYING FINANCIAL STATEMENTS

This report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities under the Government Wide Financial Statements provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Also, included in the accompanying report are the Funds financial statements that report how these services were financed in the short-term as well as what remains for future spending. Governmental Funds financial statements report the City's operations in a more detail manner than the government-wide financial statements by providing information about the City's most significant funds. In addition, the City presents Proprietary Funds financial statements that report the activities of the Water and Sewer funds of the City. The remaining Fiduciary Funds statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

OVERVIEW OF THE FINANCIAL STATEMENTS

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 and deferred outflows of resources of the City, as well as all liabilities and deferred inflows of resources, including long-term debt. 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. Reconciliations of the Funds Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach under GASB 34.

The proprietary funds are prepared using the economic resources measurement focus and the accrual basis of accounting.

The fiduciary funds consist of agency funds and a private purpose trust fund. The agency funds report a statement of fiduciary net position only and do not have a measurement focus, the private purpose trust fund, which reports the activities of the Successor Agency to the former Fillmore Redevelopment Agency, uses the economic resources measurement focus and accrual basis of accounting.

REPORTING THE CITY AS A WHOLE

The Statement of Net Position and the Statement of Activities

The Statement of Net Position and the Statement of Activities report information about the City as a whole and its activities. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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, certain outflows, liabilities and deferred revenues are recognized in the period in which they are earned while expenses are recorded when incurred. These statements report the City's net position and changes in them. Net position is the differences between assets and deferred outflows less liabilities and deferred inflows, which is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating.

City of Fillmore

Management's Discussion and Analysis Year ended June 30, 2016

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 Position 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 and wastewater system 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 revenues for a particular purpose or to show that the City is meeting legal responsibilities for using certain revenues, 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 revenue and expenditures in and out of the 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 reconciliations following the Governmental Fund Financial Statements.

Proprietary Funds

When the City charges customers for services it provides - whether to outside customers or to programs of the City, these services are reported in most cases in proprietary funds. Proprietary funds activities are reported in the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds. 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 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 separately in the Statement of Fiduciary Net Position. These activities are excluded from the City's Government-Wide Financial Statements because the City cannot use these assets to finance its operations and is responsible for ensuring that the assets reported in these funds are used for their specified purposes.

**Management's Discussion and Analysis
Year ended June 30, 2016**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Government-Wide Financial Statements provide long-term and short-term information about the City's overall financial condition. This analysis addresses the financial statements of the City as a whole. The largest portion of the City's net position reflects its investment in capital assets (e.g. land, buildings, and 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.

At the end of fiscal year 2016, the current assets are 23.9% of the total assets with the remaining 76.1% representing capital assets not being depreciated and capital assets, net of accumulated depreciation and notes and loans receivable. The current liabilities are approximately 14.9 % of the total liabilities. Of the total net position, 13.3% was restricted and the remaining 86.7% represented invested in capital assets net of related debt and unrestricted net position.

SUMMARY OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at June 30, 2016, by \$82.1 million. This amount is referred to as the net position of the City. Of this amount, \$17.2 million is unrestricted net position and may be used to meet the City's ongoing obligations to citizens and creditors.

The City's net position increased by \$4.4 million during the past year. Fiscal Year 2015-16 revenues decreased by \$1.9 million from the prior year primarily due to a \$1.6 million increase in charges for services and a \$2.0 million decrease in sales tax revenues. Expenses (including non-cash expenses like depreciation) decreased by \$2.7 million.

As required by the Governmental Accounting Standards Board (GASB), the City implemented GASB Statement No. 68 in the Fiscal Year 2014-15 financial statements. Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. In addition, the City also implemented Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*

As of June 30, 2016, the City's governmental funds (the General Fund plus Special Revenue, Debt Service and Capital Projects funds) reported combined ending fund balances of \$13.5 million. Governmental fund revenues and other financing sources exceeded expenditures and other financing uses by \$2.4 million during Fiscal Year 2015-16. Of the \$13.5 million combined ending fund balances at June 30, 2016, \$5.5 million is categorized as unassigned, \$1.1 million is categorized as assigned, \$6.9 million is categorized as restricted, and \$0.01 million is categorized as non-spendable. More detailed information regarding these amounts can be found in Note 16 in the Notes to Basic Financial Statements.

City of Fillmore

Management's Discussion and Analysis Year ended June 30, 2016

The City's total Noncurrent liabilities, due in more than one year, which includes bonds payable, unamortized bond premiums and discounts, loans payable, capital leases payable, JPIA general liability and workers compensation payable, sales tax reimbursement payable, net pension liability, compensated absences, and other post-employment benefits, decreased by \$0.9 million, or 14.5% during the Fiscal Year ending June 30, 2016, to a total outstanding amount of \$5.1 million.

Governmental Activities

The following schedule summarizes the financial position of the City's governmental activities as of June 30, 2016 and 2015:

| | <u>2016</u> | <u>2015</u> |
|---------------------------------------|----------------------|----------------------|
| Assets: | | |
| Current assets | \$ 22,825,053 | \$ 19,814,419 |
| Notes receivable | 7,170,610 | 7,238,543 |
| Capital assets not being depreciated | 11,024,798 | 10,911,734 |
| Capital assets being depreciated, net | <u>29,796,164</u> | <u>30,549,795</u> |
| Total assets | <u>70,816,625</u> | <u>68,514,491</u> |
| Deferred Outflows of Resources: | | |
| Pension related | <u>404,204</u> | <u>430,553</u> |
| Liabilities: | | |
| Current liabilities | 9,114,564 | 8,799,694 |
| Noncurrent liabilities: | | |
| Due within one year | 269,897 | 1,027,139 |
| Due in more than one year | <u>5,079,270</u> | <u>5,939,271</u> |
| Total liabilities | <u>14,463,731</u> | <u>15,766,104</u> |
| Deferred Inflows of Resources | | |
| Pension related | <u>553,404</u> | <u>805,838</u> |
| Net position: | | |
| Net investment in capital assets | 40,519,500 | 41,024,999 |
| Restricted | 6,904,471 | 5,220,450 |
| Unrestricted | <u>8,779,723</u> | <u>6,127,653</u> |
| Total net position | <u>\$ 56,203,694</u> | <u>\$ 52,373,102</u> |

City of Fillmore

Management's Discussion and Analysis Year ended June 30, 2016

The cost of all governmental activities during fiscal year 2016 was \$7.9 million. Some of the cost of governmental activities was paid by those who directly benefited from the programs (\$2.8 million) or by other government agencies and organizations that subsidized certain programs with grants and contributions (\$3.0 million). The remaining cost of governmental activities of \$2.1 million was covered by the City's sources of general revenue (taxes and other general revenues) of \$6.1 million.

The City's governmental activities include General Government, Public Safety (Police and Fire services), Public Works, Community Development, Economic Development, Transit, Parks and Recreation, and Interest and Other Charges.

The following table represents the changes in net position for governmental activities for the fiscal years ended June 30, 2016 and 2015:

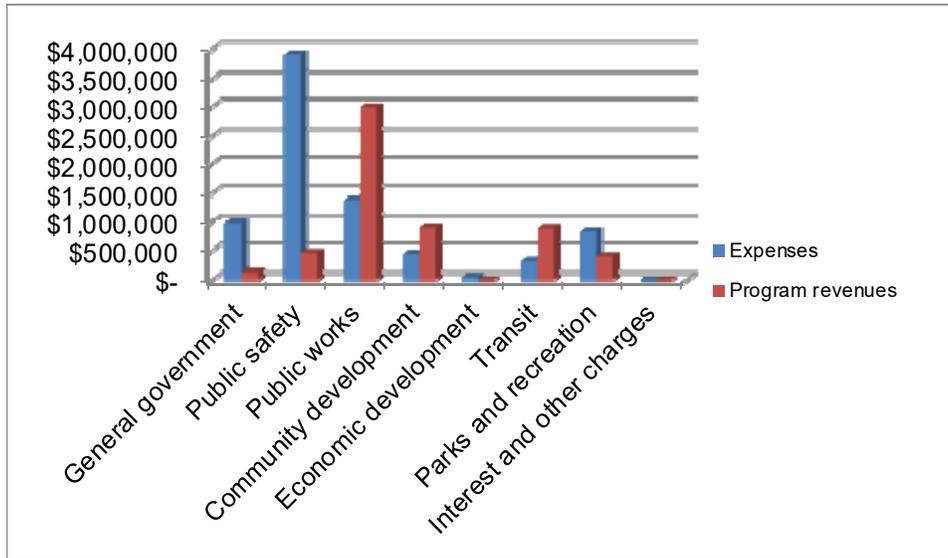
| | 2016 | 2015 |
|---|-----------------------|-----------------------|
| General revenues: | | |
| Taxes | \$ 5,958,034 | \$ 7,959,779 |
| Investment income | 40,468 | 42,288 |
| Other | 141,781 | 51,538 |
| Program revenues: | | |
| Charges for services | 2,792,948 | 1,456,803 |
| Operating contributions and grants | 1,550,050 | 1,690,262 |
| Capital contributions and grants | 1,411,795 | 1,791,474 |
| Total revenues | <u>11,895,076</u> | <u>12,992,144</u> |
| Expenses: | | |
| General government | 961,923 | 3,265,982 |
| Public safety | 3,921,663 | 4,645,977 |
| Public works | 1,388,200 | 1,506,317 |
| Community development | 441,089 | 261,087 |
| Economic development | 49,945 | 84,423 |
| Transit | 319,687 | 505,654 |
| Parks and recreation | 828,992 | 920,104 |
| Interest and other charges | - | 7,385 |
| Total expenses | <u>7,911,499</u> | <u>11,196,929</u> |
| Increase in net position before transfers | 3,983,577 | 1,795,215 |
| Transfers in (out) | <u>(152,985)</u> | <u>(146,770)</u> |
| Change in net position | 3,830,592 | 1,648,445 |
| Net position, beginning of year | <u>52,373,102</u> | <u>50,724,657</u> |
| Net position, end of year | <u>\$ 56,203,694</u> | <u>\$ 52,373,102</u> |

City of Fillmore

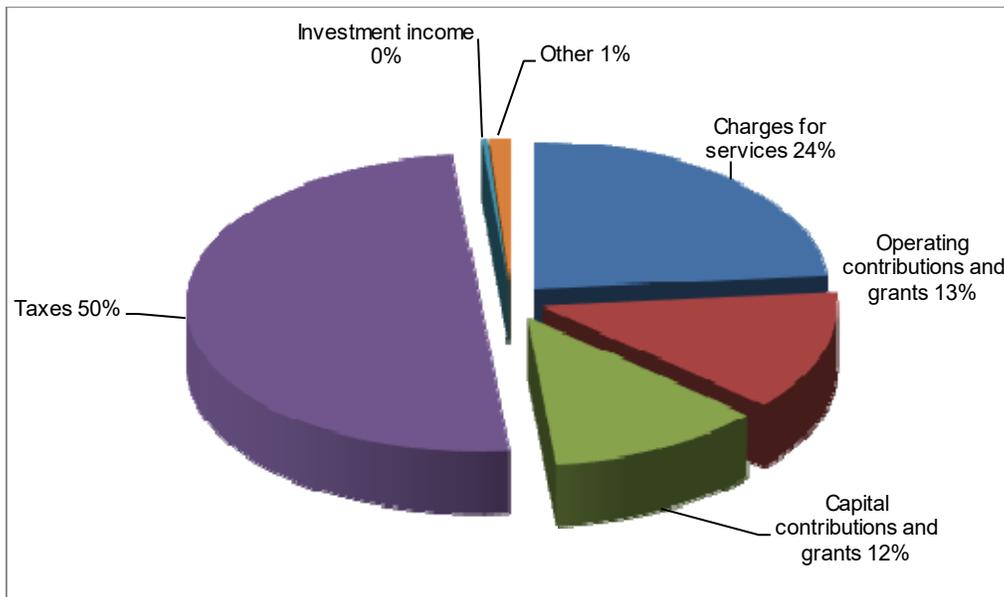
**Management’s Discussion and Analysis
Year ended June 30, 2016**

Governmental Activities

Governmental activities expenditures and programs revenues for the year ended June 30, 2016:



Governmental activities revenues by source for the year ended June 30, 2016:



Management's Discussion and Analysis
Year ended June 30, 2016

Business-Type Activities

The City operated two business-type activities: wastewater (sewer) and water.

The Sewer Enterprise Fund's unrestricted net position at the end of Fiscal Year 2015-16 was \$4.6 million, with an increase of \$0.3 or 7.2% from the previous year primarily due to a shift from net investment in capital assets to unrestricted.

The Water Enterprise Fund, unrestricted net position at June 30, 2016, was \$3.8 million, an increase of \$0.2 million, or 6.8%, from the previous year primarily due to an increase in net investment in capital assets (\$0.4 million).

As required by the Governmental Accounting Standards Board (GASB), the City implemented GASB Statement No. 68 in the Fiscal Year 2014-15 financial statements. Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. In addition, the City also implemented Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*.

The net position section of the Enterprise Funds Statement of Net Position reflects net investment in capital assets, restricted and unrestricted net position. The restricted net position represents assets with external restrictions. The unrestricted net position may be used at the discretion of the City. Net position totaled \$25.9 with \$20.7 and \$5.2 million, respectively, for the Sewer and Water Funds. Of the total net position, \$12.6 and \$0.8 million was invested in capital assets, and \$3.4 and \$0.6 million was restricted for debt service, for the Sewer and Water Funds respectively.

City of Fillmore

Management's Discussion and Analysis Year ended June 30, 2016

The following schedule summarizes the financial position of the City's business-type activities at June 30, 2016, and 2015:

| | <u>2016</u> | <u>2015</u> |
|--|--------------------------|--------------------------|
| Assets: | | |
| Current assets | \$ 11,901,402 | \$ 10,741,021 |
| Cash and investments with fiscal agents | 3,731,352 | 4,016,724 |
| Capital assets not being depreciated | 3,359,680 | 3,186,153 |
| Capital assets being depreciated, net | <u>71,176,745</u> | <u>72,339,995</u> |
| Total assets | <u>90,169,179</u> | <u>90,283,893</u> |
| Deferred outflows of resources: | | |
| Pension related | 269,470 | 137,053 |
| Deferred loss on refunding | <u>242,216</u> | <u>257,355</u> |
| Total deferred outflows of resources | <u>511,686</u> | <u>394,408</u> |
| Liabilities: | | |
| Current liabilities | 1,193,916 | 1,100,835 |
| Noncurrent liabilities: | | |
| Due within one year | 1,132,134 | 1,053,480 |
| Due in more than one year | <u>62,049,806</u> | <u>62,783,575</u> |
| Total liabilities | <u>64,375,856</u> | <u>64,937,890</u> |
| Deferred oinflows of resources: | | |
| Pension related | <u>368,936</u> | <u>408,968</u> |
| Net position: | | |
| Net investment in capital assets | 13,465,952 | 13,417,326 |
| Restricted | 4,010,094 | 4,009,131 |
| Unrestricted | <u>8,460,027</u> | <u>7,904,986</u> |
| Total net position | <u>\$ 25,936,073</u> | <u>\$ 25,331,443</u> |

City of Fillmore

Management's Discussion and Analysis Year ended June 30, 2016

The following table presents the changes in net position for the business-type activities for the fiscal years ended June 30, 2016 and 2015:

| | 2016 | 2015 |
|--|-------------------|-------------------|
| General revenues: | | |
| Investment income | \$ 49,143 | \$ 21,543 |
| Program revenues: | | |
| Charges for services | 9,152,244 | 8,889,596 |
| Total revenues | 9,201,387 | 8,911,139 |
| Expenses: | | |
| Sewer | 6,326,574 | 6,029,237 |
| Water | 2,423,168 | 2,096,090 |
| Total expenses | 8,749,742 | 8,125,327 |
| Increase in net position before transfers | 451,645 | 785,812 |
| Transfers in (out) | 152,985 | 146,770 |
| Change in net position | 604,630 | 932,582 |
| Net position, beginning of year | 25,331,443 | 24,398,861 |
| Net position, end of year | \$ 25,936,073 | \$ 25,331,443 |

Total expenses for business-type activities for the fiscal year ended June 30, 2016, were \$8.7 million. Program revenues are primarily comprised of charges for services in the amount of \$9.2 million. Transfers from governmental activities amounted to \$0.2 million.

FUNDS FINANCIAL ANALYSIS

GENERAL FUND

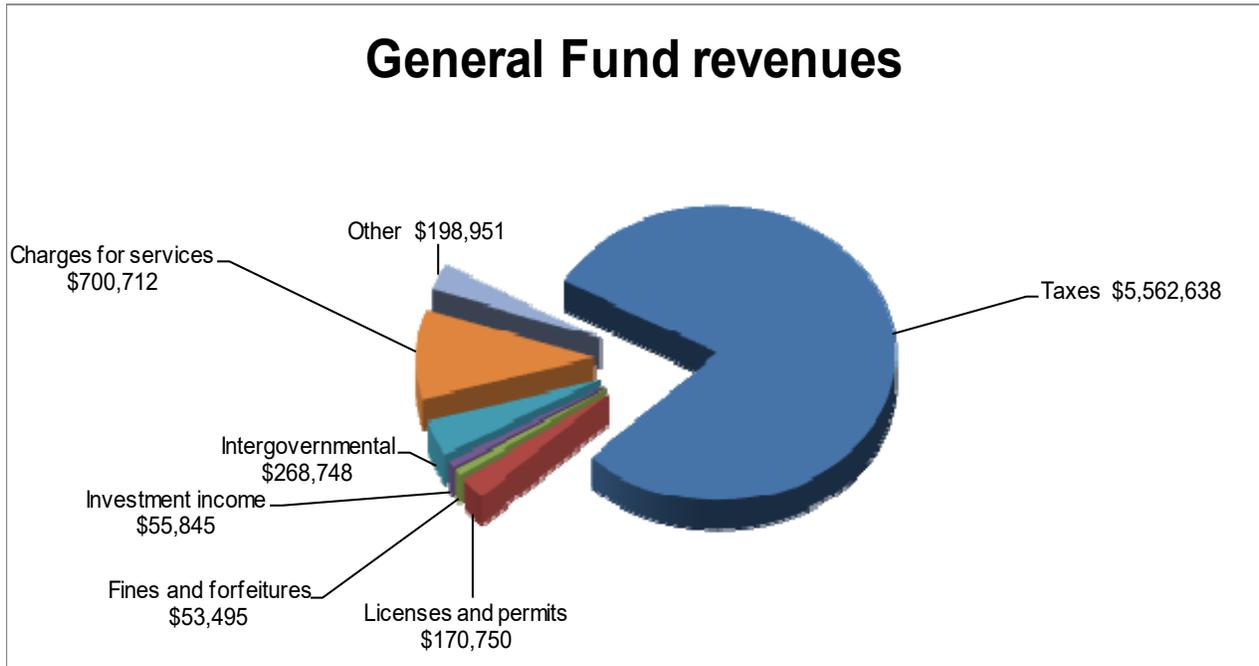
The General Fund in the Basic Financial Statement includes the City's chief operating fund. As of June 30, 2016, the total fund balance of the General Fund was \$6.0 million, an increase of \$0.7 million from the previous year. The General Fund accounts for all financial resources traditionally associated with government activities that are not required legally to be accounted for in another fund. This increase is primarily due to increases in tax revenues and level expenditures.

In 2003 the City entered into an Economic Development Agreement (EDA) (sales tax sharing), with MTS Consulting, LLC (MTS). The EDA states that for each local sales tax generating business that MTS brings to the City, the City would share with them the local sales tax generated by that business for 20 years. The City would share 85% with MTS and the remaining 15% would be retained by the City. In 2007, Owens & Minor (O&M), relocated their sales office to the City and started allocating sales tax to the City. The 20-year term for sharing local sales tax relating to O&M expires in 2022. This sales tax sharing and allocation of tax agreement was challenged by some of the municipalities where the sales tax originated causing the City to enter into litigation and future commitments that significantly affect the fund's resources for future use. Additional detail about these agreements can be found in Note 13 of this financial report.

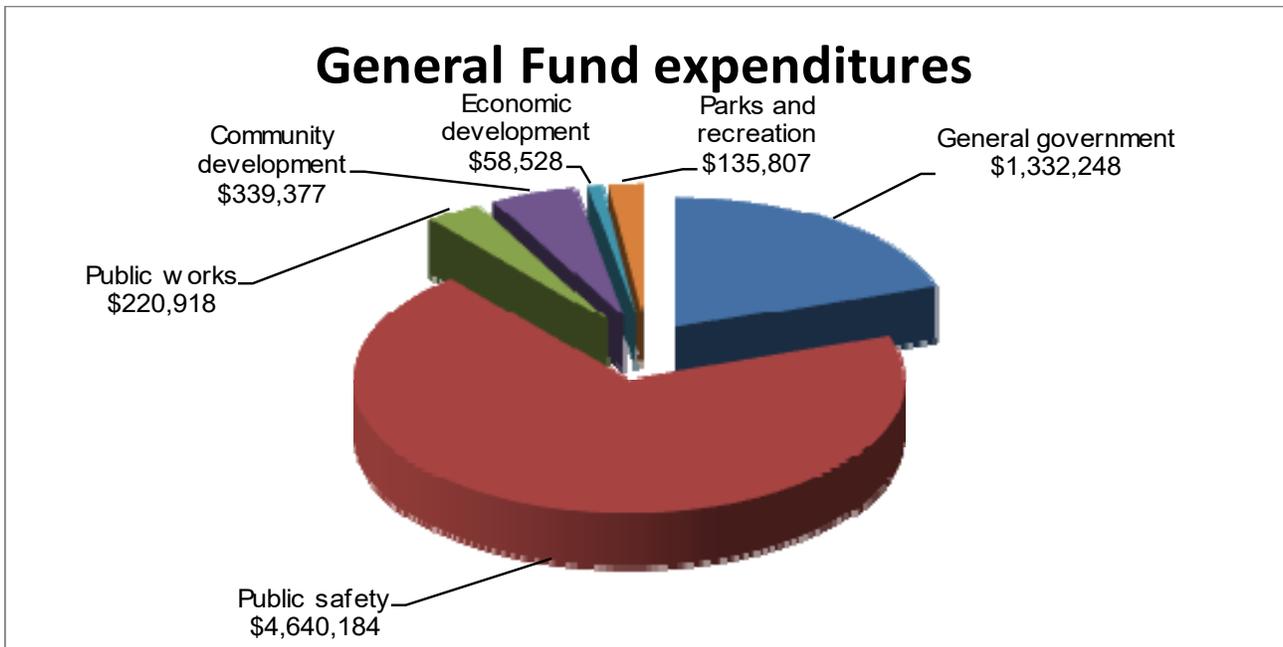
Management's Discussion and Analysis
Year ended June 30, 2016

Additional information on the City's General Fund balance can be found in Note 16 in the Notes to the Basic Financial Statements.

General fund revenues for the year ended June 30, 2016:



General fund expenditures for the year ended June 30, 2016:



**Management's Discussion and Analysis
Year ended June 30, 2016**

FINANCIAL ANALYSIS OF THE CITY'S OTHER MAJOR FUNDS

Housing Successor - Special Revenue Fund:

This major governmental fund reports the housing functions of the former Redevelopment Agency assumed by the City as of February 1, 2012. The assets and liabilities of the Former Redevelopment Agency's Low-Mod Housing Special Revenue Fund were transferred to the City as of that date, except for unrestricted cash which remained an asset of the Successor Agency. The most significant balances in this fund are Notes and Loans receivable related to the Parkview complex, first time home buyers loans, and home improvements loans. The balance of these combined loans as of June 30, 2016 was \$7.1 million. The most significant transactions in this fund are investment income earnings from interest accrued in the outstanding loans and sharing of appreciation in value of property.

Enterprise Funds:

The two major enterprise funds for the City are Sewer and Water. 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. These funds are the same as the funds reported under the Business-Type Activities of the Government-Wide Statements.

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 notes to the basic financial statements in the Financial Section. These schedules 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 VARIATIONS AND HIGHLIGHTS

In preparing the budget, the City attempts to estimate its revenues using realistic, but conservative, methods so as to budget its expenditure appropriations and activities in a prudent manner. As a result, the City Council adopts budget adjustments during the course of the fiscal year to reflect both changed priorities and availability of revenues to allow for the expansion of existing programs, if required. The General Fund reflected a net total favorable budget of \$1.1 million when comparing the actual net change in fund balance of \$0.8 million to the final budgeted change of \$(0.3 million).

City of Fillmore

Management's Discussion and Analysis Year ended June 30, 2016

Revenues received exceeded the final budgeted amount by \$0.8 million, or 13.5%, due to the following factors:

- 1) improved local sales tax received due to release of certain sharing agreements,
- 2) more property taxes collected within the year of levy due to improved economy conditions and redevelopment dissolution activities,
- 3) increase in intergovernmental revenues due to increased development activity.

Total actual expenditures from all departments were lower than the final budgeted amounts by \$0.2 million, or 3.4%, partially due to savings in the planning, parks and recreation, building and safety, and engineering departments. The detailed General Fund budgetary comparison schedule can be found in the Required Supplementary Information section of this report.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2016, amounts to \$115.3 million (net of accumulated depreciation). Of that, \$40.8 million is in governmental activities and \$74.5 is business-type capital assets. The City's capital assets include land, land improvements, buildings, improvements other than buildings, machinery and equipment, and construction in progress.

The following table provides a summary of the City's capital assets as of June 30, 2016 and 2015:

| | Governmental activities | | Business-type activities | | Totals | |
|---|-------------------------|---------------|--------------------------|---------------|----------------|----------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Capital assets not being depreciated | \$ 11,024,798 | \$ 10,911,734 | \$ 3,359,680 | \$ 3,186,153 | \$ 14,384,478 | \$ 14,097,887 |
| Capital assets being depreciated | 44,965,687 | 44,750,555 | 83,687,727 | 83,623,011 | 128,653,414 | 128,373,566 |
| Accumulated depreciation | (15,169,523) | (14,190,333) | (12,510,982) | (11,283,016) | (27,680,505) | (25,473,349) |
| Total capital assets being depreciated, net | 29,796,164 | 30,560,222 | 71,176,745 | 72,339,995 | 100,972,909 | 102,900,217 |
| Total capital assets | \$ 40,820,962 | \$ 41,471,956 | \$ 74,536,425 | \$ 75,526,148 | \$ 115,357,387 | \$ 116,998,104 |

Major capital asset transactions in the Governmental Activities during the current fiscal year included the following:

- Construction in progress in governmental activities increased by \$0.11 million. The largest project contributing to the increase in construction in progress during Fiscal Year 2015-16 was the new traffic signal at Mountain View and Highway 126.
- Autos and trucks in governmental activities increased by \$0.22 million due to the purchase of a fire squad truck which was funded by a CDBG grant.

Additional information about the City's capital assets is presented in Note 7 of the Notes to the Basic Financial Statements of this report.

**Management's Discussion and Analysis
Year ended June 30, 2016**

DEBT ADMINISTRATION

The City used a variety of tax, revenue, and lease indebtedness to finance various activities and capital improvements. At June 30, 2016, the City's long-term debt outstanding was \$68.5 million. Of this total, \$5.3 million was in governmental activities and \$63.2 was in business-type activities. The City total debt decreased by \$1.6 million or 23.2% from prior year, primarily due to the reduction of the net pension liability and the reduction of the contingency for sales tax reimbursements. Additional information about the net pension liability and the sales tax reimbursement contingency can be found in Note 9 and Note 13 of this report, respectively.

The following table provides a summary of the City's outstanding indebtedness as of June 30, 2016 and 2015:

| | Governmental activities | | Business-type activities | | Totals | |
|-------------------------|-------------------------|---------------------|--------------------------|----------------------|----------------------|----------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Revenue bonds | \$ - | \$ - | \$ 53,540,000 | \$ 54,275,000 | \$ 53,540,000 | \$ 54,275,000 |
| Capital leases | 301,462 | 436,530 | - | - | 301,462 | 436,530 |
| Notes/bond and loans | - | - | 6,125,000 | 6,390,000 | 6,125,000 | 6,390,000 |
| JPIA | 397,725 | 445,098 | - | - | 397,725 | 445,098 |
| OPEB Obligation | 900,411 | 870,034 | - | - | 900,411 | 870,034 |
| Compensated absences | 292,819 | 280,413 | 84,126 | 91,958 | 376,945 | 372,371 |
| Premium on debt | - | - | 1,647,689 | 1,701,177 | 1,647,689 | 1,701,177 |
| Sales tax reimbursement | 779,063 | 1,898,124 | - | - | 779,063 | 1,898,124 |
| Net pension liability | 2,677,687 | 3,036,211 | 1,785,125 | 1,378,860 | 4,462,812 | 4,415,071 |
| Total debt | \$ 5,349,167 | \$ 6,966,410 | \$ 63,181,940 | \$ 63,836,995 | \$ 68,531,107 | \$ 70,803,405 |

Additional information about the City's debt is presented in Note 8 of the Notes to the Basic Financial Statements of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Local governments throughout the State of California must continually find new ways to survive economically in order to meet their obligation of serving their communities. The City maintains a conservative approach to budgeting revenues and expenditures. Management takes an active role in monitoring the application of the budget during the fiscal year to apply any necessary changes to projected revenues as well as appropriated expenditures. The annual operating budget for the 2015-16 fiscal year was projected with minimal variance from the previous fiscal year and there were no tax rate or fee increases, other than the approved utility rate increases, included as part of the preparation and adoption of the budgets. The General Fund projections were balanced with Fiscal Year 2015-16. The Fiscal Year 2015-16 Operating Budget is a reflection of the City's commitment to the residents of the City of Fillmore. A copy of the budget can be obtained by contacting the City's Finance Department or on the City's website at www.fillmoreca.com.

REQUESTS FOR INFORMATION

This financial report 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.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of Fillmore

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

| | Governmental activities | Business-type activities | Total |
|--|----------------------------|-----------------------------|----------------------|
| Assets | | | |
| Cash and investments | \$ 18,984,285 | \$ 10,476,695 | \$ 29,460,980 |
| Cash and investments with fiscal agent | - | 3,731,352 | 3,731,352 |
| Receivables, net: | | | |
| Intergovernmental | 2,898,698 | - | 2,898,698 |
| Accounts | 523,368 | 1,365,122 | 1,888,490 |
| Interest | 6,785 | 6,082 | 12,867 |
| Notes and loans | 7,170,610 | - | 7,170,610 |
| Other | 6,507 | 53,503 | 60,010 |
| Prepaid items | 7,250 | - | 7,250 |
| Due from Successor Agency | 398,160 | - | 398,160 |
| Capital assets not being depreciated | 11,024,798 | 3,359,680 | 14,384,478 |
| Capital assets, net of accumulated depreciation | 29,796,164 | 71,176,745 | 100,972,909 |
| Total assets | 70,816,625 | 90,169,179 | 160,985,804 |
| Deferred outflows of resources | | | |
| Pension related | 404,204 | 269,470 | 673,674 |
| Deferred loss on refunding | - | 242,216 | 242,216 |
| Total deferred outflows of resources | 404,204 | 511,686 | 915,890 |
| Liabilities | | | |
| Accounts payable | 1,481,671 | 326,637 | 1,808,308 |
| Accrued liabilities | 114,926 | - | 114,926 |
| Due to others (see Note 13) | 3,893,054 | 494,183 | 4,387,237 |
| Due to Successor Agency | 750,000 | - | 750,000 |
| Unearned revenue | 2,680,124 | 53,503 | 2,733,627 |
| Deposits payable | 194,789 | 319,593 | 514,382 |
| Noncurrent liabilities | | | |
| Due within one year | 269,897 | 1,132,134 | 1,402,031 |
| Due in more than one year | 5,079,270 | 62,049,806 | 67,129,076 |
| Total liabilities | 14,463,731 | 64,375,856 | 78,839,587 |
| Deferred inflows of resources | | | |
| Pension related | 553,404 | 368,936 | 922,340 |
| Total deferred inflows of resources | 553,404 | 368,936 | 922,340 |
| Net position | | | |
| Net investment in capital assets | 40,519,500 | 13,465,952 | 53,985,452 |
| Restricted | 6,904,471 | 4,010,094 | 10,914,565 |
| Unrestricted | 8,779,723 | 8,460,027 | 17,239,750 |
| Total net position | \$ 56,203,694 | \$ 25,936,073 | \$ 82,139,767 |

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

City of Fillmore

**Statement of Activities
Year Ended June 30, 2016**

| Functions/programs | Expenses | Program revenues | | |
|----------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for services | Operating contributions and grants | Capital contributions and grants |
| Governmental activities: | | | | |
| General government | \$ 961,923 | \$ 130,954 | \$ - | \$ - |
| Public safety | 3,921,663 | 143,334 | 216,701 | 102,353 |
| Public works | 1,388,200 | 1,741,340 | 7,622 | 1,238,578 |
| Community development | 441,089 | 528,055 | 291,952 | 70,864 |
| Economic development | 49,945 | - | - | - |
| Transit | 319,687 | - | 881,156 | - |
| Parks and recreation | 828,992 | 249,265 | 152,619 | - |
| Total governmental activities | <u>7,911,499</u> | <u>2,792,948</u> | <u>1,550,050</u> | <u>1,411,795</u> |
| Business-type activities: | | | | |
| Sewer | 6,326,574 | 6,103,066 | - | - |
| Water | <u>2,423,168</u> | <u>3,049,178</u> | <u>-</u> | <u>-</u> |
| Total business-type activities | <u>8,749,742</u> | <u>9,152,244</u> | <u>-</u> | <u>-</u> |
| Total primary government | <u>\$ 16,661,241</u> | <u>\$ 11,945,192</u> | <u>\$ 1,550,050</u> | <u>\$ 1,411,795</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 position

Net position, beginning of year

Net position, end of year

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

| Net (expense) revenue and changes in net position | | |
|---|--------------------------|----------------------|
| Governmental activities | Business-type activities | Total |
| \$ (830,969) | \$ - | \$ (830,969) |
| (3,459,275) | - | (3,459,275) |
| 1,599,340 | - | 1,599,340 |
| 449,782 | - | 449,782 |
| (49,945) | - | (49,945) |
| 561,469 | - | 561,469 |
| (427,108) | - | (427,108) |
| <u>(2,156,706)</u> | <u>-</u> | <u>(2,156,706)</u> |
| - | (223,508) | (223,508) |
| - | 626,010 | 626,010 |
| <u>-</u> | <u>402,502</u> | <u>402,502</u> |
| <u>(2,156,706)</u> | <u>402,502</u> | <u>(1,754,204)</u> |
| 2,125,026 | - | 2,125,026 |
| 2,919,778 | - | 2,919,778 |
| 119,908 | - | 119,908 |
| 373,364 | - | 373,364 |
| 125,865 | - | 125,865 |
| 287,863 | - | 287,863 |
| 6,230 | - | 6,230 |
| 141,781 | - | 141,781 |
| 40,468 | 49,143 | 89,611 |
| <u>(152,985)</u> | <u>152,985</u> | <u>-</u> |
| <u>5,987,298</u> | <u>202,128</u> | <u>6,189,426</u> |
| 3,830,592 | 604,630 | 4,435,222 |
| <u>52,373,102</u> | <u>25,331,443</u> | <u>77,704,545</u> |
| <u>\$ 56,203,694</u> | <u>\$ 25,936,073</u> | <u>\$ 82,139,767</u> |

City of Fillmore

**Balance Sheet - Governmental Funds
June 30, 2016**

| | General | Special Revenue Fund Housing Successor | Nonmajor Governmental Funds | Total Governmental Funds |
|--|----------------------|---|-----------------------------------|--------------------------------|
| Assets | | | | |
| Cash and investments | \$ 9,118,934 | \$ 198,083 | \$ 9,667,268 | \$ 18,984,285 |
| Receivables: | | | | |
| Intergovernmental | 2,897,035 | - | 1,663 | 2,898,698 |
| Accounts | 432,713 | 1,569 | 89,086 | 523,368 |
| Interest | 4,540 | - | 2,245 | 6,785 |
| Notes and loans | 45,750 | 7,124,860 | - | 7,170,610 |
| Other | - | - | 6,507 | 6,507 |
| Due from other funds | 519,877 | - | - | 519,877 |
| Due from Successor Agency | 398,160 | - | - | 398,160 |
| Prepaid items | 7,250 | - | - | 7,250 |
| Total assets | \$ 13,424,259 | \$ 7,324,512 | \$ 9,766,769 | \$ 30,515,540 |
| Liabilities, deferred inflows of resources and fund balance | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 1,341,759 | \$ - | \$ 139,912 | \$ 1,481,671 |
| Accrued liabilities | 103,850 | - | 11,076 | 114,926 |
| Due to others (see Note 13) | 3,893,054 | - | - | 3,893,054 |
| Due to other funds | - | - | 519,877 | 519,877 |
| Due to Successor Agency | - | - | 750,000 | 750,000 |
| Unearned revenue | 1,852,592 | - | 827,532 | 2,680,124 |
| Deposits payable | 14,956 | - | 179,833 | 194,789 |
| Total liabilities | 7,206,211 | - | 2,428,230 | 9,634,441 |
| Deferred inflows of resources: | | | | |
| Unavailable revenue | 239,345 | - | - | 239,345 |
| Housing related loans | - | 7,124,860 | - | 7,124,860 |
| Total deferred inflows of resources | 239,345 | 7,124,860 | - | 7,364,205 |
| Fund balance (deficit): | | | | |
| Nonspendable | 7,250 | - | - | 7,250 |
| Restricted | - | 199,652 | 6,704,819 | 6,904,471 |
| Assigned | - | - | 1,124,781 | 1,124,781 |
| Unassigned | 5,971,453 | - | (491,061) | 5,480,392 |
| Total fund balance | 5,978,703 | 199,652 | 7,338,539 | 13,516,894 |
| Total liabilities, deferred inflows of resources and fund balance | \$ 13,424,259 | \$ 7,324,512 | \$ 9,766,769 | \$ 30,515,540 |

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

City of Fillmore

**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2016**

| | |
|--|-----------------------------|
| Fund balances of governmental funds | \$ 13,516,894 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Capital assets net of depreciation have not been included in the governmental fund activity: | |
| Capital assets | 55,990,485 |
| Accumulated depreciation | (15,169,523) |
| Long-term debt has not been included in the governmental fund activity: | |
| JPIA cumulative payments | (397,725) |
| Net pension liability | (2,677,687) |
| Capital leases payable | (301,462) |
| Compensated absences | (292,819) |
| OPEB Obligation | (900,411) |
| Sales tax reimbursement | (779,063) |
| Deferred inflows and outflows of resources related to pensions have not been included in the governmental fund activity | |
| Deferred inflows - pension related | (553,404) |
| Deferred outflows - pension related | 404,204 |
| Certain accounts, interest, advances, and intergovernmental receivables are not available to pay for current period expenditures and, therefore, are offset by deferred amounts in the governmental funds. | <u>7,364,205</u> |
| Net position of governmental activities | <u><u>\$ 56,203,694</u></u> |

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

City of Fillmore

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2016**

| | General | Special Revenue Fund Housing Successor | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---------------------|---|-----------------------------------|--------------------------------|
| Revenues | | | | |
| Taxes | \$ 5,562,638 | \$ - | \$ 633,023 | \$ 6,195,661 |
| Licenses and permits | 170,750 | - | - | 170,750 |
| Fines and forfeitures | 53,495 | - | - | 53,495 |
| Investment income | 55,845 | 78,551 | 13,023 | 147,419 |
| Intergovernmental | 268,748 | - | 1,244,162 | 1,512,910 |
| Charges for services | 700,712 | - | 2,605,967 | 3,306,679 |
| Other | 198,951 | - | 128,801 | 327,752 |
| Total revenues | 7,011,139 | 78,551 | 4,624,976 | 11,714,666 |
| Expenditures | | | | |
| Current: | | | | |
| General government | 1,332,248 | - | - | 1,332,248 |
| Public safety | 4,640,184 | - | - | 4,640,184 |
| Public works | 220,918 | - | 941,509 | 1,162,427 |
| Community development | 339,377 | 2,500 | 236,062 | 577,939 |
| Economic development | 58,528 | - | - | 58,528 |
| Transit | - | - | 395,662 | 395,662 |
| Parks and recreation | 135,807 | - | 593,424 | 729,231 |
| Capital outlay | - | - | 121,179 | 121,179 |
| Debt service: | | | | |
| Principal | - | - | 94,209 | 94,209 |
| Interest and fiscal charges | - | - | 2,655 | 2,655 |
| Total expenditures | 6,727,062 | 2,500 | 2,384,700 | 9,114,262 |
| Excess of revenues over expenditures | 284,077 | 76,051 | 2,240,276 | 2,600,404 |
| Other financing sources (uses) | | | | |
| Transfers in | 527,523 | - | 718,614 | 1,246,137 |
| Transfers out | (67,986) | - | (1,331,136) | (1,399,122) |
| Total other financing sources (uses) | 459,537 | - | (612,522) | (152,985) |
| Net change in fund balances | 743,614 | 76,051 | 1,627,754 | 2,447,419 |
| Fund balances, beginning of year | 5,235,089 | 123,601 | 5,710,785 | 11,069,475 |
| Fund balances, end of year | \$ 5,978,703 | \$ 199,652 | \$ 7,338,539 | \$ 13,516,894 |

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

City of Fillmore

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

Net change in fund balances - total governmental funds \$ 2,447,419

Amounts reported for governmental activities in the statement of activities differ from the amounts reported in the statement of revenues, expenditures, and changes in fund balances because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay capitalized is exceeded by depreciation in the current period.

| | Capital Outlay | |
|----------------------------------|----------------|-----------|
| Capital outlay, net of disposals | \$ 383,739 | |
| Depreciation, net of disposals | (1,024,306) | (640,567) |

The issuance of long-term debt provides current financial resources to governmental funds while the repayment of debt service principal and capital lease liabilities are expenditures in the governmental funds. The repayment reduces long-term liabilities in the statement of net position.

| | |
|--------------------------------------|-----------|
| Capital leases payments | 135,068 |
| Pension related net adjustments | 584,601 |
| JPIA cumulative deposits, net change | 47,373 |
| Sales tax reimbursement contingency | 1,119,061 |

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. (12,406)

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. (30,377)

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 not reported in the governmental funds. 180,420

Change in net position of governmental activities \$ 3,830,592

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

City of Fillmore

**Statement of Net Position - Proprietary Funds
June 30, 2016**

| | Enterprise Funds | | Total |
|---|--------------------|--------------------|---------------------|
| | Sewer | Water | |
| Assets | | | |
| Current assets: | | | |
| Cash and investments | \$ 4,474,798 | \$ 6,001,897 | \$ 10,476,695 |
| Cash and investments with fiscal agent | 3,731,339 | 13 | 3,731,352 |
| Receivables, net: | | | |
| Accounts | 923,710 | 441,412 | 1,365,122 |
| Interest | 2,582 | 3,500 | 6,082 |
| Other | 53,503 | - | 53,503 |
| Total current assets | <u>9,185,932</u> | <u>6,446,822</u> | <u>15,632,754</u> |
| Noncurrent assets: | | | |
| Capital assets: | | | |
| Land and construction in progress | 2,688,630 | 671,050 | 3,359,680 |
| Land and buildings improvements | 68,237,262 | 267,809 | 68,505,071 |
| Transmissions and mains | 5,778,991 | 7,499,469 | 13,278,460 |
| Wells and reservoirs | - | 518,381 | 518,381 |
| Machinery and equipment | - | 1,385,815 | 1,385,815 |
| Less - accumulated depreciation | <u>(8,880,687)</u> | <u>(3,630,295)</u> | <u>(12,510,982)</u> |
| Total non-current assets | <u>67,824,196</u> | <u>6,712,229</u> | <u>74,536,425</u> |
| Total assets | <u>77,010,128</u> | <u>13,159,051</u> | <u>90,169,179</u> |
| Deferred outflows of resources | | | |
| Pension related | 33,684 | 235,786 | 269,470 |
| Deferred loss on refunding | - | 242,216 | 242,216 |
| Total deferred outflows of resources | <u>33,684</u> | <u>478,002</u> | <u>511,686</u> |

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

City of Fillmore

**Statement of Net Position (continued) - Proprietary Funds
June 30, 2016**

| | Enterprise Funds | | Total |
|--|----------------------|---------------------|----------------------|
| | Sewer | Water | |
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 169,434 | \$ 157,203 | \$ 326,637 |
| Accrued interest payable | 444,868 | 49,315 | 494,183 |
| Deposits payable | 207,833 | 111,760 | 319,593 |
| Unearned revenue | 53,503 | - | 53,503 |
| Current portion of long-term obligations | 827,672 | 304,462 | 1,132,134 |
| Total current liabilities | <u>1,703,310</u> | <u>622,740</u> | <u>2,326,050</u> |
| Noncurrent liabilities: | | | |
| Compensated absences | 7,317 | 43,159 | 50,476 |
| Net pension liability | 223,141 | 1,561,984 | 1,785,125 |
| Bonds payable | 52,770,000 | 5,850,000 | 58,620,000 |
| Premium on bonds payable | 1,583,840 | 10,365 | 1,594,205 |
| Total non-current liabilities | <u>54,584,298</u> | <u>7,465,508</u> | <u>62,049,806</u> |
| Total liabilities | <u>56,287,608</u> | <u>8,088,248</u> | <u>64,375,856</u> |
| Deferred inflows of resources | | | |
| Pension related | <u>46,117</u> | <u>322,819</u> | <u>368,936</u> |
| Net position | | | |
| Net investment in capital assets | 12,647,562 | 818,390 | 13,465,952 |
| Restricted for debt service | 3,439,206 | 570,888 | 4,010,094 |
| Unrestricted | 4,623,319 | 3,836,708 | 8,460,027 |
| Total net position | <u>\$ 20,710,087</u> | <u>\$ 5,225,986</u> | <u>\$ 25,936,073</u> |

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

City of Fillmore

**Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds
Year Ended June 30, 2016**

| | Enterprise Funds | | Total |
|--|------------------|--------------|---------------|
| | Sewer | Water | |
| Operating revenues | | | |
| Sales and service charges, net | \$ 5,841,010 | \$ 2,990,854 | \$ 8,831,864 |
| Other | 262,056 | 58,324 | 320,380 |
| Total operating revenues | 6,103,066 | 3,049,178 | 9,152,244 |
| Operating expenses | | | |
| Administration costs | 445,394 | 560,220 | 1,005,614 |
| Pumping | - | 774,076 | 774,076 |
| Transmission and distribution | - | 316,831 | 316,831 |
| Customer accounts | - | 312,876 | 312,876 |
| Treatment and disposal plant | 2,140,651 | - | 2,140,651 |
| Depreciation | 1,090,668 | 137,298 | 1,227,966 |
| Total operating expenses | 3,676,713 | 2,101,301 | 5,778,014 |
| Operating income | 2,426,353 | 947,877 | 3,374,230 |
| Non-operating revenues (expenses) | | | |
| Investment income | 22,948 | 26,195 | 49,143 |
| Amortization | - | (15,139) | (15,139) |
| Interest expense | (2,647,636) | (306,728) | (2,954,364) |
| Bond trustee charges | (2,225) | - | (2,225) |
| Total non-operating revenues (expenses) | (2,626,913) | (295,672) | (2,922,585) |
| Income (loss) before transfers | (200,560) | 652,205 | 451,645 |
| Transfers | | | |
| Transfers in | 312,536 | 242,345 | 554,881 |
| Transfers out | (106,521) | (295,375) | (401,896) |
| Change in net position | 5,455 | 599,175 | 604,630 |
| Net position, beginning of year | 20,704,632 | 4,626,811 | 25,331,443 |
| Net position, end of year | \$ 20,710,087 | \$ 5,225,986 | \$ 25,936,073 |

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

City of Fillmore

**Statement of Cash Flows - Proprietary Funds
Year Ended June 30, 2016**

| | Enterprise Funds | | Total |
|---|---------------------|---------------------|----------------------|
| | Sewer | Water | |
| Cash flows from operating activities | | | |
| Receipts from customers | \$ 6,139,520 | \$ 2,999,462 | \$ 9,138,982 |
| Payments to employees | (169,344) | (523,253) | (692,597) |
| Payments to suppliers | (2,485,268) | (1,218,132) | (3,703,400) |
| Net cash provided by operating activities | <u>3,484,908</u> | <u>1,258,077</u> | <u>4,742,985</u> |
| Cash flows from noncapital financing activities | | | |
| Transfer to/from other funds, net | <u>206,015</u> | <u>(53,030)</u> | <u>152,985</u> |
| Net cash provided by (used for) noncapital financing activities | <u>206,015</u> | <u>(53,030)</u> | <u>152,985</u> |
| Cash flows from capital and related financing activities | | | |
| Principal payments on long-term debt | (735,000) | (265,000) | (1,000,000) |
| Payments for capital assets | - | (252,443) | (252,443) |
| Interest paid on long-term debt | (2,709,832) | (308,633) | (3,018,465) |
| Net cash used for capital and related financing activities | <u>(3,444,832)</u> | <u>(826,076)</u> | <u>(4,270,908)</u> |
| Cash flows from investing activities | | | |
| Interest on investments | <u>20,366</u> | <u>22,694</u> | <u>43,060</u> |
| Net cash provided by investing activities | <u>20,366</u> | <u>22,694</u> | <u>43,060</u> |
| Net increase in cash and cash equivalents | 266,457 | 401,665 | 668,122 |
| Cash and cash equivalents, beginning of year | <u>7,939,680</u> | <u>5,600,245</u> | <u>13,539,925</u> |
| Cash and cash equivalents, end of year | <u>\$ 8,206,137</u> | <u>\$ 6,001,910</u> | <u>\$ 14,208,047</u> |

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

City of Fillmore

**Statement of Cash Flows (continued) - Proprietary Funds
Year Ended June 30, 2016**

| | Enterprise Funds | | Total |
|---|---------------------|---------------------|----------------------|
| | Sewer | Water | |
| Non-cash capital related financing activities | | | |
| Amortization of deferred charges | \$ 105,589 | \$ 15,139 | \$ 120,728 |
| Increase (decrease) in allowance for doubtful accounts | - | (757) | (757) |
| Reconciliation of cash and cash equivalents to amounts reported on the statement of net position | | | |
| Reported on the statement of net position: | | | |
| Cash and investments | \$ 4,474,798 | \$ 6,001,897 | \$ 10,476,695 |
| Cash and investments with fiscal agent | 3,731,339 | 13 | 3,731,352 |
| Totals | <u>\$ 8,206,137</u> | <u>\$ 6,001,910</u> | <u>\$ 14,208,047</u> |
| Reconciliation of operating income to net cash provided by operations: | | | |
| Operating income | <u>\$ 2,426,353</u> | <u>\$ 947,877</u> | <u>\$ 3,374,230</u> |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | |
| Depreciation | 1,090,668 | 137,298 | 1,227,966 |
| Bad debt expense (recovery) | - | (757) | (757) |
| Actuarial pension expense | (3,218) | 369,391 | 366,173 |
| Pension contributions subsequent to measurement date | (12,797) | (119,620) | (132,417) |
| (Increase) decrease in assets: | | | |
| Receivables, net | (138,949) | (63,924) | (202,873) |
| Prepays | - | 2,825 | 2,825 |
| Increase (decrease) in liabilities: | | | |
| Accounts payable | (49,555) | (25,142) | (74,697) |
| Deposits payable | 175,403 | 14,964 | 190,367 |
| Compensated absences | (2,997) | (4,835) | (7,832) |
| Total adjustments | <u>1,058,555</u> | <u>310,200</u> | <u>1,368,755</u> |
| Net cash provided by operating activities | <u>\$ 3,484,908</u> | <u>\$ 1,258,077</u> | <u>\$ 4,742,985</u> |

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

City of Fillmore

**Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2016**

| | Private-purpose trust fund | Agency fund |
|--|-------------------------------|-----------------------------|
| | <u> </u> | <u> </u> |
| Assets | | |
| Cash and investments | \$ 3,155,495 | \$ 2,092,621 |
| Cash and investments with fiscal agent | 25,071 | 14,015,098 |
| Receivables: | | |
| Accounts | 140 | - |
| Interest | 7 | 369 |
| Taxes | - | 9,822 |
| Notes and loans | 75,500 | - |
| Due from City of Fillmore | 750,000 | - |
| Capital assets: | | |
| Land | 3,627,062 | - |
| Depreciable infrastructure, net | 46,108 | - |
| Depreciable buildings and improvements, net | 1,857,981 | - |
| Depreciable machinery and equipment, net | <u>6,077</u> | <u>-</u> |
| Total assets | <u>9,543,441</u> | <u>\$ 16,117,910</u> |
| Deferred Outflows of Resources | | |
| Debt related | <u>1,047,542</u> | |
| Liabilities | | |
| Accounts payable | 3,315 | \$ 46,088 |
| Interest payable | 141,379 | - |
| Accrued liabilities | 3,274 | - |
| Deposits payable | 375 | 547,978 |
| Unearned revenue | 75,500 | - |
| Due to bondholders | - | 15,523,844 |
| Due to City of Fillmore | 398,160 | - |
| Long-term liabilities: | | |
| Due in more than one year | <u>42,273,348</u> | <u>-</u> |
| Total liabilities | <u>42,895,351</u> | <u>\$ 16,117,910</u> |
| Net position (deficit) | | |
| Held in trust for the Successor Agency | <u>\$ (32,304,368)</u> | |

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

City of Fillmore

**Statement of Changes in Fiduciary Net Position - Fiduciary Funds
Year Ended June 30, 2016**

| | Private-purpose trust fund |
|---|-------------------------------|
| Additions: | |
| Property taxes | \$ 3,678,220 |
| Investment earnings | 56,848 |
| Other | 5,945 |
| | <hr/> |
| Total additions | 3,741,013 |
| | <hr/> |
| Deductions: | |
| Administrative expenses | 337,535 |
| Interest and fiscal charges | 1,809,194 |
| Depreciation | 66,407 |
| | <hr/> |
| Total deductions | 2,213,136 |
| | <hr/> |
| Change in net position | 1,527,877 |
| Net position (deficit), beginning of year | <hr/> (33,832,245) |
| Net position (deficit), end of year | <hr/> <hr/> \$ (32,304,368) |

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

**Notes to the Basic Financial Statements
Year Ended June 30, 2016**

Note 1: Reporting entity and 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 (GAAP) 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.

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 unit: 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.

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. The Fillmore Public Financing Authority is considered a blended component unit of the City.

Successor Agency to the Former 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 was to prepare and carry out plans for the improvement, rehabilitation, and development of blighted areas within the territorial limits of the City of Fillmore.

As of February 1, 2012, the Redevelopment Agency ceased all operations in accordance with AB X1 26. All assets and activity of the former redevelopment agency (except for low and moderate income housing assets), as of February 1, 2012, were transferred to the Successor Agency to the Redevelopment Agency of the City of Fillmore (Successor Agency) (a private-purpose trust fund). As of February 1, 2012 the City of Fillmore elected to be the Housing Successor and chose to retain the housing assets and functions previously held and performed by the former redevelopment agency. Since the Successor Agency is a private-purpose trust fund, it can no longer be considered a component unit of the City.

**Notes to the Basic Financial Statements
Year Ended June 30, 2016**

Note 1: Reporting entity and summary of significant accounting policies, (continued)

Accounting policies

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

a. Government-wide and fund financial statements

The Government-Wide Financial Statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund 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 segments 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.

b. Measurement focus, basis of accounting, and financial statements 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 within the availability period.

**Notes to the Basic Financial Statements
Year Ended June 30, 2016**

Note 1: Reporting entity and summary of significant accounting policies, (continued)

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

As a general rule, the effect of inter-fund 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.

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, and general revenues include all taxes.

The funds designated as major funds are determined by a mathematical calculation consistent with GASB Statement No. 34. The City reports the following major governmental funds:

General Fund - This 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.

Housing Successor Special Revenue Fund - This fund accounts for the City's low and moderate income housing activities. The fund was established as the Housing Successor for the former redevelopment agency's Low and Moderate Income Housing fund which was dissolved as of February 1, 2012. Resources of this fund consist of cash and cash equivalents and notes and loans receivable. Revenues in this fund consist of repayments of notes and loans receivable and investment income, if any.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with 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 enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

In the fund financial statements, proprietary funds are presented using the *economic resources measurement focus*. This means that all assets and deferred outflows of resources, and all liabilities and deferred inflows of resources (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

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.

**Notes to the Basic Financial Statements
Year Ended June 30, 2016**

Note 1: Reporting entity and summary of significant accounting policies, (continued)

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

Fiduciary Fund financial statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The City maintains two fiduciary fund types that are omitted from the government-wide statements. The first is a private-purpose trust fund which uses the economic resources measurement focus and the accrual basis of accounting. Private-purpose trust funds are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments. The second is an agency fund which has no measurement focus. Agency funds are custodial in nature (assets equal liabilities) and do not involve the recording of City revenues and expenses.

The City reports the following fiduciary funds which are excluded from the government-wide financial statements:

Agency Funds - These 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 Purpose Trust Fund - This fund accounts for the activities of the Successor Agency to the former Fillmore Redevelopment Agency. The fund's primary purpose is to expedite the dissolution of the former agency's net position in accordance with the provisions of AB X1 26 and AB 1484.

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

c. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position

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.

Investments

Investments are reported in the accompanying statement of net position 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
Year Ended June 30, 2016**

Note 1: Reporting entity and summary of significant accounting policies, (continued)

c. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position, (continued)

Inventories

Inventories of the City, which consist mostly of water meters and spare parts, if any, are stated at the lower of cost or market, using the first-in, first-out (FIFO) method.

Receivables and payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as inter-fund receivables/inter-fund payables (i.e., the current portion of inter-fund loans) or advances to/from other funds (the noncurrent portion of inter-fund loans). All other outstanding balances between funds are reported as inter-fund receivables or inter-fund 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.

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

Property taxes

Under California Law, property taxes are assessed and collected by the County of Ventura on up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to the cities based on complex formulas. The City accrues only those taxes which are levied for the year and are received within 60 days after year end.

| | |
|------------------|--|
| Lien date | January 1 |
| Levy date | July 1 |
| Due dates | November 1 - 1 st installment February 1 - 2 nd installment |
| Collection dates | December 10 - 1 st installment April 10 - 2 nd installment |

Prepaid items

Payments made to vendors for services that will benefit periods beyond June 30, 2016, are recorded as prepaid items and are offset equally by a fund balance account which indicates that they do not constitute expendable available resources and therefore are not available for appropriation.

Cash and investments with fiscal agent

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.

Notes to the Basic Financial Statements
Year Ended June 30, 2016

Note 1: Reporting entity and summary of significant accounting policies, (continued)

c. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position, (continued)

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 acquisition value at the date of donation in accordance with GASB 72. 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, 2016.

Property, plant, and equipment of the City are 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.

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, 2016, the City has determined that there are no outstanding claims or judgments which would be material to the financial statements.

**Notes to the Basic Financial Statements
Year Ended June 30, 2016**

Note 1: Reporting entity and summary of significant accounting policies, (continued)

**c. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position,
(continued)**

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

Long-term obligations reported by governmental activities, business-type activities, and proprietary funds are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the debt using straight line method. The difference between the reacquisition price and the net carrying amount of the old debt in refunding of debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. Debt issuance costs, except any portion related to prepaid insurance costs, is recognized as an expense in the period incurred. Prepaid insurance costs are reported as an asset and recognized as an expense in a systematic and rational manner over the duration of the related debt.

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 expenditures.

**Notes to the Basic Financial Statements
Year Ended June 30, 2016**

Note 1: Reporting entity and summary of significant accounting policies, (continued)

c. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position, (continued)

Net position

Net position is divided into three captions under GASB Statement No. 34. These captions apply only to Net Position as determined at the Government-wide level, and are described below:

- *Net investment in capital assets* describes the portion of net position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets, if any.
- *Restricted* describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and redevelopment funds restricted to low and moderate income housing purposes.
- *Unrestricted* describes the portion of net position, which is not restricted as to use.

Fund balances

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- *Nonspendable* – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.
- *Restricted* – amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions or by enabling legislation.
- *Committed* – amounts constrained to specific purposes by a government itself, using the highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.
- *Assigned* – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- *Unassigned* – amounts that are for any purpose; positive amounts are reported only in a general fund.

The City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. The City Council has not designated any level of authority for committing or assigning fund balance; therefore, City Council only can commit or assign fund balance. The formal action required to commit a fund balance is by minute action. It is the City policy to consider committed amounts to be used first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. In addition, when both restricted and unrestricted resources are available for use when expenditure is incurred, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. It is the City's policy to consider committed amounts as being reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

**Notes to the Basic Financial Statements
Year Ended June 30, 2016**

Note 1: Reporting entity and summary of significant accounting policies, (continued)

d. 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.

e. Pension plans

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

| | |
|-------------------------|-------------------------------|
| Valuation Date (VD) | June 30, 2014 |
| Measurement Date (MD) | June 30, 2015 |
| Measurement Period (MP) | July 1, 2014 to June 30, 2015 |

f. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City presents pension and debt related items that qualify for reporting in this category for the fiscal year ended June 30, 2016.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflow of resources. This separate element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one pension related item that qualifies for reporting in this category. The governmental funds report deferred loans related item that qualifies for reporting in this category in the governmental funds financial statements. These amounts are deferred and recognized as an inflow of resources in the period that the amounts materialize and become available.

Notes to the Basic Financial Statements
Year Ended June 30, 2016

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.

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 do not constitute expenditures or liabilities because the commitments will be honored during the subsequent fiscal year.

Deficit fund balances

The following funds present deficits of fund balances as of June 30, 2016:

| | <u>Amount</u> |
|------------------------------|---------------|
| Nonmajor governmental funds: | |
| Debt service fund: | |
| Public Financing Authority | \$ (93,942) |
| Special revenue funds: | |
| Swimming Pool Maintenance | (232,628) |
| Recreation | (143,585) |
| Storm Water NPDES | (20,906) |

The fund deficits reported above are related to short-term borrowings of cash deficits and due to timing differences between when the funds incur project expenditures and when the related revenue stream is received.

Notes to the Basic Financial Statements
Year Ended June 30, 2016

Note 3: Cash and investments

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

| | |
|--|---------------------------------|
| Statement of net position: | |
| Cash and investments | \$ 29,460,980 |
| Cash and investments with fiscal agent | 3,731,352 |
| Statement of fiduciary assets and liabilities: | |
| Cash and investments | 5,248,116 |
| Cash and investments with fiscal agent | <u>14,040,169</u> |
| Total cash and investments | <u><u>\$ 52,480,617</u></u> |

Cash and investments as of June 30, 2016, consist of the following:

| | |
|--------------------------------------|---------------------------------|
| Cash on hand | \$ 1,100 |
| Deposits with financial institutions | 26,070,157 |
| Investments | <u>26,409,360</u> |
| Total cash and investments | <u><u>\$ 52,480,617</u></u> |

Investments authorized by the California Government Code and the City's investment policies

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* |
|---|-------------------|----------------------------------|-----------------------------------|
| United States Treasury Bills, Bonds and Notes | 5 years | up to 80% | (1) |
| Bankers Acceptances | 180 days | up to 40% | 30% |
| Commercial Paper | 270 days | up to 25% | 10% |
| Securities issued by the State of California or local agencies within the State of California | 5 years | up to 80% | (1) |
| Negotiable Certificates of Deposits | 5 years | up to 30% | None |
| Medium Term Notes | 5 years | up to 30% | 5% |
| Money Market Mutual Funds | N/A | up to 20% | 10% |
| County of Ventura Investment Pool | N/A | up to 80% | (1) |
| Local Agency Investment Fund (LAIF) | N/A | up to 80% | (1) |

(1) Up to 80% of the portfolio, however, the total amount may not be committed to any one agency.

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

Notes to the Basic Financial Statements
Year Ended June 30, 2016

Note 3: Cash and investments, (continued)

Investments authorized by debt agreements

Investment of debt proceeds held by bond trustees 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 trustees. 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 |
| Certificates of Deposit | None | None | None |
| Money Market Mutual Funds | N/A | None | 10% |
| Investment Contracts | 31 years | None | None |
| Local Agency Investment Fund | None | None | \$ 65,000,000 |

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 | \$ 4,717,839 | \$ 4,717,839 | \$ - | \$ - | \$ - |
| Certificates of deposit | 3,920,000 | 735,000 | 980,000 | 2,205,000 | - |
| Held by bond trustee: | | | | | |
| First American Treasury Obligations | 192,060 | 192,060 | - | - | - |
| Money Market Funds (US Treasury) | 17,579,461 | 17,579,461 | - | - | - |
| Total investments | \$ 26,409,360 | \$ 23,224,360 | \$ 980,000 | \$ 2,205,000 | \$ - |

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).

Notes to the Basic Financial Statements
Year Ended June 30, 2016

Note 3: Cash and investments, (continued)

Credit risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, 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 | \$ 4,717,839 | N/A | \$ - | \$ 4,717,839 |
| Certificates of deposit | 3,920,000 | N/A | - | 3,920,000 |
| Held by bond trustee: | | | | |
| First American Treasury Obligations | 192,060 | N/A | 192,060 | - |
| Money Market Funds (US Treasury) | <u>17,579,461</u> | N/A | <u>17,579,461</u> | <u>-</u> |
| Total investments | <u>\$ 26,409,360</u> | | <u>\$ 17,771,521</u> | <u>\$ 8,637,839</u> |

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 than 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, 2016, \$23,729,575 of the City's and \$2,932,914 of the Successor Agency's deposits with financial institutions in excess of federal depository insurance limits were held in fully collateralized accounts as required by the California Government Code as stated above.

City of Fillmore

**Notes to the Basic Financial Statements
Year Ended June 30, 2016**

Note 3: Cash and investments, (continued)

Investment in State Investment Pool

The City 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. The LAIF available balance as of June 30, 2016, was \$4,712,749 and \$5,090 for the City of Fillmore and the Successor Agency, respectively.

Fair Value Measurements

GASB Statement No. 72, Fair Value Measurements and Application, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of quoted prices (unadjusted) for identical assets and liabilities in active markets that a government can access at the measurement date, Level 2 inputs that are observable for an asset or liability, either directly or indirectly, and Level 3 inputs have the lowest priority and consist of unobservable inputs for an asset or liability.

The following table presents the balances of the assets measured at fair value on a recurring basis as of June 30, 2016:

| Investments by Fair Value Hierarchy | Total | Level 1 | Level 2 | Level 3 |
|---|----------------------|-------------------|----------------------|-------------|
| Certificates of deposit | \$ 3,920,000 | \$ - | \$ 3,920,000 | \$ - |
| Held by bond trustee: | | | | |
| First American Treasury Obligations | 192,060 | 192,060 | - | - |
| Money Market Funds (US Treasury) | 17,579,461 | 40,500 | 17,538,961 | - |
| Total Investments by Fair Value Hierarchy | 21,691,521 | \$ 232,560 | \$ 21,458,961 | \$ - |
| Investments outside the Fair Value Hierarchy | | | | |
| State Investment Pool | 4,717,839 | | | |
| Total Investments at Fair Value | \$ 26,409,360 | | | |

**Notes to the Basic Financial Statements
Year Ended June 30, 2016**

Note 4: Accounts Receivable

The following is a list of accounts receivable at June 30, 2016:

| | Receivable | Allowance | Net |
|---------------------------|---------------------|-------------------|---------------------|
| Governmental activities: | | | |
| Intergovernmental | \$ 2,898,698 | \$ - | \$ 2,898,698 |
| Accounts | 523,368 | - | 523,368 |
| Total | \$ 3,422,066 | \$ - | \$ 3,422,066 |
| Business-type activities: | | | |
| Accounts | \$ 1,366,956 | \$ (1,834) | \$ 1,365,122 |
| Other | 53,503 | - | 53,503 |
| Total | \$ 1,420,459 | \$ (1,834) | \$ 1,418,625 |
| Fiduciary funds: | | | |
| Accounts | \$ 140 | \$ - | \$ 140 |
| Total | \$ 140 | \$ - | \$ 140 |

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

| | Beginning Balance | Additions | Deletions | Ending Balance |
|---|----------------------|-------------|--------------------|---------------------|
| Loans receivable: | | | | |
| Home rehabilitation loans | \$ 53,087 | \$ - | \$ - | \$ 53,087 |
| First time home-buyers loans | 1,016,457 | - | (50,000) | 966,457 |
| Stewart loans | 248,010 | - | (17,933) | 230,077 |
| Total loans receivable | 1,317,554 | - | (67,933) | 1,249,621 |
| Notes receivable: | | | | |
| Fillmore Parkview Seniors LP | 5,920,989 | - | - | 5,920,989 |
| Total loans and notes receivable | \$ 7,238,543 | \$ - | \$ (67,933) | \$ 7,170,610 |

Notes to the Basic Financial Statements
Year Ended June 30, 2016

Note 5: Notes and loans receivable, (continued)

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

| | June 30, 2016 |
|---|---------------|
| a) The Former Redevelopment Agency 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. These loans were transferred to the City as of January 31, 2012 and are maintained in the City's Housing Successor Fund. | \$ 53,087 |
| b) The Former Redevelopment 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. These loans were transferred to the City as of January 31, 2012 and are maintained in the City's Housing Successor Fund. | 966,457 |
| c) The Former Redevelopment Agency 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. These loans were transferred to the City as of January 31, 2012 and are maintained in the City's Housing Successor Fund. A third loan for \$90,000 at 4% and is fully amortized over 20 years beginning January 1, 2011 was entered by the City. The third loan is secured by a Deed of Trust. | 230,077 |
| d) The Former Redevelopment 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, 2016 is \$139,998. This note was transferred to the City as of January 31, 2012 and is maintained in the City's Housing Successor Fund. | 5,920,989 |
| Total | \$ 7,170,610 |

City of Fillmore

**Notes to the Basic Financial Statements
Year Ended June 30, 2016**

Note 6: Inter-fund activity

The following represents the inter-fund activity of the City for the fiscal year ended June 30, 2016:

a. Transfers

With council approval, resources may be transferred from one City fund to another. Transfers in and out for the year ended June 30, 2016, were as follows:

| <u>Fund receiving transfers</u> | <u>Funds making transfers</u> | <u>Amounts</u> |
|---------------------------------|-------------------------------|---------------------|
| General Fund | Sewer Fund | b \$ 106,521 |
| | Water Fund | b 235,374 |
| | Nonmajor Governmental Funds | b 185,628 |
| | | 527,523 |
| Nonmajor Governmental Funds | General Fund | a-b 67,986 |
| | Water Fund | d 60,001 |
| | Nonmajor Governmental Funds | b 590,627 |
| | | 718,614 |
| Water Fund | Nonmajor Governmental Funds | e 242,345 |
| Sewer Fund | Nonmajor Governmental Funds | c 312,536 |
| | Total transfers | \$ 1,801,018 |

- a - Transfers made to pay for capital leases.
- b - Transfers made to provide funding for operations.
- c - Transfers made to allocate revenues related to DIF fees.
- d - Transfers made to provide funding for capital project.
- e - Transfers made to move projects to Water Fund.

b. Advances

Advances are long-term in nature and will be repaid when the funds become available. As of June 30, 2016, there were no outstanding advances between funds.

c. Due to/from other funds

Current inter-fund balances arise in the normal course of business and are to assist funds with negative cash balances at the fiscal year end. They are expected to be repaid shortly after the end of the fiscal year.

| <u>Receivable fund</u> | <u>Payable fund</u> | <u>Amounts</u> |
|------------------------|-----------------------------|----------------|
| General Fund | Nonmajor Governmental Funds | \$ 519,877 |

City of Fillmore

**Notes to the Basic Financial Statements
Year Ended June 30, 2016**

Note 7: Capital assets

a. Governmental activities

Capital assets governmental activity for the fiscal year ended June 30, 2016, was as follows:

| | Beginning balance | Additions | Deletions | Ending balance |
|--|----------------------|---------------------|-----------------|----------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 10,865,924 | \$ - | \$ - | \$ 10,865,924 |
| Construction in progress | 45,810 | 113,064 | - | 158,874 |
| Total capital assets, not being depreciated | <u>10,911,734</u> | <u>113,064</u> | <u>-</u> | <u>11,024,798</u> |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements: | | | | |
| Buildings | 18,410,152 | - | - | 18,410,152 |
| Land improvements | 5,500,560 | 42,836 | - | 5,543,396 |
| Machinery and equipment | 1,479,463 | - | (23,644) | 1,455,819 |
| Autos and trucks | 2,513,675 | 217,412 | (21,472) | 2,709,615 |
| Infrastructure | 16,846,705 | - | - | 16,846,705 |
| Total capital assets, being depreciated | <u>44,750,555</u> | <u>260,248</u> | <u>(45,116)</u> | <u>44,965,687</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements: | | | | |
| Buildings | (3,148,451) | (307,915) | - | (3,456,366) |
| Land improvements | (2,381,325) | (240,556) | - | (2,621,881) |
| Machinery and equipment | (1,051,768) | (52,991) | 23,644 | (1,081,115) |
| Autos and trucks | (1,990,068) | (163,619) | 21,472 | (2,132,215) |
| Infrastructure | (5,618,721) | (259,225) | - | (5,877,946) |
| Total accumulated depreciation | <u>(14,190,333)</u> | <u>(1,024,306)</u> | <u>45,116</u> | <u>(15,169,523)</u> |
| Total capital assets, being depreciated, net | <u>30,560,222</u> | <u>(764,058)</u> | <u>-</u> | <u>29,796,164</u> |
| Total governmental activities capital assets, net | <u>\$ 41,471,956</u> | <u>\$ (650,994)</u> | <u>\$ -</u> | <u>\$ 40,820,962</u> |

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

| | |
|-----------------------|---------------------|
| General government | \$ 148,055 |
| Public safety | 172,492 |
| Public works | 448,984 |
| Community development | 14,986 |
| Parks and recreation | 239,789 |
| Total | <u>\$ 1,024,306</u> |

Notes to the Basic Financial Statements
Year Ended June 30, 2016

Note 7: Capital assets, (continued)

b. Business-type activities

Capital asset business-type activities for the fiscal year ended June 30, 2016, was as follows:

| | Beginning balance | Additions | Deletions | Ending balance |
|---|----------------------|-----------------------|--------------------|----------------------|
| Business-type activities: | | | | |
| Sewer activity | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 2,688,630 | \$ - | \$ - | \$ 2,688,630 |
| Total capital assets, not being depreciated | 2,688,630 | - | - | 2,688,630 |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | 68,237,262 | - | - | 68,237,262 |
| Transmissions and mains | 5,778,991 | - | - | 5,778,991 |
| Less - accumulated depreciation | (7,790,019) | (1,090,668) | - | (8,880,687) |
| Total capital assets, being depreciated | 66,226,234 | (1,090,668) | - | 65,135,566 |
| Total sewer capital assets, net | \$ 68,914,864 | \$ (1,090,668) | \$ - | \$ 67,824,196 |
| Water activity | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 497,523 | \$ - | \$ (14,200) | \$ 483,323 |
| Construction in progress | - | 187,727 | - | 187,727 |
| Total capital assets, not being depreciated | 497,523 | 187,727 | (14,200) | 671,050 |
| Capital assets, being depreciated: | | | | |
| Land improvements | 267,809 | - | - | 267,809 |
| Machinery and equipment | 1,321,099 | 64,716 | - | 1,385,815 |
| Wells and reservoirs | 518,381 | - | - | 518,381 |
| Transmission and mains | 7,499,469 | - | - | 7,499,469 |
| Less - accumulated depreciation | (3,492,997) | (137,298) | - | (3,630,295) |
| Total capital assets, being depreciated | 6,113,761 | (72,582) | - | 6,041,179 |
| Total water capital assets, net | \$ 6,611,284 | \$ 115,145 | \$ (14,200) | \$ 6,712,229 |

City of Fillmore

**Notes to the Basic Financial Statements
Year Ended June 30, 2016**

Note 7: Capital assets, (continued)

b. Business-type activities, (continued)

| | Beginning balance | Additions | Deletions | Ending balance |
|---|-----------------------------|----------------------------|---------------------------|-----------------------------|
| Total business-type activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 3,186,153 | \$ - | \$ (14,200) | \$ 3,171,953 |
| Construction in progress | - | 187,727 | - | 187,727 |
| Total capital assets, not being depreciated | <u>3,186,153</u> | <u>187,727</u> | <u>(14,200)</u> | <u>3,359,680</u> |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | 68,237,262 | - | - | 68,237,262 |
| Transmissions and mains | 13,278,460 | - | - | 13,278,460 |
| Land improvements | 267,809 | - | - | 267,809 |
| Machinery and equipment | 1,321,099 | 64,716 | - | 1,385,815 |
| Wells and reservoirs | 518,381 | - | - | 518,381 |
| Less - accumulated depreciation | <u>(11,283,016)</u> | <u>(1,227,966)</u> | <u>-</u> | <u>(12,510,982)</u> |
| Total capital assets, being depreciated | <u>72,339,995</u> | <u>(1,163,250)</u> | <u>-</u> | <u>71,176,745</u> |
| Total business-type activities capital assets, net | <u><u>\$ 75,526,148</u></u> | <u><u>\$ (975,523)</u></u> | <u><u>\$ (14,200)</u></u> | <u><u>\$ 74,536,425</u></u> |

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

| | |
|-------|----------------------------|
| Sewer | \$ 1,090,668 |
| Water | <u>137,298</u> |
| Total | <u><u>\$ 1,227,966</u></u> |

**Notes to the Basic Financial Statements
Year Ended June 30, 2016**

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, 2016:

| | Beginning balance | Additions | Deletions | Ending balance | Due within one year |
|---|----------------------|-------------------|-----------------------|----------------------|------------------------|
| Governmental activities: | | | | | |
| Capital leases payable | \$ 436,530 | \$ - | \$ (135,068) | \$ 301,462 | \$ 57,291 |
| OPEB obligation (see Note 10) | 870,034 | 30,377 | - | 900,411 | - |
| JPIA - General liability | 245,959 | 33,574 | - | 279,533 | 75,779 |
| JPIA - Workers compensation | 199,139 | 18,623 | (99,570) | 118,192 | 19,699 |
| Compensated absences | 280,413 | 39,806 | (27,400) | 292,819 | 117,128 |
| Sales tax reimbursement (see Note 13) | 1,898,124 | - | (1,119,061) | 779,063 | - |
| Net pension liability (see Note 9) | 3,036,211 | - | (358,524) | 2,677,687 | - |
| | <u>6,966,410</u> | <u>122,380</u> | <u>(1,739,623)</u> | <u>5,349,167</u> | <u>269,897</u> |
| Governmental activities long-term liabilities | <u>\$ 6,966,410</u> | <u>\$ 122,380</u> | <u>\$ (1,739,623)</u> | <u>\$ 5,349,167</u> | <u>\$ 269,897</u> |
| Business-type activities: | | | | | |
| <i>Water</i> | | | | | |
| Compensated absences | \$ 76,766 | \$ 9,778 | \$ (14,613) | \$ 71,931 | \$ 28,772 |
| Net pension liability (see Note 9) | 1,168,711 | 393,273 | - | 1,561,984 | - |
| 2010 refunding bonds | 6,390,000 | - | (265,000) | 6,125,000 | 275,000 |
| Premium on bonds | 11,747 | - | (692) | 11,055 | 690 |
| | <u>7,647,224</u> | <u>403,051</u> | <u>(280,305)</u> | <u>7,769,970</u> | <u>304,462</u> |
| Sub-total water | <u>7,647,224</u> | <u>403,051</u> | <u>(280,305)</u> | <u>7,769,970</u> | <u>304,462</u> |
| <i>Sewer</i> | | | | | |
| Compensated absences | 15,192 | 1,658 | (4,655) | 12,195 | 4,878 |
| Net pension liability (see Note 9) | 210,149 | 12,992 | - | 223,141 | - |
| Series 2007 revenue bonds | 54,275,000 | - | (735,000) | 53,540,000 | 770,000 |
| Premium on bonds | 1,689,430 | - | (52,796) | 1,636,634 | 52,794 |
| | <u>56,189,771</u> | <u>14,650</u> | <u>(792,451)</u> | <u>55,411,970</u> | <u>827,672</u> |
| Sub-total sewer | <u>56,189,771</u> | <u>14,650</u> | <u>(792,451)</u> | <u>55,411,970</u> | <u>827,672</u> |
| Business-type activities long-term liabilities | <u>\$ 63,836,995</u> | <u>\$ 417,701</u> | <u>\$ (1,072,756)</u> | <u>\$ 63,181,940</u> | <u>\$ 1,132,134</u> |

a. Capital lease obligations

The City is obligated under a lease which is accounted for as capital lease:

2014 Fire Engine - Oshkosh Capital 2014

In 2014, the City entered into a capital lease agreement with Oshkosh Capital for a 2014 fire engine. The balance of the 2014 capital lease at June 30, 2016, is \$301,462. Minimum annual payments are \$57,291 for the lease, which includes interest between 4% and 5%, with the next payment due on November 22, 2016.

The General Fund is primarily expected to liquidate these capital lease liability.

City of Fillmore

**Notes to the Basic Financial Statements
Year Ended June 30, 2016**

Note 8: Long-term liabilities, (continued)

a. Capital lease obligations, (continued)

The schedules of annual requirements to amortize all capital leases long-term debt outstanding as of June 30, 2016, are as follows:

| <u>Fiscal year ending June 30,</u> | <u>Capital leases payable</u> |
|--|-----------------------------------|
| 2017 | \$ 57,291 |
| 2018 | 57,291 |
| 2019 | 57,291 |
| 2020 | 57,291 |
| 2021 | 57,291 |
| Thereafter | <u>50,332</u> |
| Totals | <u>336,787</u> |
| Less amount representing interest | <u>(35,325)</u> |
| Present value of minimum payments | <u>\$ 301,462</u> |
| Leased equipment | \$ 456,903 |
| Less: accumulated depreciation | <u>116,605</u> |
| Total | <u>\$ 340,298</u> |

**Notes to the Basic Financial Statements
Year Ended June 30, 2016**

Note 8: Long-term liabilities, (continued)

b. California JPIA – General Liability and Workers Compensation

Liability coverage for the City of Fillmore is provided through the California Joint Powers Insurance Authority (California JPIA). In addition to liability coverage, the California JPIA offers other coverage programs. Liability and workers' compensation coverage are pooled self-insurance programs administered by the California JPIA on behalf of the member. Pollution legal liability insurance (formerly called environmental liability insurance), all risk property insurance, and crime insurance are purchased from commercial insurance companies on behalf of the member. Claims administration for the liability program is provided by Carl Warren & Company. Claims administration for the workers' compensation program is provided by York Risk Services Group. As of June 30, 2016, the City owes to the JPIA \$279,533 and \$118,192 for General Liability and Workers Compensation Cumulative Deposits, respectively.

The schedules of annual requirements to amortize the Cumulative Deposits long-term debt outstanding as of June 30, 2016, are as follows:

| Fiscal year ending June 30, | California JPIA Cumulative Deposits Payable Principal |
|--------------------------------|--|
| 2017 | \$ 95,478 |
| 2018 | 95,478 |
| 2019 | 95,478 |
| 2020 | 95,478 |
| 2021 | 15,813 |
| Total | <u>\$ 397,725</u> |

c. Series 2007 Revenue Bonds

On June 7, 2007, the Fillmore Public Financing Authority issued \$57,490,000 of Series 2007 Revenue Bonds. The proceeds were 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. With the City's election to remove the PFA from the annual financial report during the year ended June 30, 2011, the outstanding bonds are only reported as long-term debt of business-type activities. 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 was 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, 2016 was \$53,540,000.

Notes to the Basic Financial Statements
Year Ended June 30, 2016

Note 8: Long-term liabilities, (continued)

c. Series 2007 Revenue Bonds, (continued)

The schedules of annual requirements to amortize the Series 2007 Revenue Bonds long-term debt outstanding as of June 30, 2016, are as follows:

| Fiscal year ending June 30, | 2007 Revenue Bonds | | |
|--------------------------------|----------------------|----------------------|-----------------------|
| | Principal | Interest | Total |
| 2017 | \$ 770,000 | \$ 2,669,206 | \$ 3,439,206 |
| 2018 | 810,000 | 2,630,706 | 3,440,706 |
| 2019 | 840,000 | 2,596,281 | 3,436,281 |
| 2020 | 880,000 | 2,560,581 | 3,440,581 |
| 2021 | 915,000 | 2,523,181 | 3,438,181 |
| 2022-2026 | 5,270,000 | 11,928,581 | 17,198,581 |
| 2027-2031 | 6,790,000 | 10,403,150 | 17,193,150 |
| 2032-2036 | 8,705,000 | 8,488,250 | 17,193,250 |
| 2037-2041 | 11,105,000 | 6,083,750 | 17,188,750 |
| 2042-2046 | 14,180,000 | 3,015,000 | 17,195,000 |
| 2047 | 3,275,000 | 163,750 | 3,438,750 |
| Totals | <u>\$ 53,540,000</u> | <u>\$ 53,062,438</u> | <u>\$ 106,602,438</u> |

d. 2010 Water System Refunding Bonds

On November 30, 2010, the Fillmore Public Financing Authority issued \$7,480,000 in Water System Refunding Bonds. The proceeds were to be loaned to the City's water enterprise utility for the purpose of refinancing improvements to the water system. The issuance of these bonds defeased \$7,200,000 of outstanding 2002 Certificates of Participation. 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 amounts sufficient to pay, when due, the annual principal and interest with respect to the certificates. As a result of the refunding, the City reduced its total debt service requirements by \$951,313, which at that time resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$397,962. The outstanding principal balance of the bonds as of June 30, 2016 was \$6,125,000.

**Notes to the Basic Financial Statements
Year Ended June 30, 2016**

Note 8: Long-term liabilities, (continued)

d. 2010 Water System Refunding Bonds, (continued)

The schedules of annual requirements to amortize the 2010 Water System Refunding Bonds long-term debt outstanding as of June 30, 2016 are as follows:

| Fiscal year ending June 30, | 2010 Water Revenue Refunding Bonds | | |
|--------------------------------|------------------------------------|---------------------|---------------------|
| | Principal | Interest | Total |
| 2017 | \$ 275,000 | \$ 295,888 | \$ 570,888 |
| 2018 | 285,000 | 287,088 | 572,088 |
| 2019 | 290,000 | 277,113 | 567,113 |
| 2020 | 305,000 | 265,513 | 570,513 |
| 2021 | 315,000 | 253,313 | 568,313 |
| 2022-2026 | 1,805,000 | 1,040,550 | 2,845,550 |
| 2027-2031 | 2,310,000 | 535,888 | 2,845,888 |
| 2032 | 540,000 | 29,700 | 569,700 |
| Totals | <u>\$ 6,125,000</u> | <u>\$ 2,985,053</u> | <u>\$ 9,110,053</u> |

e. Compensated Absences

The City's total long-term liability at June 30, 2016 for compensated absences is \$376,945, with the General, Water, and Sewer Funds primarily expected to liquidate their corresponding portion of the liability.

Note 9: Defined benefit pension plan

A. General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The Local Government sponsors four rate plans (two miscellaneous and two safety). Benefit provisions under the Plan are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website.

**Notes to the Basic Financial Statements
Year Ended June 30, 2016**

Note 9: Defined benefit pension plan, (continued)

A. General Information about the Pension Plan, (continued)

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration.

The Plans' authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

The Plan's provisions and benefits in effect at June 30, 2016, are summarized as follows:

| | Miscellaneous | |
|---|-----------------------------|--------------------------------|
| | Prior to January 1, 2013 | On or after January 1, 2013 |
| Hire date | | |
| Benefit formula | 2.0% @ 55 | 2% @ 62 |
| Benefit vesting schedule | 5 years service | 5 years service |
| Benefit payments | monthly for life | monthly for life |
| Retirement age | 50 to 63 & Up | 52 to 67 & Up |
| Monthly benefits, as a % of eligible compensation | 1.426% to 2.418% | 1.0% to 2.5% |
| Required employee contribution rates | 7.00% | 6.50% |
| Required employer contribution rates | 9.45% | 6.70% |
| | Safety | |
| | Prior to January 1, 2013 | On or after January 1, 2013 |
| Hire date | | |
| Benefit formula | 3.0% @ 55 | 2.7% @ 57 |
| Benefit vesting schedule | 5 years service | 5 years service |
| Benefit payments | monthly for life | monthly for life |
| Retirement age | 50 to 55 & Up | 50 to 57 & Up |
| Monthly benefits, as a % of eligible compensation | 2.40% to 3.00% | 2.00% to 2.7% |
| Required employee contribution rates | 9.00% | 12.25% |
| Required employer contribution rates | 17.58% | 12.16% |

**Notes to the Basic Financial Statements
Year Ended June 30, 2016**

Note 9: Defined benefit pension plan, (continued)

A. General Information about the Pension Plan, (continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Employer Contributions to the Plan for the fiscal year ended June 30, 2016 were \$527,980. The actual employer payments of \$413,396 made to CalPERS by the Local Government during the measurement period ended June 30, 2015 differed from the Local Government's proportionate share of the employer's contributions of \$529,219 by \$(115,823), which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

B. Net Pension Liability

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2015, using an annual actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

| | <u>Miscellaneous</u> | <u>Safety</u> |
|--|---|---|
| Valuation Date | June 30, 2014 | June 30, 2014 |
| Measurement Date | June 30, 2015 | June 30, 2015 |
| Actuarial Cost Method | Entry Age Normal | Entry Age Normal |
| Asset Valuation Method | Market Value | Market Value |
| Actuarial Assumptions: | | |
| Discount Rate ⁽²⁾ | 7.65%. For measurement date June 30, 2014 7.5% | 7.65%. For measurement date June 30, 2014 7.5% |
| Inflation | 2.75% | 2.75% |
| Salary Increases ⁽¹⁾ | 3.30% - 14.20% | 3.30% - 14.20% |
| Investment Rate of Return ⁽²⁾ | 7.65%. For measurement date June 30, 2014 7.5% | 7.65%. For measurement date June 30, 2014 7.5% |
| Mortality Rate Table ⁽³⁾ | Derived using CALPERS' membership data for all Funds | |
| Post Retirement Benefit Increase | Contract COLA up to 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter | |

(1) Annual increases vary by category, entry age, and duration of service.

(2) Net of pension plan investments and administrative expenses, includes inflation.

(3) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

**Notes to the Basic Financial Statements
Year Ended June 30, 2016**

Note 9: Defined benefit pension plan, (continued)

B. Net Pension Liability, (continued)

All other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Change of Assumptions

GASB 68, paragraph 68 states that the long long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50 percent used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65 percent used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

Discount Rate

The discount rate used to measure the total pension liability for measurement date June 30, 2015 was 7.65 percent. The discount rate used to measure the total pension liability in the previous year was 7.50 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plan, the test revealed the assets would not run out. Therefore, the current 7.65 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (Public Employees' Retirement Fund) cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The following table reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the CalPERS Board effective on July 1, 2014.

Notes to the Basic Financial Statements
Year Ended June 30, 2016

Note 9: Defined benefit pension plan, (continued)

B. Net Pension Liability, (continued)

Discount Rate, (continued)

| <u>Asset Class</u> | <u>New Strategic Allocation</u> | <u>Real Return Years 1 - 10¹</u> | <u>Real Return Years 11+²</u> |
|-------------------------------|---------------------------------|---|--|
| Global Equity | 47.0% | 5.25% | 5.71% |
| Global Fixed Income | 19.0% | 0.99% | 2.43% |
| Inflation Sensitive | 6.0% | 0.45% | 3.36% |
| Private Equity | 12.0% | 6.83% | 6.95% |
| Real Estate | 11.0% | 4.50% | 5.13% |
| Infrastructure and Forestland | 3.0% | 4.50% | 5.09% |
| Liquidity | 2.0% | (0.55%) | (1.05%) |
| Total | 100% | | |

¹ An expected inflation of 2.5% used for this period

² An expected inflation of 3.0% used for this period

Pension Plan Fiduciary Net Position

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

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and Other Post-Employment Benefits (OPEB) expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves.

**Notes to the Basic Financial Statements
Year Ended June 30, 2016**

Note 9: Defined benefit pension plan, (continued)

C. Proportionate Share of Net Pension Liability

The following table shows the Plans' proportion share of the net pension liability over the measurement period.

| | Increase (Decrease) | | |
|----------------------------|--|---------------------------------------|--|
| | Plan Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Plan Net Pension Liability (c) = (a) - (b) |
| Balance at: 6/30/2014 (VD) | \$ 19,910,279 | \$ 15,495,146 | \$ 4,415,133 |
| Balance at: 6/30/2015 (MD) | 19,816,910 | 15,354,098 | 4,462,812 |
| Net Changes during 2014-15 | <u>\$ (93,369)</u> | <u>\$ (141,048)</u> | <u>\$ 47,679</u> |

Valuation Date (VD), Measurement Date (MD).

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2015, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. The City's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website under Forms and Publications, at www.calpers.ca.gov. The City's proportionate share of the net pension liability for the Plan as of June 30, 2014 and 2015 was as follows:

| | |
|-------------------------------------|-------------------------|
| Proportionate Share - June 30, 2014 | 0.16344% |
| Proportionate Share - June 30, 2015 | <u>0.14986%</u> |
| Change - Increase (Decrease) | <u><u>-0.01358%</u></u> |

**Notes to the Basic Financial Statements
Year Ended June 30, 2016**

Note 9: Defined benefit pension plan, (continued)

C. Proportionate Share of Net Pension Liability, (continued)

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

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

| Discount Rate - 1% (6.65%) | Current Discount Rate (7.65%) | Discount Rate + 1% (8.65%) |
|-------------------------------|----------------------------------|-------------------------------|
| \$ 7,165,655 | \$ 4,462,812 | \$ 2,234,684 |

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Recognition of Gains and Losses

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

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

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

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

**Notes to the Basic Financial Statements
Year Ended June 30, 2016**

Note 9: Defined benefit pension plan, (continued)

C. Proportionate Share of Net Pension Liability, (continued)

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for the Plan for the 2014-15 measurement period is 3.8 years, which was obtained by dividing the total service years of 467,023 (the sum of remaining service lifetimes of the active employees) by 122,410 (the total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to -0-. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

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

As of the start of the measurement period (July 1, 2014), the net pension liability for the plan was \$4,415,133. For the measurement period ending June 30, 2015 (the measurement date), the City incurred a pension expense/(income) of \$177,124 for the Plan.

As of June 30, 2016, the City's has deferred outflows and deferred inflows of resources related to pensions as follows:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Differences Between Expected and Actual Experience | \$ 14,950 | \$ (23,696) |
| Changes of Assumptions | - | (250,433) |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | - | (126,144) |
| Change in Employer's Proportion | 47,997 | (300,905) |
| Difference in Actual vs Projected Contributions | 82,747 | (221,162) |
| Pension Contributions Subsequent to Measurement Date | 527,980 | - |
| Total | \$ 673,674 | \$ (922,340) |

**Notes to the Basic Financial Statements
Year Ended June 30, 2016**

Note 9: Defined benefit pension plan, (continued)

***D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions,
(continued)***

These amounts above are net of outflows and inflow recognized in the 2014-15 measurement period expense. \$527,980 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

| Measurement Period Ended June 30: | Miscellaneous Plan | |
|--------------------------------------|---|-----------|
| | Deferred Outflows/(Inflows) of Resources | |
| 2016 | \$ | (331,398) |
| 2017 | | (330,855) |
| 2018 | | (282,554) |
| 2019 | | 168,161 |
| 2020 | | - |
| Remaining | | - |

E. Payable to the Pension Plan

At June 30, 2016, the City reported no payable for the outstanding amount of contributions to the pension plan required for the year then ended.

Notes to the Basic Financial Statements
Year Ended June 30, 2016

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 and the medical plan benefits are provided through PERS.

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 2015-16, the City contributed \$6,717 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 determined 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:

| | <u>June 30, 2016</u> |
|--|----------------------|
| Annual required contribution | \$ 43,089 |
| Interest on net OPEB obligation | 34,086 |
| Adjustment to annual required contribution | <u>(40,081)</u> |
| Annual OPEB cost (expense) | 37,094 |
| Contributions made | <u>(6,717)</u> |
| Increase in net OPEB obligation | 30,377 |
| Net OPEB obligation – beginning of year | <u>870,034</u> |
| Net OPEB obligation – end of year | <u>\$ 900,411</u> |

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 and the two preceding years were as follows:

| <u>Fiscal year ended</u> | <u>Annual OPEB cost</u> | <u>Percentage of annual OPEB cost contributed</u> | <u>Net OPEB obligation</u> |
|--------------------------|-------------------------|---|----------------------------|
| June 30, 2014 | \$ 48,000 | 13.99% | \$ 841,511 |
| June 30, 2015 | 28,523 | 20.33% | 870,034 |
| June 30, 2016 | 37,094 | 18.11% | 900,411 |

Notes to the Basic Financial Statements
Year Ended June 30, 2016

Note 10: Other post-employment benefits, (continued)

Funded status and progress

The funded status of the plan as of July 1, 2012 (the most recent actuarial valuation) was as follows:

| | |
|---|-------------------|
| Actuarial accrued liability (AAL) | \$ 474,893 |
| Actuarial value of plan assets | - |
| Unfunded actuarial accrued liability (UAAL) | <u>\$ 474,893</u> |
| Funded ratio (actuarial value of plan assets/AAL) | - |
| Covered payroll (active plan members) | \$ 1,154,854 |
| UAAL as a percentage of covered payroll | 41.12% |

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.

Note 11: Liability, workers' compensation, and purchased insurance

A. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The City of Fillmore is a member of the CALIFORNIA JOINT POWERS INSURANCE AUTHORITY (Authority). The Authority is composed of 116 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 lines of coverage. The California JPIA 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 nine-member Executive Committee.

Notes to the Basic Financial Statements
Year Ended June 30, 2016

Note 11: Liability, workers' compensation, and purchased insurance, (continued)

B. Self-Insurance Programs of the Authority

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Retrospective adjustments are scheduled to continue indefinitely on coverage years 2012-13 and prior, until all claims incurred during those coverage years are closed, on a pool-wide basis. This subsequent cost re-allocation among members, based on actual claim development, can result in adjustments of either refunds or additional deposits required. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment.

The total funding requirement for self-insurance programs is estimated using actuarial models and pre-funded through the annual contribution. Costs are allocated to individual agencies based on exposure (payroll) and experience (claims) relative to other members of the risk-sharing pool. Additional information regarding the cost allocation methodology is provided below.

Liability

In the liability program claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$750,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2015-16 the Authority's pooled retention is \$2 million per occurrence, with reinsurance to \$20 million, and excess insurance to \$50 million. The Authority's reinsurance contracts are subject to the following additional pooled retentions: (a) \$2.5 million annual aggregate deductible in the \$3 million x/s \$2 million layer, and (b) \$3 million annual aggregate deductible in the \$5 million x/s \$10 million layer. There is a third annual aggregate deductible in the amount of \$2.5 million in the \$5 million x/s \$5 million layer, however it is fully covered under a separate policy and therefore not retained by the Authority.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Costs of covered claims for subsidence losses have a sub-limit of \$30 million per occurrence.

Workers' Compensation

In the workers' compensation program claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$50,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$100,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

Notes to the Basic Financial Statements
Year Ended June 30, 2016

Note 11: Liability, workers' compensation, and purchased insurance, (continued)

B. Self-Insurance Programs of the Authority, (continued)

For 2015-16 the Authority's pooled retention is \$2 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law.

Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

C. Purchased Insurance

Pollution Legal Liability Insurance

The City of Fillmore participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Fillmore. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has a limit of \$50 million for the 3-year period from July 1, 2014 through July 1, 2017. Each member of the Authority has a \$10 million sub-limit during the 3-year term of the policy.

Property Insurance

The City of Fillmore participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Fillmore property is currently insured according to a schedule of covered property submitted by the City of Fillmore to the Authority. City of Fillmore property currently has all-risk property insurance protection in the amount of \$47,648,769. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Earthquake and Flood Insurance

The City of Fillmore purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City of Fillmore property currently has earthquake protection in the amount of \$42,829,174. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Crime Insurance

The City of Fillmore purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority. Premiums are paid annually and are not subject to retrospective adjustments.

**Notes to the Basic Financial Statements
Year Ended June 30, 2016**

Note 11: Liability, workers' compensation, and purchased insurance, (continued)

D. Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2015-16.

Note 12: 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.

Note 13: Contingencies and commitments

Grants Funding

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.

Litigation

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.

Successor Agency

Deductions (expenses) incurred by the Successor Agency for the year ended June 30, 2016, (and subsequent years in which the Successor Agency is in operation), are subject to review by various State agencies and the County in which the Successor Agency resides. If any expenses incurred by the Successor Agency are disallowed by the State agencies or County, the City, acting as the Successor Agency could be liable for the repayment of the disallowed costs from either its own funds or by the State withholding remittances normally paid to the City. The amount, if any, of expenses that may be disallowed by the State agencies or County cannot be determined at this time, although the Successor Agency expects such amounts, if any, to be immaterial.

Notes to the Basic Financial Statements
Year Ended June 30, 2016

Note 13: Contingencies and commitments, (continued)

Sales Tax Payable (Due to others)

The City of Fillmore (City) entered into an Economic Development Agreement (EDA) (sales tax sharing), with MTS Consulting, LLC (MTS, on June 20, 2003. The EDA states that for each local sales tax generating business that MTS brings to the City, the City would share with them the local sales tax generated by the business for 20 years. The City would share 85% with MTS and the remaining 15% would be retained by the City. In 2007, Owens & Minor (O&M), relocated their sales office to the City and started allocating sales tax to the City. The 20-year term for sharing local sales tax relating to O&M expires in Year 2022. This sales tax sharing and allocation of tax agreement was challenged by some of the municipalities where the sales tax originated. The City settled with some of the municipalities, however, two of these municipalities resulted in ongoing agreements. One agreement pertained to the City of Industry and a second one to the County of San Joaquin. These agreements state that as long as O&M maintains a distribution facility in the City of Industry or San Joaquin County, that the City will share the MTS 85% portion with these agencies. The sharing allocation resulted in 70% of the City of Industry designated sales tax to be paid back to the City of Industry and 45% of the San Joaquin County designated sales tax to be paid back to San Joaquin County. In April 2015, the distribution facility located in the City of Industry was closed and consequently the sales tax allocation agreement also ended leaving the sales tax sharing agreement with San Joaquin County as the only agreement now in effect. The payments made to San Joaquin County (and previously the City of Industry) are deducted from the 85% share of the sales tax that is paid to MTS. The City continues to retain their 15% share of the O&M sales tax generated revenue.

On average, O&M allocates \$1.8 million in quarterly sales tax payments to the City. After the deductions for the County share and the administrative fee (Triple Flip ended and is no longer deducted as in previous years), the net amount averages \$1.72 million, and out of this amount, \$1.46 million is shared between MTS and San Joaquin County and \$260,000 is retained by the City.

As of June 30, 2016, the City estimated and accrued \$3,893,054 of sales tax payable to the sharing entities and is presented under Due to others in the General Fund.

Status of Current and Past Sales Tax Litigation Cases

The City of Fillmore (City) had two pending litigation cases with the Board of Equalization (BOE). One case has been resolved and the second case continues to be appealed. Following is the status and financial impact on the City resulting from these cases:

- 1) Southwest Jet Fuel Case: This case has been resolved. On September 29, 2015, the City received notice from BOE stating that they denied the City's petition to allow the allocation of sales tax received from Southwest Jet Fuel covering the time-period of July 1, 2007 through December 31, 2007 in the amount of \$2,720,943. The City sided with BOE on the denied petition and BOE will consequently reallocate this amount back from Fillmore, starting with a reallocation of \$771,991 and the balance of \$1,948,952 to be allocated back over 8 quarters. This would amount to \$243,619 per quarter, starting in 3Q 2016 (September 2016) and ending in 2Q 2018 (June 2018).

Out of this amount, the City paid \$2,034,440 to a developer, MTS, (as required under a sales tax sharing agreement), and consequently the City requested these funds to be returned by MTS. MTS to date has returned \$1,869,424 to the City and will repay the balance of \$165,016 or \$23,574 over 7 quarters, ending in 2Q 2018 (June 2018). The net impact on the City is expected to be \$686,503.

City of Fillmore

**Notes to the Basic Financial Statements
Year Ended June 30, 2016**

Note 13: Contingencies and commitments, (continued)

Following is a summary by fiscal year of the above repayment schedules and net financial impact on the City:

| Southwest Jet Fuels | Total Fiscal Year 2015-16 | Total Fiscal Year 2016-17 | Total Fiscal Year 2017-18 | Total All Years |
|--------------------------|------------------------------|------------------------------|------------------------------|---------------------|
| Repayment to BOE by City | \$ - | \$ (1,746,467) | \$ (974,476) | \$ (2,720,943) |
| MTS Repayment to City | 1,869,424 | 70,722 | 94,294 | 2,034,440 |
| Net Impact on City | <u>\$ 1,869,424</u> | <u>\$ (1,675,745)</u> | <u>\$ (880,182)</u> | <u>\$ (686,503)</u> |

- 2) Cal Fuel Purchasing Group Case: This case is under appeal. On September 21, 2015, the City received notice from BOE stating that they denied the City's petition to allow the allocation of sales tax received from Cal Fuel Purchasing Group, LLC covering the time-period of April 1, 2007 through December 31, 2007 in the amount of \$1,211,623. Out of this amount, the City paid \$1,119,063 to a developer, Inspired, (as required under a sales tax sharing agreement), and the City will consequently request these funds to be returned if the sales tax allocated to Fillmore is reallocated back to the originating Cities and/or Counties.

On November 18, 2015, the decision made by BOE was appealed contending that the local tax was correctly allocated to Fillmore. This appeal was heard by BOE and on August 30, 2016 a decision was reached and again BOE determined that the sales tax allocated to Fillmore and associated with Cal Fuel Purchasing Group was inappropriately allocated and should be reallocated back to the originating Cities and/or Counties.

On October 28, 2016, the latest decision made by BOE was again appealed contending that the local tax was correctly allocated to Fillmore. The City is now awaiting the results of this latest appeal. However, if the City loses the appeal, following is an estimate by fiscal year of how the \$1,211,623 amount would be reallocated back to BOE, repayment of \$1,119,063 by Inspired and the net financial impact on the City. The following table is an estimate and will ultimately depend on the outcome from the current appeal.

Following is a summary by fiscal year of the above repayment schedules and net financial impact on the City:

| Cal Purchasing Group | Total Fiscal Year 2016-17 | Total Fiscal Year 2017-18 | Total All Years |
|----------------------------|------------------------------|------------------------------|--------------------|
| Repayment to BOE by City | \$ (804,981) | \$ (406,642) | \$ (1,211,623) |
| Inspired Repayment to City | 600,000 | 519,063 | 1,119,063 |
| Net Impact on City | <u>\$ (204,981)</u> | <u>\$ 112,421</u> | <u>\$ (92,560)</u> |

**Notes to the Basic Financial Statements
Year Ended June 30, 2016**

Note 14: Special tax districts debt with no city commitment

Special Tax 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, 2016 is as follows:

| Description | Issue year | Fiscal year | |
|--|------------|---------------|----------------------|
| | | Maturity year | June 30, 2016 |
| North Fillmore Industrial Park CFD # 1 | 2006 | 2029 | \$ 1,750,000 |
| Baldwin Towne Plaza Improvements CFD # 2 | 2005 | 2022 | 390,000 |
| River Oaks CFD # 3 | 2006 | 2037 | 2,580,000 |
| Heritage Valley Parks, Area A CFD#5 | 2015 | 2040 | 17,155,000 |
| Total special tax district debt | | | <u>\$ 21,875,000</u> |

Note 15: Successor agency – private-purpose trust fund

Legislation dissolving California redevelopment agencies

In accordance with the provisions of the State of California AB X1 26 (Bill) and the California Supreme Court's decision to uphold the Bill, the assets and liabilities of the former redevelopment agency are being reported in a Fiduciary Private-Purpose Trust Fund. The Bill provides that upon dissolution of a redevelopment agency, either the City or another unit of local government will agree to serve as the "Successor Agency" to hold the assets until they are distributed to other units of state and local government. In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012. On January 9, 2012 the City Council met and created a Successor Agency in accordance with the Bill as part of the City's resolution number 3408. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments). The obligations of the former redevelopment agency became vested with funds established for the Successor Agency upon the date of dissolution, February 1, 2012. Former tax increment revenues pledged to fund the debts of the former redevelopment agency will be distributed to the Successor Agency subject to the reapportionment of such revenues as provided by the Bill. In future fiscal years, successor agencies will only be allocated tax revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full.

City of Fillmore

**Notes to the Basic Financial Statements
Year Ended June 30, 2016**

Note 15: Successor agency – private-purpose trust fund, (continued)

Successor Agency capital assets

Capital assets activity of the Successor Agency for the fiscal year ended June 30, 2016 was as follows:

| | Beginning balance | Additions | Deletions | Ending balance |
|---|----------------------|--------------------|-------------|---------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 3,627,062 | \$ - | \$ - | \$ 3,627,062 |
| Total capital assets, not being depreciated | <u>3,627,062</u> | <u>-</u> | <u>-</u> | <u>3,627,062</u> |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements: | | | | |
| Buildings | 3,227,565 | - | - | 3,227,565 |
| Machinery and equipment | 90,717 | - | - | 90,717 |
| Infrastructure: | | | | |
| Roadways and bikepaths | 52,774 | - | - | 52,774 |
| Total capital assets, being depreciated | <u>3,371,056</u> | <u>-</u> | <u>-</u> | <u>3,371,056</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements: | | | | |
| Buildings | (1,304,752) | (64,831) | - | (1,369,583) |
| Machinery and equipment | (83,877) | (763) | - | (84,640) |
| Infrastructure: | | | | |
| Roadways and bikepaths | (5,854) | (813) | - | (6,667) |
| Total accumulated depreciation | <u>(1,394,483)</u> | <u>(66,407)</u> | <u>-</u> | <u>(1,460,890)</u> |
| Total capital assets, being depreciated, net | <u>1,976,573</u> | <u>(66,407)</u> | <u>-</u> | <u>1,910,166</u> |
| Total Successor Agency capital assets, net | <u>\$ 5,603,635</u> | <u>\$ (66,407)</u> | <u>\$ -</u> | <u>\$ 5,537,228</u> |

Successor Agency long-term debt

The following is a summary of changes in the Successor Agency's long-term liabilities for the fiscal year ended June 30, 2016:

| | Beginning balance | Additions | Deletions | Ending balance | Due within one year |
|------------------------------|----------------------|----------------------|------------------------|----------------------|------------------------|
| 2005 Revenue Bonds Series A | \$ 9,940,000 | \$ - | \$ (9,940,000) | \$ - | \$ - |
| 2006 Series A TABs | 34,995,000 | - | (34,995,000) | - | - |
| 2015 Series TARBs | <u>-</u> | <u>37,515,000</u> | <u>-</u> | <u>37,515,000</u> | <u>-</u> |
| Premium on 2015 Series TARBs | <u>-</u> | <u>4,758,348</u> | <u>-</u> | <u>4,758,348</u> | <u>-</u> |
| Total long-term liabilities | <u>\$ 44,935,000</u> | <u>\$ 42,273,348</u> | <u>\$ (44,935,000)</u> | <u>\$ 42,273,348</u> | <u>\$ -</u> |

Notes to the Basic Financial Statements
Year Ended June 30, 2016

Note 15: Successor agency – private-purpose trust fund, (continued)

Successor Agency long-term debt, (continued)

2005 Revenue Bonds Series A (2005 Bonds)

As of February 1, 2012, the bonds were transferred to the Successor Agency from the Fillmore Redevelopment Agency due to AB X1 26, which dissolved redevelopment agencies in the State of California as of February 1, 2012. The Successor Agency, a separate legal entity, is responsible for the repayment of the principal and interest of the outstanding bonds. Additions to the Successor Agency, in the form of property taxes, have been pledged for the repayment of enforceable obligations (which include the bonds). Since the Redevelopment Agency no longer exists, the bonds have been removed from the City's government-wide financial statements. The Bonds were refinanced in 2016.

2006 Series A Tax Allocation Bonds (2006 Bonds)

As of February 1, 2012, the bonds were transferred to the Successor Agency from the Fillmore Redevelopment Agency due to AB X1 26, which dissolved redevelopment agencies in the State of California as of February 1, 2012. The Successor Agency, a separate legal entity, is responsible for the repayment of the principal and interest of the outstanding bonds. Additions to the Successor Agency, in the form of property taxes, have been pledged for the repayment of enforceable obligations (which include the bonds). Since the Redevelopment Agency no longer exists, the bonds have been removed from the City's government-wide financial statements. The Bonds were refinanced in 2016.

2015 Series Tax Allocation Refunding Bonds

On February 2, 2016, the Successor Agency to the Fillmore Redevelopment Agency issued its \$37,515,000 aggregated principal amount of Successor Agency to the Fillmore Redevelopment Agency Tax Allocation Refunding Bonds, Series 2015 (2015 Bonds). The purpose of the 2015 Bonds is to refund the 2005 Bonds and the 2006 Bonds, previously issued by the former agency. The 2015 Bonds bear interest at rates ranging from 3% to 5% per annum, semi-annually on each June 1 and December 1 of each year, commencing on June 1, 2016, with principal payments on June 1, commencing on June 1, 2017. The 2015 Bonds are payable from and secured by, the tax revenues to be derived from taxes deposited into the Successor Agency's Redevelopment Obligation Retirement Fund established pursuant to Health and Safety Code section 34170.5(a).

The aggregate difference in debt service between the refunding debt and the refunded debt is as follows:

| | | |
|---|----|--------------------------|
| Total cash flow requirement to service the old debt | \$ | 64,362,136 |
| Total cash flow requirement to service the new debt | | <u>53,309,200</u> |
| Total cash flow difference | \$ | <u><u>11,052,936</u></u> |

City of Fillmore

**Notes to the Basic Financial Statements
Year Ended June 30, 2016**

Note 15: Successor agency – private-purpose trust fund, (continued)

Successor Agency long-term debt, (continued)

2015 Series Tax Allocation Refunding Bonds, (continued)

The economic gain calculation on the transaction is as follows:

| | |
|--|----------------------------|
| Present value of total cash flow requirement to service the old debt discounted at the effective interest rate of 2.936% | \$ 61,471,205 |
| Present value of total cash flow requirement to service the new debt discounted at the effective interest rate of 2.936% | <u>51,788,813</u> |
| Economic Gain (in present value dollars at date of refunding 12/14/2015) | <u><u>\$ 9,682,392</u></u> |

The schedules of annual requirements to amortize the *2015 Series A Bonds* long-term debt outstanding as of June 30, 2016, including interest are as follows:

| Fiscal year ending June 30, | 2015 Refunding Bonds Series A | | |
|--------------------------------|-------------------------------|-----------------------------|-----------------------------|
| | Principal | Interest | Total |
| 2017 | \$ - | \$ 1,696,400 | \$ 1,696,400 |
| 2018 | 1,955,000 | 1,696,400 | 3,651,400 |
| 2019 | 2,030,000 | 1,618,200 | 3,648,200 |
| 2020 | 2,110,000 | 1,537,000 | 3,647,000 |
| 2021 | 2,215,000 | 1,431,500 | 3,646,500 |
| 2022-2026 | 12,865,000 | 5,380,250 | 18,245,250 |
| 2027-2031 | 16,340,000 | 1,894,950 | 18,234,950 |
| Totals | <u><u>\$ 37,515,000</u></u> | <u><u>\$ 15,254,700</u></u> | <u><u>\$ 52,769,700</u></u> |

Successor Agency deductions (expenses)

Deductions (expenses) incurred by the Successor Agency for the year ended June 30, 2016, (and subsequent years in which the Successor Agency is in operation) are subject to review by various State agencies and the County in which the Successor Agency resides. If any expenses incurred by the Successor Agency are disallowed by the State agencies or County, the City, acting as the Successor Agency could be liable for the repayment of the disallowed costs from either its own funds or by the State withholding remittances normally paid to the City. The amount, if any, of expenses that may be disallowed by the State agencies or County cannot be determined at this time, although management of the Successor Agency expects such amounts, if any, to be immaterial.

City of Fillmore

**Notes to the Basic Financial Statements
Year Ended June 30, 2016**

Note 16: Governmental fund balances

The detail of fund balances, in accordance with Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, reported in the balance sheet of governmental funds is as follows:

| | General Fund | Special Revenue Fund Housing Successor | Nonmajor Governmental Funds | Total Governmental Funds |
|---------------------------|---------------------|---|-----------------------------------|--------------------------------|
| Fund balances (deficits): | | | | |
| Nonspendable: | | | | |
| Prepaid items | \$ 7,250 | \$ - | \$ - | \$ 7,250 |
| Total Nonspendable | <u>7,250</u> | <u>-</u> | <u>-</u> | <u>7,250</u> |
| Restricted for: | | | | |
| Public works | - | 199,652 | 5,966,689 | 6,166,341 |
| Community development | - | - | 521,637 | 521,637 |
| Parks and recreation | - | - | 216,493 | 216,493 |
| Total Restricted | <u>-</u> | <u>199,652</u> | <u>6,704,819</u> | <u>6,904,471</u> |
| Assigned to: | | | | |
| Public works maintenance | - | - | 687,680 | 687,680 |
| Parking lot maintenance | - | - | 50,706 | 50,706 |
| Parks and recreation | - | - | 386,395 | 386,395 |
| Total Assigned | <u>-</u> | <u>-</u> | <u>1,124,781</u> | <u>1,124,781</u> |
| Unassigned | <u>5,971,453</u> | <u>-</u> | <u>(491,061)</u> | <u>5,480,392</u> |
| Total Fund Balances | <u>\$ 5,978,703</u> | <u>\$ 199,652</u> | <u>\$ 7,338,539</u> | <u>\$ 13,516,894</u> |

**Notes to the Basic Financial Statements
Year Ended June 30, 2016**

Note 17: Net position – net investment in capital assets

Net position for governmental and business type activities is classified as (1) net invested in capital assets, (2) restricted, or (3) unrestricted. Net position that was classified as net investment in capital assets as of June 30, 2016, was determined as follows:

| | <u>Governmental Activities</u> | | | |
|---|------------------------------------|---------------------------------|-----------------------|---------------------------------------|
| Capital assets | \$ 55,990,485 | | | |
| Plus (less) capital assets related balances: | | | | |
| Plus: capital-related deferred outflows of resources | - | | | |
| Less: accumulated depreciation | (15,169,523) | | | |
| Less outstanding principal of capital-related borrowings: | | | | |
| Capital leases | (301,462) | | | |
| Less: capital-related deferred inflows of resources | <u>-</u> | | | |
| Net investment in capital assets | <u>\$ 40,519,500</u> | | | |
| | | <u>Business-type Activities</u> | | |
| | | <u>Sewer Fund</u> | <u>Water Fund</u> | <u>Total Enterprise Funds</u> |
| Capital assets, net of accumulated depreciation | \$ 76,704,883 | \$ 10,342,524 | | \$ 87,047,407 |
| Plus (less) capital assets related balances: | | | | |
| Plus capital-related deferred outflows of resources | - | 242,216 | | 242,216 |
| Less: accumulated depreciation | (8,880,687) | (3,630,295) | | (12,510,982) |
| Less outstanding principal of capital-related borrowings: | | | | |
| Series 2007 revenue bonds | (53,540,000) | - | | (53,540,000) |
| Premium on 2007 bonds | (1,636,634) | - | | (1,636,634) |
| 2010 refunding bonds | - | (6,125,000) | | (6,125,000) |
| Premium on 2010 bonds | - | (11,055) | | (11,055) |
| Less: capital-related deferred inflows of resources | <u>-</u> | <u>-</u> | | <u>-</u> |
| Net investment in capital assets | <u>\$ 12,647,562</u> | <u>\$ 818,390</u> | | <u>\$ 13,465,952</u> |

REQUIRED SUPPLEMENTARY INFORMATION

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City of Fillmore

**Required Supplementary Information
Budgetary Comparison Schedule - General Fund
Year Ended June 30, 2016**

| | Budgeted amounts | | Actual | Variance with final budget |
|--|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Taxes | \$ 4,935,105 | \$ 4,935,105 | \$ 5,562,638 | \$ 627,533 |
| Licenses and permits | 173,000 | 173,000 | 170,750 | (2,250) |
| Fines and forfeitures | 48,100 | 48,100 | 53,495 | 5,395 |
| Investment income | 32,460 | 32,460 | 55,845 | 23,385 |
| Intergovernmental | 215,000 | 215,000 | 268,748 | 53,748 |
| Charges for services | 619,670 | 619,670 | 700,712 | 81,042 |
| Other | 154,617 | 154,617 | 198,951 | 44,334 |
| Total revenues | <u>6,177,952</u> | <u>6,177,952</u> | <u>7,011,139</u> | <u>833,187</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government: | | | | |
| City council | 15,361 | 15,361 | 16,938 | (1,577) |
| City clerk | 266,871 | 266,871 | 159,522 | 107,349 |
| City attorney | 220,000 | 220,000 | 371,339 | (151,339) |
| City manager | 209,434 | 209,434 | 175,428 | 34,006 |
| Central support | 330,187 | 330,187 | 256,702 | 73,485 |
| Risk management | 165,513 | 165,513 | 193,070 | (27,557) |
| Facilities management | 97,105 | 97,105 | 121,684 | (24,579) |
| Human resources | 38,873 | 38,873 | 37,565 | 1,308 |
| Total general government | <u>1,343,344</u> | <u>1,343,344</u> | <u>1,332,248</u> | <u>11,096</u> |
| Public safety: | | | | |
| Sheriff | 3,195,135 | 3,195,135 | 3,201,038 | (5,903) |
| Fire | 1,168,220 | 1,168,220 | 1,195,896 | (27,676) |
| Animal regulation | 80,000 | 80,000 | 49,794 | 30,206 |
| Building and safety | 227,215 | 227,215 | 193,456 | 33,759 |
| Total public safety | <u>4,670,570</u> | <u>4,670,570</u> | <u>4,640,184</u> | <u>30,386</u> |
| Parks and recreation: | | | | |
| Total parks and recreation | <u>192,331</u> | <u>192,331</u> | <u>135,807</u> | <u>56,524</u> |
| Public works: | | | | |
| Central garage | 179,685 | 179,685 | 171,807 | 7,878 |
| City engineering | 64,022 | 64,022 | 49,111 | 14,911 |
| Total public works | <u>243,707</u> | <u>243,707</u> | <u>220,918</u> | <u>22,789</u> |
| Community development: | | | | |
| Community promotion | 11,502 | 11,502 | 13,925 | (2,423) |
| Planning | 459,251 | 459,251 | 325,452 | 133,799 |
| Total community development | <u>470,753</u> | <u>470,753</u> | <u>339,377</u> | <u>131,376</u> |
| Economic development: | | | | |
| Total economic development | <u>41,950</u> | <u>41,950</u> | <u>58,528</u> | <u>(16,578)</u> |
| Total expenditures | <u>6,962,655</u> | <u>6,962,655</u> | <u>6,727,062</u> | <u>235,593</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(784,703)</u> | <u>(784,703)</u> | <u>284,077</u> | <u>1,068,780</u> |
| Other financing sources (uses) | | | | |
| Transfers in | 527,521 | 527,521 | 527,523 | 2 |
| Transfers out | <u>(67,986)</u> | <u>(67,986)</u> | <u>(67,986)</u> | <u>-</u> |
| Total other financing (uses) | <u>459,535</u> | <u>459,535</u> | <u>459,537</u> | <u>2</u> |
| Net change in fund balance | <u>(325,168)</u> | <u>(325,168)</u> | <u>743,614</u> | <u>1,068,782</u> |
| Fund balance, beginning of year | <u>5,235,089</u> | <u>5,235,089</u> | <u>5,235,089</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 4,909,921</u> | <u>\$ 4,909,921</u> | <u>\$ 5,978,703</u> | <u>\$ 1,068,782</u> |

City of Fillmore

**Required Supplementary Information
Budgetary Comparison Schedule - Housing Successor Special Revenue Major Fund
Year Ended June 30, 2016**

| | Budgeted amounts | | Actual | Variance with final budget |
|---------------------------------|-------------------|-------------------|-------------------|-------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Investment income | \$ 8,500 | \$ 8,500 | \$ 78,551 | \$ 70,051 |
| Other | 6,000 | 6,000 | - | (6,000) |
| Total revenues | 14,500 | 14,500 | 78,551 | 64,051 |
| Expenditures | | | | |
| Current: | | | | |
| Community development | 2,200 | 2,200 | 2,500 | (300) |
| Total expenditures | 2,200 | 2,200 | 2,500 | (300) |
| Net change in fund balance | 12,300 | 12,300 | 76,051 | 63,751 |
| Fund balance, beginning of year | 123,601 | 123,601 | 123,601 | - |
| Fund balance, end of year | <u>\$ 135,901</u> | <u>\$ 135,901</u> | <u>\$ 199,652</u> | <u>\$ 63,751</u> |

City of Fillmore

**Required Supplementary Information
Other Post-Employment Benefits Plan - Schedule of Funding Progress
Year Ended June 30, 2016**

| <u>Actuarial valuation date</u> | <u>Actuarial value of assets (a)</u> | <u>Actuarial accrued liability (AAL) (b)</u> | <u>Unfunded AAL (UAAL) (b-a)</u> | <u>Funded ratio (a/b)</u> | <u>Covered payroll (c)</u> | <u>UAAL as a percentage of covered payroll [(b-a)/c]</u> |
|---|--|--|--|-----------------------------------|------------------------------------|--|
| 7/1/2008 | \$ - | \$ 1,699,465 | \$ 1,699,465 | 0.00% | \$ 2,477,896 | 68.59% |
| 7/1/2010 | - | 1,846,479 | 1,846,479 | 0.00% | 2,881,979 | 64.07% |
| 7/1/2012 | - | 474,893 | 474,893 | 0.00% | 1,154,854 | 41.12% |

City of Fillmore

**Required Supplementary Information
 Schedule of the City's Proportionate Share of the Plans' Net Pension Liability
 and Related Ratios as of the Measurement Date - Last 10 Years*
 Year Ended June 30, 2016**

| | Measurement Date 6/30/2015 | Measurement Date 6/30/2014 |
|---|-------------------------------|-------------------------------|
| Employer's Proportion of the Collective Net Pension Liability ¹ | 0.14986% | 0.07095% |
| Employer's Proportionate Share of the Collective Net Pension Liability | \$ 4,462,812 | \$ 4,415,133 |
| Employer's Covered Payroll ² | \$ 1,649,406 | \$ 1,377,466 |
| Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered Payroll | 270.57% | 320.53% |
| Pension Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability | 77.48% | 76.78% |

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

² Covered payroll is defined as the payroll on which contributions to a pension plan are based, in accordance with GASB 82.

* Measurement period 2013-14 (fiscal year 2015) was the 1st year of implementation, therefore, only two years are shown.

**Required Supplementary Information
Schedule of Plans' Contributions – Last 10 Years*
Year Ended June 30, 2016**

| | Fiscal Year 2015-2016 | Fiscal Year 2014-2015 |
|---|--------------------------|--------------------------|
| Actuarially Determined Contributions | \$ 527,980 | \$ 413,396 |
| Contributions in Relation to the Actuarially Determined Contributions | <u>(527,980)</u> | <u>(413,396)</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> |
| | | |
| Employer's Covered Payroll ¹ | \$ 1,799,259 | \$ 1,649,406 |
| | | |
| Contributions as a Percentage of Covered Payroll | 29.34% | 25.06% |

¹ Covered payroll is defined as the payroll on which contributions to a pension plan are based, in accordance with GASB 82.

Notes to Schedule:

Change in Benefit Terms: None

Change in Assumptions: The discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent to correct for an adjustment to exclude administrative expense.

* Measurement period 2013-14 (fiscal year 2015) was the 1st year of implementation, therefore, only two years are shown

**Notes to the Required Supplementary Information
Year Ended June 30, 2016**

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.

Overall budgetary control is exercised at the fund level, except for the City's General Fund, where control is exercised at the department level. The City Council has the legal authority to amend the budget at any time during the fiscal year. The City Manager is also authorized to make administrative amendments to the budget, provided the department amendments do not have a significant policy impact or affect budgeted year-end fund balances.

Supplementary Information

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Non Major Governmental Funds - Funds Descriptions
Non-major Governmental Funds

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**Non Major Governmental Funds - Funds Descriptions
Year Ended June 30, 2016**

Debt Service Funds are used to account for debt service payments on long-term debt issues.

Fillmore Public Financing Authority Debt Service Fund - to account for debt service payment on various long-term debt issues. This fund is being removed from the annual financial report.

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.

Public Education & Government Fund - to account for the PEG fee portion of the cable television taxes received from Time Warner Cable – based on TWC revenue.

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 the 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 bike paths.

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.

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.

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

**Non Major Governmental Funds - Funds Descriptions
Year Ended June 30, 2016**

Special Revenues Funds, (continued)

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.

Levees Fund - to account for reserve funds for the storm drain district's levee.

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.

Sespe Creek Bike Path Fund - to account for grant funds used in the extension of the paved Sespe Creek Bike path, as well as, landscaping and construction of a wood fence. The City does not present a Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for this fund because no budget is legally adopted for it.

Signals Fund - the purpose of this fund is to use grants and other funds to construct and maintain the City's traffic signals. The City does not present a Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for this fund because no budget is legally adopted for it.

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 grants.

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

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

Parking Lot Fund - to account for the construction of a city owned parking lot. The City does not present a Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for this fund because no budget is legally adopted for it.

Storm Drain Weir River Fund - to account for the related costs for a storm drain connection to the Weir River. The City does not present a Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for this fund because no budget is legally adopted for it.

Pole Creek Fund - to account for the cost of improvements to the Pole Creek Bike Path. The City does not present a Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for this fund because no budget is legally adopted for it.

BTA Bike Path Fund - to account for bike path construction. The City does not present a Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for this fund because no budget is legally adopted for it.

Non Major Governmental Funds - Funds Descriptions
Year Ended June 30, 2016

Capital Projects Funds, (continued)

Business Park Infrastructure Fund - to account for costs related to the development and construction of business park infrastructure assets. The City does not present a Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for this fund because no budget is legally adopted for it.

Sidewalk Repair Fund - to account for repair of sidewalks. The City does not present a Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for this fund because no budget is legally adopted for it.

City of Fillmore

**Combining Balance Sheet
Non Major Governmental Funds
June 30, 2016**

| | DEBT SERVICE FUND | SPECIAL REVENUE FUNDS | |
|--|----------------------------------|-------------------------------------|-------------------|
| | Public Financing Authority | Public Education & Government | Gas Tax |
| Assets | | | |
| Cash and investments | \$ - | \$ 54,766 | \$ 258,735 |
| Receivables: | | | |
| Intergovernmental | - | - | - |
| Accounts | - | 6,179 | - |
| Interest | - | 10 | 75 |
| Other | - | - | - |
| Total assets | \$ - | \$ 60,955 | \$ 258,810 |
| Liabilities, deferred inflows of resources and fund balances | | | |
| Liabilities: | | | |
| Accounts payable | \$ - | \$ - | \$ 43,726 |
| Accrued liabilities | - | - | 2,108 |
| Due to other funds | 93,942 | - | - |
| Due to Successor Agency | - | - | - |
| Unearned revenue | - | - | - |
| Deposits payable | - | - | - |
| Total liabilities | 93,942 | - | 45,834 |
| Fund balance (deficit): | | | |
| Restricted | - | 60,955 | 212,976 |
| Assigned | - | - | - |
| Unassigned | (93,942) | - | - |
| Total fund balance (deficit) | (93,942) | 60,955 | 212,976 |
| Total liabilities, deferred inflows of resources and fund balance | \$ - | \$ 60,955 | \$ 258,810 |

Continued

SPECIAL REVENUE FUNDS

| Local Transportation | Lighting/ Landscape Assessment District | Storm Drain Assessment District | Community Development Block Grant | Public Transit |
|-------------------------|--|---------------------------------------|---|-----------------|
| \$ 517,504 | \$ 507,777 | \$ 364,821 | \$ 10,854 | \$ 1,170 |
| - | - | - | - | - |
| - | 3,236 | 2,249 | - | - |
| 136 | 140 | 153 | - | - |
| - | - | - | 6,507 | - |
| <u>\$ 517,640</u> | <u>\$ 511,153</u> | <u>\$ 367,223</u> | <u>\$ 17,361</u> | <u>\$ 1,170</u> |
| \$ - | \$ 15,413 | \$ 514 | \$ 5,499 | \$ 1,170 |
| - | 252 | 242 | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | 130,249 | - | - |
| - | 15,665 | 131,005 | 5,499 | 1,170 |
| 517,640 | 495,488 | 236,218 | 11,862 | - |
| - | - | - | - | - |
| - | - | - | - | - |
| <u>517,640</u> | <u>495,488</u> | <u>236,218</u> | <u>11,862</u> | <u>-</u> |
| <u>\$ 517,640</u> | <u>\$ 511,153</u> | <u>\$ 367,223</u> | <u>\$ 17,361</u> | <u>\$ 1,170</u> |

City of Fillmore

**Combining Balance Sheet
Non Major Governmental Funds
June 30, 2016**

| | <u>SPECIAL REVENUE FUNDS</u> | | |
|---|----------------------------------|---|--------------------------------------|
| | <u>Bike Path Maintenance</u> | <u>Solid Waste Source Reduction</u> | <u>Swimming Pool Maintenance</u> |
| Assets | | | |
| Cash and investments | \$ 47,837 | \$ 136,294 | \$ - |
| Receivables: | | | |
| Intergovernmental | - | - | 1,663 |
| Accounts | - | 22,831 | 23,146 |
| Interest | 8 | 35 | - |
| Other | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> |
| Total assets | <u>\$ 47,845</u> | <u>\$ 159,160</u> | <u>\$ 24,809</u> |
| Liabilities, deferred inflows of resources and fund balances | | | |
| Liabilities: | | | |
| Accounts payable | \$ 332 | \$ 775 | \$ 9,099 |
| Accrued liabilities | - | 919 | 5,004 |
| Due to other funds | - | - | 242,925 |
| Due to Successor Agency | - | - | - |
| Unearned revenue | 30,100 | - | - |
| Deposits payable | - | - | 409 |
| | <u>-</u> | <u>-</u> | <u>409</u> |
| Total liabilities | <u>30,432</u> | <u>1,694</u> | <u>257,437</u> |
| Fund balance (deficit): | | | |
| Restricted | 17,413 | 157,466 | - |
| Assigned | - | - | - |
| Unassigned | - | - | (232,628) |
| | <u>-</u> | <u>-</u> | <u>(232,628)</u> |
| Total fund balance (deficit) | <u>17,413</u> | <u>157,466</u> | <u>(232,628)</u> |
| Total liabilities, deferred inflows of resources and fund balance | <u>\$ 47,845</u> | <u>\$ 159,160</u> | <u>\$ 24,809</u> |

SPECIAL REVENUE FUNDS

| Recreation | DIF Public Facility | DIF Transportation Improvement | DIF Parkland | DIF Sewer Improvement |
|------------------|---------------------|--------------------------------|-------------------|-----------------------|
| \$ - | \$ 509,829 | \$ 176,792 | \$ 359,094 | \$ 1,241,086 |
| - | - | - | - | - |
| 24,596 | - | - | - | - |
| - | 113 | 38 | 92 | 782 |
| - | - | - | - | - |
| <u>\$ 24,596</u> | <u>\$ 509,942</u> | <u>\$ 176,830</u> | <u>\$ 359,186</u> | <u>\$ 1,241,868</u> |
| | | | | |
| \$ 6,895 | \$ 167 | \$ 167 | \$ 167 | \$ 167 |
| 2,402 | - | - | - | - |
| 156,549 | - | - | - | - |
| - | - | - | - | - |
| 460 | - | - | - | 796,972 |
| 1,875 | - | 47,300 | - | - |
| <u>168,181</u> | <u>167</u> | <u>47,467</u> | <u>167</u> | <u>797,139</u> |
| | | | | |
| - | 509,775 | 129,363 | 359,019 | 444,729 |
| - | - | - | - | - |
| <u>(143,585)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | | | | |
| <u>(143,585)</u> | <u>509,775</u> | <u>129,363</u> | <u>359,019</u> | <u>444,729</u> |
| | | | | |
| <u>\$ 24,596</u> | <u>\$ 509,942</u> | <u>\$ 176,830</u> | <u>\$ 359,186</u> | <u>\$ 1,241,868</u> |

City of Fillmore

**Combining Balance Sheet
Non Major Governmental Funds
June 30, 2016**

| | SPECIAL REVENUE FUNDS | | |
|--|--------------------------|--------------------------------|----------------------|
| | DIF Water Improvement | DIF Storm Drain Improvement | Storm Water NPDES |
| Assets | | | |
| Cash and investments | \$ 813,469 | \$ 680,549 | \$ - |
| Receivables: | | | |
| Intergovernmental | - | - | - |
| Accounts | - | - | 6,849 |
| Interest | 210 | 157 | - |
| Other | - | - | - |
| Total assets | \$ 813,679 | \$ 680,706 | \$ 6,849 |
| Liabilities, deferred inflows of resources and fund balances | | | |
| Liabilities: | | | |
| Accounts payable | \$ 167 | \$ 167 | \$ 1,145 |
| Accrued liabilities | - | - | 149 |
| Due to other funds | - | - | 26,461 |
| Due to Successor Agency | 750,000 | - | - |
| Unearned revenue | - | - | - |
| Deposits payable | - | - | - |
| Total liabilities | 750,167 | 167 | 27,755 |
| Fund balance (deficit): | | | |
| Restricted | 63,512 | 680,539 | - |
| Assigned | - | - | - |
| Unassigned | - | - | (20,906) |
| Total fund balance (deficit) | 63,512 | 680,539 | (20,906) |
| Total liabilities, deferred inflows of resources and fund balance | \$ 813,679 | \$ 680,706 | \$ 6,849 |

| SPECIAL REVENUE FUND | CAPITAL PROJECTS FUNDS | | | |
|-------------------------|--------------------------|------------------|-----------------------------------|-------------------|
| Levees | Sespe Creek Bike Path | Signals | Miscellaneous Capital Projects | Street Projects |
| \$ 1,270,978 | \$ 45,127 | \$ 10,000 | \$ 1,411,746 | \$ 334,968 |
| - | - | - | - | - |
| - | - | - | - | - |
| 296 | - | - | - | - |
| - | - | - | - | - |
| <u>\$ 1,271,274</u> | <u>\$ 45,127</u> | <u>\$ 10,000</u> | <u>\$ 1,411,746</u> | <u>\$ 334,968</u> |
| - | - | - | - | 48,629 |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | 48,629 |
| 1,271,274 | 45,127 | 10,000 | 1,411,746 | - |
| - | - | - | - | 286,339 |
| - | - | - | - | - |
| <u>1,271,274</u> | <u>45,127</u> | <u>10,000</u> | <u>1,411,746</u> | <u>286,339</u> |
| <u>\$ 1,271,274</u> | <u>\$ 45,127</u> | <u>\$ 10,000</u> | <u>\$ 1,411,746</u> | <u>\$ 334,968</u> |

City of Fillmore

**Combining Balance Sheet
Non Major Governmental Funds
June 30, 2016**

| | <u>CAPITAL PROJECTS FUNDS</u> | | |
|---|---|-------------------|--------------------|
| | <u>Corporate Yard/ Fire Station Project</u> | <u>Well #9</u> | <u>Parking Lot</u> |
| Assets | | | |
| Cash and investments | \$ 185,533 | \$ 221,521 | \$ 50,706 |
| Receivables: | | | |
| Intergovernmental | - | - | - |
| Accounts | - | - | - |
| Interest | - | - | - |
| Other | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> |
| Total assets | <u>\$ 185,533</u> | <u>\$ 221,521</u> | <u>\$ 50,706</u> |
| Liabilities, deferred inflows of resources and fund balances | | | |
| Liabilities: | | | |
| Accounts payable | \$ 1,711 | \$ 4,002 | \$ - |
| Accrued liabilities | - | - | - |
| Due to other funds | - | - | - |
| Due to Successor Agency | - | - | - |
| Unearned revenue | - | - | - |
| Deposits payable | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> |
| Total liabilities | <u>1,711</u> | <u>4,002</u> | <u>-</u> |
| Fund balance (deficit): | | | |
| Restricted | - | - | - |
| Assigned | 183,822 | 217,519 | 50,706 |
| Unassigned | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> |
| Total fund balance (deficit) | <u>183,822</u> | <u>217,519</u> | <u>50,706</u> |
| Total liabilities, deferred inflows of resources and fund balance | <u>\$ 185,533</u> | <u>\$ 221,521</u> | <u>\$ 50,706</u> |

CAPITAL PROJECTS FUNDS

| Storm Drain Weir River | Pole Creek | BTA Bike Path |
|---------------------------|-----------------|------------------|
| \$ 206,000 | \$ 7,500 | \$ 25,369 |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| <u>\$ 206,000</u> | <u>\$ 7,500</u> | <u>\$ 25,369</u> |
| | | |
| \$ - | \$ - | \$ - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| <u>-</u> | <u>-</u> | <u>-</u> |
| | | |
| - | - | - |
| 206,000 | 7,500 | 25,369 |
| - | - | - |
| <u>206,000</u> | <u>7,500</u> | <u>25,369</u> |
| | | |
| <u>\$ 206,000</u> | <u>\$ 7,500</u> | <u>\$ 25,369</u> |

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City of Fillmore

**Combining Balance Sheet
Non Major Governmental Funds
June 30, 2016**

| | <u>CAPITAL PROJECTS FUNDS</u> | | |
|---|---|------------------------|--|
| | <u>Business Park Infrastructure</u> | <u>Sidewalk Repair</u> | <u>Total Nonmajor Governmental Funds</u> |
| Assets | | | |
| Cash and investments | \$ 69,717 | \$ 147,526 | \$ 9,667,268 |
| Receivables: | | | |
| Intergovernmental | - | - | 1,663 |
| Accounts | - | - | 89,086 |
| Interest | - | - | 2,245 |
| Other | - | - | 6,507 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total assets | <u>\$ 69,717</u> | <u>\$ 147,526</u> | <u>\$ 9,766,769</u> |
| Liabilities, deferred inflows of resources and fund balances | | | |
| Liabilities: | | | |
| Accounts payable | \$ - | \$ - | \$ 139,912 |
| Accrued liabilities | - | - | 11,076 |
| Due to other funds | - | - | 519,877 |
| Due to Successor Agency | - | - | 750,000 |
| Unearned revenue | - | - | 827,532 |
| Deposits payable | - | - | 179,833 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total liabilities | <u>-</u> | <u>-</u> | <u>2,428,230</u> |
| Fund balance (deficit): | | | |
| Restricted | 69,717 | - | 6,704,819 |
| Assigned | - | 147,526 | 1,124,781 |
| Unassigned | - | - | (491,061) |
| | <u> </u> | <u> </u> | <u> </u> |
| Total fund balance (deficit) | <u>69,717</u> | <u>147,526</u> | <u>7,338,539</u> |
| Total liabilities, deferred inflows of resources and fund balance | <u>\$ 69,717</u> | <u>\$ 147,526</u> | <u>\$ 9,766,769</u> |

City of Fillmore

**Combining Statements of Revenues, Expenditures, and Changes in Fund Balances
Non Major Governmental Funds
Year Ended June 30, 2016**

| | DEBT SERVICE FUND | SPECIAL REVENUE FUNDS | |
|--|----------------------------------|-------------------------------------|-------------------|
| | Public Financing Authority | Public Education & Government | Gas Tax |
| Revenues | | | |
| Taxes | \$ - | \$ 24,001 | \$ - |
| Intergovernmental | - | - | 342,506 |
| Charges for services | - | - | - |
| Investment income | - | 44 | 492 |
| Other | - | - | - |
| Total revenues | - | 24,045 | 342,998 |
| Expenditures | | | |
| Current: | | | |
| Public works | - | - | 451,120 |
| Community development | - | 9,470 | - |
| Transit | - | - | - |
| Parks and recreation | - | - | - |
| Capital outlay | - | - | - |
| Debt service: | | | |
| Principal | 94,209 | - | - |
| Interest and fiscal charges | 2,655 | - | - |
| Total expenditures | 96,864 | 9,470 | 451,120 |
| Excess (deficiency) of revenues over (under) expenditures | (96,864) | 14,575 | (108,122) |
| Other financing sources (uses) | | | |
| Transfers in | 96,866 | - | - |
| Transfers out | - | - | (77,732) |
| Total other financing sources (uses) | 96,866 | - | (77,732) |
| Net change in fund balances | 2 | 14,575 | (185,854) |
| Fund balance (deficit), beginning of year | (93,944) | 46,380 | 398,830 |
| Fund balance (deficit), end of year | <u>\$ (93,942)</u> | <u>\$ 60,955</u> | <u>\$ 212,976</u> |

SPECIAL REVENUE FUNDS

| Local Transportation | Lighting/ Landscape Assessment District | Storm Drain Assessment District | Community Development Block Grant | Public Transit |
|-------------------------|--|---------------------------------------|---|----------------|
| \$ - | \$ 297,923 | \$ 243,265 | \$ - | \$ - |
| 142,988 | - | - | 227,527 | 395,662 |
| - | - | - | - | - |
| 563 | 671 | 721 | - | - |
| - | - | - | - | - |
| <u>143,551</u> | <u>298,594</u> | <u>243,986</u> | <u>227,527</u> | <u>395,662</u> |
| - | 297,831 | 34,121 | - | - |
| - | - | - | 224,940 | - |
| - | - | - | - | 395,662 |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| <u>-</u> | <u>297,831</u> | <u>34,121</u> | <u>224,940</u> | <u>395,662</u> |
| <u>143,551</u> | <u>763</u> | <u>209,865</u> | <u>2,587</u> | <u>-</u> |
| - | - | - | - | - |
| - | (51,165) | (162,264) | - | - |
| <u>-</u> | <u>(51,165)</u> | <u>(162,264)</u> | <u>-</u> | <u>-</u> |
| 143,551 | (50,402) | 47,601 | 2,587 | - |
| <u>374,089</u> | <u>545,890</u> | <u>188,617</u> | <u>9,275</u> | <u>-</u> |
| <u>\$ 517,640</u> | <u>\$ 495,488</u> | <u>\$ 236,218</u> | <u>\$ 11,862</u> | <u>\$ -</u> |

City of Fillmore

**Combining Statements of Revenues, Expenditures, and Changes in Fund Balances
Non Major Governmental Funds
Year Ended June 30, 2016**

| | SPECIAL REVENUE FUNDS | | |
|--|--------------------------|---------------------------------|------------------------------|
| | Bike Path Maintenance | Solid Waste Source Reduction | Swimming Pool Maintenance |
| Revenues | | | |
| Taxes | \$ - | \$ - | \$ 67,834 |
| Intergovernmental | 7,622 | 47,353 | - |
| Charges for services | - | 75,047 | 32,708 |
| Investment income | 32 | 179 | - |
| Other | - | - | 27,146 |
| | <u>-</u> | <u>-</u> | <u>27,146</u> |
| Total revenues | <u>7,654</u> | <u>122,579</u> | <u>127,688</u> |
| Expenditures | | | |
| Current: | | | |
| Public works | 31,454 | 95,411 | - |
| Community development | - | - | - |
| Transit | - | - | - |
| Parks and recreation | - | - | 252,018 |
| Capital outlay | - | - | - |
| Debt service: | | | |
| Principal | - | - | - |
| Interest and fiscal charges | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>31,454</u> | <u>95,411</u> | <u>252,018</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(23,800)</u> | <u>27,168</u> | <u>(124,330)</u> |
| Other financing sources (uses) | | | |
| Transfers in | 30,000 | - | 13,636 |
| Transfers out | (616) | (11,123) | - |
| | <u>29,384</u> | <u>(11,123)</u> | <u>13,636</u> |
| Total other financing sources (uses) | <u>29,384</u> | <u>(11,123)</u> | <u>13,636</u> |
| Net change in fund balances | 5,584 | 16,045 | (110,694) |
| Fund balance (deficit), beginning of year | <u>11,829</u> | <u>141,421</u> | <u>(121,934)</u> |
| Fund balance (deficit), end of year | <u>\$ 17,413</u> | <u>\$ 157,466</u> | <u>\$ (232,628)</u> |

SPECIAL REVENUE FUNDS

| Recreation | DIF Public Facility | DIF Transportation Improvement | DIF Parkland | DIF Sewer Improvement |
|---------------------|---------------------|--------------------------------|-------------------|-----------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - |
| 40,125 | - | - | - | - |
| 96,796 | 218,454 | 70,864 | - | 455,067 |
| - | 503 | 110 | 521 | 5,922 |
| 101,655 | - | - | - | - |
| <u>238,576</u> | <u>218,957</u> | <u>70,974</u> | <u>521</u> | <u>460,989</u> |
| - | 1,653 | 1,654 | - | - |
| - | - | - | - | 1,652 |
| - | - | - | - | - |
| 339,753 | - | - | 1,653 | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| <u>339,753</u> | <u>1,653</u> | <u>1,654</u> | <u>1,653</u> | <u>1,652</u> |
| <u>(101,177)</u> | <u>217,304</u> | <u>69,320</u> | <u>(1,132)</u> | <u>459,337</u> |
| - | - | - | - | - |
| - | (24,000) | - | (62,839) | (312,536) |
| - | (24,000) | - | (62,839) | (312,536) |
| (101,177) | 193,304 | 69,320 | (63,971) | 146,801 |
| (42,408) | 316,471 | 60,043 | 422,990 | 297,928 |
| <u>\$ (143,585)</u> | <u>\$ 509,775</u> | <u>\$ 129,363</u> | <u>\$ 359,019</u> | <u>\$ 444,729</u> |

City of Fillmore

**Combining Statements of Revenues, Expenditures, and Changes in Fund Balances
Non Major Governmental Funds
Year Ended June 30, 2016**

| | SPECIAL REVENUE FUNDS | | |
|--|--------------------------|--------------------------------|----------------------|
| | DIF Water Improvement | DIF Storm Drain Improvement | Storm Water NPDES |
| Revenues | | | |
| Taxes | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | - |
| Charges for services | 507,642 | 112,540 | 6,849 |
| Investment income | 969 | 784 | - |
| Other | - | - | - |
| | <u>508,611</u> | <u>113,324</u> | <u>6,849</u> |
| Total revenues | <u>508,611</u> | <u>113,324</u> | <u>6,849</u> |
| Expenditures | | | |
| Current: | | | |
| Public works | 1,653 | 1,653 | 24,959 |
| Community development | - | - | - |
| Transit | - | - | - |
| Parks and recreation | - | - | - |
| Capital outlay | - | - | - |
| Debt service: | | | |
| Principal | - | - | - |
| Interest and fiscal charges | - | - | - |
| | <u>1,653</u> | <u>1,653</u> | <u>24,959</u> |
| Total expenditures | <u>1,653</u> | <u>1,653</u> | <u>24,959</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>506,958</u> | <u>111,671</u> | <u>(18,110)</u> |
| Other financing sources (uses) | | | |
| Transfers in | - | - | 27,378 |
| Transfers out | <u>(294,000)</u> | <u>-</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(294,000)</u> | <u>-</u> | <u>27,378</u> |
| Net change in fund balances | 212,958 | 111,671 | 9,268 |
| Fund balance (deficit), beginning of year | <u>(149,446)</u> | <u>568,868</u> | <u>(30,174)</u> |
| Fund balance (deficit), end of year | <u>\$ 63,512</u> | <u>\$ 680,539</u> | <u>\$ (20,906)</u> |

| SPECIAL REVENUE FUND | CAPITAL PROJECTS FUNDS | | | |
|-------------------------|--------------------------|------------------|-----------------------------------|-------------------|
| Levees | Sespe Creek Bike Path | Signals | Miscellaneous Capital Projects | Street Projects |
| \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | 40,379 |
| - | - | - | 1,030,000 | - |
| 1,512 | - | - | - | - |
| - | - | - | - | - |
| <u>1,512</u> | <u>-</u> | <u>-</u> | <u>1,030,000</u> | <u>40,379</u> |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | 56,240 |
| - | - | - | - | - |
| - | - | - | - | - |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>56,240</u> |
| 1,512 | - | - | 1,030,000 | (15,861) |
| 133,895 | - | - | 62,839 | - |
| - | - | - | - | - |
| <u>133,895</u> | <u>-</u> | <u>-</u> | <u>62,839</u> | <u>-</u> |
| 135,407 | - | - | 1,092,839 | (15,861) |
| <u>1,135,867</u> | <u>45,127</u> | <u>10,000</u> | <u>318,907</u> | <u>302,200</u> |
| <u>\$ 1,271,274</u> | <u>\$ 45,127</u> | <u>\$ 10,000</u> | <u>\$ 1,411,746</u> | <u>\$ 286,339</u> |

City of Fillmore

**Combining Statements of Revenues, Expenditures, and Changes in Fund Balances
Non Major Governmental Funds
Year Ended June 30, 2016**

| | <u>CAPITAL PROJECTS FUNDS</u> | | |
|--|---|-------------------|--------------------|
| | <u>Corporate Yard/ Fire Station Project</u> | <u>Well #9</u> | <u>Parking Lot</u> |
| Revenues | | | |
| Taxes | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | - |
| Charges for services | - | - | - |
| Investment income | - | - | - |
| Other | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> |
| Total revenues | <u>-</u> | <u>-</u> | <u>-</u> |
| Expenditures | | | |
| Current: | | | |
| Public works | - | - | - |
| Community development | - | - | - |
| Transit | - | - | - |
| Parks and recreation | - | - | - |
| Capital outlay | 64,939 | - | - |
| Debt service: | | | |
| Principal | - | - | - |
| Interest and fiscal charges | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>64,939</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(64,939)</u> | <u>-</u> | <u>-</u> |
| Other financing sources (uses) | | | |
| Transfers in | - | 354,000 | - |
| Transfers out | <u>(92,516)</u> | <u>(242,345)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(92,516)</u> | <u>111,655</u> | <u>-</u> |
| Net change in fund balances | (157,455) | 111,655 | - |
| Fund balance (deficit), beginning of year | <u>341,277</u> | <u>105,864</u> | <u>50,706</u> |
| Fund balance (deficit), end of year | <u>\$ 183,822</u> | <u>\$ 217,519</u> | <u>\$ 50,706</u> |

City of Fillmore

**Combining Statements of Revenues, Expenditures, and Changes in Fund Balances
Non Major Governmental Funds
Year Ended June 30, 2016**

| | <u>CAPITAL PROJECTS FUNDS</u> | | Total Nonmajor Governmental Funds |
|--|---|------------------------|---|
| | <u>Business Park Infrastructure</u> | <u>Sidewalk Repair</u> | |
| Revenues | | | |
| Taxes | \$ - | \$ - | \$ 633,023 |
| Intergovernmental | - | - | 1,244,162 |
| Charges for services | - | - | 2,605,967 |
| Investment income | - | - | 13,023 |
| Other | - | - | 128,801 |
| | <u>-</u> | <u>-</u> | <u>4,624,976</u> |
| Expenditures | | | |
| Current: | | | |
| Public works | - | - | 941,509 |
| Community development | - | - | 236,062 |
| Transit | - | - | 395,662 |
| Parks and recreation | - | - | 593,424 |
| Capital outlay | - | - | 121,179 |
| Debt service: | | | |
| Principal | - | - | 94,209 |
| Interest and fiscal charges | - | - | 2,655 |
| | <u>-</u> | <u>-</u> | <u>2,384,700</u> |
| Total expenditures | <u>-</u> | <u>-</u> | <u>2,384,700</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>-</u> | <u>-</u> | <u>2,240,276</u> |
| Other financing sources (uses) | | | |
| Transfers in | - | - | 718,614 |
| Transfers out | - | - | (1,331,136) |
| | <u>-</u> | <u>-</u> | <u>(612,522)</u> |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>(612,522)</u> |
| Net change in fund balances | - | - | 1,627,754 |
| Fund balance (deficit), beginning of year | <u>69,717</u> | <u>147,526</u> | <u>5,710,785</u> |
| Fund balance (deficit), end of year | <u>\$ 69,717</u> | <u>\$ 147,526</u> | <u>\$ 7,338,539</u> |

City of Fillmore

**Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Non-Major Governmental Funds
Year Ended June 30, 2016**

Budgetary comparison schedules 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 below to aid in additional analysis and are not a required part of the basic financial statements.

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City of Fillmore

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Fillmore Public Financing Authority Debt Service Fund
Year Ended June 30, 2016**

| | Final budget | Actual | Variance with final budget |
|---|-----------------|-------------|-------------------------------|
| Revenues | | | |
| Total revenues | \$ - | \$ - | \$ - |
| Expenditures | | | |
| Debt Service: | | | |
| Principal | 92,516 | 94,209 | (1,693) |
| Interest and fiscal charges | 4,350 | 2,655 | 1,695 |
| Total expenditures | 96,866 | 96,864 | 2 |
| Excess of revenues over expenditures | (96,866) | (96,864) | 2 |
| Other financing sources (uses) | | | |
| Transfers in | 96,866 | 96,866 | - |
| Total other financing sources | 96,866 | 96,866 | - |
| Net change in fund balance | - | 2 | 2 |
| Fund balance (deficit), beginning of year | (93,944) | (93,944) | - |
| Fund balance (deficit), end of year | \$ (93,944) | \$ (93,942) | \$ 2 |

City of Fillmore

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Public Education & Government Special Revenue Fund
Year Ended June 30, 2016**

| | Final budget | Actual | Variance with final budget |
|---------------------------------|-------------------------|-------------------------|-------------------------------|
| Revenues | | | |
| Taxes | \$ 6,900 | \$ 24,001 | \$ 17,101 |
| Investment income | - | 44 | 44 |
| Total revenues | <u>6,900</u> | <u>24,045</u> | <u>17,145</u> |
| Expenditures | | | |
| Current: | | | |
| Community development | <u>35,000</u> | <u>9,470</u> | <u>25,530</u> |
| Total expenditures | <u>35,000</u> | <u>9,470</u> | <u>25,530</u> |
| Net change in fund balance | (28,100) | 14,575 | 42,675 |
| Fund balance, beginning of year | <u>46,380</u> | <u>46,380</u> | <u>-</u> |
| Fund balance, end of year | <u><u>\$ 18,280</u></u> | <u><u>\$ 60,955</u></u> | <u><u>\$ 42,675</u></u> |

City of Fillmore

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Gas Tax Special Revenue Fund
Year Ended June 30, 2016**

| | Final budget | Actual | Variance with final budget |
|---------------------------------------|-------------------|-------------------|-------------------------------|
| Revenues | | | |
| Intergovernmental | \$ 414,690 | \$ 342,506 | \$ (72,184) |
| Investment income | - | 492 | 492 |
| | <u>414,690</u> | <u>342,998</u> | <u>(71,692)</u> |
| Total revenues | | | |
| | <u>414,690</u> | <u>342,998</u> | <u>(71,692)</u> |
| Expenditures | | | |
| Current: | | | |
| Public works | 543,663 | 451,120 | 92,543 |
| | <u>543,663</u> | <u>451,120</u> | <u>92,543</u> |
| Total expenditures | | | |
| | <u>543,663</u> | <u>451,120</u> | <u>92,543</u> |
| Excess of revenues over expenditures | <u>(128,973)</u> | <u>(108,122)</u> | <u>20,851</u> |
| Other financing sources (uses) | | | |
| Transfers out | <u>(90,613)</u> | <u>(77,732)</u> | <u>12,881</u> |
| Total other financing (uses) | <u>(90,613)</u> | <u>(77,732)</u> | <u>12,881</u> |
| Net change in fund balance | (219,586) | (185,854) | 33,732 |
| Fund balance, beginning of year | <u>398,830</u> | <u>398,830</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 179,244</u> | <u>\$ 212,976</u> | <u>\$ 33,732</u> |

City of Fillmore

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Local Transportation Special Revenue Fund
Year Ended June 30, 2016**

| | <u>Final budget</u> | <u>Actual</u> | <u>Variance with final budget</u> |
|---------------------------------|--------------------------|--------------------------|---------------------------------------|
| Revenues | | | |
| Intergovernmental | \$ 143,200 | \$ 142,988 | \$ (212) |
| Investment income | <u>-</u> | <u>563</u> | <u>563</u> |
| Total revenues | <u>143,200</u> | <u>143,551</u> | <u>351</u> |
| Expenditures | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | 143,200 | 143,551 | 351 |
| Fund balance, beginning of year | <u>374,089</u> | <u>374,089</u> | <u>-</u> |
| Fund balance, end of year | <u><u>\$ 517,289</u></u> | <u><u>\$ 517,640</u></u> | <u><u>\$ 351</u></u> |

City of Fillmore

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Lighting/Landscape Assessment District Special Revenue Fund
Year Ended June 30, 2016**

| | Final budget | Actual | Variance with final budget |
|--|--------------------------|--------------------------|-------------------------------|
| Revenues | | | |
| Taxes | \$ 309,193 | \$ 297,923 | \$ (11,270) |
| Investment income | - | 671 | 671 |
| Total revenues | <u>309,193</u> | <u>298,594</u> | <u>(10,599)</u> |
| Expenditures | | | |
| Current: | | | |
| Public works | <u>396,910</u> | <u>297,831</u> | <u>99,079</u> |
| Total expenditures | <u>396,910</u> | <u>297,831</u> | <u>99,079</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(87,717)</u> | <u>763</u> | <u>88,480</u> |
| Other financing sources (uses) | | | |
| Transfers out | <u>(51,267)</u> | <u>(51,165)</u> | <u>102</u> |
| Total other financing (uses) | <u>(51,267)</u> | <u>(51,165)</u> | <u>102</u> |
| Net change in fund balance | (138,984) | (50,402) | 88,582 |
| Fund balance, beginning of year | <u>545,890</u> | <u>545,890</u> | <u>-</u> |
| Fund balance, end of year | <u><u>\$ 406,906</u></u> | <u><u>\$ 495,488</u></u> | <u><u>\$ 88,582</u></u> |

City of Fillmore

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Storm Drain Assessment District Special Revenue Fund
Year Ended June 30, 2016**

| | Final budget | Actual | Variance with final budget |
|---------------------------------------|-------------------|-------------------|-------------------------------|
| Revenues | | | |
| Taxes | \$ 243,535 | \$ 243,265 | \$ (270) |
| Investment income | - | 721 | 721 |
| Total revenues | <u>243,535</u> | <u>243,986</u> | <u>451</u> |
| Expenditures | | | |
| Current: | | | |
| Public works | <u>103,873</u> | <u>34,121</u> | <u>69,752</u> |
| Total expenditures | <u>103,873</u> | <u>34,121</u> | <u>69,752</u> |
| Excess of revenues over expenditures | <u>139,662</u> | <u>209,865</u> | <u>70,203</u> |
| Other financing sources (uses) | | | |
| Transfers out | <u>(220,441)</u> | <u>(162,264)</u> | <u>58,177</u> |
| Total other financing (uses) | <u>(220,441)</u> | <u>(162,264)</u> | <u>58,177</u> |
| Net change in fund balance | (80,779) | 47,601 | 128,380 |
| Fund balance, beginning of the year | <u>188,617</u> | <u>188,617</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 107,838</u> | <u>\$ 236,218</u> | <u>\$ 128,380</u> |

City of Fillmore

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Community Development Block Grant Special Revenue Fund
Year Ended June 30, 2016**

| | <u>Final budget</u> | <u>Actual</u> | <u>Variance with final budget</u> |
|---------------------------------|---------------------------|-------------------------|---------------------------------------|
| Revenues | | | |
| Intergovernmental | \$ 190,000 | \$ 227,527 | \$ 37,527 |
| Total revenues | <u>190,000</u> | <u>227,527</u> | <u>37,527</u> |
| Expenditures | | | |
| Current: | | | |
| Community development | <u>238,000</u> | <u>224,940</u> | <u>13,060</u> |
| Total expenditures | <u>238,000</u> | <u>224,940</u> | <u>13,060</u> |
| Net change in fund balance | (48,000) | 2,587 | 50,587 |
| Fund balance, beginning of year | <u>9,275</u> | <u>9,275</u> | <u>-</u> |
| Fund balance, end of year | <u><u>\$ (38,725)</u></u> | <u><u>\$ 11,862</u></u> | <u><u>\$ 50,587</u></u> |

City of Fillmore

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Public Transit Special Revenue Fund
Year Ended June 30, 2016**

| | Final budget | Actual | Variance with final budget |
|---------------------------------|--------------------|--------------------|-------------------------------|
| Revenues | | | |
| Intergovernmental | \$ 395,662 | \$ 395,662 | \$ - |
| Total revenues | <u>395,662</u> | <u>395,662</u> | <u>-</u> |
| Expenditures | | | |
| Current: | | | |
| Transit | 395,662 | 395,662 | - |
| Total expenditures | <u>395,662</u> | <u>395,662</u> | <u>-</u> |
| Net change in fund balance | - | - | - |
| Fund balance, beginning of year | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance, end of year | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

City of Fillmore

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Bike Path Maintenance Special Revenue Fund
Year Ended June 30, 2016**

| | Final budget | Actual | Variance with final budget |
|---------------------------------------|-------------------------|-------------------------|-------------------------------|
| Revenues | | | |
| Intergovernmental | \$ 4,850 | \$ 7,622 | \$ 2,772 |
| Investment income | 25 | 32 | 7 |
| | <u>4,875</u> | <u>7,654</u> | <u>2,779</u> |
| Total revenues | | | |
| Expenditures | | | |
| Current: | | | |
| Public works | 33,790 | 31,454 | 2,336 |
| | <u>33,790</u> | <u>31,454</u> | <u>2,336</u> |
| Total expenditures | | | |
| Excess of revenues over expenditures | <u>(28,915)</u> | <u>(23,800)</u> | <u>5,115</u> |
| Other financing sources (uses) | | | |
| Transfers in | 30,000 | 30,000 | - |
| Transfers out | <u>(616)</u> | <u>(616)</u> | <u>-</u> |
| Total other financing sources | <u>29,384</u> | <u>29,384</u> | <u>-</u> |
| Net change in fund balance | 469 | 5,584 | 5,115 |
| Fund balance, beginning of year | <u>11,829</u> | <u>11,829</u> | <u>-</u> |
| Fund balance, end of year | <u><u>\$ 12,298</u></u> | <u><u>\$ 17,413</u></u> | <u><u>\$ 5,115</u></u> |

City of Fillmore

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Solid Waste Source Reduction Special Revenue Fund
Year Ended June 30, 2016**

| | Final budget | Actual | Variance with final budget |
|--|--------------------------|--------------------------|-------------------------------|
| Revenues | | | |
| Intergovernmental | \$ 29,564 | \$ 47,353 | \$ 17,789 |
| Charges for services | 75,000 | 75,047 | 47 |
| Investment Income | 200 | 179 | (21) |
| | <u>104,764</u> | <u>122,579</u> | <u>17,815</u> |
| Expenditures | | | |
| Current: | | | |
| Public works | <u>109,533</u> | <u>95,411</u> | <u>14,122</u> |
| | <u>109,533</u> | <u>95,411</u> | <u>14,122</u> |
| Excess (Deficiency) of revenues over expenditures | <u>(4,769)</u> | <u>27,168</u> | <u>31,937</u> |
| Other financing sources (uses) | | | |
| Transfers out | <u>(11,123)</u> | <u>(11,123)</u> | <u>-</u> |
| | <u>(11,123)</u> | <u>(11,123)</u> | <u>-</u> |
| Net change in fund balance | (15,892) | 16,045 | 31,937 |
| Fund balance, beginning of year | <u>141,421</u> | <u>141,421</u> | <u>-</u> |
| Fund balance, end of year | <u><u>\$ 125,529</u></u> | <u><u>\$ 157,466</u></u> | <u><u>\$ 31,937</u></u> |

City of Fillmore

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Swimming Pool Maintenance Special Revenue Fund
Year Ended June 30, 2016**

| | Final budget | Actual | Variance with final budget |
|--|----------------------------|----------------------------|-------------------------------|
| Revenues | | | |
| Taxes | \$ 70,697 | \$ 67,834 | \$ (2,863) |
| Charges for services | 35,820 | 32,708 | (3,112) |
| Investment income | 55 | - | (55) |
| Other | 25,500 | 27,146 | 1,646 |
| Total revenues | <u>132,072</u> | <u>127,688</u> | <u>(4,384)</u> |
| Expenditures | | | |
| Current: | | | |
| Parks and recreation | <u>265,487</u> | <u>252,018</u> | <u>13,469</u> |
| Total expenditures | <u>265,487</u> | <u>252,018</u> | <u>13,469</u> |
| Deficiency of revenues under expenditures | <u>(133,415)</u> | <u>(124,330)</u> | <u>9,085</u> |
| Other financing sources (uses) | | | |
| Transfers in | <u>13,636</u> | <u>13,636</u> | <u>-</u> |
| Total other financing sources | <u>13,636</u> | <u>13,636</u> | <u>-</u> |
| Net change in fund balance | (119,779) | (110,694) | 9,085 |
| Fund balance (deficit), beginning of year | <u>(121,934)</u> | <u>(121,934)</u> | <u>-</u> |
| Fund balance (deficit), end of year | <u><u>\$ (241,713)</u></u> | <u><u>\$ (232,628)</u></u> | <u><u>\$ 9,085</u></u> |

City of Fillmore

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Recreation Special Revenue Fund
Year Ended June 30, 2016**

| | Final budget | Actual | Variance with final budget |
|---|--------------------|---------------------|-------------------------------|
| Revenues | | | |
| Intergovernmental | \$ 29,419 | \$ 40,125 | \$ 10,706 |
| Charges for services | 147,100 | 96,796 | (50,304) |
| Other | 117,000 | 101,655 | (15,345) |
| | <u>293,519</u> | <u>238,576</u> | <u>(54,943)</u> |
| Total revenues | | | |
| Expenditures | | | |
| Current: | | | |
| Parks and recreation | 348,261 | 339,753 | 8,508 |
| | <u>348,261</u> | <u>339,753</u> | <u>8,508</u> |
| Total expenditures | | | |
| Net change in fund balance | (54,742) | (101,177) | (46,435) |
| Fund balance (deficit), beginning of year | (42,408) | (42,408) | - |
| Fund balance (deficit), end of year | <u>\$ (97,150)</u> | <u>\$ (143,585)</u> | <u>\$ (46,435)</u> |

City of Fillmore

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
DIF Public Facility Special Revenue Fund
Year Ended June 30, 2016**

| | Final budget | Actual | Variance with final budget |
|---|--------------------------|--------------------------|-------------------------------|
| Revenues | | | |
| Charges for services | \$ 120,600 | \$ 218,454 | \$ 97,854 |
| Investment income | - | 503 | 503 |
| | <u>120,600</u> | <u>218,957</u> | <u>98,357</u> |
| Total revenues | | | |
| Expenditures | | | |
| Current: | | | |
| Public works | 6,200 | 1,653 | 4,547 |
| | <u>6,200</u> | <u>1,653</u> | <u>4,547</u> |
| Total expenditures | | | |
| Excess of revenues over expenditures | <u>114,400</u> | <u>217,304</u> | <u>102,904</u> |
| Other financing uses | | | |
| Transfers out | <u>(24,000)</u> | <u>(24,000)</u> | <u>-</u> |
| Total other financing uses | <u>(24,000)</u> | <u>(24,000)</u> | <u>-</u> |
| Net change in fund balance | 90,400 | 193,304 | 102,904 |
| Fund balance, beginning of year | <u>316,471</u> | <u>316,471</u> | <u>-</u> |
| Fund balance, end of year | <u><u>\$ 406,871</u></u> | <u><u>\$ 509,775</u></u> | <u><u>\$ 102,904</u></u> |

City of Fillmore

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
DIF Transportation Improvement Special Revenue Fund
Year Ended June 30, 2016**

| | Final budget | Actual | Variance with final budget |
|---|---------------------|-------------------|-------------------------------|
| Revenues | | | |
| Charges for services | \$ 94,095 | \$ 70,864 | \$ (23,231) |
| Investment income | - | 110 | 110 |
| | <u>94,095</u> | <u>70,974</u> | <u>(23,121)</u> |
| Total revenues | | | |
| | <u>94,095</u> | <u>70,974</u> | <u>(23,121)</u> |
| Expenditures | | | |
| Current: | | | |
| Public works | 6,300 | 1,654 | 4,646 |
| | <u>6,300</u> | <u>1,654</u> | <u>4,646</u> |
| Total expenditures | | | |
| | <u>6,300</u> | <u>1,654</u> | <u>4,646</u> |
| Excess of revenues over expenditures | <u>87,795</u> | <u>69,320</u> | <u>(18,475)</u> |
| Other financing sources (uses) | | | |
| Transfers out | <u>(624,000)</u> | <u>-</u> | <u>624,000</u> |
| | <u>(624,000)</u> | <u>-</u> | <u>624,000</u> |
| Total other financing (uses) | | | |
| | <u>(624,000)</u> | <u>-</u> | <u>624,000</u> |
| Net change in fund balance | (536,205) | 69,320 | 605,525 |
| Fund balance, beginning of year | <u>60,043</u> | <u>60,043</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ (476,162)</u> | <u>\$ 129,363</u> | <u>\$ 605,525</u> |

City of Fillmore

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
DIF Parkland Special Revenue Fund
Year Ended June 30, 2016**

| | Final budget | Actual | Variance with final budget |
|--|-------------------|-------------------|-------------------------------|
| Revenues | | | |
| Investment income | \$ - | \$ 521 | \$ 521 |
| Total revenues | <u>-</u> | <u>521</u> | <u>521</u> |
| Expenditures | | | |
| Current: | | | |
| Parks and recreation | 6,300 | 1,653 | 4,647 |
| Total expenditures | <u>6,300</u> | <u>1,653</u> | <u>4,647</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(6,300)</u> | <u>(1,132)</u> | <u>5,168</u> |
| Other financing sources (uses) | | | |
| Transfers out | <u>(62,839)</u> | <u>(62,839)</u> | <u>-</u> |
| Total other financing (uses) | <u>(62,839)</u> | <u>(62,839)</u> | <u>-</u> |
| Net change in fund balance | (69,139) | (63,971) | 5,168 |
| Fund balance, beginning of year | <u>422,990</u> | <u>422,990</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 353,851</u> | <u>\$ 359,019</u> | <u>\$ 5,168</u> |

City of Fillmore

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
DIF Sewer Improvement Special Revenue Fund
Year Ended June 30, 2016**

| | Final budget | Actual | Variance with final budget |
|---|--------------------|-------------------|-------------------------------|
| Revenues | | | |
| Charges for services | \$ - | \$ 455,067 | \$ 455,067 |
| Investment income | 3,409 | 5,922 | 2,513 |
| Total revenues | <u>3,409</u> | <u>460,989</u> | <u>457,580</u> |
| Expenditures | | | |
| Current: | | | |
| Community development | <u>6,300</u> | <u>1,652</u> | <u>4,648</u> |
| Total expenditures | <u>6,300</u> | <u>1,652</u> | <u>4,648</u> |
| Excess of revenues over expenditures | <u>(2,891)</u> | <u>459,337</u> | <u>462,228</u> |
| Other financing sources (uses) | | | |
| Transfers out | <u>(312,536)</u> | <u>(312,536)</u> | <u>-</u> |
| Total other financing (uses) | <u>(312,536)</u> | <u>(312,536)</u> | <u>-</u> |
| Net change in fund balance | (315,427) | 146,801 | 462,228 |
| Fund balance, beginning of year | <u>297,928</u> | <u>297,928</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ (17,499)</u> | <u>\$ 444,729</u> | <u>\$ 462,228</u> |

City of Fillmore

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
DIF Water Improvement Special Revenue Fund
Year Ended June 30, 2016**

| | Final budget | Actual | Variance with final budget |
|---|----------------------------|-------------------------|-------------------------------|
| Revenues | | | |
| Charges for services | \$ 279,990 | \$ 507,642 | \$ 227,652 |
| Investment income | 1,567 | 969 | (598) |
| Total revenues | <u>281,557</u> | <u>508,611</u> | <u>227,054</u> |
| Expenditures | | | |
| Current: | | | |
| Public works | <u>6,300</u> | <u>1,653</u> | <u>4,647</u> |
| Total expenditures | <u>6,300</u> | <u>1,653</u> | <u>4,647</u> |
| Excess of revenues over expenditures | <u>275,257</u> | <u>506,958</u> | <u>231,701</u> |
| Other financing (uses) | | | |
| Transfers out | <u>(294,000)</u> | <u>(294,000)</u> | <u>-</u> |
| Total other financing (uses) | <u>(294,000)</u> | <u>(294,000)</u> | <u>-</u> |
| Net change in fund balance | (18,743) | 212,958 | 231,701 |
| Fund balance (deficit), beginning of year | <u>(149,446)</u> | <u>(149,446)</u> | <u>-</u> |
| Fund balance, end of year | <u><u>\$ (168,189)</u></u> | <u><u>\$ 63,512</u></u> | <u><u>\$ 231,701</u></u> |

City of Fillmore

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
DIF Storm Drain Improvement Special Revenue Fund
Year Ended June 30, 2016**

| | Final budget | Actual | Variance with final budget |
|---------------------------------|--------------------------|--------------------------|-------------------------------|
| Revenues | | | |
| Charges for services | \$ 76,432 | \$ 112,540 | \$ 36,108 |
| Investment income | 800 | 784 | (16) |
| Total revenues | <u>77,232</u> | <u>113,324</u> | <u>36,092</u> |
| Expenditures | | | |
| Current: | | | |
| Public works | <u>6,300</u> | <u>1,653</u> | <u>4,647</u> |
| Total expenditures | <u>6,300</u> | <u>1,653</u> | <u>4,647</u> |
| Net change in fund balance | 70,932 | 111,671 | 40,739 |
| Fund balance, beginning of year | <u>568,868</u> | <u>568,868</u> | <u>-</u> |
| Fund balance, end of year | <u><u>\$ 639,800</u></u> | <u><u>\$ 680,539</u></u> | <u><u>\$ 40,739</u></u> |

City of Fillmore

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Storm Water NPDES Special Revenue Fund
Year Ended June 30, 2016**

| | Final budget | Actual | Variance with final budget |
|--|---------------------------|---------------------------|-------------------------------|
| Revenues | | | |
| Charges for services | \$ 17,000 | \$ 6,849 | \$ (10,151) |
| Investment income | 35 | - | (35) |
| Total revenues | <u>17,035</u> | <u>6,849</u> | <u>(10,186)</u> |
| Expenditures | | | |
| Current: | | | |
| Public works | <u>39,123</u> | <u>24,959</u> | <u>14,164</u> |
| Total expenditures | <u>39,123</u> | <u>24,959</u> | <u>14,164</u> |
| Deficiency of revenues under expenditures | <u>(22,088)</u> | <u>(18,110)</u> | <u>3,978</u> |
| Other financing sources (uses) | | | |
| Transfers in | <u>27,378</u> | <u>27,378</u> | <u>-</u> |
| Total other financing sources | <u>27,378</u> | <u>27,378</u> | <u>-</u> |
| Net change in fund balance | 5,290 | 9,268 | 3,978 |
| Fund balance (deficit), beginning of year | <u>(30,174)</u> | <u>(30,174)</u> | <u>-</u> |
| Fund balance (deficit), end of year | <u><u>\$ (24,884)</u></u> | <u><u>\$ (20,906)</u></u> | <u><u>\$ 3,978</u></u> |

City of Fillmore

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Levees Special Revenue Fund
Year Ended June 30, 2016**

| | Final budget | Actual | Variance with final budget |
|---------------------------------------|---------------------|---------------------|-------------------------------|
| Revenues | | | |
| Investment income | \$ - | \$ 1,512 | \$ 1,512 |
| Total revenues | - | 1,512 | 1,512 |
| Expenditures | | | |
| Total expenditures | - | - | - |
| Excess of revenues over expenditures | - | 1,512 | 1,512 |
| Other financing sources (uses) | | | |
| Transfers in | 133,895 | 133,895 | - |
| Total other financing sources | 133,895 | 133,895 | - |
| Net change in fund balance | 133,895 | 135,407 | 1,512 |
| Fund balance, beginning of year | 1,135,867 | 1,135,867 | - |
| Fund balance, end of fiscal year | <u>\$ 1,269,762</u> | <u>\$ 1,271,274</u> | <u>\$ 1,512</u> |

City of Fillmore

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Miscellaneous Capital Projects - Capital Projects Fund
Year Ended June 30, 2016**

| | Final budget | Actual | Variance with final budget |
|--|-------------------|---------------------|-------------------------------|
| Revenues | | | |
| Charges for services | \$ - | \$ 1,030,000 | \$ 1,030,000 |
| Total revenues | - | 1,030,000 | 1,030,000 |
| Expenditures | | | |
| Capital outlay | 62,839 | - | 62,839 |
| Total expenditures | 62,839 | - | 62,839 |
| Excess (deficiency) of revenues over (under) expenditures | (62,839) | 1,030,000 | 1,092,839 |
| Other financing sources (uses) | | | |
| Transfers in | 62,839 | 62,839 | - |
| Total other financing sources | 62,839 | 62,839 | - |
| Net change in fund balance | - | 1,092,839 | 1,092,839 |
| Fund balance, beginning of year | 318,907 | 318,907 | - |
| Fund balance, end of year | <u>\$ 318,907</u> | <u>\$ 1,411,746</u> | <u>\$ 1,092,839</u> |

City of Fillmore

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Street Projects - Capital Projects Fund
Year Ended June 30, 2016**

| | Final budget | Actual | Variance with final budget |
|---------------------------------------|-------------------|-------------------|-------------------------------|
| Revenues | | | |
| Intergovernmental | \$ 70,000 | \$ 40,379 | \$ (29,621) |
| Total revenues | <u>70,000</u> | <u>40,379</u> | <u>(29,621)</u> |
| Expenditures | | | |
| Capital outlay | 624,000 | 56,240 | 567,760 |
| Total expenditures | <u>624,000</u> | <u>56,240</u> | <u>567,760</u> |
| Excess of revenues over expenditures | <u>(554,000)</u> | <u>(15,861)</u> | <u>538,139</u> |
| Other financing sources (uses) | | | |
| Transfers in | 624,000 | - | (624,000) |
| Total other financing sources | <u>624,000</u> | <u>-</u> | <u>(624,000)</u> |
| Net change in fund balance | 70,000 | (15,861) | (85,861) |
| Fund balance, beginning of year | <u>302,200</u> | <u>302,200</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 372,200</u> | <u>\$ 286,339</u> | <u>\$ (85,861)</u> |

City of Fillmore

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Corporate Yard/Fire Station Capital Projects Fund
Year Ended June 30, 2016**

| | Final budget | Actual | Variance with final budget |
|---------------------------------------|-----------------|------------|-------------------------------|
| Revenues | | | |
| Total revenues | \$ - | \$ - | \$ - |
| Expenditures | | | |
| Capital outlay | 113,000 | 64,939 | 48,061 |
| Total expenditures | 113,000 | 64,939 | 48,061 |
| Excess of revenues over expenditures | (113,000) | (64,939) | 48,061 |
| Other financing sources (uses) | | | |
| Transfers out | (92,516) | (92,516) | - |
| Total other financing sources (uses): | (92,516) | (92,516) | - |
| Net change in fund balance | (205,516) | (157,455) | 48,061 |
| Fund balance, beginning of year | 341,277 | 341,277 | - |
| Fund balance, end of year | \$ 135,761 | \$ 183,822 | \$ 48,061 |

City of Fillmore

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Well #9 Capital Projects Fund
Year Ended June 30, 2016**

| | Final budget | Actual | Variance with final budget |
|---------------------------------------|-----------------|------------|-------------------------------|
| Revenues | | | |
| Total revenues | \$ - | \$ - | \$ - |
| Expenditures | | | |
| Capital outlay | 243,880 | - | 243,880 |
| Total expenditures | 243,880 | - | 243,880 |
| Excess of revenues over expenditures | (243,880) | - | 243,880 |
| Other financing sources (uses) | | | |
| Transfers in | 354,000 | 354,000 | - |
| Transfers out | - | (242,345) | (242,345) |
| Total other financing sources: | 354,000 | 111,655 | (242,345) |
| Net change in fund balance | 110,120 | 111,655 | 1,535 |
| Fund balance, beginning of year | 105,864 | 105,864 | - |
| Fund balance, end of year | \$ 215,984 | \$ 217,519 | \$ 1,535 |

**COMBINING STATEMENTS OF PROPRIETARY FUNDS
SEWER FUNDS**

City of Fillmore

**Combining Statement of Net Position
Proprietary Funds – Sewer Funds
June 30, 2016**

| | Sewer Operating Fund | Sewer Replacement Fund | Rate Stabilization Fund | Totals |
|---|----------------------------|------------------------------|-------------------------------|-------------------|
| Assets | | | | |
| Current assets: | | | | |
| Cash and investments | \$ 2,583,475 | \$ 361,402 | \$ 1,529,921 | \$ 4,474,798 |
| Cash and investments with fiscal agent | 3,731,339 | - | - | 3,731,339 |
| Receivables, net: | | | | |
| Accounts | 923,710 | - | - | 923,710 |
| Interest | 1,605 | - | 977 | 2,582 |
| Other | 53,503 | - | - | 53,503 |
| Total current assets | 7,293,632 | 361,402 | 1,530,898 | 9,185,932 |
| Noncurrent assets: | | | | |
| Capital assets: | | | | |
| Land and construction in progress | 2,688,630 | - | - | 2,688,630 |
| Land improvements | 68,237,262 | - | - | 68,237,262 |
| Transmissions and mains | 5,778,991 | - | - | 5,778,991 |
| Less - accumulated depreciation | (8,880,687) | - | - | (8,880,687) |
| Total non-current assets | 67,824,196 | - | - | 67,824,196 |
| Total assets | 75,117,828 | 361,402 | 1,530,898 | 77,010,128 |
| Deferred outflows of resources | | | | |
| Pension related | 33,684 | - | - | 33,684 |

City of Fillmore

**Combining Statement of Net Position (continued)
Proprietary Funds – Sewer Funds
June 30, 2016**

| | Sewer Operating Fund | Sewer Replacement Fund | Rate Stabilization Fund | Totals |
|---|----------------------------|------------------------------|-------------------------------|----------------------|
| Liabilities | | | | |
| Current liabilities: | | | | |
| Accounts payable | \$ 169,434 | \$ - | \$ - | \$ 169,434 |
| Accrued interest payable | 444,868 | - | - | 444,868 |
| Deposits payable | 207,833 | - | - | 207,833 |
| Unearned revenue | 53,503 | - | - | 53,503 |
| Current portion of long-term obligations | <u>827,672</u> | <u>-</u> | <u>-</u> | <u>827,672</u> |
| Total current liabilities | <u>1,703,310</u> | <u>-</u> | <u>-</u> | <u>1,703,310</u> |
| Noncurrent liabilities: | | | | |
| Compensated absences | 7,317 | - | - | 7,317 |
| Net pension liability | 223,141 | - | - | 223,141 |
| Bonds payable | 52,770,000 | - | - | 52,770,000 |
| Premium on bonds payable | <u>1,583,840</u> | <u>-</u> | <u>-</u> | <u>1,583,840</u> |
| Total non-current liabilities | <u>54,584,298</u> | <u>-</u> | <u>-</u> | <u>54,584,298</u> |
| Total liabilities | <u>56,287,608</u> | <u>-</u> | <u>-</u> | <u>56,287,608</u> |
| Deferred inflows of resources | | | | |
| Pension related | <u>46,117</u> | <u>-</u> | <u>-</u> | <u>46,117</u> |
| Net position | | | | |
| Net investment in capital assets | 12,647,562 | - | - | 12,647,562 |
| Restricted for debt service | 3,439,206 | - | - | 3,439,206 |
| Unrestricted | <u>2,731,019</u> | <u>361,402</u> | <u>1,530,898</u> | <u>4,623,319</u> |
| Total net position | <u>\$ 18,817,787</u> | <u>\$ 361,402</u> | <u>\$ 1,530,898</u> | <u>\$ 20,710,087</u> |

City of Fillmore

**Combining Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds – Sewer Funds
Year Ended June 30, 2016**

| | Sewer Operating Fund | Sewer Replacement Fund | Rate Stabilization Fund | Inter-fund Eliminations | Totals |
|--|----------------------------|------------------------------|-------------------------------|----------------------------|----------------------|
| Operating revenues | | | | | |
| Sales and service charges, net | \$ 5,841,010 | \$ - | \$ - | \$ - | \$ 5,841,010 |
| Other | 262,056 | - | - | - | 262,056 |
| Total operating revenues | <u>6,103,066</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>6,103,066</u> |
| Operating expenses | | | | | |
| Administration costs | 445,394 | - | - | - | 445,394 |
| Treatment and disposal plant | 2,140,651 | - | - | - | 2,140,651 |
| Depreciation | 1,090,668 | - | - | - | 1,090,668 |
| Total operating expenses | <u>3,676,713</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,676,713</u> |
| Operating income | <u>2,426,353</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,426,353</u> |
| Non-operating revenues (expenses) | | | | | |
| Investment income | 15,468 | - | 7,480 | - | 22,948 |
| Interest expense | (2,647,636) | - | - | - | (2,647,636) |
| Bond trustee charges | (2,225) | - | - | - | (2,225) |
| Total non-operating revenues (expenses) | <u>(2,634,393)</u> | <u>-</u> | <u>7,480</u> | <u>-</u> | <u>(2,626,913)</u> |
| Income (loss) before transfers | (208,040) | - | 7,480 | - | (200,560) |
| Transfers | | | | | |
| Transfers in | 312,536 | 355,219 | - | (355,219) | 312,536 |
| Transfers out | (461,740) | - | - | 355,219 | (106,521) |
| Change in net position | (357,244) | 355,219 | 7,480 | - | 5,455 |
| Net position, beginning of year | 19,175,031 | 6,183 | 1,523,418 | - | 20,704,632 |
| Net position, end of year | <u>\$ 18,817,787</u> | <u>\$ 361,402</u> | <u>\$ 1,530,898</u> | <u>\$ -</u> | <u>\$ 20,710,087</u> |

AGENCY FUNDS

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City of Fillmore

Combining Statements of Agency Funds Year Ended June 30, 2016

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.

Health Reimbursement Account - to account for funds set aside by the City for employees who participate in the Health Reimbursement Plan for qualified medical out of pocket expenses.

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, 2016**

| | Special Deposits | Health Reimbursement Account | Community Facilities District No. 1 |
|--|---------------------|------------------------------------|---|
| Assets | | | |
| Cash and investments | \$ 588,556 | \$ 3,374 | \$ 341,459 |
| Cash and investments with fiscal agent | - | - | 192,058 |
| Receivables: | | | |
| Interest | - | - | 83 |
| Taxes | - | - | 228 |
| | <hr/> | <hr/> | <hr/> |
| Total assets | <u>\$ 588,556</u> | <u>\$ 3,374</u> | <u>\$ 533,828</u> |
| Liabilities | | | |
| Accounts payable | \$ 43,952 | \$ - | \$ 2,076 |
| Deposits payable | 544,604 | 3,374 | - |
| Due to bondholders | - | - | 531,752 |
| | <hr/> | <hr/> | <hr/> |
| Total liabilities | <u>\$ 588,556</u> | <u>\$ 3,374</u> | <u>\$ 533,828</u> |

Continued

| Community Facilities District No. 2 | Community Facilities District No. 3 | Community Facilities District No. 5 | Community Facilities District No. 6 | Totals |
|---|---|---|---|----------------------|
| \$ 68,488 | \$ 304,625 | \$ 744,466 | \$ 41,653 | \$ 2,092,621 |
| 40,500 | 315,559 | 13,466,981 | - | 14,015,098 |
| 18 | 75 | 182 | 11 | 369 |
| - | - | 9,594 | - | 9,822 |
| <u>\$ 109,006</u> | <u>\$ 620,259</u> | <u>\$ 14,221,223</u> | <u>\$ 41,664</u> | <u>\$ 16,117,910</u> |
| \$ - | \$ - | \$ 15 | \$ 45 | \$ 46,088 |
| - | - | - | - | 547,978 |
| 109,006 | 620,259 | 14,221,208 | 41,619 | 15,523,844 |
| <u>\$ 109,006</u> | <u>\$ 620,259</u> | <u>\$ 14,221,223</u> | <u>\$ 41,664</u> | <u>\$ 16,117,910</u> |

City of Fillmore

**Combined Statement of Changes in Fiduciary Assets and Liabilities - Agency Funds
Year Ended June 30, 2016**

| | Balance 6/30/2015 | Additions | Deletions | Balance 6/30/2016 |
|--|----------------------|----------------------|-----------------------|----------------------|
| Assets | | | | |
| Cash and investments | \$ 2,016,425 | \$ 1,335,526 | \$ (1,259,330) | \$ 2,092,621 |
| Cash and investments with fiscal agent | 547,854 | 17,997,851 | (4,530,607) | 14,015,098 |
| Receivables: | | | | |
| Interest | - | 369 | - | 369 |
| Taxes | 7,678 | 9,822 | (7,678) | 9,822 |
| | <u>2,571,957</u> | <u>19,343,568</u> | <u>(5,797,615)</u> | <u>16,117,910</u> |
| Total assets | <u>\$ 2,571,957</u> | <u>\$ 19,343,568</u> | <u>\$ (5,797,615)</u> | <u>\$ 16,117,910</u> |
| Liabilities | | | | |
| Accounts payable | \$ 70,176 | \$ 645,607 | \$ (669,695) | \$ 46,088 |
| Deposits payable | 736,666 | 231,387 | (420,075) | 547,978 |
| Due to bondholders | 1,765,115 | 18,655,376 | (4,896,647) | 15,523,844 |
| | <u>2,571,957</u> | <u>19,532,370</u> | <u>(5,986,417)</u> | <u>16,117,910</u> |
| Total liabilities | <u>\$ 2,571,957</u> | <u>\$ 19,532,370</u> | <u>\$ (5,986,417)</u> | <u>\$ 16,117,910</u> |

Statistical Section

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**Overview of Statistical Section
For the year ended June 30, 2016**

Overview of Statistical Information Presented in Five Categories

Financial Trend Information: Intended to assist users in understanding and assessing how a government's financial position has changed over time.

Revenue Capacity Information: Intended to assist users in understanding and assessing the factors affecting a government's ability to generate its own revenue.

Debt Capacity Information: Intended to assist users in understanding and assessing a government's debt burden and its ability to issue additional debt.

Demographic and Economic Information: Intended to assist users in understanding the socioeconomic environment within which a government operates and to provide information that facilitates comparison of financial statement information over time and among governments.

Operating Information: Intended to provide information about a government's operations and resources in order to assist readers in using financial statement information to understand and assess a government's economic condition.

City of Fillmore

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

| | Fiscal Year | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 |
| Governmental activities: | | | | | |
| Net investment in capital assets | \$ 9,376,637 | \$ 1,550,061 | \$ 6,553,716 | \$ 1,385,754 | \$ (1,781,392) |
| Restricted | 22,529,814 | 100,728,436 | 77,528,844 | 20,526,872 | 17,739,985 |
| Unrestricted | (1,281,299) | (72,553,980) | (53,131,415) | 3,650,920 | 5,197,468 |
| Total governmental activities net position | <u>\$ 30,625,152</u> | <u>\$ 29,724,517</u> | <u>\$ 30,951,145</u> | <u>\$ 25,563,546</u> | <u>\$ 21,156,061</u> |
| Business-type activities: | | | | | |
| Net investment in capital assets | \$ 15,018,191 | \$ 16,127,311 | \$ 16,992,905 | \$ 19,994,371 | \$ 17,658,029 |
| Restricted | 163,481 | 7,922,313 | 5,375,630 | 2,176,370 | 1,071,180 |
| Unrestricted | 1,584,162 | (1,757,814) | 2,242,242 | 2,687,295 | 5,492,674 |
| Total business-type activities net position | <u>\$ 16,765,834</u> | <u>\$ 22,291,810</u> | <u>\$ 24,610,777</u> | <u>\$ 24,858,036</u> | <u>\$ 24,221,883</u> |
| Total Primary Government: | | | | | |
| Net investment in capital assets | \$ 24,394,828 | \$ 17,677,372 | \$ 23,546,621 | \$ 21,380,125 | \$ 15,876,637 |
| Restricted | 22,693,295 | 108,650,749 | 82,904,474 | 22,703,242 | 18,811,165 |
| Unrestricted | 302,863 | (74,311,794) | (50,889,173) | 6,338,215 | 10,690,142 |
| Total primary government net position | <u>\$ 47,390,986</u> | <u>\$ 52,016,327</u> | <u>\$ 55,561,922</u> | <u>\$ 50,421,582</u> | <u>\$ 45,377,944</u> |

Source: City of Fillmore Financial Statements

| | Fiscal Year | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 |
| Governmental activities: | | | | | |
| Net investment in capital assets | \$ 40,212,171 | \$ 39,913,828 | \$ 41,761,056 | \$ 41,024,999 | \$ 40,519,500 |
| Restricted | 9,930,184 | 10,480,391 | 11,057,710 | 5,220,450 | 6,904,471 |
| Unrestricted | (749,463) | (587,925) | 1,426,289 | 6,127,653 | 8,779,723 |
| Total governmental activities net position | <u>\$ 49,392,892</u> | <u>\$ 49,806,294</u> | <u>\$ 54,245,055</u> | <u>\$ 52,373,102</u> | <u>\$ 56,203,694</u> |
| Business-type activities: | | | | | |
| Net investment in capital assets | \$ 17,615,327 | \$ 15,210,264 | \$ 13,640,747 | \$ 13,417,326 | \$ 13,465,952 |
| Restricted | 4,015,826 | 3,501,562 | 4,011,281 | 4,009,131 | 4,010,094 |
| Unrestricted | 6,067,486 | 9,776,654 | 8,425,572 | 7,904,986 | 8,460,027 |
| Total governmental activities net position | <u>\$ 27,698,639</u> | <u>\$ 28,488,480</u> | <u>\$ 26,077,600</u> | <u>\$ 25,331,443</u> | <u>\$ 25,936,073</u> |
| Total Primary Government: | | | | | |
| Net investment in capital assets | \$ 57,827,498 | \$ 55,124,092 | \$ 55,401,803 | \$ 54,442,325 | \$ 53,985,452 |
| Restricted | 13,946,010 | 13,981,953 | 15,068,991 | 9,229,581 | 10,914,565 |
| Unrestricted | 5,318,023 | 9,188,729 | 9,851,861 | 14,032,639 | 17,239,750 |
| Total governmental activities net position | <u>\$ 77,091,531</u> | <u>\$ 78,294,774</u> | <u>\$ 80,322,655</u> | <u>\$ 77,704,545</u> | <u>\$ 82,139,767</u> |

Source: City of Fillmore Financial Statements

City of Fillmore

Change in Net Position Last Ten Fiscal Years (accrual basis of accounting)

| | Fiscal Year | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 |
| Expenses: | | | | | |
| Governmental activities: | | | | | |
| General government | \$ 2,973,305 | \$ 5,126,136 | \$ 1,784,885 | \$ 2,156,722 | \$ 1,948,173 |
| Public safety | 4,453,315 | 4,443,275 | 4,251,443 | 4,386,275 | 4,702,271 |
| Public works | 1,207,584 | 1,627,904 | 2,035,682 | 1,501,747 | 1,540,884 |
| Community development | 1,357,782 | 2,226,457 | 6,064,926 | 5,843,128 | 5,187,369 |
| Economic development | - | - | - | - | - |
| Transit | 386,188 | 383,999 | 424,486 | 436,642 | 404,103 |
| Parks and recreation | 456,748 | 396,161 | 1,360,997 | 812,009 | 856,554 |
| Pass through payments | 1,533,926 | 1,701,052 | - | - | - |
| Unallocated depreciation | 471,804 | 423,970 | - | - | - |
| Interest on long-term debt | 5,169,427 | 6,599,187 | 4,246,056 | 3,429,352 | 2,641,930 |
| Total governmental activities expenses | <u>18,010,079</u> | <u>22,928,141</u> | <u>20,168,475</u> | <u>18,565,875</u> | <u>17,281,284</u> |
| Business-type activities | | | | | |
| Sewer | \$ 6,176,386 | \$ 4,191,490 | \$ 4,947,285 | \$ 4,750,960 | \$ 6,176,386 |
| Water | 2,256,831 | 2,378,886 | 2,360,380 | 2,474,741 | 2,256,831 |
| Town Theatre | 67,530 | 131,524 | 112,078 | 89,560 | 67,530 |
| Total business-type activities expenses | <u>8,500,747</u> | <u>6,701,900</u> | <u>7,419,743</u> | <u>7,315,261</u> | <u>8,500,747</u> |
| Total primary government expenses | <u>\$ 26,510,826</u> | <u>\$ 29,630,041</u> | <u>\$ 27,588,218</u> | <u>\$ 25,881,136</u> | <u>\$ 25,782,031</u> |

Source: City of Fillmore Financial Statements

| | Fiscal Year | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 |
| Expenses: | | | | | |
| Governmental activities: | | | | | |
| General government | \$ 2,149,170 | \$ 1,543,232 | \$ 1,149,142 | \$ 3,265,982 | \$ 961,923 |
| Public safety | 4,222,865 | 3,925,636 | 4,558,073 | 4,645,977 | 3,921,663 |
| Public works | 1,453,567 | 1,349,809 | 1,674,384 | 1,506,317 | 1,388,200 |
| Community development | 596,162 | 209,804 | 244,623 | 261,087 | 441,089 |
| Economic development | 17,632 | 160,784 | 48,604 | 84,423 | 49,945 |
| Transit | 462,246 | 455,358 | 450,865 | 505,654 | 319,687 |
| Parks and recreation | 783,502 | 736,543 | 831,858 | 920,104 | 828,992 |
| Pass through payments | - | - | - | - | - |
| Unallocated depreciation | - | - | - | - | - |
| Interest on long-term debt | 923,749 | 17,243 | 19,974 | 7,385 | - |
| Total governmental activities expenses | <u>10,608,893</u> | <u>8,398,409</u> | <u>8,977,523</u> | <u>11,196,929</u> | <u>7,911,499</u> |
| Business-type activities | | | | | |
| Sewer | \$ 6,046,775 | \$ 6,164,219 | \$ 6,422,985 | \$ 6,029,237 | \$ 6,326,574 |
| Water | 1,866,951 | 1,753,574 | 1,898,243 | 2,096,090 | 2,423,168 |
| Town Theatre | 7,592 | - | - | - | - |
| Total business-type activities expenses | <u>7,921,318</u> | <u>7,917,793</u> | <u>8,321,228</u> | <u>8,125,327</u> | <u>8,749,742</u> |
| Total primary government expenses | <u>\$ 18,530,211</u> | <u>\$ 16,316,202</u> | <u>\$ 17,298,751</u> | <u>\$ 19,322,256</u> | <u>\$ 16,661,241</u> |

Source: City of Fillmore Financial Statements

City of Fillmore

Change in Net Position Last Ten Fiscal Years (accrual basis of accounting)

| | Fiscal Year | | | | |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 |
| Program revenues: | | | | | |
| Governmental activities: | | | | | |
| Charges for services: | | | | | |
| General government | \$ 102,208 | \$ 859,960 | \$ 115,907 | \$ 138,046 | \$ 83,212 |
| Public safety | 104,602 | 153,892 | 151,896 | 115,214 | 144,862 |
| Public works | 1,550,394 | 754,793 | 1,180,213 | 853,702 | 686,331 |
| Community development | 480,910 | 414,684 | 229,353 | 146,921 | 326,628 |
| Economic development | - | - | - | - | - |
| Transit | 178,494 | 1,384 | - | - | - |
| Parks and recreation | 155,916 | 104,312 | 407,487 | 124,018 | 199,525 |
| Total charges for services | <u>2,572,524</u> | <u>2,289,025</u> | <u>2,084,856</u> | <u>1,377,901</u> | <u>1,440,558</u> |
| Operating contributions and grants | 4,495,035 | 1,860,496 | 706,195 | 940,749 | 1,086,782 |
| Capital contributions and grants | 372,081 | 506,290 | 1,263,185 | 1,299,582 | 357,601 |
| Total governmental activities program revenues | <u>7,439,640</u> | <u>4,655,811</u> | <u>4,054,236</u> | <u>3,618,232</u> | <u>2,884,941</u> |
| Business-type activities: | | | | | |
| Charges for services: | | | | | |
| Sewer | 2,285,782 | 5,468,498 | 4,575,395 | 4,797,946 | 5,485,334 |
| Water | 2,676,930 | 2,664,031 | 2,412,236 | 2,333,000 | 2,590,036 |
| Town Theatre | 114,727 | 87,231 | 77,473 | 50,889 | 35,592 |
| Total charges for services | <u>5,077,439</u> | <u>8,219,760</u> | <u>7,065,104</u> | <u>7,181,835</u> | <u>8,110,962</u> |
| Capital contributions and grants | - | - | 1,556,475 | - | - |
| Total business-type activities program revenues | <u>5,077,439</u> | <u>8,219,760</u> | <u>8,621,579</u> | <u>7,181,835</u> | <u>8,110,962</u> |
| Net program revenues (expenses): | | | | | |
| Governmental activities | (10,570,439) | (18,272,330) | (16,114,239) | (14,947,643) | (14,396,343) |
| Business-type activities | (3,423,308) | 1,517,860 | 1,201,836 | (133,426) | (389,785) |
| Total primary government net revenue (expense) | <u>\$ (13,993,747)</u> | <u>\$ (16,754,470)</u> | <u>\$ (14,912,403)</u> | <u>\$ (15,081,069)</u> | <u>\$ (14,786,128)</u> |

Source: City of Fillmore Financial Statements

| | Fiscal Year | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 |
| Program revenues: | | | | | |
| Governmental activities: | | | | | |
| Charges for services: | | | | | |
| General government | \$ 173,130 | \$ 191,418 | \$ 106,263 | \$ 88,914 | \$ 130,954 |
| Public safety | 73,331 | 100,348 | 118,954 | 105,547 | 143,334 |
| Public works | 860,531 | 625,443 | 637,548 | 674,233 | 1,741,340 |
| Community development | 161,130 | 392,368 | 339,473 | 369,746 | 528,055 |
| Economic development | - | 8,228 | - | - | - |
| Transit | - | - | - | - | - |
| Parks and recreation | 150,903 | 194,961 | 265,311 | 218,363 | 249,265 |
| Total charges for services | <u>1,419,025</u> | <u>1,512,766</u> | <u>1,467,549</u> | <u>1,456,803</u> | <u>2,792,948</u> |
| Operating contributions and grants | 1,189,436 | 1,555,200 | 1,539,876 | 1,690,262 | 1,550,050 |
| Capital contributions and grants | 169,924 | 1,250,286 | 686,569 | 1,791,474 | 1,411,795 |
| Total governmental activities program revenues | <u>2,778,385</u> | <u>4,318,252</u> | <u>3,693,994</u> | <u>4,938,539</u> | <u>5,754,793</u> |
| Business-type activities: | | | | | |
| Charges for services: | | | | | |
| Sewer | 4,737,423 | 5,567,362 | 5,844,611 | 5,706,940 | 6,103,066 |
| Water | 2,860,235 | 3,454,605 | 3,541,569 | 3,182,656 | 3,049,178 |
| Town Theatre | 3,590 | - | - | - | - |
| Total charges for services | <u>7,601,248</u> | <u>9,021,967</u> | <u>9,386,180</u> | <u>8,889,596</u> | <u>9,152,244</u> |
| Capital contributions and grants | - | - | - | - | - |
| Total business-type activities program revenues | <u>7,601,248</u> | <u>9,021,967</u> | <u>9,386,180</u> | <u>8,889,596</u> | <u>9,152,244</u> |
| Net program revenues (expenses): | | | | | |
| Governmental activities | (7,830,508) | (4,080,157) | (5,283,529) | (6,258,390) | (2,156,706) |
| Business-type activities | (320,070) | 1,104,174 | 1,064,952 | 764,269 | 402,502 |
| Total primary government net revenue (expense) | <u>\$ (8,150,578)</u> | <u>\$ (2,975,983)</u> | <u>\$ (4,218,577)</u> | <u>\$ (5,494,121)</u> | <u>\$ (1,754,204)</u> |

Source: City of Fillmore Financial Statements

City of Fillmore

Change in Net Position Last Ten Fiscal Years (accrual basis of accounting)

| | Fiscal Year | | | | |
|---|---------------------|---------------------|---------------------|-----------------------|-----------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 |
| General revenues and other changes in net position: | | | | | |
| Governmental activities: | | | | | |
| Taxes: | | | | | |
| Property tax | \$ 8,284,752 | \$ 9,575,697 | \$ 13,180,076 | \$ 6,473,631 | \$ 6,776,187 |
| Property tax in lieu of VLF | - | - | - | - | 1,173,819 |
| Sales tax | 1,508,234 | 6,050,597 | 607,205 | 611,591 | 796,685 |
| Transient occupancy taxes | 118,408 | 68,865 | 69,401 | 58,918 | 75,554 |
| Franchise taxes | 491,848 | 326,286 | 354,869 | 318,956 | 323,354 |
| Business licenses | 144,087 | 76,368 | 116,547 | 130,478 | 90,978 |
| Other | 495,028 | 95,370 | 100,970 | 102,052 | 102,292 |
| Motor vehicle in lieu | 1,351,072 | 60,999 | 53,150 | 47,398 | 81,432 |
| Use of money and property | 3,590,866 | 5,467,358 | - | - | - |
| Other | - | - | 36,707 | 126,272 | 162,862 |
| Investment income | - | - | 2,917,836 | 941,157 | 313,129 |
| Gain on sale of property | - | - | 427,600 | - | - |
| Transfers | (2,939,339) | (3,548,406) | 506,060 | 927,710 | 447,363 |
| Prior period adjustments | 4,500,000 | - | - | - | - |
| Extraordinary item | - | - | - | - | - |
| Gain on dissolution of Redevelopment Agency | - | - | - | - | - |
| Total governmental activities | <u>17,544,956</u> | <u>18,173,134</u> | <u>18,370,421</u> | <u>9,738,163</u> | <u>10,343,655</u> |
| Business-type activities: | | | | | |
| Use of money and property | 115,509 | 2,693,903 | - | - | - |
| Investment income | - | - | 1,623,191 | 1,308,395 | 200,995 |
| Transfers | 2,939,339 | 3,548,406 | (506,060) | (927,710) | (447,363) |
| Extraordinary item | - | - | - | - | - |
| Gain on dissolution of Redevelopment Agency | - | - | - | - | - |
| Total business-type activities | <u>3,054,848</u> | <u>6,242,309</u> | <u>1,117,131</u> | <u>380,685</u> | <u>(246,368)</u> |
| Total primary government | <u>20,599,804</u> | <u>24,415,443</u> | <u>19,487,552</u> | <u>10,118,848</u> | <u>10,097,287</u> |
| Total change in net position | | | | | |
| Governmental activities | 6,974,517 | (99,196) | 2,256,182 | (5,209,480) | (4,052,688) |
| Business-type activities | (368,460) | 7,760,169 | 2,318,967 | 247,259 | (636,153) |
| Total primary government | <u>\$ 6,606,057</u> | <u>\$ 7,660,973</u> | <u>\$ 4,575,149</u> | <u>\$ (4,962,221)</u> | <u>\$ (4,688,841)</u> |

Source: City of Fillmore Financial Statements

| | Fiscal Year | | | | |
|---|----------------------|---------------------|---------------------|---------------------|---------------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 |
| General revenues and other changes in net position: | | | | | |
| Governmental activities: | | | | | |
| Taxes: | | | | | |
| Property tax | \$ 3,651,774 | \$ 2,276,746 | \$ 1,718,512 | \$ 2,128,210 | \$ 2,125,026 |
| Property tax in lieu of VLF | 1,158,490 | - | - | - | - |
| Sales tax | 726,145 | 1,235,297 | 5,162,138 | 5,217,885 | 2,919,778 |
| Transient occupancy taxes | 89,385 | 113,810 | 121,381 | 106,018 | 119,908 |
| Franchise taxes | 327,878 | 327,071 | 321,001 | 353,284 | 373,364 |
| Business licenses | 103,974 | 84,983 | 100,760 | 112,643 | 125,865 |
| Other | 98,106 | 33,122 | 46,612 | 33,882 | 287,863 |
| Motor vehicle in lieu | 8,093 | 6,698 | - | 7,857 | 6,230 |
| Use of money and property | - | - | - | - | - |
| Other | 17,145 | 8,848 | 163,841 | 51,538 | 141,781 |
| Investment income | 262,677 | 61,496 | 33,419 | 42,288 | 40,468 |
| Gain on sale of property | - | - | - | - | - |
| Transfers in (out) | 240,489 | 345,488 | 123,498 | (146,770) | (152,985) |
| Prior period adjustments | - | - | - | - | - |
| Extraordinary item | | | | | |
| Gain on dissolution of Redevelopment Agency | 33,059,554 | - | - | - | - |
| Total governmental activities | <u>39,743,710</u> | <u>4,493,559</u> | <u>7,791,162</u> | <u>7,906,835</u> | <u>5,987,298</u> |
| Business-type activities: | | | | | |
| Use of money and property | - | - | - | - | - |
| Investment income | 14,261 | 31,155 | 22,423 | 21,543 | 49,143 |
| Transfers in (out) | (240,489) | (345,488) | (123,498) | 146,770 | 152,985 |
| Extraordinary item | | | | | |
| Gain on dissolution of Redevelopment Agency | 395,253 | - | - | - | - |
| Total business-type activities | <u>169,025</u> | <u>(314,333)</u> | <u>(101,075)</u> | <u>168,313</u> | <u>202,128</u> |
| Total primary government | <u>39,912,735</u> | <u>4,179,226</u> | <u>7,690,087</u> | <u>8,075,148</u> | <u>6,189,426</u> |
| Total change in net position | | | | | |
| Governmental activities | 31,913,202 | 413,402 | 2,507,633 | 1,648,445 | 3,830,592 |
| Business-type activities | (151,045) | 789,841 | 963,877 | 932,582 | 604,630 |
| Total primary government | <u>\$ 31,762,157</u> | <u>\$ 1,203,243</u> | <u>\$ 3,471,510</u> | <u>\$ 2,581,027</u> | <u>\$ 4,435,222</u> |

Source: City of Fillmore Financial Statements

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City of Fillmore

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

| | Fiscal Year | | | | |
|---|----------------------|-----------------------|-----------------------|------------------------|---------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 |
| Revenues: | | | | | |
| Taxes | \$ 11,947,203 | \$ 16,254,182 | \$ 14,475,228 | \$ 7,559,253 | \$ 9,280,581 |
| Licenses and permits | 14,380 | 9,819 | 10,499 | 140,296 | 139,932 |
| Fines and forfeitures | 88,978 | 103,101 | 116,361 | 107,175 | 92,969 |
| Use of money and property | 3,590,866 | 5,380,795 | - | - | - |
| Intergovernmental | 4,867,116 | 1,978,102 | 1,973,431 | 2,327,126 | 1,492,050 |
| Charge for services | 2,572,524 | 2,116,153 | 1,813,214 | 1,194,871 | 1,376,952 |
| Investment income | - | - | 2,434,403 | 732,397 | 75,345 |
| Overhead reimbursements | 151,162 | 106,228 | - | - | - |
| Other | 191,706 | 162,408 | 24,715 | 148,595 | 199,295 |
| Total revenues | <u>23,423,935</u> | <u>26,110,788</u> | <u>20,847,851</u> | <u>12,209,713</u> | <u>12,657,124</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 2,732,871 | 4,990,913 | 1,372,776 | 1,920,522 | 1,616,012 |
| Public safety | 4,033,226 | 4,352,890 | 4,072,550 | 4,215,741 | 4,536,317 |
| Public works | 1,088,150 | 1,545,622 | 1,332,712 | 1,070,771 | 938,084 |
| Community development | 1,802,416 | 2,682,340 | 3,342,428 | 1,752,495 | 1,527,809 |
| Economic development | - | - | - | - | - |
| Transit | 361,899 | 383,999 | 424,486 | 424,277 | 389,286 |
| Parks and recreation | 356,278 | 363,923 | 1,034,933 | 722,671 | 665,765 |
| Pass through payments | 1,533,926 | 1,701,052 | 1,729,529 | 1,410,562 | 1,360,970 |
| Supplemental ERAF | - | - | - | 2,384,857 | 491,000 |
| Capital outlay | 6,147,748 | 3,248,350 | 11,760,730 | 2,271,279 | 1,382,117 |
| Debt service: | | | | | |
| Principal | 1,179,861 | 754,507 | 839,368 | 9,508,360 | 895,868 |
| Interest | 3,740,485 | 6,765,872 | 4,560,741 | 3,576,846 | 2,781,270 |
| Bond issuance costs | 1,232,228 | - | - | - | - |
| Total expenditures | <u>24,209,088</u> | <u>26,789,468</u> | <u>30,470,253</u> | <u>29,258,381</u> | <u>16,584,498</u> |
| Excess of revenues over expenditures | <u>(785,153)</u> | <u>(678,680)</u> | <u>(9,622,402)</u> | <u>(17,048,668)</u> | <u>(3,927,374)</u> |
| Other financing sources (uses): | | | | | |
| Payment to escrow agent | (30,895,982) | - | - | - | - |
| Proceeds from sale of capital assets | - | 180,000 | 568,800 | - | - |
| Proceeds from borrowing | 106,668,976 | - | - | - | 11,260,000 |
| Original/Issue discount | (339,700) | - | - | - | - |
| Premium on repayment of advance | (446,599) | - | - | - | - |
| Transfers in | 14,587,801 | 3,833,454 | 6,046,713 | 11,498,848 | 4,556,131 |
| Transfers out | (17,527,140) | (7,381,860) | (5,540,653) | (10,571,138) | (4,108,768) |
| Total other financing sources (uses) | <u>72,047,356</u> | <u>(3,368,406)</u> | <u>1,074,860</u> | <u>927,710</u> | <u>11,707,363</u> |
| Extraordinary Item | - | - | - | - | - |
| Net change in fund balances | <u>\$ 71,262,203</u> | <u>\$ (4,047,086)</u> | <u>\$ (8,547,542)</u> | <u>\$ (16,120,958)</u> | <u>\$ 7,779,989</u> |
| Debt service as a percentage of noncapital expenditures | 41.3% | 46.9% | 40.6% | 94.1% | 8.3% |

Source: City of Fillmore Financial Statements

| | Fiscal Year | | | | |
|---|---------------------|-------------------|---------------------|---------------------|---------------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 |
| Revenues: | | | | | |
| Taxes | \$ 6,036,719 | \$ 4,551,586 | \$ 7,925,224 | \$ 8,425,752 | \$ 6,195,661 |
| Licenses and permits | 115,845 | 98,181 | 130,327 | 188,543 | 170,750 |
| Fines and forfeitures | 41,814 | 38,104 | 49,129 | 44,073 | 53,495 |
| Use of money and property | - | - | - | - | - |
| Intergovernmental | 1,346,438 | 1,549,592 | 1,635,217 | 1,749,822 | 1,512,910 |
| Charge for services | 1,296,002 | 1,737,111 | 1,239,462 | 2,283,924 | 3,306,679 |
| Investment income | 54,846 | 92,849 | 72,180 | 240,057 | 147,419 |
| Overhead reimbursements | - | - | - | - | - |
| Other | 165,713 | 398,900 | 174,395 | 106,009 | 327,752 |
| Total revenues | <u>9,057,377</u> | <u>8,466,323</u> | <u>11,225,934</u> | <u>13,038,180</u> | <u>11,714,666</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 2,101,257 | 1,427,640 | 923,894 | 1,218,540 | 1,332,248 |
| Public safety | 3,970,409 | 3,812,319 | 4,573,875 | 4,524,278 | 4,640,184 |
| Public works | 962,394 | 954,943 | 1,157,176 | 1,048,596 | 1,162,427 |
| Community development | 493,645 | 115,342 | 264,216 | 251,871 | 577,939 |
| Economic development | 17,200 | 46,045 | 44,942 | 79,165 | 58,528 |
| Transit | 450,918 | 457,424 | 416,893 | 501,876 | 395,662 |
| Parks and recreation | 615,691 | 609,072 | 644,032 | 679,007 | 729,231 |
| Pass through payments | - | - | - | - | - |
| Supplemental ERAF | - | - | - | - | - |
| Capital outlay | 168,301 | 391,792 | 480,753 | 135,778 | 121,179 |
| Debt service: | | | | | |
| Principal | 166,237 | 169,966 | 178,341 | 240,715 | 94,209 |
| Interest | 1,335,786 | 16,146 | 12,468 | 7,385 | 2,655 |
| Bond issuance costs | - | - | - | - | - |
| Total expenditures | <u>10,281,838</u> | <u>8,000,689</u> | <u>8,696,590</u> | <u>8,687,211</u> | <u>9,114,262</u> |
| Excess of revenues over expenditures | <u>(1,224,461)</u> | <u>465,634</u> | <u>2,529,344</u> | <u>4,350,969</u> | <u>2,600,404</u> |
| Other financing sources (uses): | | | | | |
| Payment to escrow agent | - | - | - | - | - |
| Proceeds from sale of property | - | - | - | - | - |
| Proceeds from borrowing | - | - | - | - | - |
| Original/Issue discount | - | - | - | - | - |
| Premium on repayment of advance | - | - | - | - | - |
| Acquisition under capital lease | - | - | 456,903 | - | - |
| Transfers in | 1,865,575 | 2,193,441 | 844,490 | 1,188,361 | 1,246,137 |
| Transfers out | (1,625,086) | (1,847,953) | (720,992) | (1,335,131) | (1,399,122) |
| Total other financing sources (uses) | <u>240,489</u> | <u>345,488</u> | <u>580,401</u> | <u>(146,770)</u> | <u>(152,985)</u> |
| Extraordinary Item | - | - | - | - | - |
| Net change in fund balances | <u>\$ (983,972)</u> | <u>\$ 811,122</u> | <u>\$ 3,109,745</u> | <u>\$ 4,204,199</u> | <u>\$ 2,447,419</u> |
| Debt service as a percentage of noncapital expenditures | 17.4% | 2.5% | 2.4% | 3.0% | 1.1% |

Source: City of Fillmore Financial Statements

City of Fillmore

**Water Utility Revenues By Customer Type
Last Ten Fiscal Years**

| | Fiscal Year | | | | |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 |
| Water Fund | | | | | |
| Number of Customers: | | | | | |
| Residential | 3,695 | 3,817 | 3,782 | 3,804 | 3,729 |
| Commercial | 234 | 234 | 233 | 226 | 225 |
| Industrial | 11 | 12 | 11 | 16 | 16 |
| Irrigation | 55 | 65 | 69 | 71 | 69 |
| Total | 3,995 | 4,128 | 4,095 | 4,117 | 4,039 |
| Water Gallons Consumed | | | | | |
| Type of Customer: | | | | | |
| Residential | 826,980 | 1,757,732 | 687,899 | 657,268 | 638,990 |
| Commercial | 118,696 | 99,272 | 89,000 | 80,530 | 79,415 |
| Industrial | 10,112 | 8,824 | 6,517 | 5,833 | 7,093 |
| Irrigation | 142,625 | 129,832 | 97,561 | 83,288 | 68,914 |
| Total | 1,098,413 | 1,995,660 | 880,977 | 826,919 | 794,412 |
| Revenue from Water Sales | | | | | |
| Residential | \$ 2,015,424 | \$ 2,273,451 | \$ 1,836,363 | \$ 1,794,388 | \$ 2,041,795 |
| Commercial | 289,273 | 128,398 | 237,588 | 219,853 | 253,758 |
| Industrial | 24,644 | 11,413 | 17,397 | 15,925 | 22,665 |
| Irrigation | 347,590 | 167,925 | 260,441 | 227,382 | 220,204 |
| Total | \$ 2,676,930 | \$ 2,581,187 | \$ 2,351,789 | \$ 2,257,547 | \$ 2,538,422 |
| | Fiscal Year | | | | |
| | 2012 | 2013 | 2014 | 2015 | 2016 |
| Water Fund | | | | | |
| Number of Customers: | | | | | |
| Residential | 3,760 | 3,751 | 3,681 | 3,717 | 3,707 |
| Commercial | 238 | 236 | 230 | 230 | 237 |
| Industrial | 23 | 16 | 16 | 17 | 19 |
| Irrigation | 70 | 71 | 71 | 65 | 64 |
| Total | 4,091 | 4,074 | 3,998 | 4,029 | 4,027 |
| Water Gallons Consumed | | | | | |
| Type of Customer: | | | | | |
| Residential | 655,893 | 691,134 | 693,493 | 597,168 | 566,356 |
| Commercial | 75,979 | 82,520 | 83,893 | 76,693 | 78,448 |
| Industrial | 7,052 | 7,265 | 8,227 | 7,220 | 7,970 |
| Irrigation | 69,088 | 73,583 | 85,559 | 56,612 | 35,981 |
| Total | 808,012 | 854,502 | 871,172 | 737,693 | 688,755 |
| Revenue from Water Sales | | | | | |
| Residential | \$ 2,276,223 | \$ 2,682,368 | \$ 2,730,810 | \$ 2,558,058 | \$ 2,459,348 |
| Commercial | 263,679 | 320,269 | 330,351 | 325,653 | 340,653 |
| Industrial | 24,473 | 28,196 | 32,396 | 30,657 | 34,609 |
| Irrigation | 239,764 | 285,584 | 336,911 | 240,385 | 156,244 |
| Total | \$ 2,804,139 | \$ 3,316,418 | \$ 3,430,468 | \$ 3,154,754 | \$ 2,990,854 |

Source: City of Fillmore Utilities Department

City of Fillmore

**Sewer Utility Revenues By Customer Type
Last Ten Fiscal Years**

| | Fiscal Year | | | | |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 |
| Sewer Fund | | | | | |
| Number of Customers: | | | | | |
| Residential | 3,651 | 3,775 | 3,778 | 3,801 | 3,722 |
| Commercial | 218 | 230 | 228 | 224 | 223 |
| Industrial | 9 | 11 | 10 | 15 | 15 |
| Irrigation | 4 | 10 | 69 | 71 | 69 |
| Total | 3,882 | 4,026 | 4,085 | 4,111 | 4,029 |
| Revenue from Sewer Sales | | | | | |
| Residential | \$ 1,876,043 | \$ 3,878,656 | \$ 3,411,606 | \$ 3,997,909 | \$ 4,540,942 |
| Commercial | 259,516 | 217,325 | 324,167 | 362,271 | 272,066 |
| Industrial | 21,891 | 18,194 | 29,971 | 33,662 | 18,300 |
| Irrigation | 2,835 | 89,429 | 483,941 | 525,063 | 84,182 |
| Total | \$ 2,160,285 | \$ 4,203,604 | \$ 4,249,684 | \$ 4,918,905 | \$ 4,915,490 |
| | Fiscal Year | | | | |
| | 2012 | 2013 | 2014 | 2015 | 2016 |
| Sewer Fund | | | | | |
| Number of Customers: | | | | | |
| Residential | 3,760 | 3,751 | 3,681 | 3,717 | 3,697 |
| Commercial | 236 | 234 | 228 | 230 | 236 |
| Industrial | 22 | 15 | 15 | 16 | 16 |
| Irrigation | 70 | 71 | 71 | 65 | 64 |
| Total | 4,088 | 4,071 | 3,995 | 4,028 | 4,013 |
| Revenue from Sewer Sales | | | | | |
| Residential | \$ 3,736,105 | \$ 4,311,947 | \$ 4,656,178 | \$ 4,626,034 | \$ 4,911,630 |
| Commercial | 318,669 | 383,458 | 415,092 | 441,076 | 554,711 |
| Industrial | 38,034 | 41,763 | 52,477 | 53,040 | 62,624 |
| Irrigation | 393,540 | 459,080 | 574,451 | 437,459 | 312,045 |
| Total | \$ 4,486,347 | \$ 5,196,249 | \$ 5,698,199 | \$ 5,557,609 | \$ 5,841,010 |

Source: City of Fillmore Utilities Department

City of Fillmore

**Water Rates By Meter Size
Last Ten Fiscal Years**

| Fiscal year | Effective Date | Meter Size | | | | | | | | | | Water Consumption |
|-------------|----------------|------------|----------|------------|------------|----------|----------|----------|-----------|-----------|-----------|-------------------|
| | | 3/4 inch | 1 inch | 1 1/4 inch | 1 1/2 inch | 2 inch | 3 inch | 4 inch | 6 inch | 8 inch | 10 inch | Charge (1) |
| 2007 | 1/1/2006 | \$ 25.18 | \$ 28.45 | \$ 30.09 | \$ 34.57 | \$ 37.98 | \$ 50.12 | \$ 71.35 | \$ 120.81 | \$ 170.61 | \$ 238.44 | 2.52 |
| 2008 | 7/1/2006 | 28.61 | 32.23 | 34.19 | 39.29 | 43.16 | 56.95 | 81.08 | 137.29 | 193.88 | 270.95 | 2.86 |
| 2009 | 7/1/2006 | 28.61 | 32.23 | 34.19 | 39.29 | 43.16 | 56.95 | 81.08 | 137.29 | 193.88 | 270.95 | 2.86 |
| 2010 | 7/1/2006 | 28.61 | 32.23 | 34.19 | 39.29 | 43.16 | 56.95 | 81.08 | 137.29 | 193.88 | 270.95 | 2.86 |
| 2011 | 10/15/2010 | 28.20 | 31.86 | 33.70 | 38.72 | 42.54 | 56.13 | 79.97 | 135.31 | 191.08 | 267.05 | 2.82 |
| 2012 | 1/1/2011 | 31.30 | 35.37 | 37.41 | 42.98 | 47.22 | 62.31 | 88.70 | 150.19 | 212.10 | 296.43 | 3.13 |
| 2013 | 1/1/2012 | 34.43 | 38.91 | 41.15 | 47.28 | 51.94 | 68.54 | 97.57 | 165.21 | 233.31 | 326.07 | 3.44 |
| 2014 | 1/1/2013 | 35.81 | 40.47 | 42.80 | 49.17 | 54.02 | 71.28 | 101.47 | 171.82 | 242.64 | 339.11 | 3.58 |
| 2015 | 1/1/2014 | 36.88 | 41.68 | 44.08 | 50.65 | 55.64 | 73.42 | 104.51 | 176.97 | 249.92 | 349.26 | 3.69 |
| 2016 | 7/1/2015 | 37.99 | 42.93 | 45.40 | 52.17 | 57.31 | 75.62 | 107.65 | 182.28 | 257.42 | 359.74 | 3.80 |

(1) fore each additional 100 cubic feet of water

Source: City of Fillmore Utilities Department

**Sewer Rates By Customer Type
Last Ten Fiscal Years**

| | | Fiscal Year | | | | | | | | | |
|----------------------|-----------------|-------------------------|------|-------------------------|------|-------------------------|-------|-------------------------|-------|-------------------------|-------|
| | | 2007 | | 2008 | | 2009 | | 2010 | | 2011 | |
| Customer Type | Strength Factor | (1) Consumption Rate | | (1) Consumption Rate | | (1) Consumption Rate | | (1) Consumption Rate | | (1) Consumption Rate | |
| | | Minimum | Rate | Minimum | Rate | Minimum | Rate | Minimum | Rate | Minimum | Rate |
| Residential | 1.00 | \$ 27.10 | \$ - | \$ 44.00 | \$ - | \$ 66.00 | \$ - | \$ 72.00 | \$ - | \$ 80.00 | \$ - |
| Retail/Commercial | 0.90 | 27.10 | 2.77 | 44.00 | 4.50 | 66.00 | 6.75 | 72.00 | 7.36 | 80.00 | 8.18 |
| Retail/Commercial | 0.92 | 27.10 | 2.83 | 44.00 | 4.60 | 66.00 | 6.90 | 72.00 | 7.53 | 80.00 | 8.37 |
| Retail/Commercial | 0.93 | 27.10 | 2.86 | 44.00 | 4.65 | 66.00 | 6.98 | 72.00 | 7.61 | 80.00 | 8.46 |
| Retail/Commercial | 0.94 | 27.10 | 2.89 | 44.00 | 4.70 | 66.00 | 7.05 | 72.00 | 7.69 | 80.00 | 8.54 |
| Retail/Commercial | 0.98 | 27.10 | 3.02 | 44.00 | 4.90 | 66.00 | 7.35 | 72.00 | 8.02 | 80.00 | 8.91 |
| Retail/Commercial | 1.00 | 27.10 | 3.08 | 44.00 | 5.00 | 66.00 | 7.50 | 72.00 | 8.18 | 80.00 | 9.09 |
| Retail/Commercial | 1.01 | 27.10 | 3.11 | 44.00 | 5.05 | 66.00 | 7.57 | 72.00 | 8.26 | 80.00 | 9.18 |
| Lg Retail/Commercial | 1.03 | 27.92 | 3.17 | 45.33 | 5.15 | 67.99 | 7.73 | 74.17 | 8.43 | 82.41 | 9.37 |
| Lg Retail/Commercial | 1.06 | 28.73 | 3.26 | 46.65 | 5.30 | 69.97 | 7.95 | 76.33 | 8.67 | 84.81 | 9.63 |
| Lg Retail/Commercial | 1.30 | 35.23 | 4.00 | 57.20 | 6.50 | 85.80 | 9.75 | 93.60 | 10.64 | 104.00 | 11.82 |
| Lg Retail/Commercial | 1.52 | 41.19 | 4.68 | 66.88 | 7.60 | 100.33 | 11.40 | 109.45 | 12.44 | 121.61 | 13.82 |
| Lg Retail/Commercial | 1.65 | 44.72 | 5.08 | 72.60 | 8.25 | 108.91 | 12.38 | 118.81 | 13.50 | 132.01 | 15.00 |

| | | Fiscal Year | | | | | | | | | |
|----------------------|-----------------|-------------------------|-------|-------------------------|-------|-------------------------|-------|-------------------------|-------|-------------------------|-------|
| | | 2012 | | 2013 | | 2014 | | 2015 | | 2016 | |
| Customer Type | Strength Factor | (1) Consumption Rate | |
| | | Minimum | Rate |
| Residential | 1.00 | \$ 82.00 | \$ - | \$ 84.46 | \$ - | \$ 86.99 | \$ - | \$ 89.60 | \$ - | \$ 92.29 | \$ - |
| Retail/Commercial | 0.90 | 82.00 | 8.38 | 84.46 | 8.63 | 86.99 | 8.89 | 89.60 | 9.16 | 92.29 | 9.44 |
| Retail/Commercial | 0.92 | 82.00 | 8.58 | 84.46 | 8.83 | 86.99 | 9.10 | 89.60 | 9.37 | 92.29 | 9.65 |
| Retail/Commercial | 0.93 | 82.00 | 8.67 | 84.46 | 8.93 | 86.99 | 9.19 | 89.60 | 9.47 | 92.29 | 9.75 |
| Retail/Commercial | 0.94 | 82.00 | 8.76 | 84.46 | 9.02 | 86.99 | 9.29 | 89.60 | 9.57 | 92.29 | 9.86 |
| Retail/Commercial | 0.98 | 82.00 | 9.13 | 84.46 | 9.41 | 86.99 | 9.69 | 89.60 | 9.98 | 92.29 | 10.28 |
| Retail/Commercial | 1.00 | 82.00 | 9.32 | 84.46 | 9.60 | 86.99 | 9.88 | 89.60 | 10.18 | 92.29 | 10.49 |
| Retail/Commercial | 1.01 | 82.00 | 9.41 | 84.46 | 9.69 | 86.99 | 9.98 | 89.60 | 10.28 | 92.29 | 10.59 |
| Lg Retail/Commercial | 1.03 | 84.47 | 9.60 | 87.01 | 9.89 | 89.61 | 10.18 | 92.30 | 10.49 | 92.29 | 10.80 |
| Lg Retail/Commercial | 1.06 | 86.93 | 9.87 | 89.54 | 10.17 | 92.22 | 10.48 | 94.99 | 10.79 | 97.84 | 11.12 |
| Lg Retail/Commercial | 1.30 | 106.60 | 12.12 | 109.80 | 12.48 | 113.09 | 12.85 | 116.48 | 13.24 | 119.97 | 13.63 |
| Lg Retail/Commercial | 1.52 | 124.65 | 14.17 | 128.39 | 14.59 | 132.23 | 15.03 | 136.20 | 15.48 | 140.29 | 15.94 |
| Lg Retail/Commercial | 1.65 | 135.31 | 15.38 | 139.37 | 15.84 | 143.54 | 16.31 | 147.85 | 16.80 | 152.29 | 17.30 |

(1) Consumption rate is charged for each additional unit consumed after 8.8 units and one unit equates to 748 gallons
Residential customers are charged a minimum bill per month with no additional charge for consumption.

Source: City of Fillmore Utilities Department

**Water and Sewer Principal Payers By Customer Group
Now and Nine Fiscal Years Ago**

| Principal Water Customers | | | | | | | |
|---------------------------|-------------------|------|-----------------------------------|----------------------|-------------------|------|-----------------------------------|
| Fiscal Year 2007 | | | | Fiscal Year 2016 | | | |
| Customer Group | Charges | Rank | Percentage of Total Water Charges | Customer Group | Charges | Rank | Percentage of Total Water Charges |
| Government Agencies | \$ 194,470 | 1 | 7.3% | Mobile Home Parks | \$ 81,970 | 1 | 2.7% |
| Schools/Colleges | 133,764 | 2 | 5.0% | Schools/Colleges | 77,848 | 2 | 2.6% |
| Developers | 114,396 | 3 | 4.3% | Government Agencies | 61,743 | 3 | 2.1% |
| Mobile Home Parks | 68,176 | 4 | 2.5% | Apartment Complexes | 36,215 | 4 | 1.2% |
| Business Parks | 54,355 | 5 | 2.0% | Care Centers | 32,559 | 5 | 1.1% |
| Care Centers | 27,926 | 6 | 1.0% | Business Parks | 19,831 | 6 | 0.7% |
| Apartment Complexes | 26,892 | 7 | 1.0% | Grocery Stores | 18,178 | 7 | 0.6% |
| Churches | 23,740 | 8 | 0.9% | Gas Stations | 14,501 | 8 | 0.5% |
| Retail Stores | 20,932 | 9 | 0.8% | Packing Plants | 13,535 | 9 | 0.5% |
| Restaurants | 13,828 | 10 | 0.5% | Agriculture/Orchards | 11,249 | 10 | 0.4% |
| | \$ 678,479 | | 25.3% | | \$ 367,629 | | 12.4% |

| Principal Sewer Customers | | | | | | | |
|---------------------------|-------------------|------|-----------------------------------|--------------------------|---------------------|------|-----------------------------------|
| Fiscal Year 2007 | | | | Fiscal Year 2016 | | | |
| Sewer Customer Group | Charges | Rank | Percentage of Total Sewer Charges | Sewer Customer Group | Charges | Rank | Percentage of Total Sewer Charges |
| Mobile Home Parks | \$ 118,626 | 1 | 5.5% | Mobile Home Parks | \$ 333,647 | 1 | 5.7% |
| Developers | 89,506 | 2 | 4.1% | Apartment Complexes | 184,664 | 2 | 3.2% |
| Restaurants | 76,496 | 3 | 3.5% | Restaurants | 117,564 | 3 | 2.0% |
| Schools/Colleges | 73,676 | 4 | 3.4% | Senior Apartment Complex | 76,231 | 4 | 1.3% |
| Apartment Complexes | 63,546 | 5 | 2.9% | Care Centers | 72,246 | 5 | 1.2% |
| Grocery Stores | 48,843 | 6 | 2.3% | Grocery Stores | 62,656 | 6 | 1.1% |
| Care Centers | 33,781 | 7 | 1.6% | Schools/Colleges | 60,440 | 7 | 1.0% |
| Senior Apartment Complex | 27,103 | 8 | 1.3% | Gas Stations | 41,045 | 8 | 0.7% |
| Packing Plants | 16,825 | 9 | 0.8% | Packing Plants | 37,163 | 9 | 0.6% |
| Churches | 8,907 | 10 | 0.4% | Manufacturing | 15,493 | 10 | 0.3% |
| | \$ 557,309 | | 25.8% | | \$ 1,001,149 | | 17.1% |

Source: City of Fillmore Utilities Department

City of Fillmore

**Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years**

| Fiscal Year Ended June 30, | City | | | | Redevelopment Agency | | | | Total Direct Tax Rate |
|----------------------------------|------------------|---------------|---------------------|------------------------------|----------------------|---------------|---------------------|------------------------------|-----------------------------|
| | Secured | Unsecured | Less: Exemptions | Taxable Assessed Value | Secured | Unsecured | Less: Exemptions | Taxable Assessed Value | |
| 2007 | \$ 1,009,094,055 | \$ 27,005,423 | \$ 37,071,859 | \$ 999,027,619 | \$ 681,343,906 | \$ 25,568,160 | \$ 32,576,583 | \$ 674,335,482 | 18.432% |
| 2008 | 1,067,016,251 | 28,555,540 | 39,199,791 | 1,056,372,000 | 720,453,180 | 27,035,777 | 34,446,485 | 713,042,471 | 18.346% |
| 2009 | 974,324,573 | 26,074,921 | 35,794,506 | 964,604,988 | 657,867,428 | 24,687,180 | 31,454,120 | 651,100,488 | 18.518% |
| 2010 | 941,930,495 | 25,207,989 | 34,604,420 | 932,534,064 | 635,994,831 | 23,866,387 | 30,408,342 | 629,452,876 | 18.560% |
| 2011 | 933,872,857 | 20,794,353 | 34,353,582 | 920,313,628 | 634,806,587 | 19,430,879 | 30,388,719 | 623,848,747 | 18.417% |
| 2012 | 894,482,167 | 18,535,821 | 36,469,995 | 876,547,993 | 622,335,619 | 17,316,194 | 32,503,116 | 607,148,697 | 18.386% |
| 2013 | 913,395,863 | 19,662,576 | 33,984,144 | 899,074,295 | 635,473,921 | 18,390,561 | 30,164,897 | 623,699,585 | 18.372% |
| 2014 | 983,855,986 | 19,346,719 | 36,255,448 | 966,947,257 | 635,473,921 | 18,390,561 | 30,164,897 | 623,699,585 | 18.371% |
| 2015 | 1,052,473,435 | 17,939,327 | 37,145,296 | 1,033,267,466 | 729,484,334 | 17,141,825 | 32,945,941 | 713,680,218 | 18.418% |
| 2016 | 1,111,289,793 | 18,616,662 | 37,774,611 | 1,092,131,844 | 773,011,866 | 17,657,694 | 33,436,386 | 757,233,174 | 18.548% |

Source: Ventura County Auditor's Office and Ventura County Assessor's Office

Fiscal Years Ended June 30, 2006 through Fiscal Year Ended 2009: Estimated the Redevelopment Agency values and estimated the unsecured portion for the City for these four fiscal years.

Total assessed value information from the Ventura County Auditor's Office - District Recap Valuations Report.

City of Fillmore

**Direct and Overlapping Property Tax Rates (Rate per \$100 of assessed value)
Last Ten Fiscal Years**

| | | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 1 | Basic Levy | 1.00000 | 1.00000 | 1.00000 | 1.00000 | 1.00000 | 1.00000 | 1.00000 | 1.00000 | 1.00000 | 1.00000 |
| | Fillmore Unified School District | n/a | n/a | n/a | 0.10480 | 0.07700 | 0.11010 | 0.11680 | 0.11610 | 0.11000 | 0.11090 |
| | Ventura Community College District | n/a | n/a | n/a | 0.01390 | 0.01510 | 0.01400 | 0.01910 | 0.01670 | 0.01760 | 0.01300 |
| | United Water Conservation District | n/a | n/a | n/a | 0.00747 | 0.02141 | 0.01416 | 0.00723 | 0.01705 | 0.01822 | 0.00053 |
| 2 | Total Direct & Indirect Overlapping Tax Rates | 1.00000 | 1.00000 | 1.00000 | 1.12617 | 1.11351 | 1.13826 | 1.14313 | 1.14985 | 1.14582 | 1.12443 |
| 3 | City's Share of 1% Levy per Prop 13 | n/a | n/a | n/a | 0.89390 | 0.91567 | 0.88960 | 0.88036 | 0.88277 | 0.88684 | 0.88976 |
| | General Obligation Debt Rate | - | - | - | - | - | - | - | - | - | - |
| 4 | Redevelopment Rate | 0.21813 | 0.21813 | 0.21813 | 0.21813 | 0.21813 | - | - | - | - | - |
| 5 | Total Direct Rate | 0.18432 | 0.18346 | 0.18518 | 0.18560 | 0.18417 | 0.18386 | 0.18372 | 0.18371 | 0.18418 | 0.18584 |

Notes

- 1 In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.
 - 2 Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.
 - 3 City's share of 1% levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. ERAF general fund tax shifts may not be included in tax ratio figures.
 - 4 Redevelopment rates is based on the largest RDA tax rate area and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of Abx1 26 eliminated redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.
 - 5 Total Direct Rate is the weighted average of all individual direct rates applied to by the government preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.
- n/a Data for Fiscal Years 2007 through 2009 is not available.

Source: Ventura County Assessor

City of Fillmore

**Principal Property Tax Payers
Current and Nine Fiscal Years Ago**

| Taxpayer | 2016 | | | 2007 | | |
|-----------------------------------|--------------------------|---------------------|--------------------------------------|--------------------------|-------------------|--------------------------------------|
| | Taxable Assessed Value * | Amount of Tax * | Percent of Total City Taxable Amount | Taxable Assessed Value * | Amount of Tax * | Percent of Total City Taxable Amount |
| Hearthsone Multi-Asset | \$ 36,250,000 | \$ 504,624 | 3.32% | \$ - | \$ - | - % |
| Marinelli, Judi A Trust | 6,130,079 | 294,553 | 0.56% | - | - | - % |
| Balden Town Plaza LTD Lessor | 9,040,263 | 144,032 | 0.83% | 6,943,921 | 106,973 | 0.77% |
| WH Fillmore 45 LLC | 5,266,646 | 137,090 | 0.48% | - | - | - % |
| NLA Community LLC | 6,119,879 | 131,611 | 0.56% | - | - | - % |
| Evergreen Financial Holding | 11,474,775 | 130,332 | 1.05% | - | - | - % |
| Balden Town Plaza LTD Partnership | 6,092,564 | 99,188 | 0.56% | 3,074,451 | 48,573 | 0.34% |
| KB Home Greater Los Angeles | 7,700,000 | 93,887 | 0.71% | - | - | - % |
| Ameron Pole Products Division | 3,588,073 | 61,434 | 0.33% | 6,037,480 | 93,693 | 0.67% |
| Swaidan Brian-Christine Trust | 5,020,409 | 58,276 | 0.46% | - | - | - % |
| HVP Phase 2 LLC | - | - | - % | 17,097,600 | 196,399 | 1.89% |
| Griffen Homebuilding Group | - | - | - % | 9,250,176 | 106,125 | 1.02% |
| Fillmore Sun LLC | - | - | - % | 3,297,922 | 102,953 | 0.36% |
| Dunton Kenneth V Trust | - | - | - % | 5,661,389 | 66,048 | 0.63% |
| Saticoy Lemon Assn | - | - | - % | 5,131,794 | 62,365 | 0.57% |
| El Dorado Estates | - | - | - % | 4,115,684 | 50,495 | 0.45% |
| River-Central Investments | - | - | - % | 3,774,636 | 43,255 | 0.42% |
| | \$ 96,682,688 | \$ 1,655,027 | 8.86 % | \$ 64,385,053 | \$ 876,879 | 7.12 % |

* Due to varying tax rates, the assessed value does not necessarily mean the highest tax. The assessed value includes secured property tax revenue.

Source: Ventura County Assessor's Office for FY 2005-06 and FY 2014-15.

City of Fillmore

**Property Tax Levies and Collections
Last Ten Fiscal Years**

| Fiscal Year Ended June 30 | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year Levy | | Collections from Previous Years | Total Collections | |
|---------------------------------|--|--|--------------------|--|-------------------|--------------------|
| | | Amount | Percent of Levy | | Amount | Percent of Levy |
| 2007 | \$ 1,656,964 | \$ 1,490,149 | 89.9 % | \$ 102,816 | \$ 1,592,965 | 96.1 % |
| 2008 | 1,846,720 | 1,652,468 | 89.5 % | 114,015 | 1,766,483 | 95.7 % |
| 2009 | 1,957,573 | 1,759,412 | 89.9 % | 112,032 | 1,871,444 | 95.6 % |
| 2010 | 1,773,008 | 1,572,555 | 88.7 % | 116,953 | 1,689,508 | 95.3 % |
| 2011 | 1,736,457 | 1,583,288 | 91.2 % | 75,471 | 1,658,759 | 95.5 % |
| 2012 | 1,712,478 | 1,574,414 | 91.9 % | 65,992 | 1,640,406 | 95.8 % |
| 2013 | 1,631,957 | 1,506,575 | 92.3 % | 58,857 | 1,565,432 | 95.9 % |
| 2014 | 1,676,811 | 1,565,933 | 93.4 % | 46,149 | 1,612,082 | 96.1 % |
| 2015 | 1,814,885 | 1,703,548 | 93.9 % | 43,302 | 1,746,850 | 96.3 % |
| 2016 | 1,947,629 | 1,878,316 | 96.4 % | 41,505 | 1,919,821 | 98.6 % |

Source: Ventura County Auditor Controller's Office TRA History Report for City Totals Fund 8010.
Ventura County Auditor Controller's Office Secured Collection Report

City of Fillmore

**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

| Fiscal Year Ended June 30 | Governmental Activities | | | | Business-Type Activities | | | | Total Primary Government | Percentage of Personal Income | Debt Per Capita |
|---------------------------------|---|------------------------------|---|-------------------------------------|--------------------------|-------------------------------------|---|--------------------------------------|--------------------------------|-------------------------------------|-----------------------|
| | State Water Loan Payable ² | Capital Leases Payable | Tax Allocation Bonds ¹ | Total Governmental Activities | Revenue Bonds | Certificates of Participation | State Water Loan Payable ³ | Total Business-Type Activities | | | |
| 2007 | \$ 713,033 | \$ 873,982 | \$ 60,520,000 | \$ 62,107,015 | \$ 57,490,000 | \$ 7,660,000 | \$ 37,540 | \$ 65,187,540 | \$ 127,294,555 | 61% | 8,349 |
| 2008 | 623,785 | 768,723 | 60,105,000 | 61,497,508 | 57,490,000 | 7,515,000 | 32,843 | 65,037,843 | 126,535,351 | 57% | 8,090 |
| 2009 | 534,537 | 658,603 | 59,620,000 | 60,813,140 | 57,490,000 | 7,360,000 | 28,146 | 64,878,146 | 125,691,286 | 57% | 8,037 |
| 2010 | 445,289 | 544,491 | 50,475,000 | 51,464,780 | 57,490,000 | 7,200,000 | 23,449 | 64,713,449 | 116,178,229 | 49% | 7,744 |
| 2011 | 356,041 | 422,871 | 49,790,000 | 50,568,912 | 64,280,000 | - | 18,752 | 64,298,752 | 114,867,664 | 51% | 7,615 |
| 2012 | 266,793 | 345,882 | - | 612,675 | 63,430,000 | - | 14,055 | 63,444,055 | 64,056,730 | 26% | 4,248 |
| 2013 | 178,532 | 265,274 | - | 443,806 | 62,545,000 | - | 9,359 | 62,554,359 | 62,998,165 | 24% | 4,144 |
| 2014 | 89,284 | 583,299 | - | 672,583 | 61,625,000 | - | 4,662 | 61,629,662 | 62,302,245 | 24% | 4,063 |
| 2015 | - | 436,530 | - | 436,530 | 60,665,000 | - | - | 60,665,000 | 61,101,530 | 23% | 3,957 |
| 2016 | - | 301,462 | - | 301,462 | 59,665,000 | - | - | 59,665,000 | 59,966,462 | 18% | 3,862 |

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹ The Fillmore Redevelopment Agency issued \$31,775,000 of tax allocation bonds in 2003, \$12,115,000 in 2005 and \$38,970,000 in 2006 (to refund the 2003 issue).

As of February 1, 2012, Tax Allocation Bonds are the debt of the Successor Agency and not a part of the City. See Notes 1 & 15 of the Notes to the Basic Financial Statements for details relating to the Successor Agency (former Fillmore Redevelopment Agency) and its outstanding long term debt.

²The State Water Loan was paid off as of June 30, 2015.

Source: City of Fillmore, Finance Department

City of Fillmore

Ratios of General Bonded Debt by Type Last Ten Fiscal Years

| Fiscal Year Ended June 30 | Outstanding General Obligation Debt | | | Total | Percent of Assessed Value ² | Per Capita |
|---------------------------------|---|------------------------------|---|---------------|--|---------------|
| | State Water Loan Payable ³ | Capital Leases Payable | Tax Allocation Bonds ¹ | | | |
| 2007 | \$ 713,033 | \$ 873,982 | \$ 60,520,000 | \$ 62,107,015 | 8.71 % | \$ 4,073 |
| 2008 | 623,785 | 768,723 | 60,105,000 | 61,497,508 | 9.45 % | 3,932 |
| 2009 | 534,537 | 658,603 | 59,620,000 | 60,813,140 | 9.66 % | 3,889 |
| 2010 | 445,289 | 544,491 | 50,475,000 | 51,464,780 | 8.25 % | 3,431 |
| 2011 | 356,041 | 422,871 | 49,790,000 | 50,568,912 | 8.11 % | 33 |
| 2012 | 266,793 | 345,882 | - | 612,675 | 0.10 % | 41 |
| 2013 | 178,532 | 265,274 | - | 443,806 | 0.07 % | 29 |
| 2014 | 89,284 | 583,299 | - | 672,583 | 0.11 % | 44 |
| 2015 | - | 436,530 | - | 436,530 | 0.06 % | 28 |
| 2016 | - | 301,462 | - | 301,462 | 0.04 % | 19 |

General obligation debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

¹ The Fillmore Redevelopment Agency issued \$31,775,000 of tax allocation bonds in 2003, \$12,115,000 in 2005 and \$38,970,000 in 2006 (to refund the 2003 issue).

As of February 1, 2012, Tax Allocation Bonds are the debt of the Successor Agency and not a part of the City. See Notes 1 & 15 of the Notes to the Basic Financial Statements for details relating to the Successor Agency (former Fillmore Redevelopment Agency) and its outstanding long term debt.

² Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

³The State Water Loan was paid off as of June 30, 2015.

Source: City of Fillmore, Finance Department

City of Fillmore

**Direct and Overlapping Debt
June 30, 2016**

| | | | |
|--|-------------------|-------------------------|----------------------|
| City Assessed Valuation 2015-16 | | \$ 1,092,131,844 | |
| Redevelopment Agency Incremental Valuation | | 757,233,174 | |
| Adjusted Assessed Valuation | | <u>\$ 1,849,365,018</u> | |
| | | | Estimated |
| | Percentage | Debt as of | Share of |
| | <u>Applicable</u> | <u>6/30/2016</u> | <u>Overlapping</u> |
| | | | <u>Debt</u> |
| Direct and Overlapping Tax and Assessment Debt: | | | |
| Ventura Community College District | 1.300 % | 297,490,041 | 3,867,371 |
| Fillmore Unified School District | 11.090 % | 15,388,004 | 1,706,530 |
| | | <u>\$ 312,878,045</u> | <u>\$ 5,573,901</u> |
| Total Direct and Overlapping Tax & Assessment Debt | | | |
| Overlapping General Fund Obligation Debt: | | - | - |
| | | <u>\$ -</u> | <u>\$ -</u> |
| Total Overlapping General Fund Obligation Debt | | | |
| Overlapping Tax Increment Debt (Successor Agency): | 100.000 % | \$ 42,273,348 | \$ 42,273,348 |
| Combined Total Debt* | | <u>\$ 355,151,393</u> | <u>\$ 47,847,249</u> |

Notes:

* Excludes tax and revenue anticipation notes, revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

The direct and overlapping bonded debt above is not the City's obligation

The overlapping district's assessed valuation located within the City is divided by the total assessed valuation of the overlapping district. That percentage is multiplied by the total debt outstanding for the overlapping district resulting in the City's share of debt.

Source: Ventura County Assessor's Office
City of Fillmore, Finance Department.

City of Fillmore

Legal Debt Margin Information Last Ten Fiscal Years

| | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Assessed valuation | \$ 999,027,619 | \$ 1,056,372,000 | \$ 964,604,988 | \$ 932,534,064 | \$ 920,313,628 |
| Conversion percentage | 25% | 25% | 25% | 25% | 25% |
| Adjusted assessed valuation | 249,756,905 | 264,093,000 | 241,151,247 | 233,133,516 | 230,078,407 |
| Debt limit percentage | 15% | 15% | 15% | 15% | 15% |
| Debt limit | 37,463,536 | 39,613,950 | 36,172,687 | 34,970,027 | 34,511,761 |
| Total net debt applicable to limit: General Obligation Bonds | - | - | - | - | - |
| Legal debt margin | <u>\$ 37,463,536</u> | <u>\$ 39,613,950</u> | <u>\$ 36,172,687</u> | <u>\$ 34,970,027</u> | <u>\$ 34,511,761</u> |
| Total debt applicable to the limit as a percentage of debt limit | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | 2012 | 2013 | 2014 | 2015 | 2016 |
| Assessed valuation | \$ 876,547,993 | \$ 899,074,295 | \$ 966,947,257 | \$ 1,033,267,466 | \$ 1,092,131,844 |
| Conversion percentage | 25% | 25% | 25% | 25% | 25% |
| Adjusted assessed valuation | 219,136,998 | 224,768,574 | 241,736,814 | 258,316,867 | 273,032,961 |
| Debt limit percentage | 15% | 15% | 15% | 15% | 15% |
| Debt limit | 32,870,550 | 33,715,286 | 36,260,522 | 38,747,530 | 40,954,944 |
| Total net debt applicable to limit: General Obligation Bonds | - | - | - | - | - |
| Legal debt margin | <u>\$ 32,870,550</u> | <u>\$ 33,715,286</u> | <u>\$ 36,260,522</u> | <u>\$ 38,747,530</u> | <u>\$ 40,954,944</u> |
| Total debt applicable to the limit as a percentage of debt limit | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

The Government Code 2227 of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 81-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation date for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: City of Fillmore, Finance Department
Ventura County Tax Assessor's Office

City of Fillmore

**Pledged Revenue Coverage – General Obligation Debt
Last Ten Fiscal Years**

General Obligation Debt:

| Fiscal Year Ended June 30 | State Water Loan Payable (2) | | | | | Coverage |
|---------------------------------|------------------------------|--------------|----------|-----------|---------|----------|
| | Gross Revenues (1) | Debt Service | | | Total | |
| | | Principal | Interest | | | |
| 2007 | \$ 7,583,226 | \$ 89,248 | \$ - | \$ 89,248 | 84.97% | |
| 2008 | 10,299,228 | 89,248 | - | 89,248 | 115.40% | |
| 2009 | 7,389,905 | 89,248 | - | 89,248 | 82.80% | |
| 2010 | 2,436,794 | 89,248 | - | 89,248 | 27.30% | |
| 2011 | 3,911,447 | 89,248 | - | 89,248 | 43.83% | |
| 2012 | 3,542,116 | 89,248 | - | 89,248 | 39.69% | |
| 2013 | 5,054,754 | 88,261 | - | 88,261 | 57.27% | |
| 2014 | 8,313,090 | 89,248 | - | 89,248 | 93.15% | |
| 2015 | 8,951,060 | 89,284 | - | 89,284 | 100.25% | |
| 2016 | 7,011,139 | - | - | - | n/a | |

(1) Total General Fund Revenues

(2) See Notes to Basic Financial Statements for complete information about this loan.

Source: City of Fillmore, Finance Department

| Fiscal Year Ended June 30 | Capital Leases Payable (2) | | | | | Coverage |
|---------------------------------|----------------------------|--------------|-----------|------------|---------|----------|
| | Gross Revenues (1) | Debt Service | | | Total | |
| | | Principal | Interest | | | |
| 2007 | \$ 7,583,226 | \$ 100,613 | \$ 45,353 | \$ 145,966 | 51.95% | |
| 2008 | 10,299,228 | 105,259 | 40,707 | 145,966 | 70.56% | |
| 2009 | 7,389,905 | 110,120 | 35,846 | 145,966 | 50.63% | |
| 2010 | 2,436,794 | 114,112 | 30,360 | 144,472 | 16.87% | |
| 2011 | 3,911,447 | 121,620 | 24,348 | 145,968 | 26.79% | |
| 2012 | 3,542,116 | 76,989 | 19,875 | 96,864 | 36.57% | |
| 2013 | 5,054,754 | 80,608 | 16,256 | 96,864 | 52.18% | |
| 2014 | 8,313,090 | 138,878 | 26,991 | 165,869 | 50.12% | |
| 2015 | 8,951,060 | 146,769 | 26,178 | 172,947 | 51.76% | |
| 2016 | 7,011,139 | 38,498 | 18,793 | 57,291 | 122.38% | |

(1) Total General Fund Revenues

(2) See Notes to Basic Financial Statements for complete information about these leases.

Source: City of Fillmore, Finance Department

City of Fillmore

Pledged Revenue Coverage – General Obligation Debt (continued)
Last Ten Fiscal Years

| Fiscal Year Ended June 30 | Tax Allocation Bonds | | | | Coverage |
|---------------------------------|----------------------|--------------|--------------|--------------|----------|
| | Tax Increment | Debt Service | | Total | |
| | | Principal | Interest | | |
| 2007 | \$ 5,389,273 | \$ 565,000 | \$ 2,351,583 | \$ 2,916,583 | 1.85% |
| 2008 | 5,818,068 | 415,000 | 3,096,060 | 3,511,060 | 1.66% |
| 2009 | 6,071,600 | 485,000 | 3,415,509 | 3,900,509 | 1.56% |
| 2010 | 4,928,309 | 580,000 | 3,080,193 | 3,660,193 | 1.35% |
| 2011 | 5,079,573 | 685,000 | 2,666,936 | 3,351,936 | 1.52% |
| 2012 | - | - | - | - | n/a |
| 2013 | - | - | - | - | n/a |
| 2014 | - | - | - | - | n/a |
| 2015 | - | - | - | - | n/a |
| 2016 | - | - | - | - | n/a |

Note:

The Fillmore Redevelopment Agency issued \$31,775,000 of tax allocation bonds in 2003, \$12,115,000 in 2005 and \$38,970,000 in 2006 (to refund the 2003 issue).

As of February 1, 2012, Tax Allocation Bonds are the debt of the Successor Agency and not a part of the City. See Notes 1 & 15 of the Notes to the Basic Financial Statements for details relating to the Successor Agency (former Fillmore Redevelopment Agency) and its outstanding long term debt.

Source: City of Fillmore, Finance Department

City of Fillmore

**Pledged Revenue Coverage – Non-General Obligation Debt
Last Ten Fiscal Years**

Non-General Obligation Debt:

| Fiscal Year Ended June 30 | Certificates of Participation | | | | | |
|---------------------------------|-------------------------------|--------------------------|------------|------------|--------|----------|
| | Water Revenue (1) | Debt Service | | | Total | Coverage |
| | | Principal | Interest | | | |
| 2007 | \$ 881,288 | \$ 140,000 | \$ 480,784 | \$ 620,784 | 142.0% | |
| 2008 | 1,051,234 | 145,000 | 478,522 | 623,522 | 168.6% | |
| 2009 | 399,575 | 155,000 | 458,449 | 613,449 | 65.1% | |
| 2010 | (67,124) | 160,000 | 451,203 | 611,203 | -11.0% | |
| 2011 | 1,064,147 | 7,200,000 ⁽²⁾ | 424,997 | 7,624,997 | 14.0% | |
| 2012 | - | - | - | - | 0% | |
| 2013 | - | - | - | - | 0% | |
| 2014 | - | - | - | - | 0% | |
| 2015 | - | - | - | - | 0% | |
| 2016 | - | - | - | - | 0% | |

(1) Total Water Revenue is Operating Income (Loss) plus Non-Operating Revenues (Expenses) plus Transfers In/Out and excludes Depreciation.

Non-Operating Revenues (Expenses) include Investment Income, Capital Contributions, Capital Grants and Miscellaneous Revenue (Expense) and excludes amortization and interest expense.

(2) On November 30, 2010, Fillmore Public Financing Authority issued \$7,480,000 of Water System Refunding Bonds to refund the 2002 COP's. See Notes to Basic Financial Statements for complete information.

Source: City of Fillmore, Finance Department

| Fiscal Year Ended June 30 | Revenue Bonds-Refunding (2) | | | | | |
|---------------------------------|-----------------------------|--------------|----------|---------|-------|----------|
| | Water Revenue (1) | Debt Service | | | Total | Coverage |
| | | Principal | Interest | | | |
| 2007 | \$ - | \$ - | \$ - | \$ - | n/a | |
| 2008 | - | - | - | - | n/a | |
| 2009 | - | - | - | - | n/a | |
| 2010 | - | - | - | - | n/a | |
| 2011 | 1,064,147 | 100,000 | 424,997 | 524,997 | 2.03% | |
| 2012 | 1,257,508 | 235,000 | 367,601 | 602,601 | 2.09% | |
| 2013 | 1,957,524 | 245,000 | 361,111 | 606,111 | 3.23% | |
| 2014 | 2,034,830 | 250,000 | 334,201 | 584,201 | 3.48% | |
| 2015 | 1,478,791 | 260,000 | 326,165 | 586,165 | 2.52% | |
| 2016 | 1,058,340 | 265,000 | 303,175 | 568,175 | 1.86% | |

(1) Total Water Revenue is Operating Income (Loss) plus Non-Operating Revenues (Expenses) plus Transfers In/Out and excludes Depreciation.

Non-Operating Revenues (Expenses) include Investment Income, Capital Contributions, Capital Grants and Miscellaneous Revenue (Expense) and excludes amortization and interest expense.

(2) On November 30, 2010, Fillmore Public Financing Authority issued \$7,480,000 of Water System Refunding Bonds to refund the 2002 COP's. See Notes to Basic Financial Statements for complete information.

Source: City of Fillmore, Finance Department

City of Fillmore

**Pledged Revenue Coverage – Non-General Obligation Debt (continued)
Last Ten Fiscal Years**

| Fiscal Year Ended June 30 | Revenue Bonds (2) | | | | | Coverage |
|---------------------------------|----------------------|--------------|------------|------------|-------|----------|
| | Sewer Revenue (1) | Debt Service | | | Total | |
| | | Principal | Interest | | | |
| 2007 | \$ 3,745,739 | \$ - | \$ 417,964 | \$ 417,964 | 8.96% | |
| 2008 | 10,056,858 | - | 2,594,935 | 2,594,935 | 3.88% | |
| 2009 | 5,937,475 | - | 3,300,038 | 3,300,038 | 1.80% | |
| 2010 | 3,847,547 | - | 2,826,059 | 2,826,059 | 1.36% | |
| 2011 | 2,940,472 | 590,000 | 2,824,480 | 3,414,480 | 0.86% | |
| 2012 | 2,678,959 | 615,000 | 2,856,479 | 3,471,479 | 0.77% | |
| 2013 | 3,271,139 | 640,000 | 2,827,095 | 3,467,095 | 0.94% | |
| 2014 | 3,675,131 | 670,000 | 2,713,885 | 3,383,885 | 1.09% | |
| 2015 | 3,686,838 | 700,000 | 2,680,462 | 3,380,462 | 1.09% | |
| 2016 | 3,743,759 | 735,000 | 2,705,956 | 3,440,956 | 1.09% | |

(1) Total Sewer Revenue is Operating Income (Loss) plus Non-Operating Revenues (Expenses) plus Transfers In/Out and excludes Depreciation.

Non-Operating Revenues (Expenses) include Investment Income, Capital Contributions, Capital Grants and Miscellaneous Revenue (Expense) and excludes amortization and interest expense.

(2) On June 7, 2007, Fillmore Public Financing Authority issued \$57,490,000 of Series 2007 revenue Bonds. See Notes to Basic Financial Statements for complete information.

Source: City of Fillmore, Finance Department

| Fiscal Year Ended June 30 | State Water Loan Payable (2) | | | | | Coverage |
|---------------------------------|------------------------------|--------------|----------|----------|----------|----------|
| | Sewer Revenue (1) | Debt Service | | | Total | |
| | | Principal | Interest | | | |
| 2007 | \$ 3,745,739 | \$ 4,697 | \$ - | \$ 4,697 | 797.47% | |
| 2008 | 10,056,858 | 4,697 | - | 4,697 | 2141.12% | |
| 2009 | 5,937,475 | 4,697 | - | 4,697 | 1234.10% | |
| 2010 | 3,847,547 | 4,697 | - | 4,697 | 819.15% | |
| 2011 | 2,940,472 | 4,697 | - | 4,697 | 626.03% | |
| 2012 | 2,678,959 | 4,697 | - | 4,697 | 570.36% | |
| 2013 | 3,271,139 | 4,696 | - | 4,696 | 696.58% | |
| 2014 | 3,675,131 | 4,697 | - | 4,697 | 782.44% | |
| 2015 | 3,686,838 | 4,662 | - | 4,662 | 790.83% | |
| 2016 | - | - | - | - | n/a | |

(1) Total Sewer Revenue is Operating Income (Loss) plus Non-Operating Revenues (Expenses) plus Transfers In/Out and excludes Depreciation.

Non-Operating Revenues (Expenses) include Investment Income, Capital Contributions, Capital Grants and Miscellaneous Revenue (Expense) and excludes amortization and interest expense.

(2) See Notes to Basic Financial Statements for complete information about this loan.

Source: City of Fillmore, Finance Department

City of Fillmore

**Demographic and Economic Statistics
Last Ten Calendar Years**

| Calendar Year | Population | Personal Income (in thousands) | | Per Capita Personal Income | | Unemployment Rate |
|---------------|------------|-----------------------------------|-----|----------------------------|-----|-------------------|
| 2007 | 15,247 | \$ 209,228 | (1) | \$ 13,723 | | 6.9 % |
| 2008 | 15,641 | 222,856 | (1) | 14,248 | | 8.7 % |
| 2009 | 15,639 | 218,879 | (1) | 13,996 | | 13.7 % |
| 2010 | 15,002 | 236,123 | | 15,739 | | 11.8 % |
| 2011 | 15,085 | 226,753 | | 15,032 | | 11.4 % |
| 2012 | 15,074 | 246,178 | | 16,331 | | 10.2 % |
| 2013 | 15,188 | 261,540 | | 17,220 | | 8.9 % |
| 2014 | 15,333 | 254,643 | | 16,608 | | 7.1 % |
| 2015 | 15,441 | 266,234 | (3) | 17,242 | (2) | 6.1 % |
| 2016 | 15,529 | 326,249 | (3) | 21,009 | (2) | 6.0 % |

- Note 1: Estimated amount using changes for the City of Ventura as a base line.
 Note 2: Estimated amount using 2014 adjusted for California Per Capita Income Change percentage.
 Note 3: Estimated amount using estimated Per Capita Income.

- Sources: California State Department of Finance
 California State Employment Devedlopment Department
 City of Fillmore, Finance Department
 City of Fillmore, Planning Department
 The Nielsen Company (US), Inc.

City of Fillmore

**Principal Employers
Current and Nine Fiscal Years Ago**

| Employer | 2016 | | | 2007 | | |
|----------------------------------|---------------------|---------|----------------------------|---------------------|---------|----------------------------|
| | Number of Employees | Ranking | Percent of City Employment | Number of Employees | Ranking | Percent of City Employment |
| Fillmore Unified School District | 480 | 1 | 6.86% | 417 | 1 | 6.84% |
| Greenfield Care Center | 130 | 2 | 1.86% | 100 | 2 | 1.64% |
| Ameron Pole Products Division | 81 | 3 | 1.16% | 90 | 4 | 1.48% |
| City of Fillmore | 66 | 4 | 0.94% | 94 | 3 | 1.54% |
| Vons | 65 | 5 | 0.93% | 58 | 5 | 0.95% |
| Super A Foods, Inc. | 50 | 6 | 0.71% | 45 | 8 | 0.74% |
| Fillmore Medical Plaza | 50 | 7 | 0.71% | 50 | 6 | 0.82% |
| William Morris Chevrolet | 40 | 8 | 0.57% | 40 | 9 | 0.66% |
| Villa Park Citrus Assn. | 40 | 9 | 0.57% | 40 | 10 | 0.66% |
| Clinica del Camino Real | 37 | 10 | 0.53% | - | - | 0.00% |
| Total Top Employers | <u>1,039</u> | | | <u>934</u> | | |
| Total City Labor Force | <u>7,000</u> | | | <u>6,100</u> | | |

Sources: City-data.com
 Bureau of Labor Statistics
 California Department of Finance – Demographics Research Unit
 City of Fillmore, Finance Department

City of Fillmore

**Employment Trends and Other Information
Last Ten Fiscal Years**

| <u>Function</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General government | 24 | 19 | 16 | 14 | 13 | 13 | 14 | 16 | 17 | 17 |
| Public safety - Crossing Guards | 7 | 5 | 5 | 5 | 4 | 4 | 4 | 4 | 5 | 3 |
| Fire safety | 48 | 46 | 44 | 42 | 40 | 38 | 36 | 34 | 32 | 33 |
| Public works | 9 | 8 | 8 | 8 | 10 | 10 | 9 | 8 | 6 | 8 |
| Parks and recreation | 6 | 23 | 21 | 8 | 11 | 10 | 8 | 15 | 4 | 5 |
| Total | 94 | 101 | 94 | 77 | 78 | 75 | 71 | 77 | 64 | 66 |
| Public safety ¹ | 14 | 14 | 14 | 14 | 14 | 12 | 12 | 12 | 12 | 12 |

¹ Police services are provided by Ventura County.

Source: City of Fillmore, Finance Department

City of Fillmore

**Operating Indicators by Function
Last Ten Fiscal Years**

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Police: | | | | | | | | | | |
| Part 1 Crimes Reported (Count) (A) | 361 | 308 | 267 | 319 | 264 | 222 | 185 | 172 | 261 | 142 |
| Part 1 Crimes Reported (Per 100,000 population) (A) | 2,372.1 | 2,027.1 | 1,756.0 | 2,076.4 | 1,739.4 | 1,451.1 | 1,216.6 | 1,121.8 | 1,690.3 | 914.0 |
| Parking citations issued (D) (Note 2) | 348 | 332 | 488 | 307 | 192 | 82 | 83 | 67 | 217 | 227 |
| Fire (Unit responses): (B) (Note 2) | | | | | | | | | | |
| Medical | (Note 2) | 779 | 857 | 790 | 890 | 861 | 873 | 932 | 1,121 | 876 |
| Fire | (Note 2) | 31 | 41 | 42 | 48 | 40 | 49 | 29 | 39 | 40 |
| Rescue | (Note 2) | 49 | 52 | 41 | 54 | 46 | 62 | 60 | 73 | 57 |
| Public Service | (Note 2) | 119 | 107 | 94 | 102 | 147 | 132 | 164 | 176 | 151 |
| Alarms | (Note 2) | 75 | 65 | 66 | 82 | 88 | 80 | 74 | 106 | 68 |
| Hazardous | (Note 2) | 18 | 22 | 15 | 24 | 28 | 31 | 21 | 35 | 21 |
| Other | (Note 2) | - | - | - | 2 | 1 | 1 | 2 | 2 | - |
| Public works: (C) | | | | | | | | | | |
| Street resurfacing (miles) | - | 0.5 | - | 0.5 | - | 2.3 | - | - | - | - |
| Building and Safety: (D) | | | | | | | | | | |
| Number of SFR Building Permits Issued | 35 | 8 | 8 | 3 | - | 3 | 30 | 16 | 38 | 45 |
| Number of MFR Building Permits Issued | - | - | 29 | - | - | - | - | - | - | - |

Note #1: Data reported by calendar year, data for 2016 is as of 10/31/2016.

Note #2: Data not available for 2007.

Source: City of Fillmore

(A) Provided by Ventura County Sherriff's Office and USA.com. Data is for calendar year.

(B) Fillmore Fire Dept.

(C) Fillmore Public Works Dept.

(D) City of Fillmore, Finance Department

City of Fillmore

**Capital Assets Statistics by Function
Last Ten Fiscal Years**

| | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Police: | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Sub-stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Fire: | | | | | | | | | | |
| Fire stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Public works: | | | | | | | | | | |
| Streets (miles) | 34.9 | 35.9 | 37.0 | 39.0 | 39.0 | 39.0 | 39.0 | 39.0 | 39.0 | 39.0 |
| Streetlights | 1,031 | 1,067 | 1,089 | 1,123 | 1,124 | 1,124 | 1,124 | 1,124 | 1,124 | 1,124 |
| Traffic signals | 7 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Storm Drains (Miles) | 11.5 | 12.5 | 12.9 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 |
| Water Utility: | | | | | | | | | | |
| Wells-Active | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Reservoirs | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Lines & Mains (Miles) | 47.6 | 48.7 | 50.2 | 52.3 | 52.3 | 52.3 | 52.3 | 52.3 | 52.3 | 52.3 |
| Sewer Utility: | | | | | | | | | | |
| Treatment Facility | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Sanitary sewers (Miles) | 29.3 | 30.5 | 31.8 | 33.9 | 33.9 | 33.9 | 33.9 | 33.9 | 33.9 | 33.9 |
| Parks and recreation: | | | | | | | | | | |
| Parks | 3 | 3 | 3 | 3 | 4 | 4 | 4 | 4 | 4 | 4 |
| Community centers | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |

Source: City of Fillmore
Southern California Edison

Source: City of Fillmore
Southern California Edison

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