

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2017
CITY OF FILLMORE, CALIFORNIA



CITY OF FILLMORE

CALIFORNIA

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FISCAL YEAR ENDED JUNE 30, 2017

Prepared by the Finance Department

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

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City of Fillmore

Table of Contents June 30, 2017

	<u>Page</u>
<u>INTRODUCTORY SECTION:</u>	
Letter of Transmittal	i
Organization Chart	vii
City of Fillmore Officials	viii
GFOA - Certificate of Achievement for Excellence in Financial Reporting	ix
<u>FINANCIAL SECTION:</u>	
Independent Auditor's Report	1
Management's Discussion and Analysis	4
<i>Basic Financial Statements:</i>	
Government-wide Financial Statements:	
Statement of Net Position	17
Statement of Activities	18
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	21
Statement of Revenues, Expenditures, and Changes in Fund Balances	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Proprietary Funds:	
Statement of Net Position	24
Statement of Revenues, Expenses, and Changes in Net Position	26
Statement of Cash Flows	27
Fiduciary Funds:	
Statement of Fiduciary Net Position	29
Statement of Changes in Fiduciary Net Position	30
Notes to the Basic Financial Statements	31
<i>Required Supplementary Information:</i>	
Budgetary Comparison Schedules:	
General Fund	76
Housing Successor Special Revenue Major Fund	77
Schedule of Funding Progress - Other Post-Employment Benefits Plan	78
Schedule of the City's Proportionate Share of the Plans' Net Pension Liability and Related Ratios as of the Measurement Date - Last 10 Years	79
Schedule of Plans' Contributions - Last 10 Years	80
Notes to the Required Supplementary Information	81
<i>Supplementary Information:</i>	
Non Major Governmental Funds - Fund Descriptions	82
Non Major Governmental Funds:	
Combining Balance Sheet	85
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	93

City of Fillmore

Table of Contents, continued June 30, 2017

	<u>Page</u>
Supplementary Information (continued):	
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:	
Fillmore Public Financing Authority	102
Public Education & Government	103
Gas Tax	104
Local Transportation	105
Lighting/Landscape Assessment District	106
Storm Drain Assessment District	107
Community Development Block Grant	108
Public Transit	109
Bike Path Maintenance	110
Solid Waste Source	111
Swimming Pool Maintenance	112
Recreation	113
DIF Public Facility	114
DIF Transportation Improvement	115
DIF Sewer Improvement	116
DIF Water Improvement	117
DIF Storm Drain Improvement	118
Storm Water NPDES	119
Levees Reserve	120
DIF Fire Substation	121
Two Rivers Park	122
Street Projects	123
Public Buildings Improvements	124
Proprietary Funds - Sewer & Water Funds - Combining Statements:	
Combining Statement of Net Position - Sewer Funds	125
Combining Statement of Revenues, Expenses, and Changes in Net Position - Sewer Funds	127
Combining Statement of Net Position - Water Funds	128
Combining Statement of Revenues, Expenses, and Changes in Net Position - Water Funds	130
Agency Funds:	
Combining Statement of Fiduciary Assets and Liabilities	132
Combined Statement of Changes in Fiduciary Assets and Liabilities	134
<u>STATISTICAL SECTION:</u>	
Overview of Statistical Section	135
Net Position by Component	136
Change in Net Position	138
Fund Balances of Governmental Funds	144
Changes in Fund Balances of Governmental Funds	145
Water Utility Revenues By Customer Type	147
Sewer Utility Revenues By Customer Type	148
Water Rates By Meter Size	149
Sewer Rates By Customer Type	150
Water and Sewer Principal Payers By Customer Group	151
Assessed Value and Estimated Actual Value of Taxable Property	152
Direct and Overlapping Property Tax Rates	153
Principal Property Tax Payers	154
Property Tax Levies and Collections	155
Ratios of Outstanding Debt by Type	156
Ratios of General Bonded Debt by Type	157
Direct and Overlapping Debt	158
Legal Debt Margin Information	159
Pledged Revenue Coverage - General Obligation Debt	160
Pledged Revenue Coverage - Non-General Obligation Debt	162
Demographic and Economic Statistics	164
Principal Employers	165
Employment Trends and Other Information	166
Operating Indicators by Function	167
Capital Assets Statistics by Function	168

INTRODUCTORY SECTION

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CITY OF FILLMORE
CENTRAL PARK PLAZA
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Fillmore, California 93015-1907
(805) 524-3701 • FAX (805) 524-5707

December 12, 2017

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

It is a pleasure to present the Fiscal Year 2016-17 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, 2017.

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, 2017, 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, 2017, 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 3.4 square miles and serves a population of approximately 15,683. 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 and contracts for City Attorney services. The City Manager heads the executive branch of government, implements City Council directives and polices, and manages the administration and operational functions through the various departments. The City Manager is the appointing authority for all City staff.

The City provides a full range of municipal services to its residents with a total regular full-time staff of 30 and part-time/volunteer staff of approximately 35 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 2016-17, locally generated revenues from property, transient occupancy, franchise, business and other taxes approximately increased by \$313,000 or 10% over the prior fiscal year. Over the past two fiscal years, total General Fund revenues (excluding sales taxes) have increased by \$609,000 or 22%.

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 5.0%, 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 2016-17, the City is showing a continuation in the improvement in their financial situation.

The Fiscal Year 2016-17 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 annually 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 has remained relatively steady, with residential permits slightly decreasing by 7.8%, as 3 less permits were issued in FY 2016-17.

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 \$54.3 million, with debt service requirements of approximately \$3.4 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 \$21.7 million with annual debt service of approximately \$1.2 million.

At June 30, 2017, the City has no new outstanding bonds but does have long-term liabilities in the approximate amount of \$413,800 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, 2017, and shows the OPEB liability at the end of the fiscal year was \$921,819. 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 2016/2017 amounted to \$13,052,794 and \$8,268,703 respectively.

AWARD

The City is submitting its 2016-17 Comprehensive Annual Financial Report (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 has received the Certificate of Achievement for Excellence in Financial Reporting for the last two years.

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 a second 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 Comprehensive Annual Financial Report (CAFR), is available on the City's website at www.fillmoreca.com.

Respectfully submitted,

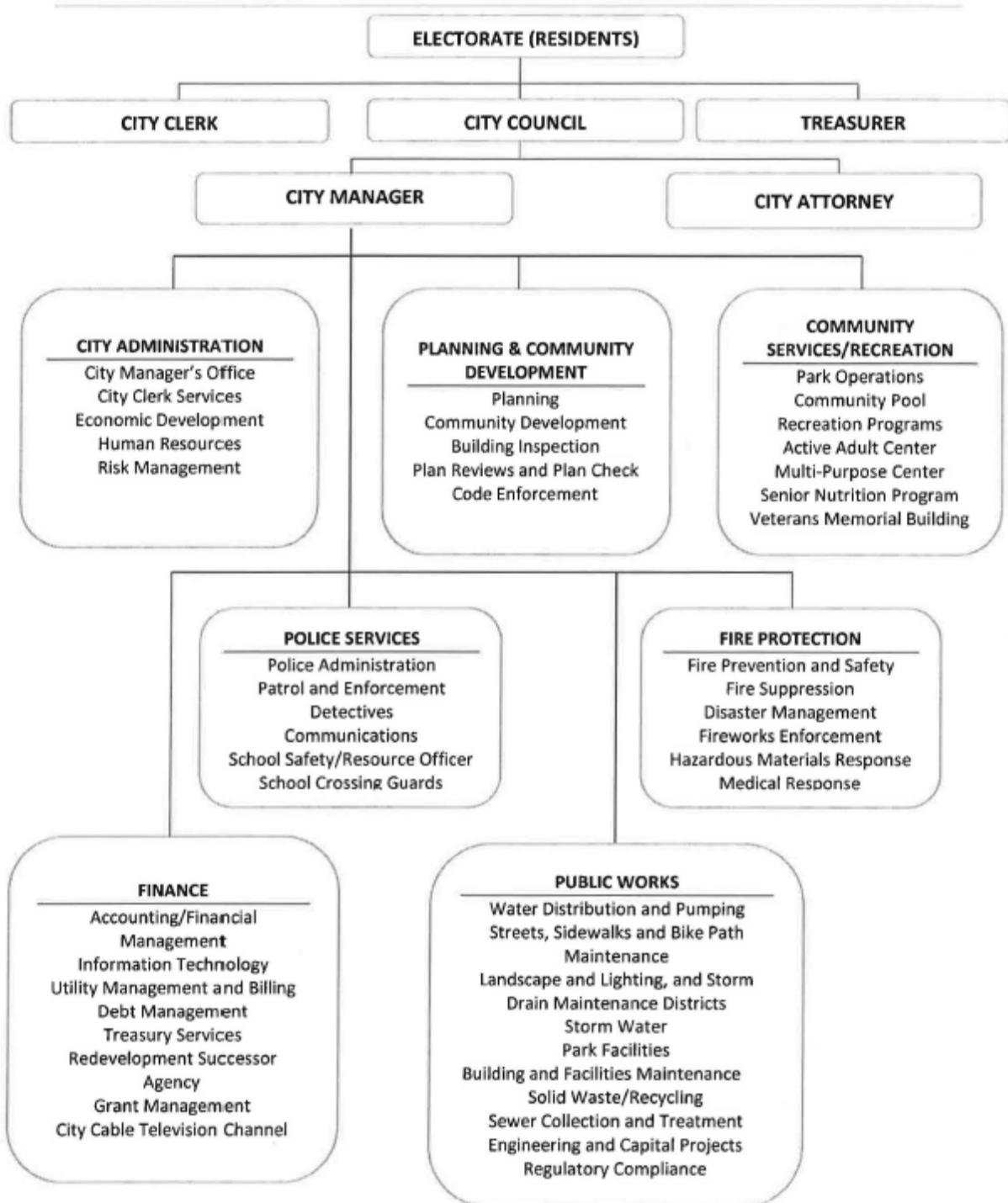


David Rowlands
City Manager



Gaylynn Brien
Finance Director

CITY OF FILLMORE ORGANIZATION CHART



CITY OF FILLMORE OFFICIALS

CITY COUNCIL

Carrie Broggie, Mayor
Manuel Minjares, Mayor Pro Tem
Diane McCall, Council Member
Mark Austin, Council Member
Tim Holmgren, 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
David Smallwood, Public Works Supervisor

CITY ATTORNEY

Tiffany Israel
Aleshire & Wynder, LLP

PLANNING COMMISSION

Albert Mendez, Chair
Christopher Hoy
Thomas Fennel
Jayme Laber
William Harold Ross

PARKS & RECREATION COMMISSION

Camilla Conaway, Chair
Amanda Maas
Geraldine Lee
Jose Ibarra
Giovany Robles

FILM COMMISSION

Yvette Busby, Chair
Lili Feliciano
Nancy Bowlin
Paul Nielsen
Gina Lagree

ACTIVE ADULT COMMISSION

Ernest Morales, Chair
Joanne Peddell
Robert Crum



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, 2016

Executive Director/CEO

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FINANCIAL SECTION

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

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San Bernardino, CA 92408
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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
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, 2017, 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, 2017, 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.

Implementation of new pronouncement

As discussed in Note 1 of the financial statements, the City adopted the provisions of GASB Statement No. 77, Tax Abatement Disclosures.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2017 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 12, 2017

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**Management's Discussion and Analysis
Year ended June 30, 2017**

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, 2017. 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 is an indicator of whether its financial health is improving or deteriorating.

City of Fillmore

Management's Discussion and Analysis Year ended June 30, 2017

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, 2017**

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 2017, the current assets are 21.9% of the total assets with the remaining 78.1% representing capital assets not being depreciated and capital assets, net of accumulated depreciation and notes and loans receivable. The current liabilities are approximately 8.7 % of the total liabilities. Of the total net position, 21.2% was unrestricted and the remaining 78.8% 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, 2017, by \$83.3 million. This amount is referred to as the net position of the City. Of this amount, \$17.6 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 \$1.2 million during the past year. Governmental activities in fiscal year 2016-17 revenues decreased by \$1.8 million from the prior year primarily due to a \$1.4 million decrease in program revenues and a \$0.4 million decrease in general revenues. Expenses (including non-cash expenses like depreciation) increased by \$2.2 million.

As required by the Governmental Accounting Standards Board (GASB), the City implemented GASB Statement No. 77, Tax Abatement Disclosures, in the Fiscal Year 2016-17 financial statements. Statement No. 77, Tax Abatement Disclosures is designed to provide financial statement users with essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs entered by the City.

As of June 30, 2017, the City's governmental funds (the General Fund plus Special Revenue, Debt Service and Capital Projects funds) reported combined ending fund balances of \$13.7 million. Governmental fund revenues and other financing sources exceeded expenditures and other financing uses by \$0.4 million during Fiscal Year 2016-17. Of the \$13.7 million combined ending fund balances at June 30, 2017, \$5.3 million is categorized as unassigned, \$0.7 million is categorized as assigned, \$7.7 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, 2017

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, increased by \$1.3 million, or 26 % during the Fiscal Year ending June 30, 2017, to a total outstanding amount of \$6.4 million.

Governmental Activities

The following schedule summarizes the financial position of the City's governmental activities as of June 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Assets:		
Current assets	\$ 19,034,044	\$ 22,607,534
Notes receivable	7,493,969	7,170,610
Capital assets not being depreciated	10,897,994	11,024,798
Capital assets being depreciated, net	<u>29,530,999</u>	<u>29,796,164</u>
Total assets	<u>66,957,006</u>	<u>70,599,106</u>
Deferred Outflows of Resources:		
Pension related	<u>1,203,476</u>	<u>404,204</u>
Liabilities:		
Current liabilities	5,307,698	9,114,564
Noncurrent liabilities:		
Due within one year	275,556	269,897
Due in more than one year	<u>6,401,599</u>	<u>5,079,270</u>
Total liabilities	<u>11,984,853</u>	<u>14,463,731</u>
Deferred Inflows of Resources		
Pension related	<u>247,157</u>	<u>553,404</u>
Net position:		
Net investment in capital assets	40,143,965	40,519,500
Restricted	7,724,709	6,904,471
Unrestricted	<u>8,059,798</u>	<u>8,562,204</u>
Total net position	<u>\$ 55,928,472</u>	<u>\$ 55,986,175</u>

City of Fillmore

Management's Discussion and Analysis Year ended June 30, 2017

The cost of all governmental activities during fiscal year 2017 was \$10.1 million. Some of the cost of governmental activities was paid by those who directly benefited from the programs (\$1.7 million) or by other government agencies and organizations that subsidized certain programs with grants and contributions (\$2.6 million). The remaining cost of governmental activities was covered by the City's sources of general revenue (taxes and other general revenues) of \$5.6 million.

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

The following table represents the changes in net position for governmental activities for the fiscal years ended June 30, 2017 and 2016:

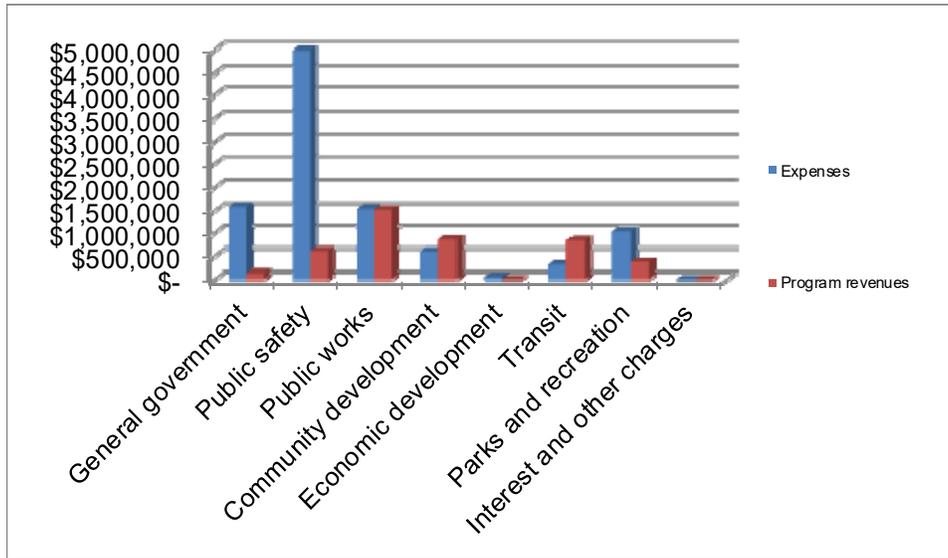
	2017	2016
General revenues:		
Taxes	\$ 5,590,115	\$ 5,958,034
Investment income	85,838	40,468
Other	9,185	141,781
Program revenues:		
Charges for services	1,747,558	2,792,948
Operating contributions and grants	1,594,297	1,550,050
Capital contributions and grants	993,831	1,411,795
 Total revenues	 <u>10,020,824</u>	 <u>11,895,076</u>
 Expenses:		
General government	1,588,255	961,923
Public safety	4,991,599	3,921,663
Public works	1,542,908	1,388,200
Community development	605,148	441,089
Economic development	59,681	49,945
Transit	318,735	319,687
Parks and recreation	1,030,162	828,992
 Total expenses	 <u>10,136,488</u>	 <u>7,911,499</u>
 Increase in net position before transfers	 (115,664)	 3,983,577
 Transfers in (out)	 <u>57,961</u>	 <u>(152,985)</u>
 Change in net position	 (57,703)	 3,830,592
 Net position, beginning of year	 <u>55,986,175</u>	 <u>52,155,583</u>
 Net position, end of year	 <u>\$ 55,928,472</u>	 <u>\$ 55,986,175</u>

City of Fillmore

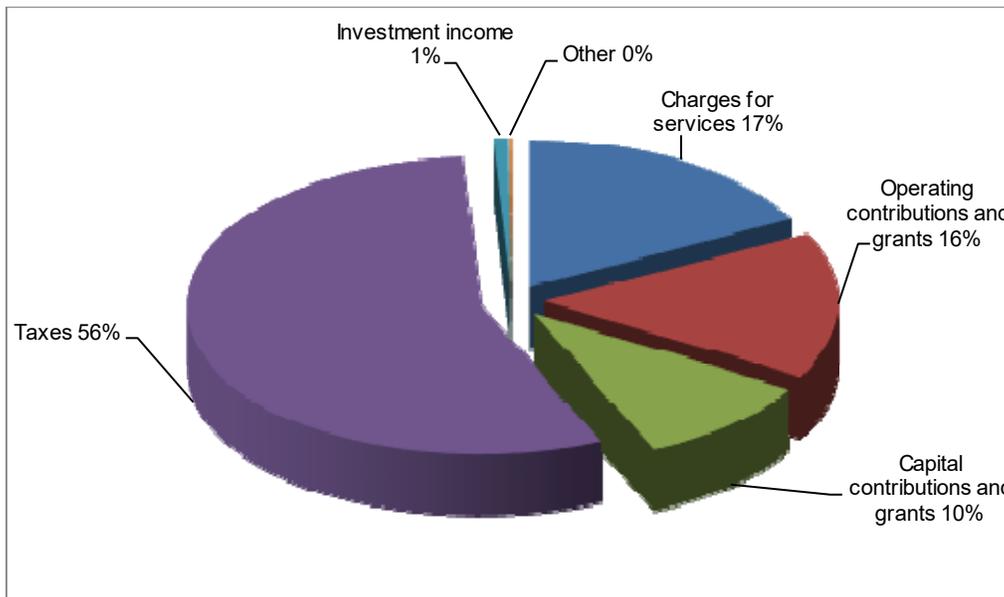
**Management’s Discussion and Analysis
Year ended June 30, 2017**

Governmental Activities

Governmental activities expenditures and programs revenues for the year ended June 30, 2017:



Governmental activities revenues by source for the year ended June 30, 2017:



City of Fillmore

Management's Discussion and Analysis Year ended June 30, 2017

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 2016-17 was \$4.3 million, with a decrease of \$0.2 million or -5.5% from the previous year primarily due to a shift to net investment in capital assets from unrestricted.

The Water Enterprise Fund, unrestricted net position at June 30, 2017, was \$5.2 million, an increase of \$1.4 million, or 27.0%, from the previous year primarily due to an increase in unrestricted revenues (\$1.4 million).

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 \$27.5 million with \$20.7 and \$6.8 million, respectively, for the Sewer and Water Funds. Of the total net position, \$14.7 and \$0.9 million was invested in capital assets, and \$1.5 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, 2017

The following schedule summarizes the financial position of the City's business-type activities at June 30, 2017, and 2016:

	<u>2017</u>	<u>2016</u>
Assets:		
Current assets	\$ 13,730,507	\$ 12,118,921
Cash and investments with fiscal agents	1,784,909	3,731,352
Capital assets not being depreciated	3,370,212	3,359,680
Capital assets being depreciated, net	<u>69,976,307</u>	<u>71,176,745</u>
Total assets	<u>88,861,935</u>	<u>90,386,698</u>
Deferred outflows of resources:		
Pension related	401,159	269,470
Debt related	<u>227,078</u>	<u>242,216</u>
Total deferred outflows of resources	<u>628,237</u>	<u>511,686</u>
Liabilities:		
Current liabilities	1,824,771	1,193,916
Noncurrent liabilities:		
Due within one year	1,400,190	1,132,134
Due in more than one year	<u>57,911,412</u>	<u>62,049,806</u>
Total liabilities	<u>61,136,373</u>	<u>64,375,856</u>
Deferred inflows of resources:		
Pension related	82,390	368,936
Debt related	<u>814,626</u>	<u>-</u>
Total deferred inflows of resources	<u>897,016</u>	<u>368,936</u>
Net position:		
Net investment in capital assets	15,756,733	13,465,952
Restricted	2,074,544	4,010,094
Unrestricted	<u>9,625,507</u>	<u>8,677,546</u>
Total net position	<u>\$ 27,456,783</u>	<u>\$ 26,153,592</u>

City of Fillmore

Management's Discussion and Analysis Year ended June 30, 2017

The following table presents the changes in net position for the business-type activities for the fiscal years ended June 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
General revenues:		
Investment income	\$ 85,800	\$ 49,143
Program revenues:		
Charges for services	<u>9,638,562</u>	<u>9,152,244</u>
 Total revenues	 <u>9,724,362</u>	 <u>9,201,387</u>
 Expenses:		
Sewer	6,689,149	6,326,574
Water	<u>1,674,061</u>	<u>2,423,168</u>
 Total expenses	 <u>8,363,210</u>	 <u>8,749,742</u>
 Increase in net position before transfers	 1,361,152	 451,645
 Transfers in (out)	 <u>(57,961)</u>	 <u>152,985</u>
 Change in net position	 1,303,191	 604,630
 Net position, beginning of year	 <u>26,153,592</u>	 <u>25,548,962</u>
 Net position, end of year	 <u>\$ 27,456,783</u>	 <u>\$ 26,153,592</u>

Total expenses for business-type activities for the fiscal year ended June 30, 2017, were \$8.3 million. Program revenues are primarily comprised of charges for services in the amount of \$9.7 million. Transfers to governmental activities amounted to \$0.05 million.

FUNDS FINANCIAL ANALYSIS

GENERAL FUND

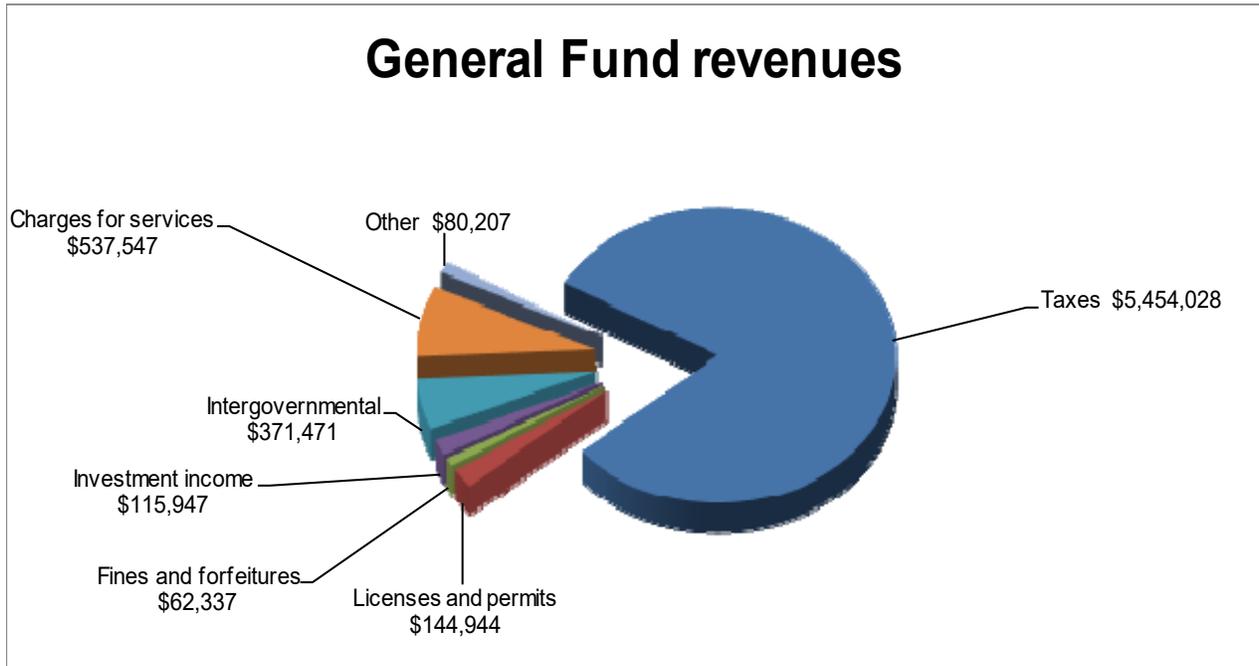
The General Fund in the Basic Financial Statement is the City's chief operating fund. As of June 30, 2017, the total fund balance of the General Fund was \$6.0 million, an increase of \$0.1 million from the previous year. The General Fund accounts for all financial resources traditionally associated 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.

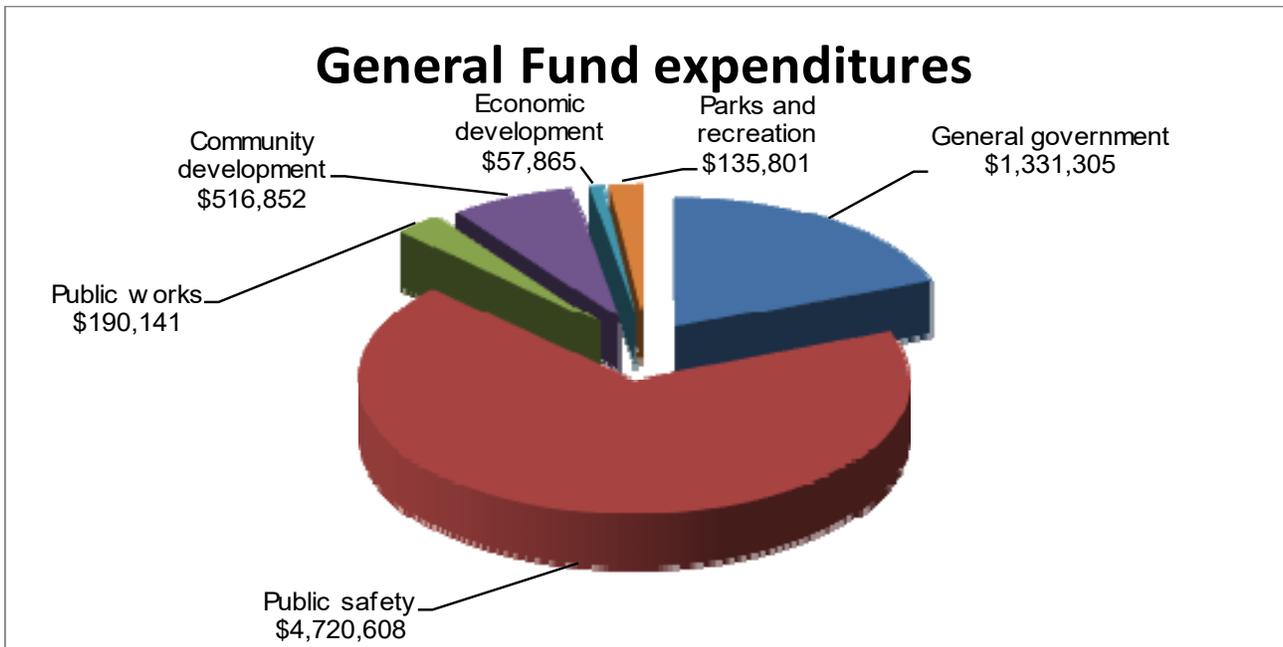
Management's Discussion and Analysis
Year ended June 30, 2017

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, 2017:



General fund expenditures for the year ended June 30, 2017:



**Management's Discussion and Analysis
Year ended June 30, 2017**

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, 2017 was \$7.4 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 \$1.3 million when comparing the actual net change in fund balance of \$0.09 million to the final budgeted change of \$(1.2 million).

City of Fillmore

**Management’s Discussion and Analysis
Year ended June 30, 2017**

Revenues received exceeded the final budgeted amount by \$1.0 million, or 18.6%, 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 3.6%, 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, 2017, amounts to \$113.7 million (net of accumulated depreciation). Of that, \$40.4 million is in governmental activities and \$73.3 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, 2017 and 2016:

	Governmental activities		Business-type activities		Totals	
	2017	2016	2017	2016	2017	2016
Capital assets not being depreciated	\$ 10,897,994	\$ 11,024,798	\$ 3,370,212	\$ 3,359,681	\$ 14,268,206	\$ 14,384,479
Capital assets being depreciated	45,646,870	44,965,687	83,714,187	83,687,727	129,361,057	128,653,414
Accumulated depreciation	(16,115,871)	(15,169,523)	(13,737,880)	(12,510,983)	(29,853,751)	(27,680,506)
Total capital assets being depreciated, net	29,530,999	29,796,164	69,976,307	71,176,744	99,507,306	100,972,908
Total capital assets	\$ 40,428,993	\$ 40,820,962	\$ 73,346,519	\$ 74,536,425	\$ 113,775,512	\$ 115,357,387

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

- Construction in progress in governmental activities increased by \$0.03 million. The largest project contributing to the increase in construction in progress during Fiscal Year 2016-17 was the Two Rivers dog park.
- Autos and trucks in governmental activities increased by \$0.09 million due to the purchase of Police Citizens Patrol and Fire Chief’s vehicles.
- Improvements in infrastructure of governmental activities increased by \$0.6 million due to the completion of the traffic signal at Mountain View and Highway 126.

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, 2017**

DEBT ADMINISTRATION

The City used a variety of tax, revenue, and lease indebtedness to finance various activities and capital improvements. At June 30, 2017, the City’s long-term debt outstanding was \$65.9 million. Of this total, \$6.6 million was in governmental activities and \$59.3 was in business-type activities. The City total debt decreased by \$(2.5) million or (3.7) % from prior year, primarily due to a refinancing of the 2007 Sewer Bonds liability and the reduction of the contingency for sales tax reimbursements. Additional information about the bonds liability and the sales tax reimbursement contingency can be found in Note 8 and Note 13 of this report.

The following table provides a summary of the City’s outstanding indebtedness as of June 30, 2017 and 2016:

	Governmental activities		Business-type activities		Totals	
	2017	2016	2017	2016	2017	2016
Revenue bonds	\$ -	\$ -	\$ 14,005,000	\$ 53,540,000	\$ 14,005,000	\$ 53,540,000
Refunding bonds	-	-	40,285,000	6,125,000	40,285,000	6,125,000
Capital leases	285,028	301,462	-	-	285,028	301,462
JPIA	220,382	397,725	-	-	220,382	397,725
OPEB Obligation	921,819	900,411	-	-	921,819	900,411
Compensated absences	306,968	292,819	106,774	84,126	413,742	376,945
Premium on debt	-	-	3,526,864	1,647,689	3,526,864	1,647,689
Sales tax reimbursement	779,063	779,063	-	-	779,063	779,063
Net pension liability	4,163,895	2,677,687	1,387,964	1,785,125	5,551,859	4,462,812
Total debt	\$ 6,677,155	\$ 5,349,167	\$ 59,311,602	\$ 63,181,940	\$ 65,988,757	\$ 68,531,107

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 2017-18 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 2017-18. The Fiscal Year 2017-18 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, 2017**

	Governmental activities	Business-type activities	Total
Assets			
Cash and investments	\$ 17,863,787	\$ 12,142,079	\$ 30,005,866
Cash and investments with fiscal agent	-	1,784,909	1,784,909
Receivables, net:			
Intergovernmental	175,152	-	175,152
Accounts	500,268	1,302,108	1,802,376
Interest	21,551	12,647	34,198
Notes and loans	7,493,969	-	7,493,969
Other	13,136	-	13,136
Prepaid items	61,990	273,673	335,663
Due from Successor Agency	398,160	-	398,160
Capital assets not being depreciated	10,897,994	3,370,212	14,268,206
Capital assets, net of accumulated depreciation	29,530,999	69,976,307	99,507,306
Total assets	66,957,006	88,861,935	155,818,941
Deferred outflows of resources			
Pension related	1,203,476	401,159	1,604,635
Debt related	-	227,078	227,078
Total deferred outflows of resources	1,203,476	628,237	1,831,713
Liabilities			
Accounts payable	599,401	1,179,903	1,779,304
Accrued liabilities	104,259	-	104,259
Due to others (see Note 13)	1,673,725	163,257	1,836,982
Due to Successor Agency	750,000	-	750,000
Unearned revenue	1,978,314	-	1,978,314
Deposits payable	201,999	481,611	683,610
Noncurrent liabilities			
Due within one year	275,556	1,400,190	1,675,746
Due in more than one year	6,401,599	57,911,412	64,313,011
Total liabilities	11,984,853	61,136,373	73,121,226
Deferred inflows of resources			
Pension related	247,157	82,390	329,547
Debt related	-	814,626	814,626
Total deferred inflows of resources	247,157	897,016	1,144,173
Net position			
Net investment in capital assets	40,143,965	15,756,733	55,900,698
Restricted			
Public works	7,096,772	2,074,544	9,171,316
Community development	523,463	-	523,463
Parks and recreation	104,474	-	104,474
Unrestricted	8,059,798	9,625,507	17,685,305
Total net position	\$ 55,928,472	\$ 27,456,783	\$ 83,385,255

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

City of Fillmore

**Statement of Activities
Year Ended June 30, 2017**

<u>Functions/programs</u>	<u>Expenses</u>	<u>Program revenues</u>		
		<u>Charges for services</u>	<u>Operating contributions and grants</u>	<u>Capital contributions and grants</u>
Governmental activities:				
General government	\$ 1,588,255	\$ 138,151	\$ -	\$ -
Public safety	4,991,599	109,685	338,631	164,445
Public works	1,542,908	743,163	9,741	771,231
Community development	605,148	429,409	362,519	58,155
Economic development	59,681	-	-	-
Transit	318,735	-	831,431	-
Parks and recreation	1,030,162	327,150	51,975	-
Total governmental activities	10,136,488	1,747,558	1,594,297	993,831
Business-type activities:				
Sewer	6,689,149	6,407,095	-	-
Water	1,674,061	3,231,467	-	-
Total business-type activities	8,363,210	9,638,562	-	-
Total primary government	\$ 18,499,698	\$ 11,386,120	\$ 1,594,297	\$ 993,831

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
\$ (1,450,104)	\$ -	\$ (1,450,104)
(4,378,838)	-	(4,378,838)
(18,773)	-	(18,773)
244,935	-	244,935
(59,681)	-	(59,681)
512,696	-	512,696
(651,037)	-	(651,037)
<u>(5,800,802)</u>	<u>-</u>	<u>(5,800,802)</u>
-	(282,054)	(282,054)
-	1,557,406	1,557,406
<u>-</u>	<u>1,275,352</u>	<u>1,275,352</u>
<u>(5,800,802)</u>	<u>1,275,352</u>	<u>(4,525,450)</u>
2,701,209	-	2,701,209
2,238,539	-	2,238,539
119,280	-	119,280
352,536	-	352,536
110,752	-	110,752
60,842	-	60,842
6,957	-	6,957
9,185	-	9,185
85,838	85,800	171,638
<u>57,961</u>	<u>(57,961)</u>	<u>-</u>
<u>5,743,099</u>	<u>27,839</u>	<u>5,770,938</u>
(57,703)	1,303,191	1,245,488
<u>55,986,175</u>	<u>26,153,592</u>	<u>82,139,767</u>
<u>\$ 55,928,472</u>	<u>\$ 27,456,783</u>	<u>\$ 83,385,255</u>

City of Fillmore

**Balance Sheet - Governmental Funds
June 30, 2017**

	General	Special Revenue Fund Housing Successor	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and investments	\$ 7,740,312	\$ 317,038	\$ 9,806,437	\$ 17,863,787
Receivables:				
Intergovernmental	173,366	-	1,786	175,152
Accounts	399,079	-	101,189	500,268
Interest	12,141	-	9,410	21,551
Notes and loans	63,733	7,430,236	-	7,493,969
Due from other governments	13,136	-	-	13,136
Due from other funds	657,215	-	-	657,215
Due from Successor Agency	398,160	-	-	398,160
Prepaid items	61,990	-	-	61,990
Total assets	\$ 9,519,132	\$ 7,747,274	\$ 9,918,822	\$ 27,185,228
Liabilities, deferred inflows of resources and fund balance				
Liabilities:				
Accounts payable	\$ 449,484	\$ -	\$ 149,917	\$ 599,401
Accrued liabilities	90,754	-	13,505	104,259
Due to others (see Note 13)	1,673,725	-	-	1,673,725
Due to other funds	-	-	657,215	657,215
Due to Successor Agency	-	-	750,000	750,000
Unearned revenue	1,151,242	-	827,072	1,978,314
Deposits payable	19,497	-	182,502	201,999
Total liabilities	3,384,702	-	2,580,211	5,964,913
Deferred inflows of resources:				
Unavailable revenue	63,733	7,430,236	-	7,493,969
Total deferred inflows of resources	63,733	7,430,236	-	7,493,969
Fund balance (deficit):				
Nonspendable	61,990	-	-	61,990
Restricted	-	317,038	7,407,671	7,724,709
Assigned	-	-	615,973	615,973
Unassigned	6,008,707	-	(685,033)	5,323,674
Total fund balance	6,070,697	317,038	7,338,611	13,726,346
Total liabilities, deferred inflows of resources and fund balance	\$ 9,519,132	\$ 7,747,274	\$ 9,918,822	\$ 27,185,228

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, 2017**

Fund balances of governmental funds	\$ 13,726,346
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	56,544,864
Accumulated depreciation	(16,115,871)
Long-term debt has not been included in the governmental fund activity:	
JPIA cumulative payments	(220,382)
Net pension liability	(4,163,895)
Capital leases payable	(285,028)
Compensated absences	(306,968)
OPEB Obligation	(921,819)
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	(247,157)
Deferred outflows - pension related	1,203,476
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>7,493,969</u>
Net position of governmental activities	<u>\$ 55,928,472</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, 2017**

	General	Special Revenue Fund Housing Successor	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 5,454,028	\$ -	\$ 698,017	\$ 6,152,045
Licenses and permits	144,944	-	-	144,944
Fines and forfeitures	62,337	-	-	62,337
Investment income	115,947	143,581	31,085	290,613
Intergovernmental	371,471	-	969,598	1,341,069
Charges for services	537,547	-	1,265,802	1,803,349
Other	80,207	-	16,496	96,703
Total revenues	<u>6,766,481</u>	<u>143,581</u>	<u>2,980,998</u>	<u>9,891,060</u>
Expenditures				
Current:				
General government	1,331,305	-	-	1,331,305
Public safety	4,720,608	-	-	4,720,608
Public works	190,141	-	960,006	1,150,147
Community development	516,852	24,195	16,342	557,389
Economic development	57,865	-	-	57,865
Transit	-	-	309,035	309,035
Parks and recreation	135,801	-	633,936	769,737
Capital outlay	-	-	569,173	569,173
Debt service:				
Principal	-	-	47,427	47,427
Interest and fiscal charges	-	-	9,364	9,364
Total expenditures	<u>6,952,572</u>	<u>24,195</u>	<u>2,545,283</u>	<u>9,522,050</u>
Excess of revenues over expenditures	<u>(186,091)</u>	<u>119,386</u>	<u>435,715</u>	<u>369,010</u>
Other financing sources (uses)				
Transfers in	526,707	-	649,716	1,176,423
Transfers out	<u>(248,622)</u>	<u>(2,000)</u>	<u>(867,840)</u>	<u>(1,118,462)</u>
Total other financing sources (uses)	<u>278,085</u>	<u>(2,000)</u>	<u>(218,124)</u>	<u>57,961</u>
Net change in fund balances	91,994	117,386	217,591	426,971
Fund balances, beginning of year	<u>5,978,703</u>	<u>199,652</u>	<u>7,121,020</u>	<u>13,299,375</u>
Fund balances, end of year	<u>\$ 6,070,697</u>	<u>\$ 317,038</u>	<u>\$ 7,338,611</u>	<u>\$ 13,726,346</u>

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, 2017**

Net change in fund balances - total governmental funds \$ 426,971

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, net of disposals	\$ 554,379	
Depreciation, net of disposals	<u>(946,348)</u>	(391,969)

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	16,434
Pension related net adjustments	(380,689)
JPIA cumulative deposits, net change	177,343

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. (14,149)

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. (21,408)

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. 129,764

Change in net position of governmental activities \$ (57,703)

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

City of Fillmore

**Statement of Net Position - Proprietary Funds
June 30, 2017**

	Enterprise Funds		Total
	Sewer	Water	
Assets			
Current assets:			
Cash and investments	\$ 5,373,525	\$ 6,768,554	\$ 12,142,079
Cash and investments with fiscal agent	1,784,805	104	1,784,909
Receivables, net:			
Accounts	807,415	494,693	1,302,108
Interest	5,459	7,188	12,647
Prepays	270,723	2,950	273,673
Total current assets	8,241,927	7,273,489	15,515,416
Noncurrent assets:			
Capital assets:			
Land and construction in progress	2,688,630	681,582	3,370,212
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	-	1,399,045	1,399,045
Vehicles	13,230	-	13,230
Less - accumulated depreciation	(9,971,838)	(3,766,042)	(13,737,880)
Total non-current assets	66,746,275	6,600,244	73,346,519
Total assets	74,988,202	13,873,733	88,861,935
Deferred outflows of resources			
Pension related	80,231	320,928	401,159
Debt related	-	227,078	227,078
Total deferred outflows of resources	80,231	548,006	628,237

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

City of Fillmore

**Statement of Net Position (continued) - Proprietary Funds
June 30, 2017**

	Enterprise Funds		Total
	Sewer	Water	
Liabilities			
Current liabilities:			
Accounts payable	\$ 885,175	\$ 294,728	\$ 1,179,903
Accrued interest payable	115,409	47,848	163,257
Deposits payable	329,766	151,845	481,611
Current portion of long-term obligations	1,077,786	322,403	1,400,190
Total current liabilities	2,408,136	816,824	3,224,961
Noncurrent liabilities:			
Compensated absences	14,991	91,783	106,774
Net pension liability	277,592	1,110,372	1,387,964
Bonds payable	47,362,214	5,527,597	52,889,810
Premium on bonds payable	3,516,500	10,364	3,526,864
Total non-current liabilities	51,171,297	6,740,116	57,911,412
Total liabilities	53,579,433	7,556,940	61,136,373
Deferred inflows of resources			
Pension related	16,480	65,910	82,390
Debt related	814,626	-	814,626
Total deferred inflows of resources	831,106	65,910	897,016
Net position			
Net investment in capital assets	14,789,775	966,958	15,756,733
Restricted for debt service	1,502,456	572,088	2,074,544
Unrestricted	4,365,663	5,259,844	9,625,507
Total net position	\$ 20,657,894	\$ 6,798,889	\$ 27,456,783

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

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City of Fillmore

**Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds
Year Ended June 30, 2017**

	Enterprise Funds		Total
	Sewer	Water	
Operating revenues			
Sales and service charges, net	\$ 6,138,615	\$ 3,165,315	\$ 9,303,930
Other	268,480	66,152	334,632
Total operating revenues	<u>6,407,095</u>	<u>3,231,467</u>	<u>9,638,562</u>
Operating expenses			
Administration costs	667,731	670,768	1,338,499
Pension expense(credit)	(21,733)	(793,663)	(815,396)
Pumping	-	616,569	616,569
Transmission and distribution	-	438,257	438,257
Customer accounts	259,078	294,902	553,980
Treatment and disposal plant	2,018,824	-	2,018,824
Depreciation	1,091,151	135,746	1,226,897
Total operating expenses	<u>4,015,051</u>	<u>1,362,579</u>	<u>5,377,630</u>
Operating income	<u>2,392,044</u>	<u>1,868,888</u>	<u>4,260,932</u>
Non-operating revenues (expenses)			
Investment income	45,151	40,649	85,800
Amortization	(52,795)	(15,139)	(67,934)
Interest expense	(2,236,758)	(296,343)	(2,533,101)
Bond trustee charges	(384,545)	-	(384,545)
Total non-operating revenues (expenses)	<u>(2,628,947)</u>	<u>(270,833)</u>	<u>(2,899,780)</u>
Income (loss) before transfers	(236,903)	1,598,055	1,361,152
Transfers			
Transfers in	312,536	-	312,536
Transfers out	<u>(127,826)</u>	<u>(242,671)</u>	<u>(370,497)</u>
Change in net position	(52,193)	1,355,384	1,303,191
Net position, beginning of year	<u>20,710,087</u>	<u>5,443,505</u>	<u>26,153,592</u>
Net position, end of year	<u>\$ 20,657,894</u>	<u>\$ 6,798,889</u>	<u>\$ 27,456,783</u>

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

City of Fillmore

**Statement of Cash Flows - Proprietary Funds
Year Ended June 30, 2017**

	Enterprise Funds		Total
	Sewer	Water	
Cash flows from operating activities			
Receipts from customers	\$ 6,645,323	\$ 3,218,271	\$ 9,863,594
Payments to employees	(151,005)	(791,741)	(942,746)
Payments to suppliers	(2,346,815)	(1,079,020)	(3,425,835)
Net cash provided by operating activities	<u>4,147,503</u>	<u>1,347,510</u>	<u>5,495,013</u>
Cash flows from noncapital financing activities			
Transfer to/from other funds, net	<u>184,710</u>	<u>(242,671)</u>	<u>(57,961)</u>
Net cash provided by (used for) noncapital financing activities	<u>184,710</u>	<u>(242,671)</u>	<u>(57,961)</u>
Cash flows from capital and related financing activities			
Principal payments on long-term debt	(39,535,000)	(275,000)	(39,810,000)
Payments for capital assets	(13,230)	(23,762)	(36,992)
Proceeds from refinancing	37,569,936	-	37,569,936
Administrative payments for refinancing	(384,545)	-	(384,545)
Interest paid on long-term debt	(3,059,455)	(297,810)	(3,357,265)
Net cash used for capital and related financing activities	<u>(5,422,294)</u>	<u>(596,572)</u>	<u>(6,018,866)</u>
Cash flows from investing activities			
Interest on investments	<u>42,274</u>	<u>36,960</u>	<u>79,234</u>
Net cash provided by investing activities	<u>42,274</u>	<u>36,960</u>	<u>79,234</u>
Net increase (decrease) in cash and cash equivalents	(1,047,807)	545,227	(502,580)
Cash and cash equivalents, beginning of year	<u>8,206,137</u>	<u>6,223,431</u>	<u>14,429,568</u>
Cash and cash equivalents, end of year	<u>\$ 7,158,330</u>	<u>\$ 6,768,658</u>	<u>\$ 13,926,988</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, 2017**

	Enterprise Funds		Total
	Sewer	Water	
Non-cash capital related financing activities			
Amortization of deferred charges/premium	\$ 52,795	\$ 15,830	\$ 68,625
Increase (decrease) in allowance for doubtful accounts	41,191	14,908	56,099
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	\$ 5,373,525	\$ 6,768,554	\$ 12,142,079
Cash and investments with fiscal agent	1,784,805	104	1,784,909
Totals	<u>\$ 7,158,330</u>	<u>\$ 6,768,658</u>	<u>\$ 13,926,988</u>
Reconciliation of operating income to net cash provided by operations:			
Operating income	<u>\$ 2,392,044</u>	<u>\$ 1,868,888</u>	<u>\$ 4,260,932</u>
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,091,151	135,746	1,226,897
Bad debt expense (recovery)	41,191	14,908	56,099
Actuarial pension expense(credit)	(21,733)	(794,353)	(816,086)
(Increase) decrease in assets:			
Receivables, net	128,607	(68,189)	60,418
Prepays	(270,723)	(2,950)	(273,673)
Increase (decrease) in liabilities:			
Accounts payable	715,741	133,523	849,264
Deposits payable	121,933	40,085	162,018
Unearned revenue	(53,503)	-	(53,503)
Compensated absences	2,795	19,852	22,647
Total adjustments	<u>1,755,459</u>	<u>(521,378)</u>	<u>1,234,081</u>
Net cash provided by operating activities	<u>\$ 4,147,503</u>	<u>\$ 1,347,510</u>	<u>\$ 5,495,013</u>

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

City of Fillmore

**Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2017**

	Private-purpose trust fund	Agency fund
	<u> </u>	<u> </u>
Assets		
Cash and investments	\$ 3,045,495	\$ 2,444,792
Cash and investments with fiscal agent	109	13,798,071
Receivables:		
Interest	12	80,000
Taxes	-	60,702
Notes and loans	75,500	-
Due from City of Fillmore	750,000	-
Capital assets:		
Land	3,627,062	-
Depreciable infrastructure, net	45,297	-
Depreciable buildings and improvements, net	1,793,480	-
Depreciable machinery and equipment, net	5,314	-
	<u>9,342,269</u>	<u>\$ 16,383,565</u>
Deferred Outflows of Resources		
Debt related	<u>977,706</u>	
Liabilities		
Accounts payable	5,902	\$ 96,737
Interest payable	141,367	-
Accrued liabilities	3,188	-
Deposits payable	376	649,133
Unearned revenue	75,500	-
Due to bondholders	-	15,637,695
Due to City of Fillmore	398,160	-
Long-term liabilities:		
Due within one year	2,272,223	-
Due in more than one year	39,683,902	-
	<u>42,580,618</u>	<u>\$ 16,383,565</u>
Net position (deficit)		
Held in trust for the Successor Agency	<u>\$ (32,260,643)</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, 2017**

	<u>Private-purpose trust fund</u>
Additions:	
Property taxes	\$ 1,860,458
Investment earnings	472
Other	<u>5,905</u>
Total additions	<u>1,866,835</u>
Deductions:	
Administrative expenses	302,288
Interest and fiscal charges	1,454,746
Depreciation	<u>66,076</u>
Total deductions	<u>1,823,110</u>
Change in net position	43,725
Net position (deficit), beginning of year	<u>(32,304,368)</u>
Net position (deficit), end of year	<u><u>\$ (32,260,643)</u></u>

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS

**Notes to the Basic Financial Statements
Year Ended June 30, 2017**

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, 2017**

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, 2017**

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 GAAP. 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, 2017**

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, 2017**

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

Supplies inventories of the City, which consist mostly of water meters and spare parts, if any, are valued at cost, 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, 2017, 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. The City uses the consumption method for its treatment of prepaid items.

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, 2017

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. 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, 2017.

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	1 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, 2017, 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, 2017**

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 GAAP, 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 GAAP, 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, 2017**

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 GAAP, *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:

- *Non-spendable* – 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, 2017**

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, 2015
Measurement Date (MD)	June 30, 2016
Measurement Period (MP)	July 1, 2015 to June 30, 2016

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, 2017.

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.

g. Implementation of new GASB pronouncement

Beginning with the current fiscal year, the City implemented GASBS No. 77, Tax Abatement Disclosures. This statement is designed to provide financial statement users with essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs entered by the City.

Notes to the Basic Financial Statements
Year Ended June 30, 2017

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. The City does not have any major or material encumbrances to report as of June 30, 2017.

Deficit fund balances

The following funds present deficits of fund balances as of June 30, 2017:

	<u>Amount</u>
Nonmajor governmental funds:	
Debt service fund:	
Public Financing Authority	\$ (93,942)
Special revenue funds:	
Swimming Pool Maintenance	(338,745)
Recreation	(162,448)
Storm Water NPDES	(46,492)
Capital projects funds:	
Street Projects	(43,406)

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, 2017**

Note 3: Cash and investments

Cash and investments as of June 30, 2017, are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 30,005,866
Cash and investments with fiscal agent	1,784,909
Statement of fiduciary assets and liabilities:	
Cash and investments	5,490,287
Cash and investments with fiscal agent	<u>13,798,180</u>
 Total cash and investments	 <u><u>\$ 51,079,242</u></u>

Cash and investments as of June 30, 2017, consist of the following:

Cash on hand	\$ 1,100
Deposits with financial institutions	16,799,358
Investments	<u>34,278,784</u>
 Total cash and investments	 <u><u>\$ 51,079,242</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 10%	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.

City of Fillmore

**Notes to the Basic Financial Statements
Year Ended June 30, 2017**

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	\$ 14,768,399	\$ 14,768,399	\$ -	\$ -	\$ -
Certificates of deposit	3,927,296	735,000	735,000	2,457,296	-
Held by bond trustee:					
First American Treasury Obligations	192,141	192,141	-	-	-
Money Market Funds (US Treasury)	15,390,948	15,390,948	-	-	-
Total investments	\$ 34,278,784	\$ 31,086,488	\$ 735,000	\$ 2,457,296	\$ -

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, 2017

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	\$ 14,768,399	N/A	\$ -	\$ 14,768,399
Certificates of deposit	3,927,296	N/A	-	3,927,296
Held by bond trustee:				
First American Treasury Obligations	192,141	N/A	192,141	-
Money Market Funds (US Treasury)	15,390,948	N/A	15,390,948	-
Total investments	\$ 34,278,784		\$ 15,583,089	\$ 18,695,695

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, 2017, \$14.2 million of the City's and \$3.1 million 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, 2017

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 balances as of June 30, 2017, were \$14,763,276 and \$5,123 for the City of Fillmore and the Successor Agency, respectively.

Fair Value Measurements

GAAP 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, 2017:

<u>Investments by Fair Value Hierarchy</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificates of deposit	\$ 3,927,296	\$ -	\$ 3,927,296	\$ -
Total Investments by Fair Value Hierarchy	3,927,296	<u>\$ -</u>	<u>\$ 3,927,296</u>	<u>\$ -</u>
<u>Investments outside the Fair Value Hierarchy</u>				
State Investment Pool	14,768,399			
Held by bond trustee:				
First American Treasury Obligations	192,141			
Money Market Funds (US Treasury)	<u>15,390,948</u>			
Total Investments	<u>\$ 34,278,784</u>			

City of Fillmore

**Notes to the Basic Financial Statements
Year Ended June 30, 2017**

Note 4: Accounts receivable

The following is a list of accounts receivable at June 30, 2017:

	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
Governmental activities:			
Intergovernmental	\$ 175,152	\$ -	\$ 175,152
Accounts	<u>500,268</u>	<u>-</u>	<u>500,268</u>
 Total	 <u>\$ 675,420</u>	 <u>\$ -</u>	 <u>\$ 675,420</u>
 Business-type activities:			
Accounts	<u>\$ 1,358,742</u>	<u>\$ (56,634)</u>	<u>\$ 1,302,108</u>
 Total	 <u>\$ 1,358,742</u>	 <u>\$ (56,634)</u>	 <u>\$ 1,302,108</u>

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Loans receivable:				
Home loans	\$ 283,164	\$ 50,260	\$ (22,714)	\$ 310,710
First time home-buyers loans	<u>966,457</u>	<u>20,000</u>	<u>(28,586)</u>	<u>957,871</u>
 Total loans receivable	 <u>1,249,621</u>	 <u>70,260</u>	 <u>(51,300)</u>	 <u>1,268,581</u>
 Notes receivable:				
Fillmore Parkview Seniors LP	<u>5,920,989</u>	<u>390,578</u>	<u>(86,176)</u>	<u>6,225,391</u>
 Total loans and notes receivable	 <u>\$ 7,170,610</u>	 <u>\$ 460,838</u>	 <u>\$ (137,476)</u>	 <u>\$ 7,493,972</u>

City of Fillmore

**Notes to the Basic Financial Statements
Year Ended June 30, 2017**

Note 5: Notes and loans receivable, (continued)

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

	<u>June 30, 2017</u>
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. In addition, other loans are initiated for housing related purposes, with interest rates up to 5%, and secured by Deeds of Trust when applicable.	\$ 310,710
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.	957,871
c) 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 developer 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 developer. 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.	6,225,391
Total	<hr/> <u>\$ 7,493,972</u>

City of Fillmore

**Notes to the Basic Financial Statements
Year Ended June 30, 2017**

Note 6: Inter-fund activity

The following represents the inter-fund activity of the City for the fiscal year ended June 30, 2017:

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, 2017, were as follows:

<u>Fund receiving transfers</u>	<u>Funds making transfers</u>	<u>Amounts</u>
General Fund	Housing Successor Fund	b \$ 2,000
	Sewer Fund	b 127,826
	Water Fund	b 242,671
	Nonmajor Governmental Funds	b 154,210
		<u>526,707</u>
Nonmajor Governmental Funds	General Fund	a-b 248,622
	Nonmajor Governmental Funds	b 401,094
		<u>649,716</u>
Sewer Fund	Nonmajor Governmental Funds	c 312,536
		<u>312,536</u>
	Total transfers	<u><u>\$ 1,488,959</u></u>

- a - Transfers made to pay for capital leases.
- b - Transfers made to provide funding for administrative operations.
- c - Transfers made to allocate revenues related to DIF fees.

b. Advances

Advances are long-term in nature and will be repaid when the funds become available. As of June 30, 2017, 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	\$ 657,215

City of Fillmore

**Notes to the Basic Financial Statements
Year Ended June 30, 2017**

Note 7: Capital assets

a. Governmental activities

Capital assets governmental activity for the fiscal year ended June 30, 2017, 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	158,874	32,070	(158,874)	32,070
Total capital assets, not being depreciated	<u>11,024,798</u>	<u>32,070</u>	<u>(158,874)</u>	<u>10,897,994</u>
Capital assets, being depreciated:				
Buildings and improvements:				
Buildings	18,410,152	4,950	-	18,415,102
Land improvements	5,543,396	-	-	5,543,396
Machinery and equipment	1,455,819	36,467	-	1,492,286
Autos and trucks	2,709,615	92,399	(39,240)	2,762,774
Infrastructure	16,846,705	586,607	-	17,433,312
Total capital assets, being depreciated	<u>44,965,687</u>	<u>720,423</u>	<u>(39,240)</u>	<u>45,646,870</u>
Less accumulated depreciation for:				
Buildings and improvements:				
Buildings	(3,456,366)	(308,512)	-	(3,764,878)
Land improvements	(2,621,881)	(228,311)	-	(2,850,192)
Machinery and equipment	(1,081,115)	(43,451)	-	(1,124,566)
Autos and trucks	(2,132,215)	(118,543)	33,721	(2,217,037)
Infrastructure	(5,877,946)	(281,252)	-	(6,159,198)
Total accumulated depreciation	<u>(15,169,523)</u>	<u>(980,069)</u>	<u>33,721</u>	<u>(16,115,871)</u>
Total capital assets, being depreciated, net	<u>29,796,164</u>	<u>(259,646)</u>	<u>(5,519)</u>	<u>29,530,999</u>
Total governmental activities capital assets, net	<u>\$ 40,820,962</u>	<u>\$ (227,576)</u>	<u>\$ (164,393)</u>	<u>\$ 40,428,993</u>

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

General government	\$ 215,158
Public safety	122,805
Public works	389,756
Community development	16,089
Parks and recreation	236,261
Total	<u>\$ 980,069</u>

Notes to the Basic Financial Statements
Year Ended June 30, 2017

Note 7: Capital assets, (continued)

b. Business-type activities

Capital asset business-type activities for the fiscal year ended June 30, 2017, 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
Autos and trucks	-	13,230	-	13,230
Total capital assets, being depreciated	74,016,253	13,230	-	74,029,483
Less accumulated depreciation for:				
Buildings and improvements	(6,859,096)	(1,058,395)	-	(7,917,491)
Transmissions and mains	(2,021,591)	(32,273)	-	(2,053,864)
Autos and trucks	-	(483)	-	(483)
Total accumulated depreciation	(8,880,687)	(1,091,151)	-	(9,971,838)
Total capital assets, being depreciated	65,135,566	(1,077,921)	-	64,057,645
Total sewer capital assets, net	\$ 67,824,196	\$ (1,077,921)	\$ -	\$ 66,746,275
Water activity				
Capital assets, not being depreciated:				
Land	\$ 483,323	\$ -	\$ -	\$ 483,323
Construction in progress	187,728	10,531	-	198,259
Total capital assets, not being depreciated	671,051	10,531	-	681,582
Capital assets, being depreciated:				
Land improvements	267,809	-	-	267,809
Machinery and equipment	1,385,815	13,230	-	1,399,045
Wells and reservoirs	518,381	-	-	518,381
Transmission and mains	7,499,469	-	-	7,499,469
Total capital assets, being depreciated	9,671,474	13,230	-	9,684,704
Less accumulated depreciation for:				
Land improvements	(220,994)	(10,670)	-	(231,664)
Machinery and equipment	(1,079,126)	(27,126)	-	(1,106,252)
Wells and reservoirs	(503,535)	(1,110)	-	(504,645)
Transmission and mains	(1,826,641)	(96,840)	-	(1,923,481)
Total accumulated depreciation	(3,630,296)	(135,746)	-	(3,766,042)
Total capital assets, being depreciated	6,041,178	(122,516)	-	5,918,662
Total water capital assets, net	\$ 6,712,229	\$ (111,985)	\$ -	\$ 6,600,244

City of Fillmore

**Notes to the Basic Financial Statements
Year Ended June 30, 2017**

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	\$ 3,171,953	\$ -	\$ -	\$ 3,171,953
Construction in progress	187,728	10,531	-	198,259
Total capital assets, not being depreciated	<u>3,359,681</u>	<u>10,531</u>	<u>-</u>	<u>3,370,212</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	1,385,815	13,230	-	1,399,045
Autos and trucks	-	13,230	-	13,230
Wells and reservoirs	518,381	-	-	518,381
Less - accumulated depreciation	<u>(12,510,983)</u>	<u>(1,226,897)</u>	<u>-</u>	<u>(13,737,880)</u>
Total capital assets, being depreciated	<u>71,176,744</u>	<u>(1,200,437)</u>	<u>-</u>	<u>69,976,307</u>
Total business-type activities capital assets, net	<u>\$ 74,536,425</u>	<u>\$ (1,189,906)</u>	<u>\$ -</u>	<u>\$ 73,346,519</u>

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

Business-type activities:	
Sewer	\$ 1,091,151
Water	<u>135,746</u>
Total	<u>\$ 1,226,897</u>

**Notes to the Basic Financial Statements
Year Ended June 30, 2017**

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, 2017:

	Beginning balance	Additions	Deletions	Ending balance	Due within one year
Governmental activities:					
Capital leases payable	\$ 301,462	\$ -	\$ (16,434)	\$ 285,028	\$ 57,291
OPEB obligation (see Note 10)	900,411	21,408	-	921,819	-
JPIA - General liability	279,533	-	(82,668)	196,865	75,779
JPIA - Workers compensation	118,192	-	(94,675)	23,517	19,699
Compensated absences	292,819	65,469	(51,320)	306,968	122,787
Sales tax reimbursement (see Note 13)	779,063	-	-	779,063	-
Net pension liability (see Note 9)	2,677,687	1,486,208	-	4,163,895	-
Governmental activities long-term liabilities	\$ 5,349,167	\$ 1,573,085	\$ (245,097)	\$ 6,677,155	\$ 275,556
Business-type activities:					
<i>Water</i>					
Compensated absences	\$ 71,931	\$ 19,852	\$ -	\$ 91,783	\$ 36,713
Net pension liability (see Note 9)	1,561,984	-	(451,612)	1,110,372	-
2010 refunding bonds	6,125,000	-	(275,000)	5,850,000	285,000
Premium on bonds	11,055	-	(691)	10,364	690
Sub-total water	7,769,970	19,852	(727,303)	7,062,519	322,403
<i>Sewer</i>					
Compensated absences	12,195	5,302	(2,506)	14,991	5,996
Net pension liability (see Note 9)	223,141	54,451	-	277,592	-
Series 2007 revenue bonds	53,540,000	-	(39,535,000)	14,005,000	810,000
2007 Premium on bonds	1,636,634	-	(1,255,070)	381,564	52,794
Series 2017 refunding bonds	-	34,435,000	-	34,435,000	-
2017 Premium on bonds	-	3,134,936	-	3,134,936	208,996
Sub-total sewer	55,411,970	37,629,689	(40,792,576)	52,249,083	1,077,786
Business-type activities long-term liabilities	\$ 63,181,940	\$ 37,649,541	\$ (41,519,879)	\$ 59,311,602	\$ 1,400,190

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, 2017, is \$285,028. Minimum annual payments are \$57,291 for the lease, which includes interest between 4% and 5%, with the next payment due on November 22, 2017.

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, 2017**

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, 2017, are as follows:

<u>Fiscal year ending June 30,</u>	<u>Capital leases payable</u>
2018	\$ 57,291
2019	57,291
2020	57,291
2021	57,291
2022	81,324
Thereafter	<u>-</u>
Totals	<u>310,488</u>
Less amount representing interest	<u>(25,460)</u>
Present value of minimum payments	<u>\$ 285,028</u>
Leased equipment	\$ 456,903
Less: accumulated depreciation	<u>173,718</u>
Total	<u>\$ 283,185</u>

**Notes to the Basic Financial Statements
Year Ended June 30, 2017**

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, 2017, the City owes to the JPIA \$196,865 and \$23,517 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, 2017, are as follows:

Fiscal year ending June 30,	California JPIA Cumulative Deposits Payable Principal
2018	\$ 95,478
2019	95,478
2020	29,426
Total	<u>\$ 220,382</u>

c. Series 2007 Revenue Bonds (non refundable)

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 2030. Interest rates vary between 4% and 5%. In 2017, the City refinanced a portion of the Series 2007 Revenue Bonds. The outstanding principal balance of the non refundable bonds after the partial refinancing as of June 30, 2017 was \$14,005,000.

**Notes to the Basic Financial Statements
Year Ended June 30, 2017**

Note 8: Long-term liabilities, (continued)

c. Series 2007 Revenue Bonds (non refundable), (continued)

The schedules of annual requirements to amortize the Series 2007 Revenue Bonds long-term debt outstanding as of June 30, 2017, are as follows:

Fiscal year ending June 30,	2007 Revenue Bonds		
	Principal	Interest	Total
2018	\$ 810,000	\$ 692,456	\$ 1,502,456
2019	840,000	658,031	1,498,031
2020	880,000	622,331	1,502,331
2021	915,000	584,931	1,499,931
2022	955,000	546,044	1,501,044
2023-2027	3,155,000	2,029,914	5,184,914
2028-2032	6,450,000	1,015,875	7,465,875
Totals	<u>\$ 14,005,000</u>	<u>\$ 6,149,582</u>	<u>\$ 20,154,582</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, 2017 was \$5,850,000.

**Notes to the Basic Financial Statements
Year Ended June 30, 2017**

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, 2017 are as follows:

Fiscal year ending June 30,	2010 Water Revenue Refunding Bonds		
	Principal	Interest	Total
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	330,000	239,925	569,925
2023-2027	1,890,000	954,088	2,844,088
2028-2032	2,435,000	412,125	2,847,125
Totals	<u>\$ 5,850,000</u>	<u>\$ 2,689,163</u>	<u>\$ 8,539,163</u>

e. Series 2017 Wastewater Refunding Revenue Bonds

On June 13, 2017, the City issued its \$34,435,000 aggregated principal amount of its Series 2017 Wastewater Refunding Revenue bonds (Series 2017). The purpose of the Series 2017 bonds is to partially refund the Series 2007 Revenue bonds, previously issued by the City. The Series 2017 bonds bear interest at rates ranging from 3% to 5% per annum, semi-annually on each May 1 and November 1 of each year, commencing on November 1, 2017, with principal payments made annually on May 1, commencing on May 1, 2031 and ending in the year 2047. The Series 2017 bonds are payable from and secured by, the net revenues of the City's municipal wastewater system.

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	\$ 83,651,250
Total cash flow requirement to service the new debt	<u>70,196,042</u>
Total cash flow difference	<u>\$ 13,455,208</u>

City of Fillmore

**Notes to the Basic Financial Statements
Year Ended June 30, 2017**

Note 8: Long-term liabilities, (continued)

e. Series 2017 Wastewater Refunding Revenue 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 3.47%	\$ 48,289,763
Present value of total cash flow requirement to service the new debt discounted at the effective interest rate of 3.47%	<u>40,338,697</u>
Economic Gain (in present value dollars at date of refunding 6/27/2017)	<u>\$ 7,951,066</u>

The schedules of annual requirements to amortize the Series 2017 bonds long-term debt outstanding as of June 30, 2017 are as follows:

Fiscal year ending June 30,	2017 Revenue Bonds		
	Principal	Interest	Total
2018	\$ -	\$ 1,301,542	\$ 1,301,542
2019	-	1,541,300	1,541,300
2020	-	1,541,300	1,541,300
2021	-	1,541,300	1,541,300
2022	-	1,541,300	1,541,300
2023-2027	-	7,706,500	7,706,500
2028-2032	2,905,000	7,649,500	10,554,500
2033-2037	8,355,000	6,467,400	14,822,400
2038-2042	10,335,000	4,482,400	14,817,400
2043-2047	12,840,000	1,988,500	14,828,500
Totals	<u>\$ 34,435,000</u>	<u>\$ 35,761,042</u>	<u>\$ 70,196,042</u>

f. Compensated Absences

The City's total long-term liability at June 30, 2017 for compensated absences is \$413,742, with the General, Water, and Sewer Funds primarily expected to liquidate their corresponding portion of the liability.

**Notes to the Basic Financial Statements
Year Ended June 30, 2017**

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 City sponsors four rate plans (two miscellaneous and two safety). Benefit provisions under the Plan are established by State statute and the City's resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website, at www.calpers.ca.gov.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law. The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The 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, 2017, 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	6.886%	6.500%
Required employer contribution rates	9.846%	7.066%
	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	8.981%	12.250%
Required employer contribution rates	18.573%	13.043%

**Notes to the Basic Financial Statements
Year Ended June 30, 2017**

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. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended June 30, 2017 were \$624,348. The actual employer payments of \$527,980 made to CalPERS by the City during the measurement period ended June 30, 2016 differed from the City's proportionate share of the employer's contributions of \$556,671 by \$(28,691), which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

B. Net Pension Liability

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2016, using an annual actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 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

Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Discount Rate ⁽²⁾	7.65%
Inflation	2.75%
Salary Increases ⁽¹⁾	3.30% - 14.20%
Investment Rate of Return ⁽²⁾	7.65%
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, 2017**

Note 9: Defined benefit pension plan, (continued)

B. Net Pension Liability, (continued)

All other actuarial assumptions used in the June 30, 2015 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

There are no changes of assumptions.

Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent. To determine whether the municipal bond rate should be used in the calculation of the 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. The tests 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 (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website, at www.calpers.ca.gov.

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 (PERF) cash flows. Taking into account historical returns of all the PERF asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B and C funds), 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 equal 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, 2015.

Notes to the Basic Financial Statements
Year Ended June 30, 2017

Note 9: Defined benefit pension plan, (continued)

B. Net Pension Liability, (continued)

Discount Rate, (continued)

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 ¹	Real Return Years 11+ ²
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	20.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	4.50%	5.09%
Liquidity	1.0%	(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, 2017**

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: 6/30/2015 (VD)	\$ 19,816,910	\$ 15,354,098	\$ 4,462,812
Balance at: 6/30/2016 (MD)	20,734,422	15,182,563	5,551,859
Net Changes during 2015-16	<u>\$ 917,512</u>	<u>\$ (171,535)</u>	<u>\$ 1,089,047</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, 2016, 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, 2015 rolled forward to June 30, 2016 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, 2015 and 2016 was as follows:

Proportionate Share - June 30, 2015	0.06502%
Proportionate Share - June 30, 2016	<u>0.06416%</u>
Change - Increase (Decrease)	<u><u>-0.00086%</u></u>

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%)
\$ 8,348,366	\$ 5,551,859	\$ 3,244,078

Notes to the Basic Financial Statements
Year Ended June 30, 2017

Note 9: Defined benefit pension plan, (continued)

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

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.

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 2015-16 measurement period is 3.7 years, which was obtained by dividing the total service years of 475,689 (the sum of remaining service lifetimes of the active employees) by 127,009 (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.

**Notes to the Basic Financial Statements
Year Ended June 30, 2017**

Note 9: Defined benefit pension plan, (continued)

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

As of the start of the measurement period (July 1, 2015), the net pension liability for the plan was \$4,462,812. For the measurement period ending June 30, 2016 (the measurement date), the City incurred a pension expense/(credit) of \$189,637 for the Plan. In 2017, the City changed its pension expense estimate allocations, which may cause the expense/(credit) recognized by each reporting unit not to agree to the calculated pension expense (credit) by the CalPERS pension calculation tool.

As of June 30, 2017, 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	\$ 12,610	\$ 16,682
Changes of Assumptions	-	179,444
Differences Between Projected and Actual Investments Earnings	916,404	-
Difference Between Employer's Contributions and Proportionate Share of Contributions	-	99,388
Change in Employer's Proportion	51,273	34,033
Pension Contributions Made Subsequent to Measurement Date	624,348	-
Total	\$ 1,604,635	\$ 329,547

These amounts above are net of outflows and inflow recognized in the 2015-16 measurement period expense. The \$624,348 reported as deferred outflows of resources related to pension contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows/(Inflows) of Resources
2017	\$ (21,199)
2018	16,483
2019	417,713
2020	237,743
2021	-
Remaining	-

D. Payable to the Pension Plan

At June 30, 2017, 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, 2017

Note 10: Other post-employment benefits

Plan description

The City provides a medical plan coverage for grand fathered retirees. This coverage was available for employees who satisfied 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. The City does not provide medical coverage for current employees upon retirement.

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 2016-17, the City contributed \$6,158 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, 2017</u>
Annual required contribution	\$ 43,966
Interest on net OPEB obligation	36,016
Adjustment to annual required contribution	<u>(52,416)</u>
Annual OPEB cost (expense)	27,566
Contributions made	<u>(6,158)</u>
Increase in net OPEB obligation	21,408
Net OPEB obligation – beginning of year	<u>900,411</u>
Net OPEB obligation – end of year	<u><u>\$ 921,819</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 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, 2015	\$ 28,523	20.33%	\$ 870,034
June 30, 2016	37,094	18.11%	900,411
June 30, 2017	27,566	22.34%	921,819

**Notes to the Basic Financial Statements
Year Ended June 30, 2017**

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

Funded status and progress

The funded status of the plan as of July 1, 2016 (the most recent actuarial valuation) was as follows:

Actuarial accrued liability (AAL)	\$ 314,115
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 314,115</u>
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$ 1,959,683
UAAL as a percentage of covered payroll	16.03%

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 Alternative Measurement Method. The actuarial assumptions included 4.0% 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. Level percentage of payroll amortization method was used, which calculates amortization payments as a constant percentage of projected payroll over a given number of years. Total amortization period used was 24 years with the assumption of a 1.10% payroll growth rate.

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 117 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, 2017

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. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

Primary 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 2016-17 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 in excess of \$2 million layer, and (b) \$3 million annual aggregate deductible in the \$5 million in excess of \$10 million layer. There is a third annual aggregate deductible in the amount of \$2.5 million in the \$5 million in excess of \$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 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.

For 2016-17 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.

**Notes to the Basic Financial Statements
Year Ended June 30, 2017**

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

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 an aggregate 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 policy term.

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 \$48,869,727. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

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 \$44,032,342. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.

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.

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 2016-17.

**Notes to the Basic Financial Statements
Year Ended June 30, 2017**

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, 2017, (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, 2017

Note 13: Contingencies and commitments, (continued)

Sales Tax Payable (Due to others) (Tax Abatement)

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 \$800,000 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 \$764,000, and out of this amount, \$644,000 is shared between MTS and San Joaquin County and \$120,000 is retained by the City.

As of June 30, 2017, the City estimated and accrued \$1,673,725 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 (Tax Abatements)

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 8 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, 2017**

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:

<u>Southwest Jet Fuels</u>	<u>Total Fiscal Year 2015-16</u>	<u>Total Fiscal Year 2016/17</u>	<u>Total Fiscal Year 2017/2018</u>	<u>Total All Years</u>
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:

<u>Cal Purchasing Group</u>	<u>Total Fiscal Year 2017-18</u>	<u>Total Fiscal Year 2018-19</u>	<u>Total All Years</u>
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, 2017**

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, 2017 is as follows:

Description	Issue year	Fiscal year	
		Maturity year	June 30, 2017
North Fillmore Industrial Park CFD # 1	2006	2029	\$ 1,650,000
Baldwin Towne Plaza Improvements CFD # 2	2005	2022	340,000
River Oaks CFD # 3	2006	2037	2,545,000
Heritage Valley Parks, Area A CFD#5	2015	2040	17,155,000
Total special tax district debt			<u>\$ 21,690,000</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, 2017**

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, 2017 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	3,227,563	-	-	3,227,563
Machinery and equipment	90,718	-	-	90,718
Infrastructure:				
Roadways and bikepaths	52,775	-	-	52,775
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	(1,369,583)	(64,500)	-	(1,434,083)
Machinery and equipment	(84,640)	(764)	-	(85,404)
Infrastructure:				
Roadways and bikepaths	(6,667)	(811)	-	(7,478)
Total accumulated depreciation	<u>(1,460,890)</u>	<u>(66,075)</u>	<u>-</u>	<u>(1,526,965)</u>
Total capital assets, being depreciated, net	<u>1,910,166</u>	<u>(66,075)</u>	<u>-</u>	<u>1,844,091</u>
Total Successor Agency capital assets, net	<u>\$ 5,537,228</u>	<u>\$ (66,075)</u>	<u>\$ -</u>	<u>\$ 5,471,153</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, 2017:

	Beginning balance	Additions	Deletions	Ending balance	Due within one year
2015 Series TARBs	\$ 37,515,000	\$ -	\$ -	\$ 37,515,000	\$ 1,955,000
Premium on 2015 Series TARBs	4,758,348	-	(317,223)	4,441,125	317,223
Total long-term liabilities	<u>\$ 42,273,348</u>	<u>\$ -</u>	<u>\$ (317,223)</u>	<u>\$ 41,956,125</u>	<u>\$ 2,272,223</u>

**Notes to the Basic Financial Statements
Year Ended June 30, 2017**

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

Successor Agency long-term debt, (continued)

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 schedules of annual requirements to amortize the *2015 Series A Bonds* long-term debt outstanding as of June 30, 2017, including interest are as follows:

Fiscal year ending June 30,	2015 Refunding Bonds Series A		
	Principal	Interest	Total
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	2,325,000	1,320,750	3,645,750
2023-2027	13,510,000	4,737,000	18,247,000
2028-2032	13,370,000	1,217,450	14,587,450
Totals	<u>\$ 37,515,000</u>	<u>\$ 13,558,300</u>	<u>\$ 51,073,300</u>

Successor Agency deductions (expenses)

Deductions (expenses) incurred by the Successor Agency for the year ended June 30, 2017, (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, 2017**

Note 16: Governmental fund balances

The detail of fund balances, in accordance with GAAP, 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	\$ 61,990	\$ -	\$ -	\$ 61,990
Total Nonspendable	<u>61,990</u>	<u>-</u>	<u>-</u>	<u>61,990</u>
Restricted for:				
Public works	-	317,038	6,779,734	7,096,772
Community development	-	-	523,463	523,463
Parks and recreation	-	-	104,474	104,474
Total Restricted	<u>-</u>	<u>317,038</u>	<u>7,407,671</u>	<u>7,724,709</u>
Assigned to:				
Public works maintenance	-	-	178,872	178,872
Parking lot maintenance	-	-	50,706	50,706
Parks and recreation	-	-	386,395	386,395
Total Assigned	<u>-</u>	<u>-</u>	<u>615,973</u>	<u>615,973</u>
Unassigned	<u>6,008,707</u>	<u>-</u>	<u>(685,033)</u>	<u>5,323,674</u>
Total Fund Balances	<u>\$ 6,070,697</u>	<u>\$ 317,038</u>	<u>\$ 7,338,611</u>	<u>\$ 13,726,346</u>

City of Fillmore

**Notes to the Basic Financial Statements
Year Ended June 30, 2017**

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, 2017, was determined as follows:

	Governmental Activities			
Capital assets	\$	56,544,864		
Plus (less) capital assets related balances:				
Less: accumulated depreciation		(16,115,871)		
Less outstanding principal of capital-related borrowings:				
Capital leases		(285,028)		
		\$ 40,143,965		
Net investment in capital assets	\$	40,143,965		
		Business-type Activities		
		Sewer Fund	Water Fund	Total Enterprise Funds
Capital assets	\$	76,718,113	\$ 10,366,286	\$ 87,084,399
Plus (less) capital assets related balances:				
Plus capital-related deferred outflows of resources		-	227,078	227,078
Less: accumulated depreciation		(9,971,838)	(3,766,042)	(13,737,880)
Less outstanding principal of capital-related borrowings:				
Series 2007 revenue bonds		(14,005,000)	-	(14,005,000)
Premium on 2007 bonds		(381,564)	-	(381,564)
Series 2017 revenue bonds		(34,435,000)	-	(34,435,000)
Premium on 2017 bonds		(3,134,936)	-	(3,134,936)
2010 refunding bonds		-	(5,850,000)	(5,850,000)
Premium on 2010 bonds		-	(10,364)	(10,364)
Less: capital-related deferred inflows of resources		-	-	-
		\$ 14,789,775	\$ 966,958	\$ 15,756,733
Net investment in capital assets	\$	14,789,775	\$ 966,958	\$ 15,756,733

REQUIRED SUPPLEMENTARY INFORMATION

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City of Fillmore

**Required Supplementary Information
Budgetary Comparison Schedule - General Fund
Year Ended June 30, 2017**

	Budgeted amounts		Actual	Variance with final budget
	Original	Final		
Revenues				
Taxes	\$ 4,326,765	\$ 4,326,765	\$ 5,454,028	\$ 1,127,263
Licenses and permits	190,000	190,000	144,944	(45,056)
Fines and forfeitures	60,400	60,400	62,337	1,937
Investment income	107,505	107,505	115,947	8,442
Intergovernmental	345,500	345,500	371,471	25,971
Charges for services	607,642	607,642	537,547	(70,095)
Other	65,156	65,156	80,207	15,051
Total revenues	<u>5,702,968</u>	<u>5,702,968</u>	<u>6,766,481</u>	<u>1,063,513</u>
Expenditures				
Current:				
General government:				
City council	16,441	16,441	19,967	(3,526)
City clerk	261,076	261,076	198,128	62,948
City attorney	240,000	240,000	342,678	(102,678)
City manager	173,460	173,460	197,338	(23,878)
Central support	377,305	377,305	276,419	100,886
Risk management	83,926	83,926	136,022	(52,096)
Facilities management	118,849	118,849	118,407	442
Human resources	44,512	44,512	42,346	2,166
Total general government	<u>1,315,569</u>	<u>1,315,569</u>	<u>1,331,305</u>	<u>(15,736)</u>
Public safety:				
Sheriff	3,299,365	3,299,365	3,321,333	(21,968)
Fire	1,258,112	1,258,112	1,147,665	110,447
Animal regulation	88,300	88,300	98,665	(10,365)
Building and safety	164,699	164,699	152,945	11,754
Total public safety	<u>4,810,476</u>	<u>4,810,476</u>	<u>4,720,608</u>	<u>89,868</u>
Parks and recreation:				
Total parks and recreation	<u>200,477</u>	<u>200,477</u>	<u>135,801</u>	<u>64,676</u>
Public works:				
Central garage	195,840	195,840	167,407	28,433
City engineering	54,901	54,901	22,734	32,167
Total public works	<u>250,741</u>	<u>250,741</u>	<u>190,141</u>	<u>60,600</u>
Community development:				
Community promotion	10,968	10,968	2,843	8,125
Planning	559,327	559,327	514,009	45,318
Total community development	<u>570,295</u>	<u>570,295</u>	<u>516,852</u>	<u>53,443</u>
Economic development:				
Total economic development	<u>61,744</u>	<u>61,744</u>	<u>57,865</u>	<u>3,879</u>
Total expenditures	<u>7,209,302</u>	<u>7,209,302</u>	<u>6,952,572</u>	<u>256,730</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,506,334)</u>	<u>(1,506,334)</u>	<u>(186,091)</u>	<u>1,320,243</u>
Other financing sources (uses)				
Transfers in	856,705	856,705	526,707	(329,998)
Transfers out	<u>(568,622)</u>	<u>(568,622)</u>	<u>(248,622)</u>	<u>320,000</u>
Total other financing (uses)	<u>288,083</u>	<u>288,083</u>	<u>278,085</u>	<u>(9,998)</u>
Net change in fund balance	(1,218,251)	(1,218,251)	91,994	1,310,245
Fund balance, beginning of year	<u>5,978,703</u>	<u>5,978,703</u>	<u>5,978,703</u>	-
Fund balance, end of year	<u>\$ 4,760,452</u>	<u>\$ 4,760,452</u>	<u>\$ 6,070,697</u>	<u>\$ 1,310,245</u>

City of Fillmore

**Required Supplementary Information
 Budgetary Comparison Schedule - Housing Successor Special Revenue Major Fund
 Year Ended June 30, 2017**

	Budgeted amounts		Actual	Variance with final budget
	Original	Final		
Revenues				
Investment income	\$ 8,500	\$ 8,500	\$ 143,581	\$ 135,081
Other	6,000	6,000	-	(6,000)
Total revenues	14,500	14,500	143,581	129,081
Expenditures				
Current:				
Community development	5,500	5,500	24,195	(18,695)
Total expenditures	5,500	5,500	24,195	(18,695)
Excess (deficiency) of revenues over (under) expenditures	9,000	9,000	119,386	110,386
Other financing sources (uses)				
Transfers out	-	-	(2,000)	(2,000)
Total other financing (uses)	-	-	(2,000)	(2,000)
Net change in fund balance	9,000	9,000	117,386	108,386
Fund balance, beginning of year	199,652	199,652	199,652	-
Fund balance, end of year	<u>\$ 208,652</u>	<u>\$ 208,652</u>	<u>\$ 317,038</u>	<u>\$ 108,386</u>

City of Fillmore

**Required Supplementary Information
Other Post-Employment Benefits Plan - Schedule of Funding Progress
Year Ended June 30, 2017**

<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%
7/1/2016	-	314,115	314,115	0.00%	1,959,683	16.03%

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, 2017**

	Measurement Date June 30, 2016	Measurement Date June 30, 2015	Measurement Date June 30, 2014
Employer's Proportion of the Collective Net Pension Liability ¹	0.06416%	0.06502%	0.07095%
Employer's Proportionate Share of the Collective Net Pension Liability	\$ 5,551,859	\$ 4,462,812	\$ 4,415,133
Employer's Covered Payroll ²	\$ 1,900,600	\$ 1,782,018	\$ 1,649,406
Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered Payroll	292.11%	250.44%	267.68%
Pension Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	73.22%	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 three years are shown.

**Required Supplementary Information
 Schedule of Plans' Contributions - Last 10 Years*
 Year Ended June 30, 2017**

	Fiscal Year Ended June 30, 2017	Fiscal Year Ended June 30, 2016	Fiscal Year Ended June 30, 2015
Actuarially Determined Contributions	\$ 624,348	\$ 527,980	\$ 413,396
Contributions in Relation to the Actuarially Determined Contributions	<u>(624,348)</u>	<u>(527,980)</u>	<u>(413,396)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's Covered Payroll ¹	\$ 1,900,600	\$ 1,782,018	\$ 1,649,406
Contributions as a Percentage of Covered Payroll	32.85%	29.63%	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: None

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

**Notes to the Required Supplementary Information
Year Ended June 30, 2017**

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.

The following funds show excesses of expenditures over budgeted amounts:

Fund	Final budget	Expenditures	Excess
Major governmental funds:			
Housing Successor Fund	\$ 5,500	\$ 24,195	\$ (18,695)
Non -major governmental funds:			
Public Education & Government	-	3,599	(3,599)
Lightning/Landscape Assessment District	20,742	282,747	(262,005)
Storm Drain Assessment District	-	34,599	(34,599)
Community Development Block Grant	5,000	5,030	(30)
Swimming Pool Maintenance	248,027	259,118	(11,091)
DIF Public Facility	-	3,403	(3,403)
DIF Transportation Improvement	-	7,971	(7,971)
DIF Sewer Improvement	-	7,713	(7,713)
DIF Water Improvement	-	7,582	(7,582)
DIF Storm Drain	-	3,403	(3,403)

Supplementary Information

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

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Non Major Governmental Funds - Fund Descriptions
Year Ended June 30, 2017

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 various public facility improvements.

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. 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.

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

Non Major Governmental Funds - Fund Descriptions
Year Ended June 30, 2017

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

DIF Fire Substation Fund - to account for Developer Impact Fees to be used to design and construct a future fire substation in the Heritage Valley subdivision.

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.

Traffic 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.

Two Rivers Park Fund - to account for funds used for the design and construction of a new 20-acre park.

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

Public Buildings Improvement Fund - to account for the construction of capital improvements made to City-owned buildings.

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/Bike Path 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.

Non Major Governmental Funds - Fund Descriptions
Year Ended June 30, 2017

Capital Projects Funds, (continued)

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

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, 2017**

	DEBT SERVICE FUND	SPECIAL REVENUE FUNDS	
	Public Financing Authority	Public Education & Government	Gas Tax
Assets			
Cash and investments	\$ -	\$ 69,618	\$ 46,440
Receivables:			
Intergovernmental	-	-	-
Accounts	-	6,226	-
Interest	-	63	136
	<u>-</u>	<u>63</u>	<u>136</u>
Total assets	<u>\$ -</u>	<u>\$ 75,907</u>	<u>\$ 46,576</u>
Liabilities and fund balance			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 35,369
Accrued liabilities	-	-	2,454
Due to other funds	93,942	-	-
Due to Successor Agency	-	-	-
Unearned revenue	-	-	-
Deposits payable	-	-	-
	<u>93,942</u>	<u>-</u>	<u>37,823</u>
Total liabilities	<u>93,942</u>	<u>-</u>	<u>37,823</u>
Fund balance (deficit):			
Restricted	-	75,907	8,753
Assigned	-	-	-
Unassigned	<u>(93,942)</u>	<u>-</u>	<u>-</u>
Total fund balance (deficit)	<u>(93,942)</u>	<u>75,907</u>	<u>8,753</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 75,907</u>	<u>\$ 46,576</u>

Continued

SPECIAL REVENUE FUNDS

Local Transportation	Lighting/ Landscape Assessment District	Storm Drain Assessment District	Community Development Block Grant	Public Transit
\$ 738,037	\$ 537,449	\$ 419,774	\$ 11,264	\$ 1,680
-	-	-	-	-
-	5,528	1,569	-	-
828	697	785	-	-
<u>\$ 738,865</u>	<u>\$ 543,674</u>	<u>\$ 422,128</u>	<u>\$ 11,264</u>	<u>\$ 1,680</u>
\$ -	\$ 21,137	\$ 112	\$ -	\$ 1,680
-	-	311	-	-
-	-	-	-	-
-	-	-	-	-
-	-	130,249	-	-
-	21,137	130,672	-	1,680
738,865	522,537	291,456	11,264	-
-	-	-	-	-
-	-	-	-	-
<u>738,865</u>	<u>522,537</u>	<u>291,456</u>	<u>11,264</u>	<u>-</u>
<u>\$ 738,865</u>	<u>\$ 543,674</u>	<u>\$ 422,128</u>	<u>\$ 11,264</u>	<u>\$ 1,680</u>

City of Fillmore

**Combining Balance Sheet
Non Major Governmental Funds
June 30, 2017**

	SPECIAL REVENUE FUNDS		
	Bike Path Maintenance	Solid Waste Source Reduction	Swimming Pool Maintenance
Assets			
Cash and investments	\$ 48,306	\$ 152,874	\$ -
Receivables:			
Intergovernmental	-	-	1,786
Accounts	-	31,273	41,000
Interest	50	177	-
	<u>48,356</u>	<u>184,324</u>	<u>42,786</u>
Total assets	<u>\$ 48,356</u>	<u>\$ 184,324</u>	<u>\$ 42,786</u>
Liabilities and fund balance			
Liabilities:			
Accounts payable	\$ 771	\$ 647	\$ 27,869
Accrued liabilities	-	1,129	7,029
Due to other funds	-	-	345,606
Due to Successor Agency	-	-	-
Unearned revenue	30,100	-	-
Deposits payable	-	-	1,027
	<u>30,871</u>	<u>1,776</u>	<u>381,531</u>
Total liabilities	<u>30,871</u>	<u>1,776</u>	<u>381,531</u>
Fund balance (deficit):			
Restricted	17,485	182,548	-
Assigned	-	-	-
Unassigned	-	-	(338,745)
	<u>17,485</u>	<u>182,548</u>	<u>(338,745)</u>
Total fund balance (deficit)	<u>17,485</u>	<u>182,548</u>	<u>(338,745)</u>
Total liabilities and fund balance	<u>\$ 48,356</u>	<u>\$ 184,324</u>	<u>\$ 42,786</u>

SPECIAL REVENUE FUNDS

Recreation	DIF Public Facility	DIF Transportation Improvement	DIF Parkland	DIF Sewer Improvement
\$ -	\$ 511,479	\$ 64,307	\$ 356,443	\$ 1,231,361
-	-	-	-	-
8,928	-	-	-	-
-	720	265	407	1,449
<u>\$ 8,928</u>	<u>\$ 512,199</u>	<u>\$ 64,572</u>	<u>\$ 356,850</u>	<u>\$ 1,232,810</u>
\$ 16,126	\$ -	\$ -	\$ -	\$ -
2,390	-	-	-	-
148,934	-	-	-	-
-	-	-	-	-
-	-	-	-	796,972
3,926	-	47,300	-	-
<u>171,376</u>	<u>-</u>	<u>47,300</u>	<u>-</u>	<u>796,972</u>
-	512,199	17,272	356,850	435,838
-	-	-	-	-
<u>(162,448)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(162,448)</u>	<u>512,199</u>	<u>17,272</u>	<u>356,850</u>	<u>435,838</u>
<u>\$ 8,928</u>	<u>\$ 512,199</u>	<u>\$ 64,572</u>	<u>\$ 356,850</u>	<u>\$ 1,232,810</u>

City of Fillmore

**Combining Balance Sheet
Non Major Governmental Funds
June 30, 2017**

	SPECIAL REVENUE FUNDS		
	DIF Water Improvement	DIF Storm Drain Improvement	Storm Water NPDES
Assets			
Cash and investments	\$ 1,112,824	\$ 836,047	\$ -
Receivables:			
Intergovernmental	-	-	-
Accounts	-	-	6,665
Interest	1,231	953	-
Total assets	<u>\$ 1,114,055</u>	<u>\$ 837,000</u>	<u>\$ 6,665</u>
Liabilities and fund balance			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 109
Accrued liabilities	-	-	192
Due to other funds	-	-	52,856
Due to Successor Agency	750,000	-	-
Unearned revenue	-	-	-
Deposits payable	-	-	-
Total liabilities	<u>750,000</u>	<u>-</u>	<u>53,157</u>
Fund balance (deficit):			
Restricted	364,055	837,000	-
Assigned	-	-	-
Unassigned	-	-	(46,492)
Total fund balance (deficit)	<u>364,055</u>	<u>837,000</u>	<u>(46,492)</u>
Total liabilities and fund balance	<u>\$ 1,114,055</u>	<u>\$ 837,000</u>	<u>\$ 6,665</u>

SPECIAL REVENUE FUNDS		CAPITAL PROJECTS FUNDS		
Levee Reserve	DIF Fire Substation	Sespe Creek Bike Path	Traffic Signals	Two Rivers Park
\$ 1,408,187	\$ 121,286	\$ 45,127	\$ 10,000	\$ 1,395,495
-	-	-	-	-
-	-	-	-	-
1,511	138	-	-	-
<u>\$ 1,409,698</u>	<u>\$ 121,424</u>	<u>\$ 45,127</u>	<u>\$ 10,000</u>	<u>\$ 1,395,495</u>
\$ -	\$ -	\$ -	\$ -	\$ 15,819
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	15,819
1,409,698	121,424	45,127	10,000	1,379,676
-	-	-	-	-
-	-	-	-	-
<u>1,409,698</u>	<u>121,424</u>	<u>45,127</u>	<u>10,000</u>	<u>1,379,676</u>
<u>\$ 1,409,698</u>	<u>\$ 121,424</u>	<u>\$ 45,127</u>	<u>\$ 10,000</u>	<u>\$ 1,395,495</u>

City of Fillmore

**Combining Balance Sheet
Non Major Governmental Funds
June 30, 2017**

	<u>CAPITAL PROJECTS FUNDS</u>		
	<u>Street Projects</u>	<u>Public Buildings Improvements</u>	<u>Parking Lot</u>
Assets			
Cash and investments	\$ -	\$ 181,621	\$ 50,706
Receivables:			
Intergovernmental	-	-	-
Accounts	-	-	-
Interest	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ 181,621</u>	<u>\$ 50,706</u>
Liabilities and fund balance			
Liabilities:			
Accounts payable	\$ 27,529	\$ 2,749	\$ -
Accrued liabilities	-	-	-
Due to other funds	15,877	-	-
Due to Successor Agency	-	-	-
Unearned revenue	-	-	-
Deposits payable	-	-	-
	<u>43,406</u>	<u>2,749</u>	<u>-</u>
Total liabilities	<u>43,406</u>	<u>2,749</u>	<u>-</u>
Fund balance (deficit):			
Restricted	-	-	-
Assigned	-	178,872	50,706
Unassigned	(43,406)	-	-
	<u>(43,406)</u>	<u>178,872</u>	<u>50,706</u>
Total fund balance (deficit)	<u>(43,406)</u>	<u>178,872</u>	<u>50,706</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 181,621</u>	<u>\$ 50,706</u>

Continued

CAPITAL PROJECTS FUNDS

Storm Drain Weir River	Pole Creek/Bike Path	BTA Bike Path	Business Park Infrastructure	Sidewalk Repair	Total Nonmajor Governmental Funds
\$ 206,000	\$ 7,500	\$ 25,369	\$ 69,717	\$ 147,526	\$ 9,806,437
-	-	-	-	-	1,786
-	-	-	-	-	101,189
-	-	-	-	-	9,410
<u>\$ 206,000</u>	<u>\$ 7,500</u>	<u>\$ 25,369</u>	<u>\$ 69,717</u>	<u>\$ 147,526</u>	<u>\$ 9,918,822</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 149,917
-	-	-	-	-	13,505
-	-	-	-	-	657,215
-	-	-	-	-	750,000
-	-	-	-	-	827,072
-	-	-	-	-	182,502
-	-	-	-	-	2,580,211
-	-	-	69,717	-	7,407,671
206,000	7,500	25,369	-	147,526	615,973
-	-	-	-	-	(685,033)
<u>206,000</u>	<u>7,500</u>	<u>25,369</u>	<u>69,717</u>	<u>147,526</u>	<u>7,338,611</u>
<u>\$ 206,000</u>	<u>\$ 7,500</u>	<u>\$ 25,369</u>	<u>\$ 69,717</u>	<u>\$ 147,526</u>	<u>\$ 9,918,822</u>

City of Fillmore

**Combining Statements of Revenues, Expenditures, and Changes in Fund Balances
Non Major Governmental Funds
Year Ended June 30, 2017**

	DEBT SERVICE FUND	SPECIAL REVENUE FUNDS	
	Public Financing Authority	Public Education & Government	Gas Tax
Revenues			
Taxes	\$ -	\$ 18,378	\$ -
Intergovernmental	-	-	303,362
Charges for services	-	-	-
Investment income	-	173	588
Other	-	-	-
Total revenues	<u>-</u>	<u>18,551</u>	<u>303,950</u>
Expenditures			
Current:			
Public works	-	-	440,441
Community development	-	3,599	-
Transit	-	-	-
Parks and recreation	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	47,427	-	-
Interest and fiscal charges	9,364	-	-
Total expenditures	<u>56,791</u>	<u>3,599</u>	<u>440,441</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(56,791)</u>	<u>14,952</u>	<u>(136,491)</u>
Other financing sources (uses)			
Transfers in	56,791	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>(67,732)</u>
Total other financing sources (uses)	<u>56,791</u>	<u>-</u>	<u>(67,732)</u>
Net change in fund balances	-	14,952	(204,223)
Fund balance (deficit), beginning of year	<u>(93,942)</u>	<u>60,955</u>	<u>212,976</u>
Fund balance (deficit), end of year	<u>\$ (93,942)</u>	<u>\$ 75,907</u>	<u>\$ 8,753</u>

SPECIAL REVENUE FUNDS

Local Transportation	Lighting/ Landscape Assessment District	Storm Drain Assessment District	Community Development Block Grant	Public Transit
\$ -	\$ 360,726	\$ 251,225	\$ -	\$ -
219,034	-	-	61,223	309,035
-	-	-	-	-
2,191	1,823	2,147	-	-
-	-	-	-	-
<u>221,225</u>	<u>362,549</u>	<u>253,372</u>	<u>61,223</u>	<u>309,035</u>
-	282,747	34,599	-	-
-	-	-	5,030	-
-	-	-	-	309,035
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>282,747</u>	<u>34,599</u>	<u>5,030</u>	<u>309,035</u>
<u>221,225</u>	<u>79,802</u>	<u>218,773</u>	<u>56,193</u>	<u>-</u>
-	-	-	-	-
-	(52,753)	(163,535)	(56,791)	-
-	(52,753)	(163,535)	(56,791)	-
221,225	27,049	55,238	(598)	-
<u>517,640</u>	<u>495,488</u>	<u>236,218</u>	<u>11,862</u>	<u>-</u>
<u>\$ 738,865</u>	<u>\$ 522,537</u>	<u>\$ 291,456</u>	<u>\$ 11,264</u>	<u>\$ -</u>

City of Fillmore

**Combining Statements of Revenues, Expenditures, and Changes in Fund Balances
Non Major Governmental Funds
Year Ended June 30, 2017**

	SPECIAL REVENUE FUNDS		
	Bike Path Maintenance	Solid Waste Source Reduction	Swimming Pool Maintenance
Revenues			
Taxes	\$ -	\$ -	\$ 67,688
Intergovernmental	9,741	39,423	-
Charges for services	-	77,004	80,305
Investment income	162	517	-
Other	-	-	5,008
Total revenues	9,903	116,944	153,001
Expenditures			
Current:			
Public works	34,215	80,394	-
Community development	-	-	-
Transit	-	-	-
Parks and recreation	-	-	259,118
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	34,215	80,394	259,118
Excess (deficiency) of revenues over (under) expenditures	(24,312)	36,550	(106,117)
Other financing sources (uses)			
Transfers in	25,000	-	-
Transfers out	(616)	(11,468)	-
Total other financing sources (uses)	24,384	(11,468)	-
Net change in fund balances	72	25,082	(106,117)
Fund balance (deficit), beginning of year	17,413	157,466	(232,628)
Fund balance (deficit), end of year	<u>\$ 17,485</u>	<u>\$ 182,548</u>	<u>\$ (338,745)</u>

SPECIAL REVENUE FUNDS

Recreation	DIF Public Facility	DIF Transportation Improvement	DIF Parkland	DIF Sewer Improvement
\$ -	\$ -	\$ -	\$ -	\$ -
27,780	-	-	-	-
114,662	129,679	58,155	-	302,643
-	1,843	725	1,234	8,715
11,488	-	-	-	-
<u>153,930</u>	<u>131,522</u>	<u>58,880</u>	<u>1,234</u>	<u>311,358</u>
-	3,403	7,971	-	-
-	-	-	-	7,713
-	-	-	-	-
371,415	-	-	3,403	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>371,415</u>	<u>3,403</u>	<u>7,971</u>	<u>3,403</u>	<u>7,713</u>
<u>(217,485)</u>	<u>128,119</u>	<u>50,909</u>	<u>(2,169)</u>	<u>303,645</u>
198,622	-	-	-	-
-	(39,409)	(163,000)	-	(312,536)
<u>198,622</u>	<u>(39,409)</u>	<u>(163,000)</u>	<u>-</u>	<u>(312,536)</u>
(18,863)	88,710	(112,091)	(2,169)	(8,891)
<u>(143,585)</u>	<u>423,489</u>	<u>129,363</u>	<u>359,019</u>	<u>444,729</u>
<u>\$ (162,448)</u>	<u>\$ 512,199</u>	<u>\$ 17,272</u>	<u>\$ 356,850</u>	<u>\$ 435,838</u>

City of Fillmore

**Combining Statements of Revenues, Expenditures, and Changes in Fund Balances
Non Major Governmental Funds
Year Ended June 30, 2017**

	<u>SPECIAL REVENUE FUNDS</u>		
	<u>DIF Water Improvement</u>	<u>DIF Storm Drain Improvement</u>	<u>Storm Water NPDES</u>
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	304,715	157,208	6,665
Investment income	3,410	2,656	-
Other	-	-	-
	<u>308,125</u>	<u>159,864</u>	<u>6,665</u>
Expenditures			
Current:			
Public works	7,582	3,403	65,251
Community development	-	-	-
Transit	-	-	-
Parks and recreation	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
	<u>7,582</u>	<u>3,403</u>	<u>65,251</u>
Excess (deficiency) of revenues over (under) expenditures	<u>300,543</u>	<u>156,461</u>	<u>(58,586)</u>
Other financing sources (uses)			
Transfers in	-	-	33,000
Transfers out	-	-	-
	<u>-</u>	<u>-</u>	<u>33,000</u>
Net change in fund balances	300,543	156,461	(25,586)
Fund balance (deficit), beginning of year	<u>63,512</u>	<u>680,539</u>	<u>(20,906)</u>
Fund balance (deficit), end of year	<u>\$ 364,055</u>	<u>\$ 837,000</u>	<u>\$ (46,492)</u>

SPECIAL REVENUE FUND		CAPITAL PROJECTS FUNDS		
Levees Reserve	DIF Fire Substation	Sespe Creek Bike Path	Traffic Signals	Two Rivers Park
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	34,766	-	-	-
4,529	372	-	-	-
-	-	-	-	-
<u>4,529</u>	<u>35,138</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	32,070
-	-	-	-	-
-	-	-	-	-
-	-	-	-	32,070
<u>4,529</u>	<u>35,138</u>	<u>-</u>	<u>-</u>	<u>(32,070)</u>
133,895	-	-	-	-
-	-	-	-	-
<u>133,895</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
138,424	35,138	-	-	(32,070)
<u>1,271,274</u>	<u>86,286</u>	<u>45,127</u>	<u>10,000</u>	<u>1,411,746</u>
<u>\$ 1,409,698</u>	<u>\$ 121,424</u>	<u>\$ 45,127</u>	<u>\$ 10,000</u>	<u>\$ 1,379,676</u>

City of Fillmore

**Combining Statements of Revenues, Expenditures, and Changes in Fund Balances
Non Major Governmental Funds
Year Ended June 30, 2017**

	CAPITAL PROJECTS FUNDS		
	Street Projects	Public Buildings Improvements	Parking Lot
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Investment income	-	-	-
Other	-	-	-
Total revenues	-	-	-
Expenditures			
Current:			
Public works	-	-	-
Community development	-	-	-
Transit	-	-	-
Parks and recreation	-	-	-
Capital outlay	492,745	44,358	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	492,745	44,358	-
Excess (deficiency) of revenues over (under) expenditures	(492,745)	(44,358)	-
Other financing sources (uses)			
Transfers in	163,000	39,408	-
Transfers out	-	-	-
Total other financing sources (uses)	163,000	39,408	-
Net change in fund balances	(329,745)	(4,950)	-
Fund balance (deficit), beginning of year	286,339	183,822	50,706
Fund balance (deficit), end of year	<u>\$ (43,406)</u>	<u>\$ 178,872</u>	<u>\$ 50,706</u>

Continued

CAPITAL PROJECTS FUNDS

Storm Drain - Weir River	Pole Creek/Bike Path	BTA Bike Path	Business Park Infrastructure	Sidewalk Repair	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 698,017
-	-	-	-	-	969,598
-	-	-	-	-	1,265,802
-	-	-	-	-	31,085
-	-	-	-	-	16,496
-	-	-	-	-	2,980,998
-	-	-	-	-	960,006
-	-	-	-	-	16,342
-	-	-	-	-	309,035
-	-	-	-	-	633,936
-	-	-	-	-	569,173
-	-	-	-	-	47,427
-	-	-	-	-	9,364
-	-	-	-	-	2,545,283
-	-	-	-	-	435,715
-	-	-	-	-	649,716
-	-	-	-	-	(867,840)
-	-	-	-	-	(218,124)
-	-	-	-	-	217,591
206,000	7,500	25,369	69,717	147,526	7,121,020
\$ 206,000	\$ 7,500	\$ 25,369	\$ 69,717	\$ 147,526	\$ 7,338,611

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City of Fillmore

**Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Non-Major Governmental Funds
Year Ended June 30, 2017**

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.

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, 2017**

	Final budget	Actual	Variance with final budget
Revenues			
Total revenues	\$ -	\$ -	\$ -
Expenditures			
Debt Service:			
Principal	47,500	47,427	73
Interest and fiscal charges	9,400	9,364	36
Total expenditures	56,900	56,791	109
Excess(deficiency) of revenues over (under) expenditures	(56,900)	(56,791)	109
Other financing sources (uses)			
Transfers in	56,900	56,791	(109)
Total other financing sources	56,900	56,791	(109)
Net change in fund balance	-	-	-
Fund balance (deficit), beginning of year	(93,942)	(93,942)	-
Fund balance (deficit), end of year	\$ (93,942)	\$ (93,942)	\$ -

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, 2017**

	Final budget	Actual	Variance with final budget
Revenues			
Taxes	\$ 6,900	\$ 18,378	\$ 11,478
Investment income	-	173	173
Total revenues	<u>6,900</u>	<u>18,551</u>	<u>11,651</u>
Expenditures			
Current:			
Community development	-	3,599	(3,599)
Total expenditures	<u>-</u>	<u>3,599</u>	<u>(3,599)</u>
Net change in fund balance	6,900	14,952	8,052
Fund balance, beginning of year	<u>60,955</u>	<u>60,955</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 67,855</u></u>	<u><u>\$ 75,907</u></u>	<u><u>\$ 8,052</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, 2017**

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	\$ 414,690	\$ 303,362	\$ (111,328)
Investment income	500.00	588	88
	<u>415,190</u>	<u>303,950</u>	<u>(111,240)</u>
Total revenues			
	<u>415,190</u>	<u>303,950</u>	<u>(111,240)</u>
Expenditures			
Current:			
Public works	543,868	440,441	103,427
	<u>543,868</u>	<u>440,441</u>	<u>103,427</u>
Total expenditures			
	<u>543,868</u>	<u>440,441</u>	<u>103,427</u>
Excess(deficiency) of revenues over (under) expenditures	<u>(128,678)</u>	<u>(136,491)</u>	<u>(7,813)</u>
Other financing sources (uses)			
Transfers out	<u>(77,732)</u>	<u>(67,732)</u>	<u>10,000</u>
Total other financing (uses)			
	<u>(77,732)</u>	<u>(67,732)</u>	<u>10,000</u>
Net change in fund balance			
	(206,410)	(204,223)	2,187
Fund balance, beginning of year	<u>212,976</u>	<u>212,976</u>	<u>-</u>
Fund balance, end of year	<u>\$ 6,566</u>	<u>\$ 8,753</u>	<u>\$ 2,187</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, 2017**

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	\$ 106,044	\$ 219,034	\$ 112,990
Investment income	500	2,191	1,691
Total revenues	<u>106,544</u>	<u>221,225</u>	<u>114,681</u>
Expenditures			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)			
Transfers out	<u>(204,000)</u>	<u>-</u>	<u>204,000</u>
Total other financing (uses)	<u>(204,000)</u>	<u>-</u>	<u>204,000</u>
Net change in fund balance	(97,456)	221,225	318,681
Fund balance, beginning of year	<u>517,640</u>	<u>517,640</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 420,184</u></u>	<u><u>\$ 738,865</u></u>	<u><u>\$ 318,681</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, 2017**

	Final budget	Actual	Variance with final budget
Revenues			
Taxes	\$ -	\$ 360,726	\$ 360,726
Investment income	-	1,823	1,823
Total revenues	-	362,549	362,549
Expenditures			
Current:			
Public works	20,742	282,747	(262,005)
Total expenditures	20,742	282,747	(262,005)
Excess (deficiency) of revenues over (under) expenditures	(20,742)	79,802	100,544
Other financing sources (uses)			
Transfers out	(17,897)	(52,753)	(34,856)
Total other financing (uses)	(17,897)	(52,753)	(34,856)
Net change in fund balance	(38,639)	27,049	65,688
Fund balance, beginning of year	495,488	495,488	-
Fund balance, end of year	\$ 456,849	\$ 522,537	\$ 65,688

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, 2017**

	Final budget	Actual	Variance with final budget
Revenues			
Taxes	\$ 252,827	\$ 251,225	\$ (1,602)
Investment income	-	2,147	2,147
Total revenues	<u>252,827</u>	<u>253,372</u>	<u>545</u>
Expenditures			
Current:			
Public works	-	34,599	(34,599)
Total expenditures	<u>-</u>	<u>34,599</u>	<u>(34,599)</u>
Excess of revenues over expenditures	<u>252,827</u>	<u>218,773</u>	<u>(34,054)</u>
Other financing sources (uses)			
Tranfers in	16,554	-	(16,554)
Tranfers out	<u>(163,535)</u>	<u>(163,535)</u>	<u>-</u>
Total other financing (uses)	<u>(146,981)</u>	<u>(163,535)</u>	<u>(16,554)</u>
Net change in fund balance	105,846	55,238	(50,608)
Fund balance, beginning of the year	<u>236,218</u>	<u>236,218</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 342,064</u></u>	<u><u>\$ 291,456</u></u>	<u><u>\$ (50,608)</u></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, 2017**

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	\$ 61,900	\$ 61,223	\$ (677)
Total revenues	<u>61,900</u>	<u>61,223</u>	<u>(677)</u>
Expenditures			
Current:			
Community development	<u>5,000</u>	<u>5,030</u>	<u>(30)</u>
Total expenditures	<u>5,000</u>	<u>5,030</u>	<u>(30)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>56,900</u>	<u>56,193</u>	<u>(707)</u>
Other financing sources (uses)			
Transfers out	<u>(56,900)</u>	<u>(56,791)</u>	<u>109</u>
Total other financing sources (uses)	<u>(56,900)</u>	<u>(56,791)</u>	<u>109</u>
Net change in fund balance	-	(598)	(598)
Fund balance, beginning of year	<u>11,862</u>	<u>11,862</u>	-
Fund balance, end of year	<u>\$ 11,862</u>	<u>\$ 11,264</u>	<u>\$ (598)</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, 2017**

	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
Revenues			
Intergovernmental	\$ 420,000	\$ 309,035	\$ (110,965)
Total revenues	<u>420,000</u>	<u>309,035</u>	<u>(110,965)</u>
Expenditures			
Current:			
Transit	<u>420,000</u>	<u>309,035</u>	<u>110,965</u>
Total expenditures	<u>420,000</u>	<u>309,035</u>	<u>110,965</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>

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, 2017**

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	\$ 10,418	\$ 9,741	\$ (677)
Investment income	25	162	137
	<u>10,443</u>	<u>9,903</u>	<u>(540)</u>
Total revenues			
Expenditures			
Current:			
Public works	36,452	34,215	2,237
	<u>36,452</u>	<u>34,215</u>	<u>2,237</u>
Total expenditures			
Excess(deficiency) of revenues over (under) expenditures	<u>(26,009)</u>	<u>(24,312)</u>	<u>1,697</u>
Other financing sources (uses)			
Transfers in	25,000	25,000	-
Transfers out	(616)	(616)	-
	<u>24,384</u>	<u>24,384</u>	<u>-</u>
Total other financing sources			
Net change in fund balance	(1,625)	72	1,697
Fund balance, beginning of year	<u>17,413</u>	<u>17,413</u>	<u>-</u>
Fund balance, end of year	<u>\$ 15,788</u>	<u>\$ 17,485</u>	<u>\$ 1,697</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, 2017**

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	\$ 30,332	\$ 39,423	\$ 9,091
Charges for services	75,000	77,004	2,004
Investment Income	200	517	317
	<hr/>	<hr/>	<hr/>
Total revenues	105,532	116,944	11,412
	<hr/>	<hr/>	<hr/>
Expenditures			
Current:			
Public works	108,038	80,394	27,644
	<hr/>	<hr/>	<hr/>
Total expenditures	108,038	80,394	27,644
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(2,506)	36,550	39,056
	<hr/>	<hr/>	<hr/>
Other financing sources (uses)			
Transfers out	(11,468)	(11,468)	-
	<hr/>	<hr/>	<hr/>
Total other financing (uses)	(11,468)	(11,468)	-
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(13,974)	25,082	39,056
	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	157,466	157,466	-
	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ 143,492</u>	<u>\$ 182,548</u>	<u>\$ 39,056</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, 2017**

	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
Revenues			
Taxes	\$ 79,435	\$ 67,688	\$ (11,747)
Charges for services	50,600	80,305	29,705
Other	20,000	5,008	(14,992)
	<u>150,035</u>	<u>153,001</u>	<u>2,966</u>
Expenditures			
Current:			
Parks and recreation	248,027	259,118	(11,091)
	<u>248,027</u>	<u>259,118</u>	<u>(11,091)</u>
Net change in fund balance	(97,992)	(106,117)	(8,125)
Fund balance (deficit), beginning of year	<u>(232,628)</u>	<u>(232,628)</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ (330,620)</u>	<u>\$ (338,745)</u>	<u>\$ (8,125)</u>

City of Fillmore

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Recreation Special Revenue Fund
Year Ended June 30, 2017**

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	\$ 31,200	\$ 27,780	\$ (3,420)
Charges for services	140,300	114,662	(25,638)
Other	10,700	11,488	788
	<u>182,200</u>	<u>153,930</u>	<u>(28,270)</u>
Total revenues			
	<u>182,200</u>	<u>153,930</u>	<u>(28,270)</u>
Expenditures			
Current:			
Parks and recreation	385,332	371,415	13,917
	<u>385,332</u>	<u>371,415</u>	<u>13,917</u>
Total expenditures			
	<u>385,332</u>	<u>371,415</u>	<u>13,917</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(203,132)</u>	<u>(217,485)</u>	<u>(14,353)</u>
Other financing sources (uses)			
Transfers in	198,622	198,622	-
	<u>198,622</u>	<u>198,622</u>	<u>-</u>
Total other financing sources			
	<u>198,622</u>	<u>198,622</u>	<u>-</u>
Net change in fund balance	(4,510)	(18,863)	(14,353)
Fund balance (deficit), beginning of year	<u>(143,585)</u>	<u>(143,585)</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ (148,095)</u>	<u>\$ (162,448)</u>	<u>\$ (14,353)</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, 2017**

	Final budget	Actual	Variance with final budget
Revenues			
Charges for services	\$ 157,794	\$ 129,679	\$ (28,115)
Investment income	-	1,843	1,843
	<u>157,794</u>	<u>131,522</u>	<u>(26,272)</u>
Total revenues			
Expenditures			
Current:			
Public works	-	3,403	(3,403)
	<u>-</u>	<u>3,403</u>	<u>(3,403)</u>
Total expenditures			
Excess of revenues over expenditures	<u>157,794</u>	<u>128,119</u>	<u>(29,675)</u>
Other financing uses			
Transfers out	<u>(65,000)</u>	<u>(39,409)</u>	<u>25,591</u>
	<u>(65,000)</u>	<u>(39,409)</u>	<u>25,591</u>
Total other financing uses			
Net change in fund balance	92,794	88,710	(4,084)
Fund balance, beginning of year	<u>423,489</u>	<u>423,489</u>	<u>-</u>
Fund balance, end of year	<u>\$ 516,283</u>	<u>\$ 512,199</u>	<u>\$ (4,084)</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, 2017**

	Final budget	Actual	Variance with final budget
Revenues			
Charges for services	\$ 43,197	\$ 58,155	\$ 14,958
Investment income	-	725	725
	<u>43,197</u>	<u>58,880</u>	<u>15,683</u>
Expenditures			
Current:			
Public works	-	7,971	(7,971)
	<u>-</u>	<u>7,971</u>	<u>(7,971)</u>
Excess of revenues over expenditures	<u>43,197</u>	<u>50,909</u>	<u>7,712</u>
Other financing sources (uses)			
Transfers out	<u>(163,000)</u>	<u>(163,000)</u>	<u>-</u>
Total other financing (uses)	<u>(163,000)</u>	<u>(163,000)</u>	<u>-</u>
Net change in fund balance	(119,803)	(112,091)	7,712
Fund balance, beginning of year	<u>129,363</u>	<u>129,363</u>	<u>-</u>
Fund balance, end of year	<u>\$ 9,560</u>	<u>\$ 17,272</u>	<u>\$ 7,712</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, 2017**

	Final budget	Actual	Variance with final budget
Revenues			
Charges for services	\$ 127,500	\$ 302,643	\$ 175,143
Investment income	4,000	8,715	4,715
	<u>131,500</u>	<u>311,358</u>	<u>179,858</u>
Expenditures			
Current:			
Community development	-	7,713	(7,713)
	<u>-</u>	<u>7,713</u>	<u>(7,713)</u>
Excess of revenues over expenditures	<u>131,500</u>	<u>303,645</u>	<u>172,145</u>
Other financing sources (uses)			
Transfers out	(312,536)	(312,536)	-
	<u>(312,536)</u>	<u>(312,536)</u>	<u>-</u>
Net change in fund balance	(181,036)	(8,891)	172,145
Fund balance, beginning of year	<u>444,729</u>	<u>444,729</u>	<u>-</u>
Fund balance, end of year	<u>\$ 263,693</u>	<u>\$ 435,838</u>	<u>\$ 172,145</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, 2017**

	Final budget	Actual	Variance with final budget
Revenues			
Charges for services	\$ 241,485	\$ 304,715	\$ 63,230
Investment income	-	3,410	3,410
Total revenues	<u>241,485</u>	<u>308,125</u>	<u>66,640</u>
Expenditures			
Current:			
Public works	-	7,582	(7,582)
Total expenditures	<u>-</u>	<u>7,582</u>	<u>(7,582)</u>
Excess of revenues over expenditures	<u>241,485</u>	<u>300,543</u>	<u>59,058</u>
Other financing (uses)			
Transfers out	<u>(200,000)</u>	<u>-</u>	<u>200,000</u>
Total other financing (uses)	<u>(200,000)</u>	<u>-</u>	<u>200,000</u>
Net change in fund balance	41,485	300,543	259,058
Fund balance, beginning of year	<u>63,512</u>	<u>63,512</u>	<u>-</u>
Fund balance, end of year	<u>\$ 104,997</u>	<u>\$ 364,055</u>	<u>\$ 259,058</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, 2017**

	Final budget	Actual	Variance with final budget
Revenues			
Charges for services	\$ 81,600	\$ 157,208	\$ 75,608
Investment income	-	2,656	2,656
Total revenues	<u>81,600</u>	<u>159,864</u>	<u>78,264</u>
Expenditures			
Current:			
Public works	-	3,403	(3,403)
Total expenditures	<u>-</u>	<u>3,403</u>	<u>(3,403)</u>
Net change in fund balance	81,600	156,461	74,861
Fund balance, beginning of year	<u>680,539</u>	<u>680,539</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 762,139</u></u>	<u><u>\$ 837,000</u></u>	<u><u>\$ 74,861</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, 2017**

	Final budget	Actual	Variance with final budget
Revenues			
Charges for services	\$ 15,000	\$ 6,665	\$ (8,335)
Investment income	35	-	(35)
Total revenues	<u>15,035</u>	<u>6,665</u>	<u>(8,370)</u>
Expenditures			
Current:			
Public works	<u>68,395</u>	<u>65,251</u>	<u>3,144</u>
Total expenditures	<u>68,395</u>	<u>65,251</u>	<u>3,144</u>
Excess(deficiency) of revenues over (under) expenditures	<u>(53,360)</u>	<u>(58,586)</u>	<u>(5,226)</u>
Other financing sources (uses)			
Transfers in	<u>33,000</u>	<u>33,000</u>	<u>-</u>
Total other financing sources	<u>33,000</u>	<u>33,000</u>	<u>-</u>
Net change in fund balance	(20,360)	(25,586)	(5,226)
Fund balance (deficit), beginning of year	<u>(20,906)</u>	<u>(20,906)</u>	<u>-</u>
Fund balance (deficit), end of year	<u><u>\$ (41,266)</u></u>	<u><u>\$ (46,492)</u></u>	<u><u>\$ (5,226)</u></u>

City of Fillmore

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Levees Reserve Special Revenue Fund
Year Ended June 30, 2017**

	Final budget	Actual	Variance with final budget
Revenues			
Investment income	\$ -	\$ 4,529	\$ 4,529
Total revenues	-	4,529	4,529
Expenditures			
Total expenditures	-	-	-
Excess of revenues over expenditures	-	4,529	4,529
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	138,424	4,529
Fund balance, beginning of year	1,271,274	1,271,274	-
Fund balance, end of fiscal year	<u>\$ 1,405,169</u>	<u>\$ 1,409,698</u>	<u>\$ 4,529</u>

City of Fillmore

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
DIF Fire Substation Special Revenue Fund
Year Ended June 30, 2017**

	Final budget	Actual	Variance with final budget
Revenues			
Charges for services	\$ 27,540	\$ 34,766	\$ 7,226
Investment income	-	372	372
Total revenues	<u>27,540</u>	<u>35,138</u>	<u>7,598</u>
Expenditures			
Current:			
Total expenditures	-	-	-
Net change in fund balance	27,540	35,138	7,598
Fund balance, beginning of year	<u>86,286</u>	<u>86,286</u>	-
Fund balance, end of fiscal year	<u>\$ 113,826</u>	<u>\$ 121,424</u>	<u>\$ 7,598</u>

City of Fillmore

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Two Rivers Park - Capital Projects Fund
Year Ended June 30, 2017**

	Final budget	Actual	Variance with final budget
Revenues			
Charges for services	1,000,000	\$ -	\$ (1,000,000)
Total revenues	1,000,000	-	(1,000,000)
Expenditures			
Capital outlay	1,000,000	32,070	967,930
Total expenditures	1,000,000	32,070	967,930
Net change in fund balance	-	(32,070)	(32,070)
Fund balance, beginning of year	1,411,746	1,411,746	-
Fund balance, end of year	<u>\$ 1,411,746</u>	<u>\$ 1,379,676</u>	<u>\$ (32,070)</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, 2017**

	Final budget	Actual	Variance with final budget
Revenues			
Total revenues	\$ -	\$ -	\$ -
Expenditures			
Capital outlay	739,000	492,745	246,255
Total expenditures	739,000	492,745	246,255
Excess(deficiency) of revenues over (under) expenditures	(739,000)	(492,745)	246,255
Other financing sources (uses)			
Transfers in	367,000	163,000	(204,000)
Total other financing sources	367,000	163,000	(204,000)
Net change in fund balance	(372,000)	(329,745)	42,255
Fund balance, beginning of year	286,339	286,339	-
Fund balance (deficit), end of year	<u>\$ (85,661)</u>	<u>\$ (43,406)</u>	<u>\$ 42,255</u>

City of Fillmore

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Public Buildings Improvements Capital Projects Fund
Year Ended June 30, 2017**

	Final budget	Actual	Variance with final budget
Revenues			
Total revenues	\$ -	\$ -	\$ -
Expenditures			
Capital outlay	65,000	44,358	20,642
Total expenditures	65,000	44,358	20,642
Excess (deficiency) of revenues over (under) expenditures	(65,000)	(44,358)	20,642
Other financing sources (uses)			
Transfers in	65,000	39,408	(25,592)
Total other financing sources (uses):	65,000	39,408	(25,592)
Net change in fund balance	-	(4,950)	(4,950)
Fund balance, beginning of year	183,822	183,822	-
Fund balance, end of year	\$ 183,822	\$ 178,872	\$ (4,950)

**COMBINING STATEMENTS OF PROPRIETARY FUNDS
SEWER & WATER FUNDS**

City of Fillmore

**Combining Statement of Net Position
Proprietary Funds – Sewer Funds
June 30, 2017**

	Sewer Operating Fund	Sewer Replacement Fund	Rate Stabilization Fund	Totals
Assets				
Current assets:				
Cash and investments	\$ 3,116,156	\$ 717,602	\$ 1,539,767	\$ 5,373,525
Cash and investments with fiscal agent	1,784,805	-	-	1,784,805
Receivables, net:				
Accounts	807,415	-	-	807,415
Interest	3,845	-	1,614	5,459
Prepays	270,723	-	-	270,723
Total current assets	5,982,944	717,602	1,541,381	8,241,927
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
Vehicle	13,230.00	-	-	13,230
Less - accumulated depreciation	(9,971,838)	-	-	(9,971,838)
Total non-current assets	66,746,275	-	-	66,746,275
Total assets	72,729,219	717,602	1,541,381	74,988,202
Deferred outflows of resources				
Pension related	80,231	-	-	80,231

City of Fillmore

**Combining Statement of Net Position (continued)
Proprietary Funds – Sewer Funds
June 30, 2017**

	Sewer Operating Fund	Sewer Replacement Fund	Rate Stabilization Fund	Totals
Liabilities				
Current liabilities:				
Accounts payable	\$ 885,175	\$ -	\$ -	\$ 885,175
Accrued interest payable	115,409	-	-	115,409
Deposits payable	329,766	-	-	329,766
Current portion of long-term obligations	<u>1,077,786</u>	<u>-</u>	<u>-</u>	<u>1,077,786</u>
Total current liabilities	<u>2,408,136</u>	<u>-</u>	<u>-</u>	<u>2,408,136</u>
Noncurrent liabilities:				
Compensated absences	14,991	-	-	14,991
Net pension liability	277,592	-	-	277,592
Bonds payable	47,362,214	-	-	47,362,214
Premium on bonds payable	<u>3,516,500</u>	<u>-</u>	<u>-</u>	<u>3,516,500</u>
Total non-current liabilities	<u>51,171,297</u>	<u>-</u>	<u>-</u>	<u>51,171,297</u>
Total liabilities	<u>53,579,433</u>	<u>-</u>	<u>-</u>	<u>53,579,433</u>
Deferred inflows of resources				
Pension related	16,480	-	-	16,480
Debt related	<u>814,626</u>	<u>-</u>	<u>-</u>	<u>814,626</u>
Total deferred inflows of resources	<u>831,106</u>	<u>-</u>	<u>-</u>	<u>831,106</u>
Net position				
Net investment in capital assets	14,789,775	-	-	14,789,775
Restricted for debt service	1,502,456	-	-	1,502,456
Unrestricted	<u>2,106,680</u>	<u>717,602</u>	<u>1,541,381</u>	<u>4,365,663</u>
Total net position	<u>\$ 18,398,911</u>	<u>\$ 717,602</u>	<u>\$ 1,541,381</u>	<u>\$ 20,657,894</u>

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City of Fillmore

**Combining Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds – Sewer Funds
Year Ended June 30, 2017**

	Sewer Operating Fund	Sewer Replacement Fund	Rate Stabilization Fund	Inter-fund Eliminations	Totals
Operating revenues					
Sales and service charges, net	6,138,615	\$ -	\$ -	\$ -	\$ 6,138,615
Other	268,480	-	-	-	268,480
Total operating revenues	6,407,095	-	-	-	6,407,095
Operating expenses					
Administration costs	667,731	-	-	-	667,731
Pension expense(credit)	(21,733)	-	-	-	(21,733)
Customer accounts	259,078	-	-	-	259,078
Treatment and disposal plant	2,018,824	-	-	-	2,018,824
Depreciation	1,091,151	-	-	-	1,091,151
Total operating expenses	4,015,051	-	-	-	4,015,051
Operating income	2,392,044	-	-	-	2,392,044
Non-operating revenues (expenses)					
Investment income	34,668	-	10,483	-	45,151
Amortization	(52,795)	-	-	-	(52,795)
Interest expense	(2,236,758)	-	-	-	(2,236,758)
Bond trustee charges	(384,545)	-	-	-	(384,545)
Total non-operating revenues (expenses)	(2,639,430)	-	10,483	-	(2,628,947)
Income (loss) before transfers	(247,386)	-	10,483	-	(236,903)
Transfers					
Transfers in	312,536	356,200	-	(356,200)	312,536
Transfers out	(484,026)	-	-	356,200	(127,826)
Change in net position	(418,876)	356,200	10,483	-	(52,193)
Net position, beginning of year	18,817,787	361,402	1,530,898	-	20,710,087
Net position, end of year	\$ 18,398,911	\$ 717,602	\$ 1,541,381	\$ -	\$ 20,657,894

City of Fillmore

**Combining Statement of Net Position
Proprietary Funds – Water Funds
Year Ended June 30, 2017**

	Water Operating Fund	Water Reserve Fund	Well #9 Fund	Totals
Assets				
Current assets:				
Cash and investments	\$ 4,749,080	\$ 1,799,196	\$ 220,278	\$ 6,768,554
Cash and investments with fiscal agent	104	-	-	104
Receivables, net:				
Accounts	494,693	-	-	494,693
Interest	7,188	-	-	7,188
Prepays	2,950	-	-	2,950
Total current assets	5,254,015	1,799,196	220,278	7,273,489
Noncurrent assets:				
Capital assets:				
Land and construction in progress	681,582	-	-	681,582
Land and buildings improvements	267,809	-	-	267,809
Transmissions and mains	7,499,469	-	-	7,499,469
Wells and reservoirs	518,381	-	-	518,381
Machinery and equipment	1,399,045	-	-	1,399,045
Less - accumulated depreciation	(3,766,042)	-	-	(3,766,042)
Total non-current assets	6,600,244	-	-	6,600,244
Total assets	11,854,259	1,799,196	220,278	13,873,733
Deferred outflows of resources				
Pension related	320,928	-	-	320,928
Debt related	227,078	-	-	227,078
Total deferred outflows of resources	548,006	-	-	548,006

City of Fillmore

**Combining Statement of Net Position
Proprietary Funds – Water Funds (continued)
Year Ended June 30, 2017**

	Water Operating Fund	Water Reserve Fund	Well #9 Fund	Totals
Liabilities				
Current liabilities:				
Accounts payable	\$ 291,113	\$ -	\$ 3,615	\$ 294,728
Accrued interest payable	47,848	-	-	47,848
Deposits payable	151,845	-	-	151,845
Current portion of long-term obligations	322,403	-	-	322,403
Total current liabilities	<u>813,209</u>	<u>-</u>	<u>3,615</u>	<u>816,824</u>
Noncurrent liabilities:				
Compensated absences	91,783	-	-	91,783
Net pension liability	1,110,372	-	-	1,110,372
Bonds payable	5,527,597	-	-	5,527,597
Premium on bonds payable	10,364	-	-	10,364
Total non-current liabilities	<u>6,740,116</u>	<u>-</u>	<u>-</u>	<u>6,740,116</u>
Total liabilities	<u>7,553,325</u>	<u>-</u>	<u>3,615</u>	<u>7,556,940</u>
Deferred inflows of resources				
Pension related	65,910	-	-	65,910
Total deferred inflows of resources	<u>65,910</u>	<u>-</u>	<u>-</u>	<u>65,910</u>
Net position				
Net investment in capital assets	966,958	-	-	966,958
Restricted for debt service	572,088	-	-	572,088
Unrestricted	3,243,985	1,799,196	216,663	5,259,844
Total net position	<u>\$ 4,783,030</u>	<u>\$ 1,799,196</u>	<u>\$ 216,663</u>	<u>\$ 6,798,889</u>

City of Fillmore

**Combining Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds – Water Funds
Year Ended June 30, 2017**

	Water Operating Fund	Water Reserve Fund	Well #9 Fund	Inter-fund Eliminations	Totals
Operating revenues					
Sales and service charges, net	\$ 3,165,315	\$ -	\$ -	\$ -	\$ 3,165,315
Other	66,152	-	-	-	66,152
Total operating revenues	<u>3,231,467</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,231,467</u>
Operating expenses					
Administration costs	670,768	-	-	-	670,768
Pension expense(credit)	(793,663)	-	-	-	(793,663)
Pumping	616,569	-	-	-	616,569
Transmission and distribution	389,109	-	49,148	-	438,257
Customer accounts	294,902	-	-	-	294,902
Depreciation	135,746	-	-	-	135,746
Total operating expenses	<u>1,313,431</u>	<u>-</u>	<u>49,148</u>	<u>-</u>	<u>1,362,579</u>
Operating income	<u>1,918,036</u>	<u>-</u>	<u>(49,148)</u>	<u>-</u>	<u>1,868,888</u>
Non-operating revenues (expenses)					
Investment income	40,649	-	-	-	40,649
Amortization	(15,139)	-	-	-	(15,139)
Interest expense	(296,343)	-	-	-	(296,343)
Total non-operating revenues (expenses)	<u>(270,833)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(270,833)</u>
Income (loss) before transfers	1,647,203	-	(49,148)	-	1,598,055
Transfers					
Transfers in	-	228,555	48,292	(276,847)	-
Transfers out	(471,226)	(48,292)	-	276,847	(242,671)
Change in net position	1,175,977	180,263	(856)	-	1,355,384
Net position, beginning of year	<u>3,607,053</u>	<u>1,618,933</u>	<u>217,519</u>	<u>-</u>	<u>5,443,505</u>
Net position, end of year	<u>\$ 4,783,030</u>	<u>\$ 1,799,196</u>	<u>\$ 216,663</u>	<u>\$ -</u>	<u>\$ 6,798,889</u>

AGENCY FUNDS

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City of Fillmore

Combining Statements of Agency Funds Year Ended June 30, 2017

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, 2017**

	Special Deposits	Health Reimbursement Account	Community Facilities District No. 1
Assets			
Cash and investments	\$ 662,496	\$ 3,374	\$ 331,878
Cash and investments with fiscal agent	-	-	192,143
Receivables:			
Interest	80,000	-	-
Taxes	-	-	52,546
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 742,496</u>	<u>\$ 3,374</u>	<u>\$ 576,567</u>
Liabilities			
Accounts payable	\$ 96,737	\$ -	\$ -
Deposits payable	645,759	3,374	-
Due to bondholders	-	-	576,567
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>\$ 742,496</u>	<u>\$ 3,374</u>	<u>\$ 576,567</u>

Continued

<u>Community Facilities District No. 2</u>	<u>Community Facilities District No. 3</u>	<u>Community Facilities District No. 5</u>	<u>Community Facilities District No. 6</u>	<u>Totals</u>
\$ 68,686	\$ 307,416	\$ 1,039,975	\$ 30,967	\$ 2,444,792
40,545	316,673	13,248,710	-	13,798,071
-	-	-	-	80,000
1,148	-	7,008	-	60,702
<u>\$ 110,379</u>	<u>\$ 624,089</u>	<u>\$ 14,295,693</u>	<u>\$ 30,967</u>	<u>\$ 16,383,565</u>
\$ -	\$ -	\$ -	\$ -	\$ 96,737
-	-	-	-	649,133
110,379	624,089	14,295,693	30,967	15,637,695
<u>\$ 110,379</u>	<u>\$ 624,089</u>	<u>\$ 14,295,693</u>	<u>\$ 30,967</u>	<u>\$ 16,383,565</u>

City of Fillmore

**Combined Statement of Changes in Fiduciary Assets and Liabilities - Agency Funds
Year Ended June 30, 2017**

	Balance 6/30/2016	Additions	Deletions	Balance 6/30/2017
Assets				
Cash and investments	\$ 2,092,621	\$ 1,900,450	\$ (1,548,279)	\$ 2,444,792
Cash and investments with fiscal agent	14,015,098	77,134	(294,161)	13,798,071
Receivables:				
Interest	369	80,058	(427)	80,000
Taxes	9,822	60,702	(9,822)	60,702
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 16,117,910</u>	<u>\$ 2,118,344</u>	<u>\$ (1,852,689)</u>	<u>\$ 16,383,565</u>
Liabilities				
Accounts payable	\$ 46,088	\$ 1,462,567	\$ (1,411,918)	\$ 96,737
Deposits payable	547,978	590,173	(489,018)	649,133
Due to bondholders	15,523,844	1,431,462	(1,317,611)	15,637,695
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>\$ 16,117,910</u>	<u>\$ 3,484,202</u>	<u>\$ (3,218,547)</u>	<u>\$ 16,383,565</u>

Statistical Section

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**Overview of Statistical Section
For the year ended June 30, 2017**

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				
	2008	2009	2010	2011	2012
Governmental activities:					
Net investment in capital assets	\$ 1,550,061	\$ 6,553,716	\$ 1,385,754	\$ (1,781,392)	\$ 40,212,171
Restricted	100,728,436	77,528,844	20,526,872	17,739,985	9,930,184
Unrestricted	<u>(72,553,980)</u>	<u>(53,131,415)</u>	<u>3,650,920</u>	<u>5,197,468</u>	<u>(749,463)</u>
Total governmental activities net position	<u>\$ 29,724,517</u>	<u>\$ 30,951,145</u>	<u>\$ 25,563,546</u>	<u>\$ 21,156,061</u>	<u>\$ 49,392,892</u>
Business-type activities:					
Net investment in capital assets	\$ 16,127,311	\$ 16,992,905	\$ 19,994,371	\$ 17,658,029	\$ 17,615,327
Restricted	7,922,313	5,375,630	2,176,370	1,071,180	4,015,826
Unrestricted	<u>(1,757,814)</u>	<u>2,242,242</u>	<u>2,687,295</u>	<u>5,492,674</u>	<u>6,067,486</u>
Total business-type activities net position	<u>\$ 22,291,810</u>	<u>\$ 24,610,777</u>	<u>\$ 24,858,036</u>	<u>\$ 24,221,883</u>	<u>\$ 27,698,639</u>
Total Primary Government:					
Net investment in capital assets	\$ 17,677,372	\$ 23,546,621	\$ 21,380,125	\$ 15,876,647	\$ 57,827,498
Restricted	108,650,749	82,904,474	22,703,242	18,811,165	13,946,010
Unrestricted	<u>(74,311,794)</u>	<u>(50,889,173)</u>	<u>6,338,215</u>	<u>10,690,142</u>	<u>5,318,023</u>
Total primary government net position	<u>\$ 52,016,327</u>	<u>\$ 55,561,922</u>	<u>\$ 50,421,582</u>	<u>\$ 45,377,954</u>	<u>\$ 77,091,531</u>

Source: City of Fillmore Financial Statements

	Fiscal Year				
	2013	2014	2015	2016	2017
Governmental activities:					
Net investment in capital assets	\$ 39,913,828	\$ 41,761,056	\$ 41,024,999	\$ 40,519,500	\$ 40,143,965
Restricted	10,480,391	11,057,710	5,220,450	6,904,471	7,724,709
Unrestricted	(587,925)	1,426,289	6,127,653	8,779,723	8,059,798
Total governmental activities net position	<u>\$ 49,806,294</u>	<u>\$ 54,245,055</u>	<u>\$ 52,373,102</u>	<u>\$ 56,203,694</u>	<u>\$ 55,928,472</u>
Business-type activities:					
Net investment in capital assets	\$ 15,210,264	\$ 13,640,747	\$ 13,417,326	\$ 13,465,952	\$ 15,756,733
Restricted	3,501,562	4,011,281	4,009,131	4,010,094	2,074,544
Unrestricted	9,776,654	8,425,572	7,904,986	8,460,027	9,625,507
Total governmental activities net position	<u>\$ 28,488,480</u>	<u>\$ 26,077,600</u>	<u>\$ 25,331,443</u>	<u>\$ 25,936,073</u>	<u>\$ 27,456,783</u>
Total Primary Government:					
Net investment in capital assets	\$ 55,124,092	\$ 55,401,803	\$ 54,442,325	\$ 53,985,452	\$ 55,900,698
Restricted	13,981,953	15,068,991	9,229,581	10,914,565	9,799,253
Unrestricted	9,188,729	9,851,861	14,032,639	17,139,750	17,685,305
Total governmental activities net position	<u>\$ 78,294,774</u>	<u>\$ 80,322,655</u>	<u>\$ 77,704,545</u>	<u>\$ 82,039,767</u>	<u>\$ 83,385,255</u>

Source: City of Fillmore Financial Statements

City of Fillmore

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

	Fiscal Year				
	2008	2009	2010	2011	2012
Expenses:					
Governmental activities:					
General government	\$ 5,126,136	\$ 1,784,885	\$ 2,156,722	\$ 1,948,173	\$ 2,149,170
Public safety	4,443,275	4,251,443	4,386,275	4,702,271	4,222,865
Public works	1,627,904	2,035,682	1,501,747	1,540,884	1,453,567
Community development	2,226,457	6,064,926	5,843,128	5,187,369	596,162
Economic development	-	-	-	-	17,632
Transit	383,999	424,486	436,642	404,103	462,246
Parks and recreation	396,161	1,360,997	812,009	856,554	783,502
Pass through payments	1,701,052	-	-	-	-
Unallocated depreciation	423,970	-	-	-	-
Interest on long-term debt	6,599,187	4,246,056	3,429,352	2,641,930	923,749
Total governmental activities expenses	<u>22,928,141</u>	<u>20,168,475</u>	<u>18,565,875</u>	<u>17,281,284</u>	<u>10,608,893</u>
Business-type activities					
Sewer	\$ 4,191,490	\$ 4,947,285	\$ 4,750,960	\$ 6,176,386	\$ 6,046,775
Water	2,378,886	2,360,380	2,474,741	2,256,831	1,866,951
Town Theatre	131,524	112,078	89,560	67,530	7,592
Total business-type activities expenses	<u>6,701,900</u>	<u>7,419,743</u>	<u>7,315,261</u>	<u>8,500,747</u>	<u>7,921,318</u>
Total primary government expenses	<u>\$ 29,630,041</u>	<u>\$ 27,588,218</u>	<u>\$ 25,881,136</u>	<u>\$ 25,782,031</u>	<u>\$ 18,530,211</u>

Source: City of Fillmore Financial Statements

	Fiscal Year				
	2013	2014	2015	2016	2017
Expenses:					
Governmental activities:					
General government	\$ 1,543,232	\$ 1,149,142	\$ 3,265,982	\$ 961,923	\$ 1,588,255
Public safety	3,925,636	4,558,073	4,645,977	3,921,663	4,991,599
Public works	1,349,809	1,674,384	1,506,317	1,388,200	1,542,908
Community development	209,804	244,623	261,087	441,089	605,148
Economic development	160,784	48,604	84,423	49,945	59,681
Transit	455,358	450,865	505,654	319,687	318,735
Parks and recreation	736,543	831,858	920,104	828,992	1,030,162
Pass through payments	-	-	-	-	-
Unallocated depreciation	-	-	-	-	-
Interest on long-term debt	17,243	19,974	7,385	-	-
Total governmental activities expenses	<u>8,398,409</u>	<u>8,977,523</u>	<u>11,196,929</u>	<u>7,911,499</u>	<u>10,136,488</u>
Business-type activities					
Sewer	\$ 6,164,219	\$ 6,422,985	\$ 6,029,237	\$ 6,326,574	\$ 6,689,149
Water	1,753,574	1,898,243	2,096,090	2,423,168	1,674,061
Town Theatre	-	-	-	-	-
Total business-type activities expenses	<u>7,917,793</u>	<u>8,321,228</u>	<u>8,125,327</u>	<u>8,749,742</u>	<u>8,363,210</u>
Total primary government expenses	<u>\$ 16,316,202</u>	<u>\$ 17,298,751</u>	<u>\$ 19,322,256</u>	<u>\$ 16,661,241</u>	<u>\$ 18,499,698</u>

Source: City of Fillmore Financial Statements

City of Fillmore

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

	Fiscal Year				
	2008	2009	2010	2011	2012
Program revenues:					
Governmental activities:					
Charges for services:					
General government	\$ 859,960	\$ 115,907	\$ 138,046	\$ 83,212	\$ 173,130
Public safety	153,892	151,896	115,214	144,862	73,331
Public works	754,793	1,180,213	853,702	686,331	860,531
Community development	414,684	229,353	146,921	326,628	161,130
Economic development	-	-	-	-	-
Transit	1,384	-	-	-	-
Parks and recreation	104,312	407,487	124,018	199,525	150,903
Total charges for services	<u>2,289,025</u>	<u>2,084,856</u>	<u>1,377,901</u>	<u>1,440,558</u>	<u>1,419,025</u>
Operating contributions and grants	1,860,496	706,195	940,749	1,086,782	1,189,436
Capital contributions and grants	506,290	1,263,185	1,299,582	357,601	169,924
Total governmental activities program revenues	<u>4,655,811</u>	<u>4,054,236</u>	<u>3,618,232</u>	<u>2,884,941</u>	<u>2,778,385</u>
Business-type activities:					
Charges for services:					
Sewer	5,468,498	4,575,395	4,797,946	5,485,334	4,737,423
Water	2,664,031	2,412,236	2,333,000	2,590,036	2,860,235
Town Theatre	87,231	77,473	50,889	35,592	3,590
Total charges for services	<u>8,219,760</u>	<u>7,065,104</u>	<u>7,181,835</u>	<u>8,110,962</u>	<u>7,601,248</u>
Operating contributions and grants	-	-	-	-	-
Capital contributions and grants	-	-	1,556,475	-	-
Total business-type activities program revenues	<u>8,219,760</u>	<u>7,065,104</u>	<u>8,738,310</u>	<u>8,110,962</u>	<u>7,601,248</u>
Net program revenues (expenses):					
Governmental activities	(18,272,330)	(16,114,239)	(14,947,643)	(14,396,343)	(7,830,508)
Business-type activities	1,517,860	1,201,836	(133,426)	(389,785)	(320,070)
Total primary government net revenue (expense)	<u>\$ (16,754,470)</u>	<u>\$ (14,912,403)</u>	<u>\$ (15,081,069)</u>	<u>\$ (14,786,128)</u>	<u>\$ (8,150,578)</u>

Source: City of Fillmore Financial Statements

	Fiscal Year				
	2013	2014	2015	2016	2017
Program revenues:					
Governmental activities:					
Charges for services:					
General government	\$ 191,418	\$ 106,263	\$ 88,914	\$ 130,954	\$ 138,151
Public safety	100,348	118,954	105,547	143,334	109,685
Public works	625,443	637,548	674,233	1,741,340	743,163
Community development	392,368	339,473	369,746	528,055	429,409
Economic development	8,228	-	-	-	-
Transit	-	-	-	-	-
Parks and recreation	194,961	265,311	218,363	249,265	327,150
Total charges for services	<u>1,512,766</u>	<u>1,467,549</u>	<u>1,456,803</u>	<u>2,792,948</u>	<u>1,747,558</u>
Operating contributions and grants	1,555,200	1,539,876	1,690,262	1,550,050	1,594,297
Capital contributions and grants	1,250,286	686,569	1,791,474	1,411,795	993,831
Total governmental activities program revenues	<u>4,318,252</u>	<u>3,693,994</u>	<u>4,938,539</u>	<u>5,754,793</u>	<u>4,335,686</u>
Business-type activities:					
Charges for services:					
Sewer	5,567,362	5,844,611	5,706,940	6,103,066	6,407,095
Water	3,454,605	3,541,569	3,182,656	3,049,178	3,231,467
Town theatre	-	-	-	-	-
Total charges for services	<u>9,021,967</u>	<u>9,386,180</u>	<u>8,889,596</u>	<u>9,152,244</u>	<u>9,638,562</u>
Operating contributions and grants	-	-	-	-	-
Capital contributions and grants	-	-	-	-	-
Total business-type activities program revenues	<u>9,021,967</u>	<u>9,386,180</u>	<u>8,889,596</u>	<u>9,152,244</u>	<u>9,638,562</u>
Net program revenues (expenses):					
Governmental activities	(4,080,157)	(5,283,529)	(6,258,390)	(2,156,706)	(5,800,802)
Business-type activities	1,104,174	1,064,952	764,269	402,502	1,275,352
Total primary government net revenue (expense)	<u>\$ (2,975,983)</u>	<u>\$ (4,218,577)</u>	<u>\$ (5,494,121)</u>	<u>\$ (1,754,204)</u>	<u>\$ (4,525,450)</u>

Source: City of Fillmore Financial Statements

City of Fillmore

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

	Fiscal Year				
	2008	2009	2010	2011	2012
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property tax	\$ 9,575,697	\$ 13,180,076	\$ 6,473,631	\$ 6,776,187	\$ 3,651,774
Property tax in lieu of VLF	-	-	-	1,173,819	1,158,490
Sales tax	6,050,597	607,205	611,591	796,685	726,145
Transient occupancy taxes	68,865	69,401	58,918	75,554	89,385
Franchise taxes	326,286	354,869	318,956	323,354	327,878
Business licenses	76,368	116,547	130,478	90,978	103,974
Other	95,370	100,970	102,052	102,292	98,106
Motor vehicle in lieu	60,999	53,150	47,398	81,432	8,093
Use of money and property	5,467,358	-	-	-	-
Other	-	36,707	126,272	162,862	17,145
Investment income	-	2,917,836	941,157	313,129	262,677
Gain on sale of property	-	427,600	-	-	-
Transfers	(3,548,406)	506,060	927,710	447,363	240,489
Prior period adjustments	-	-	-	-	-
Extraordinary item	-	-	-	-	-
Gain on dissolution of Redevelopment Agency	-	-	-	-	33,059,554
Total governmental activities	<u>18,173,134</u>	<u>18,370,421</u>	<u>9,738,163</u>	<u>10,343,655</u>	<u>39,743,710</u>
Business-type activities:					
Use of money and property	2,693,903	-	-	-	-
Investment income	-	1,623,191	1,308,395	200,995	14,261
Transfers	3,548,406	(506,060)	(927,710)	(447,363)	(240,489)
Extraordinary item					
Gain on dissolution of Redevelopment Agency	-	-	-	-	395,253
Total business-type activities	<u>6,242,309</u>	<u>1,117,131</u>	<u>380,685</u>	<u>(246,368)</u>	<u>169,025</u>
Total primary government	<u>24,415,443</u>	<u>19,487,552</u>	<u>10,118,848</u>	<u>10,097,287</u>	<u>39,912,735</u>
Total change in net position					
Governmental activities	(99,196)	2,256,182	(5,209,480)	(4,052,688)	31,913,202
Business-type activities	7,760,169	2,318,967	247,259	(636,153)	(151,045)
Total primary government	<u>\$ 7,660,973</u>	<u>\$ 4,575,149</u>	<u>\$ (4,962,221)</u>	<u>\$ (4,688,841)</u>	<u>\$ 31,762,157</u>

Source: City of Fillmore Financial Statements

	Fiscal Year				
	2013	2014	2015	2016	2017
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property tax	\$ 2,276,746	\$ 1,718,512	\$ 2,128,210	\$ 2,125,026	\$ 2,701,209
Property tax in lieu of VLF	-	-	-	-	-
Sales tax	1,235,297	5,162,138	5,217,885	2,919,778	2,238,539
Transient occupancy taxes	113,810	121,381	106,018	119,908	119,280
Franchise taxes	327,071	321,001	353,284	373,364	352,536
Business licenses	84,983	100,760	112,643	125,865	110,752
Other	33,122	46,612	33,882	287,863	60,842
Motor vehicle in lieu	6,698	-	7,857	6,230	6,957
Use of money and property	-	-	-	-	-
Other	8,848	163,841	51,538	141,781	9,185
Investment income	61,496	33,419	42,288	40,468	85,838
Gain on sale of property	-	-	-	-	-
Transfers in (out)	345,488	123,498	(146,770)	(152,985)	57,961
Prior period adjustments	-	-	-	-	-
Extraordinary item	-	-	-	-	-
Gain on dissolution of Redevelopment Agency	-	-	-	-	-
Total governmental activities	4,493,559	7,791,162	7,906,835	5,987,298	5,743,099
Business-type activities:					
Use of money and property	-	-	-	-	-
Investment income	31,155	22,423	21,543	49,143	85,800
Transfers in (out)	(345,488)	(123,498)	146,770	152,985	(57,961)
Extraordinary item	-	-	-	-	-
Gain on dissolution of Redevelopment Agency	-	-	-	-	-
Total business-type activities	(314,333)	(101,075)	168,313	202,128	27,839
Total primary government	4,179,226	7,690,087	8,075,148	6,189,426	5,770,938
Total change in net position					
Governmental activities	413,402	2,507,633	1,648,445	3,830,592	(57,703)
Business-type activities	789,841	963,877	932,582	604,630	1,303,191
Total primary government	\$ 1,203,243	\$ 3,471,510	\$ 2,581,027	\$ 4,435,222	\$ 1,245,488

Source: City of Fillmore Financial Statements

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City of Fillmore

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

	Fiscal Year				
	2008	2009	2010	2011	2012
General fund:					
Reserved	\$ 43,361	\$ -	\$ -	\$ -	\$ -
Unreserved	3,458,932	5,505,113	3,094,790	-	-
Nonspendable	-	-	-	285,703	298,717
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	1,377,645	1,377,645
Unassigned	-	-	-	332,733	(1,793,818)
Total general fund	\$ 3,502,293	\$ 5,505,113	\$ 3,094,790	\$ 1,996,081	\$ 4,015,826
All other governmental funds:					
Reserved	\$ 102,423,131	\$ 95,918,585	\$ 93,819,680	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	5,455,729.00	2,780,864	1,480,483	2,524,842	-
Capital projects funds	1,219,650	(1,103,714)	(11,254,470)	-	-
Debt Service funds	(5,387,046)	(5,464,187)	(5,634,337)	6,447,174	-
Non-major funds	-	-	-	-	-
Fund Balances:					
Nonspendable	-	-	-	6,175	-
Restricted	-	-	-	2,372,274	2,703,179
Committed	-	-	-	-	-
Assigned	-	-	-	2,020,636	1,270,033
Unassigned	-	-	-	(2,385,844)	(911,347)
Total all other governmental funds	\$ 103,711,464	\$ 92,131,548	\$ 78,411,356	\$ 10,985,257	\$ 3,061,865
	Fiscal Year				
	2013	2014	2015	2016	2017
General fund:					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	369,936	7,250	14,639	7,250	61,990
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	5,220,450	-	-
Unassigned	(454,255)	2,796,517	-	5,971,453	6,008,707
Total general fund	\$ (84,319)	\$ 2,803,767	\$ 5,235,089	\$ 5,978,703	\$ 6,070,697
All other governmental funds:					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Debt Service funds	-	-	-	-	-
Non-major funds	-	-	-	-	-
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	3,386,286	4,041,569	5,085,850	6,904,471	7,724,709
Committed	-	-	-	-	-
Assigned	1,255,503	961,522	1,186,442	1,124,781	615,973
Unassigned	(801,939)	(941,582)	(437,906)	(491,061)	(685,033)
Total all other governmental funds	\$ 3,839,850	\$ 4,061,509	\$ 5,834,386	\$ 7,538,191	\$ 7,655,649

Source: City of Fillmore Financial Statements

City of Fillmore

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

	Fiscal Year				
	2008	2009	2010	2011	2012
Revenues:					
Taxes	\$ 16,254,182	\$ 14,475,228	\$ 7,559,253	\$ 9,280,581	\$ 6,036,719
Licenses and permits	9,819	10,499	140,296	139,932	115,845
Fines and forfeitures	103,101	116,361	107,175	92,969	41,814
Use of money and property	5,380,795	-	-	-	-
Intergovernmental	1,978,102	1,973,431	2,327,126	1,492,050	1,346,438
Charge for services	2,116,153	1,813,214	1,194,871	1,376,952	1,296,002
Investment income	-	2,434,403	732,397	75,345	54,846
Overhead reimbursements	106,228	-	-	-	-
Other	162,408	24,715	148,595	199,295	165,713
Total revenues	<u>26,110,788</u>	<u>20,847,851</u>	<u>12,209,713</u>	<u>12,657,124</u>	<u>9,057,377</u>
Expenditures:					
Current:					
General government	4,990,913	1,372,776	1,920,522	1,616,012	2,101,257
Public safety	4,352,890	4,072,550	4,215,741	4,536,317	3,970,409
Public works	1,545,622	1,332,712	1,070,771	938,084	962,394
Community development	2,682,340	3,342,428	1,752,495	1,527,809	493,645
Economic development	-	-	-	-	17,200
Transit	383,999	424,486	424,277	389,286	450,918
Parks and recreation	363,923	1,034,933	722,671	665,765	615,691
Pass through payments	1,701,052	1,729,529	1,410,562	1,360,970	-
Supplemental ERAF	-	-	2,384,857	491,000	-
Capital outlay	3,248,350	11,760,730	2,271,279	1,382,117	168,301
Debt service:					
Principal	754,507	839,368	9,508,360	895,868	166,237
Interest	6,765,872	4,560,741	3,576,846	2,781,270	1,335,786
Bond issuance costs	-	-	-	-	-
Total expenditures	<u>26,789,468</u>	<u>30,470,253</u>	<u>29,258,381</u>	<u>16,584,498</u>	<u>10,281,838</u>
Excess of revenues over expenditures	<u>(678,680)</u>	<u>(9,622,402)</u>	<u>(17,048,668)</u>	<u>(3,927,374)</u>	<u>(1,224,461)</u>
Other financing sources (uses):					
Payment to escrow agent	-	-	-	-	-
Proceeds from sale of capital assets	180,000	568,800	-	-	-
Proceeds from borrowing	-	-	-	11,260,000	-
Original/Issue discount	-	-	-	-	-
Premium on repayment of advance	-	-	-	-	-
Transfers in	3,833,454	6,046,713	11,498,848	4,556,131	1,865,575
Transfers out	(7,381,860)	(5,540,653)	(10,571,138)	(4,108,768)	(1,625,086)
Total other financing sources (uses)	<u>(3,368,406)</u>	<u>1,074,860</u>	<u>927,710</u>	<u>11,707,363</u>	<u>240,489</u>
Net change in fund balances	<u>\$ (4,047,086)</u>	<u>\$ (8,547,542)</u>	<u>\$ (16,120,958)</u>	<u>\$ 7,779,989</u>	<u>\$ (983,972)</u>
Debt service as a percentage of noncapital expenditures	46.9%	40.6%	94.1%	8.3%	17.4%

Source: City of Fillmore Financial Statements

	Fiscal Year				
	2013	2014	2015	2016	2017
Revenues:					
Taxes	\$ 4,551,586	\$ 7,925,224	\$ 8,425,752	\$ 6,195,661	\$ 6,152,045
Licenses and permits	98,181	130,327	188,543	170,750	144,944
Fines and forfeitures	38,104	49,129	44,073	53,495	62,337
Use of money and property	-	-	-	-	-
Intergovernmental	1,549,592	1,635,217	1,749,822	1,512,910	1,341,069
Charge for services	1,737,111	1,239,462	2,283,924	3,306,679	1,803,349
Investment income	92,849	72,180	240,057	147,419	290,613
Overhead reimbursements	-	-	-	-	-
Other	398,900	174,395	106,009	327,752	96,703
Total revenues	<u>8,466,323</u>	<u>11,225,934</u>	<u>13,038,180</u>	<u>11,714,666</u>	<u>9,891,060</u>
Expenditures:					
Current:					
General government	1,427,640	923,894	1,218,540	1,332,248	1,331,305
Public safety	3,812,319	4,573,875	4,524,278	4,640,184	4,720,608
Public works	954,943	1,157,176	1,048,596	1,162,427	1,150,147
Community development	115,342	264,216	251,871	577,939	557,389
Economic development	46,045	44,942	79,165	58,528	57,865
Transit	457,424	416,893	501,876	395,662	309,035
Parks and recreation	609,072	644,032	679,007	729,231	769,737
Pass through payments	-	-	-	-	-
Supplemental ERAF	-	-	-	-	-
Capital outlay	391,792	480,753	135,778	121,179	569,173
Debt service:					
Principal	169,966	178,341	240,715	94,209	47,427
Interest	16,146	12,468	7,385	2,655	9,364
Bond issuance costs	-	-	-	-	-
Total expenditures	<u>8,000,689</u>	<u>8,696,590</u>	<u>8,687,211</u>	<u>9,114,262</u>	<u>9,522,050</u>
Excess of revenues over expenditures	<u>465,634</u>	<u>2,529,344</u>	<u>4,350,969</u>	<u>2,600,404</u>	<u>369,010</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	2,193,441	844,490	1,188,361	1,246,137	1,176,423
Transfers out	(1,847,953)	(720,992)	(1,335,131)	(1,399,122)	(1,118,462)
Total other financing sources (uses)	<u>345,488</u>	<u>580,401</u>	<u>(146,770)</u>	<u>(152,985)</u>	<u>57,961</u>
Net change in fund balances	<u>\$ 811,122</u>	<u>\$ 3,109,745</u>	<u>\$ 4,204,199</u>	<u>\$ 2,447,419</u>	<u>\$ 426,971</u>
Debt service as a percentage of noncapital expenditures	2.5%	2.4%	3.0%	1.1%	0.6%

Source: City of Fillmore Financial Statements

City of Fillmore

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

	Fiscal Year				
	2008	2009	2010	2011	2012
Water Fund					
Number of Customers:					
Residential	3,817	3,782	3,804	3,804	3,760
Commerical	234	233	226	226	238
Industrial	12	11	16	16	23
Irrigation	65	69	71	71	70
Total	4,128	4,095	4,117	4,117	4,091
Water Units Consumed					
Type of Customer:					
Residential	1,757,732	687,899	657,268	657,268	655,893
Commercial	99,272	89,000	80,530	80,530	75,979
Industrial	8,824	6,517	5,833	5,833	7,052
Irrigation	129,832	97,561	83,288	83,288	69,088
Total	1,995,660	880,977	826,919	826,919	808,012
Revenue from Water Sales					
Residential	\$ 2,273,451	\$ 1,836,363	\$ 1,794,388	\$ 1,794,388	\$ 2,276,223
Commercial	128,398	237,588	219,853	219,853	263,679
Industrial	11,413	17,397	15,925	15,925	24,473
Irrigation	167,925	260,441	227,382	227,382	239,764
Total	\$ 2,581,187	\$ 2,351,789	\$ 2,257,547	\$ 2,257,547	\$ 2,804,139
	Fiscal Year				
	2013	2014	2015	2016	2017
Water Fund					
Number of Customers:					
Residential	3,751	3,681	3,717	3,707	3,827
Commerical	236	230	230	237	237
Industrial	16	16	17	19	20
Irrigation	71	71	65	64	66
Total	4,074	3,998	4,029	4,027	4,150
Water Units Consumed					
Type of Customer:					
Residential	691,134	693,493	597,168	566,356	550,276
Commercial	82,520	83,893	76,693	78,448	75,261
Industrial	7,265	8,227	7,220	7,970	8,243
Irrigation	73,583	85,559	56,612	35,981	37,557
Total	854,502	871,172	737,693	688,755	671,337
Revenue from Water Sales					
Residential	\$ 2,682,368	\$ 2,730,810	\$ 2,558,058	\$ 2,459,348	2,594,519
Commercial	320,269	330,351	325,653	340,653	354,851
Industrial	28,196	32,396	30,657	34,609	38,865
Irrigation	285,584	336,911	240,385	156,244	177,079
Total	\$ 3,316,418	\$ 3,430,468	\$ 3,154,754	\$ 2,990,854	\$ 3,165,315

Source: City of Fillmore Utilities Department

City of Fillmore

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

	Fiscal Year				
	2008	2009	2010	2011	2012
Sewer Fund					
Number of Customers:					
Residential	3,775	3,778	3,801	3,722	3,760
Commerical	230	228	224	223	236
Industrial	11	10	15	15	22
Irrigation	10	69	71	69	70
Total	4,026	4,085	4,111	4,029	4,088
Revenue from Sewer Sales					
Residential	\$ 3,878,656	\$ 3,411,606	\$ 3,997,909	\$ 4,540,942	\$ 3,736,105
Commercial	217,325	324,167	362,271	272,066	318,669
Industrial	18,194	29,971	33,662	18,300	38,034
Irrigation	89,429	483,941	525,063	84,182	393,540
Total	\$ 4,203,604	\$ 4,249,684	\$ 4,918,905	\$ 4,915,490	\$ 4,486,347
	Fiscal Year				
	2013	2014	2015	2016	2017
Sewer Fund					
Number of Customers:					
Residential	3,751	3,681	3,717	3,697	3789
Commercial	234	228	230	236	231
Industrial	15	15	16	16	18
Irrigation	71	71	65	64	66
Total	4,071	3,995	4,028	4,013	4,104
Revenue from Sewer Sales					
Residential	\$ 4,311,947	\$ 4,656,178	\$ 4,626,034	\$ 4,911,630	\$ 5,154,568
Commercial	383,458	415,092	441,076	554,711	542,814
Industrial	41,763	52,477	53,040	62,624	73,729
Irrigation	459,080	574,451	437,459	312,045	367,504
Total	\$ 5,196,249	\$ 5,698,199	\$ 5,557,609	\$ 5,841,010	\$ 6,138,615

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)
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
2017	1/1/2017	38.75	59.85	62.39	73.91	144.23	214.55	284.87	706.78	N/A	N/A	3.88

Source: City of Fillmore Utilities Department

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

		Fiscal Year									
		2008		2009		2010		2011		2012	
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	\$ 44.00	\$ -	\$ 66.00	\$ -	\$ 72.00	\$ -	\$ 80.00	\$ -	\$ 82.00	\$ -
Retail/Commercial	27.10	44	4.50	66.00	6.75	72.00	7.36	80.00	8.18	82.00	8.38
Retail/Commercial	27.10	44	4.60	66.00	6.90	72.00	7.53	80.00	8.37	82.00	8.58
Retail/Commercial	27.10	44	4.65	66.00	6.98	72.00	7.61	80.00	8.46	82.00	8.67
Retail/Commercial	0.94	44.00	4.70	66.00	7.05	72.00	7.69	80.00	8.54	82.00	8.76
Retail/Commercial	0.98	44.00	4.90	66.00	7.35	72.00	8.02	80.00	8.91	82.00	9.13
Retail/Commercial	1.00	44.00	5.00	66.00	7.50	72.00	8.18	80.00	9.09	82.00	9.32
Retail/Commercial	1.01	44.00	5.05	66.00	7.57	72.00	8.26	80.00	9.18	82.00	9.41
Lg Retail/Commercial	1.03	45.33	5.15	67.99	7.73	74.17	8.43	82.41	9.37	84.47	9.60
Lg Retail/Commercial	1.06	46.65	5.30	69.97	7.95	76.33	8.67	84.81	9.63	86.93	9.87
Lg Retail/Commercial	1.30	57.20	6.50	85.80	9.75	93.60	10.64	104.00	11.82	106.60	12.12
Lg Retail/Commercial	1.52	66.88	7.60	100.33	11.40	109.45	12.44	121.61	13.82	124.65	14.17
Lg Retail/Commercial	1.65	72.60	8.25	108.91	12.38	118.81	13.50	132.01	15.00	135.31	15.38

		Fiscal Year									
		2013		2014		2015		2016		2017	
Customer Type	Strength Factor	(1) Consumption Rate									
		Minimum	Rate								
Residential	1.00	\$ 84.46	\$ -	\$ 86.99	\$ -	\$ 89.60	\$ -	\$ 92.29	\$ -	\$ 103.36	\$ -
Retail/Commercial	0.90	84.46	8.63	86.99	8.89	89.60	9.16	92.29	9.44	103.36	10.57
Retail/Commercial	0.92	84.46	8.83	86.99	9.10	89.60	9.37	92.29	9.65	103.36	10.81
Retail/Commercial	0.93	84.46	8.93	86.99	9.19	89.60	9.47	92.29	9.75	103.36	10.92
Retail/Commercial	0.94	84.46	9.02	86.99	9.29	89.60	9.57	92.29	9.86	103.36	11.04
Retail/Commercial	0.98	84.46	9.41	86.99	9.69	89.60	9.98	92.29	10.28	103.36	11.51
Retail/Commercial	1.00	84.46	9.60	86.99	9.88	89.60	10.18	92.29	10.49	103.36	11.75
Retail/Commercial	1.01	84.46	9.69	86.99	9.98	89.60	10.28	92.29	10.59	103.36	11.86
Lg Retail/Commercial	1.03	87.01	9.89	89.61	10.18	92.30	10.49	92.29	10.80	103.36	12.10
Lg Retail/Commercial	1.06	89.54	10.17	92.22	10.48	94.99	10.79	97.84	11.12	109.58	12.45
Lg Retail/Commercial	1.30	109.80	12.48	113.09	12.85	116.48	13.24	119.97	13.63	134.37	15.26
Lg Retail/Commercial	1.52	128.39	14.59	132.23	15.03	136.20	15.48	140.29	15.94	157.12	17.85
Lg Retail/Commercial	1.65	139.37	15.84	143.54	16.31	147.85	16.80	152.29	17.30	170.46	19.38

(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 2008				Fiscal Year 2017			
Customer Group	Charges	Rank	Percentage of Total Water Charges	Customer Group	Charges	Rank	Percentage of Total Water Charges
Government Agencies	\$ 184,102	1	7.1%	Mobile Home Parks	\$ 93,795	1	3.0%
Schools/Colleges	99,055	2	3.8%	Schools/Colleges	74,163	2	2.3%
Mobile Home Parks	67,713	3	1.3%	Government Agencies	67,237	3	2.1%
Apartment Complexes	66,318	4	2.6%	Apartment Complexes	35,694	4	1.1%
Business Parks	41,360	5	1.6%	Bussiness Parks	34,928	5	1.1%
Churches	37,820	6	1.1%	Care Centers	33,914	6	1.1%
Developers	32,707	7	2.6%	Grocery Stores	22,231	7	0.7%
Care Centers	27,248	8	1.5%	Packing Plants	17,060	8	0.3%
Irrigation	10,695	9	0.4%	Agriculture/Orchards	10,971	9	0.5%
Grocery Stores	9,873	10	0.4%	Hotel	8,733	10	0.3%
	\$ 576,890		22.3%		\$ 398,726		12.6%

Principal Sewer Customers							
Fiscal Year 2008				Fiscal Year 2017			
Sewer Customer Group	Charges	Rank	Percentage of Total Sewer Charges	Sewer Customer Group	Charges	Rank	Percentage of Total Sewer Charges
Mobile Home Parks	\$ 232,540	1	5.5%	Mobile Home Parks	\$ 347,832	1	5.67%
Schools/Colleges	188,605	2	4.5%	Apartment Complexes	192,344	2	3.13%
Apartment Complexes	154,704	3	3.7%	Restaurants	87,062	3	1.42%
Restaurants	113,373	4	2.7%	Care Centers	80,134	4	1.31%
Grocery Stores	107,699	5	2.6%	Senior Apartment Complex	79,471	5	1.29%
Care Centers	91,493	6	2.2%	Grocery Stores	78,954	6	1.29%
Churches	80,721	7	1.9%	Schools/Colleges	46,159	7	0.75%
Senior Apartment Complex	53,130	8	1.3%	Packing Plants	46,546	8	0.76%
Packing Plants	48,733	9	1.2%	Hotel	23,443	9	0.38%
Bussiness Parks	29,818	10	0.7%	Laundry Facilities	15,396	10	0.25%
	\$ 1,100,816		26.2%		\$ 997,341		16.2%

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	
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%
2017	1,191,548,611	18,177,933	38,905,570	1,170,820,974	831,350,453	16,834,105	34,352,957	813,831,601	18.637%

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

Fiscal Years Ended June 30, 2008 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**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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	0.10480	0.07700	0.11010	0.11680	0.11610	0.11000	0.11090	0.09650
Ventura Community College District	n/a	n/a	0.01390	0.01510	0.01400	0.01910	0.01670	0.01760	0.01300	0.01550
United Water Conservation District	n/a	n/a	0.00747	0.02141	0.01416	0.00723	0.01705	0.01822	0.00053	0.02715
2 Total Direct & Indirect Overlapping Tax Rates	1.00000	1.00000	1.00000	1.12617	1.11351		1.14313	1.14985	1.14582	1.13915
3 City's Share of 1% Levy per Prop 13	n/a	n/a	0.89390	0.91567	0.88960	0.88036	0.88277	0.88684	0.88976	0.89928
General Obligation Debt Rate	-	-	-	-	-	-	-	-	-	-
4 Redevelopment Rate	0.21813	0.21813	0.21813	0.21813	-	-	-	-	-	-
5 Total Direct Rate	0.18346	0.18518	0.18560	0.18417	0.18386	0.18372	0.18371	0.18418	0.18584	0.18637

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 2008 through 2009 is not available.

Source: Ventura County Assessor

City of Fillmore

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

Taxpayer	2017			2008		
	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	\$ 42,352,291	\$ 975,164	3.62%	\$ -	\$ -	-
Marinelli, Judi A Trust	6,223,560	297,165	0.53%	-	-	-
Balden Town Plaza LTD Lessor	9,178,122	149,646	0.78%	8,228,556	139,989	0.78%
NLA Community LLC	6,213,205	132,883	0.53%	-	-	-
Evergreen Financial Holding	11,649,762	134,056	1.00%	-	-	-
Ameron Pole Products Division	8,600,000	118,869	0.73%	5,916,564	86,690	1%
Balden Town Plaza LTD Partnership	6,185,465	103,010	0.53%	5,459,728	92,803	0.52%
KB Home Greater Los Angeles	8,250,000	101,948	0.70%	15,661,640	230,040	1%
El Dorado Estates	4,845,660	58,989	0.41%	-	-	-
Swaidan Brian-Christine Trust	5,096,960	59,889	0.44%	-	-	-
HVP Phase 2 LLC	-	-	-	19,041,246	378,220	1.80%
HVP Phase 1A Traditions LLC	-	-	-	8,774,287	189,424	0.83%
Griffen Homebuilding Group	-	-	-	8,837,766	150,318	0.84%
HVP Phase 1A Villas LLC	-	-	-	6,273,210	129,623	0.59%
Fillmore Sun LLC	-	-	-	3,956,530	107,641	0.37%
Dunton Kenneth V Trust	-	-	-	5,863,623	66,037	0.56%
	\$ 108,595,025	\$ 2,131,618	9.28 %	\$ 88,013,150	\$ 1,570,786	8.33 %

* 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 2008 and FY 2017.

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
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 %
2017	2,067,470	2,006,836	97.1 %	50,411	2,057,248	99.5 %

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 Bonds ¹	Total Governmental Activities	Revenue Bonds	Certificates of Participation	State Water Loan Payable ³	Total Business-Type Activities			
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
2017	-	285,028	-	285,028	57,806,500	-	-	57,806,500	58,091,528	20%	3,704

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.

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			
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
2017	-	285,028	-	285,028	0.04 %	18

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, 2017

City Assessed Valuation 2016-17	\$ 1,170,820,974
Redevelopment Agency Incremental Valuation	813,831,601
Adjusted Assessed Valuation	<u>\$ 1,984,652,575</u>

	Percentage <u>Applicable</u>	Debt as of <u>6/30/2017</u>	Estimated Share of Overlapping <u>Debt (2)</u>
<u>Direct and Overlapping Tax and Assessment Debt:</u>			
Ventura Community College District (1)	1.55 %	318,764,076	4,940,843
Fillmore Unified School District (1)	9.65 %	<u>15,729,273</u>	<u>1,517,875</u>
Total Direct and Overlapping Tax & Assessment Debt		<u>\$ 334,493,349</u>	<u>\$ 6,458,718</u>
<u>Overlapping General Fund Obligation Debt:</u>			
Total Overlapping General Fund Obligation Debt		<u>\$ -</u>	<u>\$ -</u>
<u>Overlapping Tax Increment Debt (Successor Agency):</u>			
	100.00 %	\$ 41,956,125	\$ 41,956,125
<u>City Direct Debt:</u>			
City of Fillmore Capital Lease (3)	100.00 %	\$ 285,028	\$ 285,028
Total direct and overlapping debt (4)		<u>\$ 376,734,502</u>	<u>\$ 48,699,871</u>

Notes:

(1) Most recent published Financial Statements for Ventura Community College District and Fillmore Unified School District

(2) 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.

(3) See Notes to Basic Financial Statements for complete information about the City's capital lease obligations.

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

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City of Fillmore

Legal Debt Margin Information Last Ten Fiscal Years

	2008	2009	2010	2011	2012
Assessed valuation	\$ 1,056,372,000	\$ 964,604,988	\$ 932,534,064	\$ 920,313,628	\$ 876,547,993
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	264,093,000	241,151,247	233,133,516	230,078,407	219,136,998
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	39,613,950	36,172,687	34,970,027	34,511,761	32,870,550
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%
--	------	------	------	------	------

	2013	2014	2015	2016	2017
Assessed valuation	\$ 899,074,295	\$ 966,947,257	\$ 1,033,267,466	\$ 1,092,131,844	\$ 1,170,820,974
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	224,768,574	241,736,814	258,316,867	273,032,961	292,705,244
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	33,715,286	36,260,522	38,747,530	40,954,944	43,905,787
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>\$ 43,905,787</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
	Revenues (1)	Debt Service			Total	
		Principal	Interest			
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	-	-	-	-	n/a	
2017	-	-	-	-	n/a	

(1) Total General Fund Revenues

(2) The final payment was due November 7, 2014.

Source: City of Fillmore, Finance Department

Fiscal Year Ended June 30	Capital Leases Payable (3)					Coverage(2)
	Gross Revenues (1)	Debt Service			Total	
		Principal	Interest			
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%	
2017	5,702,968	47,427	9,865	57,291	99.54%	

(1) Total General Fund Revenues

(2) Coverage reflects revenue divided by principal plus interests.

(3) See Notes to the 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	Debt Service			Total	
	Increment	Principal	Interest			
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	
2017	-	-	-	-	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 (3)					Coverage (2)
	Water Revenue (1)	Debt Service			Total	
		Principal	Interest			
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	-	-	-	-	n/a	
2013	-	-	-	-	n/a	
2014	-	-	-	-	n/a	
2015	-	-	-	-	n/a	
2016	-	-	-	-	n/a	
2017	-	-	-	-	n/a	

(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) Coverage reflects revenue divided by principal plus interests.

(3) 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	Water Revenue Refunding Bonds(3)					Coverage (2)
	Water Revenue (1)	Debt Service			Total	
		Principal	Interest			
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%	
2017	1,802,612	275,000	295,888	570,888	3.16%	

(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) Coverage reflects revenue divided by principal plus interests.

(3) 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, Debt Service Schedule.

City of Fillmore

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

Fiscal Year Ended June 30	Wastewater Revenue Series 2007 Bonds (3)					Coverage(2)
	Sewer Revenue (1)	Debt Service			Total	
		Principal	Interest			
2008	\$ 10,056,858	\$ -	\$ 2,594,935	\$ 2,594,935	\$ 2,594,935	3.88%
2009	5,937,475	-	3,300,038	3,300,038	3,300,038	1.80%
2010	3,847,547	-	2,826,059	2,826,059	2,826,059	1.36%
2011	2,940,472	590,000	2,824,480	3,414,480	3,414,480	0.86%
2012	2,678,959	615,000	2,856,479	3,471,479	3,471,479	0.77%
2013	3,271,139	640,000	2,827,095	3,467,095	3,467,095	0.94%
2014	3,675,131	670,000	2,713,885	3,383,885	3,383,885	1.09%
2015	3,686,838	700,000	2,680,462	3,380,462	3,380,462	1.09%
2016	3,743,759	735,000	2,705,956	3,440,956	3,440,956	1.09%
2017	3,327,511	39,535,000 (4)	3,056,856	42,591,856	42,591,856	0.08%

(1) Total Water Revenue is Operating Income (Loss) excluding depreciation, Non-Operating Revenues (Expenses) and, transfers In/Out.

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

(2) Coverage reflects revenue divided by principal plus interest

(3) 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.

(4) On June 13, 2017, the City of Fillmore issued \$34,435,000 of Series 2017 Wastewater Refunding Revenue Bonds to refund the refundable portion of Series 2007 Revenue Bonds. See Notes to Basic Financial Statements for complete information.

Source: City of Fillmore, Finance Department Debt Service Schedule

Fiscal Year Ended June 30	Wastewater Revenue Series 2017 Bonds (3)					Coverage (2)
	Wastewater Revenue (1)	Debt Service			Total	
		Principal	Interest			
2017	3,328,511	-	-	-	-	n/a

(1) Total Water Revenue is Operating Income (Loss) excluding depreciation, Non-Operating Revenues (Expenses) and, transfers In/Out.

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

(2) Coverage reflects revenue divided by principal plus interest

(3) On June 13, 2017, the City of Fillmore issued \$34,435,000 of Series 2017 Wastewater Refunding Revenue Bonds to refund the refundable portion of Series 2007 Revenue Bonds. See Notes to Basic Financial Statements for complete information.

Source: City of Fillmore, Finance Department Debt Service Schedule

Fiscal Year Ended June 30	State Water Loan Payable (2)					Coverage
	Sewer Revenue (1)	Debt Service			Total	
		Principal	Interest			
2008	\$ 10,056,858	\$ 4,697	\$ -	\$ 4,697	\$ 4,697	2141.12%
2009	5,937,475	4,697	-	4,697	4,697	1234.10%
2010	3,847,547	4,697	-	4,697	4,697	819.15%
2011	2,940,472	4,697	-	4,697	4,697	626.03%
2012	2,678,959	4,697	-	4,697	4,697	570.36%
2013	3,271,139	4,696	-	4,696	4,696	696.58%
2014	3,675,131	4,697	-	4,697	4,697	782.44%
2015	3,686,838	4,662	-	4,662	4,662	790.83%
2016	-	-	-	-	-	n/a
2017	-	-	-	-	-	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**

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (in thousands)(2)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate(3)</u>
2008	15,641	\$ 222,856	\$ 14,248 (1)	8.7 %
2009	15,639	218,879	13,996 (1)	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	17,242	6.1 %
2016	15,529 (4)	326,249 (4)	21,009	6.0 %
2017	15,683 (4)	292,007 (4)	18,716	5.0 %

- Note 1: Estimated amount using changes for the City of Ventura as a base line
 Note 2: Estimated amount using estimated Per Capita Income
 Note 3: Unemployment figure is as of June of each year
 Note 4: Estimated using per capita personal income percentage change in 2015

Sources: California State Department of Finance
 California State Employment Development Department
 United States Census Bureau

City of Fillmore

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

Employer	2017			2008		
	Number of Employees	Ranking	Percent of City Employment	Number of Employees	Ranking	Percent of City Employment
Fillmore Unified School District	921	1	13.35%	763	1	12.51%
Greenfield Care Center	121	2	1.75%	115	2	1.89%
Villa Park Citrus Assn.	85	3	1.23%	40	8	0.66%
Ameron Pole Products Division	83	4	1.20%	94	4	1.54%
City of Fillmore	65	5	0.94%	101	3	1.66%
Vons	65	6	0.94%	58	5	0.95%
Super A Foods, Inc.	50	7	0.72%	45	7	0.74%
William Morris Chevrolet	40	8	0.58%	40	9	0.66%
Allied Avocados & Citrus, Inc.	40	9	0.58%	0	-	-
Clinica del Camino Real	30	10	0.43%	30	-	0.49%
Total Top Employers	<u>1,500</u>			<u>1,286</u>		
Total City Labor Force	<u>6,900</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>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>	<u>2017</u>
General government	19	16	14	13	13	14	16	17	17	16
Public safety - Crossing Guards	5	5	5	4	4	4	4	5	3	3
Fire safety	46	44	42	40	38	36	34	32	33	31
Public works	8	8	8	10	10	9	8	6	8	10
Parks and recreation	23	21	8	11	10	8	15	4	5	5
Total	101	94	77	78	75	71	77	64	66	65
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**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police:										
Part 1 Crimes Reported (Count) (A) (Note 1)	308	267	319	264	222	185	194	261	177	137
Parking citations issued (D)	332	488	307	192	82	83	114	217	227	322
Fire (Unit responses): (B) (Note 1)										
Medical	779	857	790	890	861	873	932	1,121	1,058	1,060
Fire	31	41	42	48	40	49	29	39	49	38
Rescue	49	52	41	54	46	62	60	73	66	55
Public Service	119	107	94	102	147	132	164	176	169	111
Alarms	75	65	66	82	88	80	74	106	78	85
Hazardous	18	22	15	24	28	31	21	35	21	15
Other	-	-	-	2	1	1	2	2	-	-
Public works: (C)										
Street resurfacing (miles)	0.5	-	0.5	-	2.3	-	-	-	-	-
Building and Safety: (E)										
Number of SFR Building Permits Issued	8	8	3	-	3	30	16	38	45	42
Number of MFR Building Permits Issued	-	29	-	-	-	-	-	-	-	-

Note #1: Data reported by calendar year, data for 2017 is YTD at 10/31/2017

Source: City of Fillmore

(A) Provided by Ventura County Sherriff's Office and USA.com.

(B) Fillmore Fire Dept.

(C) Fillmore Public Works Dept.

(D) City of Fillmore, Finance Department

(E) City of Fillmore, Planning Department

City of Fillmore

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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	2	2	2	2	2	2	2	2	2	2
Public works:										
Streets (miles)	35.9	37.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	42.5
Streetlights	1,067	1,089	1,123	1,124	1,124	1,124	1,124	1,124	1,124	1,154
Traffic signals	8	8	8	8	8	8	8	8	8	9
Storm Drains (Miles)	12.5	12.9	15.0	15.0	15.0	15.0	15.0	15.0	15.0	17.1
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)	48.7	50.2	52.3	52.3	52.3	52.3	52.3	52.3	52.3	55.0
Sewer Utility:										
Treatment Facility	1	1	1	1	1	1	1	1	1	1
Sanitary sewers (Miles)	30.5	31.8	33.9	33.9	33.9	33.9	33.9	33.9	33.9	37.8
Parks and recreation:										
Parks	3	3	3	4	4	4	4	4	4	11
Community centers	3	3	3	3	3	3	3	3	3	3

Source: City of Fillmore
Southern California Edison