COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2018
CITY OF FILLMORE, CALIFORNIA

CITY OF FILLMORE

CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2018

Prepared by the Finance Department

Gaylynn Brien, Finance Director
Janyne Brown, Assistant Finance Director

This page left blank intentionally.

City of Fillmore

Table of Contents
June 30, 2018

	Page
INTRODUCTORY SECTION:	
Letter of Transmittal	i
Organization Chart	vii
City of Fillmore Officials	viii
GFOA - Certificate of Achievement for Excellence in Financial Reporting	ix
FINANCIAL SECTION:	
Independent Auditor's Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
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
Required Supplementary Information:	
Budgetary Comparison Schedules:	
General Fund	79
Housing Successor Special Revenue Major Fund	80
Schedule of the City's Proportionate Share of the Plans' Net Pension Liability and Related Ratios as of the Measurement Date - Last 10 Years	81
Schedule of Plans' Contributions - Last 10 Years	82
Schedule of Changes in the Net OPEB Liability and Related Ratios - Last 10 Years	83
Schedule of OPEB Contributions - Last 10 Years	84
Notes to the Required Supplementary Information	85
Supplementary Information:	
Non Major Governmental Funds - Fund Descriptions	86
Non Major Governmental Funds:	
Combining Balance Sheet	89
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	97

Table of Contents, continued
June 30, 2018

	Page
Supplementary Information (continued):	
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:	
Fillmore Public Financing Authority	106
Public Education & Government	107
Gas Tax	108
Local Transportation	109
Lighting/Landscape Assessment District	110
Storm Drain Assessment District	111
Community Development Block Grant	112
Public Transit	113
Bike Path Maintenance	114
Solid Waste Source Reduction	115
Swimming Pool Maintenance	116
Recreation	117
DIF Public Facility	118
DIF Transportation Improvement	119
DIF Parkland	120
DIF Sewer Improvement	121
DIF Water Improvement	122
DIF Storm Drain Improvement	123
Storm Water NPDES	124
Levees Reserve	125
DIF Fire Substation	126
Two Rivers Park	127
Street Projects	128
Public Buildings Improvements	129
Proprietary Funds - Sewer & Water Funds - Combining Statements:	
Combining Statement of Net Position - Sewer Funds	130
Combining Statement of Revenues, Expenses, and Changes in Net Position - Sewer Funds	132
Combining Statement of Net Position - Water Funds	133
Combining Statement of Revenues, Expenses, and Changes in Net Position - Water Funds	135
Agency Funds:	
Combining Statement of Fiduciary Assets and Liabilities	137
Combined Statement of Changes in Fiduciary Assets and Liabilities	139
STATISTICAL SECTION:	
Overview of Statistical Section	140
Net Position by Component	141
Change in Net Position	143
Fund Balances of Governmental Funds	149
Changes in Fund Balances of Governmental Funds	150
Water Utility Revenues By Customer Type	152
Sewer Utility Revenues By Customer Type	153
Water Rates By Meter Size	154
Sewer Rates By Customer Type	155
Water and Sewer Principal Payers By Customer Group	156
Assessed Value and Estimated Actual Value of Taxable Property	157
Direct and Overlaping Property Tax Rates	158
Principal Property Tax Payers	159
Property Tax Levies and Collections	160
Ratios of Outstanding Debt by Type	161
Ratios of General Bonded Debt by Type	162
Direct and Overlapping Debt	163
Legal Debt Margin Information	164
Pledged Revenue Coverage - General Obligation Debt	165
Pledged Revenue Coverage - Non-General Obligation Debt	167
Demographic and Economic Statistics	169
Principal Employers	170
Employment Trends and Other Information	171
Operating Indicators by Function	172
Capital Assets Statistics by Function	173

INTRODUCTORY SECTION

This page left blank intentionally.

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

November 29, 2018

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

It is a pleasure to present the Fiscal Year 2017-18 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, 2018.

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 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, 2018, 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, 2018, 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 15,953. 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 33 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 Finance Department Budget Officer in early March. The City Manager and Finance Department conduct a series of budget review meetings with departments and agencies in March and 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 Agency, 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 2017-18, locally generated revenues from property, transient occupancy, franchise, business and other taxes approximately increased by $452,000 or 9% over the prior fiscal year. Over the past two fiscal years, total General Fund revenues (excluding sales taxes) have increased by approximately $519,000 or 15%.

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 4.0%, a 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 2017-18, the City is showing a continuation in the improvement in their financial situation.

The Fiscal Year 2017-18 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 2012-13, 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 steady, with residential permits increasing by 36%, as 15 more permits were issued in FY 2017-18 compared to the prior fiscal year.

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 6% each year and sales tax is projected to decrease by 3% per year through FY 2022-23. 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 $64.6 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 $35.5 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 a total debt of $21.4 million with annual debt service of approximately $1.3 million.

At June 30, 2018, the City has no new outstanding bonds but does have long-term liabilities in the approximate amount of $439,843 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 completed for fiscal year ended June 30, 2018, and shows the OPEB liability at the end of the fiscal year was $984,828. For additional information please see Note 10 in the Notes to the Basic Financial Statements in this report.

APPROPRIATION LIMIT

Article XIIIB 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 2017/2018 amounted to $13,686,028 and $8,774,873 respectively.

AWARD

The City is submitting its 2017-18 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 three 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 provided in the Management's Discussion and Analysis (MD&A) and in the Notes to the Basic Financial Statements found in the Financial Section of this report.

ACKNOWLEDGEMENT

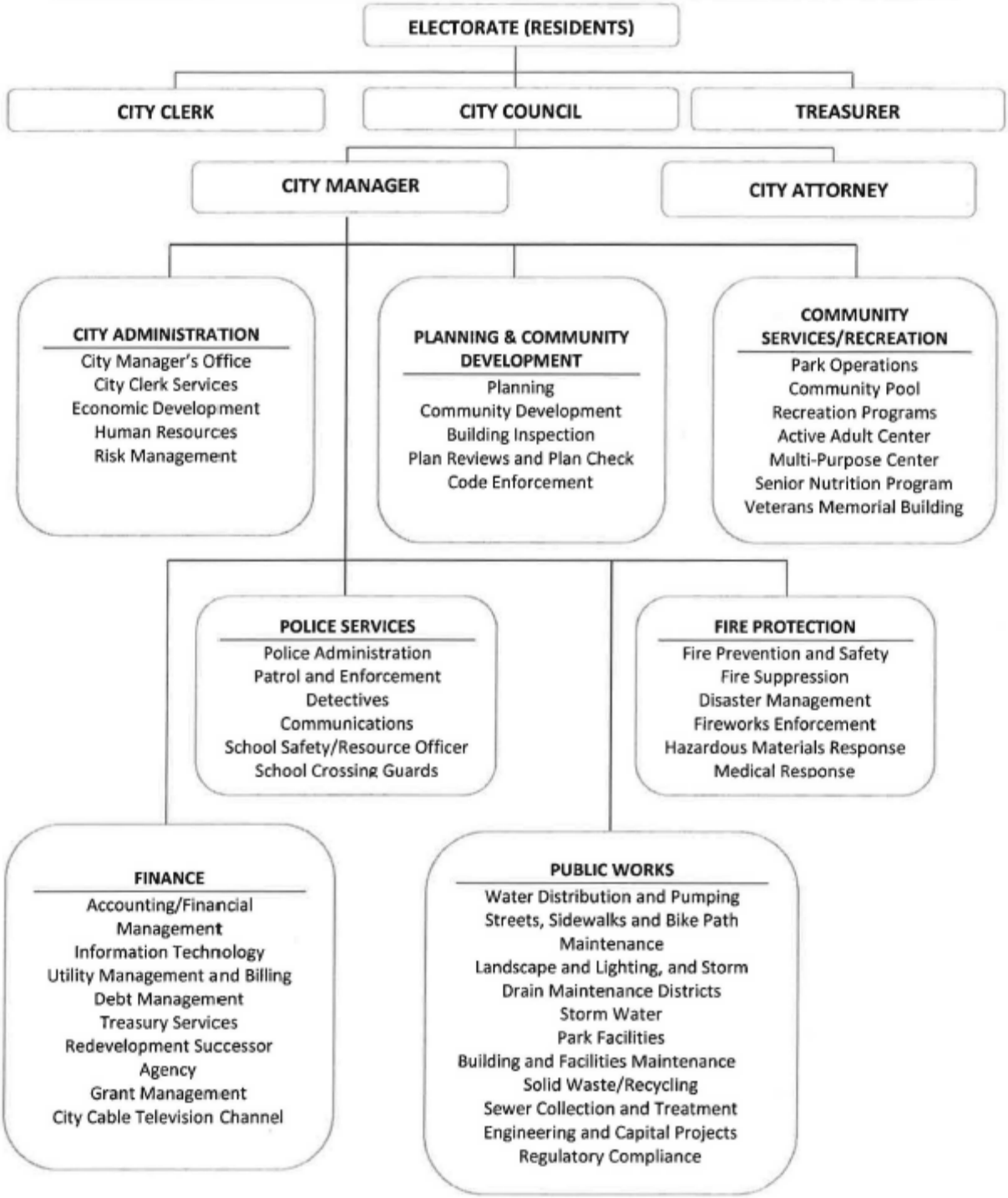
We would like to express appreciation to all City staff that assisted and contributed to the preparation of this report, particularly to the members of the Finance Department. We would also like to extend our appreciation to the auditors, Rogers, Anderson, Malody & Scott, LLP, Certified Public Accountants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

Respectfully submitted,

David Rowlands
City Manager

Gaylynn Brien
Finance Director

CITY OF FILLMORE
ORGANIZATION CHART



CITY OF FILLMORE OFFICIALS

CITY COUNCIL

Manuel Minjares, Mayor
Diane McCall, Mayor Pro Tem
Carrie Broggie, Council Member
Mark Austin, Council Member
Tim Holmgren, Council Member

CITY TREASURER
Shannon Godfrey, Elected

CITY CLERK
Olivia Carrera-Lopez, Elected
Diana Impeartrice, Deputy City Clerk

ADMINISTARTIVE STAFF
David Rowlands, City Manager
Keith Gurrola, Fire Chief
Eric Tennessen, 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 COMISSION
Camilla Conaway, Chair
Amanda Maas
Jose Ibarra
Giovany Robles

FILM COMISSION
Yvette Busby, Chair
Lili Feliciano
Nancy Bowlin
Paul Nielsen
Gena Lagree

ACTIVE ADULT COMISSION
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, 2017

Christopher P. Morrill

Executive Director/CEO

This page left blank intentionally.

FINANCIAL SECTION

This page left blank intentionally.

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

735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408
909 889 0871 T
909 889 5361 F
ramscpa.net

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
Gardenya Duran, CPA
Brianna Schultz, CPA
Lisa Dongxue Guo, CPA, MSA
Samuel Singery, CPA
Jing Wu, CPA

70 YEARS ANNIVERSARY 1948 2018

MEMBERS
American Institute of
Certified Public Accountants

PCPS The AICPA Alliance
for CPA Firms

Governmental Audit
Quality Center

Employee Benefit Plan
Audit Quality Center

California Society of
Certified Public Accountants

Honorable Mayor and City Council
City of Fillmore
Fillmore, California

INDEPENDENT AUDITOR'S REPORT

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, 2018, 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.

STABILITY. ACCURACY. TRUST.

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, 2018, 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.

Emphasis of a Matter

Change in Accounting Principle

As discussed in Note 1 of the financial statements, the City adopted the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB). Our opinion is not modified with respect to this matter.

The cumulative effects of applying the provisions of GASB Statement No. 75 have been reported as a restatement of beginning net position for the year ended June 30, 2018 in accordance with the Statement.

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2018 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
November 29, 2018

This page left blank intentionally.

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, 2018. 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 long-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. These statements include all assets and deferred outflows of resources, 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 one indicator of whether its financial health is improving or deteriorating.

Other factors to consider include 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 general government activities, such as administration, fire, police, public works, development, parks and community, 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 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 the amount of the transaction can be determined and "available" means 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, they 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.

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 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 2018, current assets are 23.7% of the total assets with the remaining 76.3% representing capital assets not being depreciated and capital assets, net of accumulated depreciation and notes and loans receivable. The current liabilities are approximately 10.1% of the total liabilities. Of the total net position, 14.6% was restricted and the remaining 85.4% represents net investment in capital assets 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, 2018, by $87.7 million. This amount is referred to as the net position of the City. Of this amount, $20.1 million is unrestricted net position and may be used to meet the City's ongoing obligations to citizens and creditors.

The City's net position increased by $4.4 million during the past year. Governmental activities in fiscal year 2017-18 revenues increased by $2.1 million from the prior year primarily due to a $1.2 million increase in program revenues and a $0.5 million increase in general revenues. Expenses (including non-cash expenses like depreciation) decreased by $0.3 million.

As required by the Governmental Accounting Standards Board (GASB), the City implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, in the Fiscal Year 2017-18 financial statements. Statement No. 75 improves the reporting for postemployment benefits other than pensions and establishes standards for measuring liabilities, deferred outflows of resources, and deferred inflows of resources, and expenses.

As of June 30, 2018, the City's governmental funds (the General Fund plus Special Revenue, Debt Service and Capital Projects funds) reported combined ending fund balances of $15.5 million. Governmental fund revenues and other financing sources exceeded expenditures and other financing uses by $1.8 million during Fiscal Year 2017-18. Of the $15.5 million combined ending fund balances at June 30, 2018, $5.7 million is categorized as unassigned, $0.6 million is categorized as assigned, $9.2 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.

The City's total noncurrent liabilities, due in more than one year, which includes bonds payable, unamortized bond premiums and discounts, loans payable, capital leases payable, JPIA general liability and workers compensation payable, sales tax reimbursement payable, net pension liability, compensated absences, and other post-employment benefits, decreased by $0.3 million, or 4.9% during the Fiscal Year ending June 30, 2018, to a total outstanding amount of $6.1 million. A decrease in sales tax revenue in 2018 subsequently lowering the sales tax reimbursement payable to MTS Consulting is the primary driver behind the decrease in the City's total noncurrent liabilities.

Governmental Activities

The following schedule summarizes the financial position of the City's governmental activities as of June 30, 2018 and 2017:

	2018	2017
Assets:		
Current assets	$ 19,547,061	$ 19,034,044
Notes receivable	7,686,672	7,493,969
Capital assets not being depreciated	11,100,518	10,897,994
Capital assets being depreciated, net	28,915,109	29,530,999
Total assets	67,249,360	66,957,006
Deferred outflows of resources:		
Pension related	1,292,353	1,203,476
OPEB related	4,758	-
Total deferred outflows of resourses	1,297,111	1,203,476
Liabilities:		
Current liabilities	3,961,688	5,307,698
Noncurrent liabilities:		
Due within one year	206,035	275,556
Due in more than one year	6,147,204	6,468,288
Total liabilities	10,314,927	12,051,542
Deferred inflows of resources		
Pension related	134,667	247,157
OPEB related	120,879	-
Total deferred inflows of resourses	255,546	247,157
Net position:		
Net investment in capital assets	39,787,890	40,143,965
Restricted	9,187,204	7,724,709
Unrestricted	9,000,904	7,993,109
Total net position	$ 57,975,998	$ 55,861,783

The cost of all governmental activities during fiscal year 2018 was $9.8 million. Some of the cost of governmental activities was paid by those who directly benefited from the programs ($2.2 million) or by other government agencies and organizations that subsidized certain programs with grants and contributions ($3.3 million). The remaining cost of governmental activities was covered by the City's sources of general revenue (taxes and other general revenues) of $6.1 million.

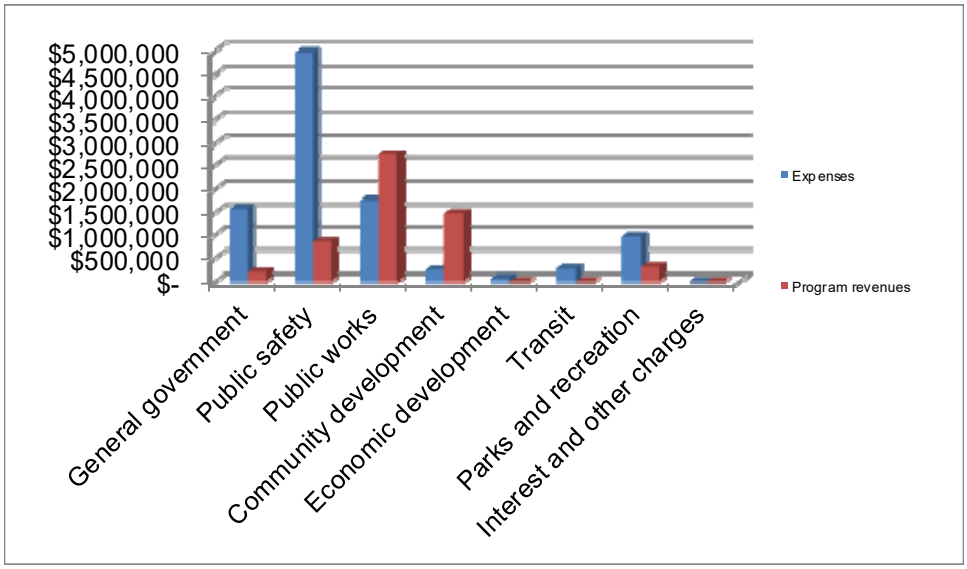
The City's governmental activities include General Government, Public Safety (Police and Fire services), Public Works, Community Development, Economic Development, Transit, Parks and Recreation, and Interest and Other Charges. The City was able to decrease expenses by $0.3 million year over year by decreasing community development spending.

The following table represents the changes in net position for governmental activities for the fiscal years ended June 30, 2018 and 2017:

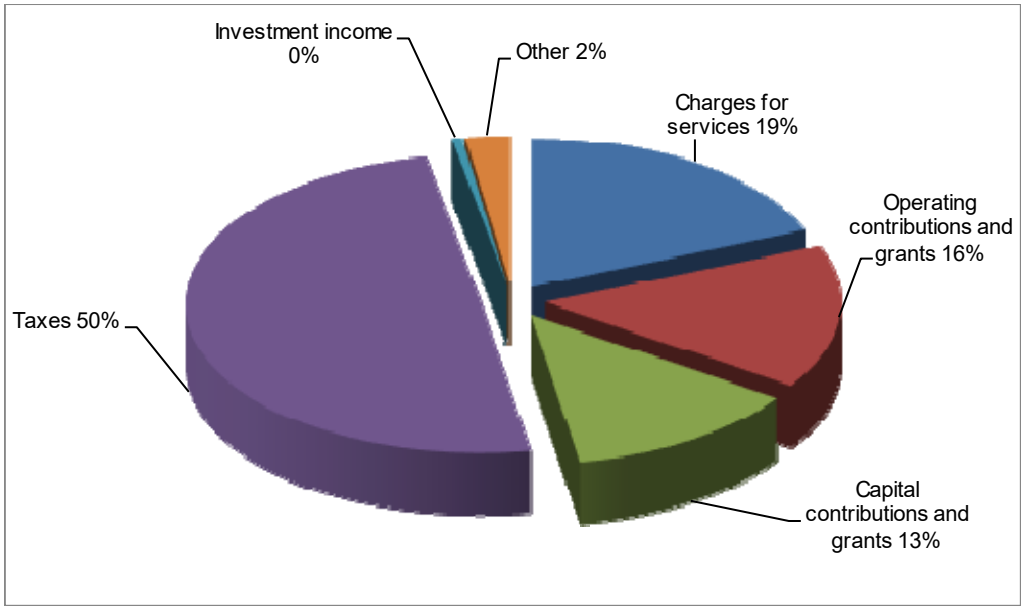
	2018	2017
General revenues:		
Taxes	$ 5,824,043	$ 5,590,115
Investment income	66,495	85,838
Other	288,376	9,185
Program revenues:		
Charges for services	2,206,888	1,747,558
Operating contributions and grants	1,833,694	1,594,297
Capital contributions and grants	1,515,126	993,831
Total revenues	11,734,622	10,020,824
Expenses:		
General government	1,574,705	1,588,255
Public safety	4,963,808	4,991,599
Public works	1,759,001	1,542,908
Community development	245,086	605,148
Economic development	70,619	59,681
Transit	267,012	318,735
Parks and recreation	948,279	1,030,162
Total expenses	9,828,510	10,136,488
Increase in net position before transfers	1,906,112	(115,664)
Transfers in (out)	208,103	57,961
Change in net position	2,114,215	(57,703)
Net position, beginning of year, as restated	55,861,783	55,919,486
Net position, end of year	$ 57,975,998	$ 55,861,783

Governmental Activities

Governmental activities expenditures and programs revenues for the year ended June 30, 2018:



Governmental activities revenues by source for the year ended June 30, 2018:



Business-Type Activities

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

The Sewer Enterprise Fund's unrestricted net position at the end of Fiscal Year 2017-18 was $4.8 million, with an increase of $0.5 or 11.9% from the previous year primarily due to a shift from net investment in capital assets to unrestricted.

The Water Enterprise Fund, unrestricted net position at June 30, 2018, was $6.2 million, an increase of $1.0 million, or 19.4%, from the previous year primarily due to an increase in unrestricted revenues ($1.0 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 $29.7 with $21.8 and $7.9 million, respectively, for the Sewer and Water Funds. Of the total net position, $13.8 and $1.1 million was invested in capital assets, and $3.0 and $0.6 million was restricted for debt service, for the sewer and water funds respectively.

The remainder of this page left intentionally blank.

The following schedule summarizes the financial position of the City's business-type activities at June 30, 2018, and 2017:

	2018	2017
Assets:		
Current assets	$ 15,569,267	$ 13,730,507
Cash and investments with fiscal agents	2,105,710	1,784,910
Capital assets not being depreciated	3,372,924	3,370,212
Capital assets being depreciated, net	68,783,955	69,976,307
Total assets	89,831,856	88,861,936
Deferred outflows of resources:		
Pension related	430,786	401,159
Debt related	211,939	227,078
Total deferred outflows of resources	642,725	628,237
Liabilities:		
Current liabilities	1,591,793	1,824,771
Noncurrent liabilities:		
Due within one year	1,299,812	1,400,190
Due in more than one year	57,004,200	57,911,412
Total liabilities	59,895,805	61,136,373
Deferred inflows of resources:		
Pension related	44,889	82,390
Debt related	787,472	814,626
Total deferred inflows of resources	832,361	897,016
Net position:		
Net investment in capital assets	14,977,390	15,756,733
Restricted	3,606,444	2,074,544
Unrestricted	11,162,582	9,625,507
Total net position	$ 29,746,415	$ 27,456,784

The following table presents the changes in net position for the business-type activities for the fiscal years ended June 30, 2018 and 2017:

	2018	2017
General revenues:		
Investment income	$ 155,798	$ 85,800
Program revenues:		
Charges for services	10,501,480	9,638,562
Total revenues	10,657,278	9,724,362
Expenses:		
Sewer	5,932,153	6,689,149
Water	2,227,390	1,674,060
Total expenses	8,159,543	8,363,209
Increase in net position before transfers	2,497,735	1,361,153
Transfers in (out)	(208,103)	(57,961)
Change in net position	2,289,632	1,303,192
Net position, beginning of year	27,456,783	26,153,592
Net position, end of year	$ 29,746,415	$ 27,456,784

Total expenses for business-type activities for the fiscal year ended June 30, 2018 were $8.1 million. $10.6 million of program revenues are primarily comprised of charges for services. Transfers from governmental activities amounted to $0.2 million.

FUNDS FINANCIAL ANALYSIS

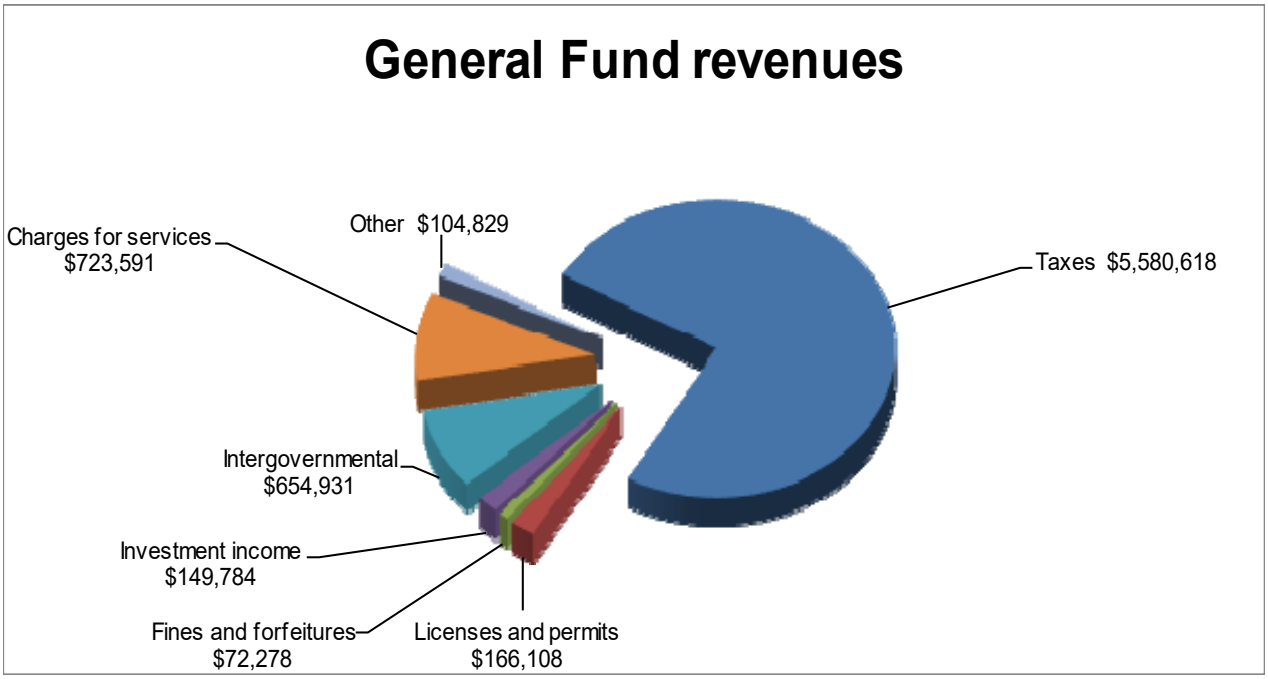
GENERAL FUND

The General Fund in the Basic Financial Statement includes the City's chief operating fund. As of June 30, 2018, the total fund balance of the General Fund was $6.5 million, an increase of $0.5 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 charges for services and intergovernmental revenues including county and grant allocations.

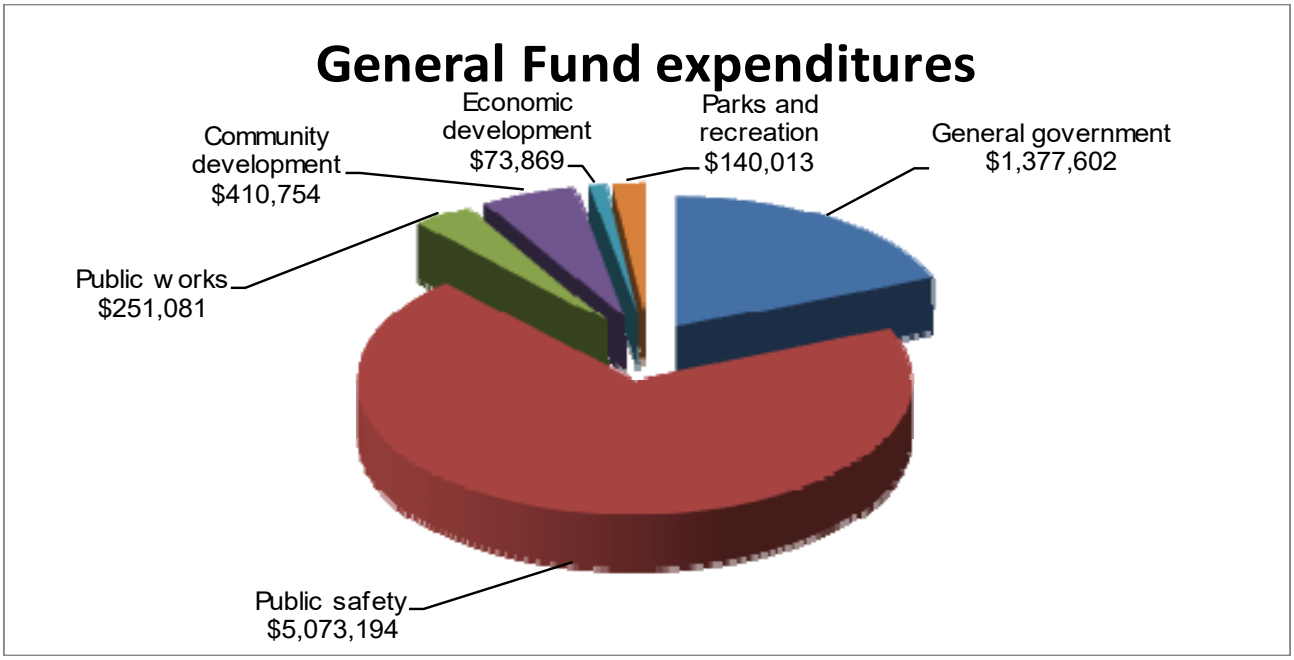
In 2003, the City entered into an Economic Development Agreement (EDA) (sales tax sharing), with MTS Consulting, LLC (MTS). The EDA states that for each local sales tax generating business that MTS brings to the City, the City would share with them the local sales tax generated by that business for 20 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.

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, 2018:



General fund expenditures for the year ended June 30, 2018:



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 apartment complex, first time home buyers loans, and home improvements loans. The balance of these combined loans as of June 30, 2018 was $7.5 million. The most significant transactions in this fund are investment income earnings form interest accrued in the outstanding loans and sharing of appreciation in value of property.

Enterprise Funds:

The two major enterprise funds for the City of Fillmore are Water and Sewer. 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 to budget its expenditure appropriations and activities in a prudent manner. As a result, the City Council adopts budget adjustments during 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 $1.2 million when comparing the actual net change in fund balance of $0.4 million to the final budgeted change of $(0.8 million).

Revenues received exceeded the final budgeted amount by $1.0 million, or 16.2%, 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 $0.4 million, or 5.4%, primarily due to within the fire and planning 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, 2018, amounts to $112.1 million (net of accumulated depreciation). Of that, $40.0 million is in governmental activities and $72.1 million 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, 2018 and 2017:

	Governmental activities		Business-type activities		Totals	
	2018	2017	2018	2017	2018	2017
Capital assets not being depreciated	$ 11,100,518	$ 10,897,994	$ 3,372,924	$ 3,370,212	$ 14,473,442	$ 14,268,206
Capital assets being depreciated	46,026,255	45,646,870	83,750,063	83,714,187	129,776,318	129,361,057
Accumulated depreciation	(17,111,146)	(16,115,871)	(14,966,108)	(13,737,880)	(32,077,254)	(29,853,751)
Total capital assets being depreciated, net	28,915,109	29,530,999	68,783,955	69,976,307	97,699,064	99,507,306
Total capital assets	$ 40,015,627	$ 40,428,993	$ 72,156,879	$ 73,346,519	$ 112,172,506	$ 113,775,512

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

- Construction in progress in governmental activities increased by $0.2 million due to road resurfacing projects within the City.

- Improvements in infrastructure of governmental activities increased by $0.3 million due to the Heritage Valley Fountain Restoration project.

- Addition to machinery and equipment in business type activities increased by $0.04 due to the purchase of a water valve exerciser.

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

DEBT ADMINISTRATION

The City used a variety of tax, revenue, and lease indebtedness to finance various activities and capital improvements. At June 30, 2018, the City's long-term debt outstanding was $64.6 million. Of this total, $6.3 million was in governmental activities and $58.3 million was in business-type activities. The City total debt decreased by $1.3 million or 2.02% from prior year, primarily due to the principal payments made on behalf of the business type activity bonds. Additional information about the bond liability and the sales tax reimbursement contingency can be found in Note 8 and Note 13 of this report, respectively.

The following table provides a summary of the City's outstanding indebtedness as of June 30, 2018 and 2017:

	Governmental activities		Business-type activities		Totals	
	2018	2017	2018	2017	2018	2017
Revenue bonds	$ -	$ -	$ 13,195,000	$ 14,005,000	$ 13,195,000	$ 14,005,000
Refunding bonds	-	-	40,000,000	40,285,000	40,000,000	40,285,000
Capital leases	227,737	285,028	-	-	227,737	285,028
JPIA	24,441	220,382	-	-	24,441	220,382
Net OPEB liability	984,828	921,819	-	-	984,828	921,819
Compensated absences	310,758	306,968	129,085	106,774	439,843	413,742
Premium on debt	-	-	3,408,956	3,526,864	3,408,956	3,526,864
Sales tax reimbursement	92,560	779,063	-	-	92,560	779,063
Net pension liability	4,712,915	4,163,895	1,570,971	1,387,964	6,283,886	5,551,859
Total debt	$ 6,353,239	$ 6,677,155	$ 58,304,012	$ 59,311,602	$ 64,657,251	$ 65,988,757

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 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 2018-19 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 2018-19. The Fiscal Year 2018-19 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.

This page left blank intentionally.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

This page left blank intentionally.

Statement of Net Position
June 30, 2018

	Governmental activities	Business-type activities	Total
Assets			
Cash and investments	$ 17,092,383	$ 13,806,378	$ 30,898,761
Cash and investments with fiscal agent	-	2,105,710	2,105,710
Receivables, net:			
Intergovernmental	988,864	-	988,864
Accounts	799,991	1,302,500	2,102,491
Interest	49,517	32,326	81,843
Notes and loans	7,686,672	-	7,686,672
Other	18,102	-	18,102
Prepaid items	200,044	428,063	628,107
Due from Successor Agency	398,160	-	398,160
Capital assets not being depreciated	11,100,518	3,372,924	14,473,442
Capital assets, net of accumulated depreciation	28,915,109	68,783,955	97,699,064
Total assets	67,249,360	89,831,856	157,081,216
Deferred outflows of resources			
Pension related	1,292,353	430,786	1,723,139
OPEB related	4,758	-	4,758
Debt related	-	211,939	211,939
Total deferred outflows of resources	1,297,111	642,725	1,939,836
Liabilities			
Accounts payable	879,214	672,029	1,551,243
Accrued liabilities	129,930	-	129,930
Due to others	1,061,135	412,740	1,473,875
Due to Successor Agency	750,000	-	750,000
Unearned revenue	985,292	-	985,292
Deposits payable	156,117	507,024	663,141
Noncurrent liabilities			
Due within one year	206,035	1,299,812	1,505,847
Due in more than one year	6,147,204	57,004,200	63,151,404
Total liabilities	10,314,927	59,895,805	70,210,732
Deferred inflows of resources			
Pension related	134,667	44,889	179,556
OPEB related	120,879	-	120,879
Debt related	-	787,472	787,472
Total deferred inflows of resources	255,546	832,361	1,087,907
Net position			
Net investment in capital assets	39,787,890	14,977,390	54,765,280
Restricted			
Public works	7,682,247	-	7,682,247
Community development	102,403	-	102,403
Parks and recreation	1,402,554	-	1,402,554
Debt service	-	3,606,444	3,606,444
Unrestricted	9,000,904	11,162,582	20,163,486
Total net position	$ 57,975,998	$ 29,746,415	$ 87,722,413

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

Statement of Activities
Year Ended June 30, 2018

Functions/programs	Expenses	Program revenues: Charges for services	Program revenues: Operating contributions and grants	Program revenues: Capital contributions and grants
Governmental activities:				
General government	$ 1,574,705	$ 193,054	$ -	$ -
Public safety	4,963,808	259,166	576,728	-
Public works	1,759,001	60,003	1,171,243	1,515,126
Community development	245,086	1,399,386	74,723	-
Economic development	70,619	-	-	-
Transit	267,012	-	-	-
Parks and recreation	948,279	295,279	11,000	-
Total governmental activities	9,828,510	2,206,888	1,833,694	1,515,126
Business-type activities:				
Sewer	5,932,153	6,904,988	-	-
Water	2,227,390	3,596,492	-	-
Total business-type activities	8,159,543	10,501,480	-	-
			-	
Total primary government	$ 17,988,053	$ 12,708,368	$ 1,833,694	$ 1,515,126

General revenues:
- Taxes:
  - Property
  - Sales
  - Transient occupancy
  - Franchise
  - Other
- Motor vehicle in lieu
- Business licenses
- Other revenues
- Investment income

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year, as restated

Net position, end of year

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

Net revenue (expense) and changes in net position		
Governmental activities	Business-type activities	Total
$ (1,381,651)	$ -	$ (1,381,651)
(4,127,914)	-	(4,127,914)
987,371	-	987,371
1,229,023	-	1,229,023
(70,619)	-	(70,619)
(267,012)	-	(267,012)
(642,000)	-	(642,000)
(4,272,802)	-	(4,272,802)
-	972,835	972,835
-	1,369,102	1,369,102
-	2,341,937	2,341,937
(4,272,802)	2,341,937	(1,930,865)
2,657,319	-	2,657,319
2,363,393	-	2,363,393
154,876	-	154,876
372,232	-	372,232
133,886	-	133,886
8,255	-	8,255
134,082	-	134,082
288,376	-	288,376
66,495	155,798	222,293
208,103	(208,103)	-
6,387,017	(52,305)	6,334,712
2,114,215	2,289,632	4,403,847
55,861,783	27,456,783	83,318,566
$ 57,975,998	$ 29,746,415	$ 87,722,413

Balance Sheet - Governmental Funds
June 30, 2018

	General	Special Revenue Fund Housing Successor	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and investments	$ 5,622,449	$ 277,762	$ 11,192,172	$ 17,092,383
Receivables:				
Intergovernmental	757,002	-	231,862	988,864
Accounts	681,650	-	118,341	799,991
Interest	15,755	-	33,762	49,517
Notes and loans	150,165	7,536,507	-	7,686,672
Due from other governments	18,102	-	-	18,102
Due from other funds	748,108	-	-	748,108
Due from Successor Agency	398,160	-	-	398,160
Prepaid items	142,723	-	57,321	200,044
Total assets	$ 8,534,114	$ 7,814,269	$ 11,633,458	$ 27,981,841
Liabilities, deferred inflows of resources and fund balance				
Liabilities:				
Accounts payable	$ 495,018	$ 729	$ 383,467	$ 879,214
Accrued liabilities	129,930	-	-	129,930
Due to others	1,061,135	-	-	1,061,135
Due to other funds	-	-	748,108	748,108
Due to Successor Agency	-	-	750,000	750,000
Unearned revenue	158,220	-	827,072	985,292
Deposits payable	19,534	-	136,583	156,117
Total liabilities	1,863,837	729	2,845,230	4,709,796
Deferred inflows of resources:				
Unavailable revenue	150,165	7,536,507	-	7,686,672
Total deferred inflows of resources	150,165	7,536,507	-	7,686,672
Fund balance (deficit):				
Nonspendable	142,723	-	-	142,723
Restricted	-	277,033	8,910,171	9,187,204
Assigned	-	-	598,769	598,769
Unassigned	6,377,389	-	(720,712)	5,656,677
Total fund balance	6,520,112	277,033	8,788,228	15,585,373
Total liabilities, deferred inflows of resources and fund balance	$ 8,534,114	$ 7,814,269	$ 11,633,458	$ 27,981,841

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

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2018

Fund balances of governmental funds	$	15,585,373
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		57,126,773
Accumulated depreciation		(17,111,146)
Long-term debt has not been included in the governmental fund activity:		
JPIA cumulative payments		(24,441)
Net pension liability		(4,712,915)
Capital leases payable		(227,737)
Compensated absences		(310,758)
Net OPEB liability		(984,828)
Sales tax reimbursement		(92,560)
Deferred inflows and outflows of resources related to pension and OPEB have not been included in the governmental fund activity:		
Deferred inflows - pension related		(134,667)
Deferred inflows - OPEB related		(120,879)
Deferred outflows - pension related		1,292,353
Deferred outflows - OPEB related		4,758
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.		7,686,672
Net position of governmental activities	$	57,975,998

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

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2018

	General	Special Revenue Fund Housing Successor	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 5,580,618	$ -	$ 981,736	$ 6,562,354
Licenses and permits	166,108	-	-	166,108
Fines and forfeitures	72,278	-	-	72,278
Investment income	149,784	16,500	99,756	266,040
Intergovernmental	654,931	-	1,370,853	2,025,784
Charges for services	723,591	-	1,607,841	2,331,432
Other	104,829	-	13,094	117,923
Total revenues	7,452,139	16,500	4,073,280	11,541,919
Expenditures				
Current:				
General government	1,377,602	-	56,872	1,434,474
Public safety	5,073,194	-	-	5,073,194
Public works	251,081	-	1,161,244	1,412,325
Community development	410,754	54,405	6,847	472,006
Economic development	73,869	-	-	73,869
Transit	-	-	279,299	279,299
Parks and recreation	140,013	-	628,936	768,949
Capital outlay	-	-	319,585	319,585
Debt service:				
Principal	-	-	49,194	49,194
Interest and fiscal charges	-	-	8,100	8,100
Total expenditures	7,326,513	54,405	2,510,077	9,890,995
Excess of revenues over expenditures	125,626	(37,905)	1,563,203	1,650,924
Other financing sources (uses)				
Transfers in	689,895	-	743,979	1,433,874
Transfers out	(366,106)	(2,100)	(857,565)	(1,225,771)
Total other financing sources (uses)	323,789	(2,100)	(113,586)	208,103
Net change in fund balances	449,415	(40,005)	1,449,617	1,859,027
Fund balances, beginning of year	6,070,697	317,038	7,338,611	13,726,346
Fund balances, end of year	$ 6,520,112	$ 277,033	$ 8,788,228	$ 15,585,373

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

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2018

Net change in fund balances - total governmental funds		$ 1,859,027
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	$ 581,909	
Depreciation, net of disposals	(995,275)	(413,366)
The issuance of long-term debt provides current financal 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 lease payments		57,291
JPIA cumulative deposits, net change		195,941
Sales tax reimbursement		686,503
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.		(3,790)
Pension and OPEB 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.		
Pension related net adjustments		(347,653)
OPEB related net adjustments		(112,441)
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.		192,703
Change in net position of governmental activities		$ 2,114,215

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

Statement of Net Position - Proprietary Funds
June 30, 2018

	Enterprise Funds		
	Sewer	Water	Total
Assets			
Current assets:			
Cash and investments	$ 6,085,102	$ 7,721,276	$ 13,806,378
Cash and investments with fiscal agent	2,105,580	130	2,105,710
Receivables, net:			
Accounts	855,382	447,118	1,302,500
Interest	14,095	18,231	32,326
Prepaids	338,306	89,757	428,063
Total current assets	9,398,465	8,276,512	17,674,977
Noncurrent assets:			
Capital assets:			
Land and construction in progress	2,688,630	684,294	3,372,924
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	-	1,434,921	1,434,921
Vehicles	13,230	-	13,230
Less - accumulated depreciation	(11,064,162)	(3,901,946)	(14,966,108)
Total non-current assets	65,653,951	6,502,928	72,156,879
Total assets	75,052,416	14,779,440	89,831,856
Deferred outflows of resources			
Pension related	86,157	344,629	430,786
Debt related	-	211,939	211,939
Total deferred outflows of resources	86,157	556,568	642,725

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

Statement of Net Position (continued) - Proprietary Funds
June 30, 2018

	Enterprise Funds		
	Sewer	Water	Total
Liabilities			
Current liabilities:			
Accounts payable	$ 450,760	$ 221,269	$ 672,029
Accrued interest payable	366,555	46,185	412,740
Deposits payable	384,194	122,830	507,024
Current portion of long-term obligations	971,851	327,961	1,299,812
Total current liabilities	2,173,360	718,245	2,891,605
Noncurrent liabilities:			
Compensated absences	21,951	55,500	77,451
Net pension liability	314,194	1,256,777	1,570,971
Bonds payable	50,072,066	5,283,712	55,355,778
Total non-current liabilities	50,408,211	6,595,989	57,004,200
Total liabilities	52,581,571	7,314,234	59,895,805
Deferred inflows of resources			
Pension related	8,978	35,911	44,889
Debt related	787,472	-	787,472
Total deferred inflows of resources	796,450	35,911	832,361
Net position			
Net investment in capital assets	13,837,196	1,140,194	14,977,390
Restricted for debt service	3,039,331	567,113	3,606,444
Unrestricted	4,884,025	6,278,557	11,162,582
Total net position	$ 21,760,552	$ 7,985,863	$ 29,746,415

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

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds
Year Ended June 30, 2018

	Enterprise Funds		
	Sewer	Water	Total
Operating revenues			
Sales and service charges, net	$ 6,661,421	$ 3,525,718	$ 10,187,139
Other	243,567	70,774	314,341
Total operating revenues	6,904,988	3,596,492	10,501,480
Operating expenses			
Administration costs	679,789	643,112	1,322,901
Pumping	-	670,969	670,969
Transmission and distribution	-	256,374	256,374
Customer accounts	-	221,157	221,157
Treatment and disposal plant	2,050,243	-	2,050,243
Depreciation	1,092,323	135,905	1,228,228
Total operating expenses	3,822,355	1,927,517	5,749,872
Operating income	3,082,633	1,668,975	4,751,608
Non-operating revenues (expenses)			
Investment income	84,079	71,719	155,798
Amortization	135,345	(15,139)	120,206
Interest expense	(2,245,143)	(284,734)	(2,529,877)
Total non-operating revenues (expenses)	(2,025,719)	(228,154)	(2,253,873)
Income (loss) before transfers	1,056,914	1,440,821	2,497,735
Transfers			
Transfers in	312,536	2,712	315,248
Transfers out	(266,792)	(256,559)	(523,351)
Change in net position	1,102,658	1,186,974	2,289,632
Net position, beginning of year	20,657,894	6,798,889	27,456,783
Net position, end of year	$ 21,760,552	$ 7,985,863	$ 29,746,415

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

Statement of Cash Flows - Proprietary Funds
Year Ended June 30, 2018

	Enterprise Funds		
	Sewer	Water	Total
Cash flows from operating activities			
Receipts from customers	$ 6,911,450	$ 3,615,051	$ 10,526,501
Payments to employees	(305,219)	(737,565)	(1,042,784)
Payments to suppliers	(2,882,043)	(1,120,891)	(4,002,934)
Net cash provided by operating activities	3,724,188	1,756,595	5,480,783
Cash flows from noncapital financing activities			
Transfer to other funds	(266,792)	(256,559)	(523,351)
Transfer from other funds	312,536	2,712	315,248
Net cash provided by (used for) noncapital financing activities	45,744	(253,847)	(208,103)
Cash flows from capital and related financing activities			
Principal payments on long-term debt	(810,000)	(285,000)	(1,095,000)
Payments for capital assets	-	(38,588)	(38,588)
Interest paid on long-term debt	(2,003,023)	(287,088)	(2,290,111)
Net cash used for capital and related financing activities	(2,813,023)	(610,676)	(3,423,699)
Cash flows from investing activities			
Interest on investments	75,443	60,676	136,119
Net cash provided by investing activities	75,443	60,676	136,119
Net increase in cash and cash equivalents	1,032,352	952,748	1,985,100
Cash and cash equivalents, beginning of year	7,158,330	6,768,658	13,926,988
Cash and cash equivalents, end of year	$ 8,190,682	$ 7,721,406	$ 15,912,088

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

Statement of Cash Flows (continued) - Proprietary Funds
Year Ended June 30, 2018

	Enterprise Funds		
	Sewer	Water	Total
Non-cash capital related financing activities			
Amortization of deferred charges/premium	$ (135,345)	$ 15,139	$ (120,206)
Increase (decrease) in allowance for doubtful accounts	(3,309)	(742)	(4,051)
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	$ 6,085,102	$ 7,721,276	$ 13,806,378
Cash and investments with fiscal agent	2,105,580	130	2,105,710
Totals	$ 8,190,682	$ 7,721,406	$ 15,912,088
Reconciliation of operating income to net cash provided by operations:			
Operating income	$ 3,082,633	$ 1,668,975	$ 4,751,608
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,092,323	135,905	1,228,228
Bad debt expense (recovery)	(3,309)	(742)	(4,051)
Actuarial pension expense (credit) adjustments	23,174	92,704	115,878
(Increase) decrease in assets:			
Receivables, net	(44,658)	48,317	3,659
Prepaids	(67,582)	(86,807)	(154,389)
Increase (decrease) in liabilities:			
Accounts payable	(434,415)	(73,459)	(507,874)
Deposits payable	54,428	(29,015)	25,413
Compensated absences	21,594	717	22,311
Total adjustments	641,555	87,620	729,175
Net cash provided by operating activities	$ 3,724,188	$ 1,756,595	$ 5,480,783

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

Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2018

	Private-purpose trust fund	Agency fund
Assets		
Cash and investments	$ 2,153,510	$ 2,683,188
Cash and investments with fiscal agent	137	7,708,446
Receivables:		
Interest	25	-
Notes and loans	75,500	-
Prepaid expense	16,457	
Due from City of Fillmore	750,000	42,759
Capital assets:		
Land	3,627,062	-
Depreciable infrastructure	52,773	-
Depreciable buildings and improvements	3,227,564	-
Depreciable machinery and equipment	131,294	-
Accumulated Depreciation	(1,633,616)	-
Total assets	8,400,706	$ 10,434,393
Deferred Outflows of Resources		
Debt related	907,870	-
Liabilities		
Accounts payable	3,551	$ 154,766
Interest payable	134,850	-
Accrued liabilities	2,629	-
Deposits payable	375	585,574
Unearned revenue	206,700	-
Due to bondholders	-	9,694,053
Due to City of Fillmore	398,160	-
Long-term liabilities:		
Due within one year	2,347,223	-
Due in more than one year	33,530,000	-
Premium on bonds payable	3,806,679	-
Total liabilities	40,430,167	$ 10,434,393
Net position (deficit)		
Held in trust for the Successor Agency	$ (31,121,591)	

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

Statement of Changes in Fiduciary Net Position - Fiduciary Funds
Year Ended June 30, 2018

	Private-purpose trust fund
Additions:	
Property taxes	$ 2,932,400
Investment earnings	615
Other	5,220
Total additions	2,938,235
Deductions:	
Administrative expenses	288,041
Interest and fiscal charges	1,445,066
Depreciation	66,076
Total deductions	1,799,183
Change in net position	1,139,052
Net position (deficit), beginning of year	(32,260,643)
Net position (deficit), end of year	$ (31,121,591)

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

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.

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.

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.

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.

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 - 1st installment
	February 1 - 2nd installment
Collection dates	December 10 - 1st installment
	April 10 - 2nd installment

Prepaid items

Payments made to vendors for services that will benefit periods beyond June 30, 2018, 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.

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, 2018.

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, 2018, the City has determined that there are no outstanding claims or judgments which would be material to the financial statements.

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.

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 generally accepted accounting principles. 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 an 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.

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, 2016
Measurement Date (MD)	June 30, 2017
Measurement Period (MP)	July 1, 2016 to June 30, 2017

f. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are reported at fair value.

Generally accepted accounting principles require 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, 2017
Measurement Date (MD)	June 30, 2017
Measurement Period (VP)	July 1, 2016 to June 30, 2017

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

g. 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, 2018.

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 pension related items 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.

h. Implementation of new GASB pronouncement

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for other postemployment benefits. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expenses.

The remainder of this page left intentionally blank.

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, 2018.

Deficit fund balances

The following funds present deficits of fund balances as of June 30, 2018:

	Amount
Nonmajor governmental funds:	
Special revenue funds:	
Swimming Pool Maintenance	$ (446,978)
Recreation	(172,779)
Storm Water NPDES	(57,549)
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.

Note 3: Cash and investments

Cash and investments as of June 30, 2018, are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	$ 30,898,761
Cash and investments with fiscal agent	2,105,710
Statement of fiduciary assets and liabilities:	
Cash and investments	4,836,698
Cash and investments with fiscal agent	7,708,583
Total cash and investments	$ 45,549,752

Cash and investments as of June 30, 2018, consist of the following:	
Cash on hand	$ 1,300
Deposits with financial institutions	15,894,608
Investments	29,653,844
Total cash and investments	$ 45,549,752

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.

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.

		Remaining maturity			
Investment type	Totals	12 months or less	13 to 24 months	25 to 60 months	More than 60 months
State Investment Pool	$ 14,939,551	$ 14,939,551	$ -	$ -	$ -
Certificates of deposit	4,900,000	245,000	735,000	3,920,000	-
Held by bond trustee:					
First American Treasury Obligations	192,733	192,733	-	-	-
Money Market Funds (US Treasury)	9,621,560	9,621,560	-	-	-
Total investments	$ 29,653,844	$ 24,998,844	$ 735,000	$ 3,920,000	$ -

Investments with fair value highly sensitive to interest rate fluctuations

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

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	$ 14,939,551	N/A	$ -	$ 14,939,551
Certificates of deposit	4,900,000	N/A	-	4,900,000
Held by bond trustee:				
First American Treasury Obligations	192,733	N/A	192,733	-
Money Market Funds (US Treasury)	9,621,560	N/A	9,621,560	-
Total investments	$ 29,653,844		$ 9,814,293	$ 19,839,551

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, 2018, $14.3 million of the City's and $2.2 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.

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, 2018, were $14,934,371 and $5,180 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, 2018:

Investments by Fair Value Hierarchy	Total	Level 1	Level 2	Level 3
Certificates of deposit	$ 4,900,000	$ -	$ 4,900,000	$ -
Total Investments by Fair Value Hierarchy	4,900,000	$ -	$ 4,900,000	$ -
Investments outside the Fair Value Hierarchy				
State Investment Pool	14,939,551			
Held by bond trustee:				
First American Treasury Obligations	192,733			
Money Market Funds (US Treasury)	9,621,560			
Total Investments	$ 29,653,844			

Note 4: Accounts receivable

The following is a list of accounts receivable at June 30, 2018:

	Receivable	Allowance	Net
Governmental activities:			
Intergovernmental	$ 988,864	$ -	$ 988,864
Accounts	799,991	-	799,991
Total	$ 1,788,855	$ -	$ 1,788,855
Business-type activities:			
Accounts	$ 1,355,083	$ (52,583)	$ 1,302,500
Total	$ 1,355,083	$ (52,583)	$ 1,302,500

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

The following is a list of accounts receivable at June 30, 2018:

	Beginning Balance	Additions	Deletions	Ending Balance
Loans receivable:				
Home loans	$ 310,710	$ 103,600	$ (26,843)	$ 387,467
First time home-buyers loans	957,871	-	-	957,871
Total loans receivable	1,268,581	103,600	(26,843)	1,345,338
Notes receivable:				
Fillmore Parkview Seniors LP	6,225,391	115,943	-	6,341,334
Total loans and notes receivable	$ 7,493,972	$ 219,543	$ (26,843)	$ 7,686,672

Note 5: Notes and loans receivable, (continued)

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

		June 30, 2018
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 intersts rates up to 5%, and secured by Deeds of Trust when applicable.	$ 387,467
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. This note was transferred to the City as of January 31, 2012 and is maintained in the City's Housing Successor Fund.	6,341,334
	Total	$ 7,686,672

Note 6: Inter-fund activity

The following represents the inter-fund activity of the City for the fiscal year ended June 30, 2018:

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, 2018, were as follows:

Fund receiving transfers	Funds making transfers		Amounts
General Fund	Housing Successor Fund	A	$ 2,100
	Sewer Fund	A	266,792
	Water Fund	A	256,559
	Nonmajor Governmental Funds	A	164,444
			689,895
Nonmajor Governmental Funds	General Fund	D	366,106
	Nonmajor Governmental Funds	A	377,873
			743,979
Water Fund	Nonmajor Governmental Funds	C	2,712
Sewer Fund	Nonmajor Governmental Funds	B	312,536
	Total transfers		$ 1,749,122

A - Transfers made to pay for administrative fees.
B - Transfers made to allocate revenues related to DIF fees.
C - Transfers made to provide funding for capital project.
D - Transfers made to adjust Fund balance to minimum requirement.

b. Advances

Advances are long-term in nature and will be repaid when the funds become available. As of June 30, 2018, 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.

Receivable fund	Payable fund	Amounts
General Fund	Nonmajor Governmental Funds	$ 748,108

Note 7: Capital assets

a. Governmental activities

Capital assets governmental activity for the fiscal year ended June 30, 2018, was as follows:

Governmental activities:	Beginning balance	Additions	Deletions	Ending balance
Capital assets, not being depreciated:				
Land	$ 10,865,924	$ -	$ -	$ 10,865,924
Construction in progress	32,070	234,594	(32,070)	234,594
Total capital assets, not being depreciated	10,897,994	234,594	(32,070)	11,100,518
Capital assets, being depreciated:				
Buildings and improvements:				
Buildings	18,415,102	63,644	-	18,478,746
Land improvements	5,543,396	265,277	-	5,808,673
Machinery and equipment	1,492,286	5,915	-	1,498,201
Autos and trucks	2,762,774	-	-	2,762,774
Infrastructure	17,433,312	44,549	-	17,477,861
Total capital assets, being depreciated	45,646,870	379,385	-	46,026,255
Less accumulated depreciation for:				
Buildings and improvements:				
Buildings	(3,764,878)	(308,524)	-	(4,073,402)
Land improvements	(2,850,192)	(228,886)	-	(3,079,078)
Machinery and equipment	(1,124,566)	(44,241)	-	(1,168,807)
Autos and trucks	(2,217,037)	(95,840)	-	(2,312,877)
Infrastructure	(6,159,198)	(317,784)	-	(6,476,982)
Total accumulated depreciation	(16,115,871)	(995,275)	-	(17,111,146)
Total capital assets, being depreciated, net	29,530,999	(615,890)	-	28,915,109
Total governmental activities capital assets, net	$ 40,428,993	$ (381,296)	$ (32,070)	$ 40,015,627

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

General government	$ 213,317
Public safety	113,800
Public works	417,376
Community development	14,553
Parks and recreation	236,229
Total	$ 995,275

Note 7: Capital assets, (continued)

b. Business-type activities

Capital asset business-type activities for the fiscal year ended June 30, 2018, were as follows:

Business-type activities:	Beginning balance	Additions	Deletions	Ending balance
Sewer activity				
Capital assets, not being depreciated:				
Land	$ 2,688,630	$ -	$ -	$ 2,688,630
Construction in progress	-	-	-	-
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	74,029,483	-	-	74,029,483
Less accumulated depreciation for:				
Buildings and improvements	(7,917,491)	(1,058,395)	-	(8,975,886)
Transmissions and mains	(2,053,864)	(32,276)	-	(2,086,140)
Autos and trucks	(484)	(1,652)	-	(2,136)
Total accumulated depreciation	(9,971,839)	(1,092,323)	-	(11,064,162)
Total capital assets, being depreciated	64,057,644	(1,092,323)	-	62,965,321
Total sewer capital assets, net	$ 66,746,274	$ (1,092,323)	$ -	$ 65,653,951

	Beginning balance	Additions	Deletions	Ending balance
Water activity				
Capital assets, not being depreciated:				
Land	$ 483,323	$ -	$ -	$ 483,323
Construction in progress	198,259	2,712	-	200,971
Total capital assets, not being depreciated	681,582	2,712	-	684,294
Capital assets, being depreciated:				
Land improvements	267,809	-	-	267,809
Machinery and equipment	1,399,045	35,876	-	1,434,921
Wells and reservoirs	518,381	-	-	518,381
Transmission and mains	7,499,469	-	-	7,499,469
Total capital assets, being depreciated	9,684,704	35,876	-	9,720,580
Less accumulated depreciation for:				
Land improvements	(231,664)	(10,477)		(242,141)
Machinery and equipment	(1,106,251)	(27,478)		(1,133,729)
Wells and reservoirs	(504,645)	(1,111)		(505,756)
Transmission and mains	(1,923,481)	(96,839)		(2,020,320)
Total accumulated depreciation	(3,766,041)	(135,905)	-	(3,901,946)
Total capital assets, being depreciated	5,918,663	(100,029)	-	5,818,634
Total water capital assets, net	$ 6,600,245	$ (97,317)	$ -	$ 6,502,928

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	198,259	2,712	-	200,971
Total capital assets, not being depreciated	3,370,212	2,712	-	3,372,924
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	1,399,045	35,876	-	1,434,921
Autos and trucks	13,230	-	-	13,230
Wells and reservoirs	518,381	-	-	518,381
Less - accumulated depreciation	(13,737,880)	(1,228,228)	-	(14,966,108)
Total capital assets, being depreciated	69,976,307	(1,192,352)	-	68,783,955
Total business-type activities capital assets, net	$ 73,346,519	$ (1,189,640)	$ -	$ 72,156,879

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

Business-type activities:	
Sewer	$ 1,092,323
Water	135,905
Total	$ 1,228,228

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, 2018:

	Beginning balance	Additions	Deletions	Ending balance	Due within one year
Governmental activities:					
Capital leases payable	$ 285,028	$ -	$ (57,291)	$ 227,737	$ 57,291
OPEB obligation (see Note 10)	921,819	984,828	(921,819)	984,828	-
JPIA - General liability	196,865	-	(172,424)	24,441	24,441
JPIA - Workers compensation	23,517	-	(23,517)	-	-
Compensated absences	306,968	166,929	(163,139)	310,758	124,303
Sales tax reimbursement (see Note 13)	779,063	-	(686,503)	92,560	-
Net pension liability (see Note 9)	4,163,895	896,673	(347,653)	4,712,915	-
Governmental activities long-term liabilities	$ 6,677,155	$ 2,048,430	$ (2,372,346)	$ 6,353,239	$ 206,035
Business-type activities:					
Water					
Compensated absences	$ 91,783	$ 62,688	$ (61,971)	$ 92,500	$ 37,000
Net pension liability (see Note 9)	1,110,372	239,112	(92,707)	1,256,777	-
2010 refunding bonds	5,850,000	-	(285,000)	5,565,000	290,000
Premium on bonds	10,364	-	(691)	9,673	961
Sub-total water	7,062,519	301,800	(440,369)	6,923,950	327,961
Sewer					
Compensated absences	14,991	39,106	(17,512)	36,585	14,634
Net pension liability (see Note 9)	277,592	59,776	(23,174)	314,194	-
Series 2007 revenue bonds	14,005,000	-	(810,000)	13,195,000	840,000
2007 Premium on bonds	381,564	-	(12,718)	368,846	12,718
Series 2017 refunding bonds	34,435,000	-	-	34,435,000	-
2017 Premium on bonds	3,134,936	-	(104,499)	3,030,437	104,499
Sub-total sewer	52,249,083	98,882	(967,903)	51,380,062	971,851
Business-type activities long-term liabilities	$ 59,311,602	$ 400,682	$ (1,408,272)	$ 58,304,012	$ 1,299,812

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, 2018, is $227,737. Minimum annual payments are $57,291 for the lease, which includes interest between 4% and 5%, with the next payment due on November 22, 2018.

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

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, 2018, are as follows:

Fiscal year ending June 30,	Capital leases payable
2019	$ 57,291
2020	57,291
2021	57,291
2022	81,324
2023	-
Thereafter	-
Totals	253,197
Less amount representing interest	(25,460)
Present value of minimum payments	$ 227,737
Leased equipment	$ 456,903
Less: accumulated depreciation	230,831
Total	$ 226,072

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, 2018, the City owes to the JPIA $24,441 for General Liability Cumulative Deposits.

The schedules of annual requirements to amortize the Cumulative Deposits long-term debt outstanding as of June 30, 2018, are as follows:

Fiscal year ending June 30,	California JPIA Cumulative Deposits Payable Principal
2019	$ 24,441

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, 2018 was $13,195,000.

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, 2018, are as follows:

Fiscal year ending June 30,	2007 Revenue Bonds		
	Principal	Interest	Total
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	546,043	1,501,043
2023	1,000,000	504,262	1,504,262
2024-2028	5,825,000	1,678,161	7,503,161
2029-2033	2,780,000	220,762	3,000,762
Totals	$ 13,195,000	$ 4,814,521	$ 18,009,521

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, 2018 was $5,565,000.

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, 2018 are as follows:

Fiscal year ending June 30,	2010 Water Revenue Refunding Bonds		
	Principal	Interest	Total
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	345,000	225,488	570,488
2024-2028	1,985,000	860,275	2,845,275
2029-2033	1,995,000	280,450	2,275,450
Totals	$ 5,565,000	$ 2,402,076	$ 7,967,076

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. As a result of the refunding, the City reduced its total debt service requirements by $13,455,208, 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 $7,951,066. The outstanding principal balance of the bonds as of June 30, 2018 was $34,435,000.

Note 8: Long-term liabilities, (continued)

e. Series 2017 Wastewater Refunding Revenue Bonds (continued)

The schedules of annual requirements to amortize the Series 2017 bonds long-term debt outstanding as of June 30, 2018 are as follows:

Fiscal year ending June 30,	2017 Revenue Bonds		
	Principal	Interest	Total
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	-	1,541,300	1,541,300
2024-2028	-	7,706,500	7,706,500
2029-2033	4,445,000	7,533,300	11,978,300
2034-2038	8,725,000	6,097,700	14,822,700
2039-2043	10,750,000	4,069,000	14,819,000
2044-2048	10,515,000	1,346,500	11,861,500
Totals	$ 34,435,000	$ 34,459,500	$ 68,894,500

f. Compensated Absences

The City's total long-term liability at June 30, 2018 for compensated absences is $439,843, with the General, Water, and Sewer Funds primarily expected to liquidate their corresponding portion of the liability.

Note 9: Defined benefit pension plan

A. General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The 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, 2018, are summarized as follows:

	Miscellaneous	
Hire date	Prior to January 1, 2013	On or after January 1, 2013
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	6.896%	6.500%
Required employer contribution rates	9.887%	7.045%

	Safety	
Hire date	Prior to January 1, 2013	On or after January 1, 2013
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%	0
Required employee contribution rates	8.982%	12.250%
Required employer contribution rates	18.759%	12.951%

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, 2018 were $592,572. The actual employer payments of $624,348 made to CalPERS by the Local Government during the measurement period ended June 30, 2017 differed from the Local Government's proportionate share of the employer's contributions of $638,536 by $14,188, 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, 2017, using an annual actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 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, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal
Assets Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases (1)	3.30% - 14.20%
Investments 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 investment 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.

Note 9: Defined benefit pension plan, (continued)

B. Net Pension Liability, (continued)

All other actuarial assumptions used in the June 30, 2016 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

In fiscal year 2016-17, the financial reporting discount rate for the PERF C was lowered from 7.65 percent to 7.15 percent.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent and reflects the long-term expected rate of return for the Plan net of investment expenses and without reduction for administrative expenses. To determine whether the municipal bond rate should be used in the calculation of the discount rate for public agency plans (including PERF C), the amortization and smoothing periods adopted by the Board in 2013 were used. For the Plan, the crossover test was performed for a miscellaneous agent plan and a safety agent plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for PERF C. The crossover test results can be found on 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 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 cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ 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 rounded 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 adjusted to account for assumed administrative expenses.

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

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	47.0%	4.90%	5.38%
Global Fixed Income	19.0%	0.80%	2.27%
Inflation Sensitive	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	(0.40%)	(0.90%)
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 plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov. The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

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.

Note 9: Defined benefit pension plan, (continued)

C. Proportionate Share of Net Pension Liability

The following table shows the Plans' proportionate 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: 6/30/2016 (VD)	$ 20,734,422	$ 15,182,563	$ 5,551,859
Balance at: 6/30/2017 (MD)	23,521,006	17,237,120	6,283,886
Net Changes during 2016-17	$ 2,786,584	$ 2,054,557	$ 732,027

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, 2017, 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, 2016 rolled forward to June 30, 2017 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, at www.calpers.ca.gov.

The City's proportionate share of the net pension liability for Plan as of the June 30, 2016 and 2017 measurement dates was as follows:

Proportionate Share - June 30, 2016	0.06416%
Proportionate Share - June 30, 2017	0.06336%
Change - Increase (Decrease)	-0.00080%

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

The following presents the City's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15 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 (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
$ 9,532,174	$ 6,283,886	$ 3,601,890

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 expected average 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 2016-17 measurement period is 3.8 years, which was obtained by dividing the total service years of 490,088 (the sum of remaining service lifetimes of the active employees) by 130,595 (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.

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, 2016), the net pension liability for the plan was $5,551,859. For the measurement period ending June 30, 2017 (the measurement date), the City incurred a pension expense/(credit) of $902,801 for the Plan.

As of June 30, 2018, the City's has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	$ 909,711	$ -
Differences Between Expected and Actual Experience	-	68,868
Differences Between Projected and Actual Investments Earnings	220,856	-
Difference Between Employer's Contributions and Proportionate Share of Contributions	-	48,022
Change in Employer's Proportion	-	62,666
Pension Contributions Made Subsequent to Measurement Date	592,572	-
Total	**$ 1,723,139**	**$ 179,556**

These amounts above are net of outflows and inflows recognized in the 2016-17 measurement period expense. Contributions subsequent to the measurement date of $592,572 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows/(Inflows) of Resources
2018	$ 139,152
2019	588,834
2020	353,715
2021	(130,690)
2022	-
Remaining	-

E. Payable to the Pension Plan

At June 30, 2018, the City reported no payable for the outstanding amount of contributions to the pension plan required for the year then ended.

Note 10: Other post-employment benefits (OPEB)

Plan description

The City has established a Retiree Healthcare Plan (HC Plan), and participates in a single-employer defined benefit retiree healthcare plan. This coverage is available for employees who satisfy the requirements for retirement under the California Public Employees Retirement System (PERS), which is age 55 or older with at least five years of State or public agency service. The benefits are provided in the form of monthly City contributions toward the retiree's premium. The healthcare coverage provided by PERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement No. 45. Medical plan benefits are provided through PERS, as permitted by the Public Employees' Medical and Hospital and Care Act (PEMHCA). As a PEMHCA employer, the City has elected the unequal contribution method, where the contribution will be increased annually until it reaches the same employer contribution as active employee medical plan coverage. A separate financial report is not prepared for the HC Plan.

Employees Covered

As of the June 30, 2017 actuarial valuation, the following current and former employees were covered by the benefit terms under the HC Plan:

Active employees	31
Inactive employees or beneficiaries currently receiving benefits	2
Total	**33**

Contributions

The City makes contributions to eligible retirees for their medical plan premiums when the retiree enrolls in a City sponsored health plan. The current monthly amount paid by the City ranges from $25 – $256, depending on the retiree's bargaining unit at retirement. These amounts do not increase in future years to account for inflation. The City provided amounts are detailed in the Summary of Principal Plan Provisions. For the fiscal year ended June 30, 2018, the City's cash contributions were $4,758 in payments for premiums.

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2017, based on the following actuarial methods and assumptions:

Actuarial Assumptions:	
Discount Rate	3.58%
Inflation	2.50%
Salary Increases	3.25%
Mortality Rate	Pre-Retirement: CalPERS 2014 Mortality pre-retirement Post-Retirement: CalPERS 2014 Mortality post-retirement
Pre-Retirement Turnover	Pre-65: 7.75% initial rate decrease 0.25% per year to 4.25% in 2033.
Healthcare Trend Rate	Post-65: 4.95% initial rate decrease 0.25% per year to 4.25%.

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

Discount Rate

The discount rate used to measure the total OPEB liability was 3.58% percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates.

Changes in the OPEB Liability

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

	Total OPEB Liability (a)	Plan Fiduciary Net Position (B)	Net OPEB Liability/(Asset) (c)= (a) - (b)
Balance at June 30, 2017 (Valuation Date June 30, 2016)	$ 994,666	$ -	$ 994,666
Changes recognized for the measurement period:			
Service Cost	98,787	-	98,787
Interest	31,076	-	31,076
Changes of assumptions	(133,543)	-	(133,543)
Plan experience differences	-	-	-
Contributions - employer	-	6,158	(6,158)
Net investment income	-	-	-
Benefit payments	(6,158)	(6,158)	-
Administrative expenses	-	-	-
Net Changes	(9,838)	-	(9,838)
Balance at June 30, 2018 (Measurement Date June 30, 2017)	$ 984,828	$ -	$ 984,828

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2017.

	1% Decrease 2.58%	Current Discount Rate 3.58%	1% Increase 4.58%
Net OPEB Liability	$ 1,173,939	$ 984,828	$ 834,916

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

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of the Authority if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2017

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	$ 813,979	$ 984,828	$ 1,207,008

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

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

The recognition period differs depending on the source of the gain or loss

Assumption changes and experience gains/losses	Expected average remaining service lifetime (EARSL) (10.545 Years at June 30, 2017)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2018, the City recognized OPEB expense of $117,156. As of fiscal year ended June 30, 2018, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 4,758	$ -
Changes of assumptions	-	120,879
Differences between expected and actual experience	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	-
Total	$ 4,758	$ 120,879

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

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB, (continued)

The $4,758 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2017 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows

Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2019	$ (12,664)
2020	(12,664)
2021	(12,664)
2022	(12,664)
2023	(12,664)
Thereafter:	(57,559)

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

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

The City of Fillmore is a member of the CALIFORNIA JOINT POWERS INSURANCE AUTHORITY (Authority). The Authority is composed of 116 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

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 primary 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.

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

Primary Liability Program (continued)

The overall coverage limit for each member, including all layers of coverage, is $50 million per occurrence. Subsidence losses have a sub-limit of $40 million per occurrence. The coverage structure includes retained risk that is pooled among members, reinsurance, and excess insurance. More detailed information about the various layers of coverage is available on the following website: https://cjpia.org/protection/coverage-programs.

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 2017-18 the Authority's pooled retention is $2 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to $2 million. Coverage from $2 million to $5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from $5 million to $10 million are pooled among members.

C. Purchased Insurance

Pollution Legal Liability Insurance

The City of Fillmore participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Fillmore. Coverage is on a claims-made basis. There is a $50,000 deductible. The Authority has an aggregate limit of $50 million for the 3-year period from July 1, 2017 through July 1, 2020. 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 $49,289,568. There is a $10,000 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 $44,418,406. There is a deductible of 5% per unit of value with a minimum deductible of $100,000.

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

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 2017-18.

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, 2018, (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.

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.

Currently, on average, O&M allocates $665,000 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 $636,000, and out of this amount, $540,000 is shared between MTS and San Joaquin County and $96,000 is retained by the City. The estimated fiscal year amount equates to O&M paying $2.66 million is sales tax to the City with $2.16 million shared between MTS and San Joaquin and $500,000 retained by the City.

As of June 30, 2018, the City estimated and accrued $1,061,135 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 and all payments due have been returned to BOE. 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 consequently reallocated this amount back from Fillmore, starting with a reallocation of $771,991 and the balance of $1,948,952 reallocated back over 8 quarters. This amounted to $243,619 per quarter and started in 3Q 2016 (September 2016) and ended in 2Q 2018 (June 2018). These required reallocations are now complete.

   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 has returned the full amount of $2,034,440 back to the City ending in 2Q 2018 (June 2018). The net impact on the City was $686,503.

Note 13: Contingencies and commitments, (continued)

Status of Current and Past Sales Tax Litigation Cases (Tax Abatements)(continued)

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

Southwest Jet Fuels	Total Fiscal Year 2015-16	Total Fiscal Year 2016-17	Total Fiscal Year 2017-2018	Total All Years
Repayment to BOE by City	$ -	$ (1,746,467)	$ (974,476)	$ (2,720,943)
MTS Repayment to City	1,795,000	145,091	94,349	2,034,440
Net Impact on City	$ 1,795,000	$ (1,601,376)	$ (880,127)	$ (686,503)

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

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

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

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

Cal Purchasing Group	Total Fiscal Year 2018-19
Repayment to BOE by City	$ (1,211,623)
Inspired Repayment to City	1,119,063
Net Impact on City	$ (92,560)

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, 2018 is as follows:

		Fiscal year	
Description	Issue year	Maturity year	June 30, 2018
North Fillmore Industrial Park CFD # 1	2006	2029	$ 1,550,000
Baldwin Towne Plaza Improvements CFD # 2	2005	2022	285,000
River Oaks CFD # 3	2006	2037	2,505,000
Heritage Valley Parks, Area A CFD#5	2015	2040	17,085,000
Total special tax district debt			$ 21,425,000

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.

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, 2018 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	3,627,062	-	-	3,627,062
Capital assets, being depreciated:				
Buildings and improvements:				
Buildings	3,227,564	-	-	3,227,564
Machinery and equipment	131,294	-	-	131,294
Infrastructure:				
Roadways and bikepaths	52,773	-	-	52,773
Total capital assets, being depreciated	3,411,631	-	-	3,411,631
Less accumulated depreciation for:				
Buildings and improvements:				
Buildings	(1,434,083)	(64,500)	-	(1,498,583)
Machinery and equipment	(125,981)	(763)	-	(126,744)
Infrastructure:				
Roadways and bikepaths	(7,478)	(811)	-	(8,289)
Total accumulated depreciation	(1,567,542)	(66,074)	-	(1,633,616)
Total capital assets, being depreciated, net	1,844,089	(66,074)	-	1,778,015
Total Successor Agency capital assets, net	$ 5,471,151	$ (66,074)	$ -	$ 5,405,077

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, 2018:

	Beginning balance	Additions	Deletions	Ending balance	Due within one year
2015 Series TARBs	$ 37,515,000	$ -	$ (1,955,000)	$ 35,560,000	$ 2,030,000
Premium on 2015 Series TARBs	4,441,125	-	(317,223)	4,123,902	317,223
Total long-term liabilities	$ 41,956,125	$ -	$ (2,272,223)	$ 39,683,902	$ 2,347,223

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, 2018, including interest are as follows:

Fiscal year ending June 30,	2015 Refunding Bonds Series A		
	Principal	Interest	Total
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	2,445,000	1,204,500	3,649,500
2024-2028	14,185,000	4,061,500	18,246,500
2029-2033	10,250,000	688,450	10,938,450
Totals	$ 35,560,000	$ 11,861,900	$ 47,421,900

Successor Agency deductions (expenses)

Deductions (expenses) incurred by the Successor Agency for the year ended June 30, 2018, (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.

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	$ 142,723	$ -	$ -	$ 142,723
Total Nonspendable	142,723	-	-	142,723
Restricted for:				
Public works	-	277,033	7,405,214	7,682,247
Community development	-	-	102,403	102,403
Parks and recreation	-	-	1,402,554	1,402,554
Total Restricted	-	277,033	8,910,171	9,187,204
Assigned to:				
Public works maintenance	-	-	515,194	515,194
Parking lot maintenance	-	-	50,706	50,706
Parks and recreation	-	-	32,869	32,869
Total Assigned	-	-	598,769	598,769
Unassigned	6,377,389	-	(720,712)	5,656,677
Total Fund Balances	$ 6,520,112	$ 277,033	$ 8,788,228	$ 15,585,373

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, 2018, was determined as follows:

	Governmental Activities
Capital assets	$ 57,126,773
Plus (less) capital assets related balances:	
Plus: capital-related deferred outflows of resources	-
Less: accumulated depreciation	(17,111,146)
Less outstanding principal of capital-related borrowings:	
Capital leases	(227,737)
Less: capital-related deferred inflows of resources	-
Net investment in capital assets	$ 39,787,890

	Business-type Activities		
	Sewer Fund	Water Fund	Total Enterprise
Capital assets	$ 76,718,113	$ 10,404,874	$ 87,122,987
Plus (less) capital assets related balances:			
Plus capital-related deferred outflows of resources	-	211,939	211,939
Less: accumulated depreciation	(11,064,162)	(3,901,946)	(14,966,108)
Less outstanding principal of capital-related borrowings:			
Series 2007 revenue bonds	(13,195,000)	-	(13,195,000)
Premium on 2007 bonds	(368,846)	-	(368,846)
Series 2017 revenue bonds	(34,435,000)	-	(34,435,000)
Premium on 2017 bonds	(3,030,437)	-	(3,030,437)
2010 refunding bonds	-	(5,565,000)	(5,565,000)
Premium on 2010 bonds	-	(9,673)	(9,673)
Less: capital-related deferred inflows of resources	(787,472)	-	(787,472)
Net investment in capital assets	$ 13,837,196	$ 1,140,194	$ 14,977,390

Note 18: Prior Period restatement

Change in Accounting Principle

As discussed in Note 1, the City implemented GASB Statement No. 75 (GASB 75) effective July 1, 2017. GASB 75, among other provisions, amended prior guidance with respect to the reporting of postemployment benefits other than pensions (OPEB). GASB 75 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expenses. The District's net OPEB liability was not previously recorded on the statement of net position. GASB 75 requires that accounting changes adopted to conform to the provisions of the Statement be applied retroactively by restating financial statements.

The cumulative effects of applying the provisions of GASB 75 have been reported as a restatement of beginning net position for the year ended June 30, 2018 in accordance with the Statement as follows:

Government-Wide Statements		
Statement of Activities - Governmental Activities		
Net position, beginning of year, prior to restatement	$	55,928,472
Elimination of OPEB liability as calculated under GASB 45		921,819
Recording of initial OPEB liability as calculated under GASB 75		(994,666)
Recording of initial OPEB related deferred amounts as calculated under GASB 75		6,158
Net restatement due to change in accounting principle		(66,689)
Net position, beginning of year, as restated	$	55,861,783

REQUIRED SUPPLEMENTARY INFORMATION

This page left blank intentionally.

Required Supplementary Information
Budgetary Comparison Schedule - General Fund
Year Ended June 30, 2018

	Budgeted amounts			
	Original	Final	Actual	Variance with final budget
Revenues				
Taxes	$ 4,963,444	$ 4,963,444	$ 5,580,618	$ 617,174
Licenses and permits	178,000	178,000	166,108	(11,892)
Fines and forfeitures	60,400	60,400	72,278	11,878
Investment income	100,905	100,905	149,784	48,879
Intergovernmental	418,900	418,900	654,931	236,031
Charges for services	628,665	628,665	723,591	94,926
Other	63,156	63,156	104,829	41,673
Total revenues	6,413,470	6,413,470	7,452,139	1,038,669
Expenditures				
Current:				
General government:				
City council	31,471	31,471	27,362	4,109
City clerk	110,849	110,849	68,769	42,080
City attorney	260,000	260,000	334,836	(74,836)
City administration	336,048	336,048	309,335	26,713
Central support	336,048	336,048	328,015	8,033
Risk management	120,074	120,074	113,134	6,940
Facilities management	128,344	128,344	129,626	(1,282)
Human resources	80,428	80,428	66,525	13,903
Total general government	1,403,262	1,403,262	1,377,602	25,660
Public safety:				
Sheriff	3,409,418	3,409,418	3,426,998	(17,580)
Fire	1,542,447	1,542,447	1,372,430	170,017
Animal regulation	88,300	88,300	113,358	(25,058)
Building and safety	189,380	189,380	160,408	28,972
Total public safety	5,229,545	5,229,545	5,073,194	156,351
Parks and recreation:	183,045	183,045	140,013	43,032
Total parks and recreation	183,045	183,045	140,013	43,032
Public works:				
Parks	156,019	156,019	151,129	4,890
Central garage	60,005	60,005	47,207	12,798
City engineering	89,938	89,938	52,745	37,193
Total public works	305,962	305,962	251,081	54,881
Community development:				
Community promotion	8,952	8,952	1,525	7,427
Planning	527,314	527,314	409,229	118,085
Total community development	536,266	536,266	410,754	125,512
Economic development:	66,993	66,993	73,869	(6,876)
Total economic development	66,993	66,993	73,869	(6,876)
Total expenditures	7,725,073	7,725,073	7,326,513	398,560
Excess (deficiency) of revenues over (under) expenditures	(1,311,603)	(1,311,603)	125,626	1,437,229
Other financing sources (uses)				
Transfers in	689,895	689,895	689,895	-
Transfers out	(345,000)	(345,000)	(366,106)	(21,106)
Total other financing sources (uses)	344,895	344,895	323,789	(21,106)
Net change in fund balance	(966,708)	(966,708)	449,415	1,416,123
Fund balance, beginning of year	6,070,697	6,070,697	6,070,697	-
Fund balance, end of year	$ 5,103,989	$ 5,103,989	$ 6,520,112	$ 1,416,123

Required Supplementary Information
Budgetary Comparison Schedule - Housing Successor Special Revenue Fund
Year Ended June 30, 2018

	Budgeted amounts			Variance with
	Original	Final	Actual	final budget
Revenues				
Investment income	$ 8,500	$ 8,500	$ 16,500	$ 8,000
Other	10,000	10,000	-	(10,000)
Total revenues	18,500	18,500	16,500	(2,000)
Expenditures				
Current:				
Community development	54,750	54,750	54,405	345
Total expenditures	54,750	54,750	54,405	345
Excess (deficiency) of revenues over (under) expenditures	(36,250)	(36,250)	(37,905)	(1,655)
Other financing sources (uses)				
Transfers out	(2,100)	(2,100)	(2,100)	-
Total other financing (uses)	(2,100)	(2,100)	(2,100)	-
Net change in fund balance	(38,350)	(38,350)	(40,005)	(1,655)
Fund balance, beginning of year	317,038	317,038	317,038	-
Fund balance, end of year	$ 278,688	$ 278,688	$ 277,033	$ (1,655)

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, 2018

	Measurement Date 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]	0.06336%	0.06416%	0.06502%	0.07095%
Employer's Proportionate Share of the Collective Net Pension Liability	$ 6,283,886	$ 5,551,859	$ 4,462,812	$ 4,415,133
Employer's Covered Payroll[2]	$ 1,887,721	$ 1,782,018	$ 1,649,406	$ 1,377,466
Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered Payroll	332.88%	311.55%	270.57%	320.53%
Pension Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	73.28%	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 four years are shown.

Required Supplementary Information
Schedule of Plans' Contributions - Last 10 Years*
Year Ended June 30, 2018

	Fiscal Year Ended June 30, 2018	Fiscal Year Ended June 30, 2017	Fiscal Year Ended June 30, 2016	Fiscal Year Ended June 30, 2015
Actuarially Determined Contributions	$ 592,572	$ 624,348	$ 527,980	$ 413,396
Contributions in Relation to the Actuarially Determined Contributions	(592,572)	(624,348)	(527,980)	(413,396)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Employer's Covered Payroll[1]	$ 2,075,112	$ 1,887,721	$ 1,782,018	$ 1,649,406
Contributions as a Percentage of Covered Payroll	28.56%	33.07%	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

Changes in Assumptions: In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

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

Required Supplementary Information
Schedule of Changes in the Net OPEB Liability and Related Ratios - Last 10 Years*

Measurement Period		2017
Total OPEB Liability		
Service Cost	$	98,787
Interest on the Total OPEB Liability		31,076
Actual and expected experience difference		-
Changes in assumptions		(133,543)
Changes in benefit terms		-
Benefit payments		(6,158)
Net change in Total OPEB Liability		(9,838)
Total OPEB Liability - beginning		994,666
Total OPEB Liability - ending (a)	$	984,828
Plan Fiduciary Net Position		
Contribution - employer	$	6,158
Net investment income		-
Benefit payments		(6,158)
Administrative expense		-
Net change in Plan Fiduciary Net Position		-
Plan Fiduciary Net Position - beginning		-
Plan Fiduciary Net Position - ending (b)	$	-
Net OPEB Liability - ending (a) - (b)	$	984,828
Plan fiduciary net position as a percentage of the total OPEB liability		0.00%
Covered employee payroll	$	2,237,583
Net OPEB liability as a percentage of covered employee payroll		44.01%

Notes to schedule:
The following assumptions were changed from the prior valuation:
1) The discount rate was updated to reflect expected returns on Grade AA 20-year municipal bonds.

* Fiscal year 2018 was the 1st year of implementation, therefore, only one year of information is shown.

Required Supplementary Information
Schedule of OPEB Contributions - Last 10 Years*

Fiscal Year Ended June 30		2018
Contractually Determined Contributions (CDC)	$	4,758
Contributions in relation to the CDC		(4,758)
Contribution deficiency/(excess)	$	-
Covered employee payroll	$	2,075,112
Contribution as a percentage of covered payroll		0.23%

Notes to schedule:

Valuation Date: Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.

* Fiscal year 2018 was the 1st year of implementation, therefore, only one year of information is shown.

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
Non -major governmental funds:			
Lightning/Landscape Assessment District	$ 530,670	$ 573,455	$ (42,785)
Swimming Pool Maintennace	234,936	256,290	(21,354)
DIF Public Facility	1,000	1,067	(67)
CDBG	-	932	(932)

Supplementary Information

This page left blank intentionally.

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

This page left blank intentionally.

Non Major Governmental Funds - Fund Descriptions
Year Ended June 30, 2018

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/SB 1 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.

DIF Parking Fund - to account for impacts fees to be used for improvements to existing parking areas and to design and construct future parking areas. 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.

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.

Special Revenues Funds, (continued)

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

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

Groundwater Sustainability Fund - to account for the allocation of funds to be used to develop a groundwater sustainability plan. The city receives the allocation and remits the funds to the Fillmore-Piru Basins Groundwater Sustainability Agency. 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 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.

Capital Projects Funds, (continued)

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.

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.

Combining Balance Sheet
Non Major Governmental Funds
June 30, 2018

	DEBT SERVICE FUND	SPECIAL REVENUE FUNDS	
	Public Financing Authority	Public Education & Government	Gas Tax/SB1
Assets			
Cash and investments	$ -	$ 96,030	$ 94,513
Receivables:	-	-	-
Intergovernmental	-	-	33,246
Accounts	-	5,982	-
Interest	-	391	-
Prepaid items	-	-	6,523
Total assets	$ -	$ 102,403	$ 134,282
Liabilities and fund balance			
Liabilities:			
Accounts payable	$ -	$ -	$ 24,559
Due to other funds	-	-	-
Due to otther governments			
Unearned revenue	-	-	-
Deposits payable	-	-	-
Total liabilities	-	-	24,559
Fund balance (deficit):			
Nonspendable	-	-	-
Restricted	-	102,403	109,723
Assigned	-	-	-
Unassigned	-	-	-
Total fund balance (deficit)	-	102,403	109,723
Total liabilities and fund balance	$ -	$ 102,403	$ 134,282

SPECIAL REVENUE FUNDS					
Local Transportation	Lighting/ Landscape Assessment District	Storm Drain Assessment District	Community Development Block Grant	Public Transit	DIF Parking
$ 922,277	$ 483,082	$ 533,303	$ 11,264	$ 1,870	$ 47,541
-	-	-	-	-	-
-	-	-	-	-	-
-	5,265	13,550	-	-	-
3,946	2,382	3,391	-	-	193
-	762	720	-	-	-
$ 926,223	$ 491,491	$ 550,964	$ 11,264	$ 1,870	$ 47,734
$ -	$ 77,673	$ 1,407	$ -	$ 1,870	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	130,249	-	-	-
-	77,673	131,656	-	1,870	-
-	-	-	-	-	-
926,223	413,818	419,308	11,264	-	47,734
-	-	-	-	-	-
-	-	-	-	-	-
926,223	413,818	419,308	11,264	-	47,734
$ 926,223	$ 491,491	$ 550,964	$ 11,264	$ 1,870	$ 47,734

Combining Balance Sheet
Non Major Governmental Funds
June 30, 2018

	SPECIAL REVENUE FUNDS		
	Bike Path Maintenance	Solid Waste Source Reduction	Swimming Pool Maintenance
Assets			
Cash and investments	$ 56,925	$ 170,718	$ -
Receivables:			
Intergovernmental	-	-	1,523
Accounts	-	38,618	36,000
Interest	190	722	-
Prepaid Items	822	3,301	26,200
Total assets	$ 57,937	$ 213,359	$ 63,723
Liabilities and fund balance			
Liabilities:			
Accounts payable	$ 890	$ 1,176	$ 19,484
Due to other funds	-	-	489,890
Due to otther governments			
Unearned revenue	30,100	-	-
Deposits payable	-	-	1,327
Total liabilities	30,990	1,176	510,701
Fund balance (deficit):			
Nonspendable	-	-	-
Restricted	26,947	212,183	-
Assigned	-	-	-
Unassigned	-	-	(446,978)
Total fund balance (deficit)	26,947	212,183	(446,978)
Total liabilities and fund balance	$ 57,937	$ 213,359	$ 63,723

SPECIAL REVENUE FUNDS					
Recreation	DIF Public Facility	DIF Transportation Improvement	DIF Parkland	DIF Sewer Improvement	Groundwater Sustainability
$ -	$ 681,053	$ 83,388	$ 366,429	$ 1,241,848	$ 5,572
					-
-	-	-	-	-	-
10,823	-	-	-	-	-
-	2,925	343	1,480	4,314	-
18,993	-	-	-	-	-
$ 29,816	$ 683,978	$ 83,731	$ 367,909	$ 1,246,162	$ 5,572
$ 15,235	$ -	$ 170	$ -	$ 632	$ 5,572
182,353	-	-	-	-	-
-	-	-	-	796,972	-
5,007	-	-	-	-	-
202,595	-	170	-	797,604	5,572
-	-	-	-	-	-
-	683,978	83,561	367,909	448,558	-
-	-	-	-	-	-
(172,779)	-	-	-	-	-
(172,779)	683,978	83,561	367,909	448,558	-
$ 29,816	$ 683,978	$ 83,731	$ 367,909	$ 1,246,162	$ 5,572

Combining Balance Sheet
Non Major Governmental Funds
June 30, 2018

	SPECIAL REVENUE FUNDS		
	DIF Water Improvement	DIF Storm Drain Improvement	Storm Water NPDES
Assets			
Cash and investments	$ 1,516,075	$ 1,074,059	$ -
Receivables:			
Intergovernmental	-	-	-
Accounts	-	-	8,103
Interest	4,137	4,068	633
Prepaid Items	-	-	-
Total assets	$ 1,520,212	$ 1,078,127	$ 8,736
Liabilities and fund balance			
Liabilities:			
Accounts payable	$ 262	$ -	$ 5,281
Due to other funds	-	-	61,004
Due to otther governments	750,000	-	-
Unearned revenue	-	-	-
Deposits payable	-	-	-
Total liabilities	750,262	-	66,285
Fund balance (deficit):			
Nonspendable	-	-	-
Restricted	769,950	1,078,127	-
Assigned	-	-	-
Unassigned	-	-	(57,549)
Total fund balance (deficit)	769,950	1,078,127	(57,549)
Total liabilities and fund balance	$ 1,520,212	$ 1,078,127	$ 8,736

SPECIAL REVENUE FUNDS		CAPITAL PROJECTS FUNDS		
Levee Reserve	DIF Fire Substation	Sespe Creek Bike Path	Traffic Signals	Two Rivers Park
$ 1,554,206	$ 167,361	$ 45,127	$ 10,000	$ 1,357,874
-	-	-	-	-
-	-	-	-	-
3,971	676	-	-	-
-	-	-	-	-
$ 1,558,177	$ 168,037	$ 45,127	$ 10,000	$ 1,357,874
$ -	$ -	$ -	$ -	$ 447
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	447
-	-	-	-	-
1,558,177	168,037	45,127	10,000	1,357,427
-	-	-	-	-
-	-	-	-	-
1,558,177	168,037	45,127	10,000	1,357,427
$ 1,558,177	$ 168,037	$ 45,127	$ 10,000	$ 1,357,874

Combining Balance Sheet
Non Major Governmental Funds
June 30, 2018

	CAPITAL PROJECTS FUNDS		
	Street Projects	Public Buildings Improvements	Parking Lot
Assets			
Cash and investments	$ -	$ 164,839	$ 50,706
Receivables:			
Intergovernmental	197,093	-	-
Accounts	-	-	-
Interest	-	-	-
Prepaid Items	-	-	-
Total assets	$ 197,093	$ 164,839	$ 50,706
Liabilities and fund balance			
Liabilities:			
Accounts payable	$ 225,638	$ 3,171	$ -
Due to other funds	14,861	-	-
Due to other government	-	-	-
Unearned revenue	-	-	-
Deposits payable	-	-	-
Total liabilities	240,499	3,171	-
Fund balance (deficit):			
Nonspendable	-	-	-
Restricted	-	-	-
Assigned	-	161,668	50,706
Unassigned	(43,406)	-	-
Total fund balance (deficit)	(43,406)	161,668	50,706
Total liabilities and fund balance	$ 197,093	$ 164,839	$ 50,706

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	$ 11,192,172
-	-	-	-	-	231,862
-	-	-	-	-	118,341
-	-	-	-	-	33,762
-	-	-	-	-	57,321
$ 206,000	$ 7,500	$ 25,369	$ 69,717	$ 147,526	$ 11,633,458
$ -	$ -	$ -	$ -	$ -	$ 383,467
-	-	-	-	-	748,108
-	-	-	-	-	750,000
-	-	-	-	-	827,072
-	-	-	-	-	136,583
-	-	-	-	-	2,845,230
-	-	-	-	-	-
-	-	-	69,717	-	8,910,171
206,000	7,500	25,369	-	147,526	598,769
-	-	-	-	-	(720,712)
206,000	7,500	25,369	69,717	147,526	8,788,228
$ 206,000	$ 7,500	$ 25,369	$ 69,717	$ 147,526	$ 11,633,458

This page left blank intentionally.

Combining Statements of Revenues, Expenditures, and Changes in Fund Balances
Non Major Governmental Funds
Year Ended June 30, 2018

	DEBT SERVICE FUND	SPECIAL REVENUE FUNDS	
	Public Financing Authority	Public Education & Government	Gas Tax/SB1
Revenues			
Taxes	$ -	$ 31,435	$ -
Intergovernmental	-	-	430,981
Charges for services	-	-	-
Investment income	-	976	6
Other	-	-	-
	-	-	-
Total revenues	-	32,411	430,987
Expenditures			
Current:			
General government	-	-	-
Public works	-	-	373,391
Community development	-	5,915	-
Transit	-	-	-
Parks and recreation	-	-	-
Capital outlay	-	-	-
Debt service:	-		-
Principal	49,194	-	-
Interest and fiscal charges	8,100	-	-
Total expenditures	57,294	5,915	373,391
Excess (deficiency) of revenues over (under) expenditures	(57,294)	26,496	57,596
Other financing sources (uses)			
Transfers in	151,236	-	121,106
Transfers out	-	-	(77,732)
Total other financing sources (uses)	151,236	-	43,374
Net change in fund balances	93,942	26,496	100,970
Fund balance (deficit), beginning of year	(93,942)	75,907	8,753
Fund balance (deficit), end of year	$ -	$ 102,403	$ 109,723

SPECIAL REVENUE FUNDS					
Local Transportation	Lighting/ Landscape Assessment District	Storm Drain Assessment District	Community Development Block Grant	Public Transit	DIF Parking
$ -	$ 513,976	$ 319,235	$ -	$ -	$ 47,300
249,895	-	-	58,223	279,299	-
	-	-	-	-	-
11,064	6,759	8,806	-	-	434
	-	-	-	-	-
	-	-	-	-	-
260,959	520,735	328,041	58,223	279,299	47,734
-	-	-	-	-	-
-	573,455	30,963	-	-	-
-	-	-	932	-	-
-	-	-		279,299	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-		
-	-	-	-	-	-
-	-	-	-	-	-
-	573,455	30,963	932	279,299	-
260,959	(52,720)	297,078	57,291	-	47,734
-	-	-	-	-	-
(73,601)	(55,999)	(169,226)	(57,291)	-	-
(73,601)	(55,999)	(169,226)	(57,291)	-	-
187,358	(108,719)	127,852	-	-	47,734
738,865	522,537	291,456	11,264	-	-
$ 926,223	$ 413,818	$ 419,308	$ 11,264	$ -	$ 47,734

Combining Statements of Revenues, Expenditures, and Changes in Fund Balances
Non Major Governmental Funds
Year Ended June 30, 2018

	SPECIAL REVENUE FUNDS		
	Bike Path Maintenance	Solid Waste Source Reduction	Swimming Pool Maintenance
Revenues			
Taxes	$ -	$ -	$ 69,790
Intergovernmental	9,349	40,153	-
Charges for services	-	90,878	78,261
Investment income	-	2,163	-
Other	581	-	6
Total revenues	9,930	133,194	148,057
Expenditures			
Current:			
General government	-	-	-
Public works	24,821	91,518	-
Community development	-	-	-
Transit	-	-	-
Parks and recreation	-	-	256,290
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	24,821	91,518	256,290
Excess (deficiency) of revenues over (under) expenditures	(14,891)	41,676	(108,233)
Other financing sources (uses)			
Transfers in	25,000	-	-
Transfers out	(647)	(12,041)	-
Total other financing sources (uses)	24,353	(12,041)	-
Net change in fund balances	9,462	29,635	(108,233)
Fund balance (deficit), beginning of year	17,485	182,548	(338,745)
Fund balance (deficit), end of year	$ 26,947	$ 212,183	$ (446,978)

SPECIAL REVENUE FUNDS					
Recreation	DIF Public Facility	DIF Transportation Improvement	DIF Parkland	DIF Sewer Improvement	Groundwater Sustainability
$ -	$ -	$ -	$ -	$ -	$ -
46,081	-	-	-	-	56,872
107,659	169,342	72,191	7,600	401,341	-
-	8,559	1,021	4,527	16,438	-
12,507	-	-	-	-	-
					-
166,247	177,901	73,212	12,127	417,779	56,872
-	-	-	-	-	56,872
-	1,067	5,447	-	3,275	-
-	-	-	-	-	-
-	-	-	-	-	-
371,578	-	-	1,068	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
371,578	1,067	5,447	1,068	3,275	56,872
(205,331)	176,834	67,765	11,059	414,504	-
195,000	-	-	-	-	-
-	(5,055)	(1,476)		(401,784)	-
195,000	(5,055)	(1,476)	-	(401,784)	-
(10,331)	171,779	66,289	11,059	12,720	-
(162,448)	512,199	17,272	356,850	435,838	-
$ (172,779)	$ 683,978	$ 83,561	$ 367,909	$ 448,558	$ -

Combining Statements of Revenues, Expenditures, and Changes in Fund Balances
Non Major Governmental Funds
Year Ended June 30, 2018

	SPECIAL REVENUE FUNDS		
	DIF Water Improvement	DIF Storm Drain Improvement	Storm Water NPDES
Revenues			
Taxes	$ -	$ -	$ -
Intergovernmental	-	-	-
Charges for services	397,841	229,550	8,497
Investment income	12,452	12,645	-
Other	-	-	-
Total revenues	410,293	242,195	8,497
Expenditures			
Current:			
General government	-	-	-
Public works	1,685	1,068	54,554
Community development	-	-	-
Transit	-	-	-
Parks and recreation	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	1,685	1,068	54,554
Excess (deficiency) of revenues over (under) expenditures	408,608	241,127	(46,057)
Other financing sources (uses)			
Transfers in	-	-	35,000
Transfers out	(2,713)	-	-
Total other financing sources (uses)	(2,713)	-	35,000
Net change in fund balances	405,895	241,127	(11,057)
Fund balance (deficit), beginning of year	364,055	837,000	(46,492)
Fund balance (deficit), end of year	$ 769,950	$ 1,078,127	$ (57,549)

SPECIAL REVENUE FUND		CAPITAL PROJECTS FUNDS		
Levees Reserve	DIF Fire Substation	Sespe Creek Bike Path	Traffic Signals	Two Rivers Park
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
-	44,681	-	-	-
11,974	1,932	-	-	-
-	-	-	-	-
11,974	46,613	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	22,249
-	-	-	-	-
-	-	-	-	-
-	-	-	-	22,249
11,974	46,613	-	-	(22,249)
136,505	-	-	-	-
-	-	-	-	-
136,505	-	-	-	-
148,479	46,613	-	-	(22,249)
1,409,698	121,424	45,127	10,000	1,379,676
$ 1,558,177	$ 168,037	$ 45,127	$ 10,000	$ 1,357,427

Combining Statements of Revenues, Expenditures, and Changes in Fund Balances
Non Major Governmental Funds
Year Ended June 30, 2018

	CAPITAL PROJECTS FUNDS		
	Street Projects	Public Buildings Improvements	Parking Lot
Revenues			
Taxes	$ -	$ -	$ -
Intergovernmental	200,000	-	-
Charges for services	-	-	-
Investment income	-	-	-
Other	-	-	-
Total revenues	200,000	-	-
Expenditures			
Current:			
General government	-	-	-
Public works	-	-	-
Community development	-	-	-
Transit	-	-	-
Parks and recreation	-	-	-
Capital outlay	275,077	22,259	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	275,077	22,259	-
Excess (deficiency) of revenues over (under) expenditures	(75,077)	(22,259)	-
Other financing sources (uses)			
Transfers in	75,077	5,055	-
Transfers out	-	-	-
Total other financing sources (uses)	75,077	5,055	-
Net change in fund balances	-	(17,204)	-
Fund balance (deficit), beginning of year	(43,406)	178,872	50,706
Fund balance (deficit), end of year	$ (43,406)	$ 161,668	$ 50,706

CAPITAL PROJECTS FUNDS					
Storm Drain - Weir River	Pole Creek/Bike Path	BTA Bike Path	Business Park Infrastructure	Sidewalk Repair	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ 981,736
-	-	-	-	-	1,370,853
-	-	-	-	-	1,607,841
-	-	-	-	-	99,756
-	-	-	-	-	13,094
-	-	-	-	-	4,073,280
-	-	-	-	-	56,872
-	-	-	-	-	1,161,244
-	-	-	-	-	6,847
-	-	-	-	-	279,299
-	-	-	-	-	628,936
-	-	-	-	-	319,585
-	-	-	-	-	49,194
-	-	-	-	-	8,100
-	-	-	-	-	2,510,077
-	-	-	-	-	1,563,203
-	-	-	-	-	743,979
-	-	-	-	-	(857,565)
-	-	-	-	-	(113,586)
-	-	-	-	-	1,449,617
206,000	7,500	25,369	69,717	147,526	7,338,611
$ 206,000	$ 7,500	$ 25,369	$ 69,717	$ 147,526	$ 8,788,228

Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Non-Major Governmental Funds
Year Ended June 30, 2018

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.

This page left blank intentionally.

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Fillmore Public Financing Authority Debt Service Fund
Year Ended June 30, 2018

	Final budget	Actual	Variance with final budget
Revenues			
Total revenues	$ -	$ -	$ -
Expenditures			
Debt Service:			
Principal	47,500	49,194	(1,694)
Interest and fiscal charges	9,900	8,100	1,800
Total expenditures	57,400	57,294	106
Excess(deficiency) of revenues over (under) expenditures	(57,400)	(57,294)	106
Other financing sources (uses)			
Transfers in	57,400	151,236	93,836
Total other financing sources (uses)	57,400	151,236	93,836
Net change in fund balance	-	93,942	93,942
Fund balance (deficit), beginning of year	(93,942)	(93,942)	-
Fund balance, end of year	$ (93,942)	$ -	$ 93,942

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Public Education & Government Special Revenue Fund
Year Ended June 30, 2018

	Final budget	Actual	Variance with final budget
Revenues			
Taxes	$ 6,900	$ 31,435	$ 24,535
Investment income	-	976	976
Total revenues	6,900	32,411	25,511
Expenditures			
Current:			
Community development	6,900	5,915	985
Total expenditures	6,900	5,915	985
Net change in fund balance	-	26,496	26,496
Fund balance, beginning of year	75,907	75,907	-
Fund balance, end of year	$ 75,907	$ 102,403	$ 26,496

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Gas Tax Special Revenue Fund
Year Ended June 30, 2018

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	$ 369,000	$ 430,981	$ 61,981
Investment income	500	6	(494)
Total revenues	369,500	430,987	61,487
Expenditures			
Current:			
Public works	436,711	373,391	63,320
Total expenditures	436,711	373,391	63,320
Excess(deficiency) of revenues over (under) expenditures	(67,211)	57,596	124,807
Other financing sources (uses)			
Transfers in	100,000	121,106	21,106
Transfers out	(77,732)	(77,732)	-
Total other financing sources (uses)	22,268	43,374	21,106
Net change in fund balance	(44,943)	100,970	145,913
Fund balance, beginning of year	8,753	8,753	-
Fund balance, end of year	$ (36,190)	$ 109,723	$ 145,913

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Local Transportation Special Revenue Fund
Year Ended June 30, 2018

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	$ 249,895	$ 249,895	$ -
Investment income	500	11,064	10,564
Total revenues	250,395	260,959	10,564
Expenditures			
Total expenditures	-	-	-
Excess of revenues over expenditures	-	-	-
Other financing sources (uses)			
Transfers out	(379,000)	(73,601)	305,399
Total other financing sources (uses)	(379,000)	(73,601)	305,399
Net change in fund balance	(128,605)	187,358	315,963
Fund balance, beginning of year	738,865	738,865	-
Fund balance, end of year	$ 610,260	$ 926,223	$ 315,963

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Lighting/Landscape Assessment District Special Revenue Fund
Year Ended June 30, 2018

	Final budget	Actual	Variance with final budget
Revenues			
Taxes	$ 534,316	$ 513,976	$ (20,340)
Investment income	55	6,759	6,704
Total revenues	534,371	520,735	(13,636)
Expenditures			
Current:			
Public works	530,670	573,455	(42,785)
Total expenditures	530,670	573,455	(42,785)
Excess (deficiency) of revenues over (under) expenditures	3,701	(52,720)	(56,421)
Other financing sources (uses)			
Transfers out	(55,999)	(55,999)	-
Total other financing sources (uses)	(55,999)	(55,999)	-
Net change in fund balance	(52,298)	(108,719)	(56,421)
Fund balance, beginning of year	522,537	522,537	-
Fund balance, end of year	$ 470,239	$ 413,818	$ (56,421)

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Storm Drain Assessment District Special Revenue Fund
Year Ended June 30, 2018

	Final budget	Actual	Variance with final budget
Revenues			
Taxes	$ 332,920	$ 319,235	$ (13,685)
Investment income	350	8,806	8,456
Total revenues	333,270	328,041	(5,229)
Expenditures			
Current:			
Public works	65,597	30,963	34,634
Total expenditures	65,597	30,963	34,634
Excess of revenues over expenditures	267,673	297,078	29,405
Other financing sources (uses)			
Transfers out	(169,226)	(169,226)	-
Total other financing sources (uses)	(169,226)	(169,226)	-
Net change in fund balance	98,447	127,852	29,405
Fund balance, beginning of the year	291,456	291,456	-
Fund balance, end of year	$ 389,903	$ 419,308	$ 29,405

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Community Development Block Grant Special Revenue Fund
Year Ended June 30, 2018

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	$ 57,400	$ 58,223	$ 823
Total revenues	57,400	58,223	823
Expenditures			
Current:			
Community development	-	932	(932)
Total expenditures	-	932	(932)
Excess (deficiency) of revenues over (under) expenditures	57,400	57,291	(109)
Other financing sources (uses)			
Transfers out	(57,400)	(57,291)	109
Total other financing sources (uses)	(57,400)	(57,291)	109
Net change in fund balance	-	-	-
Fund balance, beginning of year	11,264	11,264	-
Fund balance, end of year	$ 11,264	$ 11,264	$ -

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Public Transit Special Revenue Fund
Year Ended June 30, 2018

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	$ 279,299	$ 279,299	$ -
Total revenues	279,299	279,299	-
Expenditures			
Current:			
Transit	279,299	279,299	-
Total expenditures	279,299	279,299	-
Net change in fund balance	-	-	-
Fund balance, beginning of year	-	-	-
Fund balance, end of year	$ -	$ -	$ -

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Bike Path Maintenance Special Revenue Fund
Year Ended June 30, 2018

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	$ 10,070	$ 9,349	$ (721)
Other	25	581	556
Total revenues	10,095	9,930	(165)
Expenditures			
Current:			
Public works	34,448	24,821	9,627
Total expenditures	34,448	24,821	9,627
Excess(deficientcy) of revenues over (under) expenditures	(24,353)	(14,891)	9,462
Other financing sources (uses)			
Transfers in	25,000	25,000	-
Transfers out	(647)	(647)	-
Total other financing sources (uses)	24,353	24,353	-
Net change in fund balance	-	9,462	9,462
Fund balance, beginning of year	17,485	17,485	-
Fund balance, end of year	$ 17,485	$ 26,947	$ 9,462

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Solid Waste Source Reduction Special Revenue Fund
Year Ended June 30, 2018

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	$ 38,484	$ 40,153	$ 1,669
Charges for services	75,000	90,878	15,878
Investment Income	200	2,163	1,963
Total revenues	113,684	133,194	19,510
Expenditures			
Current:			
Public works	101,643	91,518	10,125
Total expenditures	101,643	91,518	10,125
Excess (deficiency) of revenues over (under) expenditures	12,041	41,676	29,635
Other financing sources (uses)			
Transfers out	(12,041)	(12,041)	-
Total other financing sources (uses)	(12,041)	(12,041)	-
Net change in fund balance	-	29,635	29,635
Fund balance, beginning of year	182,548	182,548	-
Fund balance, end of year	$ 182,548	$ 212,183	$ 29,635

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Swimming Pool Maintenance Special Revenue Fund
Year Ended June 30, 2018

	Final budget	Actual	Variance with final budget
Revenues			
Taxes	$ 5,000	$ 69,790	$ 64,790
Charges for services	73,200	78,261	5,061
Other	-	6	6
Total revenues	78,200	148,057	69,857
Expenditures			
Current:			
Parks and recreation	234,936	256,290	(21,354)
Total expenditures	234,936	256,290	(21,354)
Net change in fund balance	(156,736)	(108,233)	48,503
Fund balance (deficit), beginning of year	(338,745)	(338,745)	-
Fund balance (deficit), end of year	$ (495,481)	$ (446,978)	$ 48,503

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Recreation Special Revenue Fund
Year Ended June 30, 2018

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	$ 33,090	$ 46,081	$ 12,991
Charges for services	150,380	107,659	(42,721)
Other	10,700	12,507	1,807
Total revenues	194,170	166,247	(27,923)
Expenditures			
Current:			
Parks and recreation	374,966	371,578	3,388
Total expenditures	374,966	371,578	3,388
Excess (deficiency) of revenues over (under) expenditures	(180,796)	(205,331)	(24,535)
Other financing sources (uses)			
Transfers in	195,000	195,000	-
Total other financing sources (uses)	195,000	195,000	-
Net change in fund balance	14,204	(10,331)	(24,535)
Fund balance (deficit), beginning of year	(162,448)	(162,448)	-
Fund balance (deficit), end of year	$ (148,244)	$ (172,779)	$ (24,535)

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
DIF Public Facility Special Revenue Fund
Year Ended June 30, 2018

	Final budget	Actual	Variance with final budget
Revenues			
Charges for services	$ 125,400	$ 169,342	$ 43,942
Investment income	800	8,559	7,759
Total revenues	126,200	177,901	51,701
Expenditures			
Current:			
Public works	1,000	1,067	(67)
Total expenditures	1,000	1,067	(67)
Excess of revenues over expenditures	125,200	176,834	51,634
Other financing sources (uses)			
Transfers out	(10,000)	(5,055)	4,945
Total other financing sources (uses)	(10,000)	(5,055)	4,945
Net change in fund balance	115,200	171,779	56,579
Fund balance, beginning of year	512,199	512,199	-
Fund balance, end of year	$ 627,399	$ 683,978	$ 56,579

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
DIF Transportation Improvement Special Revenue Fund
Year Ended June 30, 2018

	Final budget	Actual	Variance with final budget
Revenues			
Charges for services	$ 48,000	$ 72,191	$ 24,191
Investment income	350	1,021	671
Total revenues	48,350	73,212	24,862
Expenditures			
Current:			
Public works	60,500	5,447	55,053
Total expenditures	60,500	5,447	55,053
Excess of revenues over expenditures	(12,150)	67,765	79,915
Other financing sources (uses)			
Transfers out	-	(1,476)	(1,476)
Total other financing sources (uses)	-	(1,476)	(1,476)
Net change in fund balance	(12,150)	66,289	78,439
Fund balance, beginning of year	17,272	17,272	-
Fund balance, end of year	$ 5,122	$ 83,561	$ 78,439

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
DIF Parkland Special Revenue Fund
Year Ended June 30, 2018

	Final budget	Actual	Variance with final budget
Revenues			
Charges for services	$ -	$ 7,600	$ 7,600
Investment income	600	4,527	3,927
Total revenues	600	12,127	11,527
Expenditures			
Current:			
Parks and recreation	5,000	1,068	3,932
Total expenditures	5,000	1,068	3,932
Net change in fund balance	(4,400)	11,059	15,459
Fund balance, beginning of year	356,850	356,850	-
Fund balance, end of year	$ 352,450	$ 367,909	$ 15,459

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
DIF Sewer Improvement Special Revenue Fund
Year Ended June 30, 2018

	Final budget	Actual	Variance with final budget
Revenues			
Charges for services	$ 292,000	$ 401,341	$ 109,341
Investment income	5,000	16,438	11,438
Total revenues	297,000	417,779	120,779
Expenditures			
Current:			
Public works	5,000	3,275	1,725
Total expenditures	5,000	3,275	1,725
Excess of revenues over expenditures	292,000	414,504	122,504
Other financing sources (uses)			
Transfers out	(312,536)	(401,784)	(89,248)
Total other financing sources (uses)	(312,536)	(401,784)	(89,248)
Net change in fund balance	(20,536)	12,720	33,256
Fund balance, beginning of year	435,838	435,838	-
Fund balance, end of year	$ 415,302	$ 448,558	$ 33,256

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
DIF Water Improvement Special Revenue Fund
Year Ended June 30, 2018

	Final budget	Actual	Variance with final budget
Revenues			
Charges for services	$ 288,000	$ 397,841	$ 109,841
Investment income	1,600	12,452	10,852
Total revenues	289,600	410,293	120,693
Expenditures			
Current:			
Public works	20,000	1,685	18,315
Total expenditures	20,000	1,685	18,315
Excess of revenues over expenditures	269,600	408,608	139,008
Other financing sources (uses)			
Transfers out	(100,000)	(2,713)	97,287
Total other financing sources (uses)	(100,000)	(2,713)	97,287
Net change in fund balance	169,600	405,895	236,295
Fund balance, beginning of year	364,055	364,055	-
Fund balance, end of year	$ 533,655	$ 769,950	$ 236,295

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
DIF Storm Drain Improvement Special Revenue Fund
Year Ended June 30, 2018

	Final budget	Actual	Variance with final budget
Revenues			
Charges for services	$ 148,000	$ 229,550	$ 81,550
Investment income	1,300	12,645	11,345
Total revenues	149,300	242,195	92,895
Expenditures			
Current:			
Public works	5,000	1,068	3,932
Total expenditures	5,000	1,068	3,932
Net change in fund balance	144,300	241,127	96,827
Fund balance, beginning of year	837,000	837,000	-
Fund balance, end of year	$ 981,300	$ 1,078,127	$ 96,827

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Storm Water NPDES Special Revenue Fund
Year Ended June 30, 2018

	Final budget	Actual	Variance with final budget
Revenues			
Charges for services	$ 15,000	$ 8,497	$ (6,503)
Investment income	35	-	(35)
Total revenues	15,035	8,497	(6,538)
Expenditures			
Current:			
Public works	74,684	54,554	20,130
Total expenditures	74,684	54,554	20,130
Excess(deficiency) of revenues over (under) expenditures	(59,649)	(46,057)	13,592
Other financing sources (uses)			
Transfers in	35,000	35,000	-
Total other financing sources (uses)	35,000	35,000	-
Net change in fund balance	(24,649)	(11,057)	13,592
Fund balance (deficit), beginning of year	(46,492)	(46,492)	-
Fund balance (deficit), end of year	$ (71,141)	$ (57,549)	$ 13,592

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Levees Reserve Special Revenue Fund
Year Ended June 30, 2018

	Final budget	Actual	Variance with final budget
Revenues			
Investment income	$ 2,360	$ 11,974	$ 9,614
Total revenues	2,360	11,974	9,614
Expenditures			
Total expenditures	-	-	-
Excess of revenues over expenditures	2,360	11,974	9,614
Other financing sources (uses)			
Transfers in	136,505	136,505	-
Total other financing sources (uses)	136,505	136,505	-
Net change in fund balance	138,865	148,479	9,614
Fund balance, beginning of year	1,409,698	1,409,698	-
Fund balance, end of fiscal year	$ 1,548,563	$ 1,558,177	$ 9,614

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
DIF Fire Substation Special Revenue Fund
Year Ended June 30, 2018

	Final budget	Actual	Variance with final budget
Revenues			
Charges for services	$ 33,600	$ 44,681	$ 11,081
Investment income	-	1,932	1,932
Total revenues	33,600	46,613	13,013
Expenditures			
Total expenditures	-	-	-
Net change in fund balance	33,600	46,613	13,013
Fund balance, beginning of year	121,424	121,424	-
Fund balance, end of fiscal year	$ 155,024	$ 168,037	$ 13,013

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Two Rivers Park - Capital Projects Fund
Year Ended June 30, 2018

	Final budget	Actual	Variance with final budget
Revenues			
Total revenues	$ -	$ -	$ -
Expenditures			
Capital outlay	41,500	22,249	19,251
Total expenditures	41,500	22,249	19,251
Net change in fund balance	(41,500)	(22,249)	19,251
Fund balance, beginning of year	1,379,676	1,379,676	-
Fund balance, end of year	$ 1,338,176	$ 1,357,427	$ 19,251

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Street Projects - Capital Projects Fund
Year Ended June 30, 2018

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	$ -	$ 200,000	$ 200,000
Total revenues	-	200,000	200,000
Expenditures			
Capital outlay	504,000	275,077	228,923
Total expenditures	504,000	275,077	228,923
Excess(deficiency) of revenues over (under) expenditures	(504,000)	(75,077)	428,923
Other financing sources (uses)			
Transfers in	379,000	75,077	(303,923)
Total other financing sources (uses)	379,000	75,077	(303,923)
Net change in fund balance	(125,000)	-	125,000
Fund balance (deficit), beginning of year	(43,406)	(43,406)	-
Fund balance (deficit), end of year	$ (168,406)	$ (43,406)	$ 125,000

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Public Buildings Improvements Capital Projects Fund
Year Ended June 30, 2018

	Final budget	Actual	Variance with final budget
Revenues			
Total revenues	$ -	$ -	$ -
Expenditures			
Capital outlay	55,000	22,259	32,741
Total expenditures	55,000	22,259	32,741
Excess (defiency) of revenues over (under) expenditures	(55,000)	(22,259)	32,741
Other financing sources (uses)			
Transfers in	10,000	5,055	(4,945)
Total other financing sources (uses)	10,000	5,055	(4,945)
Net change in fund balance	(45,000)	(17,204)	27,796
Fund balance, beginning of year	178,872	178,872	-
Fund balance, end of year	$ 133,872	$ 161,668	$ 27,796

COMBINING STATEMENTS OF PROPRIETARY FUNDS
SEWER & WATER FUNDS

Combining Statement of Net Position
Proprietary Funds – Sewer Funds
June 30, 2018

	Sewer Operating Fund	Sewer Replacement Fund	Rate Stabilization Fund	Totals
Assets				
Current assets:				
Cash and investments	$ 3,264,224	$ 1,268,451	$ 1,552,427	$ 6,085,102
Cash and investments with fiscal agent	2,105,580	-	-	2,105,580
Receivables, net:				
Accounts	855,382	-	-	855,382
Interest	10,680	72	3,343	14,095
Prepaids	338,306	-	-	338,306
Total current assets	6,574,172	1,268,523	1,555,770	9,398,465
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	-	-	13,230
Less - accumulated depreciation	(11,064,162)	-	-	(11,064,162)
Total non-current assets	65,653,951	-	-	65,653,951
Total assets	72,228,123	1,268,523	1,555,770	75,052,416
Deferred outflows of resources				
Pension related	86,157	-	-	86,157

Combining Statement of Net Position (continued)
Proprietary Funds – Sewer Funds
June 30, 2018

	Sewer Operating Fund	Sewer Replacement Fund	Rate Stabilization Fund	Totals
Liabilities				
Current liabilities:				
Accounts payable	$ 450,760	$ -	$ -	$ 450,760
Accrued interest payable	366,555	-	-	366,555
Deposits payable	384,194	-	-	384,194
Current portion of long-term obligations	971,851	-	-	971,851
Total current liabilities	2,173,360	-	-	2,173,360
Noncurrent liabilities:				
Compensated absences	21,951	-	-	21,951
Net pension liability	314,194	-		314,194
Bonds payable	50,072,066	-	-	50,072,066
Total non-current liabilities	50,408,211	-	-	50,408,211
Total liabilities	52,581,571	-	-	52,581,571
Deferred inflows of resources				
Pension related	8,978	-	-	8,978
Debt related	787,472	-	-	787,472
Total deferred inflows of resources	796,450	-	-	796,450
Net position				
Net investment in capital assets	13,837,196	-	-	13,837,196
Restricted for debt service	3,039,331	-	-	3,039,331
Unrestricted	2,059,732	1,268,523	1,555,770	4,884,025
Total net position	$ 18,936,259	$ 1,268,523	$ 1,555,770	$ 21,760,552

Combining Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds – Sewer Funds
Year Ended June 30, 2018

	Sewer Operating Fund	Sewer Replacement Fund	Rate Stabilization Fund	Inter-fund Eliminations	Totals
Operating revenues					
Sales and service charges, net	$ 6,661,421	$ -	$ -	$ -	$ 6,661,421
Other	243,567	-	-	-	243,567
Total operating revenues	6,904,988	-	-	-	6,904,988
Operating expenses					
Administration costs	679,789	-	-	-	679,789
Treatment and disposal plant	2,050,243	-	-	-	2,050,243
Depreciation	1,092,323	-	-	-	1,092,323
Total operating expenses	3,822,355	-	-	-	3,822,355
Operating income	3,082,633	-	-	-	3,082,633
Non-operating revenues (expenses)					
Investment income	68,769	921	14,389	-	84,079
Amortization	135,345	-	-	-	135,345
Interest expense	(2,245,143)	-	-	-	(2,245,143)
Total non-operating revenues (expenses)	(2,041,029)	921	14,389	-	(2,025,719)
Income (loss) before transfers	1,041,604	921	14,389	-	1,056,914
Transfers					
Transfers in	312,536	550,000	-	(550,000)	312,536
Transfers out	(816,792)	-	-	550,000	(266,792)
Change in net position	537,348	550,921	14,389	-	1,102,658
Net position, beginning of year	18,398,911	717,602	1,541,381	-	20,657,894
Net position, end of year	$ 18,936,259	$ 1,268,523	$ 1,555,770	$ -	$ 21,760,552

Combining Statement of Net Position
Proprietary Funds – Water Funds
June 30, 2018

	Water Operating Fund	Water Reserve Fund	Well #9 Fund	Totals
Assets				
Current assets:				
Cash and investments	$ 5,548,714	$ 1,920,024	$ 252,538	$ 7,721,276
Cash and investments with fiscal agent	130	-	-	130
Receivables, net:				
Accounts	447,118	-	-	447,118
Interest	18,134	97	-	18,231
Prepaids	89,757	-	-	89,757
Total current assets	6,103,853	1,920,121	252,538	8,276,512
Noncurrent assets:				
Capital assets:				
Land and construction in progress	684,294	-	-	684,294
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	1,434,921	-	-	1,434,921
Less - accumulated depreciation	(3,901,946)	-	-	(3,901,946)
Total non-current assets	6,502,928	-	-	6,502,928
Total assets	12,606,781	1,920,121	252,538	14,779,440
Deferred outflows of resources				
Pension related	344,629	-	-	344,629
Debt related	211,939	-	-	211,939
Total deferred outflows of resources	556,568	-	-	556,568

Combining Statement of Net Position
Proprietary Funds – Water Funds (continued)
June 30, 2018

	Water Operating Fund	Water Reserve Fund	Well #9 Fund	Totals
Liabilities				
Current liabilities:				
Accounts payable	$ 185,394	$ -	$ 35,875	$ 221,269
Accrued interest payable	46,185	-	-	46,185
Deposits payable	122,830	-	-	122,830
Current portion of long-term obligations	327,961	-	-	327,961
Total current liabilities	682,370	-	35,875	718,245
Noncurrent liabilities:				
Compensated absences	55,500	-	-	55,500
Net pension liability	1,256,777	-	-	1,256,777
Bonds payable	5,283,712	-	-	5,283,712
Total non-current liabilities	6,595,989	-	-	6,595,989
Total liabilities	7,278,359	-	35,875	7,314,234
Deferred inflows of resources				
Pension related	35,911	-	-	35,911
Total deferred inflows of resources	35,911	-	-	35,911
Net position				
Net investment in capital assets	1,140,194	-	-	1,140,194
Restricted for debt service	567,113	-	-	567,113
Unrestricted	4,141,773	1,920,121	216,663	6,278,557
Total net position	$ 5,849,079	$ 1,920,121	$ 216,663	$ 7,985,863

Combining Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds – Water Funds
Year Ended June 30, 2018

	Water Operating Fund	Water Reserve Fund	Well #9 Fund	Inter-fund Eliminations	Totals
Operating revenues					
Sales and service charges, net	$ 3,525,718	$ -	$ -	$ -	$ 3,525,718
Other	70,774	-	-	-	70,774
Total operating revenues	3,596,492	-	-	-	3,596,492
Operating expenses					
Administration costs	643,112	-	-	-	643,112
Pumping	625,651		45,318	-	670,969
Transmission and distribution	256,374	-	-	-	256,374
Customer accounts	221,157	-	-	-	221,157
Depreciation	135,905	-	-	-	135,905
Total operating expenses	1,882,199	-	45,318	-	1,927,517
Operating income	1,714,293	-	(45,318)	-	1,668,975
			-		
Non-operating revenues (expenses)					
Investment income	70,466	1,253	-	-	71,719
Amortization	(15,139)	-	-	-	(15,139)
Interest expense	(284,734)	-	-	-	(284,734)
Total non-operating revenues (expenses)	(229,407)	1,253	-	-	(228,154)
Income (loss) before transfers	1,484,886	1,253	(45,318)	-	1,440,821
Transfers					
Transfers in	-	162,278	45,318	(204,884)	2,712
Transfers out	(418,837)	(42,606)	-	204,884	(256,559)
Change in net position	1,066,049	120,925	-	-	1,186,974
Net position, beginning of year	4,783,030	1,799,196	216,663	-	6,798,889
Net position, end of year	$ 5,849,079	$ 1,920,121	$ 216,663	$ -	$ 7,985,863

AGENCY FUNDS

This page left blank intentionally.

Combining Statements of Agency Funds
Year Ended June 30, 2018

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.

Combining Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2018

	Special Deposits	Health Reimbursement Account	Community Facilities District No. 1
Assets			
Cash and investments	$ 740,357	$ -	$ 360,008
Cash and investments with fiscal agent	-	-	192,733
Receivables:			
Taxes	-	-	32,167
Total assets	$ 740,357	$ -	$ 584,908
Liabilities			
Accounts payable	$ 154,766	$ -	$ -
Deposits payable	585,574	-	-
Due to bondholders	17	-	584,908
Total liabilities	$ 740,357	$ -	$ 584,908

Community Facilities District No. 2	Community Facilities District No. 3	Community Facilities District No. 5	Community Facilities District No. 6	Totals
$ 75,486	$ 414,462	$ 1,072,685	$ 20,190	$ 2,683,188
40,832	219,499	7,255,382	-	7,708,446
2,806	-	7,786	-	42,759
$ 119,124	$ 633,961	$ 8,335,853	$ 20,190	$ 10,434,393
$ -	$ -	$ -	$ -	$ 154,766
-	-	-	-	585,574
119,124	633,961	8,335,853	20,190	9,694,053
$ 119,124	$ 633,961	$ 8,335,853	$ 20,190	$ 10,434,393

Combined Statement of Changes in Fiduciary Assets and Liabilities - Agency Funds
Year Ended June 30, 2018

	Balance 6/30/2017	Additions	Deletions	Balance 6/30/2018
Assets				
Cash and investments	$ 2,444,792	$ 2,147,095	$ (1,908,699)	$ 2,683,188
Cash and investments with fiscal agent	13,798,071	83,263	(6,172,888)	7,708,446
Receivables:				
Interest	80,000	150	(80,150)	-
Taxes	60,702	42,759	(60,702)	42,759
Total assets	$ 16,383,565	$ 2,273,267	$ (8,222,439)	$ 10,434,393
Liabilities				
Accounts payable	$ 96,737	$ 1,826,554	$ (1,768,525)	$ 154,766
Deposits payable	649,133	690,250	(753,809)	585,574
Due to bondholders	15,637,695	1,607,226	(7,550,868)	9,694,053
Total liabilities	$ 16,383,565	$ 4,124,030	$ (10,073,202)	$ 10,434,393

Statistical Section

This page left blank intentionally.

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.

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

	Fiscal Year				
	2009	2010	2011	2012	2013
Governmental activities:					
Net investement in capital assets	$ 6,553,716	$ 1,385,754	$ (1,781,392)	$ 40,212,171	$ 39,913,828
Restricted	77,528,844	20,526,872	17,739,985	9,930,184	10,480,391
Unrestricted	(53,131,415)	3,650,920	5,197,468	(749,463)	(587,925)
Total governmental activities net position	$ 30,951,145	$ 25,563,546	$ 21,156,061	$ 49,392,892	$ 49,806,294
Business-type activities:					
Net investement in capital assets	$ 16,992,905	$ 19,994,371	$ 17,658,029	$ 17,615,327	$ 15,210,264
Restricted	5,375,630	2,176,370	1,071,180	4,015,826	3,501,562
Unrestricted	2,242,242	2,687,295	5,492,674	6,067,486	9,776,654
Total business-type activities net position	$ 24,610,777	$ 24,858,036	$ 24,221,883	$ 27,698,639	$ 28,488,480
Total Primary Government:					
Net investement in capital assets	$ 23,546,621	$ 21,380,125	$ 15,876,647	$ 57,827,498	$ 55,124,092
Restricted	82,904,474	22,703,242	18,811,165	13,946,010	13,981,953
Unrestricted	(50,889,173)	6,338,215	10,690,142	5,318,023	9,188,729
Total primary government net position	$ 55,561,922	$ 50,421,582	$ 45,377,954	$ 77,091,531	$ 78,294,774

Source: City of Fillmore Financial Statements

	Fiscal Year				
	2014	2015	2016	2017	2018
Governmental activities:					
Net investement in capital assets	$ 41,761,056	$ 41,024,999	$ 40,519,500	$ 40,143,965	$ 39,787,890
Restricted	11,057,710	5,220,450	6,904,471	7,724,709	9,187,204
Unrestricted	1,426,289	6,127,653	8,779,723	8,059,798	9,000,904
Total governmental activities net position	$ 54,245,055	$ 52,373,102	$ 56,203,694	$ 55,928,472	$ 57,975,998
Business-type activities:					
Net investement in capital assets	$ 13,640,747	$ 13,417,326	$ 13,465,952	$ 15,756,733	$ 14,977,390
Restricted	4,011,281	4,009,131	4,010,094	2,074,544	3,606,444
Unrestricted	8,425,572	7,904,986	8,460,027	9,625,507	11,162,582
Total governmental activities net position	$ 26,077,600	$ 25,331,443	$ 25,936,073	$ 27,456,784	$ 29,746,415
Total Primary Government:					
Net investement in capital assets	$ 55,401,803	$ 54,442,325	$ 53,985,452	$ 55,900,698	$ 54,765,280
Restricted	15,068,991	9,229,581	10,914,565	9,799,253	12,793,648
Unrestricted	9,851,861	14,032,639	17,139,750	17,685,305	20,163,486
Total governmental activities net position	$ 80,322,655	$ 77,704,545	$ 82,039,767	$ 83,385,256	$ 87,722,413

Source: City of Fillmore Financial Statements

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

	Fiscal Year				
	2009	2010	2011	2012	2013
Expenses:					
Governmental activities:					
General government	$ 1,784,885	$ 2,156,722	$ 1,948,173	$ 2,149,170	$ 1,543,232
Public safety	4,251,443	4,386,275	4,702,271	4,222,865	3,925,636
Public works	2,035,682	1,501,747	1,540,884	1,453,567	1,349,809
Community development	6,064,926	5,843,128	5,187,369	596,162	209,804
Economic development	-	-	-	17,632	160,784
Transit	424,486	436,642	404,103	462,246	455,358
Parks and recreation	1,360,997	812,009	856,554	783,502	736,543
Pass through payments	-	-	-	-	-
Unallocated depreciation	-	-	-		-
Interest on long-term debt	4,246,056	3,429,352	2,641,930	923,749	17,243
Total governmental activities expenses	20,168,475	18,565,875	17,281,284	10,608,893	8,398,409
Business-type activities					
Sewer	$ 4,947,285	$ 4,750,960	$ 6,176,386	$ 6,046,775	$ 6,164,219
Water	2,360,380	2,474,741	2,256,831	1,866,951	1,753,574
Theatre	112,078	89,560	67,530	7,592	-
Total business-type activities expenses	7,419,743	7,315,261	8,500,747	7,921,318	7,917,793
Total primary government expenses	$ 27,588,218	$ 25,881,136	$ 25,782,031	$ 18,530,211	$ 16,316,202

Source: City of Fillmore Financial Statements

	Fiscal Year				
	2014	2015	2016	2017	2018
Expenses:					
Governmental activities:					
General government	$ 1,149,142	$ 3,265,982	$ 961,923	$ 1,588,255	$ 1,574,705
Public safety	4,558,073	4,645,977	3,921,663	4,991,599	4,963,808
Public works	1,674,384	1,506,317	1,388,200	1,542,908	1,759,001
Community development	244,623	261,087	441,089	605,148	245,086
Economic development	48,604	84,423	49,945	59,681	70,619
Transit	450,865	505,654	319,687	318,735	267,012
Parks and recreation	831,858	920,104	828,992	1,030,162	948,279
Pass through payments	-	-	-	-	-
Unallocated depreciation	-	-	-	-	
Interest on long-term debt	19,974	7,385	-	-	
Total governmental activities expenses	8,977,523	11,196,929	7,911,499	10,136,488	9,828,510
Business-type activities					
Sewer	$ 6,422,985	$ 6,029,237	$ 6,326,574	$ 6,689,149	$ 5,932,153
Water	1,898,243	2,096,090	2,423,168	1,674,061	2,227,390
Theatre	-	-	-	-	-
Total business-type activities expenses	8,321,228	8,125,327	8,749,742	8,363,210	8,159,543
Total primary government expenses	$ 17,298,751	$ 19,322,256	$ 16,661,241	$ 18,499,698	$ 17,988,053

Source: City of Fillmore Financial Statements

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

	Fiscal Year				
	2009	2010	2011	2012	2013
Program revenues:					
Governmental activities:					
Charges for services:					
General government	$ 115,907	$ 138,046	$ 83,212	$ 173,130	$ 191,418
Public safety	151,896	115,214	144,862	73,331	100,348
Public works	1,180,213	853,702	686,331	860,531	625,443
Community development	229,353	146,921	326,628	161,130	392,368
Economic development	-	-	-	-	8,228
Transit	-	-	-	-	-
Parks and recreation	407,487	124,018	199,525	150,903	194,961
Total charges for services	2,084,856	1,377,901	1,440,558	1,419,025	1,512,766
Operating contributions and grants	706,195	940,749	1,086,782	1,189,436	1,555,200
Capital contributions and grants	1,263,185	1,299,582	357,601	169,924	1,250,286
Total governmental activities program revenues	4,054,236	3,618,232	2,884,941	2,778,385	4,318,252
Business-type activities:					
Charges for services:					
Sewer	4,575,395	4,797,946	5,485,334	4,737,423	5,567,362
Water	2,412,236	2,333,000	2,590,036	2,860,235	3,454,605
Town Theatre	77,473	50,889	35,592	3,590	-
Total charges for services	7,065,104	7,181,835	8,110,962	7,601,248	9,021,967
Operating contributions and grants	-	-	-	-	-
Capital contributions and grants	-	1,556,475	-	-	-
Total business-type activities program revenues	7,065,104	8,738,310	8,110,962	7,601,248	9,021,967
Net program revenues (expenses):					
Governmental activities	(16,114,239)	(14,947,643)	(14,396,343)	(7,830,508)	(4,080,157)
Business-type activities	1,201,836	(133,426)	(389,785)	(320,070)	1,104,174
Total primary government net revenue (expense)	$ (14,912,403)	$ (15,081,069)	$ (14,786,128)	$ (8,150,578)	$ (2,975,983)

Source: City of Fillmore Financial Statements

	Fiscal Year				
	2014	2015	2016	2017	2018
Program revenues:					
Governmental activities:					
Charges for services:					
General government	$ 106,263	$ 88,914	$ 130,954	$ 138,151	$ 193,054
Public safety	118,954	105,547	143,334	109,685	259,166
Public works	637,548	674,233	1,741,340	743,163	60,003
Community development	339,473	369,746	528,055	429,409	1,399,386
Economic development	-	-	-	-	-
Transit	-	-	-	-	-
Parks and recreation	265,311	218,363	249,265	327,150	295,279
Total charges for services	1,467,549	1,456,803	2,792,948	1,747,558	2,206,888
Operating contributions and grants	1,539,876	1,690,262	1,550,050	1,594,297	1,833,694
Capital contributions and grants	686,569	1,791,474	1,411,795	993,831	1,515,126
Total governmental activities program revenues	3,693,994	4,938,539	5,754,793	4,335,686	5,555,708
Business-type activities:					
Charges for services:					
Sewer	5,844,611	5,706,940	6,103,066	6,407,095	6,904,988
Water	3,541,569	3,182,656	3,049,178	3,231,467	3,596,492
Theatre	-	-	-	-	-
Total charges for services	9,386,180	8,889,596	9,152,244	9,638,562	10,501,480
Operating contributions and grants	-	-	-	-	-
Capital contributions and grants	-	-	-	-	-
Total business-type activities program revenues	9,386,180	8,889,596	9,152,244	9,638,562	10,501,480
Net program revenues (expenses):					
Governmental activities	(5,283,529)	(6,258,390)	(2,156,706)	(5,800,802)	(4,272,802)
Business-type activities	1,064,952	764,269	402,502	1,275,352	2,341,937
Total primary government net revenue (expense)	$ (4,218,577)	$ (5,494,121)	$ (1,754,204)	$ (4,525,450)	$ (1,930,865)

Source: City of Fillmore Financial Statements

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

	Fiscal Year				
	2009	2010	2011	2012	2013
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property tax	$ 13,180,076	$ 6,473,631	$ 6,776,187	$ 3,651,774	$ 2,276,746
Property tax in lieu of VLF	-	-	1,173,819	1,158,490	-
Sales tax	607,205	611,591	796,685	726,145	1,235,297
Transient occupancy taxes	69,401	58,918	75,554	89,385	113,810
Franchise taxes	354,869	318,956	323,354	327,878	327,071
Business licenses	116,547	130,478	90,978	103,974	84,983
Other	100,970	102,052	102,292	98,106	33,122
Motor vehicle in lieu	53,150	47,398	81,432	8,093	6,698
Other	36,707	126,272	162,862	17,145	8,848
Investment income	2,917,836	941,157	313,129	262,677	61,496
Gain on sale of property	427,600	-	-	-	-
Transfers	506,060	927,710	447,363	240,489	345,488
Extraordinary item					
Gain on dissolution of Redevelopment Agency	-	-	-	33,059,554	-
Total governmental activities	18,370,421	9,738,163	10,343,655	39,743,710	4,493,559
Business-type activities:					
Investment income	1,623,191	1,308,395	200,995	14,261	31,155
Transfers	(506,060)	(927,710)	(447,363)	(240,489)	(345,488)
Extraordinary item					
Gain on dissolution of Redevelopment Agency	-	-	-	395,253	-
Total business-type activities	1,117,131	380,685	(246,368)	169,025	(314,333)
Total primary government	19,487,552	10,118,848	10,097,287	39,912,735	4,179,226
Total change in net position					
Governmental activities	2,256,182	(5,209,480)	(4,052,688)	31,913,202	413,402
Business-type activites	2,318,967	247,259	(636,153)	(151,045)	789,841
Total primary government	$ 4,575,149	$ (4,962,221)	$ (4,688,841)	$ 31,762,157	$ 1,203,243

Source: City of Fillmore Financial Statements

	Fiscal Year				
	2014	2015	2016	2017	2018
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property tax	$ 1,718,512	$ 2,128,210	$ 2,125,026	$ 2,701,209	$ 2,657,319
Property tax in lieu of VLF	-	-	-	-	-
Sales tax	5,162,138	5,217,885	2,919,778	2,238,539	2,363,393
Transient occupancy taxes	121,381	106,018	119,908	119,280	154,876
Franchise taxes	321,001	353,284	373,364	352,536	372,232
Business licenses	100,760	112,643	125,865	110,752	134,082
Other	46,612	33,882	287,863	60,842	133,886
Motor vehicle in lieu	-	7,857	6,230	6,957	8,255
Other	163,841	51,538	141,781	9,185	288,376
Investment income	33,419	42,288	40,468	85,838	66,495
Gain on sale of property	-	-	-	-	-
Transfers in (out)	123,498	(146,770)	(152,985)	57,961	208,103
Extraordinary item					
Gain on dissolution of Redevelopment Agency	-	-	-	-	-
Total governmental activities	7,791,162	7,906,835	5,987,298	5,743,099	6,387,017
Business-type activities:					
Investment income	22,423	21,543	49,143	85,800	155,798
Transfers in (out)	(123,498)	146,770	152,985	(57,961)	(208,103)
Extraordinary item					
Gain on dissolution of Redevelopment Agency	-	-	-	-	-
Total business-type activities	(101,075)	168,313	202,128	27,839	(52,305)
Total primary government	7,690,087	8,075,148	6,189,426	5,770,938	6,334,712
Total change in net position					
Governmental activities	2,507,633	1,648,445	3,830,592	(57,703)	2,114,215
Business-type activites	963,877	932,582	604,630	1,303,191	2,289,632
Total primary government	$ 3,471,510	$ 2,581,027	$ 4,435,222	$ 1,245,488	$ 4,403,847

Source: City of Fillmore Financial Statements

This page left blank intentionally.

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

	Fiscal Year				
	2009	2010	2011	2012	2013
General fund:					
Reserved	$ -	$ -	$ -	$ -	$ -
Unreserved	5,505,113	3,094,790	-	-	-
Nonspendable	-	-	285,703	298,717	369,936
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	1,377,645	1,377,645	-
Unassigned	-	-	332,733	(1,793,818)	(454,255)
Total general fund	$ 5,505,113	$ 3,094,790	$ 1,996,081	$ (117,456)	$ (84,319)
All other governmental funds:					
Reserved	$ 95,918,585	$ 93,819,680	$ -	$ -	$ -
Unreserved, reported in:					
Special revenue funds	2,780,864	1,480,483	2,524,842	-	-
Capital projects funds	(1,103,714)	(11,254,470)	-	-	-
Debt Service funds	(5,464,187)	(5,634,337)	6,447,174	-	-
Non-major funds	-	-	-	-	-
Fund Balances:					
Nonspendable	-	-	6,175	-	-
Restricted	-	-	2,372,274	2,703,179	3,386,286
Committed	-	-	-	-	-
Assigned	-	-	2,020,636	1,270,033	1,255,503
Unassigned	-	-	(2,385,844)	(911,347)	(801,939)
Total all other governmental funds	$ 92,131,548	$ 78,411,356	$ 10,985,257	$ 3,061,865	$ 3,839,850

	Fiscal Year				
	2014	2015	2016	2017	2018
General fund:					
Reserved	$ -	$ -	$ -	$ -	$ -
Unreserved	-	-	-	-	-
Nonspendable	7,250	14,639	7,250	61,990	142,723
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	5,220,450	-	-	-
Unassigned	2,796,517	-	5,971,453	6,008,707	6,377,389
Total general fund	$ 2,803,767	$ 5,235,089	$ 5,978,703	$ 6,070,697	$ 6,520,112
All other governmental funds:					
Reserved	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Debt Service funds	-	-	-	-	-
Non-major funds	-	-	-	-	-
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	4,041,569	5,085,850	6,904,471	7,724,709	9,187,204
Committed	-	-	-	-	-
Assigned	961,522	1,186,442	1,124,781	615,973	598,769
Unassigned	(941,582)	(437,906)	(491,061)	(685,033)	(720,712)
Total all other governmental funds	$ 4,061,509	$ 5,834,386	$ 7,538,191	$ 7,655,649	$ 9,065,261

Source: City of Fillmore Financial Statements

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

	Fiscal Year				
	2009	2010	2011	2012	2013
Revenues:					
Taxes	$ 14,475,228	$ 7,559,253	$ 9,280,581	$ 6,036,719	$ 4,551,586
Licenses and permits	10,499	140,296	139,932	115,845	98,181
Fines and forfeitures	116,361	107,175	92,969	41,814	38,104
Intergovernmental	1,973,431	2,327,126	1,492,050	1,346,438	1,549,592
Charge for services	1,813,214	1,194,871	1,376,952	1,296,002	1,737,111
Investment income	2,434,403	732,397	75,345	54,846	92,849
Other	24,715	148,595	199,295	165,713	398,900
Total revenues	20,847,851	12,209,713	12,657,124	9,057,377	8,466,323
Expenditures:					
Current:					
General government	1,372,776	1,920,522	1,616,012	2,101,257	1,427,640
Public safety	4,072,550	4,215,741	4,536,317	3,970,409	3,812,319
Public works	1,332,712	1,070,771	938,084	962,394	954,943
Community development	3,342,428	1,752,495	1,527,809	493,645	115,342
Economic development	-	-	-	17,200	46,045
Transit	424,486	424,277	389,286	450,918	457,424
Parks and recreation	1,034,933	722,671	665,765	615,691	609,072
Pass through payments	1,729,529	1,410,562	1,360,970	-	-
Supplemental ERAF	-	2,384,857	491,000	-	-
Capital outlay	11,760,730	2,271,279	1,382,117	168,301	391,792
Debt service:					
Principal	839,368	9,508,360	895,868	166,237	169,966
Interest	4,560,741	3,576,846	2,781,270	1,335,786	16,146
Bond issuance costs	-	-	-	-	-
Total expenditures	30,470,253	29,258,381	16,584,498	10,281,838	8,000,689
Excess of revenues over expenditures	(9,622,402)	(17,048,668)	(3,927,374)	(1,224,461)	465,634
Other financing sources (uses):					
Proceeds from sale of capital assets	568,800	-	-	-	-
Proceeds from borrowing	-	-	11,260,000	-	-
Transfers in	6,046,713	11,498,848	4,556,131	1,865,575	2,193,441
Transfers out	(5,540,653)	(10,571,138)	(4,108,768)	(1,625,086)	(1,847,953)
Total other financing sources (uses)	1,074,860	927,710	11,707,363	240,489	345,488
Extraordinary Item	-	-	-	-	-
Net change in fund balances	$ (8,547,542)	$ (16,120,958)	$ 7,779,989	$ (983,972)	$ 811,122
Debt service as a percentage of noncapital expenditures	40.6%	94.1%	8.3%	17.4%	2.5%

Source: City of Fillmore Financial Statements

	Fiscal Year				
	2014	2015	2016	2017	2018
Revenues:					
Taxes	$ 7,925,224	$ 8,425,752	$ 6,195,661	$ 6,152,045	$ 6,562,354
Licenses and permits	130,327	188,543	170,750	144,944	166,108
Fines and forfeitures	49,129	44,073	53,495	62,337	72,278
Intergovernmental	1,635,217	1,749,822	1,512,910	1,341,069	2,025,784
Charge for services	1,239,462	2,283,924	3,306,679	1,803,349	2,331,432
Investment income	72,180	240,057	147,419	290,613	266,040
Other	174,395	106,009	327,752	96,703	117,923
Total revenues	11,225,934	13,038,180	11,714,666	9,891,060	11,541,919
Expenditures:					
Current:					
General government	923,894	1,218,540	1,332,248	1,331,305	1,434,474
Public safety	4,573,875	4,524,278	4,640,184	4,720,608	5,073,194
Public works	1,157,176	1,048,596	1,162,427	1,150,147	1,412,325
Community development	264,216	251,871	577,939	557,389	472,006
Economic development	44,942	79,165	58,528	57,865	73,869
Transit	416,893	501,876	395,662	309,035	279,299
Parks and recreation	644,032	679,007	729,231	769,737	768,949
Pass through payments	-	-	-	-	-
Supplemental ERAF	-	-	-	-	-
Capital outlay	480,753	135,778	121,179	569,173	319,585
Debt service:					
Principal	178,341	240,715	94,209	47,427	49,194
Interest	12,468	7,385	2,655	9,364	8,100
Bond issuance costs	-	-	-	-	-
Total expenditures	8,696,590	8,687,211	9,114,262	9,522,050	9,890,995
Excess of revenues over expenditures	2,529,344	4,350,969	2,600,404	369,010	1,650,924
Other financing sources (uses):					
Proceeds from sale of property	-	-	-	-	-
Proceeds from borrowing	-	-	-	-	-
Acquisition under capital lease	456,903	-	-	-	-
Transfers in	844,490	1,188,361	1,246,137	1,176,423	1,433,874
Transfers out	(720,992)	(1,335,131)	(1,399,122)	(1,118,462)	(1,225,771)
Total other financing sources (uses)	580,401	(146,770)	(152,985)	57,961	208,103
Extraordinary Item	-	-	-	-	-
Net change in fund balances	$ 3,109,745	$ 4,204,199	$ 2,447,419	$ 426,971	$ 1,859,027
Debt service as a percentage of noncapital expenditures	2.4%	3.0%	1.1%	0.6%	0.6%

Source: City of Fillmore Financial Statements

Water Utility Revenues By Customer Type
Last Ten Fiscal Years

	Fiscal Year				
	2009	2010	2011	2012	2013
Water Fund					
Number of Customers:					
Residential	3,782	3,804	3,729	3,760	3,751
Commerical	233	226	225	238	236
Industrial	11	16	16	23	16
Irrigation	69	71	69	70	71
Total	4,095	4,117	4,039	4,091	4,074
Water Units Consumed					
Type of Customer:					
Residential	687,899	657,268	638,990	655,893	691,134
Commercial	89,000	80,530	79,415	75,979	82,520
Industrial	6,517	5,833	7,093	7,052	7,265
Irrigation	97,561	83,288	68,914	69,088	73,583
Total	880,977	826,919	794,412	808,012	854,502
Revenue from Water Sales					
Residential	$ 1,836,363	$ 1,794,388	$ 2,041,795	$ 2,276,223	$ 2,682,368
Commercial	237,588	219,853	253,758	263,679	320,269
Industrial	17,397	15,925	22,665	24,473	28,196
Irrigation	260,441	227,382	220,204	239,764	285,584
Total	$ 2,351,789	$ 2,257,547	$ 2,538,422	$ 2,804,139	$ 3,316,418

	Fiscal Year				
	2014	2015	2016	2017	2018
Water Fund					
Number of Customers:					
Residential	3,681	3,717	3,707	3,827	3,857
Commerical	230	230	237	237	245
Industrial	16	17	19	20	17
Irrigation	71	65	64	66	67
Total	3,998	4,029	4,027	4,150	4,186
Water Units Consumed					
Type of Customer:					
Residential	693,493	597,168	566,356	550,276	607,973
Commercial	83,893	76,693	78,448	75,261	81,707
Industrial	8,227	7,220	7,970	8,243	7,964
Irrigation	85,559	56,612	35,981	37,557	44,308
Total	871,172	737,693	688,755	671,337	741,952
Revenue from Water Sales					
Residential	$ 2,730,810	$ 2,558,058	$ 2,459,348	$ 2,594,519	$ 2,889,057
Commercial	330,351	325,653	340,653	354,851	388,267
Industrial	32,396	30,657	34,609	38,865	37,845
Irrigation	336,911	240,385	156,244	177,079	210,549
Total	$ 3,430,468	$ 3,154,754	$ 2,990,854	$ 3,165,315	$ 3,525,718

Source: City of Fillmore Utilities Department

Sewer Utility Revenues By Customer Type
Last Ten Fiscal Years

	Fiscal Year				
	2009	2010	2011	2012	2013
Sewer Fund					
Number of Customers:					
Residential	3,778	3,801	3,722	3,760	3,751
Commerical	228	224	223	236	234
Industrial	10	15	15	22	15
Irrigation	69	71	69	70	71
Total	4,085	4,111	4,029	4,088	4,071
Revenue from Sewer Sales					
Residential	$ 3,411,606	$ 3,997,909	$ 4,540,942	$ 3,736,105	$ 4,311,947
Commercial	324,167	362,271	272,066	318,669	383,458
Industrial	29,971	33,662	18,300	38,034	41,763
Irrigation	483,941	525,063	84,182	393,540	459,080
Total	$ 4,249,684	$ 4,918,905	$ 4,915,490	$ 4,486,347	$ 5,196,249

	Fiscal Year				
	2014	2015	2016	2017	2018
Sewer Fund					
Number of Customers:					
Residential	3,681	3,717	3,697	3789	3,853
Commercial	228	230	236	231	241
Industrial	15	16	16	18	16
Irrigation	71	65	64	66	67
Total	3,995	4,028	4,013	4,104	4,177
Revenue from Sewer Sales					
Residential	$ 4,656,178	$ 4,626,034	$ 4,911,630	$ 5,154,568	$ 5,635,379
Commercial	415,092	441,076	554,711	542,814	526,610
Industrial	52,477	53,040	62,624	73,729	73,391
Irrigation	574,451	437,459	312,045	367,504	426,041
Total	$ 5,698,199	$ 5,557,609	$ 5,841,010	$ 6,138,615	$ 6,661,421

Source: City of Fillmore Utilities Department

Water Rates By Meter Size
Last Ten Fiscal Years

		Meter Size										Water Consumption
Fiscal year	Effective Date	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)
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
2018	5/1/2018	40.11	61.94	64.57	76.50	149.28	222.06	294.84	731.52	N/A	N/A	4.01

Source: City of Fillmore Utilities Department
(1) fore each additional 100 cubic feet of water

Sewer Rates By Customer Type
Last Ten Fiscal Years

		Fiscal Year									
		2009		2010		2011		2012		2013	
Customer Type	Strength Factor	Minimum	(1) Consumption Rate	Minimum	(1) Consumption Rate	Minimum	(1) Consumption Rate	Minimum	(1) Consumption Rate	Minimum	(1) Consumption Rate
Residential	1.00	$ 66.00	$ -	$ 72.00	$ -	$ 80.00	$ -	$ 82.00	$ -	$ 84.46	$ -
Retail/Commercial	27.10	66.00	6.75	72.00	7.36	80.00	8.18	82.00	8.38	-	8.63
Retail/Commercial	27.10	66.00	6.90	72.00	7.53	80.00	8.37	82.00	8.58	84.46	8.83
Retail/Commercial	27.10	66.00	6.98	72.00	7.61	80.00	8.46	82.00	8.67	84.46	8.93
Retail/Commercial	0.94	66.00	7.05	72.00	7.69	80.00	8.54	82.00	8.76	84.46	9.02
Retail/Commercial	0.98	66.00	7.35	72.00	8.02	80.00	8.91	82.00	9.13	-	9.41
Retail/Commercial	1.00	66.00	7.50	72.00	8.18	80.00	9.09	82.00	9.32	-	9.60
Retail/Commercial	1.01	66.00	7.57	72.00	8.26	80.00	9.18	82.00	9.41	-	9.69
Lg Retail/Commercial	1.03	67.99	7.73	74.17	8.43	82.41	9.37	84.47	9.60	-	9.89
Lg Retail/Commercial	1.06	69.97	-		8.67	84.81	-	-	9.87	-	10.17
Lg Retail/Commercial	1.30	85.80	-		10.64	104.00	-	-	12.12	-	12.48
Lg Retail/Commercial	1.52	100.33	-		12.44	121.61	-	-	14.17	128.39	14.59
Lg Retail/Commercial	1.65	108.91	-		13.50	132.01	-	-	15.38	128.39	15.84

		Fiscal Year									
		2014		2015		2016		2017		2018	
Customer Type	Strength Factor	Minimum	(1) Consumption Rate	Minimum	(1) Consumption Rate	Minimum	(1) Consumption Rate	Minimum	(1) Consumption Rate	Minimum	(1) Consumption Rate
Residential	1.00	$ 86.99	$ -	$ 89.60	$ -	$ 92.29	$ -	$ 103.36	$ -	$ 103.36	$ -
Retail/Commercial	0.90	86.99	8.89	89.60	9.16	92.29	9.44	103.36	10.57	103.36	10.57
Retail/Commercial	0.92	86.99	9.10	89.60	9.37	92.29	9.65	103.36	10.81	103.36	10.81
Retail/Commercial	0.93	86.99	-	89.60	9.47	92.29	9.75	103.36	10.92	103.36	10.92
Retail/Commercial	0.94	86.99	9.29	89.60	9.57	92.29	9.86	-	11.04	103.36	11.04
Retail/Commercial	0.98	86.99	-	-	9.98	92.29	-	-	11.51	103.36	11.51
Retail/Commercial	1.00	86.99	-	-	10.18	92.29	-	-	11.75	103.36	11.75
Retail/Commercial	1.01	86.99	-	-	10.28	92.29	-	-	11.86	103.36	11.86
Lg Retail/Commercial	1.03	89.61	-	-	10.49	92.29	-	-	12.10	103.36	12.10
Lg Retail/Commercial	1.06	92.22	10.48	-	10.79	97.84	-	-	12.45	109.58	12.45
Lg Retail/Commercial	1.30	113.09	12.85	-	13.24	119.97	-	-	15.26	134.37	15.26
Lg Retail/Commercial	1.52	132.23	15.03	136.20	15.48	140.29	-	157.12	17.85	157.12	17.85
Lg Retail/Commercial	1.65	143.54	16.31	147.85	16.80	152.29	17.30	170.46	19.38	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 2009				Fiscal Year 2018			
Customer Group	Charges	Rank	Percentage of Total Water Charges	Customer Group	Charges	Rank	Percentage of Total Water Charges
Government Agencies	$ 167,740	1	7.1%	Mobile Home Parks	$ 96,734	1	2.7%
Schools/Colleges	90,252	2	3.8%	Schools/ Colleges	83,953	2	2.4%
Mobile Home Parks	61,695	3	2.6%	Government Agencies	71,046	3	2.0%
Apartment Complexes	60,424	4	2.6%	Apartment Complexes	43,683	4	1.2%
Business Parks	37,684	5	1.6%	Business Parks	38,686	5	1.1%
Churches	34,458	6	1.5%	Grocery Store	36,504	6	1.0%
Developers	29,800	7	1.3%	Care Centers	33,796	7	1.0%
Care Centers	24,826	8	1.1%	Agriculture/ Orchards	16,569	8	0.5%
Irrigation	9,744	9	0.4%	Packing Plants	13,760	9	0.4%
Grocery Stores	8,996	10	0.4%	Senior Apartment Complex	12,074	10	0.3%
	$ 525,620		**22.3%**		**$ 446,806**		**13%**

Principal Sewer Customers

Fiscal Year 2009				Fiscal Year 2018			
Sewer Customer Group	Charges	Rank	Percentage of Total Water Charges	Customer Group	Charges	Rank	Percentage of Total Water Charges
Mobile Home Parks	$ 235,089	1	5.5%	Mobile Home Parks	$ 374,577	1	5.62%
Schools/Colleges	190,673	2	4.5%	Apartment Complexes	207,133	2	3.11%
Apartment Complexes	156,400	3	3.7%	Grocery Store	138,246	3	2.08%
Restaurants	114,615	4	2.7%	Senior Apartment Complex	85,582	4	1.28%
Grocery Stores	108,880	5	2.6%	Care Centers	79,018	5	1.19%
Care Centers	92,496	6	2.2%	Restaurants	61,648	6	0.93%
Churches	81,606	7	1.9%	Schools/ Colleges	51,476	7	0.77%
Senior Apartment Complex	53,712	8	1.3%	Laundry Facilities	41,225	8	0.62%
Packing Plants	49,267	9	1.2%	Packing Plants	34,275	9	0.51%
Bussiness Parks	30,144	10	0.7%	Retail Services	31,360	10	0.47%
	$ 1,112,883		**26.2%**		**$ 1,104,540**		**16.58%**

Source: City of Fillmore Utilities Department

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	
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%
2018	1,269,848,251	24,709,287	56,631,942	1,237,925,596	867,526,857	23,684,745	35,637,068	855,574,534	18.736%

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 informatiion from the Ventura County Auditor's Office - District Recap Valuations Report.

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

		Fiscal Year									
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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	0.10480	0.07700	0.11010	0.11680	0.11610	0.11000	0.11090	0.09650	0.16630
	Ventura Community College District	n/a	0.01390	0.01510	0.01400	0.01910	0.01670	0.01760	0.01300	0.01550	0.01510
	United Water Conservation District	n/a	0.00747	0.02141	0.01416	0.00723	0.01705	0.01822	0.00053	0.02715	0.02643
2	Total Direct & Indirect Overlapping Tax Rates	1.00000	1.00000	1.12617	1.11351		1.14313	1.14985	1.14582	1.13915	1.20783
3	City's Share of 1% Levy per Prop 13	n/a	0.89390	0.91567	0.88960	0.88036	0.88277	0.88684	0.88976	0.89928	0.84646
	General Obligation Debt Rate	-	-	-	-	-	-	-	-	-	-
4	Redevelopment Rate	0.21813	0.21813	0.21813	-	-	-	-	-	-	-
5	Total Direct Rate	0.18518	0.18560	0.18417	0.18386	0.18372	0.18371	0.18418	0.18584	0.18637	0.18736

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 larges 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 purposed 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

Principal Property Tax Payers
Current and Nine Fiscal Years Ago

Taxpayer	2018 Taxable Assessed Value *	2018 Amount of Tax *	2018 Percent of Total City Taxable Amount	2009 Taxable Assessed Value *	2009 Amount of Tax *	2009 Percent of Total City Taxable Amount
Hearthsone Multi-Asset	$ 50,921,533	$ 1,031,853	4.01 %	$ 53,840,414	$ 464,221	5.53 %
Marinelli, Judi A Trust	6,468,969	299,778	0.51 %	8,271,708	138,674	0.85 %
Balden Town Plaza LTD Lessor	9,361,682	163,370	0.74 %			- %
KB Home Greater Los Angeles	12,808,618	163,027	1.01 %	15,865,638.00	230,040.00	1.63 %
Evergreen Financial Holding	11,882,756	144,634	0.94 %			- %
NLA Community LLC	6,337,467	139,867	0.50 %			- %
Balden Town Plaza LTD Partnership	6,405,871	113,893	0.50 %	5,568,916.00	92,803.00	0.57 %
Ameron Pole Products Division	3,715,645	66,113	0.29 %	5,808,636.00	86,690.00	0.60 %
Swaidan Brian-Christine Trust	5,198,895	64,622	0.41 %	4,593,632	51,684	0.47 %
El Dorado Estates	4,942,512	63,495	0.39 %			- %
Saticoy Lemon Assn.	-	-	- %	4,367,551.00	56,554.00	0.45 %
HVP Phase 1A Traditions LLC	-	-	- %	8,129,648.00	83,277.00	0.83 %
Fillmore Sun LLC	-	-	- %	4,035,659.00	107,641.00	0.41 %
Dunton Kenneth V Trust	-	-	- %	5,975,300.00	66,037.00	0.61 %
	$ 118,043,948	$ 2,250,652	9.30 %	$ 116,457,102	$ 1,377,621	11.95 %

Notes: The amounts shown above include assessed value data for both the City and the Successor Agency
(1) 2017/18 Local Secured Assessed Valuation: $ 1,269,848,251
(2) 2008/09 Local Secured Assessed Valuation: $ 974,324,573

* 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 2009 and FY 2018.

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
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	1,957,408	94.7 %	50,411	2,007,819	97.1 %
2018	2,228,711	2,156,319	96.8 %	72,651	2,228,970	100.0 %

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

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities				Business-Type Activities						
Fiscal Year Ended June 30	State Water Loan Payable [2]	Capital Leases Payable	Tax Bonds [1]	Total Governmental Activities	Revenue Bonds [3]	Certificates of Participation	State Water Loan Payable [3]	Total Business-Type Activities	Total Primary Government	Percentage of Personal Income	Debt Per Capita
2009	$ 534,537	$ 658,603	$ 59,620,000	60,813,140	$ 64,850,000	$ 7,360,000	$ 28,146	72,238,146	$ 133,051,286	43%	8,975
2010	445,289	544,491	50,475,000	51,464,780	64,690,000	7,200,000	23,449	71,913,449	123,378,229	39%	8,224
2011	356,041	422,871	49,790,000	50,568,912	64,280,000	-	18,752	64,298,752	114,867,664	37%	7,602
2012	266,793	345,882	-	612,675	63,430,000	-	14,055	63,444,055	64,056,730	20%	4,229
2013	178,532	265,274	-	443,806	62,545,000	-	9,359	62,554,359	62,998,165	21%	4,135
2014	89,284	583,299	-	672,583	61,625,000	-	4,662	61,629,662	62,302,245	21%	4,054
2015	-	436,530	-	436,530	60,665,000	-	-	60,665,000	61,101,530	21%	3,956
2016	-	301,462	-	301,462	59,665,000	-	-	59,665,000	59,966,462	19%	3,866
2017	-	285,028	-	285,028	54,290,000	-	-	54,290,000	54,575,028	16%	3,480
2018		227,737		227,737	53,195,000			53,195,000	53,422,737	15%	3,349

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.

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

[3] Includes both the Water System and the Wastewater bonds. In 2010 the Water System bonds were refunds. In June 2017, $34,435,000 of the 2007 Wastewater Revenue Bonds was refunded. See note 8 of the financial statements for details relating to the refunding.

Source: City of Fillmore, Finance Department

Ratios of General Bonded Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	Outstanding General Obligation Debt: State Water Loan Payable[3]	Capital Leases Payable	Tax Allocation Bonds [1]	Total	Percent of Assessed Value [2]	Per Capita
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
2018	-	227,737	-	227,737	0.03 %	14

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.

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

Source: City of Fillmore, Finance Department

Direct and Overlapping Debt
June 30, 2018

City Assessed Valuation 2017-18	$ 1,254,240,950
Redevelopment Agency Incremental Valuation	855,574,534
Adjusted Assessed Valuation	$ 2,109,815,484

	Debt as of 6/30/2018	Percentage Applicable	Estimated Share of Overlapping Debt [2]
Direct and Overlapping Tax and Assessment Debt:			
Ventura Community College District [1]	315,462,912	1.51 %	4,763,490
Fillmore Unified School District [1]	18,193,941	16.63 %	3,025,652
Total Direct and Overlapping Tax & Assessment Debt	$ 333,656,853		$ 7,789,142
Overlapping General Fund Obligation Debt:			
	$ -		$ -
Total Overlapping General Fund Obligation Debt	$ -		$ -
Overlapping Tax Increment Debt (Successor Agency):	$ 39,683,902	100.00 %	$ 39,683,902
City Direct Debt:			
City of Fillmore Capital Lease [3]	$ 227,737	100.00 %	$ 227,736.98
Total Direct Debt			$ 227,737
Total Overlapping Debt			$ 47,473,044
Total direct and overlapping debt [4]			$ 47,700,781

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.

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

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

Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year				
	2009	2010	2011	2012	2013
Assessed valuation	$ 964,604,988	$ 932,534,064	$ 920,313,628	$ 876,547,993	$ 899,074,295
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	241,151,247	233,133,516	230,078,407	219,136,998	224,768,574
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	36,172,687	34,970,027	34,511,761	32,870,550	33,715,286
Total net debt applicable to limit: General Obligation Bonds	-	-	-	-	-
Legal debt margin	$ 36,172,687	$ 34,970,027	$ 34,511,761	$ 32,870,550	$ 33,715,286
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%

	Fiscal Year				
	2014	2015	2016	2017	2018
Assessed valuation	$ 966,947,257	$ 1,033,267,466	$ 1,092,131,844	$ 1,170,820,974	$ 1,237,925,596
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	241,736,814	258,316,867	273,032,961	292,705,244	309,481,399
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	36,260,522	38,747,530	40,954,944	43,905,787	46,422,210
Total net debt applicable to limit: General Obligation Bonds	-	-	-	-	-
Legal debt margin	$ 36,260,522	$ 38,747,530	$ 40,954,944	$ 43,905,787	$ 46,422,210
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

Pledged Revenue Coverage – General Obligation Debt
Last Ten Fiscal Years

General Obligation Debt:

Fiscal Year Ended June 30	State Water Loan Payable (2)				
		Debt Service			
	Revenues (1)	Principal	Interest	Total	Coverage
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
2018	-	-	-	-	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)				
	Gross	Debt Service			
	Revenues (1)	Principal	Interest	Total	Coverage(2)
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	26.80
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
2018	7,452,139	49,191	8,100	57,291	130.07

(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

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

Fiscal Year Ended June 30	Tax Allocation Bonds				
	Tax Increment	Debt Service			
		Principal	Interest	Total	Coverage
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
2018	-	-	-	-	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

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

Non-General Obligation Debt:

Fiscal Year Ended June 30	Certificates of Participation (1)				
	Water Revenue (2)	Debt Service			
		Principal	Interest	Total	Coverage (3)
2009	$ 399,575	$ 155,000	$ 458,449	$ 613,449	0.65
2010	(67,124)	160,000	451,203	611,203	-0.11
2011	1,064,147	7,200,000 (2)	424,997	7,624,997	0.14
2012	-	-	-	-	n/a
2013	-	-	-	-	n/a
2014	-	-	-	-	n/a
2015	-	-	-	-	n/a
2016	-	-	-	-	n/a
2017	-	-	-	-	n/a
2018	-	-	-	-	n/a

(1) 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.

(2) Total Water Revenue is Operating Income (Loss) excluding deprecation, 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.

(3) Coverage reflects revenue divided by principal plus interest

Source: City of Fillmore, Finance Department

Fiscal Year Ended June 30	Water Revenue Refunding Bonds(1)				
	Water Revenue (2)	Debt Service			
		Principal	Interest	Total	Coverage (3)
2009	$ -	$ -	$ -	$ -	n/a
2010	-	-	-	-	n/a
2011	877,523	100,000	140,608	240,608	3.65
2012	1,504,785	235,000	332,225	567,225	2.65
2013	2,201,975	245,000	325,175	570,175	3.86
2014	1,675,679	250,000	317,825	567,825	2.95
2015	1,548,485	260,000	310,325	570,325	2.72
2016	1,085,175	265,000	303,175	568,175	1.91
2017	2,004,634	275,000	295,888	570,888	3.51
2018	1,804,880	285,000	287,088	572,088	3.15

(1) 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.

(2) Total Water Revenue is Operating Income (Loss) excluding deprecation, 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.

(3) Coverage reflects revenue divided by principal plus interest

Source: City of Fillmore, Finance Department, Debt Service Schedule.

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

Fiscal Year Ended June 30	Wastewater Revenue Series 2007 Bonds (3)				
	Sewer Revenue (1)	Debt Service			
		Principal	Interest	Total	Coverage(2)
2009	$ 3,021,199	$ -	$ 3,300,038	$ 3,300,038	0.92
2010	2,966,096	-	2,826,059	2,826,059	1.05
2011	3,032,184	590,000	2,824,480	3,414,480	0.89
2012	2,657,910	615,000	2,856,479	3,471,479	0.77
2013	3,341,021	640,000	2,827,095	3,467,095	0.96
2014	3,665,108	670,000	2,713,885	3,383,885	1.08
2015	3,448,834	700,000	2,680,462	3,380,462	1.02
2016	3,517,021	735,000	2,705,956	3,440,956	1.02
2017	3,483,195	39,535,000	(4) 3,056,856	42,591,856	0.08
2018	4,174,956	810,000	692,456	1,502,456	2.78

(1) 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.

(2) Total Water Revenue is Operating Income (Loss) excluding deprecation, 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.

(3) Coverage reflects revenue divided by principal plus interest

(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) Revenue Bonds				
	Wastewater Revenue (1)	Debt Service			
		Principal	Interest	Total	Coverage (2)
2017	$ 3,328,511	$ -	$ -	$ -	n/a
2018	4,174,956		1,301,542	1,301,542	3.21

(1) 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 plete information.

(2) Total Water Revenue is Operating Income (Loss) excluding deprecation, 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.

(3) Coverage reflects revenue divided by principal plus interest.
Debt service Coverage of 1.15 is erquired per bond convenants.

Source: City of Fillmore, Finance Department Debt Service Schedule

Fiscal Year Ended June 30	State Water Loan Payable (2)				
	Sewer Revenue (1)	Debt Service			
		Principal	Interest	Total	Coverage
2009	$ 5,937,475	$ 4,697	-	$ 4,697	1264.10
2010	3,847,547	4,697	-	4,697	819.15
2011	2,940,472	4,697	-	4,697	626.03
2012	2,678,959	4,697	-	4,697	570.36
2013	3,271,139	4,696	-	4,696	696.58
2014	3,675,131	4,697	-	4,697	782.44
2015	3,686,838	4,662	-	4,662	790.83
2016	-	-	-	-	n/a
2017	-	-	-	-	n/a
2018	-	-	-	-	n/a

(1) Total Water Revenue is Operating Income (Loss) excluding deprecation, 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

Source: City of Fillmore, Finance Department

Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population	Personal Income (in thousands)(1)	Per Capita Personal Income		Unemployment Rate(2)
2009	14,824	$ 309,614	$ 20,886		13.7 %
2010	15,002	317,772	21,182		11.8 %
2011	15,111	311,015	20,582		11.4 %
2012	15,147	313,588	20,703		10.3 %
2013	15,234	305,655	20,064		9.0 %
2014	15,367	295,123	19,205		7.2 %
2015	15,444	294,085	19,042		6.2 %
2016	15,510	311,270	20,069		5.8 %
2017	15,683	330,849	21,096	(3)	5.0 %
2018	15,953	352,928	22,123	(3)	4.0 %

Note:
(1) Estimated amount using estimated Per Capita Income
(2) Unemployment figure is as of June of each year
(3) Estimated using per capita personal income percentage change in 2016

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

Principal Employers
Current and Nine Fiscal Years Ago

	2018			2009		
Employer	Number of Employees	Ranking	Percent of City Employment	Number of Employees	Ranking	Percent of City Employment
Fillmore Unified School District	828	1	12.18%	582	1	9.86%
Greenfield Care Center	115	2	1.78%	115	2	1.95%
Villa Park Citrus Assn.	85	3	1.25%	40	8	0.68%
Ameron Pole Products Division	95	4	1.22%	94	3	1.59%
Vons	65	5	0.96%	58	4	0.98%
Super A Foods, Inc.	50	6	0.74%	45	6	0.76%
William Morris Chevrolet	40	7	0.59%	40	9	0.68%
Allied Avocados & Citrus, Inc.	40	8	0.59%	-		-
City of Fillmore	33	9	0.49%	41	7	0.69%
Clinica del Camino Real	30	10	0.44%	30	10	0.51%
Saticoy Lemon Assn.				48	5	0.81%
Total Top Employers	1,381			1,093		
Total City Labor Force	6,800			5,900		

Source: Bureau of Labor Statistics
California Employment Development Department
City of Fillmore, Finance department

Employment Trends and Other Information
Last Ten Fiscal Years

	Fiscal Year									
Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government										
Administraitive	4	4	4	1	2	3	3	3	3	3
Finance	9	9	9	6	7	7	6	5	6	6
Planning	2	2	2	1		1	2	4	4	4
Engineering (1)	1	1	1	1	1					
Facitlities (3)	3	3	3	3	1	1	1	1		
Public safety										
Fire Safety	7	7	7	4	4	4	4	4	4	4
Building & Safety	1	1	1			3	3	2	2	2
Public Works	14	14	12	11	9	10	10	10	11	11
Community Services	-	-	-	-	-	-	-	1	1	1
Parks & Recreation	-	-	-	-	-	-	-	-	2	2
Total	41	41	39	27	24	29	29	30	33	33
Public safety (2)	14	14	14	12	12	12	12	12	12	12

Note:
(1) Engineering services provided by consultants starting in FY2014
(2) Police services are provided by the County
(3) Facilities are now included with the Public Works Department

Source: City of Fillmore, Finance department

Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police:										
Part 1 Crimes Reported (Count) (A) (Note 1)	267	319	264	222	185	194	261	177	137	168
Parking citations issued (D)	488	307	192	82	83	114	217	227	322	332
Fire (Unit responses): (B) (Note 1)										
Medical	857	790	890	861	873	932	1,121	1,058	1,060	971
Fire	41	42	48	40	49	29	39	49	38	25
Rescue	52	41	54	46	62	60	73	66	55	62
Public Service	107	94	102	147	132	164	176	169	111	109
Alarms	65	66	82	88	80	74	106	78	85	61
Hazardous	22	15	24	28	31	21	35	21	15	19
Other	-	-	2	1	1	2	2	-	-	3
Public works: (C)										
Street resurfacing (miles)	-	0.5		2.3	-	-	-	-	-	0.51
Building and Safety: (E)										
Number of SFR Building Permits Issued	8	3	-	3	30	16	38	45	42	57
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

Capital Assets Statistics by Function
Last Ten Fiscal Years

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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)	37.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	42.5	44.7
Streetlights	1,089	1,123	1,124	1,124	1,124	1,124	1,124	1,124	1,154	1,154
Traffic signals	8	8	8	8	8	8	8	8	9	9
Storm Drains (Miles)	12.9	15.0	15.0	15.0	15.0	15.0	15.0	15.0	17.1	17.2
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)	50.2	52.3	52.3	52.3	52.3	52.3	52.3	52.3	55.0	55.0
Sewer Utility:										
Treatment Facility	1	1	1	1	1	1	1	1	1	1
Sanitary sewers (Miles)	31.8	33.9	33.9	33.9	33.9	33.9	33.9	33.9	37.8	37.8
Parks and recreation:										
Parks	3	3	4	4	4	4	4	4	11	11
Community centers	3	3	3	3	3	3	3	3	3	3

Source: City of Fillmore
Southern California Edison

This page left blank intentionally.