

CITY OF FILLMORE

FINANCIAL STATEMENTS

JUNE 30, 2012



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

**CITY OF FILLMORE, CALIFORNIA
FINANCIAL STATEMENTS
Fiscal year ended June 30, 2012**

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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

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

PARTNERS

Brenda L. Odle, CPA, MST
Terry P. Shea, CPA
Kirk A. Franks, CPA
Matthew B. Wilson, CPA, MSA
Scott W. Manno, CPA
Leena Shanbhag, CPA, MST
Jay H. Zercher, CPA (Retired)
Phillip H. Waller, CPA (Retired)

MANAGERS / STAFF

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Bradferd A. Welebir, CPA, MBA
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Papa Matar Thiaw, CPA, MBA
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Peter E. Murray, CPA
Genivive Schwarzkopf, CPA
Megan Hackney, CPA
Seong-Hyea Lee, CPA, MBA
Charles De Simoni, CPA

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fillmore, California (City) as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fillmore, California, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable thereof, for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

On December 29, 2011, the California Supreme Court upheld Assembly Bill XI 26 (Bill) that provides for the dissolution of all redevelopment agencies in the State of California. Therefore, as of February 1, 2012, the Fillmore Redevelopment Agency, a component unit of the City, ceased to exist. All functions of the former redevelopment agency either passed to the City or to the Successor Agency to the Fillmore Redevelopment Agency.

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In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2013 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, and Other Postemployment Benefits Plan - Schedule of Funding Progress 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining nonmajor fund financial statements and schedules, combining sewer fund statements, and budgetary comparison schedules listed as other supplementary information in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements. The combining nonmajor fund financial statements and schedules, combining sewer fund statements, and 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 financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

Rogers Anderson Maloney & Scott, LLP

February 11, 2013

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2012
(Unaudited)

This management's discussion and analysis provides an overview of financial activities of the City of Fillmore (City) for the fiscal year ended June 30, 2012. Please read this discussion and analysis in conjunction with the basic financial statements and the accompanying notes to the basic financial statements.

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

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

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

On June 29, 2011, the Governor of the State of California signed Assembly Bills X1 26 and 27 as part of the State's budget package. Assembly Bill X1 26 requires each California redevelopment agency to suspend (effective July 1, 2011) nearly all activities except to implement existing contracts, meet already-incurred obligations, preserve its assets and prepare for the impending dissolution of the agency. Assembly Bill X1 27 provides a means for redevelopment agencies to continue to exist and operate by means of a Voluntary Alternative Redevelopment Program. The California Redevelopment Association, in conjunction with the League of California Cities, filed suit contending the bills were unconstitutional. On December 29, 2011, the Supreme Court upheld AB X1 26 to abolish redevelopment agencies and ABX1 27 to be unconstitutional. With this determination, effective February 1, 2012, all redevelopment agencies within the state were eliminated.

Assembly Bill X1 26 directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by Assembly Bill X 1 26. The City of Fillmore will assume the position of Successor Agency for the Redevelopment Agency as of February 1, 2012. The City has also elected to assume control of the Low/Mod housing functions of the former redevelopment agency. An oversight board was appointed to oversee the expeditious wind down of the affairs of the former redevelopment agency by the Successor Agency. The financial ramifications of this change are not known at this time.

REPORTING THE CITY AS A WHOLE

The Statement of Net Assets and the Statement of Activities

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

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

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

Governmental Activities

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

Business-Type Activities

The City charges a fee to customers to pay for the cost of certain services provided. The City's water system and wastewater system, and the City of Fillmore's Town Theater (from July 2011 through January 2012) are reported in this category.

Fund Financial Statements

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

Governmental Funds

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

Proprietary Funds

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

Fiduciary Funds

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

Governmental Activities

The following schedule summarizes the financial position of the city's governmental activities as of June 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Assets:		
Current assets	\$ 8,590,783	\$ 13,442,351
Notes receivable	7,203,327	7,078,218
Deferred charges, net	-	4,080,179
Restricted assets:		
Cash and investments with fiscal agents	-	3,995,797
Internal balances	-	388,339
Capital assets not being depreciated	11,048,806	20,685,070
Capital assets being depreciated, net	29,776,041	28,102,450
	<u>56,618,957</u>	<u>77,772,404</u>
Total assets		
	<u>56,618,957</u>	<u>77,772,404</u>
Liabilities:		
Current liabilities	\$ 5,622,696	\$ 5,273,074
Noncurrent liabilities:		
Due within one year	525,991	1,290,310
Due in more than one year	1,077,378	50,052,959
	<u>7,226,065</u>	<u>56,616,343</u>
Total liabilities		
	<u>7,226,065</u>	<u>56,616,343</u>
Net assets:		
Invested in capital assets, net of related debt	40,212,171	(1,781,392)
Restricted	9,930,184	17,739,985
Unrestricted	(749,463)	5,197,468
	<u>49,392,892</u>	<u>21,156,061</u>
Total net assets		
	<u>\$ 49,392,892</u>	<u>\$ 21,156,061</u>

At the end of fiscal year 2012, the current assets are 15.17% of the total assets with the remaining 84.83% representing capital assets not being depreciated and capital assets, net of accumulated depreciation, internal balances, restricted assets and notes receivable. The current liabilities are approximately 83.53% of the total liabilities. Of the total net assets, 20.12% was restricted and the remaining 79.88% represented invested in capital assets net of related debt and unrestricted net assets. These amounts have been reduced due to the removal of the Redevelopment Agency Assets which are included in the Successor Agency, a private purpose trust fund.

The cost of all governmental activities during fiscal year 2012 was \$10,608,893. The amount that the City's taxpayers ultimately financed, however, was \$6,180,990. Some of the cost of governmental activities was paid by those who directly benefited from the programs (\$1,419,025) or by other *government* agencies and organizations that subsidized certain programs with grants and contributions (\$1,359,360).

Overall, the City generated program revenues from governmental activities amounting to \$2,778,385. The remaining cost of governmental activities of \$7,830,508 was covered by the City's sources of general revenue (taxes and other general revenues) of \$6,443,667, transfers in of \$240,489 and \$1,146,352 from the gain resulting from the dissolution of the Redevelopment Agency.

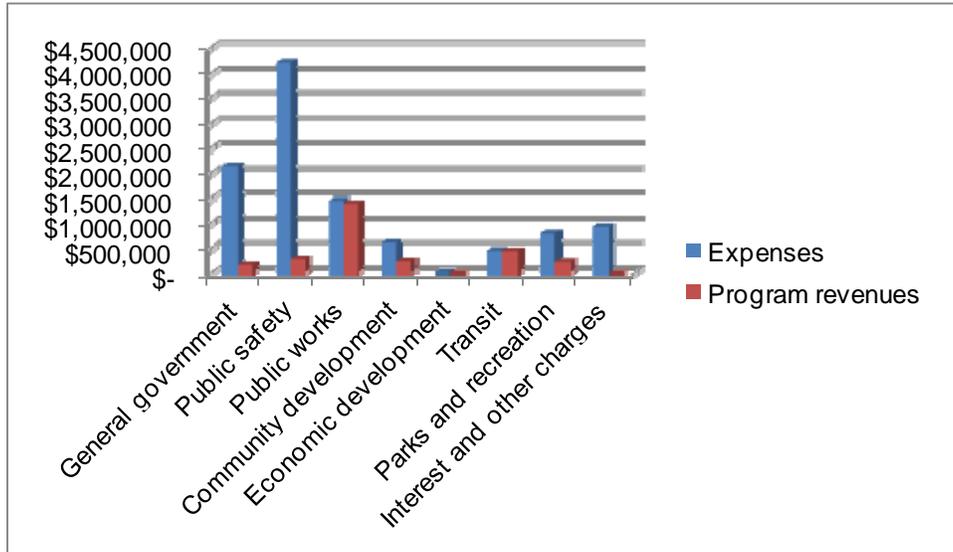
The City's governmental activities include General Government, Public Safety (Police and Fire services), Public Works, Community Development, Economic Development, Transit, Parks and Recreation, and Interest on Long-term Debt.

The following table represents the changes in net assets for governmental activities for the fiscal years ended June 30, 2012 and 2011:

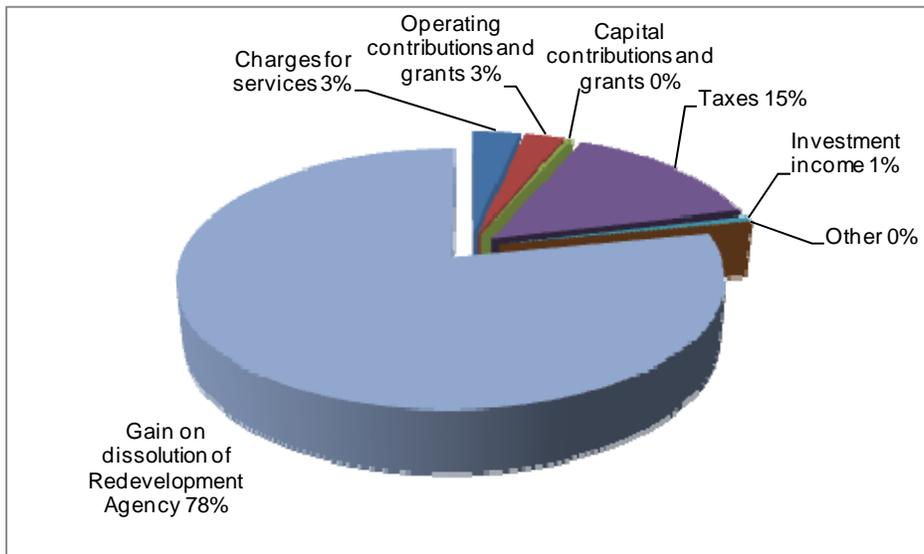
	<u>2012</u>	<u>2011</u>
General revenues:		
Taxes	\$ 6,163,845	\$ 9,420,301
Investment income	262,677	313,129
Other	17,145	162,862
Extraordinary item		
Gain on dissolution of Redevelopment Agency	33,059,554	-
Program revenues:		
Charges for services	1,419,025	1,440,558
Operating contributions and grants	1,189,436	1,086,782
Capital contributions and grants	<u>169,924</u>	<u>357,601</u>
Total revenues	<u>42,281,606</u>	<u>12,781,233</u>
Expenses:		
General government	2,149,170	1,948,173
Public safety	4,222,865	4,702,271
Public works	1,453,567	1,540,884
Community development	596,162	5,187,369
Economic development	17,632	-
Transit	462,246	404,103
Parks and recreation	783,502	856,554
Interest and other charges	<u>923,749</u>	<u>2,641,930</u>
Total expenses	<u>10,608,893</u>	<u>17,281,284</u>
Increase (decrease) in net assets before transfers	31,672,713	(4,500,051)
Transfers in (out)	<u>240,489</u>	<u>447,363</u>
Change in net assets	31,913,202	(4,052,688)
Net assets, beginning of year, restated	<u>17,479,690</u>	<u>25,208,749</u>
Net assets, end of year	<u>\$ 49,392,892</u>	<u>\$ 21,156,061</u>

Governmental Activities

Governmental activities expenses and programs revenues for the year ended June 30, 2012:



Governmental activities revenues by source for the year ended June 30, 2012:



Business Type Activities

The following schedule summarizes the financial position of the City's business-type activities at June 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Assets:		
Current assets	\$ 6,865,072	\$ 6,727,796
Deferred charges, net	3,595,946	1,807,430
Restricted assets:		
Cash and investments with fiscal agents	4,015,826	4,086,616
Internal balances	-	(388,339)
Capital assets not being depreciated	3,186,153	3,362,010
Capital assets being depreciated, net	<u>76,659,042</u>	<u>76,143,235</u>
Total assets	<u>94,322,039</u>	<u>91,738,748</u>
Liabilities:		
Current liabilities	\$ 1,233,235	\$ 1,205,339
Noncurrent liabilities:		
Due within one year	976,976	946,557
Due in more than one year	<u>64,413,189</u>	<u>65,364,969</u>
Total liabilities	<u>66,623,400</u>	<u>67,516,865</u>
Net assets:		
Invested in capital assets, net of related debt	17,615,327	17,658,029
Restricted	4,015,826	1,071,180
Unrestricted	<u>6,067,486</u>	<u>5,492,674</u>
Total net assets	<u>\$ 27,698,639</u>	<u>\$ 24,221,883</u>

Net assets for business-type activities totaled \$27,698,639. Of the total net assets, \$17,615,327 was invested in capital assets, \$4,015,826 was restricted for debt service, and \$6,067,486 was unrestricted.

Total expenses for business-type activities for the fiscal year ended June 30, 2012 were \$7,921,318. Program revenues are primarily comprised of charges for services in the amount of \$7,601,248. Transfers to governmental activities amounted to \$240,489.

The City's business-type activities include: water, sewer, and the Towne Theater (July 2011 through January 2012). The Towne Theater became an asset of the Successor Agency as of February 1, 2012 and is included in the Successor Agency, a private purpose trust fund.

The following table presents the changes in net assets for the business-type activities for the fiscal years ended June 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
General revenues:		
Investment income	\$ 14,261	\$ 200,995
Extraordinary item		
Gain on dissolution of Redevelopment Agency	395,253	-
Program revenues:		
Charges for services	<u>7,601,248</u>	<u>8,110,962</u>
 Total revenues	 <u>8,010,762</u>	 <u>8,311,957</u>
Expenses:		
Sewer	6,046,775	6,176,386
Water	1,866,951	2,256,831
Theater	<u>7,592</u>	<u>67,530</u>
 Total expenses	 <u>7,921,318</u>	 <u>8,500,747</u>
 Increase (decrease) in net assets before transfers	 89,444	 (188,790)
Transfers out	<u>(240,489)</u>	<u>(447,363)</u>
Change in net assets	(151,045)	(636,153)
Net assets, beginning of year, restated	<u>27,849,684</u>	<u>24,858,036</u>
Net assets, end of year	<u>\$ 27,698,639</u>	<u>\$ 24,221,883</u>

FINANCIAL ANALYSIS OF CITY'S MAJOR FUNDS

General Fund

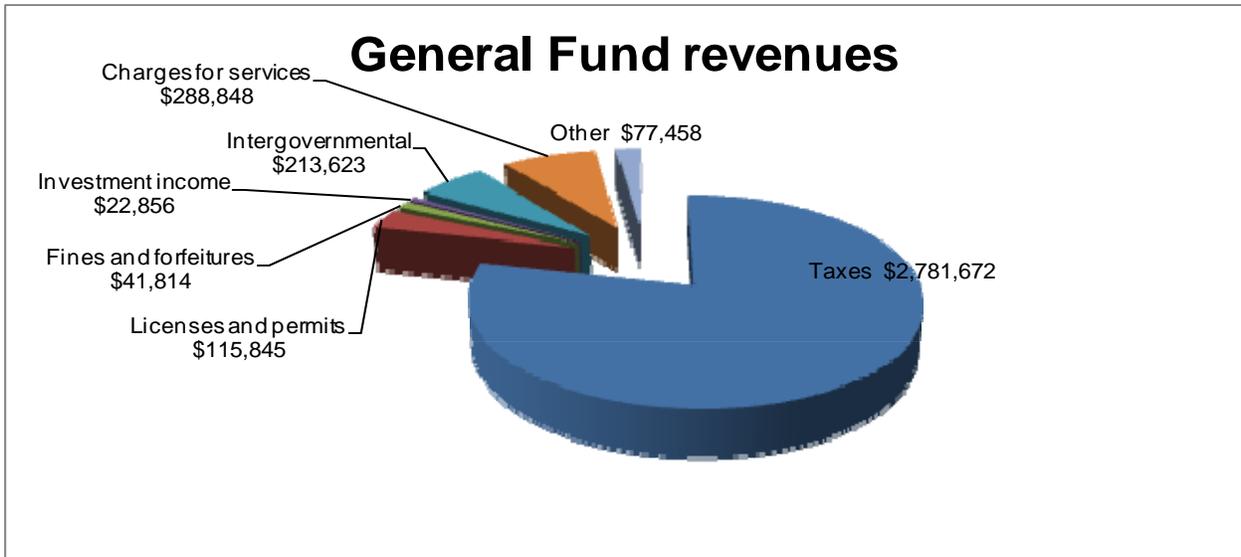
The General Fund accounts for all financial resources traditionally associated with government activities that are not required legally to be accounted for in another fund.

The General Fund ended the fiscal year with a fund balance of (\$117,456), which is a decrease of \$2,113,537 as compared to the prior fiscal year. This decrease is primarily due to the use of beginning balances, a reduction in revenue and a decrease in transfers in (due to the elimination of the Redevelopment Agency as of January 31, 2012).

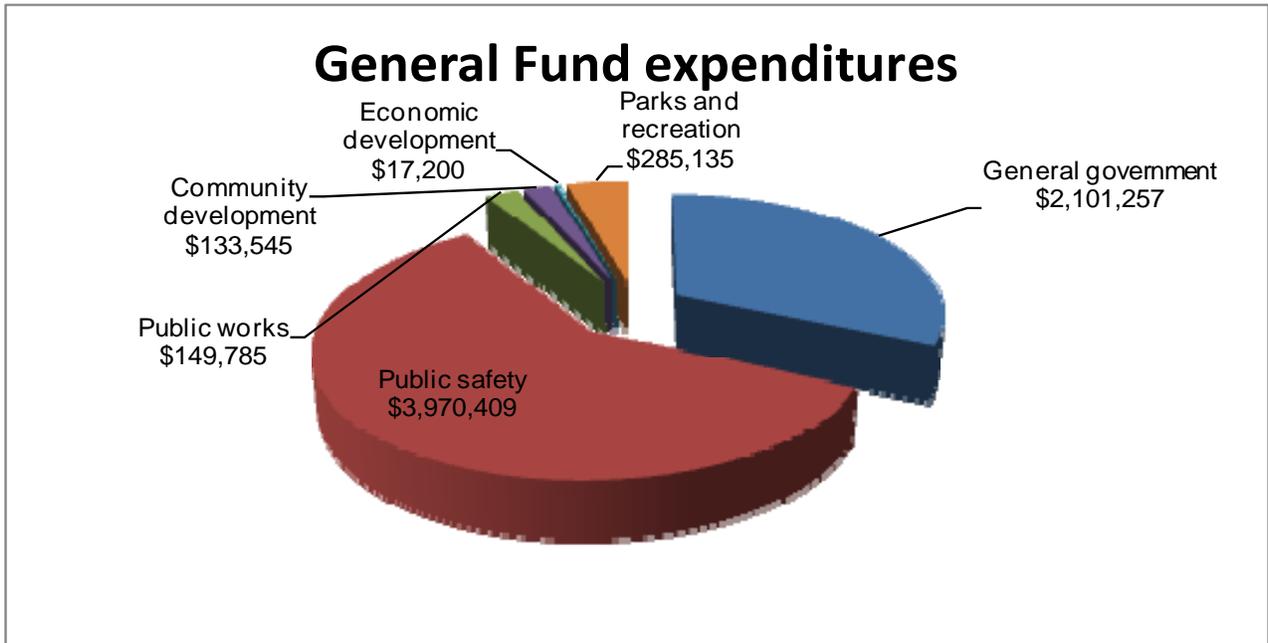
General Fund revenues for the fiscal year ended June 30, 2012, were \$3,542,116, a decrease of \$369,331 from FY 2011, not including \$1,146,391, a decrease of \$687,343 from FY 2011 of transfers in. This is a total decrease of available resources of \$1,056,674 for FY 2012.

General Fund expenditures were \$6,657,331, a decrease of \$158,908 from FY 2011 for the fiscal year ended June 30, 2012, not including \$144,713, an increase of \$57,540 from FY 2011 of transfers out. The net decrease of expenses for FY 2012 was \$101,368.

General fund revenues for the year ended June 30, 2012:



General fund expenditures for the year ended June 30, 2012:



Other Major Funds

Redevelopment Agency Debt Service Fund:

Tax increment revenue totaled \$3,187,717 for the period ending January 31, 2012. These revenues were used to fund pass through payments to other local agencies, pay principal and interest on long-term debt, and fund the deficit in the Capital Projects Fund. All Redevelopment Agencies in the State of California were dissolved as of January 31, 2012. As of February 1, 2012, the Redevelopment Agency ceased to exist and all the assets and liabilities were transferred to the Successor Agency, a private purpose trust fund.

Redevelopment Agency Special Revenue Fund

This fund was known as the "Low to Moderate Income Housing Set-Aside Fund" (LMISA) and accounted for the receipt and use of 20% of gross tax increment revenues that statute restricts for housing-related use in blighted areas. As a result of the dissolution of the Redevelopment Agency, no funds were allocated to this fund except interest and loan repayments. The City elected to become the Successor to the Housing function and all assets and liabilities (except cash) were transferred to the Special Revenue Housing Fund.

Successor Housing Special Revenue Fund

The City assumed the Housing function from the Redevelopment Agency as of February 1, 2012. The assets and liabilities of the Former Redevelopment Agency Low Mod Housing Special Revenue Fund were transferred to the City, except for cash which remained an asset of the Successor Agency.

Redevelopment Agency Capital Projects Fund:

This fund was used to account for all other revenues and expenditures of the Redevelopment Agency not otherwise restricted. The assets and liabilities of this fund were transferred to the Successor Agency, a private purpose trust fund.

Enterprise Funds:

The three major enterprise funds for the City of Fillmore are Water, Sewer, and Town Theater (July 2011 through January 31, 2012). The Town Theater was owned by the Redevelopment Agency and became an asset/liability of the Successor Agency. The assets and liabilities of the Town Theater were transferred to the Successor Agency, a private purpose trust fund, as of February 1, 2012. The enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises, wherein the cost of goods and services to the general public are financed or recovered primarily through user charges.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business type activities as of June 30, 2012, amounts to \$120,670,042 (net of accumulated depreciation). Of that, \$40,824,847 is in governmental activities and \$79,845,195 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.

DEBT ADMINISTRATION

The City used a variety of tax increment, revenue, and lease indebtedness to finance various capital acquisitions. At June 30, 2012, the City's long-term debt outstanding was \$67,019,761. Of this total, \$1,629,596 was in governmental activities and \$65,390,165 was in business-type activities. The decrease from last year is the result of the elimination of the Redevelopment Agency debt which has been transferred to the Successor Agency, a private purpose trust fund.

The following table provides a breakdown of the City's outstanding indebtedness as of June 30, 2012 and 2011:

	Governmental activities		Business-type activities		Totals	
	2012	2011	2012	2011	2012	2011
Revenue bonds	\$ -	\$ 11,415,000	\$ 56,285,000	\$ 56,900,000	\$ 56,285,000	\$ 68,315,000
Capital leases	345,882	422,871	-	-	345,882	422,871
State water loan payable	266,793	356,041	14,055	18,752	280,848	374,793
Notes/bond and loans	-	38,375,000	7,145,000	7,380,000	7,145,000	45,755,000
Certificates of participation	-	-	-	-	-	-
OPEB Obligation	773,847	545,943	-	-	773,847	545,943
Compensated absences	216,847	228,414	84,483	97,661	301,330	326,075
Premium on debt	-	-	1,861,627	1,915,113	1,861,627	1,915,113
Total debt	\$ 1,603,369	\$ 51,343,269	\$ 65,390,165	\$ 66,311,526	\$ 66,993,534	\$ 117,654,795

The tax allocation bonds were part of the dissolved Redevelopment Agency and were transferred to the Successor Agency, a private purpose trust fund. The December 2011 tax allocation from the County of Ventura was designated to pay for approved enforceable obligations only. The Redevelopment Agency project areas were accounted for by the Agency through January 31, 2012 when the Agency was dissolved. The property tax revenue and enforceable obligations are recorded in the Successor Agency, a private purpose trust fund.

The 2007 Sewer revenue bond was issued for the sewer and treatment plant expansion. Debt service on this issue is paid from the revenues of the Sewer fund.

The 2010 Water System Refunding Bonds were issued to refund the 2002 Certificates of Participation. Debt service on this issue is paid from the revenues of the Water fund.

The General fund paid for the Capital lease payable to fund the City's newest fire engine. The State of California mandates a limit on general obligation debt of 15 percent of true cash value of all taxable property within the City boundaries.

BUDGETING

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

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

General Fund Budgetary Highlights

The General Fund actual expenditures were lower than final budget appropriations, excluding transfers out, by \$629,376, while the actual revenues were lower than final budget estimated revenues, excluding transfers in, by \$199,766.

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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CITY OF FILLMORE
Statement of Net Assets
June 30, 2012

	Governmental activities	Business-type activities	Total
Assets			
Cash and investments	\$ 7,409,188	\$ 4,593,147	\$ 12,002,335
Cash and investments with fiscal agent	-	4,015,826	4,015,826
Receivables, net:			
Intergovernmental	531,975	-	531,975
Accounts	347,727	1,806,173	2,153,900
Related-party accounts	-	58,150	58,150
Interest	3,176	1,203	4,379
Notes and loans	7,203,327	-	7,203,327
Other	-	406,399	406,399
Prepaid items	298,717	-	298,717
Deferred charges, net of amortization	-	3,595,946	3,595,946
Capital assets not being depreciated	11,048,806	3,186,153	14,234,959
Capital assets, net of accumulated depreciation	29,776,041	76,659,042	106,435,083
Total assets	56,618,957	94,322,039	150,940,996
Liabilities			
Accounts payable	2,162,681	146,992	2,309,673
Accrued interest payable	-	520,822	520,822
Due to others	750,000	-	750,000
Unearned revenue	2,514,153	407,079	2,921,232
Deposits payable	195,862	158,342	354,204
Noncurrent liabilities			
Due within one year	525,991	976,976	1,502,967
Due in more than one year	1,077,378	64,413,189	65,490,567
Total liabilities	7,226,065	66,623,400	73,849,465
Net assets			
Invested in capital assets, net of related debt	40,212,171	17,615,327	57,827,498
Restricted for:			
Community development	7,267,843	-	7,267,843
Debt service	-	4,015,826	4,015,826
Capital projects	2,490,875	-	2,490,875
Other purposes	171,466	-	171,466
Unrestricted	(749,463)	6,067,486	5,318,023
Total net assets	\$ 49,392,892	\$ 27,698,639	\$ 77,091,531

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

CITY OF FILLMORE
Statement of Activities
For the fiscal year ended June 30, 2012

Functions/programs	Expenses	Program revenues		
		Charges for services	Operating contributions and grants	Capital contributions and grants
Governmental activities:				
General government	\$ 2,149,170	\$ 173,130	\$ 125	\$ -
Public safety	4,222,865	73,331	212,040	-
Public works	1,453,567	860,531	492,895	45,818
Community development	596,162	161,130	-	80,106
Economic development	17,632	-	-	-
Transit	462,246	-	450,918	-
Parks and recreation	783,502	150,903	33,458	44,000
Interest and other charges	923,749	-	-	-
Total governmental activities	10,608,893	1,419,025	1,189,436	169,924
Business-type activities:				
Sewer	6,046,775	4,737,423	-	-
Water	1,866,951	2,860,235	-	-
Town Theater	7,592	3,590	-	-
Total business-type activities	7,921,318	7,601,248	-	-
Total government	\$ 18,530,211	\$ 9,020,273	\$ 1,189,436	\$ 169,924

General revenues:

Taxes:

- Property taxes
- Property taxes in lieu of VLF
- Sales taxes
- Transient occupancy tax
- Franchise taxes
- Business licenses
- Other taxes

Motor vehicle in lieu

Other

Investment income

Transfers

Extraordinary item

Gain on dissolution of Redevelopment Agency

Total general revenues, transfers, and Extraordinary item

Change in net assets

Net assets, beginning of year, restated

Net assets, end of year

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

Net (expense) revenue and changes in net assets

Governmental activities	Business-type activities	Total
\$ (1,975,915)	\$ -	\$ (1,975,915)
(3,937,494)	-	(3,937,494)
(54,323)	-	(54,323)
(354,926)	-	(354,926)
(17,632)	-	(17,632)
(11,328)	-	(11,328)
(555,141)	-	(555,141)
(923,749)	-	(923,749)
<u>(7,830,508)</u>	<u>-</u>	<u>(7,830,508)</u>
-	(1,309,352)	(1,309,352)
-	993,284	993,284
-	(4,002)	(4,002)
<u>-</u>	<u>(320,070)</u>	<u>(320,070)</u>
<u>(7,830,508)</u>	<u>(320,070)</u>	<u>(8,150,578)</u>
3,651,774	-	3,651,774
1,158,490	-	1,158,490
726,145	-	726,145
89,385	-	89,385
327,878	-	327,878
103,974	-	103,974
98,106	-	98,106
8,093	-	8,093
17,145	-	17,145
262,677	14,261	276,938
240,489	(240,489)	-
<u>33,059,554</u>	<u>395,253</u>	<u>33,454,807</u>
<u>39,743,710</u>	<u>169,025</u>	<u>39,912,735</u>
31,913,202	(151,045)	31,762,157
<u>17,479,690</u>	<u>27,849,684</u>	<u>45,329,374</u>
<u>\$ 49,392,892</u>	<u>\$ 27,698,639</u>	<u>\$ 77,091,531</u>

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FUND FINANCIAL STATEMENTS

CITY OF FILLMORE
Balance Sheet
Governmental Funds
June 30, 2012

	<u>General</u>	<u>Debt Service Fund Redevelopment Agency</u>	<u>Special Revenue Fund Redevelopment Agency</u>
Assets			
Cash and investments	\$ 2,289,250	\$ -	\$ -
Receivables:			
Intergovernmental	478,844	-	-
Accounts	196,400	-	-
Interest	1,221	-	-
Notes and loans	80,994	-	-
Due from other funds	204,918	-	-
Prepaid items	298,717	-	-
	<u>3,550,344</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 3,550,344</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ 377,973	\$ -	\$ -
Accrued liabilities	1,691,581	-	-
Due to other funds	-	-	-
Due to other government	-	-	-
Deferred revenue	1,582,332	-	-
Deposits payable	15,914	-	-
	<u>3,667,800</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>3,667,800</u>	<u>-</u>	<u>-</u>
Fund balances (deficit):			
Nonspendable:			
Prepaid items	298,717	-	-
Restricted for:			
Community development	-	-	-
Public works	-	-	-
Parks and recreation	-	-	-
Assigned	1,377,645	-	-
Unassigned	(1,793,818)	-	-
	<u>(117,456)</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>(117,456)</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 3,550,344</u>	<u>\$ -</u>	<u>\$ -</u>

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

Special Revenue Fund Successor Housing	Capital Projects Fund Redevelopment Agency	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 5,119,938	\$ 7,409,188
-	-	53,131	531,975
-	-	151,327	347,727
-	-	1,955	3,176
7,122,333	-	-	7,203,327
-	-	-	204,918
-	-	-	298,717
<u>\$ 7,122,333</u>	<u>\$ -</u>	<u>\$ 5,326,351</u>	<u>\$ 15,999,028</u>
\$ 12,140	\$ -	\$ 50,454	\$ 440,567
16,563	-	13,970	1,722,114
-	-	204,918	204,918
-	-	750,000	750,000
7,122,333	-	1,036,493	9,741,158
-	-	179,948	195,862
<u>7,151,036</u>	<u>-</u>	<u>2,235,783</u>	<u>13,054,619</u>
-	-	-	298,717
-	-	40,838	40,838
-	-	2,490,875	2,490,875
-	-	171,466	171,466
-	-	1,270,033	2,647,678
(28,703)	-	(882,644)	(2,705,165)
<u>(28,703)</u>	<u>-</u>	<u>3,090,568</u>	<u>2,944,409</u>
<u>\$ 7,122,333</u>	<u>\$ -</u>	<u>\$ 5,326,351</u>	<u>\$ 15,999,028</u>

CITY OF FILLMORE
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2012

Fund balances of governmental funds	\$	2,944,409
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets net of depreciation have not been included in the governmental fund activity:		
Capital assets		51,807,883
Accumulated depreciation		(10,983,036)
Long-term debt has not been included in the governmental fund activity:		
Loans payable		(266,793)
Capital leases payable		(345,882)
Compensated absences		(216,847)
OPEB Obligation		(773,847)
Certain accounts, interest, advances, and intergovernmental receivables are not available to pay for current period expenditures and, therefore, are offset by deferred revenue in the governmental funds.		7,227,005
Net assets of governmental activities	\$	49,392,892

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

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CITY OF FILLMORE
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the fiscal year ended June 30, 2012

	General	Debt Service Fund Redevelopment Agency	Special Revenue Fund Redevelopment Agency
Revenues			
Taxes	\$ 2,781,672	\$ 3,187,717	\$ -
Licenses and permits	115,845	-	-
Fines and forfeitures	41,814	-	-
Investment income	22,856	3,055	7,789
Intergovernmental	213,623	-	-
Charges for services	288,848	-	-
Other	77,458	4,217	3,781
	<u>3,542,116</u>	<u>3,194,989</u>	<u>11,570</u>
Total revenues			
	<u>3,542,116</u>	<u>3,194,989</u>	<u>11,570</u>
Expenditures			
Current:			
General government	2,101,257	-	-
Public safety	3,970,409	-	-
Public works	149,785	-	-
Community development	133,545	11,919	128,165
Economic development	17,200	-	-
Transit	-	-	-
Parks and recreation	285,135	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	1,315,911	-
	<u>6,657,331</u>	<u>1,327,830</u>	<u>128,165</u>
Total expenditures			
	<u>6,657,331</u>	<u>1,327,830</u>	<u>128,165</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,115,215)</u>	<u>1,867,159</u>	<u>(116,595)</u>
Other financing sources (uses)			
Transfers in	1,146,391	-	-
Transfers out	(144,713)	-	(40,059)
	<u>1,001,678</u>	<u>-</u>	<u>(40,059)</u>
Total other financing sources (uses)			
	<u>1,001,678</u>	<u>-</u>	<u>(40,059)</u>
Net change in fund balances	(2,113,537)	1,867,159	(156,654)
Extraordinary gain/loss on RDA dissolution	-	(8,314,333)	(2,368,188)
Fund balances (deficit), beginning of year	<u>1,996,081</u>	<u>6,447,174</u>	<u>2,524,842</u>
Fund balances (deficit), end of year	<u>\$ (117,456)</u>	<u>\$ -</u>	<u>\$ -</u>

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

Special Revenue Fund Successor Housing	Capital Projects Fund Redevelopment Agency	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 67,330	\$ 6,036,719
-	-	-	115,845
-	-	-	41,814
3,666	306	17,174	54,846
-	-	1,132,815	1,346,438
-	-	1,007,154	1,296,002
3,209	39,153	37,895	165,713
<u>6,875</u>	<u>39,459</u>	<u>2,262,368</u>	<u>9,057,377</u>
-	-	-	2,101,257
-	-	-	3,970,409
-	-	812,609	962,394
67,694	152,098	224	493,645
-	-	-	17,200
-	-	450,918	450,918
-	-	330,556	615,691
-	-	168,301	168,301
-	-	166,237	166,237
-	-	19,875	1,335,786
<u>67,694</u>	<u>152,098</u>	<u>1,948,720</u>	<u>10,281,838</u>
<u>(60,819)</u>	<u>(112,639)</u>	<u>313,648</u>	<u>(1,224,461)</u>
-	-	719,184	1,865,575
-	(141,390)	(1,298,924)	(1,625,086)
-	(141,390)	(579,740)	240,489
(60,819)	(254,029)	(266,092)	(983,972)
32,116	1,597,448	-	(9,052,957)
-	(1,343,419)	3,356,660	12,981,338
<u>\$ (28,703)</u>	<u>\$ -</u>	<u>\$ 3,090,568</u>	<u>\$ 2,944,409</u>

CITY OF FILLMORE
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the fiscal year ended June 30, 2012

Net change in fund balances - total governmental funds \$ (10,036,929)

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	168,107
Depreciation, net of disposals	(1,000,660)

Repayment of debt service principal and capital lease liabilities are expenditures in the governmental funds but the repayment reduces long-term liabilities in the statement of net assets.	166,237
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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.	11,567
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OPEB obligation expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(227,904)
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Some of the revenue will be collected after year-end, but is not available soon enough to pay for the current period's expenditures, and therefore is reported as deferred revenue in the governmental funds.	308,236
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Accrued interest for debt service. This is the net change in accrued interest for the period.	412,037
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Net gain on dissolution of RDA	<u>42,112,511</u>
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Change in net assets of governmental activities	<u><u>\$ 31,913,202</u></u>
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The accompanying notes are an integral part of these financial statements.

CITY OF FILLMORE
Statement of Net Assets
Proprietary Funds
June 30, 2012

	Enterprise Funds			Total
	Sewer	Water	Town Theater	
Assets				
Current assets:				
Cash and investments	\$ 3,225,842	\$ 1,367,305	\$ -	\$ 4,593,147
Cash and investments with fiscal agent	4,015,826	-	-	4,015,826
Receivables, net:				
Accounts	1,041,388	764,785	-	1,806,173
Related-party accounts	38,288	19,862	-	58,150
Interest	811	392	-	1,203
Other	406,399	-	-	406,399
	<u>8,728,554</u>	<u>2,152,344</u>	<u>-</u>	<u>10,880,898</u>
Total current assets				
Noncurrent assets:				
Deferred issuance costs, net	2,913,466	682,480	-	3,595,946
Capital assets:				
Land and construction in progress	2,688,630	497,523	-	3,186,153
Buildings and improvements	3,280,504	313,488	-	3,593,992
Infrastructure	73,874,887	8,211,926	-	82,086,813
Machinery and equipment	-	1,436,574	-	1,436,574
Less - accumulated depreciation	<u>(7,198,107)</u>	<u>(3,260,230)</u>	<u>-</u>	<u>(10,458,337)</u>
	<u>75,559,380</u>	<u>7,881,761</u>	<u>-</u>	<u>83,441,141</u>
Total non-current assets				
Total assets	<u>84,287,934</u>	<u>10,034,105</u>	<u>-</u>	<u>94,322,039</u>

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

CITY OF FILLMORE
Statement of Net Assets
Proprietary Funds
June 30, 2012

	Enterprise Funds			Total
	Sewer	Water	Town Theater	
Liabilities				
Current liabilities:				
Accounts payable	39,441	107,551	-	146,992
Accrued interest payable	466,626	54,196	-	520,822
Deposits payable	89,073	69,269	-	158,342
Unearned revenue	406,399	680	-	407,079
Current portion of long-term obligations	<u>709,273</u>	<u>267,703</u>	<u>-</u>	<u>976,976</u>
Total current liabilities	<u>1,710,812</u>	<u>499,399</u>	<u>-</u>	<u>2,210,211</u>
Noncurrent liabilities:				
Compensated absences	17,672	33,018	-	50,690
Bonds payable	55,645,000	6,900,000	-	62,545,000
Loan payable - State Water Board	9,358	-	-	9,358
Premium on bonds payable	<u>1,795,014</u>	<u>13,127</u>	<u>-</u>	<u>1,808,141</u>
Total non-current liabilities	<u>57,467,044</u>	<u>6,946,145</u>	<u>-</u>	<u>64,413,189</u>
Total liabilities	<u>59,177,856</u>	<u>7,445,544</u>	<u>-</u>	<u>66,623,400</u>
Net assets				
Invested in capital assets, net of related debt	16,945,890	669,437	-	17,615,327
Restricted for debt service	4,015,826	-	-	4,015,826
Unrestricted	<u>4,148,362</u>	<u>1,919,124</u>	<u>-</u>	<u>6,067,486</u>
Total net assets (deficit)	<u>\$ 25,110,078</u>	<u>\$ 2,588,561</u>	<u>\$ -</u>	<u>\$ 27,698,639</u>

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

CITY OF FILLMORE
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Funds
For the fiscal year ended June 30, 2012

	Enterprise Funds			Total
	Sewer	Water	Town Theater	
Operating revenues				
Sales and service charges	\$ 4,486,347	\$ 2,804,139	\$ 3,590	\$ 7,294,076
Other	251,076	56,096	-	307,172
Total operating revenues	<u>4,737,423</u>	<u>2,860,235</u>	<u>3,590</u>	<u>7,601,248</u>
Operating expenses				
Administration costs	392,218	265,127	7,592	664,937
Bad debt (recovery)	(7,780)	17,338	-	9,558
Pumping	-	555,223	-	555,223
Transmission and distribution	-	272,782	-	272,782
Customer accounts	-	244,980	-	244,980
Treatment and disposal plant	1,695,075	-	-	1,695,075
Depreciation	1,110,783	143,900	-	1,254,683
Total operating expenses	<u>3,190,296</u>	<u>1,499,350</u>	<u>7,592</u>	<u>4,697,238</u>
Operating income (loss)	<u>1,547,127</u>	<u>1,360,885</u>	<u>(4,002)</u>	<u>2,904,010</u>
Non-operating revenues (expenses)				
Investment income	8,140	6,121	-	14,261
Amortization	(83,242)	(34,124)	-	(117,366)
Interest expense	(2,770,312)	(333,477)	-	(3,103,789)
Bond trustee charges	(2,925)	-	-	(2,925)
Total non-operating revenues (expenses)	<u>(2,848,339)</u>	<u>(361,480)</u>	<u>-</u>	<u>(3,209,819)</u>
Income (loss) before transfers and extraordinary item	(1,301,212)	999,405	(4,002)	(305,809)
Transfers in	535,251	125,898	-	661,149
Transfers out	(522,342)	(379,296)	-	(901,638)
Extraordinary item				
Gain on dissolution of Redevelopment Agency	-	-	395,253	395,253
Change in net assets	(1,288,303)	746,007	391,251	(151,045)
Net assets, beginning of year, restated	<u>26,398,381</u>	<u>1,842,554</u>	<u>(391,251)</u>	<u>27,849,684</u>
Net assets, end of year	<u>\$ 25,110,078</u>	<u>\$ 2,588,561</u>	<u>\$ -</u>	<u>\$ 27,698,639</u>

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

CITY OF FILLMORE
Statement of Cash Flows
Proprietary Funds
For the fiscal year ended June 30, 2012

	Enterprise Funds			Total
	Sewer	Water	Town Theater	
Cash flows from operating activities				
Receipts from customers	\$ 4,610,988	\$ 2,743,664	\$ 3,590	\$ 7,358,242
Payments to employees	(248,638)	(756,578)	(842)	(1,006,058)
Payments to suppliers	(2,110,539)	(540,097)	(9,287)	(2,659,923)
Net cash provided (used) by operating activities	<u>2,251,811</u>	<u>1,446,989</u>	<u>(6,539)</u>	<u>3,692,261</u>
Cash flows from noncapital financing activities				
Repayment of loan from other funds	-	(18,162)	-	(18,162)
Transfer to/from other funds	12,909	(253,398)	6,539	(233,950)
Net cash provided (used) by noncapital financing activities	<u>12,909</u>	<u>(271,560)</u>	<u>6,539</u>	<u>(252,112)</u>
Cash flows from capital and related financing activities				
Principal payments on long-term debt	(603,649)	(235,000)	-	(838,649)
Interest paid on long-term debt	(2,777,338)	(334,651)	-	(3,111,989)
Net cash (used) by capital and related financing activities	<u>(3,380,987)</u>	<u>(569,651)</u>	<u>-</u>	<u>(3,950,638)</u>
Cash flows from investing activities				
Interest on investments	(42,067)	5,794	-	(36,273)
Net cash provided by investing activities	<u>(42,067)</u>	<u>5,794</u>	<u>-</u>	<u>(36,273)</u>
Net increase (decrease) in cash and cash equivalents	(1,158,334)	611,572	-	(546,762)
Cash and cash equivalents, beginning of year	<u>8,400,002</u>	<u>755,733</u>	<u>-</u>	<u>9,155,735</u>
Cash and cash equivalents, end of year	<u>\$ 7,241,668</u>	<u>\$ 1,367,305</u>	<u>\$ -</u>	<u>\$ 8,608,973</u>

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

CITY OF FILLMORE
Statement of Cash Flows
Proprietary Funds
For the fiscal year ended June 30, 2012

	Enterprise Funds			Total
	Sewer	Water	Town Theater	
Non-cash activities				
Amortization of deferred charges	\$ 83,242	\$ 34,124	\$ -	\$ 117,366
Increase (decrease) in allowance for doubtful accounts	\$ (4,863)	\$ 17,338	\$ -	\$ 12,475
Reconciliation of cash and cash equivalents to amounts reported on the statement of net assets				
Reported on the statement of net assets:				
Cash and investments	\$ 3,225,842	\$ 1,367,305	\$ -	\$ 4,593,147
Cash and investments with fiscal agent	4,015,826	-	-	4,015,826
Totals	<u>\$ 7,241,668</u>	<u>\$ 1,367,305</u>	<u>\$ -</u>	<u>\$ 8,608,973</u>
Reconciliation of operating income (loss) to net cash provided (used) by operations:				
Operating income (loss)	<u>\$ 1,547,127</u>	<u>\$ 1,360,885</u>	<u>\$ (4,002)</u>	<u>\$ 2,904,010</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	1,110,783	143,900	-	1,254,683
Bad debt expense (recovery)	(4,863)	17,338	-	12,475
(Increase) decrease in assets:				
Receivables, net	(509,400)	(119,276)	-	(628,676)
Increase (decrease) in liabilities:				
Accounts payable	(260,820)	77,025	(2,537)	(186,332)
Deposits payable	(26,351)	2,025	-	(24,326)
Unearned revenue	406,399	680	-	407,079
Compensated absences	2,991	(35,588)	-	(32,597)
Due to others	(14,055)	-	-	(14,055)
Total adjustments	<u>704,684</u>	<u>86,104</u>	<u>(2,537)</u>	<u>788,251</u>
Net cash provided (used) by operating activities	<u>\$ 2,251,811</u>	<u>\$ 1,446,989</u>	<u>\$ (6,539)</u>	<u>\$ 3,692,261</u>

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

CITY OF FILLMORE
Statement of Fiduciary Assets and Liabilities
June 30, 2012

	Private purpose trust fund	Agency funds
Assets		
Cash and investments	\$ 3,989,230	\$ 2,275,944
Cash and investments with fiscal agent	3,995,828	547,751
Receivables:		
Interest	-	351
Taxes	119,887	88,883
Due from other governments	750,000	-
Capital assets:		
Land	3,102,062	-
Depreciable infrastructure, net	49,356	-
Depreciable buildings and improvements, net	2,118,142	-
Depreciable equipment, net	17,967	-
Deferred charges, net	2,143,297	-
 Total assets	 16,285,769	 \$ 2,912,929
Liabilities		
Accounts payable	6,097	\$ 30,881
Interest payable	382,004	-
Deposits payable	375	933,949
Deferred revenue	119,295	-
Due to bondholders	-	1,948,099
Long-term liabilities:		
Due within one year	1,805,000	
Due in more than one year	47,185,000	
 Total liabilities	 49,497,771	 \$ 2,912,929
Net assets		
Restricted for redevelopment dissolution	\$ (33,212,002)	

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

CITY OF FILLMORE
Statement of Changes in Fiduciary Net Assets
From the period of inception (February 1, 2012) to June 30, 2012

	Private purpose trust fund
Additions:	
Property taxes	\$ 2,267,271
Investment earnings	52,724
Total additions	2,319,995
Deductions	
Administrative expenses	201,824
Interest and fiscal charges	1,875,366
Total deductions	2,077,190
Extraordinary loss on dissolution of redevelopment agency	(33,454,807)
Change in net assets	(33,212,002)
Net assets, beginning of year	-
Net assets, end of year	\$ (33,212,002)

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2012

Note 1: Summary of significant accounting policies

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

a. Description of the reporting entity

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

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

Fillmore Redevelopment Agency
Fillmore Public Financing Authority

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

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

Fillmore Redevelopment Agency

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

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). Since the Successor Agency is a private purpose trust fund, it cannot be considered a component unit of the City. All activity of the former Agency, as displayed on the statements of revenues, expenditures and changes in fund balances, are for the period of July 1, 2011 through January 31, 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.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2012

Note 1: Summary of significant accounting policies (continued)

a. Description of the reporting entity (continued)

Fillmore Public Financing Authority

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

b. Government-wide and fund financial statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meet the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2012

Note 1: Summary of significant accounting policies (continued)

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

The City reports the following major governmental funds:

General Fund - 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.

Fillmore Redevelopment Agency Debt Service Fund - This fund accounts for the property tax increment received by the Agency and also for the repayment of the Agency's indebtedness. As of February 1, 2012, the Agency ceased to exist (see note 16). The activity shown is for the period from July 1, 2011 through January 31, 2012.

Fillmore Redevelopment Agency Special Revenue Fund - This fund accounts for the Agency's activities related to Low and Moderate Income Housing. As of February 1, 2012, the Agency ceased to exist (see note 16). The activity shown is for the period from July 1, 2011 through January 31, 2012.

Successor Housing 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 Agency's Low and Moderate Housing (Special Revenue) fund which was eliminated as of February 1, 2012, therefore the activity on the statement of revenues, expenditures, and changes in fund balances is for the period from February 1, 2012 through June 30, 2012.

Fillmore Redevelopment Agency Capital Projects Fund - This fund accounts for the financing, construction, and administrative activities of the Agency. As of February 1, 2012, the Agency ceased to exist (see note 16). The activity shown is for the period from July 1, 2011 through January 31, 2012.

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.

Additionally, the City reports the following fund types:

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

Private Purpose Trust Fund - This fund accounts for the activities of the Successor Agency to the Fillmore Redevelopment Agency. The fund's primary purpose is to expedite the dissolution of the former Agency's net assets (except for the low and moderate income housing net assets) in accordance with AB X1 26 and AB 1484.

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

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2012

Note 1: Summary of significant accounting policies (continued)

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

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

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments.

Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds are charges to customers for sales and services. Operating expenses for the Enterprises Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

d. Assets, liabilities, net assets or equity

Cash and cash equivalents

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

Cash and investments

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

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

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

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2012

Note 1: Summary of significant accounting policies (continued)

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

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 interfund receivables/interfund payables (i.e., the current portion of interfund loans) or advances to/from other funds (the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as interfund receivables or interfund payables. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances.

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

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

Property taxes

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

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

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

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

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

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

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2012

Note 1: Summary of significant accounting policies (continued)

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

Prepaid items

Payments made to vendors for services that will benefit periods beyond June 30, 2012 are recorded as prepaid items and are offset equally by a fund balance account which indicates that they do not constitute expendable available resources and therefore are not available for appropriation.

Cash and investments with fiscal agent

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

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

Capital assets

Capital assets, which include property, plant, equipment, fine art, and infrastructure assets (e.g., roads, bridges, sidewalks, traffic lights and signals, street lights, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of \$5,000 (\$50,000 for buildings and infrastructure) or more and an estimated useful life in excess of one year. Such capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the capital asset or materially extend capital asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during the fiscal year ended June 30, 2012.

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

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

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

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2012

Note 1: Summary of significant accounting policies (continued)

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

Claims and judgments

The City records a liability for litigation, judgments, and claims when it is probable that an asset has been impaired or a liability has been incurred prior to fiscal year end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated. At June 30, 2012, the City has determined that there are no outstanding claims or judgments which would be material to the financial statements.

Compensated absences

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

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

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

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

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

Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Initial-issue bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. The difference between the reacquisition refunding bonds and the net carrying amount of refunded debt (deferred amount on refunding) is amortized over the shorter of the lives of the refunding debt or remaining life of the refunded debt. Bond issuance costs, including deferred refunding amounts and underwriters' discount, are reported as deferred bond issuance costs. Amortization of bond premiums or discounts, issuance costs, and deferred amounts on refunding is included in interest expense.

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

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2012

Note 1: Summary of significant accounting policies (continued)

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

Net assets

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

- *Invested in capital assets, net of related debt* describes the portion of net assets 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 assets 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 assets, which is not restricted as to use.

Fund balances

Beginning with the fiscal year ended June 30, 2011, the City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

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

The City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. The City Council has not designated any level of authority for assigning fund balance; therefore, the City Council can assign fund balance.

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.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2012

Note 1: Summary of significant accounting policies (continued)

e. Estimates

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

Note 2: Stewardship, compliance, and accountability

General budget policies

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

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

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

Budgets are adopted for all general, special revenue, capital projects, and debt service funds except for the Sespe Creek Bike Path, Corporate Yard/Fire Station Project, Depot Restoration, and Well #9 Capital Projects Funds.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2012

Note 2: Stewardship, compliance, and accountability (continued)

General budget policies (continued)

Encumbrances

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

Deficit fund balances/net assets

The following funds contained deficits of fund balances/net assets as of June 30, 2012:

	Amount
Major governmental fund:	
General Fund	\$ 117,456
Successor Housing Special Revenue Fund	28,703
 Nonmajor governmental funds:	
Special revenue funds:	
Swimming Pool Maintenance	155,425
Recreation	44,728
DIF Water Improvement	682,491

Excess expenditures over appropriations

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

Fund	Final budget	Expenditures	Excess
Nonmajor governmental funds:			
Special revenue funds:			
Swimming Pool Maintenance	\$ 169,699	\$ 170,009	\$ (310)

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2012

Note 3: Cash and investments

Cash and investments as of June 30, 2012 are classified in the accompanying financial statements as follows:

Statement of net assets:	
Cash and investments	\$ 12,002,335
Cash and investments with fiscal agent	4,015,826
Statement of fiduciary assets and liabilities:	
Cash and investments	6,265,174
Cash and investments with fiscal agent	<u>4,543,579</u>
 Total cash and investments	 <u><u>\$ 26,826,914</u></u>

Cash and investments as of June 30, 2012 consist of the following:

Cash and investments as of June 30, 2012 consist of the following:	
Cash on hand	\$ 1,100
Deposits with financial institutions	13,496,948
Investments	<u>13,328,866</u>
 Total cash and investments	 <u><u>\$ 26,826,914</u></u>

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2012

Note 3: Cash and investments (continued)

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

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

Authorized investment type	Maximum maturity	Maximum percentage of portfolio *	Maximum investment in one issuer
U.S. Treasury Obligation	2 years	75%	None
U.S. Agency Securities	2 years	75%	None
Certificates of Deposit	2 years	30%	None
Savings Accounts	N/A	85%	None
Money Market Mutual Funds (U.S. Treasury)	2 years	None	10%
Ventura County Pooled Investment Funds	N/A	30%	None
Local Agency Investment Fund (LAIF)	N/A	100%	\$ 50,000,000

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

Investments authorized by debt agreements

Investment of debt proceeds held by bond 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	\$ 50,000,000

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2012

Note 3: Cash and investments (continued)

Disclosures relating to interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

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

Investment type	Totals	Remaining maturity			
		12 months or less	13 to 24 months	25 to 60 months	More than 60 months
State Investment Pool	\$ 4,659,681	\$ 4,659,681	\$ -	\$ -	\$ -
Certificate of Deposit	109,782	109,782	-	-	-
Held by bond trustee:					
Money Market Mutual Funds (US Treasury)	8,559,403	8,559,403	-	-	-
Total investments	\$ 13,328,866	\$ 13,328,866	\$ -	\$ -	\$ -

Investments with fair value highly sensitive to interest rate fluctuations

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

Disclosures relating to a credit risk

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

Investment type	Amount	Minimum legal rating	Ratings at fiscal year end	
			Aaa	Not rated
State Investment Pool	\$ 4,659,681	N/A	\$ -	\$ 4,659,681
Certificate of Deposit	109,782	N/A	-	109,782
Held by bond trustee:				
Money Market Mutual Funds (US Treasury)	8,559,403	N/A	8,559,403	-
Total investments	\$ 13,328,866		\$ 8,559,403	\$ 4,769,463

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2012

Note 3: Cash and investments (continued)

Concentration of credit risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The City has no investments in any one issuer (other 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, 2012, \$12,496,948 of the City's deposits with financial institutions in excess of federal depository insurance limits were held in collateralized accounts as required by the California Government Code as stated above.

Investment in State Investment Pool

The 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.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2012

Note 4: Accounts Receivable

The following is a list of accounts receivable at June 30, 2012:

	Receivable	Allowance	Net
Governmental activities:			
Intergovernmental	\$ 531,975	\$ -	\$ 531,975
Accounts	347,727	-	347,727
Total	<u>\$ 879,702</u>	<u>\$ -</u>	<u>\$ 879,702</u>
Business-type activities:			
Accounts	\$ 2,100,149	\$ (293,976)	\$ 1,806,173
Related-party accounts (1)	58,150	-	58,150
Other	406,399	-	406,399
Total	<u>\$ 2,564,698</u>	<u>\$ (293,976)</u>	<u>\$ 2,270,722</u>
Fiduciary funds:			
Taxes	<u>\$ 208,770</u>	<u>\$ -</u>	<u>\$ 208,770</u>

(1) See Note 19 for details regarding related-party transactions and balances.

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

Note 5: Notes and loans receivable

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

	Balance at June 30, 2012
a) The Agency has entered into loan agreements with various residents within the redevelopment project area. The loans are either fully amortized or deferred until the corresponding property is sold. Interest rates are 5.0%. These loans are home rehabilitation loans. Pursuant to AB X1 26, the Fillmore Redevelopment Agency was dissolved and all housing assets, including unencumbered deposits, were transferred to the City's Successor Housing Fund. All non-housing assets were transferred to the Successor Agency (see Note 16).	\$ 97,989
b) The Agency has a First Time Homebuyers program whereby qualified residents can receive assistance in purchasing a home within the City. The assistance is in the form of deferred loans of up to \$40,000. These loans are secured by a second trust deed and are due upon sale of the property. Pursuant to AB X1 26, the Fillmore Redevelopment Agency was dissolved and all housing assets, including unencumbered deposits, were transferred to the City's Successor Housing Fund. All non-housing assets were transferred to the Successor Agency (see Note 16).	1,218,707

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2012

Note 5: Notes and loans receivable (continued)

	<u>Balance at June 30, 2012</u>
c) The Agency has entered into 2 loan agreements with Ronald and Doris Stewart. The first loan is \$225,000 at 4% and is fully amortized over 20 years beginning January 1, 2011. The second loan is \$85,000 at 4% and is fully amortized over 20 years beginning January 1, 2004. Pursuant to AB X1 26, the Fillmore Redevelopment Agency was dissolved and all housing assets, including unencumbered deposits, were transferred to the City's Successor Housing Fund. All non-housing assets were transferred to the Successor Agency (see Note 16).	218,013
d) The Agency has loaned \$5,000 to the Towne Theater for the purchase of a ticketing system. This is a non-interest bearing note with no specific repayment terms. Pursuant to AB X1 26, the Fillmore Redevelopment Agency was dissolved and all housing assets, including unencumbered deposits, were transferred to the City's Successor Housing Fund. All non-housing assets were transferred to the Successor Agency (see Note 16).	-
e) The Agency has loaned John and Janet Foy \$105,000 at a rate of 4% per annum. Monthly principal and interest payments are \$636 with a maturity date of March 31, 2016. Pursuant to AB X1 26, the Fillmore Redevelopment Agency was dissolved and all housing assets, including unencumbered deposits, were transferred to the City's Successor Housing Fund. All non-housing assets were transferred to the Successor Agency (see Note 16).	-
f) The Agency has entered into a participation agreement with Keller Classics, Inc. (Classics). The agreement is evidenced by a promissory note in the amount of \$84,563. This deferred note carries interest at a rate of 6% per annum. As long as Classics operates its clothing business and continues to maintain full time employees, the loan will be forgiven at a specified rate not to exceed 1/10 th of the outstanding balance. Pursuant to AB X1 26, the Fillmore Redevelopment Agency was dissolved and all housing assets, including unencumbered deposits, were transferred to the City's Successor Housing Fund. All non-housing assets were transferred to the Successor Agency (see Note 16).	-
g) The Agency has entered into a residual receipts agreement with Fillmore Parkview Seniors LP. The original amount of the note was \$4,666,593 and was used by the maker to build senior housing within the Agency project area. The note is to be repaid from 50% of the residual receipts of the housing project. The interest rate is 3% (simple) and the entire note is due and payable by September 1, 2055. The note is secured by the project and is subject to the term of the DDA between the Agency and the maker. Accrued interest included as of June 30, 2012 is \$781,033.	5,586,868
h) The City has entered into a loan agreement with Ronald and Doris Stewart. The loan is \$90,000 at 4% and is fully amortized over 20 years beginning January 1, 2011. The note is secured by a Deed of Trust.	<u>81,750</u>
Total notes and loans receivable (including accrued interest)	<u><u>\$ 7,203,327</u></u>

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2012

Note 6: Interfund activity

The following represents the interfund activity of the City for the fiscal year ended June 30, 2012:

a. Transfers

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

Transfers in and out for the year ended June 30, 2012 were as follows:

<u>Transfers to</u>	<u>Transfers from</u>	<u>Amounts</u>
General Fund	Redevelopment Agency Capital Projects Fund	\$ 141,390
	Redevelopment Agency Special Revenue Fund	40,059
	Sewer Fund	522,342
	Water Fund	379,296
	Nonmajor Governmental Funds	63,304
Nonmajor Governmental Funds	General Fund	144,713
	Nonmajor Governmental Funds	574,471
Water Fund	Nonmajor Governmental Funds	125,898
Sewer Fund	Nonmajor Governmental Funds	<u>535,251</u>
	Total	<u><u>\$ 2,526,724</u></u>

b. Advances

Advances are long-term in nature and will be repaid when the funds become available. As of June 30, 2012, there were no outstanding advances between funds.

c. Due to/from other funds

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

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amounts</u>
General Fund	Nonmajor Governmental Funds	<u>\$ 204,918</u>
	Total	<u><u>\$ 204,918</u></u>

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2012

Note 7: Capital assets

a. Governmental activities

Capital assets governmental activity for the fiscal year ended June 30, 2012 was as follows:

	Beginning balance, restated	Additions	Deletions	Ending balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 13,967,986	\$ -	\$ (3,102,062)	\$ 10,865,924
Construction in progress	6,717,084	168,108	(6,702,310)	182,882
Total capital assets, not being depreciated	<u>20,685,070</u>	<u>168,108</u>	<u>(9,804,372)</u>	<u>11,048,806</u>
Capital assets, being depreciated:				
Buildings and improvements:				
Buildings	13,611,094	5,603,330	(3,227,564)	15,986,860
Land improvements	6,732,976	-	-	6,732,976
Machinery and equipment	1,786,930	-	(90,716)	1,696,214
Infrastructure:				
Roadways and bikepaths	15,242,821	1,098,979	(52,773)	16,289,027
Other street appurtenances	54,000	-	-	54,000
Total capital assets, being depreciated	<u>37,427,821</u>	<u>6,702,309</u>	<u>(3,371,053)</u>	<u>40,759,077</u>
Less accumulated depreciation for:				
Buildings and improvements:				
Buildings	(2,900,795)	(246,842)	1,044,313	(2,103,324)
Land improvements	(1,208,266)	(262,545)	-	(1,470,811)
Machinery and equipment	(2,405,045)	(196,664)	66,567	(2,535,142)
Infrastructure:				
Roadways and bikepaths	(4,527,755)	(294,609)	2,605	(4,819,759)
Other street appurtenances	(54,000)	-	-	(54,000)
Total accumulated depreciation	<u>(11,095,861)</u>	<u>(1,000,660)</u>	<u>1,113,485</u>	<u>(10,983,036)</u>
Total capital assets, being depreciated, net	<u>26,331,960</u>	<u>5,701,649</u>	<u>(2,257,568)</u>	<u>29,776,041</u>
Total governmental activities capital assets, net	<u>\$ 47,017,030</u>	<u>\$ 5,869,757</u>	<u>\$ (12,061,940)</u>	<u>\$ 40,824,847</u>

As of February 1, 2012, capital assets, net of accumulated depreciation, in the amount of \$5,359,631 were transferred to the Successor Agency to the Fillmore Redevelopment Agency due to AB X1 26, which dissolved redevelopment agencies in the State of California as of February 1, 2012. Since the Redevelopment Agency no longer exists, the capital assets have been removed from the City's government-wide financial statements.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2012

Note 7: Capital assets (continued)

a. Governmental activities (continued)

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

Governmental activities:	
General government	\$ 138,492
Public safety	152,712
Public works	466,996
Community development	90,116
Parks and recreation	<u>152,344</u>
Total	<u><u>\$ 1,000,660</u></u>

b. Business-type activities

Capital asset business-type activity for the fiscal year ended June 30, 2012 was 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	<u>2,688,630</u>	<u>-</u>	<u>-</u>	<u>2,688,630</u>
Capital assets, being depreciated:				
Buildings and improvements	3,280,504	-	-	3,280,504
Infrastructure	73,874,887	-	-	73,874,887
Less - accumulated depreciation	<u>(6,087,324)</u>	<u>(1,110,783)</u>	<u>-</u>	<u>(7,198,107)</u>
Total capital assets, being depreciated	<u>71,068,067</u>	<u>(1,110,783)</u>	<u>-</u>	<u>69,957,284</u>
Total sewer capital assets, net	<u><u>\$ 73,756,697</u></u>	<u><u>\$ (1,110,783)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 72,645,914</u></u>

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2012

Note 7: Capital assets (continued)

b. Business-type activities (continued)

	Beginning balance	Additions	Deletions	Ending balance
Water activity				
Capital assets, not being depreciated:				
Land	\$ 497,523	\$ -	\$ -	\$ 497,523
Construction in progress	175,857	-	(175,857)	-
Total capital assets, not being depreciated	673,380	-	(175,857)	497,523
Capital assets, being depreciated:				
Buildings and improvements	313,488	-	-	313,488
Infrastructure	8,211,926	-	-	8,211,926
Machinery and equipment	1,436,574	-	-	1,436,574
Less - accumulated depreciation	(3,116,330)	(143,900)	-	(3,260,230)
Total capital assets, being depreciated	6,845,658	(143,900)	-	6,701,758
Total water capital assets, net	\$ 7,519,038	\$ (143,900)	\$ (175,857)	\$ 7,199,281
Total business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 3,186,153	\$ -	\$ -	\$ 3,186,153
Construction in progress	175,857	-	(175,857)	-
Total capital assets, not being depreciated	3,362,010	-	(175,857)	3,186,153
Capital assets, being depreciated:				
Buildings and improvements	3,593,992	-	-	3,593,992
Infrastructure	82,086,813	-	-	82,086,813
Machinery and equipment	1,436,574	-	-	1,436,574
Less - accumulated depreciation	(9,203,654)	(1,254,683)	-	(10,458,337)
Total capital assets, being depreciated	77,913,725	(1,254,683)	-	76,659,042
Total business-type activities capital assets, net	\$ 81,275,735	\$ (1,254,683)	\$ (175,857)	\$ 79,845,195

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2012

Note 7: Capital assets (continued)

b. Business-type activities (continued)

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

<i>Business-type activities:</i>	
Sewer	\$ 1,110,783
Water	<u>143,900</u>
Total	<u><u>\$ 1,254,683</u></u>

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, 2012:

	Beginning balance	Additions	Deletions	Ending balance	Due within one year
Governmental activities:					
Capital leases payable	\$ 422,871	\$ -	\$ (76,989)	\$ 345,882	\$ 96,864
State water loan payable	356,041	-	(89,248)	266,793	89,248
Revenue bonds	11,415,000	-	(11,415,000)	-	-
Bonds/notes	38,375,000	-	(38,375,000)	-	-
Certificates of participation	-	-	-	-	-
OPEB obligation	545,943	227,904	-	773,847	253,140
Compensated absences	228,414	83,670	(95,237)	216,847	86,739
	<u>\$ 51,343,269</u>	<u>\$ 311,574</u>	<u>\$ (50,051,474)</u>	<u>\$ 1,603,369</u>	<u>\$ 525,991</u>
Business-type activities:					
<i>Water</i>					
Compensated absences	\$ 73,192	\$ 14,927	\$ (33,089)	\$ 55,030	\$ 22,012
Bonds	7,380,000	-	(235,000)	7,145,000	245,000
Premium on bonds	14,509	-	(691)	13,818	691
	<u>7,467,701</u>	<u>14,927</u>	<u>(268,780)</u>	<u>7,213,848</u>	<u>267,703</u>
<i>Sewer</i>					
Compensated absences	24,469	28,069	(23,085)	29,453	11,781
State water loan payable	18,752	-	(4,697)	14,055	4,697
Revenue bonds	56,900,000	-	(615,000)	56,285,000	640,000
Premium on bonds	1,900,604	-	(52,795)	1,847,809	52,795
	<u>58,843,825</u>	<u>28,069</u>	<u>(695,577)</u>	<u>58,176,317</u>	<u>709,273</u>
	<u>\$ 66,311,526</u>	<u>\$ 42,996</u>	<u>\$ (964,357)</u>	<u>\$ 65,390,165</u>	<u>\$ 976,976</u>

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2012

Note 8: Long-term liabilities (continued)

a. Capital lease obligations

The City is obligated under leases which are accounted for as capital leases. The City has entered into a capital lease agreements with Oshkosh Capital for a 2006 fire engine. The obligation is accounted for as governmental activities long-term debt.

The balance of the capital lease at June 30, 2012 is \$345,882. Minimum annual payments are \$96,864 for the lease, which includes interest between 4% and 5%.

b. Loan payable – State Water Resources Control Board

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

In fiscal year 1995-96, this loan was restructured into a zero interest State Revolving Fund Loan. In order to accomplish this, the City paid \$99,106 accrued interest through October 31, 1995 and the State match share of \$312,904. The balance of governmental activities long-term debt is \$266,793 as of June 30, 2012. An additional amount of \$14,055 is recorded in the Sewer Enterprise Fund, for a total outstanding balance of \$280,848.

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

c. Fillmore Public Financing Authority revenue bonds

2005 Revenue Bonds Series A

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

Series 2007 Revenue Bonds

On June 7, 2007, the Fillmore Public Financing Authority issued \$57,490,000 of Series 2007 Revenue Bonds. The proceeds were to be loaned to the City's wastewater enterprise utility to assist in the construction of a new wastewater treatment facility. The bonds are secured by an installment agreement between the Authority and the City and through which the new revenues of the wastewater system are pledged. Proceeds from the issue have also been used to fund a reserve account, fund capitalized interest on the bonds through May 1, 2009, and pay costs of issuance. With the City's election to remove the PFA from the annual financial report during the year ended June 30, 2011, the outstanding bonds are only reported as long-term debt of business-type activities. Interest on the bonds consists of serial and term bonds and are payable semi-annually each May 1 and November 1. The first 2 years of interest will be paid through the bond proceeds. The principal will be paid annually on May 1 beginning in 2011 and ending in the year 2047. Interest rates vary between 4% and 5%. The outstanding principal balance of the bonds as of June 30, 2012 was \$56,285,000.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2012

Note 8: Long-term liabilities (continued)

d. Redevelopment Agency bonds

2006 Series A Tax Allocation Bonds

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

2006 Tax Allocation Bond Anticipation Notes

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

e. 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 resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$397,962.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2012

Note 8: Long-term liabilities (continued)

f. Governmental long-term debt amortization

The schedules of annual requirements to amortize all governmental long-term debt outstanding as of June 30, 2012 including interest are as follows:

Fiscal year ending June 30,	Capital lease payable 2006 Pierce		
2013	\$	96,864	
2014		96,864	
2015		96,864	
2016		96,864	
Totals		387,456	
Less amount representing interest			
		(41,574)	
Present value of minimum payments			
	\$	345,882	
Fiscal year ending June 30,	Loan payable - State Water Resource Control Board		
	Principal	Interest	Total
2013	\$ 89,248	\$ -	\$ 89,248
2014	89,248	-	89,248
2015	88,297	-	88,297
Totals	\$ 266,793	\$ -	\$ 266,793

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2012

Note 8: Long-term liabilities (continued)

g. Business-type long-term debt amortization

The schedules of annual requirements to amortize business-type long-term debt outstanding as of June 30, 2012, including interest are as follows:

Fiscal year ending June 30,	Loan payable - State Water Resource Control Board		
	Principal	Interest	Total
2013	\$ 4,697	\$ -	\$ 4,697
2014	4,697	-	4,697
2015	4,661	-	4,661
Totals	<u>\$ 14,055</u>	<u>\$ -</u>	<u>\$ 14,055</u>

Fiscal year ending June 30,	2007 Revenue Bonds		
	Principal	Interest	Total
2013	\$ 640,000	\$ 2,799,756	\$ 3,439,756
2014	670,000	2,767,756	3,437,756
2015	700,000	2,740,956	3,440,956
2016	735,000	2,705,956	3,440,956
2017	770,000	2,669,206	3,439,206
2018-2022	4,400,000	12,795,043	17,195,043
2023-2027	5,540,000	11,660,263	17,200,263
2028-2032	7,140,000	10,050,425	17,190,425
2033-2037	9,140,000	8,053,000	17,193,000
2038-2042	11,660,000	5,528,500	17,188,500
2043-2047	14,890,000	2,306,000	17,196,000
Totals	<u>\$ 56,285,000</u>	<u>\$ 64,076,861</u>	<u>\$ 120,361,861</u>

Fiscal year ending June 30,	2010 Water Revenue Refunding Bonds Series 2010		
	Principal	Interest	Total
2013	\$ 245,000	\$ 325,175	\$ 570,175
2014	250,000	317,825	567,825
2015	260,000	310,325	570,325
2016	265,000	303,175	568,175
2017	275,000	295,888	570,888
2018-2022	1,525,000	1,322,950	2,847,950
2023-2027	1,890,000	954,087	2,844,087
2028-2032	2,435,000	412,125	2,847,125
Totals	<u>\$ 7,145,000</u>	<u>\$ 4,241,550</u>	<u>\$ 11,386,550</u>

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2012

Note 8: Long-term liabilities (continued)

h. Defeased debt

As of June 30, 2012, all debt defeased has been paid in full. There are no outstanding debt balances.

i. Deferred debt issuance costs

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

Note 9: Defined benefit pension plan

Plan description

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

Funding policy

Participants are required to contribute 7% (9% for safety employees) of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. For the fiscal year ended June 30, 2012, the amount contributed by the City on behalf of the employees was \$86,345. The City is required to contribute at an actuarially determined rate calculated as a percentage of covered payroll. The employer contribution rate for the fiscal year ended June 30, 2012 was 40.966% for safety employees and 16.534% for miscellaneous employees. Separately funded plans have been established for each employee group. Benefit provisions and all other requirements are established by state statute and City contract with employee bargaining groups, and the employer contribution rate is established and may be amended by PERS. The City's contribution to PERS for the fiscal year ending June 30, 2012, 2011, and 2010 were \$120,199, \$119,829, and \$124,007, respectively for safety employees; and \$217,504, \$297,009, and \$303,909, respectively for miscellaneous employees, and equal 100% of the required contribution for each fiscal year.

Note 10: Other post employment benefits

Plan description

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

Medical plan benefits were provided through the Association of California Water Agencies (ACWA) for July through October of the year ended June 30, 2012, and to PERS for November through the end of the year.

Funding policy

The contribution requirements of the City are established and may be amended by the City Council. The required contribution is based on pay-as-you-go financing requirements. For fiscal year 2011-12, the City contributed \$6,661 to the plan.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2012

Note 10: Other post employment benefits (continued)

Annual OPEB cost and net OPEB obligation

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

	June 30, 2012
Annual required contribution	\$ 232,038
Interest on net OPEB obligation	27,297
Adjustment to annual required contribution	(24,770)
Annual OPEB cost (expense)	234,565
Contributions made	6,661
Increase in net OPEB obligation	227,904
Net OPEB obligation – beginning of year	545,943
Net OPEB obligation – end of year	\$ 773,847

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 and the two preceding years were as follows:

Fiscal year ended	Annual OPEB cost	Percentage of annual OPEB cost contributed	Net OPEB obligation
June 30, 2010	\$ 178,748	3.96%	\$ 340,233
June 30, 2011	214,410	4.06%	545,943
June 30, 2012	233,874	8.66%	773,847

Funded status and progress

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

Actuarial accrued liability (AAL)	\$ 2,056,357
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	\$ 2,056,357
Funded ratio (actuarial value of plan assets/AAL)	-
Covered payroll (active plan members)	\$ 1,599,892
UAAL as a percentage of covered payroll	128.53%

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

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2012

Note 10: Other post employment benefits (continued)

Actuarial methods and assumptions

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

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

Note 11: Risk management

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 123 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 2 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.

Each member pays an annual contribution (formerly called the primary deposit) to cover estimated losses for the coverage period. This initial funding is paid at the beginning of the coverage period. After the close of the coverage period, outstanding claims are valued. A retrospective deposit computation is then conducted annually thereafter until all claims incurred during the coverage period are closed on a pool-wide basis. This subsequent cost re-allocation among members based on actual claim development can result in adjustments of either refunds or additional deposits required. The total funding requirement for self-insurance programs is estimated using actuarial models and pre-funded through the annual contribution. Costs are allocated to individual agencies based on exposure (payroll) and experience (claims) relative to other members of the risk-sharing pool.

Additional information regarding the cost allocation methodology is provided below.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2012

Note 11: Risk management (continued)

Liability

In the liability program claims are pooled separately between police and non-police 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 in excess of \$750,000 up to the reinsurance attachment point of \$5 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$5 million to \$10 million are paid under a reinsurance contract subject to a \$2.5 million annual aggregate deductible. Costs of covered claims from \$10 million to \$15 million are paid under two reinsurance contracts subject to a combined \$3 million annual aggregate deductible. On a cumulative basis for all 2011-12 reinsurance contracts the annual aggregate deductible is \$5.5 million. (6) Costs of covered claims from \$15 million up to \$50 million are covered through excess insurance policies. The overall coverage limit for each member including all layers of coverage is \$50 million per occurrence. Costs of covered claims for subsidence losses are paid by reinsurance and excess insurance with a pooled sub-limit of \$35 million per occurrence. This \$35 million subsidence sub-limit is composed of (a) \$5 million retained within the pool's SIR, (b) \$10 million in reinsurance and (c) \$20 million in excess insurance. The excess insurance layer has a \$20 million annual aggregate.

Workers' compensation

In the workers' compensation program claims are pooled separately between public safety (police and fire) and non-public safety 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 in excess of \$100,000 up to the reinsurance attachment point of \$2 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$2 million up to statutory limits are paid under a reinsurance policy. Protection is provided per statutory liability 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.

Pollution legal liability

The City of Fillmore participates in the pollution legal liability insurance program (formerly called environmental insurance) which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Fillmore. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has a limit of \$50 million for the 3-year period from July 1, 2011 through July 1, 2014. Each member of the Authority has a \$10 million sub-limit during the 3-year term of the policy.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2012

Note 11: Risk management (continued)

Property

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 \$43,886,729. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Crime

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

Adequacy of protection

During the past three fiscal (claims) 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 from coverage in the prior year.

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

Note 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.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2012

Note 13: Contingencies and commitments

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

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

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

Note 14: Special assessment district debt with no City commitment

Special Assessment Districts in various parts of the City have issued debt to finance infrastructure improvements and facilities within their boundaries. The City is the collecting and paying agent for the debt issued by these Districts, but has no direct or contingent liability or moral obligation for the payment of this debt. Therefore, this debt is not included as debt of the City. The outstanding balance of each of these issues as of June 30, 2012 is as follows:

Description	Issue year	Fiscal year	
		Maturity year	June 30, 2012
North Fillmore Industrial Park CFD # 1	2006	2028	\$ 2,105,000
Baldwin Towne Plaza Improvements CFD # 2	2005	2021	555,000
River Oaks CFD # 3	2006	2036	2,680,000
Total special assessment district debt			\$ 5,340,000

Note 15: Subsequent event

The rating for the City's outstanding Series 2007 Revenue Bonds was recently reviewed by Standard & Poor's Financial Services, LLC and Moody's Investors Service, Inc. On March 30, 2012, Standard and Poor's downgraded the bonds from A with a stable outlook to A- with a negative outlook. On August 12, 2012, Moody's downgraded the bonds from A2 with a stable outlook to A3 with a negative outlook. Standard and Poor's cited the wastewater system's eroding customer base and weakening financial coverage.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2012

Note 16: Dissolution of California redevelopment agencies

Legislation dissolving California redevelopment agencies

On December 29, 2011, the California Supreme Court upheld Assembly Bill X1 26 (Bill) that provides for the dissolution of all redevelopment agencies in the State of California. Most cities in California had established a redevelopment agency that was included in the reporting entity of the City as a blended component unit (since the City council, in many cases, also served as the governing board for those agencies).

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. If the City declines to accept the role of successor agency, other local agencies may elect to perform this role. If no local agency accepts the role of successor agency the Governor is empowered by the Bill to establish a local "designated local authority" to perform this role. 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.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. 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).

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.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

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. Prior to that date, the final seven months of the activity of the redevelopment agency is reported in the governmental funds of the City. After the date of dissolution, activities of the dissolved redevelopment agency are reported in a fiduciary trust fund (private purpose trust fund) in the fiduciary statements of the City.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2012

Note 16: Dissolution of California redevelopment agencies (continued)

The movement of the assets and liabilities of the former redevelopment agency as of February 1, 2012 (effectively the same date as January 31, 2012) from governmental funds of the City to fiduciary funds was reported in the governmental funds as an extraordinary loss (or gain) in the governmental fund financial statements. The receipt of the assets and liabilities as of February 1, 2012 was reported in the fiduciary private purpose trust fund as an extraordinary loss (or gain). Because of the different measurement focus of the governmental funds (current financial resources measurement focus) and the measurement focus of the trust funds (economic resources measurement focus), the extraordinary loss (gain) recognized in the governmental funds will not be the same amount as the extraordinary loss (or gain) that will be recognized in the fiduciary fund financial statements.

Successor Agency capital assets

Capital assets activity of the Successor Agency for the fiscal year ended June 30, 2012 was as follows:

Successor Agency:	Balance transferred from Redevelopment Agency	Additions	Deletions	Ending balance
Capital assets, not being depreciated:				
Land	\$ 3,102,062	\$ -	\$ -	\$ 3,102,062
Total capital assets, not being depreciated	<u>3,102,062</u>	<u>-</u>	<u>-</u>	<u>3,102,062</u>
Capital assets, being depreciated:				
Buildings and improvements:				
Buildings	3,227,564	-	-	3,227,564
Machinery and equipment	90,716	-	-	90,716
Infrastructure:				
Roadways and bikepaths	<u>52,773</u>	<u>-</u>	<u>-</u>	<u>52,773</u>
Total capital assets, being depreciated	<u>3,371,053</u>	<u>-</u>	<u>-</u>	<u>3,371,053</u>
Less accumulated depreciation for:				
Buildings and improvements:				
Buildings	(1,044,312)	(65,110)	-	(1,109,422)
Machinery and equipment	(66,567)	(6,182)	-	(72,749)
Infrastructure:				
Roadways and bikepaths	<u>(2,605)</u>	<u>(812)</u>	<u>-</u>	<u>(3,417)</u>
Total accumulated depreciation	<u>(1,113,484)</u>	<u>(72,104)</u>	<u>-</u>	<u>(1,185,588)</u>
Total capital assets, being depreciated, net	<u>2,257,569</u>	<u>(72,104)</u>	<u>-</u>	<u>2,185,465</u>
Total Successor Agency capital assets, net	<u>\$ 5,359,631</u>	<u>\$ (72,104)</u>	<u>\$ -</u>	<u>\$ 5,287,527</u>

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2012

Note 16: Dissolution of California redevelopment agencies (continued)

Successor Agency long-term debt

In accordance with the provisions of AB X1 26 (Bill) and the California Supreme Court's decision to uphold the Bill, the obligations of the former redevelopment agency became vested with the 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.

The following is a summary of changes in the Successor Agency's long-term liabilities for the fiscal year ended June 30, 2012:

Successor Agency:	Balance transferred from Redevelopment Agency	Additions	Deletions	Balance at June 30, 2012	Due within one year
Revenue bonds	\$ 11,415,000	\$ -	\$ (345,000)	\$ 11,070,000	\$ 360,000
Bonds/notes	38,375,000	-	(455,000)	37,920,000	1,445,000
Total long-term liabilities	\$ 49,790,000	\$ -	\$ (800,000)	\$ 48,990,000	\$ 1,805,000

The schedules of annual requirements to amortize the Successor Agency's long-term debt outstanding as of June 30, 2012, including interest are as follows:

Fiscal year ending June 30,	2005 Revenue Bonds Series A		
	Principal	Interest	Total
2013	\$ 360,000	\$ 588,488	\$ 948,488
2014	375,000	572,287	947,287
2015	395,000	554,663	949,663
2016	410,000	535,702	945,702
2017	430,000	515,613	945,613
2018-2022	2,515,000	2,217,052	4,732,052
2023-2027	3,265,000	1,470,700	4,735,700
2028-2031	3,320,000	462,875	3,782,875
Totals	\$ 11,070,000	\$ 6,917,380	\$ 17,987,380

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2012

Note 16: Dissolution of California redevelopment agencies (continued)

Successor Agency long-term debt (continued)

Fiscal year ending June 30,	2006 Series A Tax Allocation Bonds		
	Principal	Interest	Total
2013	\$ 560,000	\$ 1,956,185	\$ 2,516,185
2014	680,000	1,929,025	2,609,025
2015	800,000	1,895,025	2,695,025
2016	935,000	1,855,025	2,790,025
2017	1,080,000	1,808,275	2,888,275
2018-2022	7,425,000	8,091,650	15,516,650
2023-2027	11,810,000	5,708,661	17,518,661
2028-2031	13,745,000	1,919,950	15,664,950
Totals	<u>\$ 37,035,000</u>	<u>\$ 25,163,796</u>	<u>\$ 62,198,796</u>

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

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2012

Note 17: Prior period adjustments

The beginning net assets of governmental and business-type activities for the current fiscal year were restated from prior year(s) as shown below:

	Governmental activities	Business-type activities	Total
Net assets, beginning of year, as previously reported	\$ 21,156,061	\$ 24,221,883	\$ 45,377,944
Net prior period adjustments	(1) <u>(3,676,371)</u>	(2) <u>3,627,801</u>	<u>(48,570)</u>
Net assets, beginning of year, restated	<u>\$ 17,479,690</u>	<u>\$ 27,849,684</u>	<u>\$ 45,329,374</u>
(1) Governmental activities:			
Prior year overstatement of capital assets, net of depreciation	\$ 1,770,490	\$ -	\$ 1,770,490
Prior year overstatement of deferred charges, net of amortization	1,905,881	-	1,905,881
(2) Business-type activities:			
Prior year understatement of capital assets, net of depreciation	-	(1,594,633)	(1,594,633)
Prior year understatement of deferred charges, net of amortization	-	(1,905,881)	(1,905,881)
Prior year overstatement of accounts payable	<u>-</u>	<u>(127,287)</u>	<u>(127,287)</u>
Total	<u>\$ 3,676,371</u>	<u>\$ (3,627,801)</u>	<u>\$ 48,570</u>

Note 18: Risks and uncertainties

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

Successor Agency

Deductions (expenses) incurred by the Successor Agency for the year ended June 30, 2012 (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.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2012

Note 19: Related-party transactions

At June 30, 2012, the City had outstanding sewer and water balances of \$38,288 and \$19,862, respectively, owed it by Fillmore Convalescent Center (Center), a related party of the City. The Center is a business owned by an official of the City. Sewer and water sales and related charges for penalties made to the Center during the year ended June 30, 2012 totaled \$72,916 and \$36,607, respectively. The Center is in the process of discussing a payment plan with City officials.

Note 20: Deterioration of financial condition

Negative trends

The City is experiencing considerable financial stress, as reflected in recurring unsubsidized operating losses, interfund loans that are not expected to be repaid within a reasonable time, and adverse key financial ratios.

Other indicators

Other conditions and factors include the downgrading of the Sewer Fund's bond rating, a violation of the 2007 Sewer Revenue Bonds debt covenant, the continued decline of assessed property values and the California State Board of Equalization withholding sales tax for overpayments the City received in years past.

Management's response

Management of the City recognizes that the financial condition of the City has weakened during this economic downturn. In addition to the decrease in sales and property taxes, building fees, and other revenue sources that have affected all cities, Fillmore has also been affected by litigation regarding sales tax-sharing agreements which litigation resulted in the Board of Equalization escrowing sales taxes payable to the City. On January 28, 2013, the parties in the largest sales tax case entered into a Stipulated Judgment which, upon finalizing a settlement agreement, will result in the BOE releasing the escrowed sales taxes to the parties involved, including Fillmore, which will also allow the payment of quarterly sales tax payments to Fillmore to resume. The receipt of increased sales taxes will help resolve the deficit. The City, at this time, is in discussions regarding several other revenue producing options.

Recently, new construction has gained strength and the City is seeing an increase in the building of new homes which is resulting in building fees payable to the City and will increase assessed valuation and property tax.

The downgrading of the 2007 Sewer Bonds did not affect the bond payments as the interest rates are fixed. Nevertheless, the City is looking at ways to cut operating costs at the wastewater treatment plant and a possible increase in rates to ensure that bond coverage requirements are met.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FILLMORE
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the fiscal year ended June 30, 2012

	Budgeted amounts		Actual	Variance with final budget
	Original	Final		
Revenues				
Taxes	\$ 2,990,000	\$ 2,874,624	\$ 2,781,672	\$ (92,952)
Licenses and permits	147,800	124,800	115,845	(8,955)
Fines and forfeitures	62,500	60,000	41,814	(18,186)
Investment income	46,360	28,360	22,856	(5,504)
Intergovernmental	99,200	218,616	213,623	(4,993)
Charges for services	468,428	335,878	288,848	(47,030)
Other	99,604	99,604	77,458	(22,146)
Total revenues	<u>3,913,892</u>	<u>3,741,882</u>	<u>3,542,116</u>	<u>(199,766)</u>
Expenditures				
Current:				
General government:				
City council	15,262	11,088	7,437	3,651
City clerk	53,778	40,460	40,142	318
City attorney	280,000	280,000	246,910	33,090
City manager	95,650	78,190	77,049	1,141
Central support	298,203	1,668,029	1,223,700	444,329
Risk management	420,874	420,874	390,116	30,758
Facilities management	106,113	127,818	115,903	11,915
Total general government	<u>1,269,880</u>	<u>2,626,459</u>	<u>2,101,257</u>	<u>525,202</u>
Public safety:				
Sheriff	3,060,117	3,131,246	3,100,419	30,827
Fire	781,237	772,879	735,599	37,280
Animal regulation	58,900	58,900	58,214	686
Building and safety	154,399	78,614	76,177	2,437
Total public safety	<u>4,054,653</u>	<u>4,041,639</u>	<u>3,970,409</u>	<u>71,230</u>
Parks and recreation				
	295,798	303,005	285,135	17,870
Total parks and recreation	<u>295,798</u>	<u>303,005</u>	<u>285,135</u>	<u>17,870</u>
Public works:				
Central garage	124,775	123,699	110,153	13,546
City engineering	19,759	39,640	39,632	8
Total public works	<u>144,534</u>	<u>163,339</u>	<u>149,785</u>	<u>13,554</u>
Community development:				
Community promotion	16,624	9,488	9,466	22
Planning	106,069	124,079	124,079	-
Total community development	<u>122,693</u>	<u>133,567</u>	<u>133,545</u>	<u>22</u>
Economic development:				
	-	18,698	17,200	1,498
Total economic development	<u>-</u>	<u>18,698</u>	<u>17,200</u>	<u>1,498</u>
Total expenditures	<u>5,887,558</u>	<u>7,286,707</u>	<u>6,657,331</u>	<u>629,376</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,973,666)</u>	<u>(3,544,825)</u>	<u>(3,115,215)</u>	<u>429,610</u>
Other financing sources (uses)				
Transfers in	1,396,321	1,216,343	1,146,391	(69,952)
Transfers out	(31,500)	(144,713)	(144,713)	-
Total other financing sources (uses)	<u>1,364,821</u>	<u>1,071,630</u>	<u>1,001,678</u>	<u>(69,952)</u>
Net change in fund balance	<u>(608,845)</u>	<u>(2,473,195)</u>	<u>(2,113,537)</u>	<u>359,658</u>
Fund balance, beginning of year,	<u>1,996,081</u>	<u>1,996,081</u>	<u>1,996,081</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,387,236</u>	<u>\$ (477,114)</u>	<u>\$ (117,456)</u>	<u>\$ 359,658</u>

CITY OF FILLMORE
Required Supplementary Information
Budgetary Comparison Schedule - Major Fund
Redevelopment Agency Special Revenue Fund
For the fiscal year ended June 30, 2012

	Final budget	Actual	Variance with final budget
Revenues			
Taxes	\$ 1,261,345	\$ -	\$ (1,261,345)
Investment income	28,194	7,789	(20,405)
Other	-	3,781	3,781
 Total revenues	 <u>1,289,539</u>	 <u>11,570</u>	 <u>(1,277,969)</u>
Expenditures			
Current:			
Community development	<u>779,049</u>	<u>128,165</u>	<u>650,884</u>
 Total expenditures	 <u>779,049</u>	 <u>128,165</u>	 <u>650,884</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>510,490</u>	 <u>(116,595)</u>	 <u>(627,085)</u>
Other financing sources (uses)			
Transfers out	<u>(75,507)</u>	<u>(40,059)</u>	<u>35,448</u>
Total other financing sources (uses)	<u>(75,507)</u>	<u>(40,059)</u>	<u>35,448</u>
 Net change in fund balance	 434,983	 (156,654)	 (591,637)
 Extraordinary loss on RDA dissolution	 <u>-</u>	 <u>(2,368,188)</u>	 <u>(2,368,188)</u>
 Fund balance, beginning of year	 <u>2,524,842</u>	 <u>2,524,842</u>	 <u>-</u>
 Fund balance, end of year	 <u>\$ 2,959,825</u>	 <u>\$ -</u>	 <u>\$ (2,959,825)</u>

CITY OF FILLMORE
Required Supplementary Information
Budgetary Comparison Schedule - Major Fund
Successor Housing Special Revenue Fund
For the fiscal year ended June 30, 2012

	Final budget	Actual	Variance with final budget
Revenues			
Investment income	\$ 2,000	\$ 3,666	\$ 1,666
Other	-	3,209	3,209
Total revenues	<u>2,000</u>	<u>6,875</u>	<u>4,875</u>
Expenditures			
Current:			
Community development	<u>135,228</u>	<u>67,694</u>	<u>67,534</u>
Total expenditures	<u>135,228</u>	<u>67,694</u>	<u>67,534</u>
Net change in fund balance	(133,228)	(60,819)	72,409
Extraordinary gain on RDA dissolution	<u>-</u>	<u>32,116</u>	<u>32,116</u>
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ (133,228)</u></u>	<u><u>\$ (28,703)</u></u>	<u><u>\$ 104,525</u></u>

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

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

CITY OF FILLMORE
Notes to Required Supplementary Information
For the fiscal year ended June 30, 2012

Note 1: Budgets and budgetary data

General Budget Policies

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

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

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

Excess Expenditures over Appropriations

There were no instances of an excess of expenditures over appropriations in departments/cost centers of major funds for the year ended June 30, 2012.

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance – Budget and Actual
Redevelopment Agency Debt Service Fund
For the fiscal year ended June 30, 2012

	Final budget	Actual	Variance with final budget
Revenues			
Taxes	\$ 5,100,000	\$ 3,187,717	\$ (1,912,283)
Investment income	20,000	3,055	(16,945)
Other	-	4,217	4,217
 Total revenues	 <u>5,120,000</u>	 <u>3,194,989</u>	 <u>(1,925,011)</u>
Expenditures			
Current:			
Community development	56,000	11,919	44,081
Pass through payments	1,342,000	-	1,342,000
Debt Service:			
Principal	800,000	-	800,000
Interest and fiscal charges	2,633,496	1,315,911	1,317,585
 Total expenditures	 <u>4,831,496</u>	 <u>1,327,830</u>	 <u>3,503,666</u>
 Net change in fund balance	 288,504	 1,867,159	 1,578,655
 Extraordinary loss on RDA dissolution	 -	 <u>(8,314,333)</u>	 <u>(8,314,333)</u>
 Fund balances, beginning of year	 <u>6,447,174</u>	 <u>6,447,174</u>	 <u>-</u>
 Fund balances, end of year	 <u>\$ 6,735,678</u>	 <u>\$ -</u>	 <u>\$ (6,735,678)</u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance – Budget and Actual
Redevelopment Agency Capital Projects Fund
For the fiscal year ended June 30, 2012

	Final budget	Actual	Variance with final budget
Revenues			
Investment income	\$ 3,000	\$ 306	\$ (2,694)
Other	63,428	39,153	(24,275)
Total revenues	66,428	39,459	(26,969)
Expenditures			
Current:			
Community development	249,659	152,098	97,561
Total expenditures	249,659	152,098	97,561
Excess (deficiency) of revenues over (under) expenditures	(183,231)	(112,639)	70,592
Other financing sources (uses)			
Transfers out	(357,868)	(141,390)	216,478
Total other financing sources (uses)	(357,868)	(141,390)	216,478
Net change in fund balance	(541,099)	(254,029)	287,070
Extraordinary gain on RDA dissolution	-	1,597,448	1,597,448
Fund balance, beginning of year	(1,343,419)	(1,343,419)	-
Fund balance, end of year	\$ (1,884,518)	\$ -	\$ 1,884,518

COMBINING NONMAJOR FUNDS

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CITY OF FILLMORE
Nonmajor Governmental Funds
Fund Descriptions
Debt Service and Special Revenue Funds

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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF FILLMORE
Nonmajor Governmental Funds
Fund Descriptions
Special Revenue Funds
(Continued)

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.

CITY OF FILLMORE
Nonmajor Governmental Funds
Fund Descriptions
Capital Projects Funds

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

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

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

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

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

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

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

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

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

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

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

Pole Creek Fund - to account for the cost of improvements to the Pole Creek Bike Path.

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

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

Sidewalk Repair Fund - to account for repair of sidewalks.

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

CITY OF FILLMORE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2012

	DEBT SERVICE FUND	SPECIAL REVENUE FUNDS	
	Public Financing Authority	Gas Tax	Local Transportation
Assets			
Cash and investments	\$ -	\$ 102,582	\$ 45,309
Receivables:			
Intergovernmental	-	47,130	-
Accounts	-	-	-
Interest	-	23	11
	<u>-</u>	<u>23</u>	<u>11</u>
Total assets	<u>\$ -</u>	<u>\$ 149,735</u>	<u>\$ 45,320</u>
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ -	\$ 13,268	\$ -
Accrued liabilities	-	-	-
Due to other funds	-	-	-
Due to other governments	-	-	-
Deferred revenue	-	-	-
Deposits payable	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>13,268</u>	<u>-</u>
Fund balances:			
Fund balances (deficit):			
Restricted for:			
Community development	-	-	-
Public works	-	136,467	45,320
Parks and recreation	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>-</u>	<u>136,467</u>	<u>45,320</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 149,735</u>	<u>\$ 45,320</u>

SPECIAL REVENUE FUNDS

Lighting/ Landscape Assessment District	Storm Drain Assessment District	Community Development Block Grant	Public Transit	Bike Path Maintenance
\$ 595,128	\$ 1,027,715	\$ 9,316	\$ -	\$ 15,398
3,408	1,051	-	-	-
-	-	-	-	-
165	332	-	-	3
<u>\$ 598,701</u>	<u>\$ 1,029,098</u>	<u>\$ 9,316</u>	<u>\$ -</u>	<u>\$ 15,401</u>
\$ 21,832	\$ 2,128	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	130,248	-	-	-
<u>21,832</u>	<u>132,376</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	9,316	-	-
576,869	896,722	-	-	15,401
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>576,869</u>	<u>896,722</u>	<u>9,316</u>	<u>-</u>	<u>15,401</u>
<u>\$ 598,701</u>	<u>\$ 1,029,098</u>	<u>\$ 9,316</u>	<u>\$ -</u>	<u>\$ 15,401</u>

CITY OF FILLMORE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2012

	SPECIAL REVENUE FUNDS	
	Solid Waste Source Reduction	Swimming Pool Maintenance
Assets		
Cash and investments	\$ 45,432	\$ -
Receivables:		
Intergovernmental	-	1,542
Accounts	43,544	32,067
Interest	13	-
	<u>88,989</u>	<u>-</u>
Total assets	<u>\$ 88,989</u>	<u>\$ 33,609</u>
Liabilities and fund balances		
Liabilities:		
Accounts payable	\$ 520	\$ 6,030
Accrued liabilities	-	-
Due to other funds	-	150,960
Due to other governments	-	-
Deferred revenue	-	32,044
Deposits payable	-	-
	<u>520</u>	<u>189,034</u>
Total liabilities	<u>520</u>	<u>189,034</u>
Fund balances:		
Fund balances (deficit):		
Restricted for:		
Community development	-	-
Public works	88,469	-
Parks and recreation	-	-
Assigned	-	-
Unassigned	-	(155,425)
	<u>88,469</u>	<u>(155,425)</u>
Total fund balances (deficit)	<u>88,469</u>	<u>(155,425)</u>
Total liabilities and fund balances	<u>\$ 88,989</u>	<u>\$ 33,609</u>

SPECIAL REVENUE FUNDS

Recreation	DIF Public Facility	DIF Transportation Improvement	DIF Parkland
\$ -	\$ 31,714	\$ 82,339	\$ 171,420
-	-	-	-
17,506	-	1,694	-
-	8	195	46
\$ 17,506	\$ 31,722	\$ 84,228	\$ 171,466
\$ 5,876	\$ 200	\$ 200	\$ -
-	-	-	-
53,958	-	-	-
-	-	-	-
-	-	-	-
2,400	-	47,300	-
62,234	200	47,500	-
-	31,522	-	-
-	-	36,728	-
-	-	-	171,466
-	-	-	-
(44,728)	-	-	-
(44,728)	31,522	36,728	171,466
\$ 17,506	\$ 31,722	\$ 84,228	\$ 171,466

CITY OF FILLMORE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2012

	SPECIAL REVENUE FUNDS		
	DIF Sewer Improvement	DIF Water Improvement	DIF Storm Drain Improvement
Assets			
Cash and investments	\$ 1,001,794	\$ 66,537	\$ 180,173
Receivables:			
Intergovernmental	-	-	-
Accounts	3,930	867	1,084
Interest	889	105	158
	<u>\$ 1,006,613</u>	<u>\$ 67,509</u>	<u>\$ 181,415</u>
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-
Due to other funds	-	-	-
Due to other governments	-	750,000	-
Deferred revenue	1,000,000	-	-
Deposits payable	-	-	-
	<u>1,000,000</u>	<u>750,000</u>	<u>-</u>
Fund balances:			
Fund balances (deficit):			
Restricted for:			
Community development	-	-	-
Public works	6,613	-	181,415
Parks and recreation	-	-	-
Assigned	-	-	-
Unassigned	-	(682,491)	-
	<u>6,613</u>	<u>(682,491)</u>	<u>181,415</u>
Total fund balances (deficit)	<u>6,613</u>	<u>(682,491)</u>	<u>181,415</u>
Total liabilities and fund balances	<u>\$ 1,006,613</u>	<u>\$ 67,509</u>	<u>\$ 181,415</u>

SPECIAL REVENUE FUND	CAPITAL PROJECTS FUNDS	
Storm Water NPDES	Sespe Creek Bikepath	Signals
\$ 25,989	\$ 45,127	\$ -
-	-	-
6,635	-	-
7	-	-
<u>\$ 32,631</u>	<u>\$ 45,127</u>	<u>\$ -</u>
\$ 400	\$ -	\$ -
-	-	-
-	-	-
-	-	-
-	-	-
<u>400</u>	<u>-</u>	<u>-</u>
-	-	-
32,231	45,127	-
-	-	-
-	-	-
-	-	-
<u>32,231</u>	<u>45,127</u>	<u>-</u>
<u>\$ 32,631</u>	<u>\$ 45,127</u>	<u>\$ -</u>

CITY OF FILLMORE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2012

	CAPITAL PROJECTS FUNDS	
	Miscellaneous Capital Projects	Street Projects
Assets		
Cash and investments	\$ 227,010	\$ 172,473
Receivables:		
Intergovernmental	-	-
Accounts	44,000	-
Interest	-	-
	-	-
 Total assets	\$ 271,010	\$ 172,473
 Liabilities and fund balances		
Liabilities:		
Accounts payable	\$ -	\$ -
Accrued liabilities	13,970	-
Due to other funds	-	-
Due to other governments	-	-
Deferred revenue	-	-
Deposits payable	-	-
	-	-
 Total liabilities	13,970	-
 Fund balances:		
Fund balances (deficit):		
Restricted for:		
Community development	-	-
Public works	257,040	172,473
Parks and recreation	-	-
Assigned	-	-
Unassigned	-	-
	-	-
 Total fund balances (deficit)	257,040	172,473
 Total liabilities and fund balances	\$ 271,010	\$ 172,473

CAPITAL PROJECTS FUNDS

Corporate Yard/ Fire Station Project	Vehicle Replacement	Depot Restoration	Well #9	Parking Lot
\$ 501,540	\$ -	\$ -	\$ 115,962	\$ 194,882
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 501,540</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 115,962</u>	<u>\$ 194,882</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	4,449
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,449</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
501,540	-	-	115,962	190,433
-	-	-	-	-
<u>501,540</u>	<u>-</u>	<u>-</u>	<u>115,962</u>	<u>190,433</u>
<u>\$ 501,540</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 115,962</u>	<u>\$ 194,882</u>

CITY OF FILLMORE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2012

	CAPITAL PROJECTS FUNDS	
	Storm Drain - Weir River	Pole Creek
Assets		
Cash and investments	\$ 206,000	\$ 7,500
Receivables:		
Intergovernmental	-	-
Accounts	-	-
Interest	-	-
	-	-
 Total assets	\$ 206,000	\$ 7,500
 Liabilities and fund balances		
Liabilities:		
Accounts payable	\$ -	\$ -
Accrued liabilities	-	-
Due to other funds	-	-
Due to other governments	-	-
Deferred revenue	-	-
Deposits payable	-	-
	-	-
 Total liabilities	-	-
 Fund balances:		
Fund balances (deficit):		
Restricted for:		
Community development	-	-
Public works	-	-
Parks and recreation	-	-
Assigned	206,000	7,500
Unassigned	-	-
	-	-
 Total fund balances (deficit)	206,000	7,500
 Total liabilities and fund balances	\$ 206,000	\$ 7,500

CAPITAL PROJECTS FUNDS

<u>BTA Bike Path</u>	<u>Business Park Infrastructure</u>	<u>Sidewalk Repair</u>	<u>A Street Water Line</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 25,369	\$ 75,703	\$ 147,526	\$ -	\$ 5,119,938
-	-	-	-	53,131
-	-	-	-	151,327
-	-	-	-	1,955
<u>\$ 25,369</u>	<u>\$ 75,703</u>	<u>\$ 147,526</u>	<u>\$ -</u>	<u>\$ 5,326,351</u>
\$ -	\$ -	\$ -	\$ -	\$ 50,454
-	-	-	-	13,970
-	-	-	-	204,918
-	-	-	-	750,000
-	-	-	-	1,036,493
-	-	-	-	179,948
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,235,783</u>
-	-	-	-	40,838
-	-	-	-	2,490,875
-	-	-	-	171,466
25,369	75,703	147,526	-	1,270,033
-	-	-	-	(882,644)
<u>25,369</u>	<u>75,703</u>	<u>147,526</u>	<u>-</u>	<u>3,090,568</u>
<u>\$ 25,369</u>	<u>\$ 75,703</u>	<u>\$ 147,526</u>	<u>\$ -</u>	<u>\$ 5,326,351</u>

CITY OF FILLMORE
Combining Statements of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended June 30, 2012

	DEBT SERVICE FUND	SPECIAL REVENUE FUNDS	
	Public Financing Authority	Gas Tax	Local Transportation
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	448,434	45,232
Charges for services	-	-	-
Investment income	-	70	(10)
Other	-	393	-
	<u>-</u>	<u>448,897</u>	<u>45,222</u>
Total revenues	<u>-</u>	<u>448,897</u>	<u>45,222</u>
Expenditures			
Current:			
Public works	-	186,833	-
Community development	-	-	-
Transit	-	-	-
Parks and recreation	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	166,237	-	-
Interest and fiscal charges	19,875	-	-
	<u>186,112</u>	<u>186,833</u>	<u>-</u>
Total expenditures	<u>186,112</u>	<u>186,833</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(186,112)</u>	<u>262,064</u>	<u>45,222</u>
Other financing sources (uses)			
Transfers in	186,112	-	-
Transfers out	-	(24,719)	-
	<u>186,112</u>	<u>(24,719)</u>	<u>-</u>
Total other financing sources (uses)	<u>186,112</u>	<u>(24,719)</u>	<u>-</u>
Net change in fund balances	-	237,345	45,222
Fund balances (deficit), beginning of year	-	(100,878)	98
Fund balances (deficit), end of year	<u>\$ -</u>	<u>\$ 136,467</u>	<u>\$ 45,320</u>

SPECIAL REVENUE FUNDS

Lighting/ Landscape Assessment District	Storm Drain Assessment District	Community Development Block Grant	Public Transit	Bike Path Maintenance
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	80,060	450,918	9,930
256,083	243,980	-	-	-
1,063	3,184	-	-	21
121	253	-	-	46
<u>257,267</u>	<u>247,417</u>	<u>80,060</u>	<u>450,918</u>	<u>9,997</u>
246,706	184,510	-	-	9,513
-	-	-	-	-
-	-	-	450,918	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>246,706</u>	<u>184,510</u>	<u>-</u>	<u>450,918</u>	<u>9,513</u>
<u>10,561</u>	<u>62,907</u>	<u>80,060</u>	<u>-</u>	<u>484</u>
229,625	-	-	-	-
(14,790)	(236,600)	(80,060)	-	-
<u>214,835</u>	<u>(236,600)</u>	<u>(80,060)</u>	<u>-</u>	<u>-</u>
225,396	(173,693)	-	-	484
<u>351,473</u>	<u>1,070,415</u>	<u>9,316</u>	<u>-</u>	<u>14,917</u>
<u>\$ 576,869</u>	<u>\$ 896,722</u>	<u>\$ 9,316</u>	<u>\$ -</u>	<u>\$ 15,401</u>

CITY OF FILLMORE
Combining Statements of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended June 30, 2012

	SPECIAL REVENUE FUNDS	
	Solid Waste Source Reduction	Swimming Pool Maintenance
Revenues		
Taxes	\$ -	\$ 67,330
Intergovernmental	33,645	-
Charges for services	67,318	24,345
Investment income	118	62
Other	404	1,246
	<u>101,485</u>	<u>92,983</u>
Expenditures		
Current:		
Public works	85,207	-
Community development	-	-
Transit	-	-
Parks and recreation	-	170,009
Capital outlay	-	-
Debt service:		
Principal	-	-
Interest and fiscal charges	-	-
	<u>85,207</u>	<u>170,009</u>
Excess (deficiency) of revenues over (under) expenditures	<u>16,278</u>	<u>(77,026)</u>
Other financing sources (uses)		
Transfers in	-	76,207
Transfers out	(4,000)	-
	<u>(4,000)</u>	<u>76,207</u>
Total other financing sources (uses)	<u>(4,000)</u>	<u>76,207</u>
Net change in fund balances	12,278	(819)
Fund balances (deficit), beginning of year	<u>76,191</u>	<u>(154,606)</u>
Fund balances (deficit), end of year	<u>\$ 88,469</u>	<u>\$ (155,425)</u>

SPECIAL REVENUE FUNDS

Recreation	DIF Public Facility	DIF Transportation Improvement	DIF Parkland
\$ -	\$ -	\$ -	\$ -
20,000	-	-	-
106,750	32,446	24,290	18,171
-	167	2,117	392
13,458	-	-	-
<u>140,208</u>	<u>32,613</u>	<u>26,407</u>	<u>18,563</u>
-	200	199	-
-	-	-	-
-	-	-	-
160,547	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>160,547</u>	<u>200</u>	<u>199</u>	<u>-</u>
<u>(20,339)</u>	<u>32,413</u>	<u>26,208</u>	<u>18,563</u>
25,266	-	-	-
-	(97,064)	(300)	(2,200)
<u>25,266</u>	<u>(97,064)</u>	<u>(300)</u>	<u>(2,200)</u>
4,927	(64,651)	25,908	16,363
<u>(49,655)</u>	<u>96,173</u>	<u>10,820</u>	<u>155,103</u>
<u>\$ (44,728)</u>	<u>\$ 31,522</u>	<u>\$ 36,728</u>	<u>\$ 171,466</u>

CITY OF FILLMORE
Combining Statements of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended June 30, 2012

	<u>SPECIAL REVENUE FUNDS</u>		
	<u>DIF Sewer Improvement</u>	<u>DIF Water Improvement</u>	<u>DIF Storm Drain Improvement</u>
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	117,561	58,926	41,011
Investment income	7,057	1,182	1,666
Other	-	-	-
	<u>124,618</u>	<u>60,108</u>	<u>42,677</u>
Total revenues			
	<u>124,618</u>	<u>60,108</u>	<u>42,677</u>
Expenditures			
Current:			
Public works	-	-	-
Community development	-	-	-
Transit	-	-	-
Parks and recreation	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures			
	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>124,618</u>	<u>60,108</u>	<u>42,677</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	<u>(224,998)</u>	<u>(60,200)</u>	<u>(200)</u>
Total other financing sources (uses)	<u>(224,998)</u>	<u>(60,200)</u>	<u>(200)</u>
Net change in fund balances	(100,380)	(92)	42,477
Fund balances (deficit), beginning of year	<u>106,993</u>	<u>(682,399)</u>	<u>138,938</u>
Fund balances (deficit), end of year	<u>\$ 6,613</u>	<u>\$ (682,491)</u>	<u>\$ 181,415</u>

SPECIAL REVENUE FUND	CAPITAL PROJECTS FUNDS	
Storm Water NPDES	Sespe Creek Bike Path	Signals
\$ -	\$ -	\$ -
-	-	596
16,273	-	-
85	-	-
-	-	-
<u>16,358</u>	<u>-</u>	<u>596</u>
41,239	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>41,239</u>	<u>-</u>	<u>-</u>
<u>(24,881)</u>	<u>-</u>	<u>596</u>
15,000	-	-
<u>-</u>	<u>-</u>	<u>(596)</u>
<u>15,000</u>	<u>-</u>	<u>(596)</u>
(9,881)	-	-
<u>42,112</u>	<u>45,127</u>	<u>-</u>
<u>\$ 32,231</u>	<u>\$ 45,127</u>	<u>\$ -</u>

CITY OF FILLMORE
Combining Statements of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended June 30, 2012

	CAPITAL PROJECTS FUNDS	
	Miscellaneous Capital Projects	Street Projects
Revenues		
Taxes	\$ -	\$ -
Intergovernmental	44,000	-
Charges for services	-	-
Investment income	-	-
Other	-	5,174
	44,000	5,174
Expenditures		
Current:		
Public works	-	-
Community development	-	-
Transit	-	-
Parks and recreation	-	-
Capital outlay	168,301	-
Debt service:		
Principal	-	-
Interest and fiscal charges	-	-
	168,301	-
Excess (deficiency) of revenues over (under) expenditures	(124,301)	5,174
Other financing sources (uses)		
Transfers in	80,060	-
Transfers out	(400,000)	(87,299)
	(319,940)	(87,299)
Net change in fund balances	(444,241)	(82,125)
Fund balances (deficit), beginning of year	701,281	254,598
Fund balances, end of year	\$ 257,040	\$ 172,473

CAPITAL PROJECTS FUNDS

Corporate Yard/ Fire Station Project	Vehicle Replacement	Depot Restoration	Well #9	Parking Lot
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	58,202	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	58,202	-	-
-	-	(58,202)	-	-
-	19,615	87,299	-	-
-	-	-	-	-
-	19,615	87,299	-	-
-	19,615	29,097	-	-
501,540	(19,615)	(29,097)	115,962	190,433
<u>\$ 501,540</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 115,962</u>	<u>\$ 190,433</u>

CITY OF FILLMORE
Combining Statements of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended June 30, 2012

	CAPITAL PROJECTS FUNDS	
	Storm Drain - Weir River	Pole Creek
Revenues		
Taxes	\$ -	\$ -
Intergovernmental	-	-
Charges for services	-	-
Investment income	-	-
Other	-	-
	-	-
Total revenues	-	-
Expenditures		
Current:		
Public works	-	-
Community development	-	-
Transit	-	-
Parks and recreation	-	-
Capital outlay	-	-
Debt service:		
Principal	-	-
Interest and fiscal charges	-	-
	-	-
Total expenditures	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-
Other financing sources (uses)		
Transfers in	-	-
Transfers out	-	-
	-	-
Total other financing sources (uses)	-	-
Net change in fund balances	-	-
Fund balances (deficit), beginning of year	206,000	7,500
Fund balances, end of year	\$ 206,000	\$ 7,500

CAPITAL PROJECTS FUNDS

<u>BTA Bike Path</u>	<u>Business Park Infrastructure</u>	<u>Sidewalk Repair</u>	<u>A Street Water Line</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 67,330
-	-	-	-	1,132,815
-	-	-	-	1,007,154
-	-	-	-	17,174
-	-	-	16,800	37,895
-	-	-	16,800	2,262,368
-	-	-	-	812,609
-	224	-	-	224
-	-	-	-	450,918
-	-	-	-	330,556
-	-	-	-	168,301
-	-	-	-	166,237
-	-	-	-	19,875
-	224	-	-	1,948,720
-	(224)	-	16,800	313,648
-	-	-	-	719,184
-	-	-	(65,898)	(1,298,924)
-	-	-	(65,898)	(579,740)
-	(224)	-	(49,098)	(266,092)
25,369	75,927	147,526	49,098	3,356,660
<u>\$ 25,369</u>	<u>\$ 75,703</u>	<u>\$ 147,526</u>	<u>\$ -</u>	<u>\$ 3,090,568</u>

CITY OF FILLMORE
Nonmajor Fund Budgetary Comparison Schedules
For the Year Ended June 30, 2012

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

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Public Financing Authority Debt Service Fund
For the fiscal year ended June 30, 2012

	Final budget	Actual	Variance with final budget
Expenditures			
Debt Service:			
Principal	\$ 190,809	\$ 166,237	\$ 24,572
Interest and fiscal charges	-	19,875	(19,875)
	<u>190,809</u>	<u>186,112</u>	<u>4,697</u>
Other financing sources			
Transfers in	<u>190,809</u>	<u>186,112</u>	<u>(4,697)</u>
Total other financing sources	<u>190,809</u>	<u>186,112</u>	<u>(4,697)</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Gas Tax Special Revenue Fund
For the fiscal year ended June 30, 2012

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	\$ 416,991	\$ 448,434	\$ 31,443
Investment income	-	70	70
Other	-	393	393
	<u>416,991</u>	<u>448,897</u>	<u>31,906</u>
Total revenues	<u>416,991</u>	<u>448,897</u>	<u>31,906</u>
Expenditures			
Current:			
Public works	<u>277,770</u>	<u>186,833</u>	<u>90,937</u>
	<u>277,770</u>	<u>186,833</u>	<u>90,937</u>
Total expenditures	<u>277,770</u>	<u>186,833</u>	<u>90,937</u>
Excess of revenues over expenditures	<u>139,221</u>	<u>262,064</u>	<u>122,843</u>
Other financing uses			
Transfers out	<u>(24,719)</u>	<u>(24,719)</u>	<u>-</u>
	<u>(24,719)</u>	<u>(24,719)</u>	<u>-</u>
Total other financing uses	<u>(24,719)</u>	<u>(24,719)</u>	<u>-</u>
Net change in fund balance	114,502	237,345	122,843
Fund balance (deficit), beginning of year	<u>(100,878)</u>	<u>(100,878)</u>	<u>-</u>
Fund balance, end of fiscal year	<u>\$ 13,624</u>	<u>\$ 136,467</u>	<u>\$ 122,843</u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Local Transportation Special Revenue Fund
For the fiscal year ended June 30, 2012

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	\$ 45,232	\$ 45,232	\$ -
Investment income	50	(10)	(60)
	<u>45,282</u>	<u>45,222</u>	<u>(60)</u>
Total revenues	<u>45,282</u>	<u>45,222</u>	<u>(60)</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	45,282	45,222	(60)
Fund balance, beginning of year	<u>98</u>	<u>98</u>	<u>-</u>
Fund balance, end of year	<u>\$ 45,380</u>	<u>\$ 45,320</u>	<u>\$ (60)</u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Lighting/Landscape Assessment District Special Revenue Fund
For the fiscal year ended June 30, 2012

	Final budget	Actual	Variance with final budget
Revenues			
Charges for services	\$ 326,136	\$ 256,083	\$ (70,053)
Investment income	2,900	1,063	(1,837)
Other	-	121	121
	<u>329,036</u>	<u>257,267</u>	<u>(71,769)</u>
Total revenues			
	<u>329,036</u>	<u>257,267</u>	<u>(71,769)</u>
Expenditures			
Current:			
Public works	340,812	246,706	94,106
	<u>340,812</u>	<u>246,706</u>	<u>94,106</u>
Total expenditures			
	<u>340,812</u>	<u>246,706</u>	<u>94,106</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,776)</u>	<u>10,561</u>	<u>22,337</u>
Other financing sources (uses)			
Transfers in	(237,500)	229,625	467,125
Transfers out	<u>(14,790)</u>	<u>(14,790)</u>	<u>-</u>
	<u>(252,290)</u>	<u>214,835</u>	<u>467,125</u>
Total other financing sources (uses)			
	<u>(252,290)</u>	<u>214,835</u>	<u>467,125</u>
Net change in fund balance	(264,066)	225,396	489,462
Fund balance, beginning of year	<u>351,473</u>	<u>351,473</u>	<u>-</u>
Fund balance, end of year	<u>\$ 87,407</u>	<u>\$ 576,869</u>	<u>\$ 489,462</u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Storm Drain Assessment District Special Revenue Fund
For the fiscal year ended June 30, 2012

	Final budget	Actual	Variance with final budget
Revenues			
Charges for services	\$ 211,919	\$ 243,980	\$ 32,061
Investment income	17,000	3,184	(13,816)
Other	-	253	253
	<u>228,919</u>	<u>247,417</u>	<u>18,498</u>
Expenditures			
Current:			
Public works	185,917	184,510	1,407
	<u>185,917</u>	<u>184,510</u>	<u>1,407</u>
Excess of revenues over expenditures	<u>43,002</u>	<u>62,907</u>	<u>19,905</u>
Other financing uses			
Transfers out	(236,600)	(236,600)	-
	<u>(236,600)</u>	<u>(236,600)</u>	<u>-</u>
Net change in fund balance	(193,598)	(173,693)	19,905
Fund balance, beginning of year	1,070,415	1,070,415	-
Fund balance, end of year	<u>\$ 876,817</u>	<u>\$ 896,722</u>	<u>\$ 19,905</u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Community Development Block Grant Special Revenue Fund
For the fiscal year ended June 30, 2012

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	\$ 400,321	\$ 80,060	\$ (320,261)
Total revenues	400,321	80,060	(320,261)
Other financing uses			
Transfers out	(80,060)	(80,060)	-
Total other financing uses	(80,060)	(80,060)	-
Net change in fund balance	320,261	-	(320,261)
Fund balance, beginning of year	9,316	9,316	-
Fund balance, end of year	\$ 329,577	\$ 9,316	\$ (320,261)

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Public Transit Special Revenue Fund
For the fiscal year ended June 30, 2012

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	\$ 450,918	\$ 450,918	\$ -
Total revenues	450,918	450,918	-
Expenditures			
Current:			
Transit	450,918	450,918	-
Total expenditures	450,918	450,918	-
Net change in fund balance	-	-	-
Fund balance, beginning of year	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Bike Path Maintenance Special Revenue Fund
For the fiscal year ended June 30, 2012

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	\$ -	\$ 9,930	\$ 9,930
Investment income	100	21	(79)
Other	-	46	46
	<u>100</u>	<u>9,997</u>	<u>9,897</u>
Expenditures			
Current:			
Public works	12,218	9,513	2,705
	<u>12,218</u>	<u>9,513</u>	<u>2,705</u>
Net change in fund balance	<u>(12,118)</u>	<u>484</u>	<u>12,602</u>
Fund balance, beginning of year	<u>14,917</u>	<u>14,917</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,799</u>	<u>\$ 15,401</u>	<u>\$ 12,602</u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Solid Waste Source Reduction Special Revenue Fund
For the fiscal year ended June 30, 2012

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	\$ 29,564	\$ 33,645	\$ 4,081
Charges for services	75,000	67,318	(7,682)
Investment Income	267	118	(149)
Other	-	404	404
	<u>104,831</u>	<u>101,485</u>	<u>(3,346)</u>
Total revenues			
Expenditures			
Current:			
Public works	115,814	85,207	30,607
	<u>115,814</u>	<u>85,207</u>	<u>30,607</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>(10,983)</u>	<u>16,278</u>	<u>27,261</u>
Other financing uses			
Transfers out	<u>(4,000)</u>	<u>(4,000)</u>	<u>-</u>
Total other financing uses			
	<u>(4,000)</u>	<u>(4,000)</u>	<u>-</u>
Net change in fund balance	(14,983)	12,278	27,261
Fund balance, beginning of year	<u>76,191</u>	<u>76,191</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 61,208</u></u>	<u><u>\$ 88,469</u></u>	<u><u>\$ 27,261</u></u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Swimming Pool Maintenance Special Revenue Fund
For the fiscal year ended June 30, 2012

	Final budget	Actual	Variance with final budget
Revenues			
Taxes	\$ 67,000	\$ 67,330	\$ 330
Charges for services	24,543	24,345	(198)
Investment income	-	62	62
Other	500	1,246	746
Total revenues	<u>92,043</u>	<u>92,983</u>	<u>940</u>
Expenditures			
Current:			
Parks and recreation	<u>169,699</u>	<u>170,009</u>	<u>(310)</u>
Total expenditures	<u>169,699</u>	<u>170,009</u>	<u>(310)</u>
Deficiency of revenues under expenditures	<u>(77,656)</u>	<u>(77,026)</u>	<u>630</u>
Other financing sources			
Transfers in	<u>76,207</u>	<u>76,207</u>	<u>-</u>
Total other financing sources	<u>76,207</u>	<u>76,207</u>	<u>-</u>
Net change in fund balance	(1,449)	(819)	630
Fund balance (deficit), beginning of year	<u>(154,606)</u>	<u>(154,606)</u>	<u>-</u>
Fund balance (deficit), end of year	<u><u>\$ (156,055)</u></u>	<u><u>\$ (155,425)</u></u>	<u><u>\$ 630</u></u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Recreation Special Revenue Fund
For the fiscal year ended June 30, 2012

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	\$ 20,447	\$ 20,000	\$ (447)
Charges for services	111,960	106,750	(5,210)
Other	16,810	13,458	(3,352)
Total revenues	149,217	140,208	(9,009)
Expenditures			
Current:			
Parks and recreation	171,938	160,547	11,391
Total expenditures	171,938	160,547	11,391
Deficiency of revenues under expenditures	(22,721)	(20,339)	2,382
Other financing sources			
Transfers in	25,266	25,266	-
Total other financing sources	25,266	25,266	-
Net change in fund balance	2,545	4,927	2,382
Fund balance (deficit), beginning of year	(49,655)	(49,655)	-
Fund balance (deficit), end of year	\$ (47,110)	\$ (44,728)	\$ 2,382

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
DIF Public Facility Special Revenue Fund
For the fiscal year ended June 30, 2012

	Final budget	Actual	Variance with final budget
Revenues			
Charges for services	\$ 26,946	\$ 32,446	\$ 5,500
Investment income	500	167	(333)
	<u>27,446</u>	<u>32,613</u>	<u>5,167</u>
Total revenues			
Expenditures			
Current:			
Public works	250	200	50
	<u>250</u>	<u>200</u>	<u>50</u>
Total expenditures			
Excess of revenues over expenditures	<u>27,196</u>	<u>32,413</u>	<u>5,217</u>
Other financing uses			
Transfers out	(97,064)	(97,064)	-
	<u>(97,064)</u>	<u>(97,064)</u>	<u>-</u>
Total other financing uses			
Net change in fund balance	(69,868)	(64,651)	5,217
Fund balance, beginning of year	<u>96,173</u>	<u>96,173</u>	<u>-</u>
Fund balance, end of year	<u>\$ 26,305</u>	<u>\$ 31,522</u>	<u>\$ 5,217</u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
DIF Transportation Improvement Special Revenue Fund
For the fiscal year ended June 30, 2012

	Final budget	Actual	Variance with final budget
Revenues			
Charges for services	\$ (21,377)	\$ 24,290	\$ 45,667
Investment income	(2,228)	2,117	4,345
	<u>(23,605)</u>	<u>26,407</u>	<u>50,012</u>
Expenditures			
Current:			
Public works	250	199	51
	<u>250</u>	<u>199</u>	<u>51</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,855)</u>	<u>26,208</u>	<u>50,063</u>
Other financing uses			
Transfers out	<u>(300)</u>	<u>(300)</u>	<u>-</u>
	<u>(300)</u>	<u>(300)</u>	<u>-</u>
Net change in fund balance	(24,155)	25,908	50,063
Fund balance, beginning of year	<u>10,820</u>	<u>10,820</u>	<u>-</u>
Fund balance, end of year	<u>\$ (13,335)</u>	<u>\$ 36,728</u>	<u>\$ 50,063</u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
DIF Parkland Special Revenue Fund
For the fiscal year ended June 30, 2012

	Final budget	Actual	Variance with final budget
Revenues			
Charges for services	\$ 53,200	\$ 18,171	\$ (35,029)
Investment income	700	392	(308)
	<u>53,900</u>	<u>18,563</u>	<u>(35,337)</u>
Total revenues			
	<u>53,900</u>	<u>18,563</u>	<u>(35,337)</u>
Other financing uses			
Transfers out	(2,200)	(2,200)	-
	<u>(2,200)</u>	<u>(2,200)</u>	<u>-</u>
Total other financing uses			
	<u>(2,200)</u>	<u>(2,200)</u>	<u>-</u>
Net change in fund balance	51,700	16,363	(35,337)
Fund balance, beginning of year	<u>155,103</u>	<u>155,103</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 206,803</u></u>	<u><u>\$ 171,466</u></u>	<u><u>\$ (35,337)</u></u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
DIF Sewer Improvement Special Revenue Fund
For the fiscal year ended June 30, 2012

	Final budget	Actual	Variance with final budget
Revenues			
Charges for services	\$ 92,669	\$ 117,561	\$ 24,892
Investment income	5,168	7,057	1,889
Total revenues	<u>97,837</u>	<u>124,618</u>	<u>26,781</u>
Other financing uses			
Transfers out	<u>(224,998)</u>	<u>(224,998)</u>	<u>-</u>
Total other financing uses	<u>(224,998)</u>	<u>(224,998)</u>	<u>-</u>
Net change in fund balance	(127,161)	(100,380)	26,781
Fund balance, beginning of year	<u>106,993</u>	<u>106,993</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ (20,168)</u></u>	<u><u>\$ 6,613</u></u>	<u><u>\$ 26,781</u></u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
DIF Water Improvement Special Revenue Fund
For the fiscal year ended June 30, 2012

	Final budget	Actual	Variance with final budget
Revenues			
Charges for services	\$ 45,744	\$ 58,926	\$ 13,182
Investment income	1,320	1,182	(138)
	<u>47,064</u>	<u>60,108</u>	<u>13,044</u>
Total revenues			
	47,064	60,108	13,044
Other financing uses			
Transfers out	(60,200)	(60,200)	-
	<u>(60,200)</u>	<u>(60,200)</u>	<u>-</u>
Total other financing uses			
	(60,200)	(60,200)	-
Net change in fund balance	(13,136)	(92)	13,044
Fund balance (deficit), beginning of year	(682,399)	(682,399)	-
	<u>(682,399)</u>	<u>(682,399)</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ (695,535)</u>	<u>\$ (682,491)</u>	<u>\$ 13,044</u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
DIF Storm Drain Improvement Special Revenue Fund
For the fiscal year ended June 30, 2012

	Final budget	Actual	Variance with final budget
Revenues			
Charges for services	\$ 30,474	\$ 41,011	\$ 10,537
Investment income	1,847	1,666	(181)
	<u>32,321</u>	<u>42,677</u>	<u>10,356</u>
Other financing uses			
Transfers out	(200)	(200)	-
	<u>(200)</u>	<u>(200)</u>	<u>-</u>
Net change in fund balance	32,121	42,477	10,356
Fund balance, beginning of year	<u>138,938</u>	<u>138,938</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 171,059</u></u>	<u><u>\$ 181,415</u></u>	<u><u>\$ 10,356</u></u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Storm Water NPDES Special Revenue Fund
For the fiscal year ended June 30, 2012

	Final budget	Actual	Variance with final budget
Revenues			
Charges for services	\$ 17,139	\$ 16,273	\$ (866)
Investment income	341	85	(256)
	<u>17,480</u>	<u>16,358</u>	<u>(1,122)</u>
Expenditures			
Current:			
Public works	48,572	41,239	7,333
	<u>48,572</u>	<u>41,239</u>	<u>7,333</u>
Deficiency of revenues under expenditures	<u>(31,092)</u>	<u>(24,881)</u>	<u>6,211</u>
Other financing sources			
Transfers in	15,000	15,000	-
	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Net change in fund balance	(16,092)	(9,881)	6,211
Fund balance, beginning of year	42,112	42,112	-
Fund balance, end of year	<u>\$ 26,020</u>	<u>\$ 32,231</u>	<u>\$ 6,211</u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Signals Capital Projects Fund
For the fiscal year ended June 30, 2012

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	\$ 596	\$ 596	\$ -
Total revenues	<u>596</u>	<u>596</u>	<u>-</u>
Other financing uses			
Transfers out	<u>(596)</u>	<u>(596)</u>	<u>-</u>
Total other financing uses	<u>(596)</u>	<u>(596)</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Miscellaneous Capital Projects Fund
For the fiscal year ended June 30, 2012

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	\$ -	\$ 44,000	\$ 44,000
Total revenues	-	44,000	44,000
Expenditures			
Capital outlay	185,225	168,301	16,924
Total expenditures	185,225	168,301	16,924
Deficiency of revenues under expenditures	(185,225)	(124,301)	60,924
Other financing sources (uses)			
Transfers in	400,321	80,060	(320,261)
Transfers out	(400,000)	(400,000)	-
Total other financing sources (uses)	321	(319,940)	(320,261)
Net change in fund balance	(184,904)	(444,241)	(259,337)
Fund balance, beginning of year	701,281	701,281	-
Fund balance, end of year	\$ 516,377	\$ 257,040	\$ (259,337)

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Street Projects Capital Projects Fund
For the fiscal year ended June 30, 2012

	Final budget	Actual	Variance with final budget
Revenues			
Other	\$ -	\$ 5,174	\$ 5,174
Total revenues	-	5,174	5,174
Other financing uses			
Transfers out	(87,299)	(87,299)	-
Total other financing uses	(87,299)	(87,299)	-
Net change in fund balance	(87,299)	(82,125)	5,174
Fund balance, beginning of year	254,598	254,598	-
Fund balance, end of year	\$ 167,299	\$ 172,473	\$ 5,174

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Vehicle Replacement Capital Projects Fund
For the fiscal year ended June 30, 2012

	Final budget	Actual	Variance with final budget
Other financing sources			
Transfers in	\$ 19,615	\$ 19,615	\$ -
Total other financing sources	19,615	19,615	-
Net change in fund balance	19,615	19,615	-
Fund balance (deficit), beginning of year	(19,615)	(19,615)	-
Fund balance, end of year	\$ -	\$ -	\$ -

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Parking Lot Capital Projects Fund
For the fiscal year ended June 30, 2012

	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
Expenditures			
Current:			
Public works	\$ 190,433	\$ -	\$ 190,433
Total expenditures	<u>190,433</u>	<u>-</u>	<u>190,433</u>
Net change in fund balance	(190,433)	-	190,433
Fund balance, beginning of year	<u>190,433</u>	<u>190,433</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ 190,433</u></u>	<u><u>\$ 190,433</u></u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Storm Drain – Weir River Capital Projects Fund
For the fiscal year ended June 30, 2012

	Final budget	Actual	Variance with final budget
Expenditures			
Capital outlay	\$ 206,000	\$ -	\$ 206,000
Total expenditures	206,000	-	206,000
Net change in fund balance	(206,000)	-	206,000
Fund balance, beginning of year	206,000	206,000	-
Fund balance, end of year	\$ -	\$ 206,000	\$ 206,000

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Pole Creek Capital Projects Fund
For the fiscal year ended June 30, 2012

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	\$ 57,500	\$ -	\$ (57,500)
Total revenues	57,500	-	(57,500)
Expenditures			
Capital outlay	65,000	-	65,000
Total expenditures	65,000	-	65,000
Net change in fund balance	(7,500)	-	7,500
Fund balance, beginning of year	7,500	7,500	-
Fund balance, end of year	\$ -	\$ 7,500	\$ 7,500

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
BTA Bike Path Capital Projects Fund
For the fiscal year ended June 30, 2012

	Final budget	Actual	Variance with final budget
Expenditures			
Public works	\$ 327,985	\$ -	\$ 327,985
Total expenditures	327,985	-	327,985
Net change in fund balance	(327,985)	-	327,985
Fund balance, beginning of year	25,369	25,369	-
Fund balance, end of year	\$ (302,616)	\$ 25,369	\$ 327,985

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Business Park Infrastructure Capital Projects Fund
For the fiscal year ended June 30, 2012

	Final budget	Actual	Variance with final budget
Expenditures			
Community development	\$ 1,000	\$ 224	\$ 776
Total expenditures	1,000	224	776
Net change in fund balance	(1,000)	(224)	776
Fund balance, beginning of year	75,927	75,927	-
Fund balance, end of year	\$ 74,927	\$ 75,703	\$ 776

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Sidewalk Repair Capital Projects Fund
For the fiscal year ended June 30, 2012

	Final budget	Actual	Variance with final budget
Expenditures			
Public works	\$ 147,526	\$ -	\$ 147,526
Total expenditures	147,526	-	147,526
Net change in fund balance	(147,526)	-	147,526
Fund balance, beginning of year	147,526	147,526	-
Fund balance, end of year	\$ -	\$ 147,526	\$ 147,526

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
A Street Water Line Capital Projects Fund
For the fiscal year ended June 30, 2012

	Final budget	Actual	Variance with final budget
Revenues			
Other	\$ 16,800	\$ 16,800	\$ -
Total revenues	<u>16,800</u>	<u>16,800</u>	<u>-</u>
Other financing uses			
Transfers out	<u>(65,898)</u>	<u>(65,898)</u>	<u>-</u>
Total other financing uses	<u>(65,898)</u>	<u>(65,898)</u>	<u>-</u>
Net change in fund balance	(49,098)	(49,098)	-
Fund balance, beginning of year	<u>49,098</u>	<u>49,098</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF FILLMORE
Combining Statement of Net Assets
Proprietary Funds – Sewer Funds
June 30, 2012

	Sewer Operating Fund	Sewer Projects Fund	Sewer Replacement Fund	Rate Stabilization Fund	Totals
Assets					
Current assets:					
Cash and investments	\$ 213,234	\$ -	\$ 6,183	\$ 3,006,425	\$ 3,225,842
Cash and investments with fiscal agent	4,015,826	-	-	-	4,015,826
Receivables, net:					
Accounts	1,041,388	-	-	-	1,041,388
Related-party accounts	38,288	-	-	-	38,288
Interest	10	-	-	801	811
Other	406,399	-	-	-	406,399
Total current assets	5,715,145	-	6,183	3,007,226	8,728,554
Noncurrent assets:					
Deferred issuance costs, net	2,913,466	-	-	-	2,913,466
Capital assets:					
Land and construction in progress	2,688,630	-	-	-	2,688,630
Buildings and improvements	3,280,504	-	-	-	3,280,504
Infrastructure	73,874,887	-	-	-	73,874,887
Less - accumulated depreciation	(7,198,107)	-	-	-	(7,198,107)
Total non-current assets	75,559,380	-	-	-	75,559,380
Total assets	81,274,525	-	6,183	3,007,226	84,287,934

CITY OF FILLMORE
Combining Statement of Net Assets
Proprietary Funds – Sewer Funds
June 30, 2012

	Sewer Operating Fund	Sewer Projects Fund	Sewer Replacement Fund	Rate Stabilization Fund	Totals
Liabilities					
Current liabilities:					
Accounts payable	39,441	-	-	-	39,441
Accrued interest payable	466,626	-	-	-	466,626
Deposits payable	89,073	-	-	-	89,073
Unearned revenue	406,399	-	-	-	406,399
Current portion of long-term obligations	<u>709,273</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>709,273</u>
Total current liabilities	<u>1,710,812</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,710,812</u>
Noncurrent liabilities:					
Compensated absences	17,672	-	-	-	17,672
Bonds payable	55,645,000	-	-	-	55,645,000
Loan payable - State Water Board	9,358	-	-	-	9,358
Premium on bonds payable	<u>1,795,014</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,795,014</u>
Total non-current liabilities	<u>57,467,044</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,467,044</u>
Total liabilities	<u>59,177,856</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,177,856</u>
Net Assets					
Invested in capital assets, net of related debt	16,945,890	-	-	-	16,945,890
Restricted for debt service	4,015,826	-	-	-	4,015,826
Unrestricted	<u>1,134,953</u>	<u>-</u>	<u>6,183</u>	<u>3,007,226</u>	<u>4,148,362</u>
Total net assets	<u>\$ 22,096,669</u>	<u>\$ -</u>	<u>\$ 6,183</u>	<u>\$ 3,007,226</u>	<u>\$ 25,110,078</u>

CITY OF FILLMORE
Combining Statement of Revenues, Expenses, and
Changes in Net Assets
Proprietary Funds – Sewer Funds
For the fiscal year ended June 30, 2012

	Sewer Operating Fund	Sewer Projects Fund	Sewer Replacement Fund	Rate Stabilization Fund	Totals
Operating revenues					
Sales and service charges	\$ 4,486,347	\$ -	\$ -	\$ -	\$ 4,486,347
Other	251,076	-	-	-	251,076
Total operating revenues	<u>4,737,423</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,737,423</u>
Operating expenses					
Administration costs	392,218	-	-	-	392,218
Bad debt	(7,780)	-	-	-	(7,780)
Treatment and disposal plant	1,695,075	-	-	-	1,695,075
Depreciation	1,110,783	-	-	-	1,110,783
Total operating expenses	<u>3,190,296</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,190,296</u>
Operating income	<u>1,547,127</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,547,127</u>
Non-operating revenues					
(expenses)					
Investment income	(10)	-	-	8,150	8,140
Amortization	(83,242)	-	-	-	(83,242)
Interest expense	(2,770,312)	-	-	-	(2,770,312)
Bond trustee charges	(2,925)	-	-	-	(2,925)
Total non-operating revenues (expenses)	<u>(2,856,489)</u>	<u>-</u>	<u>-</u>	<u>8,150</u>	<u>(2,848,339)</u>
Income (loss) before transfers	(1,309,362)	-	-	8,150	(1,301,212)
Transfers in	1,535,250	9,155	-	-	1,544,405
Transfers out	(531,496)	-	-	(1,000,000)	(1,531,496)
Change in net assets	(305,608)	9,155	-	(991,850)	(1,288,303)
Net assets, beginning of year, restated	<u>22,402,277</u>	<u>(9,155)</u>	<u>6,183</u>	<u>3,999,076</u>	<u>26,398,381</u>
Net assets, end of year	<u>\$ 22,096,669</u>	<u>\$ -</u>	<u>\$ 6,183</u>	<u>\$ 3,007,226</u>	<u>\$ 25,110,078</u>

AGENCY FUNDS

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CITY OF FILLMORE
Agency Funds

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

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

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

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

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

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

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

CITY OF FILLMORE
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2012

	Special Deposits	Health Reimbursement Account	Community Facilities District No. 1
Assets			
Cash and investments	\$ 925,685	\$ 39,145	\$ 70,701
Cash and investments with fiscal agent	-	-	192,058
Receivables:			
Interest	-	-	19
Taxes	-	-	86,243
	<u>\$ 925,685</u>	<u>39,145</u>	<u>\$ 349,021</u>
Total assets	<u>\$ 925,685</u>	<u>39,145</u>	<u>\$ 349,021</u>
Liabilities			
Accounts payable	\$ 30,881	\$ -	\$ -
Deposits payable	894,804	39,145	-
Due to bondholders	-	-	349,021
	<u>\$ 925,685</u>	<u>39,145</u>	<u>\$ 349,021</u>
Total liabilities	<u>\$ 925,685</u>	<u>39,145</u>	<u>\$ 349,021</u>

Community Facilities District No. 2	Community Facilities District No. 3	Community Facilities District No. 5	Community Facilities District No. 6	Totals
\$ 62,267	\$ 292,612	\$ 806,520	\$ 79,014	\$ 2,275,944
40,500	315,193	-	-	547,751
17	78	216	21	351
-	2,640	-	-	88,883
<u>\$ 102,784</u>	<u>\$ 610,523</u>	<u>\$ 806,736</u>	<u>\$ 79,035</u>	<u>\$ 2,912,929</u>
\$ -	\$ -	\$ -	\$ -	\$ 30,881
-	-	-	-	933,949
102,784	610,523	806,736	79,035	1,948,099
<u>\$ 102,784</u>	<u>\$ 610,523</u>	<u>\$ 806,736</u>	<u>\$ 79,035</u>	<u>\$ 2,912,929</u>

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