

CITY OF FILLMORE
FINANCIAL STATEMENTS
JUNE 30, 2009

**CITY OF FILLMORE, CALIFORNIA
FINANCIAL STATEMENTS
Fiscal year ended June 30, 2009**

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INTRODUCTORY SECTION

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CITY OF FILLMORE

CENTRAL PARK PLAZA

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Fillmore, California 93015-1907

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April 2010

Honorable Mayor Patti Walker
Members of the City Council
Citizens of the City of Fillmore

The annual financial report of the City of Fillmore, for the fiscal year ended June 30, 2009, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the City of Fillmore issue annually a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position, results of operations, and cash flows of the various funds and component units of the City. All disclosures necessary to enable the reader to gain an understanding of the City's activities have been included.

The financial reporting entity (the government) includes all the funds of the primary government (i.e., the City of Fillmore as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable.

Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government; the Fillmore Redevelopment Agency (Agency) qualifies as a blended component unit in this regard. City Council members serve as the governing board of the Agency, and the City Manager also serves as the Executive Director of the Agency.

The Fillmore Public Financing Authority also qualifies as a blended component unit. Again, City Council members serve as the governing board of the Fillmore Public Financing Authority, and the City Manager also serves as the Executive Director.

Local Demographics and Government

The City of Fillmore is located in the historic Heritage Valley, approximately 60 miles northwest of Los Angeles. It is easily accessible by traveling west on Highway 126, from the Golden State (5) freeway. This beautiful drive takes visitors through an abundance of citrus groves and avocado orchards. The valley is surrounded by incredible mountain views. If one happens to be traveling at sunset, the views to the west are breathtaking. The Heritage Valley can also be accessed by entering Highway 126 from Highway 101 in Ventura, California. Fillmore is a city rich in history, culture, and traditions, dating back to the Chumash Indians who made their home here for centuries.

The City of Fillmore has built a Neo Classical designed City Hall, adjacent to the Central Park Plaza. A quiet stroll through this area or time permitting a rest on one of the quaint park benches allows visitors to reflect on a more gentle time. The scents of the nearby rose gardens and peaceful sounds of water fountains enhance the experience. The surrounding area depicts the architectural style of the 30's and 40's and from the Central Park Plaza, visitors can take in a variety of views. The residents of Fillmore are quite passionate about preserving their city and its history, and this passion is reflected throughout the city.

The City covers an area of 3.5 square miles, with a sphere of influence of 3.95 square miles. The City is home to a population of 15,639 persons. The average temperature is 77.65 degrees and annual rainfall is 18.17 inches.

The City has a Council-Manager form of government. There are five Council members who serve overlapping terms of four years and the Council in turn elects one of the Council members to serve as the Mayor for a term of two years. The Council engages a City Manager and a City Attorney. The City Manager is the chief executive officer of the City, and it is the City Manager's responsibility to hire department managers for each of the City functions. Such person also proposes the annual budgets, coordinates and oversees all activities of the organization, and implements the policies, budgets, and laws adopted by the City Council.

The Fillmore Redevelopment Agency was created on August 28, 1979, by an Ordinance of the City Council, pursuant to the California Community Redevelopment Law. The Agency is governed by the Fillmore City Council acting as the Agency's board.

Economic Outlook

The economic outlook for Fillmore is a guarded one because of the stringent limitations imposed by the Los Angeles Regional Water Quality Control Board on the City's wastewater discharge, the slight to no economic growth, and the slow down in the housing market. City wide assessed property values have decreased 9.3 percent between fiscal years 2008 and 2009. The foreclosure situation in Ventura County continues to be of concern. In Calendar year 2007 there were 3,776 Notice of Trustee Sales recorded with the Ventura County Recorders office. In 2008, the number grew to 8,705 and in 2009 there were 10,241. It is expected that the real estate market will remain weak through 2010 and 2011.

However, the Fillmore Business Park Master Plan/EIR has been adopted. Many years were invested in this Plan and the outcome for Fillmore will be a balanced community

with strong economic and employment opportunities for the City. The 90 acres of Plan Area are composed of several parcels with 10 different property owners. At this time, the subject properties are either in agricultural use or vacant, though all of the Plan Area is disturbed by previous development activity. The Master Plan/EIR recognized the right of adjacent property owners to continue to farm. In areas where Business Park uses will be adjacent to agricultural uses the Plan allows for appropriate buffering techniques. The formation of the Business Park continues to be a prominent project for the City of Fillmore and at build out will provide over 1,450 new job opportunities for the community.

The City contracts with the Ventura County Sheriffs Department for Police services. It boasts a fine Volunteer Fire Department. Recreation and parks, general administrative services, planning and zoning, and building and safety are among the services offered by the City.

The City of Fillmore also provides water and sewer under an enterprise fund system with user fees generating the principal revenues for funding these programs. Although the City maintains its sewer lines, the plant operation and maintenance and disposal are provided under contract.

The City also operates the town theatre. The historic Towne Theatre, built in 1916, is one of the last remaining single screen theatres in Southern California The theatre offers first run movies at hometown prices.

Several major projects are underway in the City of Fillmore. For the last two fiscal years the City has been committed to installing a large storm drain through Central Avenue to help offset the much needed flooding issues caused by upper Central Avenue runoff during small and large storm events. This project has taken a toll on the businesses on Central Avenue due to the length of the project, This \$3.8 million project nears completion with the street overlay's projected completion in July 2009.

The City has completed a \$1.1 million skate park on the edge of the projected Two River Park south of highway 126. The design and development of this park has been highly praised through out Southern California. On any weekend is it possible to see 100 to 150 skaters of all ages from various communities through out California.

The school system has completed the construction of the new Mountain View Elementary School in North Fillmore. They anticipate construction of another elementary school for the Heritage Valley Parks Specific Plan area. However, the state and national economy has delayed the start date for this facility. That school will be located south of highway 126 and will accommodate the River Oaks and Heritage Valley residents as well as children from existing city areas.

Current Major Initiatives

On December 1, 2008 the Governor declared a State fiscal emergency and called lawmakers into a special session to address California's budget deficit. Since the State adopted a \$103.4 billion spending plan on September 23, 2008, which included \$510 million of Governor blue-lined expenditure reductions, the State budget situation has continued to worsen. Primary revenue sources have continued to deteriorate, not only missing budget estimates but also running behind this point last year. Since the City receives a significant amount of funding from the State, we continue to monitor these

funding levels. The anticipated reduction in the COPS Grant of (\$45,000) and the loss of Proposition 172 revenue (\$88,042), which directly funds the City's Sheriff's contract, will take a toll on budgeting in years to come. Additionally for the next fiscal year, the Governor has recommended shifting \$1.7 billion from redevelopment agencies to a Supplemental Education Revenue Augmentation Fund (SERAF). This shift would impact the City of Fillmore's Redevelopment Agency by reducing tax increment revenue by \$2.8 million in fiscal year 2009-10.

Fiscal year 2008-09 has proved to be one of the most difficult times in financial market history. However, due to the City's investment objective of safety and liquidity, the financial market difficulties have not had a significant impact on the City's investments. It is expected that the City's yield will decline due to the current interest rate environment.

The City has completed construction of a new Water Recycling Plant in the Fall of 2009, as part of a Time Schedule Order imposed by the Los Angeles Regional Water Quality Control Board, and in response to revised, more stringent limitations on wastewater discharge. If the City had failed to comply with any provisions of this Order, the Regional Water Quality Control Board had the authority and would have imposed fines for each day the City was in non compliance. The new Water Recycling Plant and Reuse System are expected to cost \$69 million. The operation and management of the new facility including electricity will cost approximately \$1,750,000 per year. The City has completed the purchase of the 12 acre parcel west of Fillmore that will house the new 1.3 MGD plant and has contracted with American Water for a DBO (Design, Build, Operate) of the new Water Recycling Plant. The construction phase of the plant is nearing completion and it is projected the plant will be processing by August 2010. The City has issued \$57.4 million in revenue bonds to help finance the capital improvement costs. Debt service repayment will be generated by user fee increases and new development fees over the life a 40 year bond issue.

The City understands the sizable burden this causes the existing rate payers and is looking to every possible revenue source to mitigate the effect on the rate payer. However a second monthly residential rate increase from \$72 to \$80 became effective on July 1, 2009.

The California Regional Water Quality Control Board administers California's Stormwater program through issuance of Storm water Permits under the National Pollutant Discharge Elimination System (NPDES) permit program. In late 2006, a Draft Permit for the Ventura Countywide Stormwater Program was released for comment. In 2007 and 2008, revised Draft Permits were released. A final Permit was adopted by the LA Regional Board in the Summer of 2009. However, the Building Industry Association (BIA) appealed the provisions of the Regional Permits to the State Wastewater Resources Control Board (SWRCB) and was granted relief by referring the permits back to the California Regional Water Quality Control Board. The new Stormwater Permit will significantly increase both the City's and the County's responsibilities resulting in a comparable increase in financial obligations for all jurisdictions. Anticipated costs under the new permit could range for all entities from \$30 to \$140 million.

In 2003, the City of Fillmore entered into an Economic Development Agreement with two consultants to create incentive for sales tax generating businesses to locate sales offices in Fillmore. These Economic Development Agreements provide that the City will retain 15% of the sales tax generated by those retailers brought to Fillmore by the consultants,

with the remaining 85% being split between the retailer and the consultant. In 2008, various cities in California filed petitions for sales tax reallocation before the State Board of Equalization (BOE) to attempt to have the sales tax revenues reallocated away from Fillmore and to the petitioning cities. These petitions resulted in BOE staff determinations that were adverse to the City. The City appealed these adverse staff decisions, and is presently engaged in the administrative appeals process at the BOE. Consequently, since approximately 2008, the BOE has withheld sales tax payments to the City pending the outcome of the appeals. Additionally, the City has created and funded a reserve in the City's General Fund in the amount of \$2.8 million.

Financial Information

It is recognized that City management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. This should provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation costs and benefits require estimates and judgments by management.

As a recipient of federal, state, and local financial assistance, the City also is responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

The City maintains budgetary controls with the objective of ensuring compliance with legal provisions embodied in the annual appropriated budget approved by the City council. Activities of most funds are included in the annual appropriated budget. Project-length financial plans are adopted for long-term capital projects in a five-year Capital Improvement Plan.

Budgets are prepared for the individual departments within specific funds as management control devices, but the level of budgetary control (i.e. the level at which expenditures cannot legally exceed the appropriated amount) remains at the fund level. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Unencumbered and unexpended appropriations lapse at the end of each fiscal year and become available to finance the next year's budget. However, encumbrances outstanding at the fiscal year-end are generally re-appropriated as part of the following fiscal year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, the City of Fillmore continues to meet its responsibility for sound financial management. For further analysis of the City's financial position, please refer to the Management Discussion and Analysis report in the Financial Section.

Independent Audit

The City is required by state statute to have an annual audit by independent certified public accountants. The accounting firm of Rogers, Anderson, Malody, and Scott, Certified Public Accountants, of San Bernardino, California, was retained by the City to perform the audit of financial records for the fiscal year ended June 30, 2009. The auditors report on the fair presentation of the financial statements, the internal controls, and compliance with legal requirements.

Acknowledgements

The cooperation, assistance, and understanding of the entire staff of the Finance Department is greatly appreciated. I express my appreciation to our independent auditors Rogers, Anderson, Malody, and Scott who contributed to the preparation of this report. I also thank the City Council and the City Manager for their support in planning and conducting the financial operations of the City in a responsive and effective manner.

Respectfully Submitted:



Anita Lawrence
Transitional Finance Director

FINANCIAL SECTION

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ROGERS, ANDERSON, MALODY & SCOTT, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fillmore, California (City) as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fillmore, California, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable thereof, for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2010 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grants, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining nonmajor fund financial statements and schedules, combining sewer fund statements, and supplementary budgetary comparison schedules, are presented for purposes of additional analysis and are not required parts of the basic financial statements. The combining nonmajor fund financial statements and schedules, combining sewer fund statements, and supplementary budgetary comparison schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Rogers, Anderson, Malady & Scott, LLP

March 8, 2010

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2009
(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, 2009. Please read this discussion and analysis in conjunction with the accompanying transmittal letter, the basic financial statements, and the accompanying notes to the basic financial statements.

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

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

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

REPORTING THE CITY AS A WHOLE

The Statement of Net Assets and the Statement of Activities

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

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

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

Governmental Activities

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

Business-Type Activities

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

Fund Financial Statements

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

Governmental Funds

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

Proprietary Funds

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

Fiduciary Funds

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

	Governmental Activities	Business-type Activities	Total
Net assets:			
Invested in capital assets, net of related debt	\$ 6,553,716	\$ 16,992,905	\$ 23,546,621
Restricted for:			
Housing	5,024,503	-	5,024,503
Debt service	75,726,111	5,375,630	81,101,741
Parkland	149,894	-	149,894
Water improvements	453,255	-	453,255
Sewer and storm drain improvements	157,639	-	157,639
Streets and roads	633,399	-	633,399
Capital projects	384,043	-	384,043
Unrestricted	(58,131,415)	2,242,242	(55,889,173)
 Total net assets	 \$ 30,951,145	 \$ 24,610,777	 \$ 55,561,922

Governmental Activities

The following schedule summarizes the financial position of the city's governmental activities as June 30, 2009 and 2008:

	2009	2008
Assets:		
Current assets	\$ 95,776,655	\$ 96,325,284
Deferred charges, net	4,606,963	4,870,355
Restricted assets:		
Cash and investments with fiscal agents	15,709,953	20,357,526
Capital assets not being depreciated	28,916,106	18,961,579
Capital assets being depreciated, net	18,133,834	18,858,109
Total assets	\$ 163,143,511	\$ 159,372,853
Liabilities:		
Current liabilities	\$ 6,327,321	\$ 2,854,258
Noncurrent liabilities:		
Due within one year	1,024,121	955,996
Due in more than one year	124,840,924	125,838,082
Total liabilities	132,192,366	129,648,336
Net assets:		
Invested in capital assets, net of related debt	6,553,716	1,550,061
Restricted	82,528,844	100,728,436
Unrestricted	(58,131,415)	(72,553,980)
Total net assets	\$ 30,951,145	\$ 29,724,517

At the end of fiscal year 2009, the current assets are 58.70% of the total assets with the remaining 41.29% representing capital assets, net of accumulated depreciation, restricted assets and deferred charges. The current liabilities are approximately 4.78% of the total liabilities. The current ratio for governmental activities at the end of the year is \$15.14 of current assets for every \$1.00 of current liabilities. This is a decrease of \$18.65 or 44.87% from last year. Of the total net assets, 266% was restricted and the remaining (166%) represented unrestricted assets, which are available for future operations.

The cost of all governmental activities during fiscal year 2009 was \$20,168,475. The amount that the City's taxpayers ultimately financed, however, was \$14,518,925. Some of the cost of governmental activities was paid by those who directly benefited from the programs \$2,084,856 or by other government agencies and organizations that subsidized certain programs with grants and contributions totaling \$1,969,380.

Overall, the City generated program revenues from governmental activities amounting to \$4,054,236. The remaining cost of governmental activities \$16,114,239 was paid by the City's sources of general revenue (taxes and other general revenues).

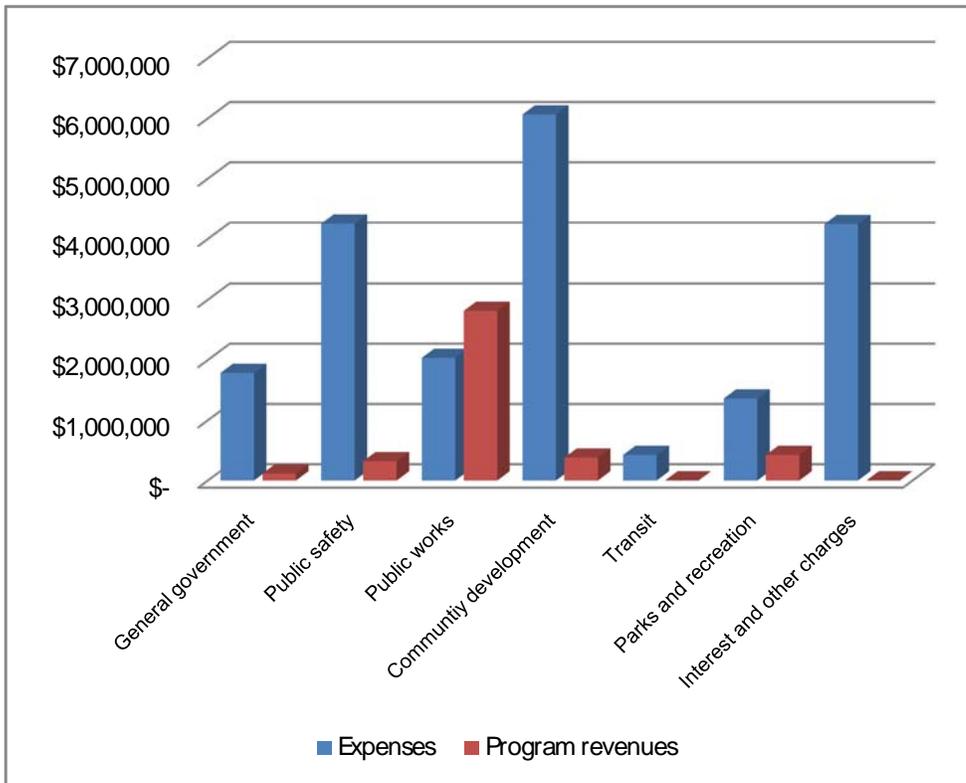
The City's governmental activities include General Government, Public Safety (Police and Fire services), Public Works, Community Development, Transit, Parks and Recreation, and Interest on Long-term Debt.

The following table represents the changes in net assets for governmental activities for the fiscal years ended June 30, 2009 and 2008:

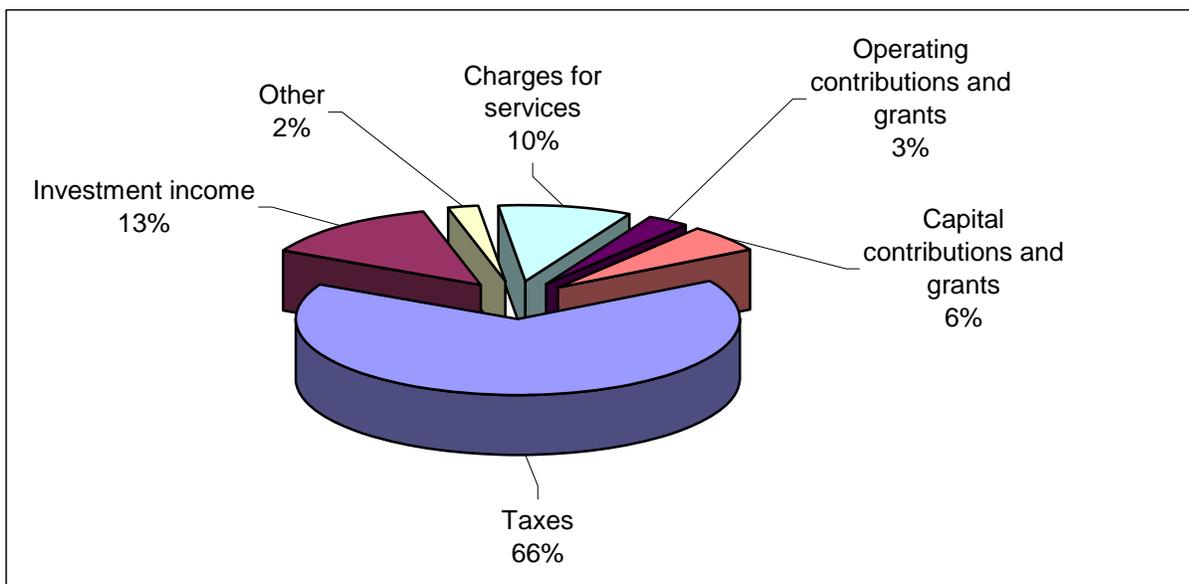
	<u>2009</u>	<u>2008</u>
General revenues:		
Taxes	\$ 14,429,068	\$ 16,254,182
Investment income	2,917,836	5,467,358
Other	89,857	-
Gain on sale of property	427,600	-
Program revenues:		
Charges for services	2,084,856	2,289,025
Operating contributions and grants	706,195	1,860,496
Capital contributions and grants	1,263,185	506,290
	<u>21,918,597</u>	<u>26,377,351</u>
Expenses:		
General government	1,784,885	5,126,136
Public safety	4,251,443	4,443,275
Public works	2,035,682	2,051,874
Community development	6,064,926	3,927,509
Transit	424,486	383,999
Parks and recreation	1,360,997	396,161
Interest and other charges	4,246,056	6,599,187
	<u>20,168,475</u>	<u>22,928,141</u>
Increase in net assets before transfers	1,750,122	3,449,210
Transfers in (out)	<u>506,060</u>	<u>(3,548,406)</u>
Change in net assets	2,256,182	(99,196)
Net assets at beginning of year, restated	<u>28,694,963</u>	<u>29,823,713</u>
Net assets at end of year	<u>\$ 30,951,145</u>	<u>\$ 29,724,517</u>

Governmental Activities

Governmental activities expenses and programs revenues for the year ended June 30, 2009:



Governmental activities revenues by source for the year ended June 30, 2009:



Business Type Activities

The following schedule summarizes the financial position of the City's business-type activities at June 30, 2009 and 2008:

	2009	2008
Assets:		
Current assets	\$ 8,167,381	\$ 4,440,064
Internal balances	(65,198,376)	(64,956,787)
Deferred charges, net	1,425,162	1,469,382
Restricted assets:		
Cash and investments with fiscal agents	19,566,476	44,037,817
Capital assets not being depreciated	57,547,376	32,727,229
Capital assets being depreciated, net	11,211,489	11,255,465
Total assets	\$ 32,719,508	\$ 28,973,170
Liabilities:		
Current liabilities	\$ 6,002,366	\$ 4,494,048
Noncurrent liabilities:		
Due within one year	86,444	42,697
Due in more than one year	2,019,921	2,144,615
Total liabilities	8,108,731	6,681,360
Net assets:		
Invested in capital assets, net of related debt	16,992,905	16,127,311
Restricted	5,375,630	7,922,313
Unrestricted	2,242,242	(1,757,814)
Total net assets	\$ 24,610,777	\$ 22,291,810

The business-type activities of the City showed a current ratio at June 30, 2009: \$1.36 of current assets for every \$1.00 of current liabilities. Net assets for business-type activities totaled \$24,610,777. Of the total net assets, \$16,992,905 was invested in capital assets, \$5,375,630 was restricted for debt service, and \$2,242,242 was unrestricted.

Total expenses for business-type activities for the fiscal year ended June 30, 2009 were \$7,419,743. Program revenues are primarily comprised of charges for services in the amount of \$7,065,104. Transfers to governmental activities amounted to \$506,060. The City also received Prop 50 monies totaling \$1,556,475 which is classified as capital grants and contributions.

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

The following table presents the changes in net assets for the business-type activities for the fiscal years ended June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
General revenues:		
Investment income	\$ 1,623,191	\$ 2,693,903
Program revenues:		
Charges for services	7,065,104	8,219,760
Capital contributions and grants	1,556,475	-
	<u>10,244,770</u>	<u>10,913,663</u>
Expenses:		
Sewer	4,947,285	4,191,490
Water	2,360,380	2,378,886
Theatre	112,078	131,524
	<u>7,419,743</u>	<u>6,701,900</u>
Increase in net assets before transfers	2,825,027	4,211,763
Transfers in (out)	<u>(506,060)</u>	<u>3,548,406</u>
Change in net assets	2,318,967	7,760,169
Net assets at beginning of year	<u>22,291,810</u>	<u>14,531,641</u>
Net assets at end of year	<u>\$ 24,610,777</u>	<u>\$ 22,291,810</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 \$5,505,113, which is an increase of \$2,282,374 as compared to the prior fiscal year. This increase is due to cost cutting within the General Fund.

General Fund revenues for the fiscal year ended June 30, 2009, were \$7,389,905, not including \$560,101 of transfers in a decrease of 29%.

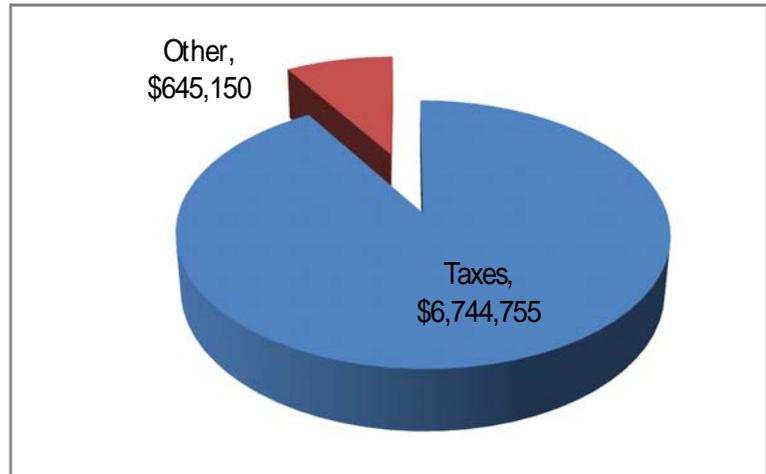
General Fund expenditures were \$5,621,522 for fiscal year 2009, not including \$46,110 of transfers out, a decrease of 40%.

Overall, General Fund revenues decreased by \$3,089,323 due to the current economic environment. General fund expenditures decreased by \$3,751,710 due to costs in all programs in lieu of the current economic environment.

General fund revenues for the year ended June 30, 2009:

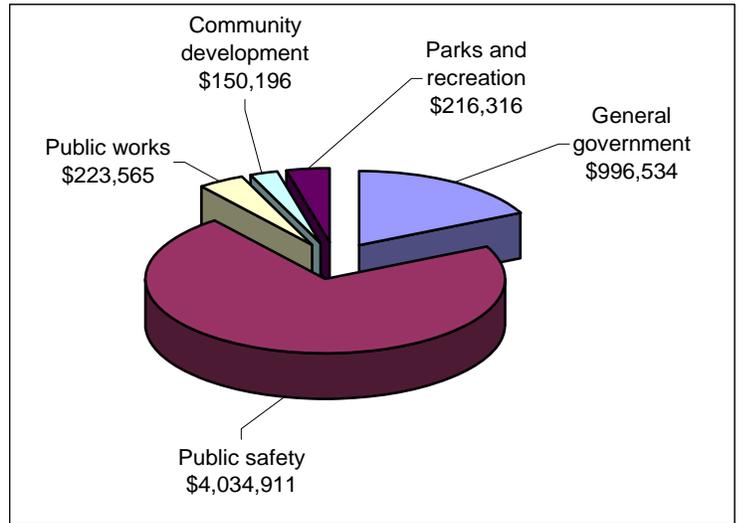
Revenues:

Taxes	\$ 6,744,755
Licenses and permits	10,499
Fines and forfeitures	22,955
Investment income	137,948
Intergovernmental	130,945
Charges for services	318,113
Other	24,690
	<hr/>
Total revenues	<u><u>\$ 7,389,905</u></u>



General fund expenditures for the year ended June 30, 2009:

General fund expenditures:	
General government	\$ 996,534
Public safety	4,034,911
Public works	223,565
Community development	150,196
Parks and recreation	216,316
	<hr/>
Total expenditures	<u><u>\$ 5,621,522</u></u>



Other Major Funds

Redevelopment Agency Debt Service Fund:

Tax increment revenue totaled \$6,071,600 for the fiscal year an increase of 4.36% over the prior year. These revenues were used to fund pass through payments to other local agencies, pay principal and interest on long-term debt and fund various capital projects of the City's Redevelopment Agency.

Redevelopment Agency Capital Projects Fund:

A variety of capital projects were included in this Fund's expenditures of \$5,012,506 this year. Mostly notably; to fund the community pool design and construction.

Public Financing Authority Debt Service Fund:

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

Enterprise Funds:

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

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business type activities as of June 30, 2009, amounts to \$115,808,805 (net of accumulated depreciation). Of that, \$47,049,940 is in governmental activities and \$68,758,865 is business type capital assets. The large increase in the governmental activities is due to the pool project and various infrastructure projects. The large increase in the business-type activities is due to a large sewer project. The City's capital assets include land, land improvements, buildings, improvements other than buildings, machinery and equipment, and construction in progress.

DEBT ADMINISTRATION

The City uses a variety of tax increment, revenue, and lease indebtedness to finance various capital acquisitions. At June 30, 2009, the City's long-term debt outstanding was \$125,964,974. Of this total, \$125,865,045 was in governmental activities and \$99,929 was in business-type activities.

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

	Governmental Activities		Business-Type Activities	
	2009	2008	2009	2008
Revenue bonds	\$ 69,555,000	\$ 69,860,000	\$ -	\$ -
Capital leases payable	658,603	768,723	-	-
Notes/bonds and loans	48,089,537	48,358,785	28,146	32,843
Certificates of participation	7,360,000	7,515,000	-	-
Compensated absence	201,905	291,570	71,783	94,996
Premium	-	-	2,006,436	2,059,473
Totals	<u>\$125,865,045</u>	<u>\$126,794,078</u>	<u>\$ 2,106,365</u>	<u>\$ 2,187,312</u>

	Total	
	2009	2008
Revenue bonds	\$ 69,555,000	\$ 69,860,000
Capital leases	658,603	768,723
Notes/bonds and loans	48,117,683	48,391,628
Certificates of participation	7,360,000	7,515,000
Compensated absence	273,688	386,566
Premium	2,006,436	2,059,473
Totals	<u>\$127,971,410</u>	<u>\$128,981,390</u>

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

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

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

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

BUDGETING

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

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

General Fund Budgetary Highlights

The General Fund actual expenditures were under final budget appropriations excluding transfers out by approximately \$599,038 while the actual revenues exceeded final budget estimated revenues excluding transfers in by \$2,200,202. The largest revenue shortfall in comparison with the final budget were in charges for services.

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 phone at (805) 524-3701.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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CITY OF FILLMORE
Statement of Net Assets
June 30, 2009

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 19,120,855	\$ 6,528,033	\$ 25,648,888
Cash and investments, restricted	12,909,953	-	12,909,953
Cash and investments with fiscal agents	4,197,162	19,566,476	23,763,638
Receivables:			
Intergovernmental	197,884	-	197,884
Accounts	423,244	1,609,555	2,032,799
Interest	713,989	29,793	743,782
Notes and loans	8,200,145	-	8,200,145
Land held for resale	525,000	-	525,000
Internal balances	65,198,376	(65,198,376)	-
Deferred charges, net of amortization	4,606,963	1,425,162	6,032,125
Capital assets not being depreciated	28,916,106	57,547,376	86,463,482
Capital assets, net of accumulated depreciation	18,133,834	11,211,489	29,345,323
Total assets	163,143,511	32,719,508	195,863,019
LIABILITIES			
Accounts payable	1,931,989	5,340,745	7,272,734
Accrued interest payable	698,871	550,417	1,249,288
Unearned revenue	3,627,583	-	3,627,583
Deposits payable	68,878	111,204	180,082
Noncurrent liabilities:			-
Due within one year	1,024,121	86,444	1,110,565
Due in more than one year	124,840,924	2,019,921	126,860,845
Total liabilities	132,192,366	8,108,731	140,301,097
NET ASSETS			
Invested in capital assets, net of related debt	6,553,716	16,992,905	23,546,621
Restricted for:			
Housing	5,024,503	-	5,024,503
Debt service	75,726,111	5,375,630	81,101,741
Parkland	149,894	-	149,894
Water improvement	453,255	-	453,255
Sewer and storm drain improvement	157,639	-	157,639
Streets and roads	633,399	-	633,399
Capital projects	384,043	-	384,043
Unrestricted	(58,131,415)	2,242,242	(55,889,173)
Total net assets	\$ 30,951,145	\$ 24,610,777	\$ 55,561,922

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

CITY OF FILLMORE
Statement of Activities
For the fiscal year ended June 30, 2009

Functions/Programs	Expenses	Program Revenues		
		Charges for Service	Operating Contributions and Grants	Capital Contributions and Grants
Governmental activities:				
General government	\$ 1,784,885	\$ 115,907	\$ -	\$ -
Public safety	4,251,443	151,896	167,990	-
Public works	2,035,682	1,180,213	371,900	1,263,185
Community development	6,064,926	229,353	151,305	-
Transit	424,486	-	-	-
Parks and recreation	1,360,997	407,487	15,000	-
Interest and other charges	4,246,056	-	-	-
Total governmental activities	<u>20,168,475</u>	<u>2,084,856</u>	<u>706,195</u>	<u>1,263,185</u>
Business-type activities:				
Water	4,947,285	4,575,395	-	1,556,475
Sewer	2,360,380	2,412,236	-	-
Town Theater	112,078	77,473	-	-
Total business-type activities	<u>7,419,743</u>	<u>7,065,104</u>	<u>-</u>	<u>1,556,475</u>
Total government	<u>\$ 27,588,218</u>	<u>\$ 9,149,960</u>	<u>\$ 706,195</u>	<u>\$ 2,819,660</u>

General revenues:

Taxes:

 Property taxes

 Sales taxes

 Transient occupancy tax

 Franchise taxes

 Business licenses

 Other taxes

Motor vehicle in lieu

Other

Investment income

Gain on sale of property

Transfers

Total general revenues and transfers

Change in net assets

Net assets at beginning of year, restated

Net assets at 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
\$ (1,668,978)	\$ -	\$ (1,668,978)
(3,931,557)	-	(3,931,557)
779,616	-	779,616
(5,684,268)	-	(5,684,268)
(424,486)	-	(424,486)
(938,510)	-	(938,510)
(4,246,056)	-	(4,246,056)
<u>(16,114,239)</u>	<u>-</u>	<u>(16,114,239)</u>
-	1,184,585	1,184,585
-	51,856	51,856
-	(34,605)	(34,605)
<u>-</u>	<u>1,201,836</u>	<u>1,201,836</u>
<u>(16,114,239)</u>	<u>1,201,836</u>	<u>(14,912,403)</u>
13,180,076	-	13,180,076
607,205	-	607,205
69,401	-	69,401
354,869	-	354,869
116,547	-	116,547
100,970	-	100,970
53,150	-	53,150
36,707	-	36,707
2,917,836	1,623,191	4,541,027
427,600	-	427,600
506,060	(506,060)	-
<u>18,370,421</u>	<u>1,117,131</u>	<u>19,487,552</u>
2,256,182	2,318,967	4,575,149
<u>28,694,963</u>	<u>22,291,810</u>	<u>50,986,773</u>
<u>\$ 30,951,145</u>	<u>\$ 24,610,777</u>	<u>\$ 55,561,922</u>

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FUND FINANCIAL STATEMENTS

CITY OF FILLMORE
Balance Sheet
Governmental Funds
June 30, 2009

	Debt Service Funds		
	General	Redevelopment Agency	Public Financing Authority
ASSETS			
Cash and investments	\$ 7,491,482	\$ 2,526,748	\$ 1,400
Restricted cash and investments	-	-	-
Cash and investments with fiscal agents	-	3,247,144	950,018
Receivables:			
Intergovernmental	70,808	16,560	-
Accounts	188,242	-	-
Interest	20,887	8,673	603,882
Notes and loans	-	-	-
Due from other funds	1,503,522	-	82,273
Advances to other funds	-	-	76,110,000
Land held for resale	-	-	-
	<u>\$ 9,274,941</u>	<u>\$ 5,799,125</u>	<u>\$ 77,747,573</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 433,064	\$ 3,312	\$ -
Accrued liabilities	306,422	-	-
Due to other funds	-	-	718,721
Deferred revenue	3,011,214	-	603,870
Deposits payable	19,128	-	-
Advances from other funds	-	11,260,000	-
	<u>3,769,828</u>	<u>11,263,312</u>	<u>1,322,591</u>
Fund balances:			
Reserved			
Reserved for advances	-	-	76,110,000
Reserved for land held for resale	-	-	-
Reserved for debt service	-	-	314,982
Reserved for low and moderate housing	-	-	-
Reserved for projects	-	-	-
Unreserved, reported in:			
General fund	5,505,113	-	-
Special revenue funds	-	-	-
Capital projects funds	-	-	-
Debt service funds	-	(5,464,187)	-
	<u>5,505,113</u>	<u>(5,464,187)</u>	<u>76,424,982</u>
Total fund balances	<u>\$ 9,274,941</u>	<u>\$ 5,799,125</u>	<u>\$ 77,747,573</u>
Total liabilities and fund balances	<u>\$ 9,274,941</u>	<u>\$ 5,799,125</u>	<u>\$ 77,747,573</u>

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

Capital Projects Fund Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
\$ 420,683	\$ 8,680,542	\$ 19,120,855
12,909,953	-	12,909,953
-	-	4,197,162
-	110,516	197,884
13,385	221,617	423,244
51,264	29,283	713,989
5,421,485	2,778,660	8,200,145
1,731,172	-	3,316,967
-	-	76,110,000
-	525,000	525,000
<u>\$ 20,547,942</u>	<u>\$ 12,345,618</u>	<u>\$ 125,715,199</u>

\$ 94,579	\$ 1,068,242	\$ 1,599,197
26,370	-	332,792
76,038	2,173,832	2,968,591
5,450,887	2,783,109	11,849,080
-	49,750	68,878
-	-	11,260,000
<u>5,647,874</u>	<u>6,074,933</u>	<u>28,078,538</u>

-	-	76,110,000
-	525,000	525,000
-	-	314,982
-	4,499,503	4,499,503
14,469,100	-	14,469,100
-	-	5,505,113
-	2,780,864	2,780,864
430,968	(1,534,682)	(1,103,714)
-	-	(5,464,187)
<u>14,900,068</u>	<u>6,270,685</u>	<u>97,636,661</u>

<u>\$ 20,547,942</u>	<u>\$ 12,345,618</u>	<u>\$ 125,715,199</u>
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CITY OF FILLMORE
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2009

Fund balances of governmental funds		\$ 97,636,661
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		56,283,453
Accumulated depreciation		(9,233,513)
Long term debt has not been included in the governmental fund activity:		
Loans payable		(534,537)
Revenue bonds		(69,555,000)
Bonds/notes		(47,555,000)
Certificates of participation payable		(7,360,000)
Capital leases payable		(658,603)
Compensated absences		(201,905)
Certain accounts, interest, advances, and intergovernmental receivables are not available to pay for current period expenditures and, therefore, are offset by deferred revenue in the governmental funds.		
		8,221,497
Deferred charges, net of accumulated amortization for debt issuance costs on long-term debt have not been reported in the governmental funds.		
		4,606,963
Accrued interest payable for the current portion of interest due on long-term debt have not been reported in the governmental funds.		
		(698,871)
Net assets of governmental activities		\$ 30,951,145

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, 2009

	Debt Service Funds		
	General	Redevelopment Agency	Public Financing Authority
REVENUES			
Taxes	\$ 6,744,755	\$ 6,071,600	\$ -
Licenses and permits	10,499	-	-
Fines and forfeitures	22,955	-	-
Investment income	137,948	38,797	1,413,524
Intergovernmental	130,945	-	-
Charges for services	318,113	-	-
Other	24,690	-	-
Total revenues	7,389,905	6,110,397	1,413,524
EXPENDITURES			
Current:			
General government	996,534	-	-
Public safety	4,034,911	-	-
Public works	223,565	-	-
Community development	150,196	-	-
Pass through payments	-	1,729,529	-
Transit	-	-	-
Parks and recreation	216,316	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	180,000	570,120
Interest and fiscal charges	-	3,415,509	1,145,232
Total expenditures	5,621,522	5,325,038	1,715,352
Excess (deficiency) of revenues over (under) expenditures	1,768,383	785,359	(301,828)
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of property	-	-	-
Transfers in	560,101	-	145,966
Transfers out	(46,110)	(862,500)	-
Total other financing sources (uses)	513,991	(862,500)	145,966
Net change in fund balances	2,282,374	(77,141)	(155,862)
Fund balances, beginning of year, restated	3,222,739	(5,387,046)	76,580,844
Fund balances, end of year	\$ 5,505,113	\$ (5,464,187)	\$ 76,424,982

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

Capital Projects Fund Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 1,658,873	\$ 14,475,228
-	-	10,499
-	93,406	116,361
518,752	325,382	2,434,403
-	1,842,486	1,973,431
-	1,495,101	1,813,214
25	-	24,715
<u>518,777</u>	<u>5,415,248</u>	<u>20,847,851</u>
275,162	101,080	1,372,776
-	37,639	4,072,550
-	1,109,147	1,332,712
1,092,078	2,100,154	3,342,428
-	-	1,729,529
-	424,486	424,486
-	818,617	1,034,933
5,012,506	6,748,224	11,760,730
-	89,248	839,368
-	-	4,560,741
<u>6,379,746</u>	<u>11,428,595</u>	<u>30,470,253</u>
<u>(5,860,969)</u>	<u>(6,013,347)</u>	<u>(9,622,402)</u>
568,800	-	568,800
842,500	4,498,146	6,046,713
(865,592)	(3,766,451)	(5,540,653)
<u>545,708</u>	<u>731,695</u>	<u>1,074,860</u>
(5,315,261)	(5,281,652)	(8,547,542)
<u>20,215,329</u>	<u>11,552,337</u>	<u>106,184,203</u>
<u>\$ 14,900,068</u>	<u>\$ 6,270,685</u>	<u>\$ 97,636,661</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, 2009

Net change in fund balances - total governmental funds \$ (8,547,542)

Amounts reported for governmental activities in the statement of activities differ from the amounts reported in the statement of activities because:

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

Capital outlay, net of disposals	10,090,163
Depreciation, net of disposals	(859,911)

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.	839,368
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Debt issuance costs are expenditures in the governmental funds, but these costs are capitalized on the statement of net assets. Likewise, the deferred gain (loss) on the refunding debt is amortized over the life of the debt. This is the cost less the amount of amortization in the current period.	(263,392)
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------

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.	89,665
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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.	593,146
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Accrued interest for debt service. This is the net change in accrued interest for the current period.	314,685
-------------------------------------------------------------------------------------------------------	---------

Change in net assets of governmental activities	\$ 2,256,182
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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, 2009

	Enterprise Funds			Total
	Sewer	Water	Town Theater	
ASSETS				
Current assets:				
Cash and investments	\$ 4,902,917	\$ 1,625,116	\$ -	\$ 6,528,033
Cash and investments with fiscal agents	19,326,761	239,715	-	19,566,476
Accounts receivable, net	1,249,744	359,811	-	1,609,555
Interest receivable	24,572	5,221	-	29,793
Total current assets	25,503,994	2,229,863	-	27,733,857
Noncurrent assets:				
Deferred issuance costs, net	1,152,267	272,895	-	1,425,162
Capital assets:				
Land	2,688,630	497,523	-	3,186,153
Construction in progress	54,185,366	175,857	-	54,361,223
Depreciable infrastructure, net	3,983,313	4,690,592	-	8,673,905
Depreciable buildings and improvements, net	-	133,833	-	133,833
Depreciable equipment, net	1,923,984	479,110	657	2,403,751
Total non-current assets	63,933,560	6,249,810	657	70,184,027
Total assets	89,437,554	8,479,673	657	97,917,884

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

CITY OF FILLMORE
Statement of Net Assets
Proprietary Funds
June 30, 2009

	Enterprise Funds			Total
	Sewer	Water	Town Theater	
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 5,144,522	\$ 188,935	\$ 7,288	\$ 5,340,745
Accrued interest payable	474,659	75,758	-	550,417
Deposits payable	49,755	61,074	375	111,204
Due to other funds	6,856	27,884	313,636	348,376
Current portion of long-term obligations	64,787	21,657	-	86,444
Total current liabilities	<u>5,740,579</u>	<u>375,308</u>	<u>321,299</u>	<u>6,437,186</u>
Noncurrent liabilities:				
Compensated absences	10,584	32,486	-	43,070
Advances payable	57,490,000	7,360,000	-	64,850,000
Loan payable - State Water Board	23,446	-	-	23,446
Premium on long-term advances	1,953,405	-	-	1,953,405
Total non-current liabilities	<u>59,477,435</u>	<u>7,392,486</u>	<u>-</u>	<u>66,869,921</u>
Total liabilities	<u>65,218,014</u>	<u>7,767,794</u>	<u>321,299</u>	<u>73,307,107</u>
NET ASSETS				
Invested in capital assets, net of related debt	18,102,438	(1,110,190)	657	16,992,905
Restricted for debt service	5,211,673	163,957	-	5,375,630
Unrestricted	905,429	1,658,112	(321,299)	2,242,242
Total net assets	<u>\$ 24,219,540</u>	<u>\$ 711,879</u>	<u>\$ (320,642)</u>	<u>\$ 24,610,777</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, 2009

	Enterprise Funds			Total
	Sewer	Water	Town Theater	
OPERATING REVENUES				
Sales and service charges	\$ 4,249,684	\$ 2,351,789	\$ 77,473	\$ 6,678,946
Other revenue	325,711	60,447	-	386,158
Total operating revenues	4,575,395	2,412,236	77,473	7,065,104
OPERATING EXPENSES				
Administration costs	420,646	490,342	111,652	1,022,640
Bad debt	83,887	45,759	-	129,646
Pumping	-	475,538	-	475,538
Transmission and distribution	-	438,564	-	438,564
Customer accounts	-	319,788	-	319,788
Treatment and disposal plant	1,049,663	-	-	1,049,663
Depreciation	93,051	131,940	426	225,417
Total operating expenses	1,647,247	1,901,931	112,078	3,661,256
Operating income (loss)	2,928,148	510,305	(34,605)	3,403,848
NON-OPERATING REVENUES (EXPENSES)				
Capital grants	1,556,475	-	-	1,556,475
Investment income	1,590,431	32,760	-	1,623,191
Amortization	(30,456)	(13,764)	-	(44,220)
Interest expense	(3,269,582)	(444,685)	-	(3,714,267)
Total other financing sources (uses)	(153,132)	(425,689)	-	(578,821)
Income (loss) before transfers	2,775,016	84,616	(34,605)	2,825,027
Transfers in	23,327,685	4,500	-	23,332,185
Transfers out	(23,558,315)	(279,930)	-	(23,838,245)
Change in net assets	2,544,386	(190,814)	(34,605)	2,318,967
Net assets, beginning of year	21,675,154	902,693	(286,037)	22,291,810
Net assets, end of year	\$ 24,219,540	\$ 711,879	\$ (320,642)	\$ 24,610,777

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, 2009

	Enterprise Funds			Total
	Sewer	Water	Town Theater	
Cash flows from operating activities:				
Receipts from customers and users	\$ 5,071,219	\$ 2,505,872	\$ 78,880	\$ 7,655,971
Payments to employees	(325,730)	(1,118,706)	(37,947)	(1,482,383)
Payments to suppliers	(1,628,071)	(488,721)	(72,932)	(2,189,724)
Net cash provided (used) by operating activities	<u>3,117,418</u>	<u>898,445</u>	<u>(31,999)</u>	<u>3,983,864</u>
Cash flows from noncapital financing activities:				
Transfer to/from other funds	103,476	(244,546)	31,599	(109,471)
Net cash provided (used) by non-capital financing activities	<u>103,476</u>	<u>(244,546)</u>	<u>31,599</u>	<u>(109,471)</u>
Cash flows from capital and related financing activities:				
Capital grants received	1,556,475	-	-	1,556,475
Principal payments on long-term debt	(6,525)	(162,462)	-	(168,987)
Purchase of capital assets	(22,946,605)	(181,441)	-	(23,128,046)
Interest paid on long-term debt	(3,269,582)	(444,685)	-	(3,714,267)
Net cash used by capital and related financing activities	<u>(24,666,237)</u>	<u>(788,588)</u>	<u>-</u>	<u>(25,454,825)</u>
Cash flows from investing activities:				
Interest on investments	1,529,386	33,829	-	1,563,215
Net cash provided by investing activities	<u>1,529,386</u>	<u>33,829</u>	<u>-</u>	<u>1,563,215</u>
Net (decrease) in cash and cash equivalents	(19,915,957)	(100,860)	(400)	(20,017,217)
Cash and cash equivalents, beginning of year	44,145,635	1,965,691	400	46,111,726
Cash and cash equivalents, end of year	<u>\$ 24,229,678</u>	<u>\$ 1,864,831</u>	<u>\$ -</u>	<u>\$ 26,094,509</u>
Non-cash activities				
Amortization of deferred charges	<u>\$ 30,456</u>	<u>\$ 13,764</u>	<u>\$ -</u>	<u>\$ 44,220</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, 2009

	Enterprise Funds			Total
	Sewer	Water	Town Theater	
Reconciliation of cash and cash equivalents to amounts reported on the statement of net assets				
Reported on the statements of net assets:				
Cash and investments	\$ 4,902,917	\$ 1,625,116	\$ -	\$ 6,528,033
Cash and investments with fiscal agents	19,326,761	239,715	-	19,566,476
	<u>\$ 24,229,678</u>	<u>\$ 1,864,831</u>	<u>\$ -</u>	<u>\$ 26,094,509</u>
Reconciliation of operating income (loss) to net cash provided (used) by operations:				
Operating income (loss)	\$ 2,928,148	\$ 510,305	\$ (34,605)	\$ 3,403,848
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	93,051	131,940	426	225,417
Bad debt expense	83,887	45,759	-	129,646
Decrease in accounts receivable	489,259	83,398	1,406	574,063
Decrease in prepaid expenses	13,524	16,516	-	30,040
Increase (decrease) in accounts payable	(494,281)	111,479	774	(382,028)
Increase in deposits payable	6,566	10,238	-	16,804
(Decrease) in compensated absences	(2,736)	(11,190)	-	(13,926)
Total adjustments	<u>189,270</u>	<u>388,140</u>	<u>2,606</u>	<u>580,016</u>
Net cash provided (used) by operating activities	<u>\$ 3,117,418</u>	<u>\$ 898,445</u>	<u>\$ (31,999)</u>	<u>\$ 3,983,864</u>

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

CITY OF FILLMORE
Statement of Fiduciary Assets and Liabilities
June 30, 2009

	Agency Funds
ASSETS	
Cash and investments	\$ 3,767,669
Cash and investments with fiscal agents	547,695
Receivables:	
Interest	950
Intergovernmental	47,906
Total assets	\$ 4,364,220
LIABILITIES	
Accounts payable	\$ 46,882
Deposits payable	2,956,874
Due to bondholders	1,360,464
Total liabilities	\$ 4,364,220

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2009

Note 1: Summary of Significant Accounting Policies

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

a. Description of the Reporting Entity

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

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

Fillmore Redevelopment Agency
Fillmore Public Financing Authority

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

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

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

Fillmore Redevelopment Agency

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

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2009

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.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2009

Note 1: Summary of Significant Accounting Policies (continued)

c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

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.

The City reports the following major governmental funds:

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

The 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.

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

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

The City reports the following major proprietary funds:

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

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

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

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2009

Note 1: Summary of Significant Accounting Policies (continued)

c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Additionally, the City reports the following fund types:

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

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

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

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.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2009

Note 1: Summary of Significant Accounting Policies (continued)

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.

Receivables and Payables

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

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

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

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2009

Note 1: Summary of Significant Accounting Policies (continued)

d. Assets, Liabilities, Net Assets or Equity (continued)

Property Taxes

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

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

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

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

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

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2009 are recorded as prepaid items and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available resources and therefore are not available for appropriation.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2009

Note 1: Summary of Significant Accounting Policies (continued)

d. Assets, Liabilities, Net Assets or Equity (continued)

Cash and Investments with Fiscal Agents

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

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

Capital Assets

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during the fiscal year ended June 30, 2009.

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

<u>Assets</u>	<u>Years</u>
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

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2009

Note 1: Summary of Significant Accounting Policies (continued)

d. Assets, Liabilities, Net Assets or Equity (continued)

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

Claims and Judgments

The City records a liability for litigation, judgments, and claims when it is probable that an asset has been impaired or a liability has been incurred prior to fiscal year end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated. At June 30, 2009, 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.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2009

Note 1: Summary of Significant Accounting Policies (continued)

d. Assets, Liabilities, Net Assets or Equity (continued)

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.

Net Assets and Fund Equity

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

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

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2009

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 Administrator 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 Heritage Valley Tourism Capital Projects Fund, Sespe Creek Bike Path Capital Projects Fund, Depot Restoration Capital Project Fund.

Encumbrances

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

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2009

Note 2: Stewardship, Compliance, and Accountability (continued)

General Budget Policies (continued)

Deficit Fund Balances/Net Assets

The following funds contained deficits of fund balances/net assets as of June 30, 2009:

Major Governmental Fund:	
Redevelopment Agency Debt Service Fund	\$ 5,464,187
Major Enterprise Fund:	
Town Theatre Fund	320,642
Nonmajor Governmental Funds:	
Special Revenue Funds:	
Community Development Block Grant	65,987
Recreation	29,980
DIF Public Facility	19,943
DIF Transportation Improvement	9,495
Capital Projects Funds:	
Signals	294,424
Miscellaneous Capital Projects	969,543
Street Projects	305,343
Central Avenue Improvements	46,562
Depot Restoration	29,097
Well #9	5,700

Excess Expenditures over Appropriations

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

Fund	Final Appropriation	Expenditure	Excess
Nonmajor Funds:			
Special Revenue Funds:			
Public Safety Augmentation	\$ 16,455	\$ 20,753	\$ 4,298
Recreation	156,342	172,440	16,098
Capital Projects Funds:			
Signals	830,750	972,337	141,587
Central Avenue Improvements	1,079,700	972,980	106,720

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2009

Note 3: Cash and Investments

Cash and investments as of June 30, 2009 are classified in the accompanying financial statements as follows:

Statement of net assets:	
Cash and investments	\$ 25,648,888
Restricted cash and investments	12,909,953
Cash and investments with fiscal agent	23,763,638
Statement of fiduciary assets and liabilities:	
Cash and investments	3,767,669
Cash and investments with fiscal agent	<u>547,695</u>
Total cash and investments	<u><u>\$ 66,637,843</u></u>

Cash and investments as of June 30, 2009 consist of the following:

Cash on hand	\$ 1,329
Deposits with financial institutions	4,340,946
Investments	<u>62,295,568</u>
Total cash and investments	<u><u>\$ 66,637,843</u></u>

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

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio *	Maximum Investment in One Issuer
U.S. Treasury Obligation	2 years	75%	None
U.S. Agency Securities	2 years	75%	None
Certificates of Deposit	2 years	30%	None
Savings Accounts	N/A	85%	None
Money Market Mutual Fund (U.S. Treasury)	2 years	None	10%
Ventura County Pooled Investment Funds	N/A	30%	None
Local Agency Investment Fund (LAIF)	N/A	100%	\$ 40,000,000

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

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2009

Note 3: Cash and Investments (continued)

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Time Deposits	None	None	None
Money Market Mutual Funds	N/A	None	10%
Investment Contracts	31 years	None	None
Local Agency Investment Fund	None	None	None

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	\$ 37,875,851	\$ 37,875,851	\$ -	\$ -	\$ -
Money market	108,385	108,385	-	-	-
Held by bond trustee:					
Investment agreement	15,512,611	-	15,272,897	-	239,714
Money market	8,798,721	8,798,721	-	-	-
Total investments	<u>\$ 62,295,568</u>	<u>\$ 46,782,957</u>	<u>\$ 15,272,897</u>	<u>\$ -</u>	<u>\$ 239,714</u>

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2009

Note 3: Cash and Investments (continued)

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	\$ 37,875,851	N/A	\$ -	\$ 37,875,851
Money market	108,385	N/A	-	108,385
Held by bond trustee:				
Investment contracts	15,512,611	N/A	-	15,512,611
Money market	8,798,721	N/A	8,798,721	-
Totals	\$ 62,295,568		\$ 8,798,721	\$ 53,496,847

Concentration of Credit Risk

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

Custodial credit risk

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

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2009

Note 3: Cash and Investments (continued)

Custodial Credit Risk (continued)

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, 2009, \$4,057,248 of the City's deposits with financial institutions in excess of federal depository insurance limits were held in collateralized accounts as required by the California Government Code as stated above.

Investment in State Investment Pool

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

Note 4: Accounts Receivable

The following is a list of accounts receivable at June 30, 2009:

	Receivable	Allowance	Net
Governmental Activities			
Intergovernmental	\$ 197,884	\$ -	\$ 197,884
Accounts	423,244	-	423,244
	\$ 621,128	\$ -	\$ 621,128
Business Type Activities			
Accounts	\$ 1,341,310	\$ -	\$ 1,341,310
Fiduciary Type Activities			
Intergovernmental	\$ 47,906	\$ -	\$ 47,906

The City and its component units believe all of the receivables are collectible and therefore has not established an allowance for uncollectible accounts.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2009

Note 5: Notes and Loans Receivable

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

	Balance at June 30, 2009
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.	\$ 108,656
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.	899,306
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.	248,561
d) The Agency entered into a Disposition and Development Agreement with the Cabrillo Economic Development Corp. The total loan committed by the Agency is \$1,318,348 with interest at 3%. The loan is to assist in the development of low and moderate income housing units and is to be repaid over time as the units are sold. The repayment will be in the form of new financing with the homebuyers.	1,537,540
e) The Agency has entered into a participation Agreement, as of June 19, 2007, with Carrera Boats West, Inc. The proceeds of the loan are to be used to assist in relocation and rehabilitation. The loan is for \$85,000 plus annual interest at 7.25%. The company agrees to operate within the City of Fillmore for at least 10 years. After 3 years in operation, the City will credit the company with a 10% offset and for each year thereafter. Final maturity is March 27, 2017.	91,163
f) The Agency and the Fillmore and Western Railway Co. (Company) have entered into an owner participation agreement in the amount of \$103,800 at 6% per annum. The Agency and the Company have also entered into a separate lease agreement. Repayment of the note is predicated on the lease agreement. Each year of the lease, the principal and interest will be credited in an equal amount to 1/10 th of the principal and interest outstanding.	18,126

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2009

Note 5: Notes and Loans Receivable (continued)

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

	<u>Balance at June 30, 2009</u>
g) The Agency has loaned \$5,000 to C. Charles and N. Moberly to assist in the operation of the Central Cigar Co. Interest accrues at a rate of 6%. The balance is past due as of June 30, 2009.	\$ 4,278
h) 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.	49,385
i) The Agency has loaned \$5,000 to the Towne Theatre for the purchase of a ticketing system. This is a non-interest bearing note with no specific repayment terms.	5,000
j) The Agency has entered into a participation agreement with Keller Classics, Inc. (Classics). The agreement is evidenced by a promissory note in the amount of \$84,563. This deferred note carries interest at a rate of 6% per annum. As long as Classics operates its clothing business and continues to maintain full time employees, the loan will be forgiven at a specified rate not to exceed 1/10 th of the outstanding balance.	70,500
k) The Agency has entered into a residual receipts agreement with Fillmore Parkview Seniors LP. The original amount of the note was \$4,666,593 and was used by the maker to build senior housing within the Agency project area. The note is to be repaid from 50% of the residual receipts of the housing project. The interest rate is 3% (simple) and the entire note is due and payable by September 1, 2055. The note is secured by the project and is subject to the term of the DDA between the Agency and the maker. Accrued interest included as of June 30, 2009 is \$501,037.	<u>5,167,630</u>
Total notes and loans receivable	<u><u>\$ 8,200,145</u></u>

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2009

Note 6: Interfund Activity

The following represents the interfund activity of the City for the fiscal year ended June 30, 2009.

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, 2009 were as follows:

Transfers to	Transfers from	Amount
General Fund	Water	\$ 128,430
	Sewer	74,830
	Redevelopment Agency Debt Service Fund	20,000
	Redevelopment Agency Capital Projects Fund	53,500
	Redevelopment Agency Special Revenue Fund	44,600
	Nonmajor Governmental Funds	238,741
Public Financing Authority	Nonmajor Governmental Funds	145,966
Redevelopment Agency Capital Projects Fund	Redevelopment Agency Debt Service Fund	842,500
Sewer	Sewer	21,477,685
	Nonmajor Governmental Funds	1,850,000
Water	Nonmajor Governmental Funds	4,500
Nonmajor Governmental Funds	General Fund	46,110
	Sewer	2,005,800
	Redevelopment Agency Capital Projects Fund	812,092
	Water	151,500
	Nonmajor Governmental Funds	1,482,644
Total transfers		<u>\$ 29,378,898</u>

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2009

Note 6: Interfund Activity (continued)

b. Advances

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

	Receivable	Payable
Major Funds:		
Redevelopment Agency Debt Service	\$ -	\$ 11,260,000
Public Financing Authority Debt Service	76,110,000	-
Major Enterprise Funds:		
Sewer	-	57,490,000
Water	-	7,360,000
	\$ 76,110,000	\$ 76,110,000

c. Due To/From Other Funds

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

Receivable fund	Payable funds	Amounts
General Fund	Redevelopment Agency Capital	
	Projects Fund	\$ 76,038
	Sewer Fund	6,856
	Water Fund	27,884
	Theater Fund	313,636
	Nonmajor Funds	1,079,108
Public Financing Authority	Nonmajor Funds	82,273
Redevelopment Agency Capital		
Projects Fund	Public Financing Authority	718,721
	Nonmajor Funds	1,012,451
	Total interfund balances	\$ 3,316,967

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2009

Note 7: Capital Assets

a. Governmental Activities

Capital assets governmental activity for the fiscal year ended June 30, 2009 was as follows:

Governmental activities:	Beginning balance	Additions	Deletions	Ending balance
Capital assets, not being depreciated:				
Land	\$ 14,109,186	\$ -	\$ (141,200)	\$ 13,967,986
Construction in progress	4,852,393	10,095,727	-	14,948,120
Total capital assets, not being depreciated	<u>18,961,579</u>	<u>10,095,727</u>	<u>(141,200)</u>	<u>28,916,106</u>
Capital assets, being depreciated:				
Buildings and improvements:				
Buildings	8,491,705	-	-	8,491,705
Land improvements	2,861,097	-	-	2,861,097
Machinery and equipment	3,422,883	135,636	-	3,558,519
Infrastructure:				
Roadways and bikepaths	12,402,026	-	-	12,402,026
Other street appurtenances	54,000	-	-	54,000
Total capital assets, being depreciated	<u>27,231,711</u>	<u>135,636</u>	<u>-</u>	<u>27,367,347</u>
Less accumulated depreciation for buildings and improvements:				
Buildings	(2,215,565)	(193,129)	-	(2,408,694)
Land improvements	(634,145)	(157,581)	-	(791,726)
Machinery and equipment	(1,770,191)	(236,603)	-	(2,006,794)
Infrastructure:				
Roadways and bikepaths	(3,699,701)	(272,598)	-	(3,972,299)
Other street appurtenances	(54,000)	-	-	(54,000)
Total accumulated depreciation	<u>(8,373,602)</u>	<u>(859,911)</u>	<u>-</u>	<u>(9,233,513)</u>
Total capital assets, being depreciated, net	<u>18,858,109</u>	<u>(724,275)</u>	<u>-</u>	<u>18,133,834</u>
Total governmental activities capital assets, net	<u>\$ 37,819,688</u>	<u>\$ 9,371,452</u>	<u>\$ (141,200)</u>	<u>\$ 47,049,940</u>

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2009

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	\$ 138,705
Public safety	178,893
Public works	348,117
Community development	97,173
Parks and recreation	97,023
	<hr/>
Total	<u>\$ 859,911</u>

Capital asset business-type activity for the fiscal year ended June 30, 2009 was as follows:

	Beginning balance	Additions	Deletions	Ending balance
	<hr/>	<hr/>	<hr/>	<hr/>
Business-type activities:				
Sewer Activity				
Capital assets not being depreciated:				
Land	\$ 2,688,630	\$ -	\$ -	\$ 2,688,630
Construction in progress	29,365,219	24,820,147	-	54,185,366
Total capital assets, not being depreciated	<hr/> 32,053,849	<hr/> 24,820,147	<hr/> -	<hr/> 56,873,996
Capital assets, being depreciated:				
Buildings and improvements	3,280,504	-	-	3,280,504
Infrastructure	7,722,310	-	-	7,722,310
Less - accumulated depreciation	(5,002,466)	(93,051)	-	(5,095,517)
Total capital assets, being depreciated	<hr/> 6,000,348	<hr/> (93,051)	<hr/> -	<hr/> 5,907,297
Total sewer capital assets, net	<hr/> <u>\$ 38,054,197</u>	<hr/> <u>\$ 24,727,096</u>	<hr/> <u>\$ -</u>	<hr/> <u>\$ 62,781,293</u>

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2009

Note 7: Capital Assets (continued)

a. Governmental Activities (continued)

	Beginning balance	Additions	Deletions	Ending balance
Water Activity				
Capital assets not being depreciated:				
Land	\$ 497,523	\$ -	\$ -	\$ 497,523
Construction in progress	175,857	-	-	175,857
Total capital assets not being depreciated	<u>673,380</u>	<u>-</u>	<u>-</u>	<u>673,380</u>
Capital assets being depreciated:				
Buildings and improvements	313,488	-	-	313,488
Infrastructure	6,295,996	129,576	-	6,425,572
Machinery and equipment	1,369,575	51,865	-	1,421,440
Less – accumulated depreciation	<u>(2,725,025)</u>	<u>(131,940)</u>	<u>-</u>	<u>(2,856,965)</u>
Total capital assets being depreciated	<u>5,254,034</u>	<u>49,501</u>	<u>-</u>	<u>5,303,535</u>
Total water capital assets, net	<u>\$ 5,927,414</u>	<u>\$ 49,501</u>	<u>\$ -</u>	<u>\$ 5,976,915</u>
Town Theater				
Capital assets being depreciated:				
Machinery and equipment	\$ 44,818	\$ -	\$ -	\$ 44,818
Less – accumulated depreciation	<u>(43,735)</u>	<u>(426)</u>	<u>-</u>	<u>(44,161)</u>
Total town theater capital assets, net	<u>\$ 1,083</u>	<u>\$ (426)</u>	<u>\$ -</u>	<u>\$ 657</u>
Total Business-type activities				
Capital assets not being depreciated:				
Land	\$ 3,186,153	\$ -	\$ -	\$ 3,186,153
Construction in progress	29,541,076	24,820,147	-	54,361,223
Total capital assets not being depreciated	<u>32,727,229</u>	<u>24,820,147</u>	<u>-</u>	<u>57,547,376</u>
Capital assets being depreciated:				
Building and improvements	3,593,992	-	-	3,593,992
Infrastructure	14,018,306	129,576	-	14,147,882
Machinery and equipment	1,414,393	51,865	-	1,466,258
Less – accumulated depreciation	<u>(7,771,226)</u>	<u>(225,417)</u>	<u>-</u>	<u>(7,996,643)</u>
Total capital assets being depreciated	<u>11,255,465</u>	<u>(43,976)</u>	<u>-</u>	<u>11,211,489</u>
Total capital assets, net	<u>\$ 43,982,694</u>	<u>\$ 24,776,171</u>	<u>\$ -</u>	<u>\$ 68,758,865</u>

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2009

Note 7: Capital Assets (continued)

a. Governmental Activities (continued)

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

Business-type activities:

Sewer	\$	93,051	
Water		131,940	
Town Theater		426	
Total	\$	225,417	

Note 8: Long-Term Liabilities

a. The following is a summary of changes in the City's long-term liabilities for the fiscal year ended June 30, 2009:

	Beginning balance	Additions	Deletions	Ending balance	Due within one year
Governmental activities:					
Capital leases payable	\$ 768,723	\$ -	\$ (110,120)	\$ 658,603	\$ 114,111
State water loan payable	623,785	-	(89,248)	534,537	89,248
Revenue bonds	69,860,000	-	(305,000)	69,555,000	320,000
Bonds/notes	47,735,000	-	(180,000)	47,555,000	260,000
Certificates of participation	7,515,000	-	(155,000)	7,360,000	160,000
Compensated absences	291,570	181,136	(270,801)	201,905	80,762
Governmental activity long-term liabilities	\$126,794,078	\$ 181,136	\$(1,110,169)	\$125,865,045	\$ 1,024,121
Business-type activities:					
<i>Water</i>					
Compensated absences	\$ 72,795	\$ 54,494	\$ (73,146)	\$ 54,143	\$ 21,657
Sub-total water	72,795	54,494	(73,146)	54,143	21,657
<i>Sewer</i>					
Compensated absences	22,201	15,691	(20,252)	17,640	7,056
State water loan payable	32,843	-	(4,697)	28,146	4,697
Premium on advance	2,059,473	-	(53,037)	2,006,436	53,034
Sub-total water	2,114,517	15,691	(77,986)	2,052,222	64,787
Business-type activity long-term liabilities	\$ 2,187,312	\$ 70,185	\$ (151,132)	\$ 2,106,365	\$ 86,444

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2009

Note 8: Long-Term Liabilities (continued)

b. Capital Lease Obligations

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

The balance of the Capital Leases at June 30, 2009 is \$658,603. Minimum annual payments on the Capital Leases are \$49,102, for the first lease and \$96,864 for the second lease, which include interest between 4% and 5%.

c. 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 \$534,537 as of June 30, 2009. An additional amount of \$28,146 is recorded in the Sewer Enterprise Fund, for a total outstanding balance of \$562,683.

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

d. Fillmore Public Financing Authority Revenue Bonds

1. On February 16, 2006, the Fillmore Public Financing Authority sold \$13,225,000 total aggregate principal amount of 2005 Revenue Bonds Series A. From the issuance, the Authority paid issue costs of \$160,000, financed a reserve fund in the amount of \$950,000, and loaned the balance to the Redevelopment Agency to fund various projects in the amount of \$12,115,000. The loan is secured by incremental property tax revenues of the Agency and the interest rate varies between 3.25% and 5.50%. Interest payments are due semi-annually each May 15 and November 15 with annual principal payments due each May 15 through 2031. The outstanding principal balance at June 30, 2009 is \$12,065,000.
2. On June 7, 2007, the Fillmore Public Financing Authority issued \$57,490,000 of Series 2007 Revenue Bonds. The proceeds are to be loaned to the City's wastewater enterprise utility to assist in the construction of a new wastewater treatment facility. The bonds are secured by an installment agreement between the Authority and the City and through which the new revenues of the wastewater system are pledged. Proceeds from the issue have also been used to fund a reserve account, fund capitalized interest on the bonds through May 1, 2009, and pay costs of issuance.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2009

Note 8: Long-Term Liabilities (continued)

d. Fillmore Public Financing Authority Revenue Bonds (continued)

Interest on the bonds consists of serial and term bonds and are payable semi-annually each May 1 and November 1. The first 2 years of interest will be paid through the bond proceeds. The principal will be paid annually on May 1 beginning in 2011 and ending in the year 2047. Interest rates vary between 4% and 5%. The outstanding principal balance of the bonds as of June 30, 2009 was \$57,490,000.

e. Redevelopment Agency Bonds

1. On August 10, 2006, the Fillmore Redevelopment Agency issued \$38,970,000 of 2006 Series A Tax Allocation Bonds. The proceeds from the bonds are to be used to finance projects within the Agency's Project Area, pay costs of issuance, fund a reserve account, and advance refund the 2003 loan from the Fillmore Public Authority (PFA) in the amount of \$30,895,982. The bonds are junior and subordinate to the 2005 loans with the PFA. The bonds are secured by a pledge of future tax increment revenues of the Agency. The bonds mature annually beginning May 1, 2007 and ending May 1, 2031. Interest is payable semi-annually each May 1 and November 1, calculated at rates ranging from 4% to 5.37%. The issue consists of \$7,190,000 of serial bonds due from 2007 through 2018 and \$31,780,000 of term bonds due from 2021 through 2031. The outstanding principal balance of the bonds as of June 30, 2009 was \$38,105,000.

On December 28, 2006, the Agency issued \$9,450,000 of 2006 Tax Allocation Bond Anticipation Notes. The proceeds from the notes are to be used to pay for costs of issuance, fund a reserve fund, fund capitalized interest for 26 months, and finance projects with the Agency's Project Area. The Notes are junior and subordinate to the 2005 Public Financing Authority loan and the 2006 Tax Allocation Bonds. The Notes are secured by a pledge of future tax increment revenue of the Agency. Principal on the Notes is due and payable on May 1, 2013. Interest is payable semi-annually each May 1 and November 1 at a rate of 4.70%. The outstanding principal balance of the Notes as of June 30, 2009 was \$9,450,000 (see Note 14).

f. 2002 Certificates of Participation

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

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

The City and the Authority have entered into an Installment Sales Agreement to make payments solely from the net revenues of the water system. The installment payments are scheduled to be made in amount sufficient to pay, when due, the annual principal and interest with respect to the certificates. The outstanding principal balance of the loan at June 30, 2009 is \$7,360,000.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2009

Note 8: Long-Term Liabilities (continued)

g. Governmental Long-Term Debt Amortization

The schedules of annual requirements to amortize all governmental long-term debt outstanding as of June 30, 2009 including interest are as follows:

Fiscal year ending June 30,	Capital lease payable		
	2004 Pierce	2006 Pierce	Total
2010	\$ 49,102	\$ 96,864	\$ 145,966
2011	49,102	96,864	145,966
2012	-	96,864	96,864
2013	-	96,864	96,864
2014	-	96,864	96,864
2015-2016	-	193,728	193,728
Total	98,204	678,048	776,252
Less amount representing interest	(5,648)	(112,001)	(117,649)
Present value of minimum payments	\$ 92,556	\$ 566,047	\$ 658,603

Fiscal year ending June 30,	Loan Payable – State Water Resource Control Board		
	Principal	Interest	Total
2010	\$ 89,248	\$ -	\$ 89,248
2011	89,248	-	89,248
2012	89,248	-	89,248
2013	89,248	-	89,248
2014	89,248	-	89,248
2015	88,297	-	88,297
	\$ 534,537	\$ -	\$ 534,537

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2009

Note 8: Long-Term Liabilities (continued)

g. Governmental Long-Term Debt Amortization (continued)

Fiscal year ending June 30,	2005 Revenue Bonds Series A		
	Principal	Interest	Total
2010	\$ 320,000	\$ 629,997	\$ 949,997
2011	330,000	617,197	947,197
2012	345,000	603,767	948,767
2013	360,000	588,487	948,487
2014	375,000	572,287	947,287
2015-2019	2,165,000	2,570,997	4,735,997
2020-2024	2,790,000	1,944,207	4,734,207
2025-2029	3,630,000	1,101,650	4,731,650
2030-2031	1,750,000	139,750	1,889,750
Totals	<u>\$ 12,065,000</u>	<u>\$ 8,768,339</u>	<u>\$ 20,833,339</u>

Fiscal year ending June 30,	2007 Revenue Bonds		
	Principal	Interest	Total
2010	\$ -	\$ 2,847,956	\$ 2,847,956
2011	590,000	2,847,956	3,437,956
2012	615,000	2,824,356	3,439,356
2013	640,000	2,799,756	3,439,756
2014	670,000	2,767,756	3,437,756
2015-2019	3,855,000	13,343,106	17,198,106
2020-2024	4,800,000	12,400,581	17,200,581
2025-2029	6,130,000	11,063,600	17,193,600
2030-2034	7,890,000	9,300,812	17,190,812
2035-2039	10,075,000	7,116,250	17,191,250
2040-2044	12,860,000	4,333,250	17,193,250
2045-2049	9,365,000	951,750	10,316,750
Totals	<u>\$ 57,490,000</u>	<u>\$ 72,597,129</u>	<u>\$130,087,129</u>

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2009

Note 8: Long-Term Liabilities (continued)

g. Governmental Long-Term Debt Amortization (continued)

Fiscal year ending June 30,	2006 Series A Tax Allocation Bonds		
	Principal	Interest	Total
2010	\$ 260,000	\$ 2,006,046	\$ 2,266,046
2011	355,000	1,994,216	2,349,216
2012	455,000	1,977,798	2,432,798
2013	560,000	1,956,185	2,516,185
2014	680,000	1,929,025	2,609,025
2015-2019	5,350,000	9,006,875	14,356,875
2020-2024	8,995,000	7,283,443	16,278,443
2025-2029	14,035,000	4,382,775	18,417,775
2030-2031	7,415,000	605,494	8,020,494
Total	\$ 38,105,000	\$ 31,141,857	\$ 69,246,857

Fiscal year ending June 30,	2006 Tax Allocation Bond Anticipation Notes		
	Principal	Interest	Total
2010	\$ -	\$ 444,150	\$ 444,150
2011	-	444,150	444,150
2012	-	444,150	444,150
2013	9,450,000	444,150	9,894,150
Total	\$ 9,450,000	\$ 1,776,600	\$11,226,600

Fiscal year ending June 30,	2002 Certificates of Participation		
	Principal	Interest	Total
2010	\$ 160,000	\$ 446,797	\$ 606,797
2011	170,000	438,638	608,638
2012	180,000	429,797	609,797
2013	185,000	420,258	605,258
2014	195,000	410,268	605,268
2015-2019	1,165,000	1,871,183	3,036,183
2020-2024	1,565,000	1,470,374	3,035,374
2025-2029	2,125,000	918,564	3,043,564
2030-2033	1,615,000	205,338	1,820,338
Total	\$ 7,360,000	\$ 6,611,217	\$ 13,971,217

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2009

Note 8: Long-Term Liabilities (continued)

g. Governmental Long-Term Debt Amortization (continued)

The schedule of annual requirements to amortize business-type long-term debt outstanding as of June 30, 2009, including interest are as follows:

Fiscal year ending June 30,	Loan Payable – State Water Resource Control Board		
	Principal	Interest	Total
2010	\$ 4,697	\$ -	\$ 4,697
2011	4,697	-	4,697
2012	4,697	-	4,697
2013	4,697	-	4,697
2014	4,697	-	4,697
2015	4,661	-	4,661
	\$ 28,146	\$ -	\$ 28,146

h. Defeased Debt

As of June 30, 2009, 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), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement, disability benefits, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Copies of PERS' annual financial report may be obtained from its executive office at 400 "P" Street, Sacramento, California 95814.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2009

Note 9: Defined Benefit Pension Plan (continued)

Funding Policy

Participants are required to contribute 7% (9% for safety employees) of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. For the fiscal year ended June 30, 2009, the amount contributed by the City on behalf of the employees was \$120,765. 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, 2009 was 40.876% for safety employees and 14.131% 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, 2009, 2008, and 2007 were \$112,376, \$113,960, and \$122,601, respectively for safety employees; and \$303,341, \$258,766, and \$230,100, respectively for miscellaneous employees, and equal 100% of the required contribution for each fiscal year.

Note 10: Fund Balance Reservations

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

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

Note 11: Self-Insurance

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

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

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2009

Note 11: Self-Insurance (continued)

B. Self-Insurance Programs of the Authority

General Liability

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

Workers' Compensation

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

C. Adequacy of Protection

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

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

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2009

Note 12: Deferred Compensation Plan and Trust

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

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

Note 13: Contingencies and Commitments

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: Subsequent Event

The Redevelopment Agency has notified the Trustee of the 2006 Tax Allocation Bond Anticipation Notes (BANS) that it intends to redeem \$8,565,000 of the BANS on May 1, 2010. The Agency will use \$8,590,079 in unspent proceeds as well as \$222,102 in bond reserve funds to pay the interest due and redeem \$8,565,000 of the BANS.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2009

Note 15: 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, 2009 is as follows:

Description	Fiscal Year		Balance Outstanding June 30, 2009
	Issue Year	Maturity Year	
North Fillmore Industrial Park CFD #1	2006	2008	\$ 2,325,000
Balden Towne Plaza Improvements CFD #2	2005	2021	675,000
River Oaks CFD #3	2006	2036	2,710,000
			<u>\$ 5,710,000</u>

Note 16: Prior Period Adjustments

Government-wide financial statements

Governmental-type activities

Net assets at beginning of year, as previously reported	\$ 29,724,517
To correct recording of overpaid sales tax received in prior fiscal year	<u>(1,029,554)</u>
Net assets at beginning of year, as restated	<u>\$ 28,694,963</u>

Fund financial statements

Major Funds

General Fund

Fund balances, beginning of year, as previously reported	\$ 3,502,293
To correct interfund loan that was repaid in a prior fiscal year	750,000
To correct recording of overpaid sales tax received in prior fiscal year	<u>(1,029,554)</u>
Fund balances, beginning of year, as restated	<u>\$ 3,222,739</u>

Redevelopment Agency Capital Project

Fund balances, beginning of year, as previously reported	\$ 20,965,329
To correct interfund loan that was repaid in a prior fiscal year	<u>(750,000)</u>
Fund balances, beginning of year, as restated	<u>\$ 20,215,329</u>

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance – Budget and Actual
General Fund
For the fiscal year ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 5,942,000	\$ 4,327,000	\$ 6,744,755	\$ 2,417,755
Licenses and permits	10,000	10,000	10,499	499
Fines and forfeitures	26,000	26,000	22,955	(3,045)
Investment income	106,503	242,638	137,948	(104,690)
Intergovernmental	65,000	106,365	130,945	24,580
Charges for services	534,375	448,575	318,113	(130,462)
Other	21,200	29,125	24,690	(4,435)
Total revenues	<u>6,705,078</u>	<u>5,189,703</u>	<u>7,389,905</u>	<u>2,200,202</u>
EXPENDITURES				
General government:				
City council	18,259	19,759	16,978	2,781
City attorney	150,000	310,000	319,934	(9,934)
Administration	2,118,208	192,171	164,751	27,420
Central support	149,809	146,567	144,342	2,225
Government buildings	263,204	254,304	246,026	8,278
Risk management	186,026	206,426	104,503	101,923
Total general government	<u>2,885,506</u>	<u>1,129,227</u>	<u>996,534</u>	<u>132,693</u>
Public safety:				
Sheriff	3,655,470	3,628,370	3,332,216	296,154
Fire	563,287	581,870	565,736	16,134
Animal regulation	42,000	44,324	44,021	303
Building and safety	123,606	134,395	92,938	41,457
Total public safety	<u>4,384,363</u>	<u>4,388,959</u>	<u>4,034,911</u>	<u>354,048</u>
Parks and recreation				
Total parks and recreation	<u>256,445</u>	<u>257,039</u>	<u>216,316</u>	<u>40,723</u>
Public works:				
Parking facilities	17,860	1,860	600	1,260
Central garage	154,450	154,450	121,833	32,617
City engineering	101,498	126,798	101,132	25,666
Total public works	<u>273,808</u>	<u>283,108</u>	<u>223,565</u>	<u>59,543</u>
Community development:				
Planning	132,981	138,980	129,076	9,904
Community promotion	40,247	23,247	21,120	2,127
Total community development	<u>173,228</u>	<u>162,227</u>	<u>150,196</u>	<u>12,031</u>
Total expenditures	<u>7,973,350</u>	<u>6,220,560</u>	<u>5,621,522</u>	<u>599,038</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,268,272)</u>	<u>(1,030,857)</u>	<u>1,768,383</u>	<u>2,799,240</u>
Other financing sources (uses)				
Transfers in	668,972	774,153	560,101	(214,052)
Transfers out	(44,110)	(211,220)	(46,110)	165,110
Total other financing sources (uses)	<u>624,862</u>	<u>562,933</u>	<u>513,991</u>	<u>(48,942)</u>
Net change in fund balance	<u>(643,410)</u>	<u>(467,924)</u>	<u>2,282,374</u>	<u>2,750,298</u>
Fund balance, beginning of year, restated	<u>3,222,739</u>	<u>3,222,739</u>	<u>3,222,739</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,579,329</u>	<u>\$ 2,754,815</u>	<u>\$ 5,505,113</u>	<u>\$ 2,750,298</u>

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, 2009

	Final budget	Amounts	Variance with final budget
REVENUES			
Taxes	\$ 5,692,000	\$ 6,071,600	\$ 379,600
Investment income	50,000	38,797	(11,203)
Total revenues	<u>5,742,000</u>	<u>6,110,397</u>	<u>368,397</u>
EXPENDITURES			
Current:			
Pass through payments	2,127,908	1,729,529	398,379
Debt service:			
Principal	142,500	180,000	(37,500)
Interest and fiscal charges	<u>3,490,838</u>	<u>3,415,509</u>	<u>75,329</u>
Total expenditures	<u>5,761,246</u>	<u>5,325,038</u>	<u>436,208</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19,246)</u>	<u>785,359</u>	<u>804,605</u>
Other financing sources (uses)			
Transfers out	<u>(720,000)</u>	<u>(862,500)</u>	<u>(142,500)</u>
Total other financing sources (uses)	<u>(720,000)</u>	<u>(862,500)</u>	<u>(142,500)</u>
Net change in fund balance	(739,246)	(77,141)	662,105
Fund balance (deficit), beginning of year	<u>(5,387,046)</u>	<u>(5,387,046)</u>	-
Fund balance (deficit), end of year	<u>\$ (6,126,292)</u>	<u>\$ (5,464,187)</u>	<u>\$ 662,105</u>

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, 2009

	Final budget	Amounts	Variance with final budget
REVENUES			
Investment income	\$ 3,493,000	\$ 1,413,524	\$ (2,079,476)
Total revenues	3,493,000	1,413,524	(2,079,476)
EXPENDITURES			
Debt service:			
Principal	1,103,720	570,120	533,600
Interest and fiscal charges	3,297,200	1,145,232	2,151,968
Total expenditures	4,400,920	1,715,352	2,685,568
Excess (deficiency) of revenues over (under) expenditures	(907,920)	(301,828)	606,092
Other financing sources (uses)			
Transfers in	239,920	145,966	(93,954)
Total other financing sources (uses)	239,920	145,966	(93,954)
Net change in fund balance	(668,000)	(155,862)	512,138
Fund balance, beginning of year	76,580,844	76,580,844	-
Fund balance, end of year	<u>\$ 75,912,844</u>	<u>\$ 76,424,982</u>	<u>\$ 512,138</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, 2009

	Final budget	Amounts	Variance with final budget
REVENUES			
Investment income	\$ 387,492	\$ 518,752	\$ 131,260
Other	-	25	25
Total revenues	<u>387,492</u>	<u>518,777</u>	<u>131,285</u>
EXPENDITURES			
Current:			
General government	370,103	275,162	94,941
Community development	1,068,633	1,092,078	(23,445)
Capital outlay	6,050,000	5,012,506	1,037,494
Total expenditures	<u>7,488,736</u>	<u>6,379,746</u>	<u>1,108,990</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,101,244)</u>	<u>(5,860,969)</u>	<u>1,240,275</u>
Other financing sources (uses)			
Proceeds from sale of property	1,035,000	568,800	(466,200)
Transfers in	842,500	842,500	-
Transfers out	(3,670,583)	(865,592)	2,804,991
Total other financing sources (uses)	<u>(1,793,083)</u>	<u>545,708</u>	<u>2,338,791</u>
Net change in fund balance	(8,894,327)	(5,315,261)	3,579,066
Fund balance, beginning of year, restated	<u>20,215,329</u>	<u>20,215,329</u>	<u>-</u>
Fund balance, end of year	<u>\$ 11,321,002</u>	<u>\$ 14,900,068</u>	<u>\$ 3,579,066</u>

COMBINING NONMAJOR FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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.

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.

The Fillmore Redevelopment Agency Housing Special Revenue Fund - This fund accounts for the portion of tax increment funds received for redevelopment related purposes and set aside for low and moderate income housing.

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

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF FILLMORE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009

	Special Revenue Funds		
	Traffic Safety	Gas Tax	Local Transportation
Assets			
Cash and investments	\$ 59,466	\$ 108,587	\$ 417,077
Receivables:			
Intergovernmental	-	23,415	-
Accounts	22,078	-	31,516
Interest	-	70	1,373
Notes and loans	-	-	-
Land held for resale	-	-	-
	\$ 81,544	\$ 132,072	\$ 449,966
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ 250	\$ 12,092	\$ 44,194
Due to other funds	-	4,038	2,146
Deferred revenues	-	-	4,449
Deposits payable	-	-	-
	250	16,130	50,789
Fund balances:			
Reserved for land held for resale	-	-	-
Reserved for low and moderate housing	-	-	-
Unreserved:			
Designated for projects	-	115,942	399,177
Undesignated	81,294	-	-
	81,294	115,942	399,177
Total fund balances (deficit)	81,294	115,942	399,177
Total liabilities and fund balances	\$ 81,544	\$ 132,072	\$ 449,966

Special Revenue Funds				
Lighting/ Landscape Assessment District	Storm Drain Assessment District	Community Development Block Grant	Public Transit	Bike Path Maintenance
\$ 520,607	\$ 622,979	\$ 194,449	\$ -	\$ 73,263
9,141	69,133	-	-	-
-	-	73,755	-	-
1,793	1,702	-	-	230
-	-	-	-	-
-	-	-	-	-
<u>\$ 531,541</u>	<u>\$ 693,814</u>	<u>\$ 268,204</u>	<u>\$ -</u>	<u>\$ 73,493</u>
\$ 4,402	\$ -	\$ 71,740	\$ -	\$ 160
-	-	262,451	-	180
-	-	-	-	-
-	-	-	-	-
<u>4,402</u>	<u>-</u>	<u>334,191</u>	<u>-</u>	<u>340</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	73,153
<u>527,139</u>	<u>693,814</u>	<u>(65,987)</u>	<u>-</u>	<u>-</u>
<u>527,139</u>	<u>693,814</u>	<u>(65,987)</u>	<u>-</u>	<u>73,153</u>
<u>\$ 531,541</u>	<u>\$ 693,814</u>	<u>\$ 268,204</u>	<u>\$ -</u>	<u>\$ 73,493</u>

CITY OF FILLMORE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009

	Special Revenue Funds		
	Solid Waste Source Reduction	Public Safety Augmentation	COPS/CLEEP Grant
Assets			
Cash and investments	\$ 34,174	\$ 65,040	\$ 2,883
Receivables:			
Intergovernmental	-	-	2,747
Accounts	17,360	-	-
Interest	-	-	-
Notes and loans	-	-	-
Land held for resale	-	-	-
	\$ 51,534	\$ 65,040	\$ 5,630
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ 2,464	\$ 1,478	\$ -
Due to other funds	2,942	-	-
Deferred revenues	-	-	-
Deposits payable	-	-	-
	5,406	1,478	-
Fund balances:			
Reserved for land held for resale	-	-	-
Reserved for low and moderate housing	-	-	-
Unreserved:			
Designated for projects	-	-	-
Undesignated	46,128	63,562	5,630
	46,128	63,562	5,630
Total fund balances (deficit)	46,128	63,562	5,630
Total liabilities and fund balances	\$ 51,534	\$ 65,040	\$ 5,630

Special Revenue Funds

Swimming Pool Maintenance	Recreation	DIF Public Facility	DIF Transportation Improvement	DIF Parkland
\$ 162,138	\$ -	\$ 62,328	\$ 37,843	\$ 149,022
2,768	-	-	-	-
-	8,548	-	-	-
357	-	2	119	872
-	-	-	-	-
-	-	-	-	-
<u>\$ 165,263</u>	<u>\$ 8,548</u>	<u>\$ 62,330</u>	<u>\$ 37,962</u>	<u>\$ 149,894</u>
\$ 25,621	\$ 10,770	\$ -	\$ 157	\$ -
-	25,308	82,273	-	-
-	-	-	-	-
-	2,450	-	47,300	-
<u>25,621</u>	<u>38,528</u>	<u>82,273</u>	<u>47,457</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
139,642	-	-	-	-
-	(29,980)	(19,943)	(9,495)	149,894
<u>139,642</u>	<u>(29,980)</u>	<u>(19,943)</u>	<u>(9,495)</u>	<u>149,894</u>
<u>\$ 165,263</u>	<u>\$ 8,548</u>	<u>\$ 62,330</u>	<u>\$ 37,962</u>	<u>\$ 149,894</u>

CITY OF FILLMORE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009

	Special Revenue Funds		
	DIF Sewer Improvement	DIF Water Improvement	DIF Storm Drain Improvement
Assets			
Cash and investments	\$ 330,955	\$ 865,042	\$ 122,897
Receivables:			
Intergovernmental	-	-	-
Accounts	-	-	-
Interest	6,492	766	162
Notes and loans	-	-	-
Land held for resale	-	-	-
	\$ 337,447	\$ 865,808	\$ 123,059
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	750,000	-
Deferred revenues	-	-	-
Deposits payable	-	-	-
	-	750,000	-
Fund balances:			
Reserved for land held for resale	-	-	-
Reserved for low and moderate housing	-	-	-
Unreserved:			
Designated for projects	-	-	-
Undesignated	337,447	115,808	123,059
	337,447	115,808	123,059
Total fund balances (deficit)	337,447	115,808	123,059
Total liabilities and fund balances	\$ 337,447	\$ 865,808	\$ 123,059

Special Revenue Funds		Capital Projects Funds		
Storm Water NPDES	Redevelopment Agency Housing	Intermodal Transportation Center	Heritage Valley Tourism	Sespe Creek Bikepath
\$ 24,816	\$ 4,538,004	\$ 28,628	\$ 21,370	\$ 45,127
-	3,312	-	-	-
10,158	-	-	-	-
-	15,345	-	-	-
-	2,778,660	-	-	-
-	525,000	-	-	-
<u>\$ 34,974</u>	<u>\$ 7,860,321</u>	<u>\$ 28,628</u>	<u>\$ 21,370</u>	<u>\$ 45,127</u>
\$ 212	\$ 29,076	\$ -	\$ -	\$ -
182	28,082	-	-	-
-	2,778,660	-	-	-
-	-	-	-	-
<u>394</u>	<u>2,835,818</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	525,000	-	-	-
-	4,499,503	-	-	-
-	-	-	-	45,127
<u>34,580</u>	<u>-</u>	<u>28,628</u>	<u>21,370</u>	<u>-</u>
<u>34,580</u>	<u>5,024,503</u>	<u>28,628</u>	<u>21,370</u>	<u>45,127</u>
<u>\$ 34,974</u>	<u>\$ 7,860,321</u>	<u>\$ 28,628</u>	<u>\$ 21,370</u>	<u>\$ 45,127</u>

CITY OF FILLMORE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009

	Capital Projects Funds		
	Signals	Misc. Capital Projects	Street Projects
Assets			
Cash and investments	\$ -	\$ -	\$ -
Receivables:			
Intergovernmental	-	-	-
Accounts	-	-	-
Interest	-	-	-
Notes and loans	-	-	-
Land held for resale	-	-	-
	-	-	-
Total assets	\$ -	\$ -	\$ -
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ 15,928	\$ 585,376	\$ 39,075
Due to other funds	278,496	384,167	266,268
Deferred revenues	-	-	-
Deposits payable	-	-	-
	-	-	-
Total liabilities	294,424	969,543	305,343
Fund balances:			
Reserved for land held for resale	-	-	-
Reserved for low and moderate housing	-	-	-
Unreserved:			
Designated for projects	-	-	-
Undesignated	(294,424)	(969,543)	(305,343)
	(294,424)	(969,543)	(305,343)
Total fund balances (deficit)	(294,424)	(969,543)	(305,343)
Total liabilities and fund balances	\$ -	\$ -	\$ -

Capital Projects Funds					
Central Avenue Improvements	Corporate Yard/Fire Station Project	Vehicle Replacement	Depot Restoration	Well #9	Total Nonmajor Governmental Funds
\$ 48,801	\$ 2	\$ 145,044	\$ -	\$ -	\$ 8,680,542
-	-	-	-	-	110,516
-	-	-	58,202	-	221,617
-	-	-	-	-	29,283
-	-	-	-	-	2,778,660
-	-	-	-	-	525,000
<u>\$ 48,801</u>	<u>\$ 2</u>	<u>\$ 145,044</u>	<u>\$ 58,202</u>	<u>\$ -</u>	<u>\$ 12,345,618</u>
\$ 95,363	\$ -	\$ 124,184	\$ -	\$ 5,700	\$ 1,068,242
-	-	-	87,299	-	2,173,832
-	-	-	-	-	2,783,109
-	-	-	-	-	49,750
<u>95,363</u>	<u>-</u>	<u>124,184</u>	<u>87,299</u>	<u>5,700</u>	<u>6,074,933</u>
-	-	-	-	-	525,000
-	-	-	-	-	4,499,503
-	-	20,860	-	-	793,901
(46,562)	2	-	(29,097)	(5,700)	452,281
<u>(46,562)</u>	<u>2</u>	<u>20,860</u>	<u>(29,097)</u>	<u>(5,700)</u>	<u>6,270,685</u>
<u>\$ 48,801</u>	<u>\$ 2</u>	<u>\$ 145,044</u>	<u>\$ 58,202</u>	<u>\$ -</u>	<u>\$ 12,345,618</u>

CITY OF FILLMORE
Combining Statements of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2009

	Special Revenue Funds		
	Traffic Safety	Gas Tax	Local Transportation
REVENUES			
Taxes	\$ -	\$ -	\$ -
Fines and forfeitures	93,406	-	-
Investment income	-	1,301	11,047
Intergovernmental	-	260,232	627,679
Charges for services	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	93,406	261,533	638,726
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	16,886	-	-
Public works	-	290,243	446,571
Community development	-	-	-
Transit	-	-	-
Parks and recreation	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	16,886	290,243	446,571
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	76,520	(28,710)	192,155
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	4,500	-
Transfers out	(75,000)	(26,250)	(442,486)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(75,000)	(21,750)	(442,486)
	<hr/>	<hr/>	<hr/>
Net change in fund balances	1,520	(50,460)	(250,331)
Fund balances (deficit), beginning of year	79,774	166,402	649,508
	<hr/>	<hr/>	<hr/>
Fund balances (deficit), end of year	<u>\$ 81,294</u>	<u>\$ 115,942</u>	<u>\$ 399,177</u>

Special Revenue Funds

Lighting/ Landscape Assessment District	Storm Drain Assessment District	Community Development Block Grant	Public Transit	Bike Path Maintenance
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
10,995	10,440	-	-	2,186
-	-	151,305	-	69,034
177,133	227,799	-	-	-
<u>188,128</u>	<u>238,239</u>	<u>151,305</u>	<u>-</u>	<u>71,220</u>
-	-	-	-	-
-	-	-	-	-
155,350	20,154	-	-	7,961
-	-	105,263	-	-
-	-	-	424,486	-
-	-	-	-	-
-	-	77,550	-	-
-	-	-	-	-
<u>155,350</u>	<u>20,154</u>	<u>182,813</u>	<u>424,486</u>	<u>7,961</u>
<u>32,778</u>	<u>218,085</u>	<u>(31,508)</u>	<u>(424,486)</u>	<u>63,259</u>
-	-	-	424,486	-
(27,000)	(24,000)	-	-	(125,000)
<u>(27,000)</u>	<u>(24,000)</u>	<u>-</u>	<u>424,486</u>	<u>(125,000)</u>
5,778	194,085	(31,508)	-	(61,741)
<u>521,361</u>	<u>499,729</u>	<u>(34,479)</u>	<u>-</u>	<u>134,894</u>
<u>\$ 527,139</u>	<u>\$ 693,814</u>	<u>\$ (65,987)</u>	<u>\$ -</u>	<u>\$ 73,153</u>

CITY OF FILLMORE
Combining Statements of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2009

	Special Revenue Funds		
	Solid Waste Source Reduction	Public Safety Augmentation	COPS/ CLEEP Grant
REVENUES			
Taxes	\$ -	\$ 75,955	\$ -
Fines and forfeitures	-	-	-
Investment income	-	-	-
Intergovernmental	39,147	-	55,630
Charges for services	67,657	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	106,804	75,955	55,630
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	-	20,753	-
Public works	105,565	-	-
Community development	-	-	-
Transit	-	-	-
Parks and recreation	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	105,565	20,753	-
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	1,239	55,202	55,630
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(5,000)	(1,071)	(50,000)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(5,000)	(1,071)	(50,000)
	<hr/>	<hr/>	<hr/>
Net change in fund balances	(3,761)	54,131	5,630
Fund balances (deficit), beginning of year	49,889	9,431	-
	<hr/>	<hr/>	<hr/>
Fund balances (deficit), end of year	<u>\$ 46,128</u>	<u>\$ 63,562</u>	<u>\$ 5,630</u>

Special Revenue Funds

Swimming Pool Maintenance	Recreation	DIF Public Facility	DIF Transportation Improvement	DIF Parkland
\$ 65,018	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
2,189	-	14	3,818	18,079
15,000	-	-	-	-
3,933	102,275	94,062	(8,244)	283,200
<u>86,140</u>	<u>102,275</u>	<u>94,076</u>	<u>(4,426)</u>	<u>301,279</u>
-	-	-	-	-
-	-	-	-	-
-	-	1,762	25,809	-
-	-	-	-	-
-	-	-	-	-
70,227	172,440	-	-	575,950
-	-	-	-	-
-	-	-	-	-
<u>70,227</u>	<u>172,440</u>	<u>1,762</u>	<u>25,809</u>	<u>575,950</u>
<u>15,913</u>	<u>(70,165)</u>	<u>92,314</u>	<u>(30,235)</u>	<u>(274,671)</u>
-	46,110	-	-	-
-	-	(50,000)	(39,100)	(725,000)
-	46,110	(50,000)	(39,100)	(725,000)
15,913	(24,055)	42,314	(69,335)	(999,671)
123,729	(5,925)	(62,257)	59,840	1,149,565
<u>\$ 139,642</u>	<u>\$ (29,980)</u>	<u>\$ (19,943)</u>	<u>\$ (9,495)</u>	<u>\$ 149,894</u>

CITY OF FILLMORE
Combining Statements of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2009

	Special Revenue Funds		
	DIF Sewer Improvement	DIF Water Improvement	DIF Storm Drain Improvement
REVENUES			
Taxes	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-
Investment income	39,821	6,540	2,892
Intergovernmental	-	-	-
Charges for services	220,758	228,475	87,895
Total revenues	<u>260,579</u>	<u>235,015</u>	<u>90,787</u>
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	49,322	500
Community development	-	-	-
Transit	-	-	-
Parks and recreation	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	89,248	-	-
Total expenditures	<u>89,248</u>	<u>49,322</u>	<u>500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>171,331</u>	<u>185,693</u>	<u>90,287</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(1,725,000)	(239,558)	-
Total other financing sources (uses)	<u>(1,725,000)</u>	<u>(239,558)</u>	<u>-</u>
Net change in fund balances	(1,553,669)	(53,865)	90,287
Fund balances (deficit), beginning of year	<u>1,891,116</u>	<u>169,673</u>	<u>32,772</u>
Fund balances (deficit), end of year	<u>\$ 337,447</u>	<u>\$ 115,808</u>	<u>\$ 123,059</u>

Special Revenue Funds		Capital Projects Funds		
Storm Water NPDES	Redevelopment Agency Housing	Intermodal Transportation Centers	Heritage Valley Tourism	Sespe Creek Bikepath
\$ -	\$ 1,517,900	\$ -	\$ -	\$ -
-	-	-	-	-
-	216,060	-	-	-
-	-	-	-	-
10,158	-	-	-	-
<u>10,158</u>	<u>1,733,960</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	101,080	-	-	-
-	-	-	-	-
5,910	-	-	-	-
-	1,994,891	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>5,910</u>	<u>2,095,971</u>	<u>-</u>	<u>-</u>	<u>-</u>
4,248	(362,011)	-	-	-
-	-	-	-	-
-	(44,600)	-	-	-
-	(44,600)	-	-	-
4,248	(406,611)	-	-	-
<u>30,332</u>	<u>5,431,114</u>	<u>28,628</u>	<u>21,370</u>	<u>45,127</u>
<u>\$ 34,580</u>	<u>\$ 5,024,503</u>	<u>\$ 28,628</u>	<u>\$ 21,370</u>	<u>\$ 45,127</u>

CITY OF FILLMORE
Combining Statements of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2009

	Capital Projects Funds		
	Signals	Misc. Capital Projects	Street Projects
REVENUES			
Taxes	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-
Investment income	-	-	-
Intergovernmental	524,702	30,000	69,757
Charges for services	-	-	-
	<u>524,702</u>	<u>30,000</u>	<u>69,757</u>
Total revenues			
	<u>524,702</u>	<u>30,000</u>	<u>69,757</u>
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Community development	-	-	-
Transit	-	-	-
Parks and recreation	-	-	-
Capital outlay	972,337	4,052,958	363,097
Debt service:			
Principal	-	-	-
	<u>972,337</u>	<u>4,052,958</u>	<u>363,097</u>
Total expenditures			
	<u>972,337</u>	<u>4,052,958</u>	<u>363,097</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(447,635)</u>	<u>(4,022,958)</u>	<u>(293,340)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	110,750	2,730,800	-
Transfers out	(10,920)	-	(10,500)
	<u>99,830</u>	<u>2,730,800</u>	<u>(10,500)</u>
Total other financing sources (uses)			
	<u>99,830</u>	<u>2,730,800</u>	<u>(10,500)</u>
Net change in fund balances	(347,805)	(1,292,158)	(303,840)
Fund balances (deficit), beginning of year	53,381	322,615	(1,503)
Fund balances (deficit), end of year	<u>\$ (294,424)</u>	<u>\$ (969,543)</u>	<u>\$ (305,343)</u>

Capital Projects Funds					
Central Avenue Improvements	Corporate Yard/Fire Station Project	Vehicle Replacement	Depot Restoration	Well #9	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,658,873
-	-	-	-	-	93,406
-	-	-	-	-	325,382
-	-	-	-	-	1,842,486
-	-	-	-	-	1,495,101
-	-	-	-	-	5,415,248
-	-	-	-	-	101,080
-	-	-	-	-	37,639
-	-	-	-	-	1,109,147
-	-	-	-	-	2,100,154
-	-	-	-	-	424,486
-	-	-	-	-	818,617
1,145,380	7,018	124,184	-	5,700	6,748,224
-	-	-	-	-	89,248
1,145,380	7,018	124,184	-	5,700	11,428,595
(1,145,380)	(7,018)	(124,184)	-	(5,700)	(6,013,347)
972,980	7,020	201,500	-	-	4,498,146
-	-	(145,966)	-	-	(3,766,451)
972,980	7,020	55,534	-	-	731,695
(172,400)	2	(68,650)	-	(5,700)	(5,281,652)
125,838	-	89,510	(29,097)	-	11,552,337
<u>\$ (46,562)</u>	<u>\$ 2</u>	<u>\$ 20,860</u>	<u>\$ (29,097)</u>	<u>\$ (5,700)</u>	<u>\$ 6,270,685</u>

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CITY OF FILLMORE
For the Year Ended June 30, 2009
Nonmajor Fund Budgetary Comparison Schedules

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

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Traffic Safety Special Revenue Fund
For the fiscal year ended June 30, 2009

	Final budget	Actual	Variance with final budget
Revenues			
Fines and forfeitures	\$ 53,000	\$ 93,406	\$ 40,406
Total revenues	53,000	93,406	40,406
Expenditures			
Current:			
Public safety	22,656	16,886	5,770
Total expenditures	22,656	16,886	5,770
Excess (deficiency) of revenues over (under) expenditures	30,344	76,520	46,176
Other financing sources (uses)			
Transfers out	(75,000)	(75,000)	-
Total other financing sources (uses)	(75,000)	(75,000)	-
Net change in fund balance	(44,656)	1,520	46,176
Fund balance, beginning of year	79,774	79,774	-
Fund balance, end of year	\$ 35,118	\$ 81,294	\$ 46,176

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, 2009

	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
Revenues			
Investment income	\$ 2,200	\$ 1,301	\$ (899)
Intergovernmental	278,000	260,232	(17,768)
Total revenues	<u>280,200</u>	<u>261,533</u>	<u>(18,667)</u>
Expenditures			
Current:			
Public works	<u>301,176</u>	<u>290,243</u>	<u>10,933</u>
Total expenditures	<u>301,176</u>	<u>290,243</u>	<u>10,933</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20,976)</u>	<u>(28,710)</u>	<u>(7,734)</u>
Other financing sources (uses)			
Transfers in	4,500	4,500	-
Transfers out	<u>(26,250)</u>	<u>(26,250)</u>	<u>-</u>
Total other financing sources (uses)	<u>(21,750)</u>	<u>(21,750)</u>	<u>-</u>
Net change in fund balance	(42,726)	(50,460)	(7,734)
Fund balance, beginning of year	<u>166,402</u>	<u>166,402</u>	<u>-</u>
Fund balance, end of year	<u>\$ 123,676</u>	<u>\$ 115,942</u>	<u>\$ (7,734)</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, 2009

	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
Revenues			
Investment income	\$ 8,000	\$ 11,047	\$ 3,047
Intergovernmental	<u>677,687</u>	<u>627,679</u>	<u>(50,008)</u>
Total revenues	<u>685,687</u>	<u>638,726</u>	<u>(46,961)</u>
Expenditures			
Current:			
Public works	<u>459,666</u>	<u>446,571</u>	<u>13,095</u>
Total expenditures	<u>459,666</u>	<u>446,571</u>	<u>13,095</u>
Excess (deficiency) of revenues over (under) expenditures	<u>226,021</u>	<u>192,155</u>	<u>(33,866)</u>
Other financing sources (uses)			
Transfers out	<u>(892,486)</u>	<u>(442,486)</u>	<u>450,000</u>
Total other financing sources (uses)	<u>(892,486)</u>	<u>(442,486)</u>	<u>450,000</u>
Net change in fund balance	(666,465)	(250,331)	416,134
Fund balance, beginning of year	<u>649,508</u>	<u>649,508</u>	<u>-</u>
Fund balance, end of year	<u>\$ (16,957)</u>	<u>\$ 399,177</u>	<u>\$ 416,134</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, 2009

	Final budget	Actual	Variance with final budget
Revenues			
Investment income	\$ 10,000	\$ 10,995	\$ 995
Charges for services	189,988	177,133	(12,855)
 Total revenues	 199,988	 188,128	 (11,860)
 Expenditures			
Current:			
Public works	367,413	155,350	212,063
 Total expenditures	 367,413	 155,350	 212,063
 Excess (deficiency) of revenues over (under) expenditures	 (167,425)	 32,778	 200,203
 Other financing sources (uses)			
Transfers out	(27,000)	(27,000)	-
 Total other financing sources (uses)	 (27,000)	 (27,000)	 -
 Net change in fund balance	 (194,425)	 5,778	 200,203
 Fund balance, beginning of year	 521,361	 521,361	 -
 Fund balance, end of year	 <u>\$ 326,936</u>	 <u>\$ 527,139</u>	 <u>\$ 200,203</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, 2009

	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
Revenues			
Investment income	\$ 9,000	\$ 10,440	\$ 1,440
Charges for services	103,054	227,799	124,745
 Total revenues	 112,054	 238,239	 126,185
Expenditures			
Current:			
Public works	72,134	20,154	51,980
 Total expenditures	 72,134	 20,154	 51,980
Excess (deficiency) of revenues over (under) expenditures	39,920	218,085	178,165
Other financing sources (uses)			
Transfers out	(24,000)	(24,000)	-
 Total other financing sources (uses)	 (24,000)	 (24,000)	 -
Net change in fund balance	15,920	194,085	178,165
Fund balance, beginning of year	499,729	499,729	-
Fund balance, end of year	<u>\$ 515,649</u>	<u>\$ 693,814</u>	<u>\$ 178,165</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, 2009

	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
Revenues			
Intergovernmental	\$ 315,018	\$ 151,305	\$ (163,713)
Total revenues	<u>315,018</u>	<u>151,305</u>	<u>(163,713)</u>
Expenditures			
Current:			
Community development	314,772	105,263	209,509
Capital outlay	<u>77,550</u>	<u>77,550</u>	<u>-</u>
Total expenditures	<u>392,322</u>	<u>182,813</u>	<u>209,509</u>
Net change in fund balance	(77,304)	(31,508)	45,796
Fund balance, beginning of year	<u>(34,479)</u>	<u>(34,479)</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ (111,783)</u></u>	<u><u>\$ (65,987)</u></u>	<u><u>\$ 45,796</u></u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Public Transit Special Revenue Fund
For the fiscal year ended June 30, 2009

	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
Expenditures			
Current:			
Public works	\$ 424,486	\$ 424,486	\$ -
Total expenditures	<u>424,486</u>	<u>424,486</u>	<u>-</u>
Other financing sources (uses)			
Transfers in	<u>424,486</u>	<u>424,486</u>	<u>-</u>
Total other financing sources (uses)	<u>424,486</u>	<u>424,486</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Bike Path Maintenance Special Revenue Fund
For the fiscal year ended June 30, 2009

	Final budget	Actual	Variance with final budget
Revenues			
Investment income	\$ -	\$ 2,186	\$ 2,186
Intergovernmental	74,310	69,034	(5,276)
Total revenues	74,310	71,220	(3,090)
Expenditures			
Current:			
Public works	10,413	7,961	2,452
Total expenditures	10,413	7,961	2,452
Excess (deficiency) of revenues over (under) expenditures	63,897	63,259	(638)
Other financing sources (uses)			
Transfers out	(193,810)	(125,000)	68,810
Total other financing sources (uses)	(193,810)	(125,000)	68,810
Net change in fund balance	(129,913)	(61,741)	68,172
Fund balance, beginning of year	134,894	134,894	-
Fund balance, end of year	<u>\$ 4,981</u>	<u>\$ 73,153</u>	<u>\$ 68,172</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, 2009

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	\$ 42,132	\$ 39,147	\$ (2,985)
Charges for services	61,000	67,657	6,657
Total revenues	103,132	106,804	3,672
Expenditures			
Current:			
Public works	115,894	105,565	10,329
Total expenditures	115,894	105,565	10,329
Excess (deficiency) of revenues over (under) expenditures	(12,762)	1,239	14,001
Other financing sources (uses)			
Transfers out	(5,000)	(5,000)	-
Total other financing sources (uses)	(5,000)	(5,000)	-
Net change in fund balance	(17,762)	(3,761)	14,001
Fund balance, beginning of year	49,889	49,889	-
Fund balance, end of year	<u>\$ 32,127</u>	<u>\$ 46,128</u>	<u>\$ 14,001</u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Public Safety Augmentation Special Revenue Fund
For the fiscal year ended June 30, 2009

	Final budget	Actual	Variance with final budget
Revenues			
Taxes	\$ -	\$ 75,955	\$ 75,955
Total revenues	-	75,955	75,955
Expenditures			
Current:			
Public works	16,455	20,753	(4,298)
Total expenditures	16,455	20,753	(4,298)
Excess (deficiency) of revenues over (under) expenditures	(16,455)	55,202	71,657
Other financing sources (uses)			
Transfers out	(1,071)	(1,071)	-
Total other financing sources (uses)	(1,071)	(1,071)	-
Net change in fund balance	(17,526)	54,131	71,657
Fund balance, beginning of year	9,431	9,431	-
Fund balance, end of year	\$ (8,095)	\$ 63,562	\$ 71,657

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
COPS/CLEEP Grant Special Revenue Fund
For the fiscal year ended June 30, 2009

	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
Revenues			
Intergovernmental	\$ 100,000	\$ 55,630	\$ (44,370)
Total revenues	<u>100,000</u>	<u>55,630</u>	<u>(44,370)</u>
Expenditures			
Current:			
Public safety	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>100,000</u>	<u>55,630</u>	<u>(44,370)</u>
Other financing sources (uses)			
Transfers out	(100,000)	(50,000)	50,000
Total other financing sources (uses)	<u>(100,000)</u>	<u>(50,000)</u>	<u>50,000</u>
Net change in fund balance	-	5,630	5,630
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ 5,630</u>	<u>\$ 5,630</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, 2009

	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
Revenues			
Taxes	\$ 64,000	\$ 65,018	\$ 1,018
Investment income	2,000	2,189	189
Intergovernmental	-	15,000	15,000
Charges for services	11,000	3,933	(7,067)
	<u>77,000</u>	<u>86,140</u>	<u>9,140</u>
Expenditures			
Current:			
Parks and recreation	<u>102,032</u>	<u>70,227</u>	<u>31,805</u>
Total expenditures	<u>102,032</u>	<u>70,227</u>	<u>31,805</u>
Net change in fund balance	(25,032)	15,913	40,945
Fund balance, beginning of year	<u>123,729</u>	<u>123,729</u>	<u>-</u>
Fund balance, end of year	<u>\$ 98,697</u>	<u>\$ 139,642</u>	<u>\$ 40,945</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, 2009

	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
Revenues			
Charges for services	\$ 110,232	\$ 102,275	\$ (7,957)
Total revenues	<u>110,232</u>	<u>102,275</u>	<u>(7,957)</u>
Expenditures			
Current:			
Parks and recreation	<u>156,342</u>	<u>172,440</u>	<u>(16,098)</u>
Total expenditures	<u>156,342</u>	<u>172,440</u>	<u>(16,098)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(46,110)</u>	<u>(70,165)</u>	<u>(24,055)</u>
Other financing sources (uses)			
Transfers in	<u>46,110</u>	<u>46,110</u>	<u>-</u>
Total other financing sources (uses)	<u>46,110</u>	<u>46,110</u>	<u>-</u>
Net change in fund balance	-	(24,055)	(24,055)
Fund balance, beginning of year	<u>(5,925)</u>	<u>(5,925)</u>	<u>-</u>
Fund balance, end of year	<u>\$ (5,925)</u>	<u>\$ (29,980)</u>	<u>\$ (24,055)</u>

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, 2009

	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
Revenues			
Investment income	\$ 2,500	\$ 14	\$ (2,486)
Charges for services	<u>97,041</u>	<u>94,062</u>	<u>(2,979)</u>
Total revenues	<u>99,541</u>	<u>94,076</u>	<u>(5,465)</u>
Expenditures			
Current:			
Public works	<u>2,000</u>	<u>1,762</u>	<u>238</u>
Total expenditures	<u>2,000</u>	<u>1,762</u>	<u>238</u>
Excess (deficiency) of revenues over (under) expenditures	<u>97,541</u>	<u>92,314</u>	<u>(5,227)</u>
Other financing sources (uses)			
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Net change in fund balance	47,541	42,314	(5,227)
Fund balance, beginning of year	<u>(62,257)</u>	<u>(62,257)</u>	<u>-</u>
Fund balance, end of year	<u>\$ (14,716)</u>	<u>\$ (19,943)</u>	<u>\$ (5,227)</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, 2009

	Final budget	Actual	Variance with final budget
Revenues			
Investment income	\$ 7,000	\$ 3,818	\$ (3,182)
Charges for services	65,242	(8,244)	(73,486)
Total revenues	72,242	(4,426)	(76,668)
Expenditures			
Current:			
Public works	87,500	25,809	61,691
Total expenditures	87,500	25,809	61,691
Excess (deficiency) of revenues over (under) expenditures	(15,258)	(30,235)	(14,977)
Other financing sources (uses)			
Transfers out	(39,100)	(39,100)	-
Total other financing sources (uses)	(39,100)	(39,100)	-
Net change in fund balance	(54,358)	(69,335)	(14,977)
Fund balance, beginning of year	59,840	59,840	-
Fund balance, end of year	<u>\$ 5,482</u>	<u>\$ (9,495)</u>	<u>\$ (14,977)</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, 2009

	Final budget	Actual	Variance with final budget
Revenues			
Investment income	\$ 20,000	\$ 18,079	\$ (1,921)
Charges for services	264,365	283,200	18,835
 Total revenues	 284,365	 301,279	 16,914
 Expenditures			
Current:			
Parks and recreation	577,000	575,950	1,050
 Total expenditures	 577,000	 575,950	 1,050
 Excess (deficiency) of revenues over (under) expenditures	 (292,635)	 (274,671)	 17,964
 Other financing sources (uses)			
Transfers out	(1,300,000)	(725,000)	575,000
 Total other financing sources (uses)	 (1,300,000)	 (725,000)	 575,000
 Net change in fund balance	 (1,592,635)	 (999,671)	 592,964
Fund balance, beginning of year	1,149,565	1,149,565	-
Fund balance, end of year	<u>\$ (443,070)</u>	<u>\$ 149,894</u>	<u>\$ 592,964</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, 2009

	Final budget	Actual	Variance with final budget
Revenues			
Investment income	\$ 30,000	\$ 39,821	\$ 9,821
Charges for services	446,862	220,758	(226,104)
 Total revenues	 476,862	 260,579	 (216,283)
Expenditures			
Current:			
Public works	22,000	-	22,000
Debt service:			
Principal	89,248	89,248	-
 Total expenditures	 111,248	 89,248	 22,000
Excess (deficiency) of revenues over (under) expenditures	365,614	171,331	(194,283)
Other financing sources (uses)			
Transfers out	(1,725,000)	(1,725,000)	-
 Total other financing sources (uses)	 (1,725,000)	 (1,725,000)	 -
Net change in fund balance	(1,359,386)	(1,553,669)	(194,283)
Fund balance, beginning of year	1,891,116	1,891,116	-
Fund balance, end of year	\$ 531,730	\$ 337,447	\$ (194,283)

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, 2009

	Final budget	Actual	Variance with final budget
Revenues			
Investment income	\$ 15,000	\$ 6,540	\$ (8,460)
Charges for services	294,042	228,475	(65,567)
 Total revenues	 309,042	 235,015	 (74,027)
Expenditures			
Current:			
Public works	55,000	49,322	5,678
 Total expenditures	 55,000	 49,322	 5,678
 Excess (deficiency) of revenues over (under) expenditures	 254,042	 185,693	 (68,349)
Other financing sources (uses)			
Transfers out	(989,558)	(239,558)	750,000
 Total other financing sources (uses)	 (989,558)	 (239,558)	 750,000
 Net change in fund balance	 (735,516)	 (53,865)	 681,651
 Fund balance, beginning of year	 169,673	 169,673	 -
 Fund balance, end of year	 <u>\$ (565,843)</u>	 <u>\$ 115,808</u>	 <u>\$ 681,651</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, 2009

	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
Revenues			
Investment income	\$ 5,000	\$ 2,892	\$ (2,108)
Charges for services	<u>138,196</u>	<u>87,895</u>	<u>(50,301)</u>
Total revenues	<u>143,196</u>	<u>90,787</u>	<u>(52,409)</u>
Expenditures			
Current:			
Public works	<u>2,000</u>	<u>500</u>	<u>1,500</u>
Total expenditures	<u>2,000</u>	<u>500</u>	<u>1,500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>141,196</u>	<u>90,287</u>	<u>(50,909)</u>
Other financing sources (uses)			
Transfers out	<u>(166,000)</u>	<u>-</u>	<u>166,000</u>
Total other financing sources (uses)	<u>(166,000)</u>	<u>-</u>	<u>166,000</u>
Net change in fund balance	(24,804)	90,287	115,091
Fund balance, beginning of year	<u>32,772</u>	<u>32,772</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 7,968</u></u>	<u><u>\$ 123,059</u></u>	<u><u>\$ 115,091</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, 2009

	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
Revenues			
Charges for services	<u>\$ 16,000</u>	<u>\$ 10,158</u>	<u>\$ (5,842)</u>
Total revenues	<u>16,000</u>	<u>10,158</u>	<u>(5,842)</u>
Expenditures			
Current:			
Public works	<u>11,195</u>	<u>5,910</u>	<u>5,285</u>
Total expenditures	<u>11,195</u>	<u>5,910</u>	<u>5,285</u>
Net change in fund balance	4,805	4,248	(557)
Fund balance, beginning of year	<u>30,332</u>	<u>30,332</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 35,137</u></u>	<u><u>\$ 34,580</u></u>	<u><u>\$ (557)</u></u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Redevelopment Agency Housing Special Revenue Fund
For the fiscal year ended June 30, 2009

	Final budget	Actual	Variance with final budget
Revenues			
Taxes	\$ 1,430,000	\$ 1,517,900	\$ 87,900
Investment income	130,000	216,060	86,060
Total revenues	<u>1,560,000</u>	<u>1,733,960</u>	<u>173,960</u>
Expenditures			
Current:			
General government	113,452	101,080	12,372
Community development	<u>3,160,338</u>	<u>1,994,891</u>	<u>1,165,447</u>
Total expenditures	<u>3,273,790</u>	<u>2,095,971</u>	<u>1,177,819</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,713,790)</u>	<u>(362,011)</u>	<u>1,351,779</u>
Other financing sources (uses)			
Transfers out	<u>(44,600)</u>	<u>(44,600)</u>	<u>-</u>
Total other financing sources (uses)	<u>(44,600)</u>	<u>(44,600)</u>	<u>-</u>
Net change in fund balance	(1,758,390)	(406,611)	1,351,779
Fund balance, beginning of year	<u>5,431,114</u>	<u>5,431,114</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 3,672,724</u></u>	<u><u>\$ 5,024,503</u></u>	<u><u>\$ 1,351,779</u></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, 2009

	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
Revenues			
Intergovernmental	<u>\$ 720,000</u>	<u>\$ 524,702</u>	<u>\$ (195,298)</u>
Total revenues	<u>720,000</u>	<u>524,702</u>	<u>(195,298)</u>
Expenditures			
Capital outlay	<u>830,750</u>	<u>972,337</u>	<u>(141,587)</u>
Total expenditures	<u>830,750</u>	<u>972,337</u>	<u>(141,587)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(110,750)</u>	<u>(447,635)</u>	<u>(336,885)</u>
Other financing sources (uses)			
Transfers in	110,750	110,750	-
Transfers out	<u>-</u>	<u>(10,920)</u>	<u>(10,920)</u>
Total other financing sources (uses)	<u>110,750</u>	<u>99,830</u>	<u>(10,920)</u>
Net change in fund balance	-	(347,805)	(347,805)
Fund balance, beginning of year	<u>53,381</u>	<u>53,381</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 53,381</u></u>	<u><u>\$ (294,424)</u></u>	<u><u>\$ (347,805)</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, 2009

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	\$ 410,493	\$ 30,000	\$ (380,493)
Total revenues	410,493	30,000	(380,493)
Expenditures			
Capital outlay	5,228,594	4,052,958	1,175,636
Total expenditures	5,228,594	4,052,958	1,175,636
Excess (deficiency) of revenues over (under) expenditures	(4,818,101)	(4,022,958)	795,143
Other financing sources (uses)			
Transfers in	4,818,101	2,730,800	(2,087,301)
Total other financing sources (uses)	4,818,101	2,730,800	(2,087,301)
Net change in fund balance	-	(1,292,158)	(1,292,158)
Fund balance, beginning of year	322,615	322,615	-
Fund balance, end of year	\$ 322,615	\$ (969,543)	\$ (1,292,158)

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, 2009

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	\$ 303,201	\$ 69,757	\$ (233,444)
Total revenues	303,201	69,757	(233,444)
Expenditures			
Capital outlay	815,701	363,097	452,604
Total expenditures	815,701	363,097	452,604
Excess (deficiency) of revenues over (under) expenditures	(512,500)	(293,340)	219,160
Other financing sources (uses)			
Transfers in	523,000	-	(523,000)
Transfers out	(10,500)	(10,500)	-
Total other financing sources (uses)	512,500	(10,500)	(523,000)
Net change in fund balance	-	(303,840)	(303,840)
Fund balance, beginning of year	(1,503)	(1,503)	-
Fund balance, end of year	\$ (1,503)	\$ (305,343)	\$ (303,840)

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Central Avenue Improvements Capital Projects Fund
For the fiscal year ended June 30, 2009

	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
Expenditures			
Capital outlay	<u>\$ 1,079,700</u>	<u>\$ 1,145,380</u>	<u>\$ (65,680)</u>
Total expenditures	<u>1,079,700</u>	<u>1,145,380</u>	<u>(65,680)</u>
Other financing sources (uses)			
Transfers in	<u>1,079,700</u>	<u>972,980</u>	<u>(106,720)</u>
Total other financing sources (uses)	<u>1,079,700</u>	<u>972,980</u>	<u>(106,720)</u>
Net change in fund balance	-	(172,400)	(172,400)
Fund balance, beginning of year	<u>125,838</u>	<u>125,838</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 125,838</u></u>	<u><u>\$ (46,562)</u></u>	<u><u>\$ (172,400)</u></u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Corporate Yard/Fire Station Capital Projects Fund
For the fiscal year ended June 30, 2009

	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
Expenditures			
Capital outlay	\$ 494,000	\$ 7,018	\$ 486,982
Total expenditures	<u>494,000</u>	<u>7,018</u>	<u>486,982</u>
Other financing sources (uses)			
Transfers in	519,000	7,020	(511,980)
Transfers out	<u>(25,000)</u>	<u>-</u>	<u>25,000</u>
Total other financing sources (uses)	<u>494,000</u>	<u>7,020</u>	<u>(486,980)</u>
Net change in fund balance	-	2	2
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</u>

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, 2009

	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
Expenditures			
Capital outlay	\$ 125,000	\$ 124,184	\$ 816
Total expenditures	<u>125,000</u>	<u>124,184</u>	<u>816</u>
Other financing sources (uses)			
Transfers in	201,500	201,500	-
Transfers out	<u>(145,975)</u>	<u>(145,966)</u>	<u>9</u>
Total other financing sources (uses)	<u>55,525</u>	<u>55,534</u>	<u>9</u>
Net change in fund balance	(69,475)	(68,650)	825
Fund balance, beginning of year	<u>89,510</u>	<u>89,510</u>	<u>-</u>
Fund balance, end of year	<u>\$ 20,035</u>	<u>\$ 20,860</u>	<u>\$ 825</u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Well #9 Capital Projects Fund
For the fiscal year ended June 30, 2009

	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
Expenditures			
Capital outlay	\$ 750,000	\$ 5,700	\$ 744,300
Total expenditures	<u>750,000</u>	<u>5,700</u>	<u>744,300</u>
Other financing sources (uses)			
Transfers in	<u>750,000</u>	<u>-</u>	<u>(750,000)</u>
Total other financing sources (uses)	<u>750,000</u>	<u>-</u>	<u>(750,000)</u>
Net change in fund balance	-	(5,700)	(5,700)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ (5,700)</u></u>	<u><u>\$ (5,700)</u></u>

CITY OF FILLMORE
Combining Statement of Net Assets
Proprietary Funds – Sewer Fund
June 30, 2009

	Sewer Operating Fund	Sewer Projects Fund	Sewer Replacement Fund	Rate Stabilization Fund	Totals
Assets					
Current assets:					
Cash and investments	\$ 1,922,512	\$ (1,955,642)	\$ 6,183	\$ 4,929,864	\$ 4,902,917
Cash and investments with fiscal agents	19,326,761	-	-	-	19,326,761
Accounts receivable, net	511,699	738,045	-	-	1,249,744
Interest receivable	6,530	-	-	18,042	24,572
Total current assets	21,767,502	(1,217,597)	6,183	4,947,906	25,503,994
Noncurrent assets:					
Deferred issuance costs, net	1,152,267	-	-	-	1,152,267
Capital assets:					
Land	2,688,630	-	-	-	2,688,630
Construction in progress	-	54,185,366	-	-	54,185,366
Depreciable infrastructure, net	3,983,313	-	-	-	3,983,313
Depreciable equipment, net	1,923,984	-	-	-	1,923,984
Total non-current assets	9,748,194	54,185,366	-	-	63,933,560
Total assets	\$ 31,515,696	\$ 52,967,769	\$ 6,183	\$ 4,947,906	\$ 89,437,554

CITY OF FILLMORE
Combining Statement of Net Assets
Proprietary Funds – Sewer Fund
June 30, 2009

	Sewer Operating Fund	Sewer Projects Fund	Sewer Replacement Fund	Rate Stabilization Fund	Totals
Liabilities					
Current liabilities:					
Accounts payable	\$ 86,967	\$ 5,057,555	\$ -	\$ -	\$ 5,144,522
Accrued interest payable	474,659	-	-	-	474,659
Deposits payable	49,755	-	-	-	49,755
Due to other funds	6,856	-	-	-	6,856
Current portion of long-term obligations	64,787	-	-	-	64,787
Total current liabilities	683,024	5,057,555	-	-	5,740,579
Non-current liabilities:					
Compensated absences	10,584	-	-	-	10,584
Advances payable	57,490,000	-	-	-	57,490,000
Loan payable – State Water Board	23,446	-	-	-	23,446
Premium on long-term advances	1,953,405	-	-	-	1,953,405
Total non-current liabilities	59,477,435	-	-	-	59,477,435
Total liabilities	60,160,459	5,057,555	-	-	65,218,014
Net Assets					
Invested in capital assets, net of related debt	(36,082,928)	54,185,366	-	-	18,102,438
Restricted for debt service	5,211,673	-	-	-	5,211,673
Unrestricted	2,226,492	(6,275,152)	6,183	4,947,906	905,429
Total net assets	\$ (28,644,763)	\$ 47,910,214	\$ 6,183	\$ 4,947,906	\$ 24,219,540

CITY OF FILLMORE
Combining Statement of Revenues, Expenses and
Changes in Net Assets
Proprietary Funds – Sewer Fund
June 30, 2009

	Sewer Operating Fund	Sewer Projects Fund	Sewer Replacement Fund	Rate Stabilization Fund	Totals
Operating revenues					
Sales and service charges	\$ 4,249,684	\$ -	\$ -	\$ -	\$ 4,249,684
Other revenue	87,498	238,213	-	-	325,711
Total operating revenues	4,337,182	238,213	-	-	4,575,395
Operating expenses					
Administration costs	420,646	-	-	-	420,646
Bad debt	83,887	-	-	-	83,887
Treatment and disposal plant	1,049,663	-	-	-	1,049,663
Depreciation	93,051	-	-	-	93,051
Total operating expenses	1,647,247	-	-	-	1,647,247
Operating income	2,689,935	238,213	-	-	2,928,148
Non-operating revenues (expenses)					
Capital grants	-	1,556,475	-	-	1,556,475
Investment earnings	1,543,499	-	-	46,932	1,590,431
Amortization	(30,456)	-	-	-	(30,456)
Interest expense	(3,269,582)	-	-	-	(3,269,582)
Total non-operating revenues (expenses)	(1,756,539)	1,556,475	-	46,932	(153,132)
Income before transfers	933,396	1,794,688	-	46,932	2,775,016
Transfers in	-	20,634,175	-	2,693,510	23,327,685
Transfers out	(21,552,515)	(2,005,800)	-	-	(23,558,315)
Change in net assets	(20,619,119)	20,423,063	-	2,740,442	2,544,386
Net assets, beginning of year	(8,025,644)	27,487,151	6,183	2,207,464	21,675,154
Net assets, end of fiscal year	\$ (28,644,763)	\$ 47,910,214	\$ 6,183	\$ 4,947,906	\$ 24,219,540

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 Net Assets
Agency Funds
June 30, 2009

	Special Deposits	Community Facilities District No. 1	Community Facilities District No. 2	Community Facilities District No. 3
ASSETS				
Cash and investments	\$ 3,002,295	\$ 145,743	\$ 48,521	\$ 266,518
Cash and investments with fiscal agents	-	192,070	40,500	315,125
Receivables:				
Interest	-	391	-	559
Intergovernmental	-	2,305	17,131	10,099
	<u>\$ 3,002,295</u>	<u>\$ 340,509</u>	<u>\$ 106,152</u>	<u>\$ 592,301</u>
Total assets				
LIABILITIES				
Accounts payable	\$ 45,421	\$ -	\$ -	\$ -
Deposits payable	2,956,874	-	-	-
Due to bondholders	-	340,509	106,152	592,301
	<u>\$ 3,002,295</u>	<u>\$ 340,509</u>	<u>\$ 106,152</u>	<u>\$ 592,301</u>
Total liabilities				

Community Facilities District No. 5	Community Facilities District No. 6	Totals
\$ 209,491	\$ 95,101	\$ 3,767,669
-	-	547,695
-	-	950
18,371	-	47,906
<u>\$ 227,862</u>	<u>\$ 95,101</u>	<u>\$ 4,364,220</u>
\$ -	\$ 1,462	\$ 46,882
-	-	2,956,874
227,862	93,639	1,360,464
<u>\$ 227,862</u>	<u>\$ 95,101</u>	<u>\$ 4,364,220</u>

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